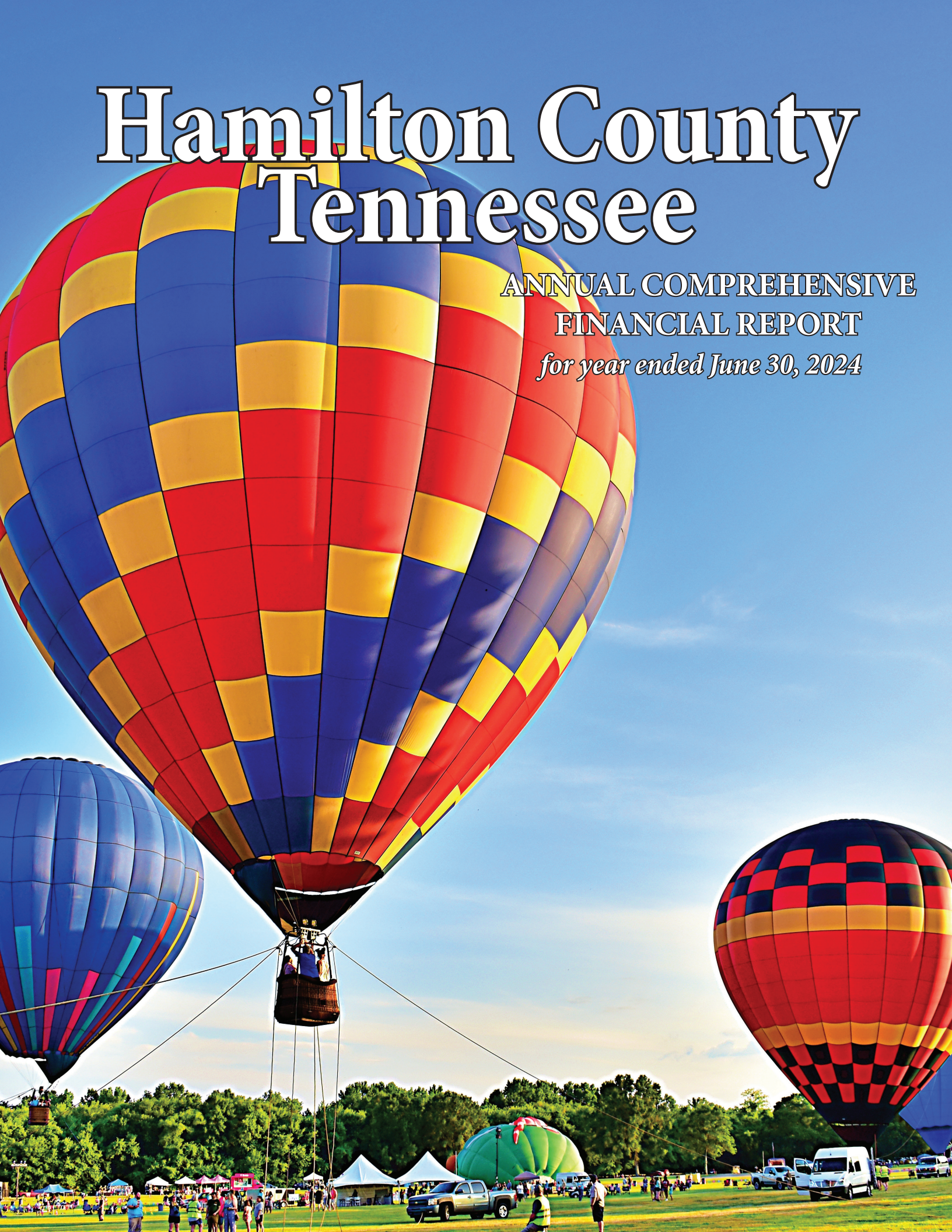


Hamilton County Tennessee

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for year ended June 30, 2024







Annual Comprehensive Financial Report • HAMILTON COUNTY • Tennessee

for the year ended June 30, 2024

prepared by the Finance Division

Lee H. Brouner, Chief Financial Officer

Vonda M. Patrick, Deputy Chief Financial Officer

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HAMILTON COUNTY, TENNESSEE

OFFICE OF THE COUNTY MAYOR
WESTON WAMP

February 26, 2025

To the County Board of Commissioners
And Citizens of Hamilton County

As Tennessee continues to be a destination for families and businesses, Hamilton County is quickly becoming the envy of the South with our breathtaking natural beauty and thriving economy. With record investments underway into public education, Hamilton County is poised for years of new opportunities, building on the core strengths at one of America's great communities.

Last year marked a defining moment for Hamilton County as we secured the historic "Golden Gateway" site in downtown Chattanooga for a career and technical school. This project, bolstered by a \$2 million commitment from Governor Bill Lee, forms the cornerstone of the largest modernization plan for public schools in Hamilton County history, totaling \$250 million. Building on this vision for the future of our workforce, we committed \$3 million to established career and technical education initiatives in public schools, including expanding student access, upgrading equipment, and creating Hamilton County Schools' first "pipeline partnership" at Hixson High School to prepare students for real-world opportunities.

To date, we have invested \$5.3 million in upgrading athletic facilities across Hamilton County public schools with millions more planned in the next year. This includes four new turf fields at local high schools, new stadium lighting for baseball, softball, and football facilities, a brand-new track at East Ridge, and tennis courts at Signal Mountain High School. These upgrades are about more than just facilities—they're about investing in our students and their future.

As our unincorporated areas experience unprecedented growth, we recognized the need for a long-term, sustainable plan to maintain the roadways of our people and protect the quality of life in rural Hamilton County. As part of a comprehensive area planning process, we established the County Roads Improvement Fund, the largest road investment in county history. This initiative began with a \$5.8 million allocation, designed to unlock additional funding through grant matches multiplying its impact. In the past year, we paved 32 miles of roads and are on track to exceed 40 miles this fiscal year, prioritizing safety and connectivity.

Our commitment to health and well-being took center stage with a \$10 million agreement to sell the downtown Health Department facility to Erlanger Health System. This strategic move allows for expanded services at the region's lone safety-net hospital, while the Health Department transitions to a new location in the health corridor, while modernizing the delivery of public health services.

In our relentless fight against one of the most devastating epidemics of our time, Hamilton County has embraced innovation and collaboration to combat the opioid crisis. This year, we secured \$1.5 million in federal funding to establish a Medication-Assisted Treatment (MAT) program at the Hamilton County Jail, providing critical support to inmates battling opioid use disorder. Our collective efforts are yielding results as we have seen a decrease in fatal overdoses over the last year. In the next year, Hamilton County EMS will step further into the fight against this epidemic with the launch of an opioid response unit.



**TO THE COUNTY BOARD OF COMMISSIONERS
AND CITIZENS OF HAMILTON COUNTY**

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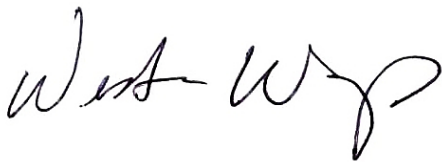
Hamilton County's parks and public spaces received transformative upgrades, underscoring our dedication to enhancing community life. From a new fishing pier and waterfront yurts at Chester Frost Park to inclusive playgrounds at Heritage Park and the opening of the scenic McDonald Farm as a passive park, these investments create spaces where families and individuals can connect and enjoy the beauty of Hamilton County. We also turned our focus to revitalizing the iconic Chattanooga riverfront with a half-a-million dollar pledge to make it more accessible and family-friendly.

We transformed the historic Harrison Elementary School into the county's first community and senior center, establishing it as a hub of civic life. With \$1.4 million from the State of Tennessee, we are enhancing this facility to include a culinary incubator and computer lab, ensuring it serves as a place of opportunity for all.

Hamilton County EMS ushered in a new era with the opening of the Administration and Training Center equipped with cutting-edge technology, including a driving simulator, to ensure our emergency responders are prepared for real-world scenarios. Our focus on safety extends beyond traditional services with the installation of life-saving, anti-choking devices in nearly a thousand establishments countywide. This initiative, in partnership with the nonprofit GregO2, has already saved multiple lives.

As we look to the year ahead, I am confident that the efforts of our community, partners, and dedicated public servants are making a difference. Together, we are laying a foundation for a future where every citizen has an opportunity to prosper right here where the Appalachian Mountains meet the Tennessee River.

Sincerely,



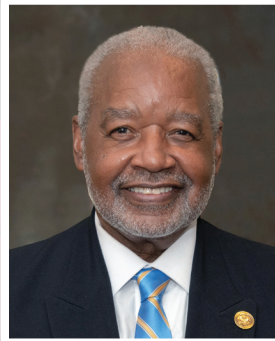
Weston Wamp
Hamilton County Mayor



BOARD OF COMMISSIONERS - *As of June 30, 2024*



D.C. (Chip) Baker
Commissioner



Greg Beck
Commissioner



Mike Chauncey
Chairman, Pro Tempore



Jeff Eversole
Chairman



Joe Graham
Commissioner



Lee Helton
Commissioner



Dr. Steve Highlander
Commissioner



Warren Mackey
Commissioner



David Sharpe
Commissioner



Gene-o Shipley
Commissioner



Ken Smith
Commissioner





HAMILTON COUNTY, TENNESSEE

Lee H. Brouner

Chief Financial Officer

February 26, 2025

TO THE CITIZENS, COUNTY MAYOR AND COUNTY BOARD OF COMMISSIONERS

I am pleased to present to you the Annual Comprehensive Financial Report (ACFR) of Hamilton County, Tennessee, for the fiscal year ended June 30, 2024. This report was prepared in accordance with generally accepted accounting principles (GAAP) by the Finance Division of Hamilton County.

Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the County. The County ensures accuracy and fairness of presentation through the implementation of an integrated framework of internal control. The framework consists of the following components: effective control environment; periodic risk assessment; design, implementation, and maintenance of effective control activities; effective information and communication; and ongoing monitoring of the effectiveness of control-related procedures. Because the cost of internal controls should not exceed the benefits to be derived, the objective of the County's internal control framework is to provide reasonable, but not absolute, assurance that the financial statements are free of any material misstatements.

We believe the financial statements and accompanying data, as presented, are accurate in all material aspects. They are presented in a manner designed to fairly set forth the financial activity of the various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The State of Tennessee requires an annual audit of the County's financial statements. An independent firm of certified public accountants, Mauldin & Jenkins, LLC, has audited the County's financial statements in accordance with this requirement. The independent firm is responsible to the County Board of Commissioners and the County Audit Committee, and is under contract with the Tennessee Comptroller of the Treasury. The independent auditor concluded, based upon the audit, that the County's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP and thus rendered an unmodified opinion. The report of the independent auditors is presented in the financial section of this report, pages i-iv of the Financial Section.

This report contains the traditional County funds, the constitutional offices of the County, and the County's discretely presented component units: Hamilton County Schools, Hamilton County "911" Emergency Communication District, Hamilton County Water and Wastewater Treatment Authority, and Hamilton County Railroad Authority. These agencies are included based on criteria established by the Governmental Accounting Standards Board (GASB).

GAAP requires that management provide a narrative introduction, overview and analysis in the form of a Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found beginning on page vi of the Financial Section.

PROFILE OF HAMILTON COUNTY, TENNESSEE

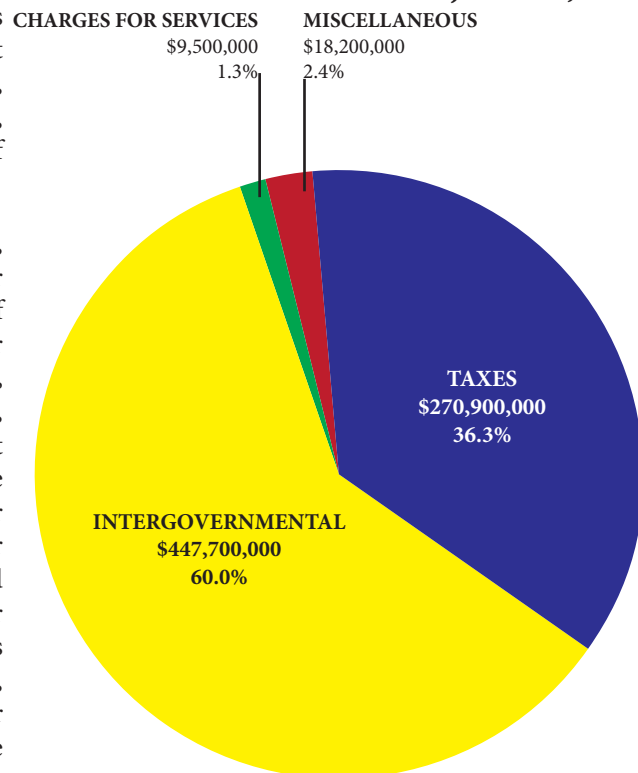
Hamilton County is located in the southeast region of the State of Tennessee, with the City of Chattanooga as its largest city. It is approximately 120 miles southwest of Knoxville, Tennessee; 360 miles east of Memphis, Tennessee; 120 miles southeast of Nashville, Tennessee, which is the State capital; and 120 miles northwest of Atlanta, Georgia.

The County was incorporated on October 25, 1819, by the Tennessee State Legislature. It operates under a County Commission/County Mayor form of government. The County Mayor, the chief fiscal officer of the County, is elected at-large to a four-year term, as are the Assessor of Property, Circuit Court Clerk, County Clerk, Criminal Court Clerk, Juvenile Court Clerk, Register of Deeds, Sheriff and Trustee. The District Attorney General, District Public Defender and all Hamilton County judges are elected at-large for eight-year terms. The members of the County's Board of Commissioners are elected by district to four-year terms. Hamilton County Schools, a component unit, is managed by the Hamilton County Board of Education, whose members are elected by district to four-year terms that are staggered so that no more than six are elected in any election year. The County increased the number of members serving on each of its Board of Commissioners and its Board of Education from nine members to eleven members effective with the August 2022 County-wide election.

The County provides its citizens with a range of services that includes, but is not limited to, police, ambulance, sanitation and solid waste, health and social services, culture and recreation, highways and streets, planning, courts, corrections and general administrative services. Other services are provided by organizations which have their own board of directors and include Hamilton County Schools, Hamilton County Water and Wastewater Treatment Authority, Hamilton County "911" Emergency Communication District, and Hamilton County Railroad Authority.

Even though Hamilton County Schools (HCS) is a separate legal entity from Hamilton County government, it constitutes a major portion of the funding requirements for the County. The HCS has approximately 6,000 employees and serves a total student population of over 45,000. The total HCS operating budget for fiscal year 2024 was \$746.3 million. Hamilton County provided funding for 36.3%, or \$270.9 million of this operating budget through property taxes and sales taxes. State and

HAMILTON COUNTY SCHOOLS REVENUE BUDGET BY SOURCE FOR FISCAL YEAR ENDING JUNE 30, 2024



federal appropriations and grants provided \$447.7 million; charges for services provided \$9.5 million; and investments, miscellaneous items and transfers in from other funds provided \$18.2 million.

The Board of Commissioners adopted the fiscal year 2024 annual operating budget for the County on June 21, 2023, via Resolution 623-35. The County uses the annual budget as a management control device. The budget is prepared on a basis consistent with GAAP. All unexpended appropriations lapse at year-end. The level at which expenditures may not legally exceed appropriations is the division level. The General Fund is organized into nine separate divisions by function (Constitutional Offices, Supported Agencies, Unassigned, Finance, Public Works, General Services, Human Resources, Health and Sheriff), and it is at this level that expenditures may not legally exceed appropriations. In addition, funds that have a legally adopted budget may not exceed appropriations. Funds with a legally adopted budget are the General Fund, Debt Service Fund, Hotel Motel Fund, and Sheriff Special Revenue Fund.

Constitutional offices, departments and agencies requesting funding by the Board of Commissioners must submit their budget requests during January of



each year. The County Mayor reviews and edits these requests, and publicly submits a budget each year to the Board of Commissioners for approval prior to June 30. After the budget is formally adopted, any changes within a division that do not require additional resources must be approved by the County Mayor; the Commission must approve all other changes.

Budget to actual comparisons are presented in this ACFR for each individual fund for which an annual budget has been adopted. Hamilton County follows the laws of Tennessee regarding the control, adoption and amendment of the budget during each fiscal year. Hamilton County's budget practices not only comply with all state statutes but are more stringent due to the County's formal budget policy.

LOCAL ECONOMIC OUTLOOK

The economy for Hamilton County continues to be steady, strong and healthy. Unemployment rates have remained relatively low over the previous three years, and according to the Bureau of Labor Statistics, the unemployment rate for Hamilton County as of June 30, 2024, was 3.5%, as compared to the state's rate of 3.0% and the national rate of 4.1%. With the County's continued emphasis on economic development, we continue to foresee plenty of opportunities for employment growth on the horizon.

Ten year analysis of the change in fund balance (expressed in thousands)

	General Fund	Special Revenue Funds	Debt Service Fund
2015	\$ 91,394	\$ 3,536	\$ 1,330
2016	92,395	4,119	1,849
2017	94,179	4,451	2,163
2018	100,335	5,232	10,256
2019	111,635	6,237	10,401
2020	121,074	4,930	10,401
2021	144,434	6,558	9,808
2022	146,925	6,953	9,794
2023	152,221	7,629	7,952
2024	143,363	7,851	8,061

FUND BALANCE

Hamilton County's fund balances continue to remain healthy. At year end June 30, 2024, the fund balance for the General Fund was \$143.4 million, and total fund balances for Hamilton County Schools ended the year at \$136.2 million.

The County's strong reserves allow us to manage unexpected shortfalls in revenues. The County has consistently maintained a reserve in the General Fund equivalent to at least three months of expenditures and will continue to do so.





LONG-TERM FINANCIAL PLANNING

Long-term financial planning includes both operating and capital needs. The Mayor and Commission work closely together in a timely and thorough budgeting process to map out an operational plan for each upcoming year.

The County's capital needs are addressed annually in its operating budget and long-term through its five-year capital plan. Short-term capital needs such as vehicles, computers, office equipment, etc., are funded through the annual operating budget.

The County's long-term capital needs have historically been financed using fifteen-year general obligation bond debt. This rapid, fifteen-year debt amortization has proven effective in keeping the County's total debt load at a manageable level. This fifteen-year amortization results in principal retirement of approximately fifty percent (50%) within five years and eighty-five percent (85%) within ten years. In order to make a meaningful impact in addressing the significant needs of the school facilities, Hamilton County issued \$270 million of general obligation bonds in September

2024, with the majority being repaid in twenty years. This bond issue is discussed in more detail later in this document.

RELEVANT FINANCIAL POLICIES

Hamilton County consistently maintains a low debt burden. This has been accomplished through sound, conservative debt management practices. The County has adopted a formal debt management policy, and we use this policy as a guide in maintaining our debt objectives and practices. The policy's goal is to assist all concerned parties in understanding the County's debt management approach and to promote transparency for the County's citizens, investors and all other interested parties.

The County consistently maintains a strong unassigned fund balance in the general fund which exceeds its reserve policy of twenty-five percent (25%) of its operating budget. This minimizes the negative effect of any unanticipated expenditures and/or loss of any major revenue source.

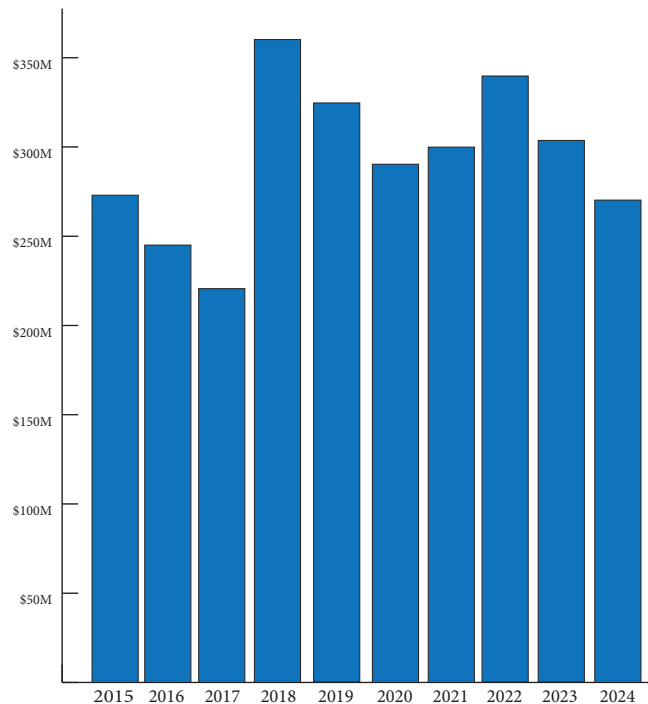
MAJOR INITIATIVES

Hamilton County's commitment to its mission of meeting the needs of people where they live, work and play guides our plans for the future and directs us

General Obligation Bond Debt Outstanding

Fiscal Year Ended June 30	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2015	\$ 272,965,000	0.92%	\$ 779
2016	245,030,000	0.94%	805
2017	220,635,000	0.81%	771
2018	360,180,000	1.04%	996
2019	324,425,000	0.91%	891
2020	290,345,000	0.80%	789
2021	299,920,000	0.67%	819
2022	339,520,000	0.74%	920
2023	303,435,000	0.64%	810
2024	270,250,000	0.57%	721

General Obligation Bonds by Year





toward delivering quality services to our citizens. Hamilton County issued general obligation bonds in September 2024 that will primarily fund a capital plan for Hamilton County Schools which include new school projects, existing school improvement and additions, and school deferred maintenance. There are some general government projects included in this bond issue which include a new Health Department facility and parks and recreation projects, and other essential governmental capital needs, and the bond issue includes \$10 million that will be used by the Water and Wastewater Treatment Authority (WWTA) to manage wet weather capacity issues.

PLANNED GROWTH STRATEGIES

Hamilton County Government has established a team consisting of elected officials, business leaders, civic and community organizations and involved citizens to create and implement a strategic plan to manage the expected population growth in our area resulting from recent economic developments. This regional plan will ensure balanced growth, promote economic development, and protect and enhance the quality of life for all. Specific areas addressed include housing, transportation, land use, environmental, energy, green space and infrastructure.

ECONOMIC DEVELOPMENT

Our economic development initiative reflects our goal of a viable and sustainable economic future for our community. We believe this is vital for those who live here and for those who are considering relocating to Hamilton County.

Enterprise South Industrial Park (ESIP) – Investment in economic growth continues at the Enterprise South Industrial Park. This 3,000-acre industrial park was identified by TVA as Tennessee's first industrial mega site. Today, it is home to the Volkswagen Group of America's (VW) North American assembly plant. Volkswagen recently completed an \$800 million plant expansion adding more than 750,000 square feet and 1,300 new jobs for the production of Chattanooga's first electric vehicle. The ID-4 electric SUV, cited as the "World Car of the Year" in 2021, was officially rolled out in October 2022.

Enterprise South Industrial Park currently is home to multiple companies such as Volkswagen (VW), Amazon, Gestamp, ADM, Plastic Omnium, Empire Distributors of Tennessee, TAG manufacturing, and Sese Industrial Services.

Consequently, infrastructure of roads throughout ESIP has increased. To accommodate growth in businesses as well as residents, the Tennessee Department of Transportation (TDOT) has built a public highway that directly connects Interstate I-75 with Highway 58 through the VW plant site.

Job Growth outside of Enterprise South - While a significant amount of the County's growth was sparked by the Volkswagen expansions and associated supplier companies, other notable projects include:

- Steam Logistics, one of the fastest growing third party logistics transport companies in the US, created approximately 400 new jobs in a \$7 million expansion located in the historic John Ross building in downtown Chattanooga.
- Text Request, a local company that aids other businesses in sending and receiving business-related text messages, was recently recognized as one of the fastest growing technology companies in the US.
- Kordsa, a nylon manufacturing company headquartered at the former DuPont site in Hixson, is in the process of a \$50 million expansion to its existing site. This expansion project will include construction of a new building and is anticipated to add 200 new jobs.

Business Development Center – The Hamilton County Business Development Center (BDC) is a 125,000 square-foot former manufacturing facility that has been renovated into a highly successful business incubator owned by the County and managed by the Chattanooga Area Chamber of Commerce. The BDC offers start-up businesses office and manufacturing space at highly competitive lease rates for up to 3 years. Tenants have access to clerical support, manufacturing and office space, training workshops, conference centers, and free onsite business counseling from the Tennessee Small Business Development Center (TSBDC). The BDC is currently home to 50 startup businesses and has graduated in excess of 600 small businesses over its 34-year history. The BDC is acclaimed as the largest business INCubator in Tennessee and the third largest in the United States.

Future Industrial Park – McDonald Farm – The County had been actively looking for an optimal spot for its next major industrial park for several years, and in December 2021, the County closed on a \$16 million purchase of a 2,100-acre site in the northwestern section of the County. Use of the land as an industrial park is projected to be a long-term project that we, in conjunction with the state of Tennessee, will be developing over the next several years. The County

will continue to use this land resource for community and recreational events until plans and funding are finalized for the future industrial park.

Planned Development at The Bend and The South Broad District – Hamilton County and the City of Chattanooga have partnered with the private sector on the redevelopment of two major areas near downtown Chattanooga. In July 2022, the County, the City of Chattanooga, and the industrial development board of the City of Chattanooga each approved an economic impact plan with the private sector for the construction of a new minor league baseball and multi-use stadium and the private development of the area adjacent to the new stadium (South Broad Street District). The area encompassed within the economic impact area is just south of downtown Chattanooga and includes more than 400 acres.

In November 2023, the County, the City of Chattanooga, and the industrial development board of the City of Chattanooga each approved an economic impact plan with a private developer for significant economic development at The Bend, a large area adjacent to downtown Chattanooga which is currently in a brownfield site. Development at the site is anticipated to include retail, hotels, offices, apartments, condominiums and recreational facilities.

PUBLIC EDUCATION IMPROVEMENT

Hamilton County Schools (HCS) has an independently elected board tasked with operating the K-12 public school system in the County. Hamilton County is a primary funding source for the school system, with over 43 percent of the County property tax levy directed toward the operation of the school system.

The County also assists the school system through the issuance of debt and general obligation bonds to build, renovate and expand the school facilities. The County expended \$29.4 million in debt service payments for principal and interest due in FY 2024 from bonds outstanding for Hamilton County Schools' capital projects.

In September 2024, the County closed on a bond issue that will fund a capital plan for Hamilton County Schools which includes new school projects, existing school improvements and additions, and school deferred maintenance. Hamilton County Schools completed a facilities report in March 2020 and has continued to evaluate these recommendations. While some of these issues have been addressed, there are still many needs. In August 2023, the Hamilton County

Mayor's office and School Facilities Committee of the Board of Commissioners along with the administration of Hamilton County Schools released a plan to make a significant impact toward addressing these needs and committing to a bond issue to fund this phase.

Hamilton County Schools strives to provide an exceptional learning environment in order to prepare students for future endeavors. In order to achieve this, HCS implements priority-based budgeting with emphasis on the following areas: Investment in Talent, Community Ownership, Opportunities and Access, Facilities, and Future Ready Students. These efforts create pathways for all students in our community by equipping them with skills and knowledge.

Career and Technical Education – The Hamilton County Mayor's Office and Hamilton County Schools Administration has made intentional efforts during recent years to promote career and technical education options for enrolled students. This began with the Construction Career Center which opened in October 2022. This has continued with several initiatives such as the purchase of the Gateway property and the planned renovations which will be the home of a downtown technical school; additional funding to support career paths in welding, EMS training, architecture and construction; and funding for hiring bonuses for certified technical educators.

QUALITY OF LIFE ISSUES

The Hamilton County Health Department continues to take steps to increase the span and quality of life, reduce health disparities and ensure access to preventive health services for all Hamilton County residents.

- **Step ONE** – This County-wide initiative addresses the problem of obesity in our community by promoting physical fitness, nutrition, and healthy lifestyles. This effort is guided by the County Mayor and the Hamilton County Regional Health Council.
- **IRIS Project – Increasing the Rate of Infant Survival** – This project works to initiate new, creative and innovative programs that have a positive impact on infant mortality rates, which are thought to be one of the best predictors of a community's overall health status.
- **Hamilton Shines** – Designed to reduce the practice of littering through education,

*The
Greatest*

SNOWMAN



Hamilton Shines strives to foster a sense of community pride in programs for school children and to inform all citizens on the consequences of littering.

- ***Hamilton County Litter Grant Program***
– The Courts Community Service program provides litter removal on roads and highways in Hamilton County. This unique program provides for litter collection and public education to reduce unsightly and environmentally harmful litter from the public right-of-ways. The program utilizes non-violent offenders to relieve overcrowding in the corrections system by offering alternative sentencing in lieu of incarceration.
- ***Opioid Abatement and Remediation***
– Hamilton County has joined many governmental entities across the nation as a participant in opioid lawsuit settlements. We received and will continue to receive restricted and unrestricted distributions from these settlements beginning in September 2022. The County Mayor has formed a committee consisting of representatives from within Hamilton County government and from nongovernment persons to make recommendations to the County Legislative Body so these funds can most effectively be used to address the opioid epidemic crisis.

RECREATIONAL ASSETS

Hamilton County citizens and visitors are able to enjoy one of the finest naturally beautiful environments in the Southeast. The County's surrounding mountains, state and national forests, as well as its rivers and streams have afforded this area its reputation as a leading destination for outdoor activities.

- The RiverPark – Managed in partnership with the City of Chattanooga, the Tennessee RiverPark is a 16-mile paved, landscaped and lighted scenic urban greenway anchored along the southern bank of the Tennessee River. The family friendly route begins at the Chickamauga Dam and stretches to the heart of the downtown business and tourism district to Lookout Mountain and the hundreds of miles of trails extending into Alabama and Georgia. The RiverPark

is an acknowledged catalyst for billions of dollars of downtown redevelopment and a connector for neighborhoods and business districts.

- Chester Frost Park – Located on the shores of Lake Chickamauga, Chester Frost Park has long been a favorite destination for those who enjoy camping, fishing, swimming and other outdoor activities. The park is situated on 198 acres and is well-known among outdoor enthusiasts as a clean, safe and beautiful place to camp. The park hosts numerous fishing tournaments as Lake Chickamauga is a favorite among bass fishermen. The fishing pier and docks were renovated over the last two years. Chickamauga Lake is now one of 18 lakes across Tennessee designated as a Bill Dance Signature Lake with Chester Frost as the official boat ramp.
- Enterprise South Nature Park – The City of Chattanooga and Hamilton County elected to set aside 2,800 rolling, wooded acres for public recreation when Enterprise South Nature Park was first developed. Today, Enterprise South Nature Park attracts visitors from throughout the region and beyond who enjoy passive recreation in a natural setting. The park contains miles of trails and walking paths for pedestrians, cyclists, horseback riders and mountain bikers. Summit Knobs Equestrian Trails, a seventeen-mile trail system, is the first public facility in the County designed specifically for horseback riding. The park contains an abundance of wildlife – deer and wild turkey in particular – and abandoned underground storage bunkers which serve as remnants of an old Army ammunition plant once located on the site.
- McDonald Farm Park – Hamilton County purchased the former McDonald Farm property in December 2021. This land is being studied to be used both as an industrial development park and as a recreation park for those residing in the northern region of Hamilton County. The County has held its annual County Fair at the site since 2023, where thousands of

County residents and visitors were able to enjoy the natural beauty of the site.

AWARDS AND ACKNOWLEDGMENTS

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hamilton County, Tennessee for its Annual Comprehensive Financial Report for the year ended June 30, 2023. Hamilton County has received this award for 43 consecutive years.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues

to conform to Certificate of Achievement program requirements, and we are currently submitting it to the GFOA to determine its eligibility for another certificate. GFOA also presented a Distinguished Budget Presentation Award to the County for its Comprehensive Annual Budget Report (CABR) for the fiscal year ended June, 2025. This is the 23rd consecutive year Hamilton County has received this award for the CABR. In order to be awarded a Distinguished Budget Presentation Award, a governmental unit must publish an easily readable and efficiently organized annual budget report, which must conform to program standards and satisfy both generally accepted accounting principles and applicable legal requirements. Like the Certificate of Achievement for Financial Reporting, this award is valid for a period of one year only.

ACKNOWLEDGMENTS

I would like to thank the entire staff of the Finance Division, the County Auditor's Office and the independent auditors for their cooperation and dedication in the preparation of this report. I would also like to express my gratitude for the support we have received from the County Mayor and the County Board of Commissioners in conducting the financial operations of the County in a sound and progressive manner.

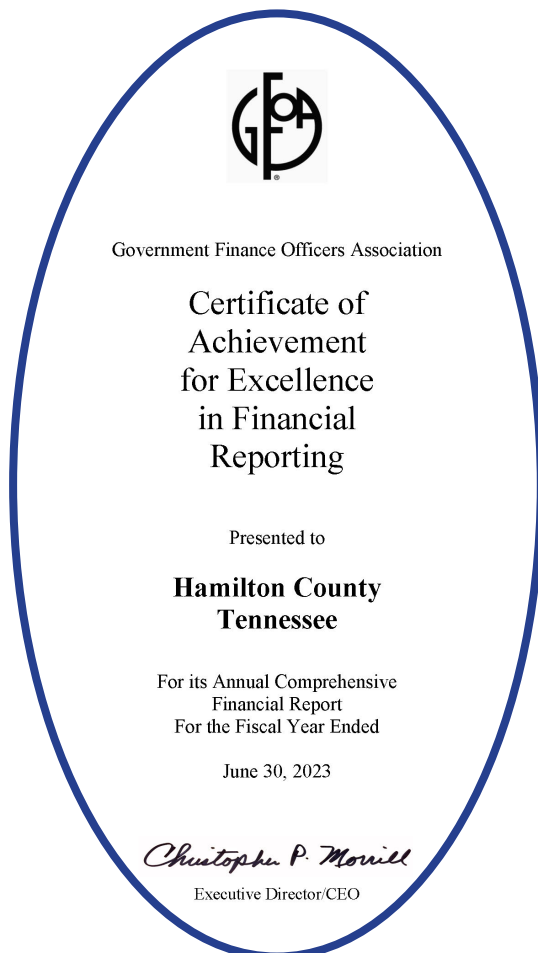
Respectfully submitted,



Lee H. Brouner, CPA, CGFM, CCFO
Chief Financial Officer



Vonda M. Patrick, CPA, CCFO
Deputy Chief Financial Officer





HAMILTON COUNTY GENERAL GOVERNMENT OFFICIALS

(as of June 30, 2024)

Weston Wamp, *County Mayor*

Cory Gearrin, *Deputy Mayor, Economic & Community Development*

Tucker McClendon, *Deputy Mayor, Education & Workforce Development*

Claire McVay, *Chief of Staff*

David Roddy, *Chief Operating Officer*

Board of Commissioners

Chip Baker

Greg Beck

Mike Chauncey, *Chairman Pro Tempore*

Jeff Eversole, *Chairman*

Joe Graham

Lee Helton

Dr. Steve Highlander

Warren Mackey

David Sharpe

Gene-o Shipley

Ken Smith

Legislative

Patricia Moore, *Legislative Administrator*

Constitutional Officers

Michael S. Allen, *Administrator of Elections*

Marty Haynes, *Assessor of Property*

Larry Henry, *Circuit Court Clerk*

Robin Miller, *Clerk & Master*

William F. Knowles, *County Clerk*

Vince Dean, *Criminal Court Clerk*

Coty Wamp, *District Attorney General*

Steve Smith, *District Public Defender*

Gary Behler, *Juvenile Court Clerk*

Robert D. Philyaw, *Juvenile Court Judge*

Dr. Steven Cogswell, *Medical Examiner*

Marc Gravitt, *Register of Deeds*

Austin Garrett, *Sheriff*

Bill Hullander, *Trustee*

Division & Department Heads

AUDITING

Chris McCollough, *County Auditor*

ECONOMIC & COMMUNITY DEVELOPMENT

Alexa LeBoeuf, *Executive Director, Economic & Community Development*

Rebekah Bohannon, *Director, Intergovernmental Affairs*

Ladarius Price, *Deputy Director, Community Development*

Daniel Bewley, *Deputy Director, Outreach & Economic Initiatives*

Sarah Spencer, *Deputy Director, ECD Administration*

OFFICE OF EMERGENCY MANAGEMENT/HOMELAND SECURITY

Chris Adams, *Director of Emergency Management/Homeland Security*

Winston Shields, *Deputy Director Emergency Services*

FINANCE

Lee H. Brouner, *Chief Financial Officer*

Vonda Patrick, *Deputy Chief Financial Officer*

Jerald Carpenter, *Director of Procurement & Fleet Management*

Greg Jackson, *Director of Information Technology*

Holly Wormsley, *Director of Accounting*

HEALTH & SOCIAL SERVICES

Sabrina Novak, *Administrator*

Diana Kreider, *Director of Clinical Services*

Angela Easter-Gonzales, *Director of Case Management Services*

Lowe Wilkins, *Director of Environmental Health Services*

Sonia Calvin, *Director of Administrative Services*

Carleena Angwin, *Director of Community Health Services*

HUMAN RESOURCES

Sandra Ellis, *Administrator*

Jenny Godwin, *Director of Human Resources*

Charlotte Randolph-Parker, *Assistant Director of Human Resources*

Charles Alsobrook, *Veterans Service Officer*

LEGAL

Rheubin M. Taylor, *County Attorney*

Bill Stoll, *Risk Manager*

PUBLIC WORKS

Todd Leamon, *Administrator and County Engineer*

Brandon Mauracher, *Director of Highway Department*

Billy Joe Fairbanks, *Deputy Director of Highway Department*

John Agan, *Director of Engineering and Facilities Maintenance*

Ronnie Blaylock, *Director of Building Inspection*

Nathan Janeway, *Director of Development Services*

Autumn Friday, *Deputy Director of Development Services*

Matt Folz, *Director of Parks & Recreation*

Karen Shostak, *Deputy Director of Parks & Recreation*

Mike Kirk, *Director of Property Management*

PUBLIC SAFETY

Christina Cooper, *Administrator*

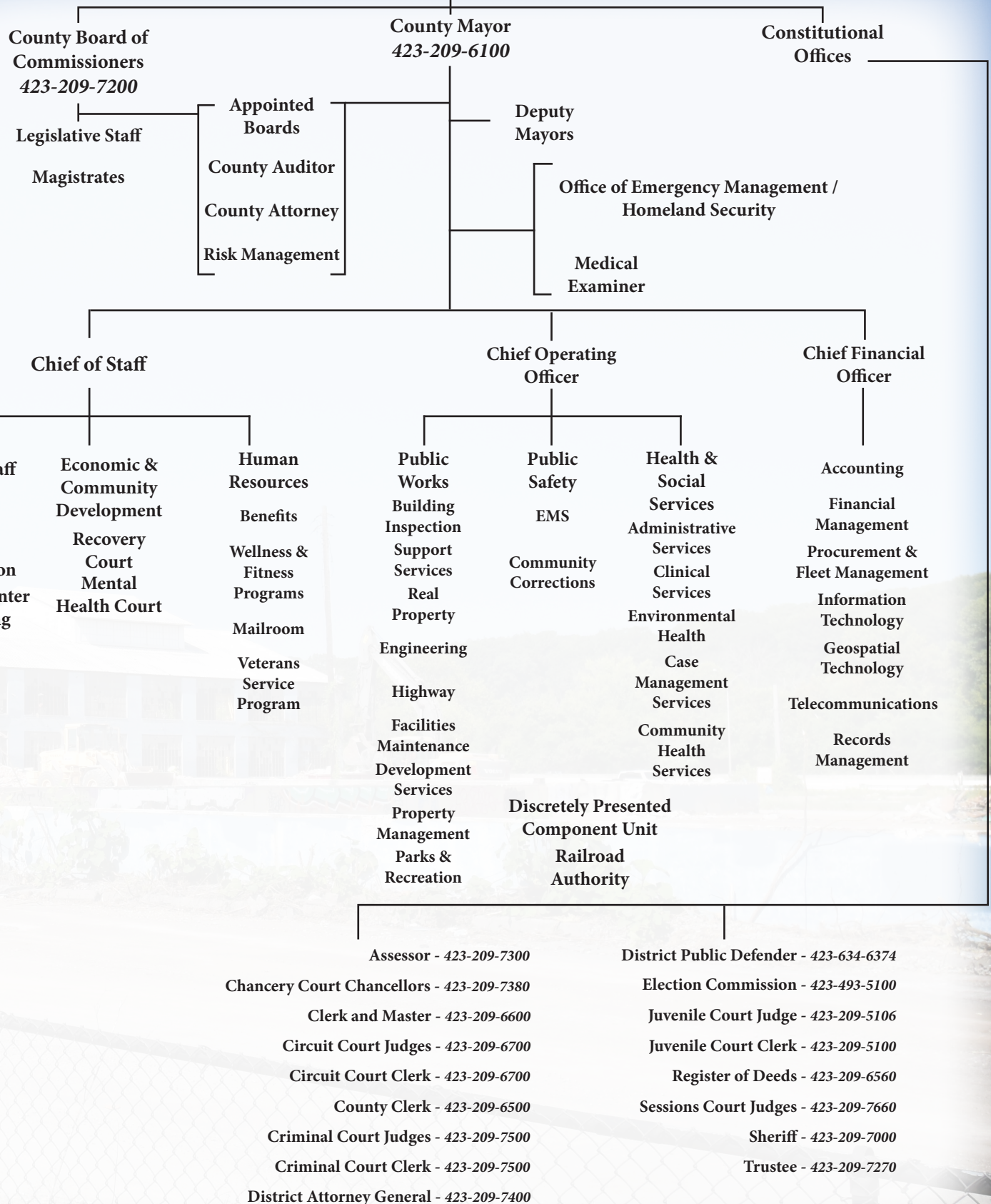
Chris Jackson, *Director of Corrections*

Justin Strand, *Deputy Director of Corrections*

Wade Batson, *Director of Emergency Medical Services*

Dale Head, *Deputy Director of Emergency Medical Services*

CITIZENS







INDEPENDENT AUDITORS' REPORT

To the County Commission
of Hamilton County, Tennessee
Chattanooga, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Hamilton County, Tennessee** (the County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof and the budgetary comparison for the General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Hamilton County "911" Emergency Communications District, which represent 3 percent, 4 percent, and 2 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hamilton County "911" Emergency Communications District, is based solely on the report of the other auditors.

Basis for Opinions

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 County, 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 opinions.

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 County'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.

Auditors' Responsibilities 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 opinions. 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 County'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 County'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (unaudited), as listed in the table of contents (collectively the required supplementary information), 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hamilton County, Tennessee's basic financial statements. The combining and individual nonmajor fund financial statements for the governmental funds, fiduciary funds, discretely presented component unit – Hamilton County Schools, discretely presented component unit – Railroad Authority, the budgetary comparison schedules, the financial schedules, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basis 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS.

In our opinion, the combining and individual nonmajor fund financial statements for the governmental funds, fiduciary funds, discretely presented component unit – Hamilton County Schools, discretely presented component unit – Railroad Authority, the budgetary comparison schedules, the financial schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

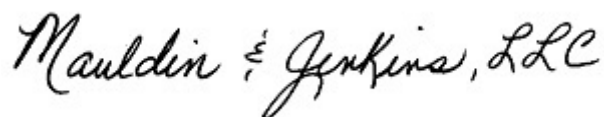
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2025, on our consideration of Hamilton County, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Chattanooga, Tennessee
February 26, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The discussion and analysis of Hamilton County's financial performance provides an overall review of the County's financial activities for the year ended June 30, 2024. It is designed to:

- (a) Assist the reader in focusing on significant financial issues,
- (b) Provide an overview of the County's financial activities,
- (c) Identify changes in the County's financial position,
- (d) Identify any material deviations from the original financial plan, and
- (e) Identify individual fund issues or concerns.

This discussion and analysis is an integral part of the financial statements as a whole.

FINANCIAL HIGHLIGHTS

Government-wide Financial Statements

- The government-wide assets of Hamilton County at the close of fiscal year 2024 were \$1,000.2 million, a decrease of \$25.6 million (2.5%) from the prior year.
- The government-wide liabilities of Hamilton County at the close of fiscal year 2024 were \$454.0 million, a decrease of \$52.0 million (10.3%) from the prior year.
- Government-wide revenues totaled \$365.1 million, an increase of \$25.0 million (7.4%) over the prior year.
- Government-wide expenses were \$340.1 million, an increase of \$57.3 million (20.3%) over the prior year.
- Total bonded debt at June 30, 2024 for the County was \$270.3 million, of which \$150.9 million (55.8%) was assigned to the Hamilton County Schools for capital additions and improvements.

Fund Financial Statements

- Revenues for governmental funds totaled \$362.3 million, an increase of \$25.5 million (7.4%) over last year.
- Expenditures for governmental funds were \$384.3 million, an increase over the prior year of \$16.7 million (4.5%).
- Capital project expenditures were \$50.1 million, with \$29.3 million spent for general government construction projects and \$20.8 million spent for school construction projects.
- Fund balances for governmental funds at the close of fiscal year 2024 totaled \$290.7 million, a decrease from the prior year of \$18.9 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements consist of three main components:

- (1) Government-wide financial statements,
- (2) Fund financial statements, and
- (3) Notes to the basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements. Required supplementary information includes various schedules and trend information relative to the County's employee pension plans and other postemployment benefits. The other supplementary information includes detailed budget to actual comparisons of the General Fund and other budgeted County funds; combining statements for nonmajor governmental funds; statements of account activity in fiduciary custodial funds; and combining financial statements for the County's discretely presented component units, Hamilton County Schools and the Hamilton County Railroad Authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, the Statement of Net Position and Statement of Activities provide the reader with a broad overview of the County's financial condition.

The Statement of Net Position combines and consolidates all the County's current financial resources with capital assets and long-term obligations. The end result is net position, which is segregated into three components:

- (1) Net investment in capital assets,
- (2) Restricted net position, and
- (3) Unrestricted net position.

The County's net position at the end of fiscal year 2024 of \$406.6 million increased \$25.0 million (6.6%) from the balance at the prior year end.

The Statement of Activities presents information showing how the government's net position changed during fiscal year 2024. Program revenues, which directly offset costs of specific functions, are allocated to those functions, resulting in the net expenses for governmental activities. General revenues, such as taxes, fines and interest earnings, offset the remaining costs, resulting in an annual increase or decrease in

net position. This statement is intended to summarize the net cost of various governmental services that are supported by general revenues.

Governmental activities include general government, public safety, highways and streets, health, social services, and culture and recreation. Hamilton County has no business-type activities.

The government-wide financial statements include the following legally separate component units: Hamilton County Schools, Water & Wastewater Treatment Authority, Hamilton County "911" Emergency Communications District, and Hamilton County Railroad Authority.

Further discussion and analysis of the changes in financial position for the government-wide financial statements can be found on pages viii through xiii of this section.

The government-wide financial statements can be found on pages A-1 to A-2 of this report.



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the County are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains several individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the major funds, which include the General, Debt Service and Capital Projects funds. Data from the other governmental funds, certain Constitutional Offices, Governmental Law Library, Hotel/Motel and Economic Crimes, is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages C-9 to C-16 of this report.

The County adopts an annual budget for the General and Debt Service funds and certain Special Revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance. The basic governmental fund financial statements can be found on pages A-3 to A-7 of this report.

PROPRIETARY FUNDS

There are two types of proprietary funds – enterprise funds and internal service funds. An internal service fund is the only type of proprietary fund the County maintains. An internal service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses its internal service funds to account for its self-insurance and risk management programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Individual fund data for the Internal Service Fund is provided on pages A-8 to A-10 of this report.

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The fiduciary fund financial statements can be found on pages A-11 and A-12 of this report.

NOTES TO BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages A-16 to A-86 of this report.



OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents required and other supplementary information. Required Supplementary Information includes the funding progress and employer contributions for the Public Employee Retirement Systems and for the County's Other Post-Employment Benefits programs. Required Supplementary Information can be found on pages B-1 to B-17.

Other Supplementary Information includes detailed budgetary information for the General Fund, Debt Service Fund and certain other budgeted funds; combining statements for the nonmajor governmental funds; combining statement of changes in assets and liabilities for the Constitutional Offices Custodial Funds; combining statements for the Hamilton County Schools; and various financial and statistical tables. Budgetary comparison schedules can be found on pages C-1 to C-8; combining and individual fund schedules can be found on pages C-9 to D-12; and the various financial and statistical tables can be found on pages E-1 to F-18.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

NET POSITION

Primary Government

(Rounded to the thousands)

	Governmental Activities	
	2024	2023
ASSETS		
Current and Other Assets	\$ 592,175,000	\$ 621,846,000
Capital Assets	408,045,000	403,943,000
TOTAL ASSETS	1,000,220,000	1,025,789,000
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from pensions and OPEB	36,233,000	35,794,000
LIABILITIES		
Long-term Liabilities	366,832,000	405,395,000
Other Liabilities	87,191,000	100,640,000
TOTAL LIABILITIES	454,023,000	506,035,000
DEFERRED INFLOWS OF RESOURCES		
Unearned property tax revenue	166,216,000	160,560,000
Deferred inflows from leases	4,773,000	5,070,000
Deferred inflows from pensions and OPEB	3,701,000	7,107,000
Deferred gain on refunding	1,122,000	1,216,000
	175,812,000	173,953,000
NET POSITION		
Net Investment in Capital Assets	332,624,000	321,792,000
Restricted	17,392,000	13,623,000
Unrestricted	56,602,000	46,180,000
TOTAL NET POSITION	\$ 406,618,000	\$ 381,595,000

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial health. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$406.6 million at the close of the fiscal year ended June 30, 2024, an increase of \$25.0 million over the prior year.

Net position is comprised of three elements:

- (1) Net investment in capital assets (e.g., land, buildings, infrastructure and equipment);
- (2) Restricted net position held for restrictions as prescribed by law; and
- (3) Unrestricted net position.

CHANGES IN NET POSITION

Primary Government

(Rounded to the thousands)

	Governmental Activities	
	2024	2023
REVENUES		
Program Revenues:		
Charges for Services	\$ 61,742,000	\$ 60,748,000
Operating Grants and Contributions	44,757,000	33,000,000
Capital Grants and Contributions	20,335,000	21,758,000
Total Program Revenues	126,834,000	115,506,000
General Revenues:		
Property Taxes	184,505,000	179,096,000
Other Taxes	35,622,000	35,598,000
Other	18,181,000	9,918,000
Total General Revenues	238,308,000	224,612,000
TOTAL REVENUES	365,142,000	340,118,000
EXPENSES		
General Government	82,737,000	75,132,000
Public Safety	138,822,000	131,872,000
Highways and Streets	27,447,000	22,933,000
Health	25,374,000	28,130,000
Social Services	5,709,000	4,955,000
Culture and Recreation	13,383,000	11,502,000
Education	40,195,000	—
Interest on Long-Term Debt	6,452,000	8,285,000
TOTAL EXPENSES	340,119,000	282,809,000
CHANGE IN NET POSITION	25,023,000	57,309,000
Net Position, beginning	381,595,000	324,286,000
Net Position, ending	\$ 406,618,000	\$ 381,595,000

The County's revenues increased by \$25.0 million over revenues for the prior fiscal year. The increased revenues were primarily due to an increase in operating grant revenues over the prior year of \$11.8 million for general government public safety grants for school resource deputies and violent crime intervention as well as increased state funding for the highway and streets division for road paving. Revenues also saw an increase of \$8.3 million in investment earnings resulting from improved returns from the County's investments.

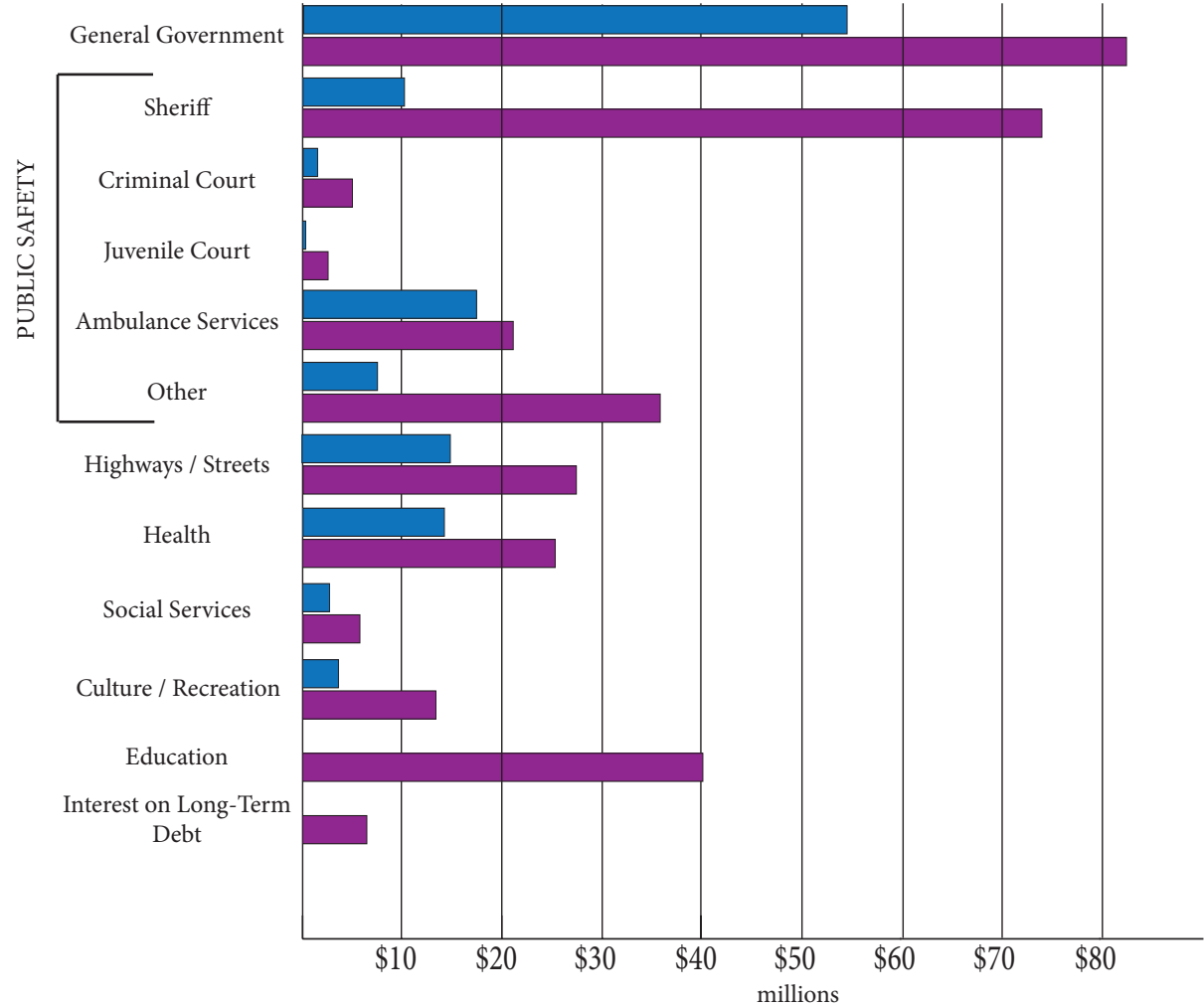
Total expenses for fiscal year 2024 increased by \$57.3 million (20.3%) over the prior year's expenses. The primary driver for the increased expenses in 2024 was for Education expenses, which increased over the prior year expenses by \$40.2 million primarily for the construction of CSLA and Tyner Middle/High Schools, as well as various school capital projects.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - continued

EXPENSES AND PROGRAM REVENUES

Primary Government
for fiscal year ending June 30, 2024
(Rounded to the thousands)

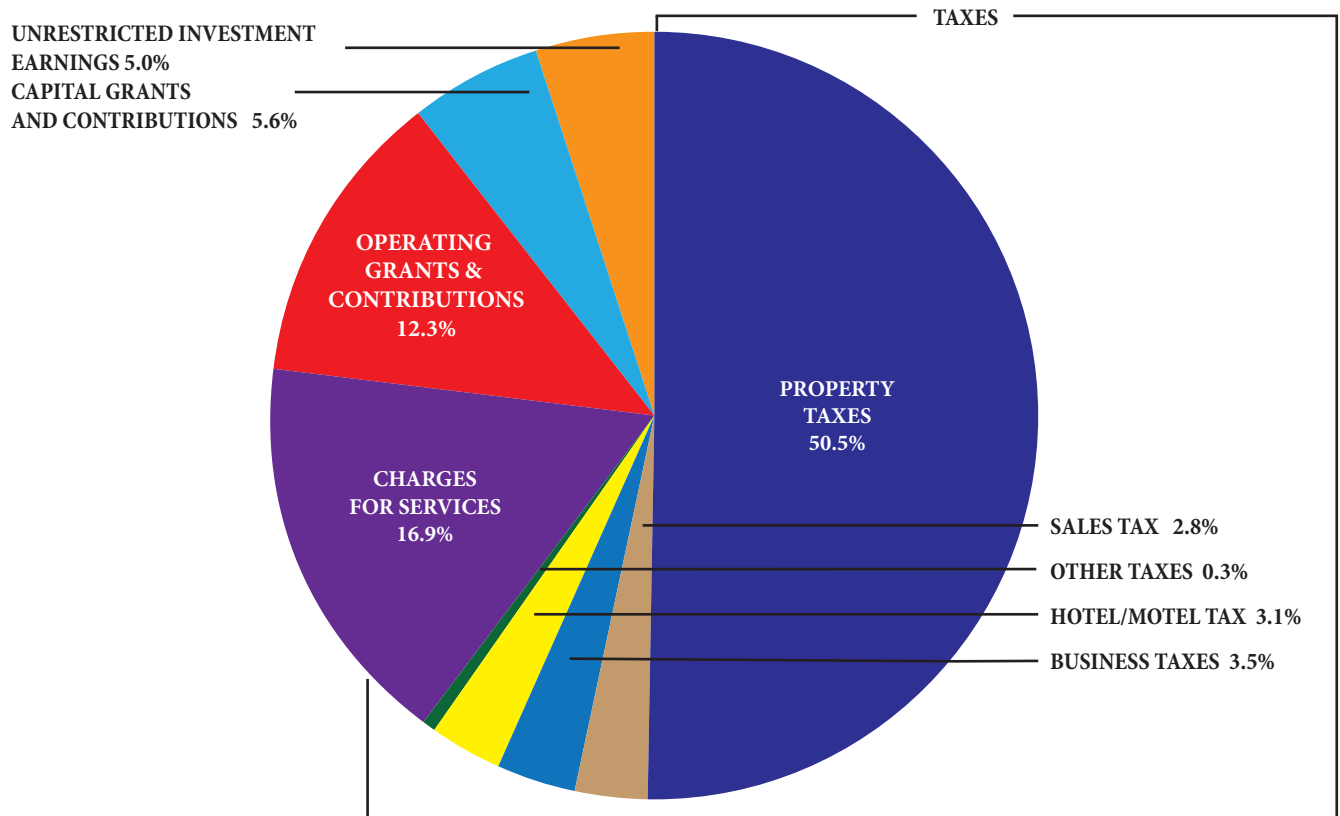
	PROGRAM REVENUES	EXPENSES
General Government	\$ 54,584,000	\$ 82,737,000
Public Safety		
Sheriff	10,185,000	74,242,000
Criminal Court	1,450,000	4,950,000
Juvenile Court	310,000	2,562,000
Ambulance Services	17,415,000	21,155,000
Other	7,522,000	35,913,000
Highways and Streets	14,881,000	27,447,000
Health	14,191,000	25,374,000
Social Services	2,701,000	5,709,000
Culture and Recreation	3,595,000	13,383,000
Education	–	40,195,000
Interest on long-term debt	–	6,452,000
TOTAL	\$ 126,834,000	\$ 340,119,000



REVENUES BY SOURCE

Primary Government
for fiscal year ending June 30, 2024
(Rounded to the thousands)

	2024	PERCENTAGE	2023	PERCENTAGE
Taxes				
Property Taxes	\$ 184,505,000	50.5%	\$ 179,096,000	52.7%
Sales Tax	10,375,000	2.8%	10,596,000	3.1%
Business Taxes	12,687,000	3.5%	12,539,000	3.7%
Hotel/Motel Taxes	11,459,000	3.1%	11,364,000	3.3%
Other Taxes	1,101,000	0.3%	1,099,000	0.3%
Charges for Services	61,742,000	16.9%	60,748,000	17.9%
Operating Grants and Contributions	44,757,000	12.3%	33,000,000	9.7%
Capital Grants and Contributions	20,335,000	5.6%	21,758,000	6.4%
Unrestricted Investment Earnings	18,181,000	5.0%	9,918,000	2.9%
TOTAL	\$ 365,142,000	100%	\$ 340,118,000	100%





MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of the end of fiscal year 2024, the County's governmental funds reported combined ending fund balances of \$290.7 million, a decrease of \$18.9 million. This decrease in total governmental fund balances is primarily due to decreases of \$10.4 million in the Capital Projects Fund and \$8.9 million in the General Fund.

The fund balance for governmental funds was adjusted as of the beginning of fiscal year 2024 by \$16.9 million to correct an error and recognize a long-term receivable from a discretely presented component unit in the Capital Projects Fund. More information regarding this adjustment can be found in Note S to the financial statements.

The fund balance of the governmental funds consists of a restricted portion of \$121.6 million (consisting primarily of restricted for Capital Projects), an assigned portion of \$32.9 million, a committed portion of \$14.7 million, and an unassigned portion of \$120.3 million.

The General, Debt Service and Capital Projects funds are reported as major funds.

The General Fund is the chief operating fund of the

County. The total fund balance at June 30, 2024, was \$143.4 million, consisting of a restricted or committed portion of \$9.0 million; non-spendable portion of \$1.2 million; assigned fund balance of \$12.9 million; and an unassigned fund balance of \$120.3 million.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 36.9% of the total General Fund expenditures and transfers out, while total fund balance represents 43.9% of that same amount.

Unassigned fund balance of the County's General Fund decreased by \$15.7 million during the current fiscal year, and total fund balance decreased \$8.9 million during this time period. The decrease in both unassigned and total fund balance was largely the result of two significant unusual transactions that occurred in fiscal year 2024 that required the use of fund balance of the General Fund. The first significant unusual transaction was the \$10.0 million purchase in March 2024 of new property in downtown Chattanooga for planned development into a new vocational high school; and the second significant unusual use of fund balance was due to a transfer of \$5.8 million approved by the County Board of Commissioners in May 2024 from the General Fund to a new capital projects account dedicated toward road improvements in the unincorporated areas of Hamilton County.

General Fund revenues totaled \$298.1 million and increased over the prior year by \$24.1 million (8.8%). Property taxes historically are the largest source of the revenues for the General Fund and represented 65.4% of General Fund revenues in fiscal year 2024. Property tax revenues for the General Fund were \$184.5 million,



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS - *continued*

an increase of \$5.4 million over the prior year. The increase was primarily due to a shift of 4.6 cents (representing approximately \$6 million) in the portion of the property tax levy from the levy assigned to Hamilton County Schools to the levy assigned to the General Fund. The County Board of Commissioners voted for the shift and assigned the approximately \$6 million generated to be directed to fund various capital maintenance projects for Hamilton County Schools.

Intergovernmental revenues increased as compared to the prior year, from \$30.8 million in fiscal year 2023 to \$42.6 million in fiscal year 2024. Funding from the State of Tennessee was higher than the prior year as a result of funding for voting equipment, school resource deputies, road paving, and violent crime intervention.

Investment earnings totaled \$9.1 million, an increase of \$5.5 million from the prior year, primarily as a result of increased yields on the County's investments and surplus cash balances.

General Fund expenditures totaled \$267.2 million and increased over the prior year by \$21.6 million (8.8%). The majority of the increase was in the cost center for capital outlay, which increased over the prior year by \$10.4 million (82.5%). The majority of this increase resulted from the one-time expenditure of \$10.0 million in March 2024 to acquire new property in downtown Chattanooga for planned future development for a new vocational high school. Expenditures for Highways and Streets increased over the prior year by \$4.8 million (27.3%), primarily as a result of the transfer of \$5.8 million in fiscal year 2024 from the General Fund to a new capital projects account dedicated toward road improvements in the unincorporated areas of Hamilton County.

Transfers out from the General Fund were \$59.2 million in fiscal year 2024, an increase over the prior year by \$10.4 million (21.2%). The increase was primarily the result of the transfer of \$5.8 million in fiscal year 2024 from the General Fund to a new capital projects account dedicated toward road improvements in the unincorporated areas of Hamilton County and from the transfer of \$6.0M from the General Fund to a capital projects fund for various Hamilton County Schools' projects.

The Debt Service fund has a fund balance at June 30, 2024 of \$8.1 million, which is consistent with the balance at prior year end.

The Capital Projects Fund is used to account for revenues and expenditures for large capital projects. The majority of the funding for these capital projects is derived from issuances of general obligation bonds and from investment earnings from the unspent bond proceeds. The fund balance of the Capital Projects Fund decreased by \$10.4 million from the prior year and closed the current year with a balance of \$131.5 million. Expenditures for capital additions completed in fiscal year 2024 totaled \$50.1 million.

PROPRIETARY FUNDS

The County's proprietary fund is used to account for the County's self-insurance programs. The County is self-insured for health, unemployment compensation, on-the-job injury claims, property, automobile and liability claims, and losses due to liabilities arising under the laws of the state and federal governments. The cost for these programs is funded through premiums paid by the departments and agencies of Hamilton County Government. Unrestricted net position for the



proprietary fund decreased \$5.0 million in fiscal year 2024 and totaled \$33.8 million at the end of the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Hamilton County Board of Commissioners approved and adopted its fiscal year 2024 annual operating budget on June 21, 2023. The original General Fund operating budget was balanced without requiring use of fund balance.

The Board of Commissioners approved a total of \$39.0 million in amendments to General Fund operating expenditures and transfers out during fiscal year 2024 and total amendments of \$16.8 million to the General Fund revenue budget. The amendments to the General Fund revenue and expenditure budgets were primarily for:

- Increases to expenditures budgets for purchases that were initiated in the prior fiscal year, encumbered against the prior fiscal year budget, but were completed and the goods received in the current fiscal year (\$4.7 million);
- Increases to revenue and expenditures budgets for grant-related items that were not expended during the prior fiscal year and were carried over into the current fiscal year (revenues - \$7.1 million; expenditures - \$9.1 million);

- New grants received from various state and federal agencies (revenues - \$9.7 million; expenditures - \$9.4 million);
- Increase to expenditures budget for purchase of the Gateway property from Blue Cross Blue Shield for a future downtown school facility (\$10.1 million); and
- Increase to expenditures budget for transfer of funds into a capital projects fund to address funding needs for County road improvement projects (\$5.8 million).

Actual revenues for the General Fund were below budgeted revenues by \$20.9 million (6.6%). This variance is largely due to lower than budgeted property tax revenues (\$9.4 million) and intergovernmental revenues related to grants from the State of Tennessee (\$12.2 million).

Total expenditures were less than budgeted expenditures by \$32.5 million (10.8%). A large part of this favorable variance resulted from conservative spending by the General Government, Public Safety, Capital Outlay and Health. A detailed Budgetary Comparison Schedule for the General Fund is presented on pages C-1 through C-5 of this report.



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The County's investment in capital assets as of June 30, 2024, amounts to \$408.0 million (net of accumulated depreciation of \$346.3 million). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, intangibles and construction in progress. For the year, the County expended \$60.9 million for new and replacement capital assets and improvements to capital assets. Additional information on the County's capital assets can be found in the Notes to the Basic Financial Statements – Note H.

Major capital asset events during the current year included the following:

- Tyner Middle/High School - \$8.0 million
- Various School Capital Projects - \$3.7 million
- EMS Training Center - \$3.1 million
- Forensic Center - \$2.6 million
- CSLA/Lakesite School Renovation - \$1.4 million
- Harrison Recreation Center - \$1.2 million

CAPITAL ASSET ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2024

NET OF DEPRECIATION

(Rounded to the thousands)

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Land	\$ 96,459,000	\$ 1,310,000	\$ —	\$ —	\$ 97,769,000
Construction in progress	73,577,000	20,545,000	(40,213,000)	(4,281,000)	49,628,000
Buildings	185,017,000	18,259,000	(729,000)	1,523,000	204,070,000
Improvements other than buildings	44,390,000	684,000	—	2,743,000	47,817,000
Machinery and equipment	58,625,000	8,885,000	(2,542,000)	15,000	64,983,000
Infrastructure	259,773,000	9,202,000	—	—	268,975,000
Intangibles	7,386,000	302,000	(97,000)	—	7,591,000
Right-to-use leased assets	5,281,000	3,163,000	(704,000)	—	7,740,000
Right-to-use technology agreements	9,062,000	—	(235,000)	—	8,827,000
Depreciation and amortization	(335,628,000)	(17,607,000)	3,880,000	—	(349,355,000)
	<u>\$ 403,942,000</u>	<u>\$ 44,743,000</u>	<u>\$ (40,640,000)</u>	<u>\$ —</u>	<u>\$ 408,045,000</u>



MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

LONG-TERM DEBT

At the end of fiscal year 2024, the County had general obligation bonds outstanding of \$270.3 million, with \$31.3 million of such debt due in fiscal year 2025. Of the bonded debt, \$150.9 million (55.8%) was issued for capital improvements for the Hamilton County Schools.

Additional information on the County’s debt can be found in the Notes to Basic Financial Statements – Note M.

OVERALL FINANCIAL HEALTH

Hamilton County is in a strong position financially, with a bright future due to the sound management practices that have enabled the County to maintain solid fund balances and reserves. One measure of an entity’s financial strength is the level of its fund balances. The County has consistently maintained a General Fund balance equivalent to at least three months of expenditures, which places the County in an excellent position to adequately address most fiscal emergencies. The County’s Fund Balance Policy recommends that the fund balance be no less than 25% of the planned operating expenses, and we will continue to comply with this recommendation.

The County’s excellent bond ratings (AAA by S&P Global Ratings and Fitch Ratings and Aaa by Moody’s Investors Service) are further evidence of our financial strength. These ratings indicate that the County’s bonds are considered to be very high investment quality, which translates to lower interest rates and corresponding lower interest payments. Having solid conservative financial policies and strong financial reserves are principal reasons for these ratings.

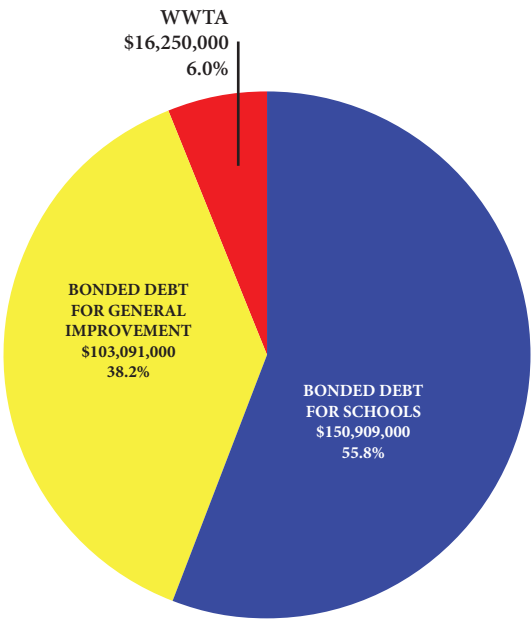
ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND PROPERTY TAX RATES

The Hamilton County Commission approved the fiscal year 2025 budget on July 3, 2024. Some of the key factors considered in developing the fiscal year 2025 budget are noted below:

- The primary source of revenue for the County comes from property taxes. Property tax revenues for FY 2025 of \$348.4 million are budgeted to grow 1.7% over such revenues in the prior year.
- Sales tax revenues for fiscal year 2025 of \$132.6 are budgeted to grow 1.8% over the prior year budget. The vast majority of these revenues

General Obligation Bonds Outstanding

General Improvement	\$	103,091,000	38.2%
Schools		150,909,000	55.8%
WWTA		16,250,000	6.0%
Total General Obligation Bond Debt	\$	270,250,000	



(\$121.6 million) are budgeted by the Hamilton County Schools, with the remainder going to the General Fund.

- Intergovernmental revenues account for 38.1% of the County’s total revenue. The intergovernmental revenues consist primarily of funding received from the State of Tennessee and from the Federal government. 89.0% of the intergovernmental revenues are received by the Hamilton County Schools, with the remainder going to the General Fund. Intergovernmental revenues are projected to grow \$39.2 million (10.8%) in fiscal year 2025, primarily due to increased funding from the Tennessee Investment in Student Achievement (TISA) program to Hamilton County Schools of \$19.7 million (7.8%).
- Transfers-in from other funds includes excess fees paid to the General Fund from various constitutional offices and appropriations from the General Fund to the Debt Service Fund to cover scheduled principal and interest payments due. Total budgeted revenues from transfers for the FY 2025 budget were \$66.9 million which



was consistent with the FY 2024 budgeted amount.

- As is common for most governmental entities, the majority (63.0%) of the County's expenditures are personnel related (salaries and employee benefits). In the FY 2025 budget, raises were granted to County and HCS employees. Total expenses for salaries increased over the prior year by \$16.9 million (3.7%). The increase in salaries occurred both in the County General Fund (\$2.1 million; 1.8%) and for the Hamilton County Schools (\$14.8 million; 4.3%).
- Total costs budgeted for employee benefits increased from the FY 2024 budget by \$4.5 million (2.5%).
- Expenditures for Debt Service principal and interest payments of \$47.3 million is consistent with the payments budgeted for the prior year. The County is scheduled to repay \$31.3 million of debt principal in fiscal year 2025, which is \$1.9 million less than the principal repaid in fiscal year 2024.
- The Hamilton County Schools (HCS), a discretely presented component unit of Hamilton County, adopted a fiscal year 2025 budget of \$663.0 million (63.1% of the total budget for Hamilton

County). This budget does not include the debt service obligation attributed to the HCS that is appropriated in the General Fund.

- HCS's combined budget increased over the fiscal year 2024 budget by \$47.5 million (7.7%). The majority of the increase in the fiscal year 2025 budget was in salaries and benefits, which increased over the prior year budget by \$15.8 million (3.4%), and in purchased services, which increased over the prior year budget by \$15.9 million (15.5%). The majority of the increased expenditures were funded from an increase in intergovernmental revenues of \$35.9 million (11.2%) received primarily from the State of Tennessee.
- Increases in the HCS expenditure budget were aligned with the school district's strategic plan, Opportunity 2030 which is based on five key commitments: Every Student Learns, Every Student Belongs, Every School Equipped, Every Employee Valued, and Every Community Served. With over 72% of school district funds being spent on personnel; the District closely aligns its staffing levels with the State's TISA Program and class size mandates.

REQUESTS FOR INFORMATION

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional information, contact the Chief Financial Officer, McDaniel Building, 455 North Highland Park Avenue, Chattanooga, TN 37404.

Additional financial information can be found on our web site www.hamiltontn.gov.

Two discretely presented component units, "911" Emergency Communications and the Water & Wastewater Treatment Authority, have separately issued financial reports that can be obtained from: Hamilton County "911" Emergency Communications District, 3404 Amnicola Highway, Chattanooga, TN 37406; Water & Wastewater Treatment Authority, P.O. Box 8856, Chattanooga, TN 37414.





STATEMENT OF NET POSITION
HAMILTON COUNTY, TENNESSEE
June 30, 2024

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 223,449,129	\$ 157,042,374
Investments	133,712,150	44,827,886
Receivables, net of allowance for uncollectibles	209,561,164	211,944,906
Receivables, restricted	-	739,616
Due from component units	1,152,334	-
Due from primary government	-	9,700,514
Inventories	1,541,477	1,159,453
Prepaid items	277,563	218,950
Advance to component units, net of allowance for uncollectibles	16,250,000	-
Net pension asset	2,229,598	50,901,382
Cash and cash equivalents - restricted	-	9,387,611
Investment in joint venture	4,001,761	-
Land and other nondepreciable assets	147,397,989	89,388,530
Other capital assets, net of accumulated depreciation and amortization	260,646,569	576,926,361
Total assets	<u>1,000,219,734</u>	<u>1,152,237,583</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to measurement date	10,497,983	19,325,420
Pension experience differences	11,348,775	18,322,631
Pension changes in assumptions	337,090	18,838,919
Pension investment differences	3,727,652	10,686,563
Deferred changes in proportion to the net pension liability	-	2,154,898
OPEB changes in assumptions	1,413,949	-
OPEB contributions subsequent to measurement date	5,160,938	-
OPEB investment differences	3,746,854	-
OPEB experience differences	-	11,293,029
Total deferred outflows of resources	<u>36,233,241</u>	<u>80,621,460</u>
LIABILITIES		
Accounts payable and accrued expenses	37,728,919	62,699,286
Due to component unit	9,700,514	-
Due to primary government	-	1,152,334
Unearned revenue	39,761,156	-
Long-term liabilities:		
Due within one year	38,360,267	16,681,303
Due in more than one year	298,852,335	43,317,295
Net pension liability, due in more than one year	17,908,513	9,190,034
Net OPEB liability, due in more than one year	11,711,184	-
Total OPEB liability, due in more than one year	-	97,220,942
Advance from primary government	-	25,703,491
Total liabilities	<u>454,022,888</u>	<u>255,964,685</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	166,215,780	126,161,423
Deferred lease receivable	4,772,982	1,740,431
Pension experience differences	26,439	3,982,741
OPEB changes in assumptions	920,416	42,011,470
OPEB experience differences	2,753,788	-
Deferred changes in proportion to the net pension liability	-	271,012
Deferred gain on refunding	1,122,265	-
Total deferred inflows of resources	<u>175,811,670</u>	<u>174,167,077</u>
NET POSITION		
Net investment in capital assets	332,623,539	619,251,097
Restricted for:		
General government	4,653,506	-
Public safety	3,609,477	-
Partnership	1,041,194	-
Social services	1,918,994	-
Stabilization reserve trust	3,954,151	12,794,509
Centralized cafeteria	-	12,985,808
Education	-	11,113,037
Local School Activities	-	10,210,773
Instruction	-	24,460
Net pension asset	2,215,117	46,956,552
WWTA PSLP program	-	5,000,000
Debt service	-	1,847,461
Unrestricted	56,602,439	82,543,584
Total net position	<u>\$ 406,618,417</u>	<u>\$ 802,727,281</u>

The Notes to Basic Financial Statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

HAMILTON COUNTY, TENNESSEE

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Components Units
PRIMARY GOVERNMENT						
Government activities:						
General government	\$ 82,737,063	\$ 24,453,007	\$ 9,795,983	\$ 20,335,156	\$ (28,152,917)	
Public safety:						
Sheriff	74,243,521	1,915,196	8,269,499	-	(64,058,826)	
Criminal Court	4,949,635	1,450,086	-	-	(3,499,549)	
Juvenile Court	2,561,823	310,925	-	-	(2,250,898)	
Ambulance Services	21,154,616	17,414,722	-	-	(3,739,894)	
Other	35,912,685	4,844,465	2,677,769	-	(28,390,451)	
Highways and streets	27,446,516	5,141,083	9,739,580	-	(12,565,853)	
Health	25,374,387	2,071,610	12,119,111	-	(11,183,666)	
Social services	5,708,647	2,654,174	47,116	-	(3,007,357)	
Culture and recreation	13,383,050	1,486,970	2,107,962	-	(9,788,118)	
Education	40,195,141	-	-	-	(40,195,141)	
Interest on long-term debt	6,451,501	-	-	-	(6,451,501)	
TOTAL PRIMARY GOVERNMENT	\$ 340,118,585	\$ 61,742,238	\$ 44,757,020	\$ 20,335,156	(213,284,171)	
COMPONENT UNITS						
Department of Education	\$ 688,282,294	\$ 10,103,184	\$ 121,992,231	\$ 66,705,698		\$ (489,481,181)
"911" Emergency Communications	15,882,569	-	17,787,015	-		1,904,446
Water & Wastewater Treatment Authority	24,798,872	35,090,122	6,083,151	9,413,742		25,788,143
Railroad Authority	160,831	168,331	-	-		7,500
TOTAL COMPONENT UNITS	\$ 729,124,566	\$ 45,361,637	\$ 145,862,397	\$ 76,119,440		(461,781,092)
General revenues:						
Property taxes					184,505,181	145,617,297
Sales taxes					10,374,909	119,871,824
Business taxes					12,686,659	-
Hotel/Motel taxes					11,458,701	-
Other taxes					1,101,643	-
Unrestricted investment earnings					18,180,796	9,348,563
Grants and contributions not restricted to specific programs					-	265,481,497
Total general revenues					238,307,889	540,319,181
Change in net position					25,023,718	78,538,089
Net position, beginning					381,594,699	724,189,192
Net position, ending					\$ 406,618,417	\$ 802,727,281

The Notes to Basic Financial Statements are an integral part of this statement.

**BALANCE SHEET
GOVERNMENTAL FUNDS**

HAMILTON COUNTY, TENNESSEE

June 30, 2024

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 66,000,517	\$ 4,141,742	\$ 128,398,789	\$ 9,260,671	\$ 207,801,719
Investments	74,107,636	3,915,272	37,469,950	616,061	116,108,919
Receivables, net of allowance for uncollectible	205,334,939	-	2,713,118	1,479,494	209,527,551
Due from other funds	2,053,001	4,394	211,106	-	2,268,501
Due from component units	1,152,334	-	-	-	1,152,334
Inventories	1,218,970	-	-	-	1,218,970
Prepaid items	5,431	-	-	4,413	9,844
Advance to component units	-	-	16,250,000	-	16,250,000
Total assets	<u>\$ 349,872,828</u>	<u>\$ 8,061,408</u>	<u>\$ 185,042,963</u>	<u>\$ 11,360,639</u>	<u>\$ 554,337,838</u>
LIABILITIES					
Accounts payable	\$ 4,866,690	\$ -	\$ 2,112,695	\$ -	\$ 6,979,385
Accrued items and other	17,779,891	-	-	3,463,987	21,243,878
Intergovernmental payables	707,517	-	-	-	707,517
Due to other funds	4,198,110	-	2,011,414	45,981	6,255,505
Due to component units	-	-	9,700,514	-	9,700,514
Other unearned revenue	-	-	39,760,588	-	39,760,588
Total liabilities	<u>27,552,208</u>	<u>-</u>	<u>53,585,211</u>	<u>3,509,968</u>	<u>84,647,387</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	166,215,780	-	-	-	166,215,780
Unavailable property taxes	7,605,096	-	-	-	7,605,096
Leases	4,772,982	-	-	-	4,772,982
Other unavailable revenue	363,947	-	-	-	363,947
Total deferred inflows of resources	<u>178,957,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,957,805</u>
FUND BALANCES					
Nonspendable for inventories	1,218,970	-	-	-	1,218,970
Nonspendable for prepaid items	5,431	-	-	4,413	9,844
Restricted for stabilization reserve trust	3,954,151	-	-	-	3,954,151
Restricted for general government	-	-	-	4,653,506	4,653,506
Restricted for public safety	2,474,263	-	-	1,135,214	3,609,477
Restricted for partnership	1,041,194	-	-	-	1,041,194
Restricted for social services	-	-	-	1,918,994	1,918,994
Restricted for capital projects	-	-	90,212,582	-	90,212,582
Restricted for debt service	-	-	16,250,000	-	16,250,000
Committed for public safety	1,521,633	-	-	138,544	1,660,177
Committed for capital projects	-	-	13,021,301	-	13,021,301
Assigned for general government	3,401,842	-	-	-	3,401,842
Assigned for public safety	4,434,332	-	-	-	4,434,332
Assigned for debt service	-	8,061,408	-	-	8,061,408
Assigned for highways and streets	3,783,738	-	-	-	3,783,738
Assigned for health	467,432	-	-	-	467,432
Assigned for culture and recreation	733,265	-	-	-	733,265
Assigned for capital projects	-	-	11,973,869	-	11,973,869
Unassigned	120,326,564	-	-	-	120,326,564
Total fund balances	<u>143,362,815</u>	<u>8,061,408</u>	<u>131,457,752</u>	<u>7,850,671</u>	<u>290,732,646</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 349,872,828</u>	<u>\$ 8,061,408</u>	<u>\$ 185,042,963</u>	<u>\$ 11,360,639</u>	<u>\$ 554,337,838</u>

The Notes to Basic Financial Statements are an integral part of this statement.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Differences in amounts reported for governmental activities in the statement of net position on page A-1:

Fund balances - total governmental funds	\$ 290,732,646
--	----------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	408,044,558
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Certain revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	7,969,043
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Internal service funds are used by management to charge the costs of self-insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	33,843,989
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The County entered into a joint venture with the City of Chattanooga and the Carter Street Corporation for the development and management of the Convention and Visitor's Trade Center. This asset is not a currently available financial resource and is not reported in the funds.	4,001,761
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Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. This item consists of the following:

General obligation bonds	\$ (270,250,000)
Original issue premiums	(35,645,312)
Deferred gain on refunding	(1,122,265)
Leases	(4,678,585)
SBITAs	(7,106,648)
Net pension asset	2,229,598
Net pension liability	(17,908,513)
Deferred outflows from pension contributions	10,497,983
Deferred outflows from differences in pension investment earnings	3,727,652
Deferred outflows from pension experiences	11,348,775
Deferred outflows from pension changes in assumptions	337,090
Deferred inflows from pension experiences	(26,439)
Net OPEB liability	(11,711,184)
Deferred outflows from OPEB contributions	5,160,938
Deferred outflows from OPEB changes in assumptions	1,413,949
Deferred outflows from differences in OPEB investment earnings	3,746,854
Deferred inflows from OPEB experience	(2,753,788)
Deferred inflows from OPEB changes in assumptions	(920,416)
Landfill post closure costs	(80,000)
Compensated absences	(19,452,057)
Accrued interest payable	(4,781,212)
	<u>(337,973,580)</u>

Net position of governmental activities	\$ <u>406,618,417</u>
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The Notes to Basic Financial Statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

HAMILTON COUNTY, TENNESSEE

Year Ended June 30, 2024

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 208,656,144	\$ -	\$ -	\$ 11,470,949	\$ 220,127,093
Licenses and permits	2,004,067	-	-	-	2,004,067
Intergovernmental	42,558,447	858,673	21,060,056	-	64,477,176
Charges for services	28,637,544	-	194,309	22,530,985	51,362,838
Fines, forfeitures and penalties	1,488,270	-	-	46,903	1,535,173
Investment earnings	9,133,908	289,721	6,081,555	1,438,064	16,943,248
Miscellaneous	5,666,018	-	-	215,174	5,881,192
Total revenues	298,144,398	1,148,394	27,335,920	35,702,075	362,330,787
EXPENDITURES					
Current:					
General government	53,187,090	-	-	17,137,702	70,324,792
Public safety:					
Sheriff	68,385,974	-	-	519,378	68,905,352
Criminal Court	4,435,502	-	-	-	4,435,502
Juvenile Court	1,967,891	-	-	-	1,967,891
Ambulance Services	19,184,379	-	-	-	19,184,379
Other	33,404,814	-	-	18,643	33,423,457
Highways and streets	22,237,239	-	-	-	22,237,239
Health	24,414,375	-	-	-	24,414,375
Social services	3,674,072	-	-	1,999,520	5,673,592
Culture and recreation	10,560,147	-	-	-	10,560,147
Debt service:					
Principal	2,367,984	33,185,000	3,758	856	35,557,598
Interest and fiscal charges	328,772	14,072,843	2,442	43	14,404,100
Capital outlay:					
General government	23,084,216	-	29,350,883	-	52,435,099
Education	-	-	20,780,208	-	20,780,208
Total expenditures	267,232,455	47,257,843	50,137,291	19,676,142	384,303,731
Excess (deficiency) of revenues over (under) expenditures	30,911,943	(46,109,449)	(22,801,371)	16,025,933	(21,972,944)
OTHER FINANCING SOURCES (USES)					
Transfers in	15,854,169	46,218,516	13,561,288	-	75,633,973
Transfers out	(59,183,558)	-	(1,353,099)	(15,804,351)	(76,341,008)
Issuance of leases payable	3,163,421	-	-	-	3,163,421
Sale of capital assets	395,823	-	158,115	-	553,938
Total other financing sources (uses)	(39,770,145)	46,218,516	12,366,304	(15,804,351)	3,010,324
Net change in fund balances	(8,858,202)	109,067	(10,435,067)	221,582	(18,962,620)
Fund balances, July 1	152,221,017	7,952,341	125,027,819	7,629,089	292,830,266
Adjustment - correction of error	-	-	16,865,000	-	16,865,000
Fund balances, July 1, as restated	152,221,017	7,952,341	141,892,819	7,629,089	309,695,266
Fund balances, ending	\$ 143,362,815	\$ 8,061,408	\$ 131,457,752	\$ 7,850,671	\$ 290,732,646

The Notes to Basic Financial Statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

HAMILTON COUNTY, TENNESSEE

Year Ended June 30, 2024

Differences in amounts reported for governmental activities in the statement of activities on pages A-2:

Net change in fund balances - total governmental funds	\$ (18,962,620)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	62,349,185
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Depreciation and amortization expense on governmental capital assets is included in the governmental activities in the statement of activities.	(17,607,166)
---	--------------

The payment of the principal of long-term debt consumes the current financial resources of governmental funds:	
Payment on general obligation bonds	33,185,000
Payment on SBITAs	928,374
Payment on leases	1,444,224

The issuance of the principal of long-term debt relieves the current financial resources of governmental funds:	
Issuance of leases	(3,163,421)

Compensated absences are measured by the amounts earned during the year in the statement of activities. However, expenditures for these items are measured by the amount of financial resources used in the governmental funds. Compensated absences increased by this amount during the year.	(520,936)
--	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Landfill post closure costs	10,000
SBITA liability remeasured	19,000
Amortization of bond issuance premium	7,300,563
Net book value of right-to-use asset returned to lessor	(78,670)
Lease liability remeasured	75,155
Change in accrued interest payable	652,036

The net loss of internal service funds are reported with governmental activities.	(4,968,460)
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The net effect of various transactions involving capital assets is to decrease net position.	(40,561,373)
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The net effect of the change in the net OPEB obligation is included in the governmental activities in the statement of activities.	10,755,018
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The net effect of the change in the net pension liability is included in the governmental activities in the statement of activities.	(7,406,160)
--	-------------

Certain governmental revenues will not be collected for several months after the fiscal year and are reported as deferred inflows in the governmental funds.	935,266
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The net effect of the change in the Carter Street joint venture is included in the governmental activities in the statement of activities.	638,703
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Change in net position of governmental activities	<u>\$ 25,023,718</u>
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The Notes to Basic Financial Statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

HAMILTON COUNTY, TENNESSEE

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 219,152,000	\$ 219,152,000	\$ 208,656,144	\$ (10,495,856)
Licenses and permits	1,745,000	1,745,000	2,004,067	259,067
Intergovernmental revenues	40,843,060	57,394,459	42,558,447	(14,836,012)
Charges for services	31,545,262	31,545,262	28,637,544	(2,907,718)
Fines, forfeitures and penalties	1,893,350	1,893,350	1,488,270	(405,080)
Investment earnings	2,207,500	2,207,500	9,133,908	6,926,408
Miscellaneous	5,057,770	5,142,160	5,666,018	523,858
Total revenues	302,443,942	319,079,731	298,144,398	(20,935,333)
EXPENDITURES				
Current:				
General government	56,689,871	59,467,905	53,187,090	6,280,815
Public safety	126,201,447	130,942,981	127,378,560	3,564,421
Highways and streets	22,693,879	24,857,399	22,237,239	2,620,160
Health	30,819,933	35,033,936	24,414,375	10,619,561
Social services	3,873,210	3,938,269	3,674,072	264,197
Culture and recreation	11,380,705	11,645,606	10,560,147	1,085,459
Capital outlay	14,717,445	31,003,451	23,084,216	7,919,235
Debt service:				
Principal	-	2,541,743	2,367,984	173,759
Interest	-	302,491	328,772	(26,281)
Total budgetary expenditures	266,376,490	299,733,781	267,232,455	32,501,326
Excess of revenues over expenditures	36,067,452	19,345,950	30,911,943	11,565,993
OTHER FINANCING SOURCES (USES)				
Transfers in	15,627,000	15,807,000	15,854,169	47,169
Transfers out	(53,224,452)	(59,024,452)	(59,183,558)	(159,106)
Issuance of SBITA payable	100,000	100,000	-	(100,000)
Issuance of lease payable	750,000	750,000	3,163,421	2,413,421
Sale of capital assets	680,000	680,000	395,823	(284,177)
Total other financing sources (uses)	(36,067,452)	(41,687,452)	(39,770,145)	1,917,307
Net change in fund balance	\$ -	\$ (22,341,502)	(8,858,202)	\$ 13,483,300
Fund balance at beginning of year			152,221,017	
Fund balance at end of year			\$ 143,362,815	

The Notes to Basic Financial Statements are an integral part of this statement.

**STATEMENT OF NET POSITION
PROPRIETARY FUND**

HAMILTON COUNTY, TENNESSEE

June 30, 2024

	Governmental Activities - Internal Service Fund
ASSETS	
Current assets	
Cash	\$ 15,647,410
Investments	17,603,231
Accounts receivable	33,613
Due from other funds	3,987,004
Inventory	322,507
Prepaid items	267,719
Total current assets	37,861,484
Total assets	37,861,484
LIABILITIES	
Current liabilities	
Accounts payable	106,118
Accrued claims	3,393,809
Unearned revenue	568
Total current liabilities	3,500,495
Noncurrent liabilities	
Accrued claims	517,000
Total liabilities	4,017,495
NET POSITION	
Unrestricted	\$ 33,843,989

The Notes to Basic Financial Statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION
PROPRIETARY FUND**

HAMILTON COUNTY, TENNESSEE

Year Ended June 30, 2024

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 44,906,784
Other	3,135,767
Total operating revenues	48,042,551
OPERATING EXPENSES	
Unemployment compensation	15,148
Claims and premiums	43,855,353
Pharmacy	8,140,730
Clinic	1,503,825
Administration	1,440,388
Debt Service:	
Principal	150
Total operating expenses	54,955,594
Operating loss	(6,913,043)
NONOPERATING REVENUES	
Investment earnings	1,237,548
OTHER FINANCING SOURCES	
Transfers in	707,035
Change in net position	(4,968,460)
Net position, beginning	38,812,449
Net position, ending	\$ 33,843,989

The Notes to Basic Financial Statements are an integral part of this statement.

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from insurance premiums	\$ 41,213,545
Cash received from unemployment compensation	759,933
Cash received from pharmacy	8,137,527
Cash paid for claims and premiums	(44,908,194)
Cash paid for administration	(1,431,128)
Cash paid for clinic	(1,503,825)
Cash paid for pharmacy	(8,140,730)
Net cash used in operating activities	<u>(5,872,872)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	29,824,433
Purchase of investments	(17,603,231)
Interest on investments	1,237,548
Net cash provided by investing activities	<u>13,458,750</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	<u>707,035</u>
Cash provided by non-capital financing activities	<u>707,035</u>
Net change in cash and cash equivalents	8,292,913
Beginning cash and cash equivalents	<u>7,354,497</u>
Ending cash and cash equivalents	<u>\$ 15,647,410</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	<u>\$ (6,913,043)</u>
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Change in accounts receivable	(30,269)
Change in due from other funds	2,051,037
Change in inventory	(69,263)
Change in prepaid items	39,285
Change in accounts payable	(4,626)
Change in due to other funds	(17,338)
Change in liabilities	(3,603)
Change in accrued claims	(925,052)
Total adjustments	<u>1,040,171</u>
Net cash used in operating activities	<u>\$ (5,872,872)</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

HAMILTON COUNTY, TENNESSEE

June 30, 2024

	OPEB & Pension Trust Funds	Constitutional Offices Custodial Funds
ASSETS		
Cash	\$ 58,997	\$ 37,004,834
Investments	-	62,673
Investments on behalf of litigants and beneficiaries	-	22,732,708
Investments, at fair value:		
US Government Securities	5,596,930	-
Municipal Bonds	1,642,222	-
Mutual Funds	11,268,711	-
Domestic Equity Securities	7,518,563	-
Domestic Corporate Bonds	5,454,438	-
Foreign Bonds / Notes	698,343	-
Foreign Equity Securities	3,241,437	-
Quality Income Fund	5,118,800	-
Money Market	1,123,068	-
Exchange-traded Funds	10,417,180	-
Real Estate Investment Trust	79,093	-
Total investments, at fair value	<u>52,158,785</u>	<u>-</u>
Receivables:		
Interest	165,302	-
Accounts	-	7,151
Total receivables	<u>165,302</u>	<u>7,151</u>
Total assets	<u>52,383,084</u>	<u>59,807,366</u>
LIABILITIES		
Accrued items and other	-	6,798,537
Intergovernmental payables	-	7,121,705
Total liabilities	<u>-</u>	<u>13,920,242</u>
NET POSITION		
Restricted for pension benefits	3,344,179	-
Restricted for OPEB benefits	49,038,905	-
Restricted for individuals, organizations and others	-	45,887,124
Total net position	<u>\$ 52,383,084</u>	<u>\$ 45,887,124</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

HAMILTON COUNTY, TENNESSEE

Year Ended June 30, 2024

	OPEB & Pension Trust Funds	Constitutional Offices Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 5,239,500	\$ -
Other	1,788	-
Total contributions	5,241,288	-
Collections of taxes, fines and fees:		
State of Tennessee	-	68,483,983
Municipalities	-	14,886,989
Total collections of taxes, fines and fees	-	83,370,972
Judgments for litigants and beneficiaries	-	63,500,676
Miscellaneous	-	47,958,545
Investment earnings:		
Net change in fair value of investments	4,163,278	-
Interest and dividends	1,141,305	-
Net investment earnings	5,304,583	-
Total additions	10,545,871	194,830,193
DEDUCTIONS		
Benefits	3,723,378	-
Payments of taxes, fines and fees:		
State of Tennessee	-	68,483,983
Municipalities	-	14,886,989
Payouts to litigants and beneficiaries	-	66,899,022
Administrative expense	132,825	-
Miscellaneous	-	48,024,297
Total deductions	3,856,203	198,294,291
Change in net position	6,689,668	(3,464,098)
Net position, beginning	45,693,416	49,351,222
Net position, ending	\$ 52,383,084	\$ 45,887,124

The Notes to Basic Financial Statements are an integral part of this statement.



**STATEMENT OF NET POSITION
COMPONENT UNITS**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

	Hamilton County Schools	"911" Emergency Communications District	Water & Wastewater Treatment Authority (WWTa)	Railroad Authority	Total
ASSETS					
Cash and cash equivalents	\$ 96,863,472	\$ 16,853,347	\$ 43,316,530	\$ 9,025	\$ 157,042,374
Investments	35,000,168	9,827,718	-	-	44,827,886
Receivables, net of allowance for uncollectible	195,190,704	557,971	16,196,231	-	211,944,906
Receivables, restricted	-	-	739,616	-	739,616
Due from primary government	-	-	9,700,514	-	9,700,514
Inventories	1,092,274	-	67,179	-	1,159,453
Prepaid items	200,000	-	18,950	-	218,950
Net pension asset	50,901,382	-	-	-	50,901,382
Cash and cash equivalents - restricted	5,127,227	-	4,260,384	-	9,387,611
Land and other nondepreciable assets	55,515,412	301,473	33,571,645	-	89,388,530
Capital assets, net of accumulated depreciation	421,845,505	4,716,133	150,364,723	-	576,926,361
Total assets	861,736,144	32,256,642	258,235,772	9,025	1,152,237,583
DEFERRED OUTFLOWS OF RESOURCES					
Pension contributions subsequent to measurement date	18,397,950	927,470	-	-	19,325,420
Pension experience differences	16,926,209	1,396,422	-	-	18,322,631
Pension changes in assumptions	17,845,172	993,747	-	-	18,838,919
Pension investment differences	10,557,781	128,782	-	-	10,686,563
Deferred changes in proportion to the net pension liability	2,154,898	-	-	-	2,154,898
OPEB experience differences	11,293,029	-	-	-	11,293,029
Total deferred outflows of resources	77,175,039	3,446,421	-	-	80,621,460
LIABILITIES					
Accounts payable and other current liabilities	52,330,007	254,753	10,114,526	-	62,699,286
Due to primary government	-	639,874	512,460	-	1,152,334
Noncurrent liabilities:					
Due within one year	13,795,851	795,861	2,089,591	-	16,681,303
Due in more than one year	20,661,436	-	22,655,859	-	43,317,295
Net pension liability, due in more than one year	7,603,861	1,586,173	-	-	9,190,034
Total OPEB liability, due in more than one year	97,220,942	-	-	-	97,220,942
Advance from primary government	-	-	25,703,491	-	25,703,491
Total liabilities	191,612,097	3,276,661	61,075,927	-	255,964,685
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	126,161,423	-	-	-	126,161,423
Deferred lease receivable	1,740,431	-	-	-	1,740,431
Pension experience differences	3,673,818	308,923	-	-	3,982,741
OPEB changes in assumptions	42,011,470	-	-	-	42,011,470
Deferred changes in proportion to the net pension liability	271,012	-	-	-	271,012
Total deferred inflows of resources	173,858,154	308,923	-	-	174,167,077
NET POSITION					
Net investment in capital assets	471,045,550	5,017,606	143,187,941	-	619,251,097
Restricted for:					
Centralized cafeteria	12,985,808	-	-	-	12,985,808
Education	11,113,037	-	-	-	11,113,037
Local School Activities	10,210,773	-	-	-	10,210,773
Stabilization reserve trust	12,794,509	-	-	-	12,794,509
Instruction	24,460	-	-	-	24,460
Net pension asset	46,956,552	-	-	-	46,956,552
WWTa PSLP program	-	-	5,000,000	-	5,000,000
Debt service	-	-	1,847,461	-	1,847,461
Unrestricted	8,310,243	27,099,873	47,124,443	9,025	82,543,584
Total net position	\$ 573,440,932	\$ 32,117,479	\$ 197,159,845	\$ 9,025	\$ 802,727,281

The Notes to Basic Financial Statements are an integral part of this statement.

**STATEMENT OF ACTIVITIES
COMPONENT UNITS**

HAMILTON COUNTY, TENNESSEE

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
HAMILTON COUNTY SCHOOLS				
Regular instruction	\$ 296,318,579	\$ 5,912,059	\$ 56,109,660	\$ -
Exceptional instruction	54,169,849	-	-	-
Vocational instruction	20,440,509	-	-	-
Support services:				
Pupil services	48,559,877	-	6,541,275	-
Instructional staff	55,851,527	-	15,833,749	-
Technology	11,858,590	-	88,346	-
Board of education	7,055,899	-	-	-
Administration	43,055,726	-	659,400	-
Business and fiscal services	4,486,894	-	113,658	-
Human resources	4,241,817	-	301,603	-
Plant operation and maintenance	65,168,761	-	2,606,222	66,705,698
Pupil transportation	30,664,024	-	2,797,512	-
Central and other	1,303,683	-	-	-
Operation of noninstructional services:				
Community services	10,477,034	-	9,242,338	-
Early childhood education	4,970,219	-	-	-
Child Nutrition	29,570,243	4,191,125	27,698,468	-
Interest and fiscal charges	89,063	-	-	-
TOTAL HAMILTON COUNTY SCHOOLS	688,282,294	10,103,184	121,992,231	66,705,698
"911" EMERGENCY COMMUNICATIONS DISTRICT				
Emergency communications operations	15,882,569	-	17,787,015	-
WATER & WASTEWATER TREATMENT AUTHORITY				
Water & wastewater treatment operations	24,798,872	35,090,122	6,083,151	9,413,742
RAILROAD AUTHORITY				
Railroad authority operations	160,831	168,331	-	-
TOTAL COMPONENT UNITS	\$ 729,124,566	\$ 45,361,637	\$145,862,397	\$ 76,119,440

General revenues:

Property taxes

Sales taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Total general revenues

Change in net position

Net position, beginning

Net position, ending

The Notes to Basic Financial Statements are an integral part of this statement.

Net (Expenses) Revenues and
Changes in Net Position

Hamilton County Schools	"911" Emergency Communication	Water & Wastewater Treatment Authority	Railroad Authority	Total
\$ (234,296,860)				\$ (234,296,860)
(54,169,849)				(54,169,849)
(20,440,509)				(20,440,509)
(42,018,602)				(42,018,602)
(40,017,778)				(40,017,778)
(11,770,244)				(11,770,244)
(7,055,899)				(7,055,899)
(42,396,326)				(42,396,326)
(4,373,236)				(4,373,236)
(3,940,214)				(3,940,214)
4,143,159				4,143,159
(27,866,512)				(27,866,512)
(1,303,683)				(1,303,683)
(1,234,696)				(1,234,696)
(4,970,219)				(4,970,219)
2,319,350				2,319,350
(89,063)				(89,063)
<u>(489,481,181)</u>				<u>(489,481,181)</u>
	\$ 1,904,446			1,904,446
		\$ 25,788,143		25,788,143
			\$ 7,500	7,500
				<u>(461,781,092)</u>
145,617,297	-	-	-	145,617,297
119,871,824	-	-	-	119,871,824
265,481,497	-	-	-	265,481,497
5,928,961	1,098,457	2,321,145	-	9,348,563
<u>536,899,579</u>	<u>1,098,457</u>	<u>2,321,145</u>	<u>-</u>	<u>540,319,181</u>
47,418,398	3,002,903	28,109,288	7,500	78,538,089
<u>526,022,534</u>	<u>29,114,576</u>	<u>169,050,557</u>	<u>1,525</u>	<u>724,189,192</u>
<u>\$ 573,440,932</u>	<u>\$ 32,117,479</u>	<u>\$ 197,159,845</u>	<u>\$ 9,025</u>	<u>\$ 802,727,281</u>



NOTES TO BASIC FINANCIAL STATEMENTS

HAMILTON COUNTY, TENNESSEE

June 30, 2024

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NOTES TO BASIC FINANCIAL STATEMENTS

HAMILTON COUNTY, TENNESSEE
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hamilton County, Tennessee (the “County”) was incorporated October 25, 1819, by the Tennessee State Legislature and operates under a legislative body – County Mayor form of government. The present form of government was established in 1978 by constitutional amendment.

The financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for governmental accounting and financial reporting. The County has implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

(1) REPORTING ENTITY

In evaluating the County as a reporting entity, management has addressed all potential component units. Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; or (3) the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. The component units of the primary government (the County) are all discretely presented.

Discretely Presented Component Units

Hamilton County Schools – The Hamilton County Schools provides public education for grades kindergarten through twelve. The nine-member board is comprised of elected members who appoint the superintendent. The Hamilton County Commission levies taxes for the operations of the school system and issues debt for all significant capital projects, thus making the Hamilton County Schools fiscally dependent on the primary government. The financial activities also include the operations of a centralized cafeteria system, school activity funds, capital projects, and an internal service fund. Additional information may be obtained from: Hamilton County Schools, 3074 Hickory Valley Road, Bldg. 200-1, Chattanooga, TN 37421.

Emergency Communication District Board (911) – The “911” Emergency Communication Board was approved by resolution of the Hamilton County Board of Commissioners after the passage of Chapter 867 of the 1984 Tennessee Public Acts which authorized Emergency Communications Districts. The nine-member board is appointed by the County Mayor, is approved by the Hamilton County Board of Commissioners, and is legally separate from Hamilton County. The Board of Commissioners must approve any bonds or indebtedness of the district. Complete financial statements may be obtained from: Hamilton County “911” Emergency Communication District, 3404 Amnicola Highway, Chattanooga, TN 37406.

Hamilton County Water & Wastewater Treatment Authority – The Water & Wastewater Treatment Authority (WWTa) was organized under the Water & Wastewater Treatment Authority Act of the State of Tennessee. The Authority began operations on July 1, 1994, for the purpose of providing wastewater treatment service to residents of unincorporated areas of Hamilton County, Tennessee and is legally separate from Hamilton County. Five members of the twelve-member board of the WWTa are appointed by the Hamilton County Board of Commissioners from recommendations of the County Mayor. These five members have controlling voting power over the operations of the entity. The County Board of Commissioners does not approve the Authority's budget. Complete financial statements may be obtained from: Water & Wastewater Treatment Authority, P.O. Box 8856, Chattanooga, TN 37414.

Hamilton County Railroad Authority – The Railroad Authority (the Authority) was organized under the Railroad Authority Act of the State of Tennessee. The Authority was established on February 20, 2002 for the purpose of improving rail service in Hamilton County. The five-member Board consists of the County Mayor, City of Chattanooga Mayor, one member elected by the Board of County Commissioners, one member elected by the Chattanooga City Council, and the President and CEO of Chattanooga Area Chamber of Commerce. The Authority's Board has final decision-making authority for the entity. The Board of Commissioners must approve any bonds or indebtedness of the Authority, and subject to approval by the Board of Commissioners, any operating shortfalls or capital needs of the Railroad Authority represent a financial burden borne equally by Hamilton County and the city of Chattanooga. The Authority is reported as a proprietary type component unit. Separate financial statements are not prepared for the Authority. Additional information may be obtained from: Hamilton County Railroad Authority, 6125 Preservation Drive, Chattanooga, TN 37416.

(2) JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The County participates in the following joint ventures:

Carter Street Corporation – The Carter Street Corporation manages the Trade Center and parking garage that were financed by Industrial Development Bonds. Further information, along with condensed financial information, can be found in Note P – Joint Ventures.

Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee – The Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee (the "Sports Authority") was established to plan, finance, construct and operate a multi-use stadium in downtown Chattanooga, Tennessee. Further information can be found in Note P – Joint Ventures.

Related Organizations – The following related organizations are excluded from the financial reporting entity because the County's accountability for these organizations does not extend beyond making the appointments. Audited financial statements are available from the respective organizations.

North West Utility District – This utility district is different from the other utility districts of Hamilton County because of the size of the area that it covers. Tennessee Code Annotated, Section 7-82-307(r)(1) & (2) provides for the appointment of seven members of which three members are recommended by the utility commission and the remaining four are appointed by the County Mayor. After the board appointments, neither a financial benefit nor a burden to the citizens of Hamilton County exists.

Industrial Development Board of the County of Hamilton – The Industrial Development Board of the County of Hamilton (the Corporation) is a corporation formed for the purpose of promoting and developing commercial, industrial, and manufacturing enterprise and encouraging employment within the boundaries of Hamilton County. The County Board of Commissioners appoints the eleven-member board. The Corporation is authorized and empowered to issue industrial development revenue bonds that do not constitute an indebtedness of Hamilton County, the State of Tennessee, or any political subdivision thereof. The County assumes no responsibility for the day-to-day operating expenses of the Corporation. Fees charged to applicants for funding finance such expenses.

Chattanooga-Hamilton County Hospital Authority – The County Mayor appoints, subject to the approval of the County Board of Commissioners, four members of the eleven-member Hospital Authority Board. The Authority has the ability to issue its own debt, which is not an obligation of the County, and primarily patient revenues finance its operations.

(3) BASIC FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements, focusing on either the County as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. At June 30, 2024, the County has no business-type activities in the primary government. In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis in a single column and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations and deferred inflows and outflows of resources.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, highways and streets, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. Program revenues include revenues from fines and forfeitures, licenses and permits fees, service assessments, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is designed to view the County as a complete entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Major individual governmental funds statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the County's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide financial statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental activities' column of the government-wide presentation.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented in summary form as part of the proprietary fund financial statement. Activities accounted for in the Internal Service Funds include: (1) accounting for the payment of workers' compensation and general liability claims; (2) payment of employee medical, life insurance and other payroll related expenses, and unemployment claims; (3) the employee pharmacy; and (4) the employee medical clinic. Operating revenues and expenses are the result of providing services to the principal user of the internal service. Any revenues or expenses that are not the result of providing those services are classified as nonoperating. Since the principal users of the internal services are the County's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level and interfund transactions are eliminated. To the extent possible, the costs of these services are reflected in the appropriate functional activity (public safety, highways and streets, etc.).

The County's fiduciary funds are presented in the fund financial statements by type (trust and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The focus of the government-wide financial statements is on the County as a whole. The focus of the fund financial statements is on the major individual government funds as well as the fiduciary funds (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

(4) BASIS OF PRESENTATION

The financial transactions of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures/expenses. The County reports the following major funds and other fund types:

a) Major Funds

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the payment of interest, principal, and related costs of long-term liabilities of the Primary Government's governmental activities.

Capital Projects Fund – The Capital Projects Fund is used to account for resources designated to construct or acquire capital assets and major improvements. Revenues are derived primarily from the issuance of long-term liabilities, intergovernmental revenues, grants, and earnings on investments.

b) Other Fund Types

Special Revenue Funds – Special Revenue Funds account for revenue sources that are legally restricted or committed to expenditure for specific purposes, such as grant programs, certain fines and forfeitures, and certain law enforcement services.

Internal Service Funds – The Internal Service Fund accounts for the County's self-insurance programs. The County is self-insured for employee medical claims, unemployment compensation, on-the-job injury claims, property and liability claims, and losses due to liabilities arising under the laws of the state and federal governments. The costs for these programs are funded through premiums paid by the departments and agencies of the County.

Pension Trust Funds – The Pension Trust Funds account for assets held by the County as trustee. These funds are accounted for in the same manner as business enterprises providing similar services. Certain County employees hired prior to July 1, 1977, all County commissioners, and certain County teachers who were employed prior to July 1, 1945, are covered by the Pension Trust Funds.

OPEB Trust Fund – OPEB Trust Fund is used to report the County's "Other Post-Employment Benefits". The fund accounts for resources held in trust for a defined benefit post-employment health and medical care plan for County retirees and their dependents. This fund is accounted for in the same manner as business enterprises providing similar services.

Custodial Funds – Custodial Funds are used to account for fiduciary assets held by the County in a custodial capacity as an agent on behalf of individuals and other government entities. The County's custodial funds are used to account for various deposits, bail bonds and performance bonds.

(5) BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The Government-wide Financial Statements and the Proprietary and Fiduciary Fund Financial Statements are presented on the accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on the modified accrual basis.

Accrual – Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual – All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Major revenue sources susceptible to accrual include: grants, interest, sales and use taxes, hotel/motel taxes, property taxes, and intergovernmental revenues. In general, other revenues are recognized when cash is received.

The County defined the length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements to be six months for intergovernmental revenues and sixty days for property taxes and other revenues.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, including lease liabilities, is recognized when due.

(6) BUDGET POLICY AND BUDGETARY DATA

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

On or around June 1, the County Mayor submits to the Hamilton County Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of funding them.

Public hearings are conducted which allow for taxpayer comments.

Prior to July 1, the Board of Commissioners legally enacts a balanced budget through passage of a resolution.

The County Mayor is authorized to transfer budgeted amounts within divisions within any fund; however, any revisions that alter the total expenditures of any fund or transfer funds between divisions must be approved by the Board of Commissioners.

A legally enacted budget is employed as a management control device during the year for the following governmental funds: General Fund, Debt Service Fund, Hotel Motel Fund and Sheriff Special Revenue Fund. Formal budgetary integration is not employed for certain Constitutional Offices accounted for in special revenue funds due to the ability of management to closely monitor and control the transactions in the funds. The remaining special revenue funds are unbudgeted because effective control is maintained through the appropriation of revenues by the General Fund and through management’s observation of the limited transactions of these funds.

The budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP). Appropriations, except remaining project appropriations and unexpended grant appropriations, lapse at the end of the fiscal year.

Encumbrances against budgeted appropriations are recorded during the year upon execution of purchase orders, contracts, or other appropriate documents. Amounts shown as encumbrances at June 30, 2024, reflect expenditures for goods and services that had not been received or completed at that date. These items are recorded as assignments of fund balances and provide authority for the carryover of appropriations to the subsequent year in order to complete these transactions. Encumbrances outstanding lapse at year end and are reappropriated in the subsequent year’s budget for annually budgeted funds.

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The General Fund was the only major budgeted fund to have encumbrances at year end. At June 30, 2024, the amount of encumbrances of the General Fund expected to be reappropriated in the next year was \$6,608,546.

The various departments within the County are organized by function into separate divisions. The level at which expenditures may not legally exceed appropriations is the division level. All budget amounts included in these financial statements and the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budgets during the year).

The General Fund of the County is organized into nine separate divisions by function (Constitutional Offices, Supported Agencies, Unassigned, Finance, Public Works, General Services, Human Resources, Health, and Sheriff) and it is at that level that expenditures may not legally exceed appropriations. Funds that have a legally adopted budget may not exceed appropriations.

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
General Fund				
Constitutional Offices	\$ 29,766,774	\$ 30,251,351	\$ 28,029,026	\$ 2,222,325
Supported Agencies	5,088,257	5,129,257	4,894,376	234,881
Unassigned	105,878,064	133,818,400	121,103,096	12,715,304
Finance	11,547,004	13,421,061	10,843,805	2,577,256
Public Works	31,868,775	33,218,906	31,197,198	2,021,708
General Services	34,605,670	34,155,481	32,697,075	1,458,406
Human Resources	2,251,030	2,238,269	1,921,696	316,573
Health	30,591,820	34,805,823	24,186,262	10,619,561
Sheriff	64,804,105	68,523,888	68,385,974	137,914
Juvenile Court Clerk	3,199,443	3,195,797	3,157,505	38,292
Total General Fund	319,600,942	358,758,233	326,416,013	32,342,220
Debt Service	47,263,990	47,263,990	47,257,843	6,147
Hotel Motel	12,279,000	12,279,000	11,294,515	984,485
Sheriff Special Revenue	483,691	918,010	520,277	397,733
Primary Government	\$ 379,627,623	\$ 419,219,233	\$ 385,488,648	\$ 33,730,585

A separately issued budgetary report is available and can be obtained from Hamilton County Finance Division, 455 North Highland Park Avenue, Chattanooga, Tennessee 37404.

(7) ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

a) Cash and Cash Equivalents

The County considers cash and cash equivalents to include cash on hand, cash held in the State's local government investment pool (LGIP), and demand deposits and interest-bearing deposits at various financial institutions.

b) Investments

Certificates of deposit with a maturity date greater than three months of the date acquired by the County are considered investments. These certificates of deposits are considered non-participating interest earning investment contracts and, accordingly, are valued at cost.

c) Receivables

Receivables are recorded in the Governmental, Proprietary, Fiduciary, and Component Unit funds. Where appropriate, receivables are shown net of an allowance for uncollectible accounts.

d) Inventories and Prepaid Items

Inventories are valued at cost, which approximates market value using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The costs are recorded as expenditures at the time individual inventory items are used (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as an expense when consumed rather than when purchased. The payments are being recorded as expenditures on the fund level for the governmental funds.

e) Capital Assets

Capital assets purchased or acquired, the-right-to-use leased assets, and the right-to-use technology agreements are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date donated. The County maintains infrastructure asset records consistent with other capital assets. The County's threshold for additions to capital assets is \$5,000 in the primary government and \$5,000 for the Hamilton County Schools. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance and general capital asset acquisitions, including entering into contracts giving the County the right to use leased assets are expensed as incurred. Depreciation on capital assets is calculated on the straight-line method over the following estimated useful lives:

	<u>Useful Life</u>
Buildings	20 – 50 years
Right-to-use leased buildings	20 – 50 years
Improvements other than buildings	20 – 50 years
Right-to-use leased improvements other than buildings	20 – 50 years
Machinery and equipment	5 – 20 years
Right-to-use leased machinery and equipment	5 – 20 years
Public domain infrastructure	10 – 50 years
Right-to-use leased infrastructure	10 – 50 years
Right-to-use leased vehicles	5 years
Right-to-use technology agreements	5 – 10 years
Intangibles	5 years

Beginning in the implementation year (July 1, 2001), new infrastructure expenditures have been capitalized and depreciated. Following the implementation of GASB No. 34, the County continued to expand and refine its capital assets. Effective July 1, 2003, the County recorded the infrastructure assets at estimated or actual historical cost, net of accumulated depreciation. Infrastructure assets include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

f) Leases

Lessee - The County is a lessee for noncancelable leases of land, buildings, infrastructure, machinery and equipment, and vehicles. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor – The County is a lessor for noncancelable leases of buildings, land, equipment, and infrastructure. The lease receivable and a deferred inflow is recognized in the fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The County uses the interest rate charged by the County as the discount rate. When the interest rate is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain that will be exercised.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and deferred inflow if certain changes occur that are expected to significantly affect the amount of the lease asset.

g) Subscription-Based Information Technology Arrangements

The County has executed contracts that qualify as noncancelable subscription-based information technology arrangements (SBITAs). The County recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The County recognizes subscription assets resulting from SBITAs with an initial, individual value of \$5,000 or more. At the commencement of a SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain implementation and other costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITA include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments:

The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.

The SBITA term includes the noncancelable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the SBITA is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with depreciable capital assets and SBITA liabilities are reported with long-term debt on the Statement of Net Position.

h) Fund Balance

The County adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions*, in fiscal year 2011. In the governmental fund financial statements, the fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. The classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are (a) not in spendable form, or (b) legally or contractually required to be maintained intact (e.g., endowments). The fund balance considered “nonspendable” includes items not expected to be converted to cash (e.g., inventories and prepaid items), as well as long-term receivables. The County does not have any nonspendable fund balance that is legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that are restricted for the following purposes noted in this paragraph. These amounts result from constraints placed on the use of resources (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. State statutes mandate that certain funds collected are restricted for their specific purposes. Purposes that are controlled by state statute are fees collected for automation, certain funds received for public safety, and certain funds received for the Hamilton County Schools centralized cafeteria that are intended for a special segment of the school population and not intended to benefit the student body as a whole. Other funds that are restricted are the fees collected from rate payers to finance the private service lateral program (PSLP) of the Water & Wastewater Treatment Authority.

Committed fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by legally binding contracts approved by resolution. These items include commitments that exceed the \$25,000 threshold set forth by the Hamilton County Purchasing Rules and Regulations. Items committed may only be modified or rescinded by resolution passed by the County Commission.

Assigned fund balance consists of amounts constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. For reporting purposes, assignments may fall into two categories: assigned for specific purposes or assigned for encumbrances that fall below the \$25,000 threshold as set forth by the Hamilton County Purchasing Rules and Regulations. Items assigned as encumbrances may be assigned, modified or rescinded by the County Mayor or his designee, as set forth in the Hamilton County Purchasing Rules and Regulations.

Unassigned fund balance is the residual balance in the general fund (i.e., fund balance that is not either nonspendable, not restricted, committed, or assigned.)

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted amounts are expended first, and then unrestricted funds are used. Generally, when expenditures are incurred utilizing unrestricted funds, committed amounts are expended first, then assigned amounts, then unassigned amounts.

i) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future period(s) and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category: deferred outflows related to pensions and deferred outflows related to OPEB. They are reported in the government-wide Statement of Net Position. Deferred outflows related to pensions and OPEB are discussed below.

In addition to liabilities, the financial statements report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has six types of deferred inflows: deferred property taxes, unavailable revenue, deferred inflows from lease receivables, deferred inflows related to pensions, deferred inflows related to OPEB, and deferred gain on refundings. The County’s governmental funds Balance Sheet and government-wide Statement of Net Position will report deferred property tax revenues as a deferred inflow of resources as the amount

represents resources associated with an imposed, non-exchange transaction received or reported as a receivable before the period for which the property taxes were levied. The County reports deferred inflows from lease receivables, unavailable property taxes and various receivables for revenue which do not meet the availability criteria in governmental funds as deferred inflows of resources. Unavailable revenue is reported only in the governmental funds Balance Sheet. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows related to pensions and OPEB are discussed below.

j) Pension Plans

Substantially all County employees are eligible to participate in retirement benefit plans established by either the County or the State of Tennessee.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Hamilton County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Hamilton County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

The County has deferred inflows and outflows related to the recording of changes in its net pension liability (asset). Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability (asset) are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period.

(8) REVENUES, EXPENDITURES AND EXPENSES

Substantially all governmental fund revenues are subject to accrual. Expenditures are recognized when the related fund liability is incurred, except for the following instances permitted by generally accepted accounting principles:

- General obligation long-term debt principal and interest, including lease liabilities, are reported only when due.
- Inventory costs are reported in the period when inventory items are consumed rather than in the period purchased.

a) Property Taxes

Property taxes levied by the County are assessed by the Assessor of Property and collected by the Trustee, both of whom are elected officials of the County. Property tax revenues are recognized when they become measurable and available. "Available" means due or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. Uncollected amounts not considered available are recorded as deferred inflows of resources. Hamilton County has unlimited ability to levy ad valorem taxes.

The property tax calendar applicable to the current fiscal year is as follows:

Lien date	January 1, 2023
Levy date	October 1, 2023
Tax bills mailed	October 1, 2023
Delinquency date	March 1, 2024
Tax sale – 2020 delinquent property taxes	June 22, 2024

b) Grant Revenue

The County, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any) when all applicable eligibility requirements, including time requirements, are met. Resources transmitted to the County before the eligibility requirements are met are reported as unearned revenues.

Some grants and contributions consist of capital assets or resources that are restricted for capital purposes – to purchase, construct, or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for operating expenditures or for capital expenditures of the program at the discretion of the County.

c) Investment Income

Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average daily equity in pooled cash and investments to the total average daily pooled equity in pooled cash and investments.

d) Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reflected as transfers except for transactions reimbursing a fund for expenditures made by it for the benefit of another fund. Such transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund. Transactions that would be treated as revenues or expenditures if they involve organizations external to the County are treated as revenues in the receiving fund and expenditures in the disbursing fund. Amounts reported in the fund financial statements as transfers in/out from other funds are eliminated in the governmental activities column of the government-wide Statement of Activities.

Amounts owed to one fund or component unit by another are reported as due to/due from other funds or component units. Amounts reported in the fund financial statements as due to/due from other funds are eliminated in the governmental activities column of the government-wide Statement of Net Position.

e) Payments between the County and Component Units

Resource flows (except those that affect the statement of net position/balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions – that is, as revenues and expenses. Payments from component units consist of debt service payments from Hamilton County Schools, and debt service payments from Water & Wastewater Treatment Authority for bonds issued in the County's name.

f) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

g) Compensated Absences

County employees earn compensation for absences by a prescribed formula based on their length of service. Compensation for absences is accumulated every pay period and has a cap of 1,680 hours for employees hired before January 1, 2013. Employees hired after that date may only accumulate up to 800 hours. During the year, the compensation earned may be used for either vacation or absence due to illness.

At year end, the liability for compensation for absences earned but not paid to employees is accrued in the government-wide financial statements by function. Upon termination or retirement, employees are paid for the balance accrued in their compensated absences bank.

(9) NET POSITION

The government-wide financial statements utilize a net position presentation and are displayed in three components.

Net Investment in Capital Assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – consists of net position with third party (statutory, bond covenant or granting agency) limitations on their use. The County's policy is generally to use restricted net position first, as appropriate opportunities arise.

Unrestricted Net Position – all other net position that does not meet the definition of restricted or net investment in capital assets.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

Net Position/Fund Balance Deficit

At June 30, 2024, the County has \$56,602,439 in unrestricted net position in the government-wide statement of net position for governmental activities. Historically, significant portions of the County's general obligation bonds are issued to acquire, construct, and develop facilities for Hamilton County Schools. These facilities are not recorded as capital assets of the County's governmental activities but are recorded as capital assets of the Hamilton County Schools, which is a discretely presented component unit. At June 30, 2024, the County's long-term liabilities include general obligation bonds of \$150,909,234 issued for Hamilton County Schools' capital projects.

NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Custodial credit risk relating to deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2024, all deposits were insured or collateralized, as required by government policy.

The County's cash and cash equivalents consist of cash on hand, demand deposits, and interest-bearing deposits at various financial institutions.

Investments

The following summary of investment types by major funds summarizes the investment activities for the County and Hamilton County Schools as of June 30, 2024:

	Investment Pool	SRT	Other	Total
Primary Government				
General	\$ 70,153,485	\$ 3,954,151	\$ -	\$ 74,107,636
Debt Service	3,915,272	-	-	3,915,272
Capital Projects	32,469,950	-	5,000,000	37,469,950
Other Government	616,061	-	-	616,061
Internal Service	17,603,231	-	-	17,603,231
Custodial Funds	62,673	-	22,732,708	22,795,381
	<u>124,820,672</u>	<u>3,954,151</u>	<u>27,732,708</u>	<u>156,507,531</u>
Hamilton County Schools	22,160,328	12,794,509	45,331	35,000,168
	<u>\$ 146,981,000</u>	<u>\$ 16,748,660</u>	<u>\$ 27,778,039</u>	<u>\$ 191,507,699</u>

Individual investments held in the Investment Pool at June 30, 2024, consists of:

Investment	Maturity Date	Interest Rate	Credit Rating	Level 2	Fair Value
Federal Farm Credit Bank	04/21/2025	5.25%	AA+	\$ 5,000,000	\$ 5,000,000
Federal Farm Credit Bank	08/28/2025	5.54%	AA+	5,000,000	5,000,000
Federal Farm Credit Bank	03/13/2026	4.50%	AA+	5,000,000	5,000,000
Federal Farm Credit Bank	05/20/2026	5.23%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	12/27/2024	5.25%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	12/30/2024	5.15%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	01/27/2025	5.22%	AA+	4,940,000	4,940,000
Federal Home Loan Bank	07/12/2024	4.60%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	02/21/2025	5.10%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	01/26/2026	5.50%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	01/26/2026	5.50%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	09/13/2024	5.20%	AA+	800,000	800,000
Federal Home Loan Bank	09/20/2024	5.16%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	10/11/2024	5.20%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	09/05/2025	5.35%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	03/18/2026	5.10%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	09/19/2025	5.20%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	03/20/2025	5.40%	AA+	3,090,000	3,090,000
Federal Home Loan Bank	04/02/2025	5.10%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	03/27/2025	5.40%	AA+	1,910,000	1,910,000
Federal Home Loan Bank	10/24/2025	5.50%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	07/22/2025	5.44%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	05/27/2026	5.50%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	06/12/2025	5.45%	AA+	2,110,000	2,110,000
Federal Home Loan Mortgage Corporation	07/12/2024	4.00%	AA+	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	02/06/2025	4.80%	AA+	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	04/15/2026	5.00%	AA+	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	04/30/2026	5.37%	AA+	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	06/23/2026	5.40%	AA+	5,000,000	5,000,000
Federal National Mortgage Association	09/30/2024	5.30%	AA+	4,000,000	4,000,000
Federal National Mortgage Association	12/04/2025	5.35%	AA+	5,000,000	5,000,000
U.S. Treasury Note	08/15/2024	5.08%	AA+	5,131,000	5,131,000
Total				<u>\$ 146,981,000</u>	<u>\$ 146,981,000</u>

Individual investments held in the Capital Projects fund at June 30, 2024, consists of:

Investment	Maturity Date	Interest Rate	Credit Rating	Level 2	Fair Value
Federal Home Loan Mortgage Corporation	08/30/2024	4.00%	AA+	\$ 5,000,000	\$ 5,000,000
				<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

As of June 30, 2024, total investments for the primary government (excluding Pension Trust Funds and OPEB Trust Fund) were \$133,712,150 and investments for Hamilton County Schools, a discretely presented component unit, were \$35,000,168. In addition to the investments listed in the previous table, the County holds \$22,732,708 in custodial funds, on the behalf of court litigants and beneficiaries.

Interest rate risk – Interest rate risk is the risk that the fair value of an investment will be adversely affected by changes in interest rates. As a means of limiting the County’s exposure to fair value losses arising from rising interest rates, the County purchases investments with maturities of two years or less as required by state law. The County’s investment practices further reduce exposure to interest rate risk by maintaining a weighted average maturity in its investment portfolio of one year or less through the use of the “ladder” method of investing and by

holding all investments to maturity. The County's investment portfolio did not experience any significant fluctuations in fair value during the year.

Custodial credit risk – The County's policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions be collateralized by securities whose fair value is equal to 105% of the value of the uninsured deposits. The deposits must be covered by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the County's agent in the County's name, or by the Federal Reserve Banks acting as third-party agents. The statutes also authorize the types of investments in which the County can participate. The portfolio manager may invest in any instruments which are in accordance with applicable laws, including but not limited to the following: certificates of deposit and other deposit accounts at Tennessee chartered banks and savings and loan associations; repurchase agreements of obligations of the United States or its agencies; the Tennessee local government investment pool; certain authorized bonds of the state of Tennessee, any other state or political subdivision thereof, and any Tennessee county or municipality; and nonconvertible debt securities of the United States or US government sponsored enterprises.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's adopted investment policy is designed to maximize investment earnings while protecting the security of principal and providing adequate liquidity. State law requires that the County not have investments longer than two years and all investments to be secured by either the State Collateral Pool Board or the participating bank.

Fair Value Measurements – The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County's certificates of deposit are nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost.

Pension Trust Funds and Other Post-Employment Benefits Trust Fund – The County's Pension Trust Funds and Other Post-Employment Benefits (OPEB) Trust Fund are managed with long-term objectives that include maximizing total investment earnings. State statutes and County policies allow these funds a broader range of investments than other County investments. The County's Pension Trust Funds and OPEB Trust Fund have no investments in any one issuer that represent 5 percent or more of plan net position. The credit risk of investments of these funds is summarized as follows:

Pension Trust Funds:

Investment	Interest Rate	Credit Rating	Level 1	Level 2	Level 3	Fair Value
Mutual Funds	0.00 - 5.21%	Not rated	\$ 3,288,315	\$ -	\$ -	\$ 3,288,315
Total			<u>\$ 3,288,315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,288,315</u>

OPEB Trust Fund:

Investment	Interest Rate	Credit	Level 1	Level 2	Level 3	Fair Value
		Rating				
U.S. Treasury Note	1.60 - 4.20%	Aaa	\$ -	\$ 3,582,104	\$ -	\$ 3,582,104
Government Agency	0.86 - 1.03%	Aaa	-	499,299	-	499,299
Federal National Mortgage Association	5.95%	Not rated	304,396	-	-	304,396
Federal National Mortgage Association	5.54%	Not rated	191,534	-	-	191,534
Federal Home Loan Mortgage Corporation	4.89 - 5.14%	Not rated	685,140	-	-	685,140
Government National Mortgage Association	4.71%	Not rated	334,457	-	-	334,457
Municipal Bonds	2.26 - 2.67%	Aaa	145,180	-	-	145,180
Municipal Bonds	2.08 - 5.50%	Aa1	347,042	-	-	347,042
Municipal Bonds	1.45 - 4.93%	Aa2	729,599	-	-	729,599
Municipal Bonds	5.26 - 5.73%	Aa3	159,872	-	-	159,872
Municipal Bonds	2.26 - 3.71%	Not rated	260,529	-	-	260,529
Domestic Corporate Bonds	4.92%	Aa2	87,446	-	-	87,446
Domestic Corporate Bonds	3.14 - 4.93%	Aa3	389,955	-	-	389,955
Domestic Corporate Bonds	4.06 - 5.51%	A1	706,963	-	-	706,963
Domestic Corporate Bonds	4.24 - 5.81	A2	526,937	-	-	526,937
Domestic Corporate Bonds	2.36 - 5.35%	A3	899,984	-	-	899,984
Domestic Corporate Bonds	2.08 - 5.33%	Baa1	917,005	-	-	917,005
Domestic Corporate Bonds	3.05 - 6.04%	Baa2	1,456,009	-	-	1,456,009
Domestic Corporate Bonds	3.61 - 4.23	Baa3	281,906	-	-	281,906
Domestic Corporate Bonds	3.44%	Not rated	188,233	-	-	188,233
Foreign Bonds / Notes	3.01%	A2	189,247	-	-	189,247
Foreign Bonds / Notes	4.48%	A3	183,380	-	-	183,380
Foreign Bonds / Notes	2.69%	Aa2	185,270	-	-	185,270
Foreign Bonds / Notes	6.00%	Baa2	140,446	-	-	140,446
Mutual Funds	0.00 - 2.08%	Not rated	7,980,396	-	-	7,980,396
Quality Income Fund	3.38%	Not rated	5,118,800	-	-	5,118,800
Money Market	Various	Not rated	1,123,068	-	-	1,123,068
Exchange-traded funds	Various	Not rated	10,417,180	-	-	10,417,180
Domestic Equity Securities	Various	Not rated	7,518,563	-	-	7,518,563
Foreign Equity Securities	Various	Not rated	3,241,437	-	-	3,241,437
Real Estate Investment Trust	3.49%	Not rated	79,093	-	-	79,093
Total			<u>\$ 44,789,067</u>	<u>\$ 4,081,403</u>	<u>\$ -</u>	<u>\$ 48,870,470</u>

Fair Value Measurements – The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Level 2 investments per above are U.S. Treasury Notes and Government Agencies. Level 2 investments are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Tennessee Consolidated Retirement System Stabilization Trust

Legal Provisions. Hamilton County and the Hamilton County Schools are members of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The County and Hamilton County Schools have placed funds into the irrevocable trust as authorized by statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of the trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the County and the Hamilton County Schools.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The County and the Hamilton County Schools may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2024, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined using amortized cost which approximates fair value.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes so to be represented in the table below.

Short-term securities generally include investments in money market-type securities reports at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be assessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized

by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2024, the County and the Hamilton County Schools had the following investments held by the trust on its behalf.

Primary Government					
Investment by Fair Value Level	Fair Value 06/30/2024	Fair Value Measurements Using			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Equity	\$ 1,225,787	\$ 1,225,787	\$ -	\$ -	\$ -
Developed Market					
International Equity	553,581	553,581	-	-	-
Emerging Market					
International Equity	158,166	158,166	-	-	-
U.S. Fixed Income	790,830	-	790,830	-	-
Real Estate	395,415	-	-	395,415	-
Short-term Securities	39,542	-	39,542	-	-
Private Equity and Strategic Lending	790,830	-	-	-	790,830
Total	<u>\$ 3,954,151</u>	<u>\$ 1,937,534</u>	<u>\$ 830,372</u>	<u>\$ 395,415</u>	<u>\$ 790,830</u>

Component Unit - Hamilton County Schools					
Investment by Fair Value Level	Fair Value 06/30/2024	Fair Value Measurements Using			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Equity	\$ 3,966,298	\$ 3,966,298	\$ -	\$ -	\$ -
Developed Market					
International Equity	1,791,231	1,791,231	-	-	-
Emerging Market					
International Equity	511,780	511,780	-	-	-
U.S. Fixed Income	2,558,902	-	2,558,902	-	-
Real Estate	1,279,451	-	-	1,279,451	-
Short-term Securities	127,945	-	127,945	-	-
Private Equity and Strategic Lending	2,558,902	-	-	-	2,558,902
Total	<u>\$ 12,794,509</u>	<u>\$ 6,269,309</u>	<u>\$ 2,686,847</u>	<u>\$ 1,279,451</u>	<u>\$ 2,558,902</u>

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stocks, bonds and other investments exposed to various risks, such as interest rate, credit and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County and the Hamilton County Schools do not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County and the Hamilton County Schools do not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. The County and the Hamilton County Schools place no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the County and the Hamilton County Schools to pay retirement benefits of the employees of the County and the Hamilton County Schools.

For further information concerning the investments of the County and the Hamilton County Schools with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at

https://treasury.tn.gov/Portals/0/Documents/Retirement/CAFR%20Reports/2022/2022TCRSReport_Financial.pdf

NOTE D – RECEIVABLES

Receivables at June 30, 2024, consist of the following:

Funds	Property Taxes	Patients	Accounts	Leases	Inter-Governmental	Allowance for Uncollectibles	Net
Primary Government:							
General	\$ 180,936,462	\$ 17,609,369	\$ 3,550,647	\$ 4,850,504	\$ 8,726,404	\$ (10,338,447)	\$ 205,334,939
Capital Projects	-	-	2,705,193	-	7,925	-	2,713,118
Nonmajor	-	-	1,479,494	-	-	-	1,479,494
Internal Service	-	-	33,613	-	-	-	33,613
	<u>\$ 180,936,462</u>	<u>\$ 17,609,369</u>	<u>\$ 7,768,947</u>	<u>\$ 4,850,504</u>	<u>\$ 8,734,329</u>	<u>\$ (10,338,447)</u>	<u>\$ 209,561,164</u>

Funds	Property Taxes	Accounts	Leases	Inter-Governmental	Allowance for Uncollectibles	Net
Component Units:						
Hamilton County Schools	\$ 139,084,279	\$ 3,451,074	\$ 1,800,263	\$ 52,395,503	\$ (1,540,415)	\$ 195,190,704
"911" Emergency Communication	-	557,971	-	-	-	557,971
WWTAA	-	16,993,787	-	-	(57,940)	16,935,847
	<u>\$ 139,084,279</u>	<u>\$ 21,002,832</u>	<u>\$ 1,800,263</u>	<u>\$ 52,395,503</u>	<u>\$ (1,598,355)</u>	<u>\$ 212,684,522</u>

Property tax receivables include uncollected taxes from the past seven years' levies plus the anticipated levy for the current calendar year. Taxes uncollected after seven years are written off, and the property is ultimately sold through a back-tax property sale. The allowance for uncollectible tax is computed based upon the weighted average percentage of prior year collections on delinquent taxes to the total delinquent taxes receivable at June 30, 2024.

Patient accounts receivable represent uncollected revenues for services rendered. Ambulance patient accounts that are uncollected after 120 days are considered doubtful and ultimately written off as uncollectible. All other accounts are considered doubtful after a reasonable effort has been made to collect.

NOTE E – SOLID WASTE DISPOSAL POST CLOSURE CARE COSTS

The County utilizes the General Fund to account for post closure care costs of the Hamilton County Birchwood Landfill Area 1 and the TVA Model Landfill. The County completed closure of both Area 1 and the TVA Model Landfill in 2001. In accordance with state and federal regulations, the County is required to perform certain maintenance and monitoring functions for thirty years after closure. The estimated liability for post closure care costs of \$80,000 at June 30, 2024, is based on the use of 100% of capacity of both landfill areas. The estimated total current cost of the post closure care of \$80,000 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired at June 30, 2024. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. It is anticipated that future inflation costs will be financed in part from earnings on investments. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post closure requirements will be covered by appropriations in the General Fund.

NOTE F – COMMITMENTS AND CONTINGENCIES

The County is a party to various legal proceedings. At the date of these financial statements, the County cannot estimate its liability, if any, from losses that may result from certain proceedings. In the opinion of management and the County attorneys, the potential adverse impact of these proceedings would not be material to the combined financial statements of the County.

The County has received federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

The County has entered into various construction commitments. Such contracts include contracts for improvements to schools, industrial parks, and other facilities related to general government capital projects. Several of these contracts were in progress but not completed as of June 30, 2024. The total contractual commitments outstanding as of June 30, 2024, aggregated approximately \$56,836,094. These commitments are not reported in the government-wide statements. The County has sufficient funds available to cover these commitments.

Hamilton County Water & Wastewater Treatment Authority (the Authority), a discretely presented component unit, signed a consent decree with the Environmental Protection Agency (EPA) on July 16, 2024 which will obligate the Authority to make improvements to the wastewater system to ensure compliance with the Clean Water Act. The Authority's estimated outlays for these projects were estimated to be approximately \$266,300,000 as of June 30, 2024.

Tax Increment Financing – Hamilton County, in conjunction with the city of Chattanooga, has adopted the Tax Increment Financing Program (TIF) established by the Industrial Development Board (IDB) of the city of Chattanooga. TIF is an economic development tool that allocates all or a portion of the new additional taxes generated by a development over a limited period of time to pay for public infrastructure such as utilities and road and traffic improvements related to the development. Tax increment is the difference in tax revenues generated by the property in the development area after a project has been completed compared to the tax revenues generated by a property before the development plan was adopted. The difference in tax revenues is applied towards the cost of improvements to the public infrastructure serving the development area. The TIF program was adopted as a tool to help the city of Chattanooga and the County to cover the costs of public infrastructure and improvements in the applicable development area. The County's TIF program is primarily for economic development projects that provide improvements in blighted and under-utilized areas in the County and in other projects designated by the Hamilton County Commission. This program is discretionary and normally applies to projects initiated by a private developer. As of June 30, 2024, Hamilton County is a party to six separate TIF agreements, and during fiscal year 2024, the County committed \$538,538 of its property tax revenues toward these TIF agreements.

NOTE G – CONDUIT DEBT OBLIGATION

From time to time, the Hamilton County Industrial Development Board has issued bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity or homeowner served by the bond issuance. Neither Hamilton County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2024, there is one Industrial Revenue Bond outstanding. The aggregate principal amount payable for the Industrial Revenue Bond series issued at June 30, 2024, is \$12,196,029.

NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, is as follows:

Primary Government

	Beginning Balance	Current Year Additions	Current Year Retirements	Transfers	Ending Balance
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 96,459,713	\$ 1,309,580	\$ -	\$ -	\$ 97,769,293
Construction in progress	73,577,205	20,545,458	(40,212,641)	(4,281,326)	49,628,696
Total non-depreciable assets	<u>170,036,918</u>	<u>21,855,038</u>	<u>(40,212,641)</u>	<u>(4,281,326)</u>	<u>147,397,989</u>
Depreciable and Amortizable Assets:					
Buildings	185,016,792	18,258,752	(729,359)	1,523,217	204,069,402
Improvements other than buildings	44,391,271	683,503	-	2,743,002	47,817,776
Machinery and equipment	58,623,750	8,885,052	(2,541,677)	15,107	64,982,232
Infrastructure	259,772,429	9,201,777	-	-	268,974,206
Intangibles	7,386,149	301,630	(97,076)	-	7,590,703
Right-to-use leased assets	5,281,022	3,163,424	(704,433)	-	7,740,013
Right-to-use technology agreements	9,062,331	-	(234,966)	-	8,827,365
Total depreciable and amortizable assets	<u>569,533,744</u>	<u>40,494,138</u>	<u>(4,307,511)</u>	<u>4,281,326</u>	<u>610,001,697</u>
Less Accumulated Depreciation and Amortization for:					
Buildings	(92,565,426)	(5,258,727)	666,486	-	(97,157,667)
Improvements other than buildings	(29,919,659)	(1,529,922)	-	-	(31,449,581)
Machinery and equipment	(38,665,481)	(4,873,802)	2,255,818	-	(41,283,465)
Infrastructure	(166,045,688)	(3,356,026)	-	-	(169,401,714)
Intangibles	(5,333,396)	(166,877)	97,076	-	(5,403,197)
Right-to-use leased assets	(2,263,806)	(1,441,445)	625,763	-	(3,079,488)
Right-to-use technology agreements	(834,615)	(980,367)	234,966	-	(1,580,016)
Total accumulated depreciation and amortization	<u>(335,628,071)</u>	<u>(17,607,166)</u>	<u>3,880,109</u>	<u>-</u>	<u>(349,355,128)</u>
Depreciable and Amortizable Assets, net	<u>233,905,673</u>	<u>22,886,972</u>	<u>(427,402)</u>	<u>4,281,326</u>	<u>260,646,569</u>
Governmental activities capital assets, net	<u>\$ 403,942,591</u>	<u>\$ 44,742,010</u>	<u>\$ (40,640,043)</u>	<u>\$ -</u>	<u>408,044,558</u>
Total Capital Assets, net as reported in the Statement of Net Position					<u>\$ 408,044,558</u>

See Note I for a breakdown of the right-to-use leased assets by category, including accumulated amortization by category.

Discretely Presented Component Units

	Beginning Balance	Current Year Additions	Current Year Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land	\$ 21,403,737	\$ 185,890	\$ -	\$ -	\$ 21,589,627
Construction in progress	24,284,703	47,585,526	-	(4,071,326)	67,798,903
Total non-depreciable assets	45,688,440	47,771,416	-	(4,071,326)	89,388,530
Depreciable and Amortizable Assets:					
Buildings	683,106,011	37,647,414	-	-	720,753,425
Improvements other than buildings	44,749,291	6,122,724	-	-	50,872,015
Machinery and equipment	51,461,502	3,781,470	(1,260,424)	-	53,982,548
Right-to-use leased assets	5,440,004	366,613	(2,458,226)	-	3,348,391
Right-to-use technology agreements	6,232,150	7,551,004	(6,713,826)	-	7,069,328
Utility plant	206,174,912	10,571,664	-	4,071,326	220,817,902
Total depreciable and amortizable assets	997,163,870	66,040,889	(10,432,476)	4,071,326	1,056,843,609
Less Accumulated Depreciation and Amortization for:					
Buildings	(318,622,537)	(15,859,399)	-	-	(334,481,936)
Improvements other than buildings	(28,656,955)	(1,372,882)	-	-	(30,029,837)
Machinery and equipment	(36,655,562)	(3,528,140)	1,222,919	-	(38,960,783)
Right-to-use leased assets	(3,114,292)	(1,449,458)	2,020,859	-	(2,542,891)
Right-to-use technology agreements	(2,638,060)	(2,535,993)	3,627,632	-	(1,546,421)
Utility plant	(66,983,489)	(5,371,891)	-	-	(72,355,380)
Total accumulated depreciation and amortization	(456,670,895)	(30,117,763)	6,871,410	-	(479,917,248)
Depreciable and Amortizable Assets, net	540,492,975	35,923,126	(3,561,066)	4,071,326	576,926,361
Component units capital assets, net	<u>\$ 586,181,415</u>	<u>\$ 83,694,542</u>	<u>\$ (3,561,066)</u>	<u>\$ -</u>	
Total Capital Assets, net as reported in the Statement of Net Position					<u>\$ 666,314,891</u>

See Note I for a breakdown of the right-to-use leased assets by category, including accumulated amortization by category.

Depreciation/Amortization expense is charged to functions as follows:

	<u>Depreciation/Amortization</u>
Primary Government:	
Governmental Activities	
Ambulance Services	\$ 1,363,430
Criminal Court	393,858
General Government	4,300,561
Health	408,841
Highway and Streets	4,397,821
Juvenile Court	178,527
Other Public Safety	1,283,499
Culture and Recreation	1,903,049
Social Services	7,540
Sheriff	3,370,040
Total	<u>\$ 17,607,166</u>
Discretely Presented Component Units:	
Hamilton County Schools	\$ 23,034,336
Water & Wastewater Treatment Authority	6,033,339
"911" Emergency Communications	1,050,088
Total	<u>\$ 30,117,763</u>

Hamilton County donated \$40,195,141 in assets transferred from construction in progress to Hamilton County Schools, a component unit of Hamilton County.

The following table is a calculation of the County's net investment in capital assets, as reported in the Statement of Net Position.

	<u>Governmental Activities</u>
Capital assets, non-depreciable	\$ 147,397,989
Capital assets, depreciable	<u>260,646,569</u>
	<u>408,044,558</u>
Less:	
Bonds payable	(270,250,000)
Premium on bonds	(35,645,312)
Deferred gain on refunding	(1,122,265)
Lease liability	(4,678,585)
SBITA liability	<u>(7,106,648)</u>
	<u>(318,802,810)</u>
Add:	
Bonds for component unit assets	167,159,234
Premium on component unit bonds	20,497,486
Unspent proceeds	<u>55,725,071</u>
Net Investment	<u>\$ 332,623,539</u>

NOTE I – LEASE ASSETS

Lease activity for the year ended June 30, 2024, is as follows:

Primary Government

	Beginning Balance	Current Year Additions	Current Year Retirements	Ending Balance
Governmental Activities:				
Lease Assets:				
Land	\$ 115,961	\$ -	\$ -	\$ 115,961
Infrastructure	36,410	-	-	36,410
Buildings	158,492	606,522	(158,491)	606,523
Vehicles	4,079,781	2,274,007	(485,230)	5,868,558
Machinery and equipment	890,378	282,895	(60,712)	1,112,561
Total lease assets	<u>5,281,022</u>	<u>3,163,424</u>	<u>(704,433)</u>	<u>7,740,013</u>
Less accumulated amortization for:				
Land	(9,869)	(4,935)	-	(14,804)
Infrastructure	(8,826)	(4,413)	-	(13,239)
Buildings	(72,798)	(76,624)	79,821	(69,601)
Vehicles	(1,966,364)	(1,162,397)	485,230	(2,643,531)
Machinery and equipment	(205,949)	(193,076)	60,712	(338,313)
Total accumulated amortization	<u>(2,263,806)</u>	<u>(1,441,445)</u>	<u>625,763</u>	<u>(3,079,488)</u>
Governmental activities lease assets, net	<u>\$ 3,017,216</u>	<u>\$ 1,721,979</u>	<u>\$ (78,670)</u>	<u>\$ 4,660,525</u>

Discretely Presented Component Units

	Beginning Balance	Current Year Additions	Current Year Retirements	Ending Balance
Governmental Activities:				
Lease Assets:				
Vehicles	\$ 937,463	\$ 353,874	\$ (14,580)	\$ 1,276,757
Machinery and equipment	4,502,541	12,739	(2,443,646)	2,071,634
Total lease assets	<u>5,440,004</u>	<u>366,613</u>	<u>(2,458,226)</u>	<u>3,348,391</u>
Less accumulated amortization for:				
Vehicles	(241,493)	(309,602)	2,593	(548,502)
Machinery and equipment	(2,872,799)	(1,139,856)	2,018,266	(1,994,389)
Total accumulated amortization	<u>(3,114,292)</u>	<u>(1,449,458)</u>	<u>2,020,859</u>	<u>(2,542,891)</u>
Governmental activities lease assets, net	<u>\$ 2,325,712</u>	<u>\$ (1,082,845)</u>	<u>\$ (437,367)</u>	<u>\$ 805,500</u>

Amortization expense is charged to functions as follows:

	<u>Amortization</u>
Primary Government:	
Governmental Activities	
Ambulance Services	\$ 98,621
Criminal Court	5,348
General Government	335,055
Health	96,081
Highway and Streets	306,547
Juvenile Court	33,755
Other Public Safety	149,634
Culture and Recreation	280,203
Sheriff	129,732
Social Services	6,469
Total	<u>\$ 1,441,445</u>
Discretely Presented Component Units:	
Hamilton County Schools	<u>\$ 1,449,458</u>
Total	<u><u>\$ 1,449,458</u></u>

NOTE J – EMPLOYEE RETIREMENT SYSTEMS

Hamilton County provides retirement benefits through seven pension plans. The majority of employees participate in one of four retirement plans provided by the Tennessee Consolidated Retirement System (TCRS). One of the TCRS plans is the Political Subdivision Pension Plan (PSPP), now referred to as the Hamilton County Legacy Plan, an agent, multiple-employer, defined benefit plan which is available for all County employees, except teachers, employed before September 30, 2015. This plan closed to new membership September 30, 2015, but will continue providing benefits to existing members and retirees. Beginning October 1, 2015, all newly hired County employees, except teachers, can participate in the Hamilton County Hybrid Plan. The Hamilton County Hybrid Plan is an agent, multiple-employer, combination of a defined benefit plan and a defined contribution plan (see Note K for information on the defined contribution portion of the plan).

The other two TCRS plans are the Teacher Legacy Pension Plan and the Teacher Retirement Plan which are available to teachers of the Hamilton County School System. Teachers with membership in TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer combination of a defined benefit plan and a defined contribution plan (see Note K for information on the defined contribution portion of the plan).

The remaining employees who are eligible for retirement benefits participate in one of three single-employer, defined benefit pension plans (Employees' Pension Plan, Commissioners' Pension Plan, and Teachers' Pension Plan). The County acts as Trustee for these plans.

The following table is a summary of each of these plans' net pension liability or asset and the related deferred outflows of resources and deferred inflows of resources:

Primary Government						
	Hamilton County Legacy Plan	Hamilton County Hybrid Plan	Employees' Pension Plan	Commissioners' Pension Plan	Teachers' Pension Plan	Total
Net pension asset	\$ -	\$ 34,407	\$ 2,195,191	\$ -	\$ -	\$ 2,229,598
Net pension liability	17,742,344	-	-	164,355	1,814	17,908,513
Deferred outflows - pension contributions subsequent to measurement date	8,973,586	1,445,835	-	76,832	1,730	10,497,983
Deferred outflows - pension experience difference	9,708,606	1,640,169	-	-	-	11,348,775
Deferred outflows - changes in assumptions	-	336,362	-	728	-	337,090
Deferred outflows - pension investment returns	3,298,720	173,800	199,040	55,945	147	3,727,652
Total deferred outflows	21,980,912	3,596,166	199,040	133,505	1,877	25,911,500
Deferred inflows - pension experience differences	-	14,481	-	11,958	-	26,439
Pension expense	17,281,352	733,266	-	46,312	3,116	18,064,046
Pension income	-	-	24,364	-	-	24,364
Hamilton County Schools						
	Non-Teacher Legacy Plan	Non-Teacher Hybrid Plan	Teacher Legacy Pension Plan	Teacher Retirement Plan		Total
Net pension asset	\$ -	\$ 23,910	\$ 48,452,809	\$ 2,424,663	\$ -	\$ 50,901,382
Net pension liability	7,603,861	-	-	-	-	7,603,861
Deferred outflows - pension contributions subsequent to measurement date	3,870,132	1,008,021	9,235,353	4,284,444		18,397,950
Deferred outflows - pension experience difference	4,160,831	1,139,778	11,543,927	81,673		16,926,209
Deferred outflows - changes in assumptions	-	233,743	15,787,250	1,824,179		17,845,172
Deferred outflows - changes in proportion to the net pension liability (asset)	-	-	2,045,786	109,112		2,154,898
Deferred outflows - pension investment returns	1,413,737	120,776	8,406,812	616,456		10,557,781
Total deferred outflows	9,444,700	2,502,318	47,019,128	6,915,864		65,882,010
Deferred inflows - pension experience differences	-	10,063	2,248,533	1,415,222		3,673,818
Deferred inflows - changes in proportion to the net pension liability (asset)	-	-	49,537	221,475		271,012
Total deferred inflows	-	10,063	2,298,070	1,636,697		3,944,830
Pension expense	7,406,294	509,557	12,962,789	3,067,322		23,945,962

Tennessee Consolidated Retirement Systems

(1) HAMILTON COUNTY LEGACY PLAN

Plan Description

Employees of Hamilton County, including certain employees of the Hamilton County Schools, are members of the Hamilton County Legacy Plan, an agent, multiple-employer, defined benefit pension plan administered by the TCRS. The Hamilton County Legacy Plan closed to new membership on September 30, 2015, but will continue providing benefits to existing members and retirees. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS.

The Hamilton County Legacy Plan includes employees of the County as well as non-teacher employees from the Hamilton County Schools, a discretely presented component unit. As such, the following table demonstrates the allocation of the Plan between the primary government and the discretely presented Hamilton County Schools:

	Hamilton County - Legacy Plan	Hamilton County Schools - Legacy Plan	Total
Net pension liability	\$ 17,742,344	\$ 7,603,861	\$ 25,346,205
Deferred outflows - pension contributions subsequent to measurement date	8,973,586	3,870,132	12,843,718
Deferred outflows - pension experience difference	9,708,606	4,160,831	13,869,437
Deferred outflows - pension investment returns	3,298,720	1,413,737	4,712,457
Pension expense	17,281,352	7,406,294	24,687,646

Tennessee Code Annotated (TCA), Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at the age of 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for nonservice related disability eligibility. The service related and nonservice related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Political subdivisions such as Hamilton County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's participation in the Public Employee Retirement Plan of the TCRS, and additions to/deductions from the County's fiduciary net position have been determined on the same basis as they were reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of the TCRS. Investments are reported at fair value.

Funding Policy

Hamilton County adopted a noncontributory retirement plan for its employees on July 1, 1981.

Hamilton County is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2024, was 14.70% of annual covered payroll. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, employer contributions for the County were \$12,843,718. By law, employer contributions are required to be paid. The TCRS may intercept the County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Investment Rate of Return

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for major asset class are summarized in the following table:

<u>Asset Class</u>	Long-Term Expected Real Rate of <u>Return</u>	Target <u>Allocations</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	<u>1%</u>
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Net Pension Liability (Asset)

The County's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Summary of Key Actuarial Assumptions

Reporting Date	June 30, 2024
Measurement Date	June 30, 2023
Actuarial Valuation Date	June 30, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Asset valuation method	10-year smoothed within a 20 percent corridor to fair value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2021 (generational projection)
Cost of living adjustments	2.125 percent, if provided

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Employees Covered by Benefit Terms at June 30, 2023

Inactive employees or beneficiaries currently receiving benefits	2,904
Inactive employees entitled to but not yet receiving benefits	2,380
Active employees	<u>1,426</u>
Total	<u>6,710</u>

Note: The plan is closed to new entrants.

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Schedule of Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
<u>Hamilton County - Legacy Plan</u>			
Balance at June 30, 2022	\$ 462,028,027	\$ 450,901,804	\$11,126,223
Service Cost	5,308,362	-	5,308,362
Interest	30,784,314	-	30,784,314
Differences between expected and actual experience	9,203,471	-	9,203,471
Contributions - employer	-	9,021,369	(9,021,369)
Contributions - employees	-	282	(282)
Net investment income	-	29,848,141	(29,848,141)
Benefit payments, including refunds of employee contributions	(22,544,937)	(22,544,937)	-
Administrative expense	-	(189,766)	189,766
Net changes	<u>22,751,210</u>	<u>16,135,089</u>	<u>6,616,121</u>
Balance at June 30, 2023	<u>\$ 484,779,237</u>	<u>\$ 467,036,893</u>	<u>\$17,742,344</u>

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
<u>Hamilton County Schools - Legacy Plan</u>			
Balance at June 30, 2022	\$ 198,012,012	\$ 193,243,631	\$ 4,768,381
Service Cost	2,275,012	-	2,275,012
Interest	13,193,278	-	13,193,278
Differences between expected and actual experience	3,944,345	-	3,944,345
Contributions - employer	-	3,866,301	(3,866,301)
Contributions - employees	-	121	(121)
Net investment income	-	12,792,060	(12,792,060)
Benefit payments, including refunds of employee contributions	(9,662,116)	(9,662,116)	-
Administrative expense	-	(81,327)	81,327
Net changes	<u>9,750,519</u>	<u>6,915,039</u>	<u>2,835,480</u>
Balance at June 30, 2023	<u>\$ 207,762,531</u>	<u>\$ 200,158,670</u>	<u>\$ 7,603,861</u>

Changes of benefit terms. In the June 30, 2017 actuarial valuation, benefit terms were changed to authorize the establishment of a mandatory retirement at age 60 for all public safety officers. This benefit option allows unreduced retirement benefits (service retirement) upon attainment of age 55 with 25 years of public safety officer service. It allows a supplemental bridge benefit that will begin at age 55 and continue through age 62.

The required schedule of changes in the County's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of the Plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate

The following represents the net pension liability (asset) calculated using the stated discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>Hamilton County - Legacy Plan</u>	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net Pension Liability (Asset)	\$ 77,655,195	\$ 17,742,344	\$ (32,317,979)
<u>Hamilton County Schools - Legacy Plan</u>	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net Pension Liability (Asset)	\$ 33,280,798	\$ 7,603,861	\$ (13,850,563)

Pension Expense (Income) and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2024, the County recognized pension expense (income) is \$24,687,646. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

<u>Hamilton County - Legacy Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,708,606	\$ -
Net difference between projected and actual earnings of pension plan investments	3,298,720	-
County's contributions subsequent to the measurement date of June 30, 2023	8,973,586	-
Total	<u>\$ 21,980,912</u>	<u>\$ -</u>
<u>Hamilton County Schools - Legacy Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,160,831	\$ -
Net difference between projected and actual earnings of pension plan investments	1,413,737	-
County's contributions subsequent to the measurement date of June 30, 2023	3,870,132	-
Total	<u>\$ 9,444,700</u>	<u>\$ -</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2023," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Hamilton County - Legacy Plan

Year ending June 30,	
2025	\$ 4,105,745
2026	(1,196,495)
2027	10,073,089
2028	24,987
2029	-
Thereafter	-
Total	<u>\$ 13,007,326</u>

Hamilton County Schools - Legacy Plan

Year ending June 30,	
2025	\$ 1,759,605
2026	(512,784)
2027	4,317,038
2028	10,709
2029	-
Thereafter	-
Total	<u>\$ 5,574,568</u>

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2024, the County reported a payable of \$967,287 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

(2) HAMILTON COUNTY HYBRID PLAN**Summary of Significant Accounting Policies**

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Hamilton County Hybrid Plan's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Employees with membership in the Tennessee Consolidated Retirement System (TCRS) before September 30, 2015, of Hamilton County are provided with pensions through the Hamilton County Legacy Pension Plan administered by the TCRS. The Hamilton County Legacy Pension Plan is closed to new membership. Employees with membership in the TCRS after October 1, 2015 are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent, multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

The Hamilton County Hybrid Plan includes employees of the County as well as non-teacher employees from the Hamilton County Schools, a discretely presented component unit. As such, the following table demonstrates the allocation of the Plan between the primary government and the discretely presented Hamilton County Schools:

	Hamilton County - Hybrid Plan	Hamilton County Schools - Hybrid Plan	Total
Net pension asset	\$ 34,407	\$ 23,910	\$ 58,317
Deferred outflows - pension contributions subsequent to measurement date	1,445,835	1,008,021	2,453,856
Deferred outflows - pension experience difference	1,640,169	1,139,778	2,779,947
Deferred outflows - changes in assumptions	336,362	233,743	570,105
Deferred outflows - pension investment returns	173,800	120,776	294,576
Deferred inflows - pension experience differences	14,481	10,063	24,544
Pension expense	733,266	509,557	1,242,823

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members of the Hamilton County Hybrid Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Hamilton County Hybrid Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees covered by benefit terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	1,476
Active employees	<u>1,743</u>
Total	<u>3,234</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic costs controls set out in law. Employees contribute 5 percent of their salary to this plan. During 2024, the participants contributed \$4,327,091 to the plan, which represents 5% of covered payroll. Participants are 100% vested in the employee contributions when they are made. The County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. Beginning in fiscal year 2019, the employer

contribution rate was divided between the actuarially determined contribution (ADC) rate of covered payroll that was placed in the pension plan and the difference between the ADC and 4.00% that was placed in the TCRS Stabilization Reserve Trust. By law, employer contributions for the Hamilton County Hybrid Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the County if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2024 to the Public Employee Retirement Plan were \$2,453,856 which is 2.67 percent of covered payroll and is 100% of the required ADC for the year. The amount placed in the Stabilization Reserve Trust for the year ended June 30, 2024 was \$1,020,323, which represents 1.33% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). Hamilton County Hybrid Plan's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost of living adjustments	2.125 percent, if provided

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocations</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Hamilton County Hybrid Plan will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Schedule of Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
<u>Hamilton County - Hybrid Plan</u>			
Balance at June 30, 2022	\$ 9,296,440	\$ 9,376,672	\$ (80,232)
Service Cost	2,453,632	-	2,453,632
Interest	788,767	-	788,767
Differences between expected and actual experience	803,824	-	803,824
Contributions - employer	-	1,147,133	(1,147,133)
Contributions - employees	-	2,179,897	(2,179,897)
Net investment income	-	735,668	(735,668)
Benefit payments, including refunds of employee contributions	(129,274)	(129,274)	-
Administrative expense	-	(62,300)	62,300
Net changes	<u>3,916,949</u>	<u>3,871,124</u>	<u>45,825</u>
Balance at June 30, 2023	<u>\$ 13,213,389</u>	<u>\$ 13,247,796</u>	<u>\$ (34,407)</u>
<u>Hamilton County Schools - Hybrid Plan</u>			
Balance at June 30, 2022	\$ 6,460,238	\$ 6,515,992	\$ (55,754)
Service Cost	1,705,066	-	1,705,066
Interest	548,126	-	548,126
Differences between expected and actual experience	558,589	-	558,589
Contributions - employer	-	797,161	(797,161)
Contributions - employees	-	1,514,844	(1,514,844)
Net investment income	-	511,227	(511,227)
Benefit payments, including refunds of employee contributions	(89,834)	(89,834)	-
Administrative expense	-	(43,295)	43,295
Net changes	<u>2,721,947</u>	<u>2,690,103</u>	<u>31,844</u>
Balance at June 30, 2023	<u>\$ 9,182,185</u>	<u>\$ 9,206,095</u>	<u>\$ (23,910)</u>

Changes of benefit terms. In the June 30, 2017, actuarial valuation, benefit terms were changed to authorize the establishment of a mandatory retirement at age 60 for all public safety officers. This benefit option allows unreduced retirement benefits (service retirement) upon attainment of age 55 with 25 years of public safety officer service. It allows a supplemental bridge benefit that will begin at age 55 and continue through age 62.

The required schedule of changes in the County's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of the Plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate

The following represents the net pension liability (asset) calculated using the stated discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

<u>Hamilton County - Hybrid Plan</u>	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net Pension Liability (Asset)	\$ 3,103,445	\$ (34,407)	\$ (2,416,691)
 <u>Hamilton County Schools - Hybrid Plan</u>	 <u>1% Decrease (5.75%)</u>	 <u>Current Rate (6.75%)</u>	 <u>1% Increase (7.75%)</u>
Net Pension Liability (Asset)	\$ 2,156,631	\$ (23,910)	\$ (1,679,395)

Pension Expense (Negative Pension Expense) and Deferred Outflows/Inflows of Resources

Pension expense. For the year ended June 30, 2024, Hamilton County Hybrid Plan recognized pension expense (negative pension expense) of \$1,242,823.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2024, Hamilton County Hybrid Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Hamilton County - Hybrid Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,640,169	\$ 14,481
Net difference between projected and actual earnings of pension plan investments	173,800	-
Changes in assumptions	336,362	-
County's contributions subsequent to the measurement date of June 30, 2023	1,445,835	-
Total	<u>\$ 3,596,166</u>	<u>\$ 14,481</u>

<u>Hamilton County Schools - Hybrid Plan</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,139,778	\$ 10,063
Net difference between projected and actual earnings of pension plan investments	120,776	-
Changes in assumptions	233,743	-
County's contributions subsequent to the measurement date of June 30, 2023	1,008,021	-
Total	\$ 2,502,318	\$ 10,063

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Hamilton County - Hybrid Plan</u>			<u>Hamilton County Schools - Hybrid Plan</u>		
Year ending June 30,			Year ending June 30,		
2025	\$	348,032	2025	\$	241,853
2026		334,834	2026		232,681
2027		530,356	2027		368,553
2028		348,194	2028		241,965
2029		261,890	2029		181,992
Thereafter		312,544	Thereafter		217,190
Total	\$	2,135,850	Total	\$	1,484,234

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2024, Hamilton County Hybrid Plan reported a payable of \$196,473 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

(3) TEACHER LEGACY PENSION PLAN

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System (TCRS) and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Legacy Pension Plan. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Hamilton County Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing, multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury

Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Hamilton County Schools for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$9,235,353, which is 6.36 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). At June 30, 2024, the Hamilton County Schools reported an asset of \$48,452,809 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Hamilton County Schools' proportion of the net pension liability was based on Hamilton County Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2023, Hamilton County Schools' proportion was 4.109744 percent. The proportion measured as of June 30, 2022, was 4.234570 percent.

Pension expense. For the year ended June 30, 2024, Hamilton County Schools recognized a pension expense of \$12,962,789.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2024, Hamilton County Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,543,927	\$ 2,248,533
Net difference between projected and actual earnings of pension plan investments	8,406,812	-
Changes in proportion of Net Pension Liability (Asset)	2,045,786	49,537
Changes in assumptions	15,787,250	-
LEA's contributions subsequent to the measurement date of June 30, 2023	9,235,353	-
Total	<u>\$ 47,019,128</u>	<u>\$ 2,298,070</u>

Hamilton County Schools employer contributions of \$9,235,353, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability (asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2025	\$ 12,229,077
2026	(6,110,125)
2027	29,300,898
2028	65,855
2029	-
Thereafter	-
Total	<u>\$ 35,485,705</u>

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial assumptions. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, net of pension plan investment expenses, including inflation
Cost of Living Adjustment	2.125 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage

and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	<u>1%</u>
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate. The following presents Hamilton County Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Hamilton County Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Hamilton County Schools' proportionate share of the net pension liability (asset)	\$ 105,533,592	\$ (48,452,809)	\$ (176,526,074)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2024, Hamilton County Schools reported a payable of \$815,298 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

(4) TEACHER RETIREMENT PLAN

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan in the Tennessee Consolidated Retirement System (TCRS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan. Investments are reported at fair value.

General Information About the Pension Plan

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Hamilton County Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing, multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014 but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of their salary to this plan. During 2024, the participants contributed \$7,067,711 to the plan, which represents 5% of covered payroll. Participants are 100% vested in the employee contributions when they are made. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. Beginning in fiscal year 2019, the employer contribution rate was divided between the actuarially determined contribution (ADC) rate that was placed in this plan and the difference between the ADC and 4.00% that was placed in the TCRS Stabilization Reserve Trust. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Hamilton County Schools for the year ended June 30, 2024 to the Teacher Retirement Plan were \$4,284,444, which is 3.00 percent of covered payroll and is 100% of the required ADC for the year. The amount placed in the Stabilization Reserve Trust for the year ended June 30, 2024, was \$1,420,302, which represents 1.00% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). At June 30, 2024, Hamilton County Schools reported an asset of \$2,424,663 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial value as of that date. Hamilton County Schools' proportion of the net pension asset was based on Hamilton County Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2023, Hamilton County Schools' proportion was 5.718089 percent. At the measurement date of June 30, 2022, Hamilton County Schools' proportion was 5.802579 percent.

Pension Expense. For the year ended June 30, 2024, Hamilton County Schools recognized pension expense of \$3,067,322.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2024, Hamilton County Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 81,673	\$ 1,415,222
Net difference between projected and actual earnings of pension plan investments	616,456	-
Changes in proportion of Net Pension Liability (Asset)	109,112	221,475
Changes in assumptions	1,824,179	-
LEA's contributions subsequent to the measurement date of June 30, 2023	4,284,444	-
Total	<u>\$ 6,915,864</u>	<u>\$ 1,636,697</u>

Hamilton County Schools' employer contributions of \$4,284,444, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2025	\$ (12,592)
2026	(102,310)
2027	848,663
2028	42,406
2029	46,167
Thereafter	172,389
Total	<u>\$ 994,723</u>

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial assumptions. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, net of pension plan investment expenses, including inflation
Cost of Living Adjustment	2.125 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate. The following presents Hamilton County Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Hamilton County Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (<u>5.75%</u>)	Current Discount Rate (<u>6.75%</u>)	1% Increase (<u>7.75%</u>)
Hamilton County Schools' proportionate share of the net pension liability (asset)	\$ 11,153,339	\$ (2,424,663)	\$ (12,199,713)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2024, Hamilton County Schools reported a payable of \$395,280 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

Hamilton County Administered Plans

Significant Accounting Policies

Basis of Accounting

The financial statements of the Employees', Commissioners', and Teachers' Pension Plans are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized when due, and the County has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. There are no investments in any one organization that represent 5 percent or more of plan net position.

Actuarial Assumptions and Estimates

The actuarial calculations are based on the benefits provided under the terms of the plans in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are always subject to continual revisions as results are compared to past expectations and new estimates are made about the future. The actuarial methods used and calculations determined reflect a long-term perspective as the techniques used are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of the related assets.

Plan Description and Provisions

(1) EMPLOYEES' PENSION PLAN

The County maintains a closed, single-employer defined benefit pension plan for employees who elected to continue in this plan when it closed to new enrollment in 1977.

The plan is designed for either the County or each participant to contribute 6.4 percent of the first \$800 of monthly salary toward the cost of the plan. A participant whose service terminates prior to eligibility for

normal retirement (and who is not disabled) is entitled only to a return of the employee contribution made by him or on his behalf.

The normal retirement benefit is 50 percent of the employee's final average earnings, where final average earnings are based on the four-year period of service, which yields the highest arithmetic average of basic salary not in excess of \$800 per month. For employees hired prior to April 15, 1969, normal retirement date is the earlier of (1) completion of twenty-four years of credited service or (2) completion of twenty years of credited service and attainment of age 55. For employees hired thereafter, normal retirement date is the attainment of age 65 and completion of twenty-four years of credited service. In the event of total and permanent disability, participants who are not yet eligible for normal retirement benefits can receive a percentage of their final average earnings, based on their years of credited service at the time of disability. Benefit provisions are established and amended by the Private Acts of Tennessee.

(2) COMMISSIONERS' PENSION PLAN

The County maintains a single-employer defined benefit plan for County Commissioners in which each Commissioner can elect to participate. Those who elect to participate are not required to contribute to the plan. All service as a County Commissioner is credited for benefit purposes. In addition, credit may be granted for military service during a period of armed conflict, as determined by the pension commission. Credit for prior service can be purchased. There are no limits on the time at which a Commissioner (or former Commissioner with at least five years of service) can elect to purchase such credit.

A participant's earnings shall mean their compensation earned as a County Commissioner, but excluding additional pay, if any, earned as chairman or chairman pro tempore. Average earnings are the average of a participant's compensation for the five years which produce the highest average. The normal retirement date of a participant is the first day of the month following the later of the participant's 55th birthday or the fifth anniversary of the date the participant began to serve as a County Commissioner. The normal retirement benefit, which is payable monthly for life, is equal to the product of (a) 2.50% of the participant's average earnings, and (b) the participant's years of credited service. Accrued benefits are vested after five years of service. If a participant postpones their retirement beyond their normal retirement date, they will be entitled to a monthly benefit commencing on the first day of any month following their actual retirement. The deferred retirement benefit is calculated in the same way as the normal retirement benefit, based on the participant's credited service and average earnings as of their date of retirement. If a participant ceases to be a County Commissioner after they have completed five or more years of service, but prior to their normal retirement date, they are entitled to a deferred vested benefit. The deferred benefit, to commence at their normal retirement date, is computed in the same manner as above for normal retirement, based on the participant's credited service and average earnings at their date of termination. If employment is otherwise terminated before retirement, no benefits are provided under the plan. Subject to the applicable plan provisions, a participant may select an optional method of benefit payment, in lieu of the prescribed life income, which is actuarially equivalent thereto. The purpose of the optional method is to provide a continued life income to a surviving spouse after the death of a participant. Benefit provisions are established and amended by the Private Acts of Tennessee.

(3) TEACHERS' PENSION PLAN

The County maintains a closed, single-employer defined benefit plan for a group of teachers who are receiving as annuities amounts arising from the refund of their contributions to an earlier plan. Although these annuity payments could be discontinued at any time, they have been extended throughout the lifetime of the remaining plan participants. The amount of the monthly pension benefit received by each participant has been previously determined.

Employees Covered by Benefit Terms

	<u>Employees’ Pension Plan</u>	<u>Commissioners’ Pension Plan</u>	<u>Teachers’ Pension Plan</u>
Retirees and beneficiaries receiving benefits	7	15	1
Vested terminated employees	-	-	-
Active employees:			
Fully vested	-	3	-
Non-vested	-	8	-
Actuarial valuation date	June 30, 2022	June 30, 2022	June 30, 2022
Measurement date	June 30, 2023	June 30, 2023	June 30, 2023

Investment Policy

The Pension Board (the “Board”) establishes (and may amend) the pension plan’s policy regarding asset allocation. Plan assets are managed with a long-term objective of achieving a fully funded status for the benefit provided through the plan. The Board’s asset allocation policy as of June 30, 2024, is shown below:

<u>Asset Class</u>	<u>Employees’ Pension Plan Target Allocation</u>	<u>Commissioners’ Pension Plan Target Allocation</u>
Equity	40.00%	40.00%
Fixed Income	60.00%	60.00%
	<u>100.00%</u>	<u>100.00%</u>

Investment Rate of Return

Expected returns to equity asset classes are based on several inputs. The investment advisor applies proprietary analytics that generate a forecast of 10-year excess return (return in excess of the 10-year Treasury yield) for the S&P 500 Index. The analytics utilize the long-run relation between S&P 500 excess returns and cyclically adjusted earnings and dividend yields. The 10-year forecast from the advisor’s analytics is considered in combination with the long-run historical average excess return to determine the expected 20-year annualized excess return for the S&P 500. The S&P 500’s excess return assumption is then adjusted for each asset class based on several factors including:

The asset class’s historical relative beta, or sensitivity to global equity market returns. Asset classes with higher betas will have higher return expectations, all else equal.

The asset class’s historical alpha, or excess return not explained by sensitivity to global equity market returns.

Near-term (one-year) forecasts from advisor’s tactical asset class forecast models.

Other subjective considerations.

Fixed income asset class returns reflect current and expected future levels of the Treasury yield curve, current and expected future levels of asset class credit spreads, and expected credit losses in credit risky assets. Specific considerations in determining asset class returns include:

Market pricing of future Treasury yield levels as implied by the term structure of interest rates

Advisor’s assessment of the term risk premium built into the term structure of interest rates across different maturities

The current maturity profile of fixed income asset classes

Current credit spread levels across asset classes

Long-run expected mean credit spread levels across asset classes

Expected credit losses in credit risky asset classes

Best estimates of forward-looking rates of return for each sub asset class included in the advisor's opportunity set are summarized in the following table:

Name	Expected Return	Name	Expected Return
Cash Equivalents	3.08%	Emerging Markets	9.85%
U.S. Large Cap Value	8.35%	U.S. Aggregate Fixed Income	3.70%
U.S. Large Cap Growth	8.45%	U.S. Short Government	3.11%
U.S. Mid Cap Value	9.15%	U.S. Intermediate Government	3.15%
U.S. Mid Cap Growth	9.20%	U.S. Long Government	3.31%
U.S. Small Cap Value	9.55%	U.S. High Yield	6.40%
U.S. Small Cap Growth	9.85%	Int'l Fixed Income (Hedged)	3.48%
Int'l Developed Large/Mid Cap Value	9.15%	Emerging Markets Debt	6.23%
Int'l Developed Large/Mid Cap Growth	8.65%	TIPS	3.23%
Int'l Developed Small Cap Core	9.30%		

For the year ended June 30, 2024, employer contributions were made for the Commissioners' Pension Plan and Teachers' Pension Plan. The contributions were \$76,832 for the Commissioners' Pension Plan and \$1,730 for the Teachers' Pension Plan. No contributions were made for the Employees' Pension Plan for the year ended June 30, 2024. The annual money-weighted rate of return on investments, net of investment expense, for the Employees' and Commissioners' plans were 6.55 percent and 5.56 percent, respectively. The Teachers' Pension Plan had an annual money-weighted rate of return on investments of 0.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Funding Policy and Other Information

Hamilton County contributes to each plan at an actuarially determined rate. Administrative costs are financed through contributions and investment earnings. The annual required contributions, actual contributions, and other pertinent information for each plan for the year ending June 30, 2024, are shown in the following table:

	<u>County Administered Retirement Plans</u>		
	<u>Employees'</u>	<u>Commissioners'</u>	<u>Teachers'</u>
Contribution authorization:	Private Acts of TN	Private Acts of TN	Pension Board
How contributions are determined:	Actuarially	Actuarially	Actuarially
Required contribution rate:			
Active employees	6.4%	N/A	N/A
Employer	-	Actuarially Determined	-
Other contributing entities	N/A	N/A	-
Actual contributions:			
Employees	-	-	-
Employer	\$0	\$76,832	\$1,730
Other contributing entities	N/A	N/A	\$1,788
Date of last actuarial valuation	June 30, 2024	June 30, 2024	June 30, 2024
Actuarial valuation date for current contributions	June 30, 2024	June 30, 2024	June 30, 2024

Actual assumptions:

Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Method for actuarial value of assets	Fair Value	Fair Value	Fair Value
Inflation rate	N/A	N/A	N/A
Investment return	6.75%	6.0%	5.0%
Projected salary increases	N/A	4.0%	N/A

Amortization:

Method	Level Dollar	Level Dollar	Level Dollar
Period	Closed, not to exceed 20 years	Closed, not to exceed 20 years	Closed, not to exceed 20 years

All the Hamilton County Administered Plans follow the following mortality rates (post-retirement only): Employees' and Commissioners' Pension Plans – 120% of the SOA Pub-2010 General Public Retirement Plan Mortality Table and Teachers' Pension Plan – 120% of the SOA Pub-2010 Teacher Public Retirement Plan Mortality Table.

Future Mortality Improvement:

All the Hamilton County Administered Plans follow current and future mortality improvement estimated by using Scale MP-2021.

An asset smoothing method may be utilized to determine the actuarial value of assets. The difference between the amount actually earned and the earnings assumption for a particular year shall be amortized in level amounts. If asset smoothing is utilized, the recognition period will not exceed 10 years. However, there shall be a corridor so that the actuarial value of assets cannot be 20% more nor 20% less than the market value of assets existing as of the actuarial valuation date.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:

The following represents the net pension liability (asset) calculated using the stated discount rate, as well as what the pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
<u>Employees' Pension Plan</u>		
Net Pension Liability, 1% Decrease	5.75%	\$(2,189,991)
Net Pension Liability, Current Rate	6.75%	\$(2,195,191)
Net Pension Liability, 1% Increase	7.75%	\$(2,200,000)
<u>Commissioners' Pension Plan</u>		
Net Pension Liability, 1% Decrease	5.00%	\$238,978
Net Pension Liability, Current Rate	6.00%	\$164,355
Net Pension Liability, 1% Increase	7.00%	\$99,472
<u>Teachers' Pension Plan</u>		
Net Pension Liability, 1% Decrease	4.00%	\$1,863
Net Pension Liability, Current Rate	5.00%	\$1,814
Net Pension Liability, 1% Increase	6.00%	\$1,768

Components of Net Pension Liability (Asset)

The components of the net pension liability at June 30, 2024, measurement date of June 30, 2023, were as follows:

	Employees' Pension Plan	Commissioners' Pension Plan	Teachers' Pension Plan
Total Pension Liability	\$ 140,899	\$ 936,801	\$ 3,341
Plan Fiduciary Net Position	(2,336,090)	(772,446)	(1,527)
Net Pension Liability (Asset)	<u>\$ (2,195,191)</u>	<u>\$ 164,355</u>	<u>\$ 1,814</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	1658.0%	82.5%	45.7%

Changes in Net Pension Liability (Asset)

Employees' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2022	\$ 126,876	\$ 2,157,547	\$ (2,030,671)
Interest	8,220	-	8,220
Differences between expected and actual experience	36,245	-	36,245
Change of assumptions	4,111	-	4,111
Contributions - employer	-	60,000	(60,000)
Net investment income	-	168,090	(168,090)
Benefit payments, including refunds of employee contributions	(34,553)	(34,553)	-
Administrative expense	-	(14,994)	14,994
Other changes	-	-	-
Net changes	<u>14,023</u>	<u>178,543</u>	<u>(164,520)</u>
Balance at June 30, 2023	<u>\$ 140,899</u>	<u>\$ 2,336,090</u>	<u>\$ (2,195,191)</u>

Commissioners' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2022	\$ 929,897	\$ 745,531	\$ 184,366
Service Cost	32,432	-	32,432
Interest	56,296	-	56,296
Differences between expected and actual experience	(35,875)	-	(35,875)
Changes of assumptions	2,183	-	2,183
Contributions - employer	-	32,121	(32,121)
Net investment income	-	50,997	(50,997)
Benefit payments, including refunds of employee contributions	(48,132)	(48,132)	-
Administrative expense	-	(8,071)	8,071
Other changes	-	-	-
Net changes	6,904	26,915	(20,011)
Balance at June 30, 2023	<u>\$ 936,801</u>	<u>\$ 772,446</u>	<u>\$ 164,355</u>

Teachers' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2022	\$ 2,108	\$ 339	\$ 1,769
Interest	60	-	60
Differences between expected and actual experience	2,975	-	2,975
Changes of assumptions	10	-	10
Contributions - employer	-	3,000	(3,000)
Benefit payments, including refunds of employee contributions	(1,812)	(1,812)	-
Net changes	1,233	1,188	45
Balance at June 30, 2023	<u>\$ 3,341</u>	<u>\$ 1,527</u>	<u>\$ 1,814</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2024, the Teachers' Pension Plan recognized pension expense (income) will be \$3,116, the Commissioners' Pension Plan recognized pension expense (income) will be \$46,312, and the Employees' Pension Plan recognized pension expense (income) will be \$(24,364). This determination is based on a measurement date of June 30, 2023.

As of June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources in relation to pensions from the following sources:

	Employees' Pension Plan		Commissioners' Pension Plan		Teachers' Pension Plan	
	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources
Investment losses (gains)	\$ 199,040	\$ -	\$ 55,945	\$ -	\$ 147	\$ -
Experience losses (gains)	-	-	-	(11,958)	-	-
Change of assumptions	-	-	728	-	-	-
Post-measurement contributions	-	-	76,832	-	1,730	-
	<u>\$ 199,040</u>	<u>\$ -</u>	<u>\$ 133,505</u>	<u>\$ (11,958)</u>	<u>\$ 1,877</u>	<u>\$ -</u>

The contributions made subsequent to the measurement date of June 30, 2023, will be recognized against the net pension liability (asset) in the June 30, 2025, fiscal year.

Amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

	Employees' Pension Plan	Commissioners' Pension Plan	Teachers' Pension Plan
Years Ending June 30,			
2025	\$ 56,197	\$ 4,195	\$ 71
2026	47,736	12,608	44
2027	99,526	29,308	21
2028	(4,419)	(1,396)	11
2029	-	-	-
Thereafter	-	-	-
Total	<u>\$ 199,040</u>	<u>\$ 44,715</u>	<u>\$ 147</u>

The Hamilton County administered plans do not issue stand-alone financial reports and are not included in the report of a public employee retirement system or a report of another entity. The plans' financial statements are as follows:

	Employees' Retirement	Commissioners' Retirement	Teachers' Retirement	Total
ASSETS				
Cash	\$ (37,285)	\$ 89,205	\$ 1,445	\$ 53,365
Investments, at fair value:				
Mutual Funds	2,517,823	770,492	-	3,288,315
Total investments	2,517,823	770,492	-	3,288,315
Receivables:				
Interest	1,914	585	-	2,499
Total Assets	2,482,452	860,282	1,445	3,344,179
LIABILITIES				
Accrued items and other	-	-	-	-
Total Assets	-	-	-	-
NET POSITION				
Assets held in trust for pension benefits	\$ 2,482,452	\$ 860,282	\$ 1,445	\$ 3,344,179
ADDITIONS				
Contributions:				
Employer	\$ -	\$ 76,832	\$ 1,730	\$ 78,562
Other	-	-	1,788	1,788
Total Contributions	-	76,832	3,518	80,350
Investment Earnings:				
Net change in fair value of investments	135,372	41,308	-	176,680
Miscellaneous	64	-	-	64
Interest	78,248	23,926	-	102,174
Net investment income	213,684	65,234	-	278,918
Total Additions	213,684	142,066	3,518	359,268
DEDUCTIONS				
Benefits	33,044	51,695	3,600	88,339
Administrative expense	34,278	2,535	-	36,813
Total Deductions	67,322	54,230	3,600	125,152
Change in net position	146,362	87,836	(82)	234,116
Net position, beginning	\$ 2,336,090	\$ 772,446	\$ 1,527	\$ 3,110,063
Net position, ending	\$ 2,482,452	\$ 860,282	\$ 1,445	\$ 3,344,179

NOTE K – DEFINED CONTRIBUTION PLANS

The County administers a defined contribution plan in the form of a 401(K) plan as part of the State of Tennessee Hybrid Pension Plan. The County contributes 5% of covered payroll for all eligible employees hired after October 1, 2015. During 2024, the amount of payroll covered by the plan was \$86,541,815. The covered payroll represents wages related to the hybrid employees only since employer contributions are not made for legacy employees. Participants are 100% vested in employer contributions when they are made. Eligible employees are also automatically enrolled in the plan when hired with an additional employee contribution rate of 2%, with the ability to opt out of the additional employee contribution portion. During 2024, the County contributed \$4,327,091 to the plan which represents 5% of the covered payroll and 100% of the required contribution for the year. All employees are able to make voluntary contributions to the 401(K) plan up to the Internal Revenue Service code annual maximum.

Hamilton County Schools administers a defined contribution plan in the form of a 401(K) plan as part of the State of Tennessee Teacher Retirement Plan available to all full-time hybrid certified teaching staff. This plan began on July 1, 2014. Hamilton County Schools contributes 5% of covered payroll for all full-time hybrid certified employees hired after July 1, 2014. During 2024, the amount of payroll covered by the plan was \$141,354,218. The covered payroll represents wages related to hybrid certified employees only since employer contributions are not made for legacy certified employees. Participants are 100% vested in employer contributions when they are made. Eligible employees are also automatically enrolled in the plan when hired with an additional employee contribution rate of 2%, with the ability to opt out of the additional employee contribution portion. During 2024, Hamilton County Schools contributed \$7,067,711 to the plan which represents 5% of the covered payroll and 100% of the required contribution for the year. All employees are able to make voluntary contributions to the 401(K) plan up to the Internal Revenue Service code annual maximum.

NOTE L – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(1) PRIMARY GOVERNMENT

Plan Description

In addition to providing pension benefits, the County provides OPEB benefits (health care) for certain retired employees through a single-employer defined benefit healthcare plan. Employees who have retired under one of the County's retirement plans and who are ineligible for Medicare can elect to continue their health care coverage under this plan until they become eligible for Medicare. Benefits are established and amended by the County Commission, which is elected by residents of the County. A stand-alone financial report is not issued.

Plan Membership

At June 30, 2023, the date of the latest actuarial valuation, membership consisted of the following:

Active members (with medical coverage)	1,711
Retirees and beneficiaries (with medical coverage)	<u>175</u>
Total	<u>1,886</u>

Funding Policy

In fiscal year 2011, the County established an Other Postemployment Benefits Trust (OPEB Trust) which is used to pre-fund benefits. The County's General Fund contributes to the OPEB Trust to pre-fund benefits. The prefunded portion of the OPEB cost is included in the OPEB Trust. The pay-as-you-go component is funded and accounted for in the County's Governmental Activities. Eligible retirees pay a premium using a formula based on date of retirement, years of service, and the County's computed cost for active employees. Funding is established and amended by the County Commission, and no planned increases were approved for fiscal year 2024.

Contributions

The County's annual OPEB cost (expense) is calculated based on the actuarially determined contribution of the employer (ADC), an amount actuarially determined in accordance with the parameters of GASB Statements 74 and 75. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 20 years.

Net OPEB Liability of Hamilton County

The County's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023, with the actuary using standard techniques to roll forward the liability to the measurement date. The components of the net OPEB liability at June 30, 2023, were as follows:

Total OPEB Liability	\$ 54,294,537
Plan Fiduciary Net Position	(42,583,353)
Net OPEB Liability	<u>\$ 11,711,184</u>

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	78.4%
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Actuarial Assumptions. The total OPEB liability as of June 30, 2023, was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	6.5 percent
Salary Increases	3.0 percent
Expected Long-Term Rate of Return on OPEB Investments	6.5 percent
Healthcare Cost Trend Rate	
Admin:	5.0 percent
Ultimate Medical Trend Rate:	6.25% graded to 5.20% over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94% in 2075

The OPEB trust uses the following mortality rates: TCRS Local Government Mortality Rates with mortality improvement scale MP-2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, are presented above.

Discount rate. The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that the County will contribute the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the County Commission. Based on those assumptions, the OPEB Trust Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investments

The following was the County Commission's adopted asset allocation policy as of June 30, 2024:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	6.46%	40%
Developed market international equity	6.26%	5%
Emerging market international equity	6.40%	2%
Private equity and strategic lending	4.61%	40%
U.S. fixed income	0.98%	11%
Real estate	4.73%	0.2%
Short-term securities	0.00%	<u>1.8%</u>
		<u>100%</u>

Rate of Return. For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 6.51% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Schedule of Changes in Net OPEB Liability

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (asset) (a) - (b)</u>
Balance at June 30, 2023	\$ 54,804,140	\$ 37,117,752	\$ 17,686,388
Service Cost	2,213,526	-	2,213,526
Interest	3,488,303	-	3,488,303
Differences between expected and actual experience	(2,756,049)	-	(2,756,049)
Change in assumptions	(103,912)	-	(103,912)
Contributions - employer	-	4,951,471	(4,951,471)
Net investment income	-	4,068,335	(4,068,335)
Benefit payments, including refunds of employee contributions	(3,351,471)	(3,351,471)	-
Administrative expense	-	(202,734)	202,734
Other changes	-	-	-
Net changes	<u>(509,603)</u>	<u>5,465,601</u>	<u>(5,975,204)</u>
Balance at June 30, 2024	<u>\$ 54,294,537</u>	<u>\$ 42,583,353</u>	<u>\$ 11,711,184</u>

The required schedule of changes in the County's net OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of the Plan assets are increasing or decreasing over time relative to the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current discount rate:

	1% Decrease (<u>5.50%</u>)	Current Discount Rate (<u>6.50%</u>)	1% Increase (<u>7.50%</u>)
Net OPEB Liability	\$ 6,534,733	\$ 11,711,184	\$ 17,783,207

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower (5.25% to 4.75% over 2 years and following the Getzen model less 1% thereafter) or 1-percentage-point higher (5.25% to 7.25% over 2 years and following the Getzen model less 1% thereafter) than the current discount rate:

	1% Decrease (<u>5.25% - 4.75%</u>)	Current Discount Rate (<u>6.25% - 5.75%</u>)	1% Increase (<u>7.25% - 6.75%</u>)
Net OPEB Liability	\$ 16,416,584	\$ 11,711,184	\$ 7,547,601

Actuarial Assumptions and Estimates

The actuarial calculations are based on the benefits provided under the terms of the plans in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are always subject to continual revisions as results are compared to past expectations and new estimates are made about the future. The actuarial methods used and calculations determined reflect a long-term perspective as the techniques used are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of the related assets.

OPEB Expense (Income) and Deferred Outflows/Inflows of Resources

	<u>OPEB Expense/(Income)</u>
Service Cost	\$ 2,213,526
Interest	3,488,303
Experience losses (gains)	(393,721)
Amortization of or change in beginning balances	(912,514)
Change in assumptions	(14,845)
Projected investment income	(1,537,757)
Administrative expense	202,734
OPEB Expense	<u>\$ 3,045,726</u>

For the year ended June 30, 2024, the recognized OPEB expense is \$3,045,726. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings of OPEB plan investments	\$ 3,746,854	\$ -
Difference between expected and actual experience	-	2,753,788
Changes in assumptions	1,413,949	920,416
Contributions subsequent to the measurement date of June 30, 2023	5,160,938	-
Total	<u>\$ 10,321,741</u>	<u>\$ 3,674,204</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2023,” will be recognized as a reduction to net OPEB liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2025	\$ 293,208
2026	293,202
2027	858,659
2028	858,661
2029	(408,566)
Thereafter	<u>(408,565)</u>
Total	<u>\$ 1,486,599</u>

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

The Hamilton County administered OPEB plan does not issue stand-alone financial reports. The plan's financial statements are as follows:

	OPEB Trust Fund
ASSETS	
Cash	\$ 5,632
Investments, at fair value:	
US Government Securities	5,596,930
Municipal Bonds	1,642,222
Mutual Funds	7,980,396
Domestic Equity Securities	7,518,563
Domestic Corporate Bonds	5,454,438
Foreign Bonds / Notes	698,343
Foreign Equity Securities	3,241,437
Quality Income Fund	5,118,800
Money Market	1,123,068
Exchange Traded Funds	10,417,180
Real Estate Investment Trust	<u>79,093</u>
Total investments, at fair value	<u>48,870,470</u>
Receivables:	
Interest	<u>162,803</u>
Total receivables	<u>162,803</u>
Due from other funds	
Total assets	<u>49,038,905</u>
NET POSITION	
Restricted for OPEB benefits	<u>49,038,905</u>
Total net position	<u><u>\$ 49,038,905</u></u>
ADDITIONS	
Contributions:	
Employer	<u>\$ 5,160,938</u>
Total contributions	<u>5,160,938</u>
Investment earnings:	
Net change in fair value of investments	3,986,534
Interest and dividends	<u>1,039,131</u>
Net investment earnings	<u>5,025,665</u>
Total additions	<u>10,186,603</u>
DEDUCTIONS	
Benefits	3,635,039
Administrative expense	<u>96,012</u>
Total deductions	<u>3,731,051</u>
Change in net position	6,455,552
Net position, beginning	<u>42,583,353</u>
Net position, ending	<u><u>\$ 49,038,905</u></u>

(2) **HAMILTON COUNTY SCHOOLS (HCS)**

In addition to providing pension benefits, the Hamilton County Schools (HCS), a discretely presented component unit, provides OPEB benefits (health care and dental) for certain retired employees through a single-employer defined benefit healthcare plan. Employees who have retired under one of the HCS's retirement plans and who are ineligible for Medicare can elect to continue their health care and dental coverage until they become eligible for Medicare. Benefits are established and amended by the Hamilton County School Board. A stand-alone financial report is not issued. Hamilton County Schools does not utilize a trust (OPEB Trust) to pre-fund future benefits for the Hamilton County Department of Education Postemployment Benefits Other Than Pensions.

Plan Membership

At June 30, 2023, membership consisted of the following:

Active members (with medical coverage)	4,793
Retirees (with medical coverage)	<u>407</u>
Total	<u><u>5,200</u></u>

Funding Policy

Eligible retirees pay a premium using a formula based on date of retirement, years of service, and the HCS's computed cost for active employees. During fiscal year 2024, the HCS contributed \$6,839,461 for these health care benefits. The HCS will make contributions in amounts sufficient to cover the pay-as-you-go component plus administrative costs. The HCS has no plans at this time to fund the remaining portion of the annual required contributions. Funding is established and amended by the Hamilton County School Board, and no planned increases were approved for fiscal year 2024.

Total OPEB Liability of Hamilton County Schools

The Hamilton County Schools' total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions. The total OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.13 percent
Salary Increases	3.0 percent
Healthcare Cost Trend Rate	
Admin:	5.0 percent
Ultimate Medical Trend Rate:	6.25% graded uniformly to 5.20% over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94% in 2075

Discount rate. The discount rate used to measure the total OPEB liability was 4.13 percent. The projection of cash flows used to determine the discount rate assumed that the Hamilton County Schools will contribute the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the Hamilton County Schools. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Schedule of Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 94,650,006
Service Cost	5,554,424
Interest	3,855,973
Benefit payments, including refunds of employee contributions	<u>(6,839,461)</u>
Net changes	2,570,936
Balance at June 30, 2024	<u><u>\$ 97,220,942</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$105,251,908	\$97,220,942	\$89,967,743

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower (5.25 percent decreased to 4.20% over 2 years) or 1-percentage-point higher (7.25 percent decreasing to 6.20% over 2 years) than the current discount rate:

	1% Decrease (5.25% - 4.20%)	Current Discount Rate (6.25% - 5.20%)	1% Increase (7.25% - 6.20%)
Total OPEB Liability	\$86,571,469	\$97,220,942	\$109,872,007

Actuarial Assumptions and Estimates

The actuarial calculations are based on the benefits provided under the terms of the plans in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are always subject to continual revisions as results are compared to past expectations and new estimates are made about the future. The actuarial methods used and calculations determined reflect a long-term perspective as the techniques used are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of the related assets.

OPEB Expense and Deferred Outflows/Inflows of Resources

	OPEB Expense
Service Cost	\$ 5,554,424
Interest	3,855,973
Amortization of or change in beginning balances	<u>(4,575,056)</u>
OPEB Expenses	<u><u>\$ 4,835,341</u></u>

For the year ended June 30, 2024, the recognized OPEB expense is \$4,835,341. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to OPEB are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	\$ 11,293,029	\$ -
Changes in assumptions	-	42,011,470
Total	<u>\$ 11,293,029</u>	<u>\$ 42,011,470</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2025	\$ (4,575,056)
2026	(4,575,056)
2027	(4,575,056)
2028	(4,575,056)
2029	(4,575,063)
Thereafter	(7,843,154)
Total	<u>\$ (30,718,441)</u>

NOTE M – LONG-TERM LIABILITIES

Long-term liabilities, which consist of serially maturing general obligation bonds, lease liabilities, compensated absences, and certain notes to be repaid by the County, are summarized in the following sections:

General Obligation Bonds – Hamilton County periodically issues general obligation bonds for the acquisition and construction of major capital facilities. These bonds are direct obligations and are backed by the full faith and credit of the County. These bonds are generally issued as 15- to 30- year serial bonds with the 15-year term being prevalent for the last few years. Proceeds from the issuance of general obligation bonds are used to finance construction of new school facilities, major repair or replacement of school facilities, and certain public work projects and the incidental and necessary expenses related thereto.

On December 14, 2021, the County issued general obligation bonds in the amount of \$74,395,000. The bonds were issued at a premium of \$15,966,727. Bond proceeds of approximately \$51,000,000 are allotted for Hamilton County Schools and \$39,000,000 is allocated to be used to fund various capital improvements for general government.

General obligation bonds are summarized by issue as follows:

Type of Issue	Interest Rates	Principal Amount	Amount Due Within One Year
General Improvement, Series 1998 B	5.10%	\$ 460,000	\$ 460,000
General Improvement, Series 2015 A	5.00%	4,576,800	762,800
School, Series 2015 A	5.00%	19,423,200	3,237,200
General Improvement, Series 2015 B	4.00 - 5.00%	1,178,210	1,178,210
School, Series 2015 B	4.00 - 5.00%	3,756,790	3,756,790
General Improvement, Series 2018 A	5.00%	27,206,952	3,026,008
School, Series 2018 A	5.00%	73,133,048	8,133,992
General Improvement, Series 2018 B	2.00 - 5.00%	335,000	335,000
General Improvement, Series 2020 A	4.00 - 5.00%	32,150,066	2,254,000
School, Series 2020 A	4.00 - 5.00%	7,859,934	66,000
WWTa, Series 2020 A	4.00 - 5.00%	16,250,000	650,000
General Improvement, Series 2020 B	5.00%	2,373,738	571,855
School, Series 2020 B	5.00%	11,926,262	2,873,145
General Improvement, Series 2021	3.00 - 5.00%	34,810,000	1,987,500
School, Series 2021	3.00 - 5.00%	34,810,000	1,987,500
Total payable from the Debt Service Fund		<u>\$ 270,250,000</u>	<u>\$ 31,280,000</u>

Annual Debt Service Requirements to Maturity for General Obligation Bonds and Notes Payable and Other Debt are as follows:

Year	Principal	Interest	Total
General Obligation Bonds:			
2025	\$ 31,280,000	\$ 12,487,806	\$ 43,767,806
2026	29,835,000	10,979,300	40,814,300
2027	30,485,000	9,482,175	39,967,175
2028	26,520,000	7,952,300	34,472,300
2029	23,195,000	6,620,425	29,815,425
2030 - 2034	93,155,000	16,848,025	110,003,025
2035 - 2039	28,075,000	3,091,450	31,166,450
2040 - 2044	2,775,000	1,327,800	4,102,800
2045 - 2049	3,380,000	726,000	4,106,000
2050 - 2051	1,550,000	93,600	1,643,600
	<u>\$ 270,250,000</u>	<u>\$ 69,608,881</u>	<u>\$ 339,858,881</u>

County Lease Liabilities – As of June 30, 2024, the County had 437 active leases. The leases have payments that range from \$0 to \$71,455 and interest rates that range from 0.0814% to 3.6510%. As of June 30, 2024, the total combined value of the lease liability is \$4,678,585, the total combined value of the short-term lease liability is \$1,491,031. The combined value of the right to use asset, as of June 30, 2024, is \$7,740,013 with accumulated amortization of \$3,079,488. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

County Lease Receivables – As of June 30, 2024, the County had 11 active leases. The leases have receipts that range from \$400 to \$189,756 and interest rates that range from 0.4350% to 2.6950%. As of June 30, 2024, the total combined value of the lease receivable is \$4,850,504, the total combined value of the short-term lease receivable is \$498,623, and the combined value of the deferred inflow of resources is \$4,772,982. The leases had \$0 of Variable Receipts and \$0 of Other Receipts, not included in the Lease Receivable, within the Fiscal Year.

County SBITA Liabilities – As of June 30, 2024, the County had 4 active subscriptions. The subscriptions have payments that range from \$2,575 to \$1,075,000 and interest rates that range from 1.5800% to 3.3090%. As of June 30, 2024, the total combined value of the subscription liability is \$7,106,648, and the total combined value of the short-term subscription liability is \$909,396. The combined value of the right to use asset, as of June 30, 2024, is \$8,827,365 with accumulated amortization of \$1,580,016. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

Schools Lease Liabilities – As of June 30, 2024, the Schools had 52 active leases. The leases have payments that range from \$0 to \$422,412 and interest rates that range from 0.4350% to 3.5910%. As of June 30, 2024, the total combined value of the lease liability is \$1,248,771, the total combined value of the short-term lease liability is \$859,828. The combined value of the right to use asset, as of June 30, 2024 of \$3,348,391 with accumulated amortization of \$2,542,891 is included within the lease assets within capital assets.

Schools Lease Receivables – As of June 30, 2024, the Schools had 6 active leases. The leases have receipts that range from \$13,200 to \$20,883 and interest rates that range from 0.4350% to 1.5940%. As of June 30, 2024, the total combined value of the lease receivable is \$1,800,263, the total combined value of the short-term lease receivable is \$99,342, and the combined value of the deferred inflow of resources is \$1,740,431. The leases had \$0 of Variable Receipts and \$0 of Other Receipts, not included in the Lease Receivable, within the Fiscal Year.

Schools SBITA Liabilities – As of June 30, 2024, the Schools had 43 active subscriptions. The subscriptions have payments that range from \$0 to \$356,000 and interest rates that range from 1.8940% to 3.1070%. As of June 30, 2024, the total combined value of the subscription liability is \$5,066,596, and the total combined value of the short-term subscription liability is \$1,328,464. The combined value of the right to use asset, as of June 30, 2024 of \$6,983,667 with accumulated amortization of \$1,539,283 is included within the right-to-use subscription asset within capital assets.

Annual Debt Service Requirements to Maturity for Lease and SBITA Obligations for the County are as follows:

Year	Principal	Interest	Total
Lease Obligations:			
2025	\$ 1,491,031	\$ 102,161	\$ 1,593,192
2026	981,076	75,284	1,056,360
2027	873,197	50,294	923,491
2028	760,389	26,389	786,778
2029	442,937	6,759	449,696
2030 - 2034	70,143	8,548	78,691
2035 - 2039	25,271	5,729	31,000
2040 - 2044	28,317	2,683	31,000
2045	6,224	140	6,364
	<u>\$ 4,678,585</u>	<u>\$ 277,987</u>	<u>\$ 4,956,572</u>

Year	Principal	Interest	Total
Lease Receivables:			
2025	\$ 498,623	\$ 96,314	\$ 594,937
2026	508,221	86,716	594,937
2027	348,675	78,762	427,437
2028	301,181	73,356	374,537
2029	301,920	68,217	370,137
2030 - 2034	906,311	275,380	1,181,691
2035 - 2039	760,746	188,034	948,780
2040 - 2044	854,346	94,434	948,780
2045 - 2046	370,481	9,031	379,512
	<u>\$ 4,850,504</u>	<u>\$ 970,244</u>	<u>\$ 5,820,748</u>

Year	Principal	Interest	Total
SBITA Obligations:			
2025	\$ 909,396	\$ 234,263	\$ 1,143,659
2026	872,557	205,018	1,077,575
2027	901,406	176,169	1,077,575
2028	928,633	146,367	1,075,000
2029	959,362	115,638	1,075,000
2030 - 2033	2,535,294	152,206	2,687,500
	<u>\$ 7,106,648</u>	<u>\$ 1,029,661</u>	<u>\$ 8,136,309</u>

Annual Debt Service Requirements to Maturity for Lease and SBITA Obligations for the Schools are as follows:

Year	Principal	Interest	Total
Lease Obligations:			
2025	\$ 859,828	\$ 17,242	\$ 877,070
2026	253,348	6,501	259,849
2027	103,174	1,987	105,161
2028	32,421	246	32,667
	<u>\$ 1,248,771</u>	<u>\$ 25,976</u>	<u>\$ 1,274,747</u>

Year	Principal	Interest	Total
Lease Receivables:			
2025	\$ 99,342	\$ 11,757	\$ 111,099
2026	101,865	10,925	112,790
2027	92,184	10,122	102,306
2028	93,579	9,377	102,956
2029	96,140	8,611	104,751
2030 - 2034	467,895	31,615	499,510
2035 - 2039	449,571	17,846	467,417
2040 - 2044	399,687	4,651	404,338
	<u>\$ 1,800,263</u>	<u>\$ 104,904</u>	<u>\$ 1,905,167</u>

Year	Principal	Interest	Total
SBITA Obligations:			
2025	\$ 1,328,464	\$ 143,609	\$ 1,472,073
2026	1,386,299	105,532	1,491,831
2027	798,248	65,826	864,074
2028	758,046	43,029	801,075
2029	564,653	21,510	586,163
2030	230,886	5,611	236,497
	<u>\$ 5,066,596</u>	<u>\$ 385,117</u>	<u>\$ 5,451,713</u>

Changes in Long-term Liabilities – During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Balance July 1	Additions	Reductions	Remeasurements	Balance June 30	Due Within One Year
Primary Government:						
Governmental Activities:						
General obligation bonds	\$ 303,435,000	\$ -	\$ 33,185,000	\$ -	\$ 270,250,000	\$ 31,280,000
Net pension liability	11,312,358	45,587,940	38,991,785	-	17,908,513	-
Net OPEB liability	17,686,388	5,904,563	11,879,767	-	11,711,184	-
Leases	3,034,543	3,163,421	1,519,379	-	4,678,585	1,491,031
SBITAs	8,054,022	-	947,374	-	7,106,648	909,396
Landfill post closure costs	90,000	-	10,000	-	80,000	-
Compensated absences	18,931,121	7,856,154	7,335,218	-	19,452,057	4,679,840
	<u>362,543,432</u>	<u>62,512,078</u>	<u>93,868,523</u>	<u>-</u>	<u>331,186,987</u>	<u>\$ 38,360,267</u>
Unamortized premium	42,852,353	-	7,207,041	-	35,645,312	
	<u>\$ 405,395,785</u>	<u>\$ 62,512,078</u>	<u>\$ 101,075,564</u>	<u>\$ -</u>	<u>\$ 366,832,299</u>	
Component Units:						
Hamilton County Schools:						
Claims payable	\$ 9,565,195	\$ 97,763,665	\$ 96,232,400	\$ -	\$ 11,096,460	\$ -
Net pension liability	4,768,381	19,493,963	16,658,483	-	7,603,861	-
Net OPEB liability	94,650,006	9,410,397	6,839,461	-	97,220,942	-
Leases	2,839,354	345,471	1,507,071	428,983	1,248,771	859,828
SBITAs	3,051,922	6,924,040	2,695,537	2,213,829	5,066,596	1,328,464
Compensated absences	15,662,110	1,419,577	36,227	-	17,045,460	3,403,190
	<u>130,536,968</u>	<u>135,357,113</u>	<u>123,969,179</u>	<u>2,642,812</u>	<u>139,282,090</u>	<u>5,591,482</u>
WWTA:						
Notes payable and other debt	21,048,372	6,128,863	2,488,319	-	24,688,916	2,061,663
SBITAs	29,442	85,661	58,569	-	56,534	27,928
Advance from primary government	23,365,000	-	615,000	-	22,750,000	650,000
Advance on premium from County	3,246,675	-	293,184	-	2,953,491	-
	<u>47,689,489</u>	<u>6,214,524</u>	<u>3,455,072</u>	<u>-</u>	<u>50,448,941</u>	<u>2,739,591</u>
911:						
Net pension liability	608,472	2,715,769	1,738,068	-	1,586,173	-
Compensated absences	757,273	38,588	-	-	795,861	795,861
	<u>\$ 179,592,202</u>	<u>\$ 144,325,994</u>	<u>\$ 129,162,319</u>	<u>\$ 2,642,812</u>	<u>\$ 192,113,065</u>	<u>\$ 9,126,934</u>

Debt service requirements for general obligation bonds, notes payable and other debt are met by the General Fund and intergovernmental revenues received directly by the Debt Service Fund. Pension liabilities, OPEB liabilities and landfill post closure costs are being liquidated by the General Fund and compensated absences are liquidated by the General Fund and Special Revenue Funds.

Total reductions in Long-term Liabilities for Governmental Activities above exceed principal retirement expenditures in the Debt Service Fund by the amount of landfill post-closure care costs paid from the General Fund, OPEB funding accrued in the General Fund and transferred to the trust fund, the change in net pension liability, and compensated absences used during the year. Additionally, leased assets were remeasured for trade-ins resulting in reductions of the lease liability of \$75,155 and SBITAs were remeasured for a reduction of the SBITA liability of \$19,000.

NOTE N – INTERFUND RECEIVABLES AND PAYABLES

During the course of normal operations, the County has numerous transactions between funds. Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, and other miscellaneous receivables/payables between funds. Interfund receivables/payables are transactions reimbursing a fund for expenditures made for the benefit of another fund. Such transactions are recorded as expenditures and an interfund payable in the receiving fund. Such transactions are recorded as an interfund receivable in the disbursing fund. On the governmental funds balance sheet, receivables and payables resulting from short-term interfund loans are classified as "interfund loan receivables/payables." These amounts are eliminated on the statement of net position.

Due to/from other funds:

<u>Receivable Primary Government</u>	<u>Payable Primary Government</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 2,007,020
General Fund	Nonmajor Governmental Fund	45,981
Capital Projects	General Fund	211,106
Internal Service	General Fund	3,987,004
Debt Service Fund	Capital Projects	4,394
		<u>\$ 6,255,505</u>
 <u>Receivable Primary Government</u>	 <u>Payable Component Units</u>	 <u>Amount</u>
General Fund	"911" Emergency Communication	\$ 639,874
General Fund	Water & Wastewater Treatment	512,460
		<u>\$ 1,152,334</u>

NOTE O – INTERFUND TRANSFERS

Transfers within the County are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. Interfund transfers are transactions between funds transferring funds out of one fund to support the operations of another fund. Interfund transfers in fiscal year 2024 that occurred within the primary government were as follows:

	Transfers in	Transfers out
General Fund		
Excess fees from special revenue funds	\$ 15,758,370	\$ -
Debt service fund	-	44,865,417
Capital projects fund	49,818	13,611,106
Internal service funds	-	707,035
Nonmajor Governmental funds	45,981	-
Debt Service Fund		
General fund for debt service requirements	44,865,417	-
Capital projects fund	1,353,099	-
Capital Projects Fund		
General fund	13,561,288	-
Debt service fund	-	1,353,099
Internal Service Fund		
General fund	707,035	-
Nonmajor Governmental funds		
General fund	-	45,981
Other Governmental Funds		
Excess fees	-	15,758,370
	<u>\$ 76,341,008</u>	<u>\$ 76,341,008</u>

NOTE P – JOINT VENTURES

The Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee – The County has an equity interest in the Sports Authority of the County of Hamilton and the City of Chattanooga, Tennessee (the “Sports Authority”). The Sports Authority is a jointly governed organization of Hamilton County and the City of Chattanooga. The Sports Authority was established on August 30, 2022 by way of an Interlocal Cooperative Agreement between the County and the City of Chattanooga, Tennessee. The Sports Authority was established to plan, finance, construct and operate a multi-use stadium on an approximately eight-acre site within the South Broad District in downtown Chattanooga.

The Sports Authority is governed by a Board of Directors of not less than seven directors who are jointly appointed by the governing bodies of the County and the City. Directors hold office for staggered terms and receive no compensation except reimbursement for actual expenses incurred in the performance of their duties.

As of June 30, 2024, there was no material activity of the Sports Authority to include in the financial statements.

Carter Street Corporation – a nonprofit corporation that was organized by the City of Chattanooga, Tennessee, and Hamilton County, Tennessee. The Corporation serves as the coordinating body for the development, operation, and management of the Chattanooga/Hamilton County Convention and Trade Center and parking garage and is lessor of the adjoining hotel. Of the five-member board, two members are appointed by the County Mayor and two members are appointed by the Mayor of Chattanooga. The appointment of the fifth member, who serves as chairman, is agreed on by the County Mayor and the Mayor of Chattanooga.

The City and the County funded the original construction of the Chattanooga/Hamilton County Convention and Trade Center and parking garage through Lease Rental Revenue Bonds, which have been repaid. In accordance with the lease agreement, the County has a one-third equity interest in the Corporation.

Complete financial statements may be obtained from: Carter Street Corporation, Chattanooga Hamilton County Convention & Trade Center, 1 Carter Plaza, Chattanooga, TN 37401.

Condensed financial information for the Carter Street Corporation as of June 30, 2024, is as follows:

STATEMENT OF NET POSITION

Assets	<u>\$ 19,447,760</u>
Liabilities and deferred inflows	<u>7,442,478</u>
Net position	<u><u>\$ 12,005,282</u></u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total operating revenues	\$ 5,402,609
Total operating expenses	<u>4,389,628</u>
Net operating income	1,012,981
Non-operating revenues	703,127
Capital contributions	<u>200,000</u>
Change in net position	1,916,108
Net position at July 1, 2023	<u>10,089,174</u>
Net position at June 30, 2024	<u><u>\$ 12,005,282</u></u>

NOTE Q – RISK MANAGEMENT

Hamilton County has various exposures to loss as a result of its operations and service delivery, including liability, errors and omissions, on-the-job injuries, unemployment compensation and property damage (for various risk of loss associated with its property). The County maintains an Internal Service Fund to finance these various exposures to loss. The County utilizes a third-party claims administrator to establish and monitor case reserves and adjust claims associated with its self-insurance program. In addition, the County has an independent actuary review its funding on an annual basis.

The County is self-funded for liability, on-the-job injuries, errors and omissions, unemployment compensation and the first \$25,000 per incident on property and equipment claims. The County has an umbrella liability policy with limits of \$2,000,000 per occurrence/\$5,000,000 aggregate and a \$700,000 retention covering liability claims outside of the County's tort limits, and non-tort claims such as employment-related liability, healthcare and social services liability, benefits, law enforcement liability and automobile liability. The County has a liability policy to cover election polling booth locations with a \$1,000,000 per occurrence and aggregate limit. There were no significant reductions in insurance coverage from the prior year, nor did the amount of settlements exceed insurance coverage for each of the past three fiscal years.

Hamilton County Schools, a discretely presented component unit, maintains a separate Internal Service Fund for providing risk management services, which include handling property claims, auto and general liability claims, and injuries to employees. All risk is retained for auto and general liability claims, injuries to employees, the first \$1,000 per incident on boiler/machinery claims, the first \$10,000 per incident on property claims, and the first \$500 per incident on auto claims.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated and periodically re-evaluated, taking into consideration the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. Changes in the balances of claims liabilities during the year are as follows:

	Total Primary Government	Total Component Units
Unpaid claims, June 30, 2022	\$ 2,884,689	\$ 9,217,958
Incurred claims	43,641,700	85,708,995
Claims payments	<u>(41,690,528)</u>	<u>(85,361,758)</u>
Unpaid claims, June 30, 2023	4,835,861	9,565,195
Incurred claims	44,647,612	97,763,665
Claims payments	<u>(45,572,664)</u>	<u>(96,232,400)</u>
Unpaid claims, June 30, 2024	<u>\$ 3,910,809</u>	<u>\$ 11,096,460</u>

On July 1, 2010, Hamilton County Schools began self-insuring the HMO portion of employee medical claims in addition to the PPO claims which were already self-insured.

At June 30, 2024, the Hamilton County Internal Service Fund has net position of \$33,843,989 and the Hamilton County Schools Internal Service Fund has net position of \$207,916. These net position balances are designated for future catastrophic losses.

NOTE R – TAX ABATEMENTS

Hamilton County is authorized by Tennessee State law (Tennessee Code Annotated, Title 7, Chapter 53) to offer property tax abatements. The County currently offers two types of tax abatement programs: (1) Housing Development; and (2) Commercial and Industrial Development. As allowed by State law, the County processes the tax abatement programs for Housing Development abatements through either the Chattanooga Health, Educational and Housing Facility Board (HEB) or the Chattanooga Housing Authority, and processes the tax abatement programs for Commercial and Industrial Development abatements through either the Industrial Development Board (IDB) of the city of Chattanooga or the Industrial Development Board (IDB) of Hamilton County. The HEB, Chattanooga Housing Authority, and the IDB's are authorized to own property associated with the tax abatement programs, lease the applicable property to companies approved for tax abatement, and accept payments in lieu of ad valorem taxes (PILOT) from the lessees.

Each of the PILOT agreements provide for tax abatements of the County property tax levy apportioned to the County General Fund, with certain of the agreements also authorizing abatement of the tax levy apportioned to the General-Purpose School Fund.

Housing Development

The County has entered into certain PILOT agreements designed to encourage the development of single-family rental housing in the downtown Chattanooga area. The PILOT agreements are further designed to encourage such housing for persons of low and/or moderate-income level, the elderly, and/or disabled persons. Existing housing that is to be rehabilitated and new housing construction are eligible for tax abatement.

The County has delegated authority to the Chattanooga Health, Educational and Housing Facility Board (HEB) and the Chattanooga Housing Authority to negotiate and accept PILOTs from developers of housing for approved projects. There are provisions for recapturing abated taxes in some of these PILOT agreements if certain terms of the agreement are not met. These PILOT agreements must be approved by resolutions of both the Chattanooga City Council and the Hamilton County Board of Commissioners.

Economic Development

The County promotes economic development and growth through commercial and industrial PILOT projects that involve a significant capital investment and the generation of new jobs with wages in excess of the annual average wage in the County. The PILOT program offers tax abatements for a specified period in exchange for benefits received by the County resulting from an increase in real and personal property investments and/or the create of jobs. Applications for tax abatements are made to the Chattanooga Chamber of Commerce, with approval by either the IDB of the city of Chattanooga or the IDB of Hamilton County, followed by approval from the Hamilton County Board of Commissioners. To be eligible for tax abatement, qualifying companies must either relocate into the County or expand business within the County. Qualified businesses are eligible for abatement of all or a portion of property taxes dependent on the dollar amount of the investment and the number and average wage of jobs created. There are provisions for recapturing abated taxes if certain terms of the agreement are not met. Other commitments made by the County may include roadway improvements, railway services, and sewer improvements.

The County has entered into the following number of tax abatement agreements as of June 30, 2024:

	Number of Abatements as of the End of the Fiscal Year	Number of Future Abatements Approved	Total Tax Abatements during the Fiscal Year
Housing Development	12	1	\$ 612,391
Commercial and Industrial Development	16	4	9,361,157
Total	28	5	\$ 9,973,548

NOTE S – RESTATEMENT OF FUND BALANCE

Correction of error – During fiscal year 2024, the County determined that a long-term receivable due from component units was not reflected on the Governmental Funds Balance Sheet. This resulted in the restatement of beginning fund balance of the capital projects fund as of July 1, 2023.

	Capital Projects Fund
Fund balance, previously reported	\$ 125,027,819
Due from component units	16,865,000
Fund balance, as restated	\$ 141,892,819

NOTE T – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the balance sheet date through the date of the auditor's report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Except for the matter discussed in the following paragraph, management has not identified any other items requiring recognition or disclosure.

On September 12, 2024, the County issued \$238,280,000 of General Obligation Bonds at a premium and received total proceeds from the bond issue of \$270,982,761. The majority of the 2024A bonds will be repaid over the next twenty years, with a smaller portion of the bond issue (\$8,970,000) payable over thirty years. The bonds were issued at a premium of \$32,702,761. The proceeds from the bonds will be used to construct multiple schools for the Hamilton County Schools and to fund various capital improvements for general government.

REQUIRED SUPPLEMENTARY INFORMATION

The Required Supplementary Information (RSI) is supporting information that the Governmental Accounting Standards Board has concluded is essential for placing basic financial statements and notes to basic financial statements in an appropriate operational, economic, or historical context. The following RSI provides disclosures of pension plans and other postemployment benefits (OPEB) in accordance with authoritative standards.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
HAMILTON COUNTY LEGACY PLAN**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Tennessee Consolidated Retirement System

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability (Asset)										
Service Cost (normal cost adjusted to end of year)	\$ 7,583,374	\$ 7,934,094	\$ 7,164,441	\$ 7,180,861	\$ 7,559,725	\$ 8,172,477	\$ 8,120,884	\$ 8,006,025	\$ 7,976,094	\$ 7,739,359
Interest	43,977,592	41,718,960	41,186,834	39,595,855	37,925,851	36,779,742	35,305,203	33,698,932	32,589,903	31,157,770
Changes in benefit terms	-	-	-	-	-	-	4,920,068	-	-	-
Differences between expected and actual experience	13,147,816	15,312,678	(8,077,825)	2,877,273	4,306,369	(4,072,716)	(840,493)	1,010,114	(5,829,667)	(1,525,480)
Changes of assumptions	-	-	38,109,696	-	-	-	11,678,524	-	-	-
Benefit Payments/Refunds	(32,207,053)	(30,100,545)	(28,276,233)	(27,109,825)	(25,647,262)	(23,269,432)	(22,060,655)	(20,765,309)	(19,193,091)	(17,833,455)
Net Change in Total Pension Liability (Asset)	32,501,729	34,865,187	50,106,913	22,544,164	24,144,683	17,610,071	37,123,531	21,949,762	15,543,239	19,538,194
Total Pension Liability (Asset) - beginning	660,040,039	625,174,852	575,067,939	552,523,775	528,379,092	510,769,021	473,645,490	451,695,728	436,152,489	416,614,295
Total Pension Liability (Asset) - ending (a)	\$ 692,541,768	\$ 660,040,039	\$ 625,174,852	\$ 575,067,939	\$ 552,523,775	\$ 528,379,092	\$ 510,769,021	\$ 473,645,490	\$ 451,695,728	\$ 436,152,489
Plan Fiduciary Net Position										
Contributions - employer	\$ 12,887,670	\$ 13,110,907	\$ 13,606,943	\$ 14,093,422	\$ 13,959,290	\$ 14,512,520	\$ 15,152,942	\$ 15,306,360	\$ 14,991,472	\$ 14,573,540
Contributions - employee	403	50,904	4,434	-	-	796	9,814	213	8,026	65,443
Net investment income	42,640,201	(25,962,834)	142,442,258	26,755,242	38,249,039	40,169,578	50,073,673	11,582,710	13,197,032	61,448,985
Benefit Payments/Refunds	(32,207,053)	(30,100,545)	(28,276,233)	(27,109,825)	(25,647,262)	(23,269,432)	(22,060,655)	(20,765,309)	(19,193,091)	(17,833,455)
Administrative expenses	(271,093)	(158,832)	(144,676)	(168,794)	(180,197)	(211,661)	(202,759)	(202,445)	(141,919)	(120,676)
Other	-	-	-	-	-	-	10,192	-	-	-
Net Change in Plan Fiduciary Net Position	23,050,128	(43,060,400)	127,632,726	13,570,045	26,380,870	31,201,801	42,983,207	5,921,529	8,861,520	58,133,837
Plan Fiduciary Net Position - beginning	644,145,435	687,205,835	559,573,109	546,003,064	519,622,194	488,420,393	445,437,186	439,515,657	430,654,137	372,520,300
Plan Fiduciary Net Position - ending (b)	\$ 667,195,563	\$ 644,145,435	\$ 687,205,835	\$ 559,573,109	\$ 546,003,064	\$ 519,622,194	\$ 488,420,393	\$ 445,437,186	\$ 439,515,657	\$ 430,654,137
Net Pension Liability (Asset) - ending (a) - (b)	\$ 25,346,205	\$ 15,894,604	\$ (62,030,983)	\$ 15,494,830	\$ 6,520,711	\$ 8,756,898	\$ 22,348,628	\$ 28,208,304	\$ 12,180,071	\$ 5,498,352
Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)	96.34%	97.59%	109.92%	97.31%	98.82%	98.34%	95.62%	94.04%	97.30%	98.74%
Covered payroll	\$ 87,733,536	\$ 87,089,911	\$ 89,451,192	\$ 93,955,776	\$ 93,315,659	\$ 103,659,712	\$ 104,341,847	\$ 105,764,830	\$ 104,614,990	\$ 103,506,102
Net Pension Liability (Asset) as a % of covered payroll	28.89%	18.25%	-69.35%	16.49%	6.99%	8.45%	21.42%	26.67%	11.64%	5.31%

* for fiscal year ending June 30, 2024 (year shown is measurement date)

Note: *Changes of assumptions.* In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements.
In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
HAMILTON COUNTY HYBRID PLAN**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Tennessee Consolidated Retirement System

	2023*	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability (Asset)								
Service Cost (normal cost adjusted to end of year)	\$ 4,158,698	\$ 3,458,793	\$ 2,586,745	\$ 1,805,659	\$ 1,291,887	\$ 733,149	\$ 201,820	\$ 101,927
Interest	1,336,893	955,708	682,485	417,553	236,455	104,085	20,170	7,645
Changes in benefit terms	-	-	-	-	-	-	1,715	-
Differences between expected and actual experience	1,362,413	790,291	(29,964)	760,038	536,047	471,763	401,300	(41,111)
Changes of assumptions	-	-	843,070	-	-	-	22,155	-
Benefit Payments/Refunds	(219,108)	(295,926)	(122,738)	(97,461)	(63,049)	(20,832)	(2,701)	-
Net Change in Total Pension Liability (Asset)	6,638,896	4,908,866	3,959,598	2,885,789	2,001,340	1,288,165	644,459	68,461
Total Pension Liability (Asset) - beginning	15,756,678	10,847,812	6,888,214	4,002,425	2,001,085	712,920	68,461	-
Total Pension Liability (Asset) - ending (a)	\$ 22,395,574	\$ 15,756,678	\$ 10,847,812	\$ 6,888,214	\$ 4,002,425	\$ 2,001,085	\$ 712,920	\$ 68,461
Plan Fiduciary Net Position								
Contributions - employer	\$ 1,944,294	\$ 1,218,317	\$ 927,661	\$ 768,226	\$ 418,162	\$ 733,975	\$ 387,744	\$ 58,414
Contributions - employee	3,694,741	2,932,917	2,311,533	1,937,778	1,343,829	911,918	483,672	73,015
Net investment income	1,246,895	(558,436)	2,304,683	291,745	264,329	149,792	61,675	1,691
Benefit Payments/Refunds	(219,108)	(295,926)	(122,738)	(97,461)	(63,049)	(20,832)	(2,701)	-
Administrative expenses	(105,595)	(147,619)	(106,917)	(97,399)	(74,923)	(57,949)	(35,748)	(7,835)
Other	-	-	-	-	-	-	1,121	-
Net Change in Plan Fiduciary Net Position	6,561,227	3,149,253	5,314,222	2,802,889	1,888,348	1,716,904	895,763	125,285
Plan Fiduciary Net Position - beginning	15,892,664	12,743,411	7,429,189	4,626,300	2,737,952	1,021,048	125,285	-
Plan Fiduciary Net Position - ending (b)	\$ 22,453,891	\$ 15,892,664	\$ 12,743,411	\$ 7,429,189	\$ 4,626,300	\$ 2,737,952	\$ 1,021,048	\$ 125,285
Net Pension Liability (Asset) - ending (a) - (b)	\$ (58,317)	\$ (135,986)	\$ (1,895,599)	\$ (540,975)	\$ (623,875)	\$ (736,867)	\$ (308,128)	\$ (56,824)
Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)	100.26%	100.86%	117.47%	107.85%	115.59%	136.82%	143.22%	183.00%
Covered payroll	\$ 79,169,638	\$ 58,709,695	\$ 47,320,223	\$ 37,704,293	\$ 26,822,028	\$ 17,881,339	\$ 9,673,783	\$ 1,220,807
Net Pension Liability (Asset) as a % of covered payroll	-0.07%	-0.23%	-4.01%	-1.43%	-2.33%	-4.12%	-3.19%	-4.65%

* for fiscal year ending June 30, 2024 (year shown is measurement date)

Note: The Hamilton County Hybrid Plan began 10/1/2015.

Note: *Changes of assumptions.* In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
TEACHER LEGACY PENSION PLAN
HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Tennessee Consolidated Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	4.109744%	4.234570%	4.228676%	4.327313%	4.238750%	4.249443%	4.311500%	4.479913%	4.193311%	4.361741%
Proportionate share of the net pension liability (asset)	\$ (48,452,809)	\$ (51,932,995)	\$ (182,392,944)	\$ (32,998,948)	\$ (43,581,981)	\$ (14,953,429)	\$ (1,410,652)	\$ 27,996,973	\$ 1,717,724	\$ (708,763)
Covered payroll	\$ 133,264,019	\$ 139,357,081	\$ 138,734,627	\$ 144,023,834	\$ 142,131,342	\$ 148,842,742	\$ 151,181,055	\$ 160,595,801	\$ 156,976,681	\$ 171,197,958
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-36.358508%	-37.266133%	-131.468940%	-22.912144%	-30.663174%	-10.046462%	-0.933088%	17.433191%	1.094254%	-0.414002%
Plan fiduciary net position as a percentage of the total pension liability (asset)	104.11%	104.42%	116.13%	103.09%	104.28%	101.49%	100.14%	97.14%	99.81%	100.08%

Note: The amounts presented were determined as of June 30 of the prior fiscal year.

Note: *Changes of assumptions.* In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
TEACHER RETIREMENT PLAN**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Tennessee Consolidated Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	5.718089%	5.802579%	5.780728%	5.774267%	5.548473%	5.121912%	5.230015%	5.794097%	4.970172%
Proportionate share of the net pension liability (asset)	\$ (2,424,663)	\$ (1,757,747)	\$ (6,261,753)	\$ (3,283,489)	\$ (3,132,037)	\$ (2,322,930)	\$ (1,379,858)	\$ (603,184)	\$ (199,948)
Covered payroll	\$ 100,302,987	\$ 99,090,617	\$ 83,428,577	\$ 72,866,725	\$ 58,714,262	\$ 45,590,350	\$ 35,557,047	\$ 26,616,062	\$ 10,326,594
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-2.42%	-1.77%	-7.51%	-4.51%	-5.33%	-5.10%	-3.88%	-2.27%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability (asset)	104.97%	104.55%	121.53%	116.52%	123.07%	126.97%	126.81%	121.88%	127.46%

Note: The amounts presented were determined as of June 30 of the prior fiscal year.

Note: The Teachers' Retirement Plan began 7/1/2014.

Note: *Changes of assumptions.* In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
TEACHERS' PENSION PLAN**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Hamilton County Administered Plans

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability (Asset)										
Service Cost (normal cost adjusted to end of year)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	60	144	349	419	246	407	289	447	670	816
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	2,975	-	(1,108)	-	5,913	-	5,677	-	(1,517)	-
Changes of assumptions	10	-	(1,533)	-	-	-	-	-	-	-
Benefit Payments/Refunds	(1,812)	(1,812)	(1,812)	(1,812)	(3,612)	(3,612)	(3,612)	(3,612)	(3,612)	(3,812)
Net Change in Total Pension Liability (Asset)	1,233	(1,668)	(4,104)	(1,393)	2,547	(3,205)	2,354	(3,165)	(4,459)	(2,996)
Total Pension Liability (Asset) - beginning	2,108	3,776	7,880	9,273	6,726	9,931	7,577	10,742	15,201	18,197
Total Pension Liability (Asset) - ending (a)	<u>\$ 3,341</u>	<u>\$ 2,108</u>	<u>\$ 3,776</u>	<u>\$ 7,880</u>	<u>\$ 9,273</u>	<u>\$ 6,726</u>	<u>\$ 9,931</u>	<u>\$ 7,577</u>	<u>\$ 10,742</u>	<u>\$ 15,201</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 3,000	\$ 236	\$ 830	\$ 2,000	\$ -	\$ 9,254	\$ -	\$ 412	\$ 12,931	\$ -
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	1	1	-	1	2	2	3
Benefit Payments/Refunds	(1,812)	(1,812)	(1,812)	(1,812)	(3,612)	(3,612)	(3,612)	(3,612)	(3,612)	(3,812)
Administrative expenses	-	-	-	-	-	-	-	-	-	(5,206)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,188	(1,576)	(982)	189	(3,611)	5,642	(3,611)	(3,198)	9,321	(9,015)
Plan Fiduciary Net Position - beginning	339	1,915	2,897	2,708	6,319	677	4,288	7,486	(1,835)	7,180
Plan Fiduciary Net Position - ending (b)	<u>\$ 1,527</u>	<u>\$ 339</u>	<u>\$ 1,915</u>	<u>\$ 2,897</u>	<u>\$ 2,708</u>	<u>\$ 6,319</u>	<u>\$ 677</u>	<u>\$ 4,288</u>	<u>\$ 7,486</u>	<u>\$ (1,835)</u>
Net Pension Liability (Asset) - ending (a) - (b)	<u>\$ 1,814</u>	<u>\$ 1,769</u>	<u>\$ 1,861</u>	<u>\$ 4,983</u>	<u>\$ 6,565</u>	<u>\$ 407</u>	<u>\$ 9,254</u>	<u>\$ 3,289</u>	<u>\$ 3,256</u>	<u>\$ 17,036</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)	45.7%	16.1%	50.7%	36.8%	29.2%	93.9%	6.8%	56.6%	69.7%	-12.1%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability (Asset) as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* for fiscal year ending June 30, 2024 (year shown is measurement date)

Note: *Changes of assumptions.* In 2021, amounts reported as changes of assumptions resulted from changes to the mortality tables and mortality improvements.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
EMPLOYEES' PENSION PLAN**

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Hamilton County Administered Plans

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability (Asset)										
Service Cost (normal cost adjusted to end of year)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	8,220	10,057	11,765	13,567	19,619	21,831	28,741	31,659	36,314	40,175
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	36,245	-	10,483	-	(56,402)	-	(60,418)	-	(17,798)	-
Changes of assumptions	4,111	-	(10,474)	-	-	-	-	-	-	-
Benefit Payments/Refunds	(34,553)	(34,553)	(34,553)	(40,610)	(47,211)	(55,458)	(65,447)	(75,680)	(85,477)	(96,114)
Net Change in Total Pension Liability (Asset)	14,023	(24,496)	(22,779)	(27,043)	(83,994)	(33,627)	(97,124)	(44,021)	(66,961)	(55,939)
Total Pension Liability (Asset) - beginning	126,876	151,372	174,151	201,194	285,188	318,815	415,939	459,960	526,921	582,860
Total Pension Liability (Asset) - ending (a)	<u>\$ 140,899</u>	<u>\$ 126,876</u>	<u>\$ 151,372</u>	<u>\$ 174,151</u>	<u>\$ 201,194</u>	<u>\$ 285,188</u>	<u>\$ 318,815</u>	<u>\$ 415,939</u>	<u>\$ 459,960</u>	<u>\$ 526,921</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	168,090	(330,757)	420,807	115,714	143,028	116,159	145,167	50,026	60,128	226,056
Benefit Payments/Refunds	(34,553)	(34,553)	(34,553)	(40,610)	(47,211)	(55,458)	(65,447)	(75,680)	(85,477)	(96,114)
Administrative expenses	(14,994)	(28,350)	(20,908)	(32,778)	(13,200)	(23,269)	(13,027)	(16,804)	(13,940)	(15,390)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	178,543	(393,660)	365,346	42,326	82,617	37,432	66,693	(42,458)	(39,289)	114,552
Plan Fiduciary Net Position - beginning	2,157,547	2,551,207	2,185,861	2,143,535	2,060,918	2,023,486	1,956,793	1,999,251	2,038,540	1,923,988
Plan Fiduciary Net Position - ending (b)	<u>\$ 2,336,090</u>	<u>\$ 2,157,547</u>	<u>\$ 2,551,207</u>	<u>\$ 2,185,861</u>	<u>\$ 2,143,535</u>	<u>\$ 2,060,918</u>	<u>\$ 2,023,486</u>	<u>\$ 1,956,793</u>	<u>\$ 1,999,251</u>	<u>\$ 2,038,540</u>
Net Pension Liability (Asset) - ending (a) - (b)	<u>\$ (2,195,191)</u>	<u>\$ (2,030,671)</u>	<u>\$ (2,399,835)</u>	<u>\$ (2,011,710)</u>	<u>\$ (1,942,341)</u>	<u>\$ (1,775,730)</u>	<u>\$ (1,704,671)</u>	<u>\$ (1,540,854)</u>	<u>\$ (1,539,291)</u>	<u>\$ (1,511,619)</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)	1658.0%	1700.5%	1685.4%	1255.2%	1065.4%	722.7%	634.7%	470.5%	434.7%	386.9%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability (Asset) as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* for fiscal year ending June 30, 2024 (year shown is measurement date)

Note: *Changes of assumptions.* In 2021, amounts reported as changes of assumptions resulted from changes to the mortality tables and mortality improvements.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
COMMISSIONERS' PENSION PLAN

HAMILTON COUNTY, TENNESSEE
June 30, 2024

Hamilton County Administered Plans

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability (Asset)										
Service Cost (normal cost adjusted to end of year)	\$ 32,432	\$ 31,185	\$ 32,407	\$ 31,161	\$ 24,980	\$ 24,019	\$ 25,386	\$ 24,410	\$ 27,680	\$ 26,615
Interest	56,296	53,994	54,384	52,104	49,814	48,586	48,322	47,014	46,656	45,430
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(35,875)	-	(1,491)	-	6,940	-	(17,238)	-	(13,771)	-
Changes of assumptions	2,183	-	(41,926)	-	-	-	-	-	-	-
Benefit Payments/Refunds	(48,132)	(48,001)	(49,300)	(43,708)	(55,798)	(50,403)	(50,986)	(50,227)	(52,430)	(52,129)
Net Change in Total Pension Liability (Asset)	6,904	37,178	(5,926)	39,557	25,936	22,202	5,484	21,197	8,135	19,916
Total Pension Liability (Asset) - beginning	929,897	892,719	898,645	859,088	833,152	810,950	805,466	784,269	776,134	756,218
Total Pension Liability (Asset) - ending (a)	<u>\$ 936,801</u>	<u>\$ 929,897</u>	<u>\$ 892,719</u>	<u>\$ 898,645</u>	<u>\$ 859,088</u>	<u>\$ 833,152</u>	<u>\$ 810,950</u>	<u>\$ 805,466</u>	<u>\$ 784,269</u>	<u>\$ 776,134</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 32,121	\$ 32,121	\$ 56,867	\$ 107,646	\$ -	\$ 96,687	\$ -	\$ 45,908	\$ 55,000	\$ 65,888
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	50,997	(101,252)	129,324	28,051	37,055	40,609	51,357	1	3,327	46,376
Benefit Payments/Refunds	(48,132)	(48,001)	(49,300)	(43,708)	(55,798)	(50,403)	(50,986)	(50,227)	(52,430)	(52,129)
Administrative expenses	(8,071)	(33,012)	(2,494)	(2,167)	(3,828)	(6,584)	(3,560)	(5,754)	(3,975)	(6,814)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	26,915	(150,144)	134,397	89,822	(22,571)	80,309	(3,189)	(10,072)	1,922	53,321
Plan Fiduciary Net Position - beginning	745,531	895,675	761,278	671,456	694,027	613,718	616,907	626,979	625,057	571,736
Plan Fiduciary Net Position - ending (b)	<u>\$ 772,446</u>	<u>\$ 745,531</u>	<u>\$ 895,675</u>	<u>\$ 761,278</u>	<u>\$ 671,456</u>	<u>\$ 694,027</u>	<u>\$ 613,718</u>	<u>\$ 616,907</u>	<u>\$ 626,979</u>	<u>\$ 625,057</u>
Net Pension Liability (Asset) - ending (a) - (b)	<u>\$ 164,355</u>	<u>\$ 184,366</u>	<u>\$ (2,956)</u>	<u>\$ 137,367</u>	<u>\$ 187,632</u>	<u>\$ 139,125</u>	<u>\$ 197,232</u>	<u>\$ 188,559</u>	<u>\$ 157,290</u>	<u>\$ 151,077</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)	82.5%	80.2%	100.3%	84.7%	78.2%	83.3%	75.7%	76.6%	79.9%	80.5%
Covered payroll	\$ 228,546	\$ 228,546	\$ 214,398	\$ 214,398	\$ 212,787	\$ 212,787	\$ 200,070	\$ 200,070	\$ 186,705	\$ 186,705
Net Pension Liability (Asset) as a % of covered payroll	71.9%	80.7%	-1.4%	64.1%	88.2%	65.4%	98.6%	94.2%	84.2%	80.9%

* for fiscal year ending June 30, 2024 (year shown is measurement date)

Note: *Changes of assumptions.* In 2021, amounts reported as changes of assumptions resulted from changes to the mortality tables and mortality improvements.



**SCHEDULE OF EMPLOYER CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEMS**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Tennessee Consolidated Retirement System

Year Ended June 30	Hamilton County Legacy Plan				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2024	\$ 12,843,718	\$ 12,843,718	\$ -	\$ 87,372,230	14.70%
2023	\$ 12,896,830	\$ 12,896,830	\$ -	\$ 87,733,536	14.70%
2022	\$ 13,110,907	\$ 13,110,907	\$ -	\$ 87,089,911	15.05%
2021	\$ 13,606,943	\$ 13,606,943	\$ -	\$ 89,451,192	14.70%
2020	\$ 14,093,422	\$ 14,093,422	\$ -	\$ 93,955,776	14.70%
2019	\$ 13,959,290	\$ 13,959,290	\$ -	\$ 93,315,659	14.96%
2018	\$ 14,512,520	\$ 14,512,520	\$ -	\$ 103,659,712	14.24%
2017	\$ 15,152,942	\$ 15,152,942	\$ -	\$ 104,341,847	14.52%
2016	\$ 15,306,360	\$ 15,306,360	\$ -	\$ 105,764,830	14.47%
2015	\$ 14,991,472	\$ 14,991,472	\$ -	\$ 104,614,990	14.33%

Year Ended June 30	Hamilton County Hybrid Plan*				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2024	\$ 2,453,856	\$ 2,453,856	\$ -	\$ 91,904,737	2.67% ***
2023	\$ 2,050,494	\$ 2,050,494	\$ -	\$ 79,169,638	2.59% ***
2022	\$ 1,218,317	\$ 1,218,317	\$ -	\$ 58,709,695	2.08% ***
2021	\$ 927,661	\$ 927,661	\$ -	\$ 47,320,223	2.00% ***
2020	\$ 768,226	\$ 768,226	\$ -	\$ 37,704,293	1.98% ***
2019	\$ 418,162	\$ 418,162	\$ -	\$ 26,822,028	1.56% ***
2018	\$ 733,975	\$ 733,975	\$ -	\$ 17,881,339	4.00%
2017	\$ 387,744	\$ 387,744	\$ -	\$ 9,673,783	4.00%
2016	\$ 58,414	\$ 58,414	\$ -	\$ 1,220,807	4.00%

*Note: The Hamilton County Hybrid Plan began 10/1/2015.

***Note: Beginning in fiscal year 2019, the actuarially determined contribution (ADC) rate of covered payroll was placed into the pension plan and the difference from the 4.00% and the ADC was placed into the Pension Stabilization Reserve Trust.

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEMS**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Tennessee Consolidated Retirement System

Year Ended June 30	Teacher Legacy Plan				Contribution as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	
2024	\$ 9,235,353	\$ 9,235,353	\$ -	\$ 145,209,953	6.36%
2023	\$ 11,580,643	\$ 11,580,643	\$ -	\$ 133,264,019	8.69%
2022	\$ 14,353,778	\$ 14,353,778	\$ -	\$ 139,357,081	10.30%
2021	\$ 14,253,975	\$ 14,253,975	\$ -	\$ 138,734,627	10.27%
2020	\$ 15,309,765	\$ 15,309,765	\$ -	\$ 144,023,834	10.63%
2019	\$ 14,866,942	\$ 14,866,942	\$ -	\$ 142,131,342	10.46%
2018	\$ 13,514,921	\$ 13,514,921	\$ -	\$ 148,842,742	9.08%
2017	\$ 13,777,809	\$ 13,777,809	\$ -	\$ 151,181,055	9.11%
2016	\$ 14,517,682	\$ 14,517,682	\$ -	\$ 160,595,801	9.04%
2015	\$ 14,190,695	\$ 14,190,695	\$ -	\$ 156,976,681	9.04%

Year Ended June 30	Teacher Retirement Plan**				Contribution as a Percentage of Covered Payroll	
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll		
2024	\$ 4,284,444	\$ 4,284,444	\$ -	\$ 142,814,784	3.00%	***
2023	\$ 3,023,586	\$ 3,023,586	\$ -	\$ 100,302,987	2.87%	***
2022	\$ 1,991,724	\$ 1,991,724	\$ -	\$ 99,090,617	2.01%	***
2021	\$ 1,685,149	\$ 1,685,149	\$ -	\$ 83,428,577	2.02%	***
2020	\$ 1,479,194	\$ 1,479,194	\$ -	\$ 72,866,725	2.03%	***
2019	\$ 1,139,054	\$ 1,139,054	\$ -	\$ 58,714,262	1.94%	***
2018	\$ 1,823,614	\$ 1,823,614	\$ -	\$ 45,590,350	4.00%	
2017	\$ 1,373,064	\$ 1,373,064	\$ -	\$ 35,557,047	3.86%	
2016	\$ 1,064,642	\$ 1,064,642	\$ -	\$ 26,616,062	4.00%	
2015	\$ 258,165	\$ 413,068	\$ (154,903)	\$ 10,326,594	4.00%	

**Note: The Teacher Retirement Plan began 7/1/2014.

***Note: Beginning in fiscal year 2019, the actuarially determined contribution (ADC) rate of covered payroll was placed into the pension plan and the difference from the 4.00% and the ADC was placed into the Pension Stabilization Reserve Trust.

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presented

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEES' PENSION PLAN AND COMMISSIONERS' PENSION PLAN**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Hamilton County Administered Plans

Year Ended June 30	Employees' Pension Plan				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2024	\$ -	\$ -	\$ -	\$ -	N/A
2023	-	60,000	(60,000)	-	N/A
2022	-	-	-	-	N/A
2021	-	-	-	-	N/A
2020	-	-	-	-	N/A
2019	-	-	-	-	N/A
2018	-	-	-	-	N/A
2017	-	-	-	-	N/A
2016	-	-	-	-	N/A
2015	-	-	-	-	N/A

Year Ended June 30	Commissioners' Pension Plan				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2024	\$ 76,832	\$ 76,832	\$ -	\$ 299,222	25.7%
2023	32,121	32,121	-	228,546	14.1%
2022	32,121	32,121	-	228,546	14.1%
2021	56,867	56,867	-	214,398	26.5%
2020	56,867	107,646	(50,779)	214,398	50.2%
2019	50,779	-	50,779	212,787	0.0%
2018	50,779	96,687	(45,908)	212,787	45.4%
2017	45,908	-	45,908	200,070	0.0%
2016	45,908	45,908	-	200,070	22.9%
2015	51,769	55,000	(3,231)	186,705	29.5%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' PENSION PLAN**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Hamilton County Administered Plans

Year Ended June 30	Teachers' Pension Plan				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2024	\$ 230	\$ 1,730	\$ (1,500)	\$ -	N/A
2023	236	3,000	(2,764)	-	N/A
2022	236	236	-	-	N/A
2021	830	830	-	-	N/A
2020	830	2,000	(1,170)	-	N/A
2019	1,170	-	1,170	-	N/A
2018	1,170	9,254	(8,084)	-	N/A
2017	412	-	412	-	N/A
2016	412	412	-	-	N/A
2015	5,447	12,931	(7,484)	-	N/A

**SCHEDULE OF PENSION INVESTMENT RETURNS
HAMILTON COUNTY ADMINISTERED PLANS**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Teachers' Pension Plan</u>										
Annual money-weighted rate of return, net of investment expenses for the County's Teachers' Pension Plan	0.00%	0.00%	0.00%	0.00%	0.02%	0.04%	0.00%	0.00%	3.01%	0.03%
<u>Employees' Pension Plan</u>										
Annual money-weighted rate of return, net of investment expenses for the County's Employees' Pension Plan	6.55%	-16.64%	15.67%	2.46%	6.80%	6.06%	4.51%	6.53%	2.97%	2.32%
<u>Commissioners' Pension Plan</u>										
Annual money-weighted rate of return, net of investment expenses for the County's Commissioners' Pension Plan	5.56%	-18.01%	14.16%	2.86%	5.43%	4.95%	4.90%	7.79%	1.70%	-0.10%

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Primary Government

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability (Asset)							
Service Cost	\$ 2,213,526	\$ 2,078,428	\$ 2,012,377	\$ 1,889,556	\$ 1,799,577	\$ 1,900,008	\$ 1,809,531
Interest	3,488,303	3,344,854	3,346,972	3,228,819	2,872,933	2,792,000	2,661,150
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(2,756,049)	-	(365,712)	-	(638,683)	-	-
Changes of assumptions	(103,912)	-	(1,454,860)	-	4,948,829	-	-
Other changes	-	-	(250,986)	-	-	-	-
Benefit Payments/Refunds	<u>(3,351,471)</u>	<u>(3,637,421)</u>	<u>(3,423,455)</u>	<u>(3,346,473)</u>	<u>(3,346,473)</u>	<u>(2,548,068)</u>	<u>(2,359,321)</u>
Net Change in Total OPEB Liability (Asset)	(509,603)	1,785,861	(135,664)	1,771,902	5,636,183	2,143,940	2,111,360
Total OPEB Liability (Asset) - beginning	<u>54,804,140</u>	<u>53,018,279</u>	<u>53,153,943</u>	<u>51,382,041</u>	<u>45,745,858</u>	<u>43,601,918</u>	<u>41,490,558</u>
Total OPEB Liability (Asset) - ending (a)	<u>\$ 54,294,537</u>	<u>\$ 54,804,140</u>	<u>\$ 53,018,279</u>	<u>\$ 53,153,943</u>	<u>\$ 51,382,041</u>	<u>\$ 45,745,858</u>	<u>\$ 43,601,918</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
Contributions - employer on pay as you go basis	3,351,471	3,637,421	3,423,455	3,346,473	3,346,473	2,548,068	2,359,321
Contributions - employee	-	-	-	-	-	-	-
Net investment income	4,068,335	(5,788,644)	8,724,901	1,266,049	1,830,516	1,937,951	2,263,871
Benefit Payments/Refunds	(3,351,471)	(3,637,421)	(3,423,455)	(3,346,473)	(3,346,473)	(2,548,068)	(2,359,321)
Administrative expenses	(202,734)	(204,942)	(102,502)	(128,717)	(119,139)	(130,753)	(93,252)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	5,465,601	(4,393,586)	10,222,399	2,737,332	3,311,377	3,407,198	3,770,619
Plan Fiduciary Net Position - beginning	<u>37,117,752</u>	<u>41,511,338</u>	<u>31,288,939</u>	<u>28,551,607</u>	<u>25,240,230</u>	<u>21,833,032</u>	<u>18,062,413</u>
Plan Fiduciary Net Position - ending (b)	<u>\$ 42,583,353</u>	<u>\$ 37,117,752</u>	<u>\$ 41,511,338</u>	<u>\$ 31,288,939</u>	<u>\$ 28,551,607</u>	<u>\$ 25,240,230</u>	<u>\$ 21,833,032</u>
Net OPEB Liability (Asset) - ending (a) - (b)	<u>\$ 11,711,184</u>	<u>\$ 17,686,388</u>	<u>\$ 11,506,941</u>	<u>\$ 21,865,004</u>	<u>\$ 22,830,434</u>	<u>\$ 20,505,628</u>	<u>\$ 21,768,886</u>
Plan Fiduciary Net Position as a % of the Total OPEB Liability (Asset)	78.4%	67.7%	78.3%	58.9%	55.6%	55.2%	50.1%
Covered-employee payroll	\$ 97,652,393	\$ 91,125,927	\$ 88,471,774	\$ 84,370,423	\$ 81,913,032	\$ 76,872,177	\$ 74,633,182
Net OPEB Liability (Asset) as a % of covered-employee payroll	12.0%	19.4%	13.0%	25.9%	27.9%	26.7%	29.2%

Note: Measurement period is as of June 30, 2024.

Note: *Changes of assumptions.* Effective June 30, 2023, the following assumptions were changed: the assumed trend rate for the medical claims was changed to 6.25% grading to 5.20% over 2 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075 and mortality and termination rates were updated to match the State of Tennessee retirement plan experience study.
Effective June 30, 2021, the following assumptions were changed: the assumed trend rate for the medical claims was changed to 6.25% grading uniformly to 5.75% over 2 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075 and mortality improvement was updated to Scale MP-2020. Effective June 30, 2019, the following assumptions were changed:
the assumed trend rate for the medical claims was changed from 8.00 grading uniformly to an ultimate rate of 5.00% over 12 years to 7.50% grading uniformly to 6.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075;
the disability, retirement, termination, and mortality rates were updated based on the updated decrement rate studies completed for the State of Tennessee;
the medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presctned retroactively.
Years will be added to this schedule in future fiscal years until 10 years of information is available.

Note: The Primary Government utilizes a trust (OPEB Trust) to pre-fund future benefits. The trust is funded through appropriations from the County General Fund.

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

Hamilton County Schools

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability (Asset)							
Service Cost	\$ 5,554,424	\$ 7,176,437	\$ 6,834,702	\$ 7,320,275	\$ 7,121,583	\$ 6,782,460	\$ 7,953,820
Interest	3,855,973	3,714,849	2,269,712	3,477,286	3,323,236	3,406,804	3,657,851
Differences between expected and actual experience	-	2,120,887	-	3,657,192	-	15,991,840	-
Changes of assumptions	-	(2,013,334)	(16,296,646)	(29,045,695)	-	(23,120,958)	-
Benefit Payments/Refunds	(6,839,461)	(6,437,140)	(5,442,142)	(5,122,016)	(6,394,544)	(5,948,413)	(6,033,842)
Net Change in Total OPEB Liability (Asset)	2,570,936	4,561,699	(12,634,374)	(19,712,958)	4,050,275	(2,888,267)	5,577,829
Total OPEB Liability - beginning	94,650,006	90,088,307	102,722,681	122,435,639	118,385,364	121,273,631	115,695,802
Total OPEB Liability - ending	\$ 97,220,942	\$ 94,650,006	\$ 90,088,307	\$ 102,722,681	\$ 122,435,639	\$ 118,385,364	\$ 121,273,631
Covered-employee payroll	\$ 284,433,760	\$ 276,149,282	\$ 241,834,173	\$ 234,790,459	\$ 207,957,595	\$ 201,900,578	\$ 180,057,926
Total OPEB Liability as a % of covered-employee payroll	34.2%	34.3%	37.3%	43.8%	58.9%	58.6%	67.4%

Note: Hamilton County Schools does not utilize a trust (OPEB Trust) to pre-fund future benefits.

Note: *Changes of assumptions.* Effective July 1, 2023, the following assumptions were changed: the discount rate is 4.13% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 20, 2023; the assumed trend rate for medical claims was changed to 6.25% grading to 5/20% over 2 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in year 2075; and the mortality and termination rates were updated to match the State of Tennessee retirement plan experience study.

Effective July 1, 2021, the following assumptions were changed and apply to June 30, 2022 results only: the discount rate is 4.09% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2022 and the mortality improvement was updated to scale MP-2021.

Effective July 1, 2021, the following assumptions were changed: the discount rate is 2.18% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2021; the assumed trend rate for the medical claims was changed to 6.25% grading uniformly to 5.75% over 2 years, and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075; the mortality improvement was updated to scale MP-2020; the valuation of a 22% excise tax in the previous report has been removed, due to legislative repeal.

Effective July 1, 2019, the following assumptions were changed: the discount rate is 2.79% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019 under Statement No. 75, compared to the prior discount rate of 3.11%; the assumed trend rate for the medical claims was changed to 7.50% grading uniformly to 6.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075; the disability, retirement, termination, and mortality rates were updated based on the updated decrement rate studies completed for the State of Tennessee; the medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**SCHEDULE OF CONTRIBUTIONS AND SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFITS**

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Primary Government

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions								
Actuarially determined contribution	\$ 3,436,785	\$ 3,256,856	\$ 3,330,774	\$ 4,156,878	\$ 4,138,081	\$ 4,137,683	\$ 3,875,212	\$ 3,927,762
Contributions in relation to the actuarially determined contribution	<u>5,160,938</u>	<u>4,951,471</u>	<u>5,237,421</u>	<u>5,023,455</u>	<u>4,946,473</u>	<u>4,946,473</u>	<u>4,148,068</u>	<u>3,959,321</u>
Contribution deficiency (excess)	<u>\$ (1,724,153)</u>	<u>\$ (1,694,615)</u>	<u>\$ (1,906,647)</u>	<u>\$ (866,577)</u>	<u>\$ (808,392)</u>	<u>\$ (808,790)</u>	<u>\$ (272,856)</u>	<u>\$ (31,559)</u>
Covered-employee payroll	\$ 100,581,965	\$ 97,652,393	\$ 91,125,927	\$ 88,471,774	\$ 84,370,423	\$ 81,913,032	\$ 76,872,177	\$ 74,633,182
Contributions as a percentage of covered-employee payroll	5.13%	5.07%	5.75%	5.68%	5.86%	6.04%	5.40%	5.30%
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns								
Annual money-weighted rate of return, net of investment expense	6.51%	10.78%	6.51%	27.31%	6.51%	7.20%	6.52%	12.08%

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NOTES TO SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

HAMILTON COUNTY, TENNESSEE

June 30, 2024

PUBLIC EMPLOYEE RETIREMENT SYSTEMS

Actuarial information of the Tennessee Consolidated Retirement System Plans

Employer contributions for the year ended June 30, 2024 are based on the results of the June 30, 2022 actuarial valuation. Accordingly, governmental employers utilize the following notes to the schedule relating to the Actuarially Determined Contributions when presenting 2024.

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10-year smoothed within a 20 percent corridor to fair value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.125 percent, if provided

Actuarial Information of the County Administered Plans

The annual determined contribution for each of these plans was determined using the entry age normal funding method. The actuarial value of assets was determined at fair value. The assumption with respect to investment return was 6.75% for the Employees' Retirement Plan, 5.0% for the Teachers' Retirement Plan and 6.0% for the Commissioners' Retirement Plan. No explicit assumptions were made with regard to inflation. Salary increases were not considered for the Employees' and Teachers' Retirement Plans because the benefits are either capped or not based upon salary. The assumption with respect to salary increases was 4.0% for the Commissioners' Retirement Plan.

OTHER POST EMPLOYMENT BENEFITS

Actuarial Information of the County Employees Post Employment Medical Insurance Benefits

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Discount rate	6.5 percent
Salary increases	3.0 percent
Expected long-term rate of return	6.5 percent
Retirement age	Pattern of retirement determined by experience study
Healthcare cost trend rates	6.25% graded uniformly to 5.20% over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94% in 2075

Actuarial Information of the Department of Education Post Employment Medical and Dental Insurance Benefits

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Discount rate	4.13 percent
Salary increases	3.0 percent
Expected long-term rate of return	N/A
Retirement age	Pattern of retirement determined by experience study
Healthcare cost trend rates	6.25% graded uniformly to 5.20% over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94% in 2075



GENERAL FUND

The General Fund accounts for all sources and uses of financial resources applicable to the general operations of county government, which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to use are recorded in the General Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND DETAIL**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property taxes	\$ 193,891,000	\$ 193,891,000	\$ 184,505,181	\$ (9,385,819)
Local sales tax	11,000,000	11,000,000	10,374,909	(625,091)
Business taxes	13,261,000	13,261,000	12,686,659	(574,341)
Wholesale beer tax	1,000,000	1,000,000	1,089,395	89,395
Total taxes	219,152,000	219,152,000	208,656,144	(10,495,856)
Licenses and permits	1,745,000	1,745,000	2,004,067	259,067
Intergovernmental revenues:				
State of Tennessee	25,199,746	35,677,200	33,447,909	(2,229,291)
United States Government	12,389,374	18,429,849	6,240,126	(12,189,723)
Cities	3,253,940	3,287,410	2,870,412	(416,998)
Total intergovernmental revenues	40,843,060	57,394,459	42,558,447	(14,836,012)
Charges for services:				
Health department	3,624,600	3,624,600	1,847,129	(1,777,471)
Other	27,920,662	27,920,662	26,790,415	(1,130,247)
Total charges for services	31,545,262	31,545,262	28,637,544	(2,907,718)
Fines, forfeitures and penalties	1,893,350	1,893,350	1,488,270	(405,080)
Investment earnings	2,207,500	2,207,500	9,133,908	6,926,408
Miscellaneous	5,057,770	5,142,160	5,666,018	523,858
Total revenues	302,443,942	319,079,731	298,144,398	(20,935,333)
EXPENDITURES				
Current:				
General government:				
County Clerk	2,425,993	2,419,270	2,392,632	26,638
Register	643,821	640,671	524,525	116,146
County Trustee	1,762,608	1,762,193	1,592,066	170,127
Assessor of Property	4,151,658	4,388,718	3,998,947	389,771
Election Commission	2,666,888	2,661,978	2,348,756	313,222
Board of Equalization	5,000	5,000	705	4,295
Soil Conservation	149,199	149,199	150,032	(833)
Agricultural Department	277,611	277,611	277,478	133
County-City Planning Commission	864,354	864,354	864,354	-
Regional Council of Government & SETTDD	81,903	81,903	81,903	-

(continued)

BUDGETARY COMPARISON SCHEDULE--(continued)
GENERAL FUND DETAIL

HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES--(continued):				
Current--(continued):				
General government--(continued):				
CARTA	\$ 105,200	\$ 105,200	\$ 105,200	\$ -
Thrive Regional Partnership	100,000	100,000	100,000	-
Economic Development	600,000	600,000	600,000	-
Representative-General Assembly	100,000	100,000	100,000	-
Enterprise Center	50,000	50,000	50,000	-
County Board of Commissioners	1,009,230	1,009,977	976,790	33,187
County Mayor	814,223	813,525	922,233	(108,708)
County Auditor	1,078,433	1,077,898	961,759	116,139
Chief of Staff	654,037	654,037	493,134	160,903
Chief Operating Officer	-	-	152,418	(152,418)
County Attorney	1,598,406	1,592,512	1,847,695	(255,183)
Employee Assistance Program	58,500	58,500	38,800	19,700
Benefits	895,225	894,566	788,420	106,146
Risk Management	570,377	661,565	499,519	162,046
Wellness & Fitness Programs	258,103	258,103	133,901	124,202
Mailroom	464,628	452,526	399,795	52,731
Drug & Alcohol Testing	18,000	18,000	20,042	(2,042)
American Disability Act	1,000	1,000	-	1,000
Veterans' Service Program	281,299	281,299	228,196	53,103
Human Resources Administrator	274,275	274,275	312,542	(38,267)
Insurance	521,700	7,745	7,745	-
Employee Benefits	2,524,732	2,524,732	2,029,987	494,745
Trustee's Commission	4,906,800	4,906,800	4,507,971	398,829
External Audits	154,680	154,680	191,381	(36,701)
TSCA Dues	11,310	11,310	11,310	-
NACO Dues	6,729	6,729	6,729	-
Equal Employment Opportunity	140,651	141,680	143,093	(1,413)
Chief Financial Officer	578,506	578,506	543,499	35,007
Accounting	2,568,984	2,589,452	2,272,654	316,798
Financial Management	331,298	331,298	268,596	62,702
Technology Services	4,356,604	4,487,406	4,114,824	372,582
Procurement & Fleet Management	970,825	1,000,845	981,425	19,420
Geospatial Technology	1,110,834	1,109,519	967,076	142,443
Telecommunications	991,960	991,960	933,488	58,472
Records Management	637,993	637,993	597,270	40,723
Mental Health	180,224	2,218,966	886,743	1,332,223
Recovery Court	1,018,397	1,229,601	858,986	370,615
Mental Health Court	518,338	498,217	288,741	209,476
United Way 211	170,000	170,000	170,000	-
Custodial Services	4,260,343	4,258,021	3,970,248	287,773
Real Property	411,015	406,104	373,658	32,446
Recycling	471,997	501,839	426,924	74,915
General Services Administrator	270,548	270,548	265,908	4,640
Economic and Community Development	984,381	1,551,734	1,307,194	244,540
Ground Maintenance	315,000	315,000	350,241	(35,241)
Facilities Maintenance	3,816,051	3,813,340	3,503,554	309,786
Utilities	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,246,003</u>	<u>253,997</u>
Total general government	<u>56,689,871</u>	<u>59,467,905</u>	<u>53,187,090</u>	<u>6,280,815</u>

(continued)

BUDGETARY COMPARISON SCHEDULE--(continued)
GENERAL FUND DETAIL

HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES--(continued):				
Current--(continued):				
Public safety:				
Medical Examiner	\$ 1,878,364	\$ 1,878,170	\$ 1,743,599	\$ 134,571
Circuit Court Clerk	3,799,047	3,748,501	3,540,719	207,782
Criminal Court Clerk	4,752,571	4,746,985	4,435,502	311,483
District Attorney General	1,840,328	1,849,104	1,648,082	201,022
Public Defender	1,179,455	1,179,455	1,130,544	48,911
General Sessions Court	1,977,106	1,988,434	1,950,549	37,885
Juries	140,950	140,435	91,393	49,042
Court Judges	655,604	655,017	622,570	32,447
Judicial Commission Magistrates	612,412	671,767	622,425	49,342
Juvenile Court	8,715,673	8,902,799	8,251,490	651,309
Forest Fire Prevention	4,000	4,000	4,000	-
Humane Education Society	765,974	765,974	765,974	-
Opioid Settlement	460,000	460,000	295,901	164,099
Certified Cost Reimbursement	781,600	781,600	370,393	411,207
Building Inspection	1,183,614	1,182,788	1,152,693	30,095
Office of Emergency Management	4,736,861	5,003,992	4,696,490	307,502
Corrections	1,813,545	1,656,548	1,446,350	210,198
Litter Grant	666,134	665,344	606,379	58,965
Homeland Security Grants	-	623,750	332,691	291,059
Security Services	893,067	892,781	794,748	98,033
Volunteer Emergency Services	2,436,910	2,517,056	2,514,719	2,337
Pretrial Diversion Program	1,023,461	1,022,186	823,105	199,081
Ambulance Services	19,114,192	19,117,502	19,184,379	(66,877)
Juvenile Court Clerk				
Administration and Courts	1,966,474	1,964,905	1,967,891	(2,986)
Sheriff				
Administration Services	3,549,126	3,552,216	2,656,703	895,513
Law Enforcement Services	16,509,505	19,743,489	19,211,842	531,647
Corrections Services	28,169,401	29,033,526	29,327,519	(293,993)
Judicial Services	2,657,722	2,657,722	2,683,773	(26,051)
Records Services	611,915	611,915	667,169	(55,254)
Criminal Investigation Services	2,472,459	2,472,459	2,727,192	(254,733)
Fugitive Services	2,298,874	2,298,874	2,069,563	229,311
Civil Process Services	1,064,958	1,064,958	1,134,733	(69,775)
Community Oriented Policing Services (COPS)	-	40,062	12,481	27,581
Confinement Facilities Award	-	394,372	393,939	433
Maintenance Services	960,017	960,017	1,146,772	(186,755)
Legal & Accreditation Services	431,328	431,328	443,914	(12,586)
Special Operations Services	1,256,870	1,259,036	1,545,943	(286,907)
TN Office of Criminal Justice	-	178,800	50,022	128,778
Department of Justice Grants	-	57,526	43,074	14,452
IV-D Civil Process Grant	294,910	294,910	283,969	10,941
Information Systems Services	2,323,368	1,251,018	1,345,932	(94,914)
Training Services	1,171,060	1,186,860	995,938	190,922
Human Resources Services	495,669	497,877	505,066	(7,189)
Internal Affairs Services	536,923	536,923	499,278	37,645
Lease and SBITA outlays	-	-	636,519	(636,519)
Special projects	-	-	4,633	(4,633)
Total public safety	<u>126,201,447</u>	<u>130,942,981</u>	<u>127,378,560</u>	<u>3,564,421</u>

(continued)

BUDGETARY COMPARISON SCHEDULE--(continued)
GENERAL FUND DETAIL

HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES--(continued):				
Current--(continued):				
Highways and streets:				
Public Works Administrator	\$ 452,776	\$ 662,776	\$ 546,230	\$ 116,546
Engineering Services	1,934,760	2,806,353	1,303,862	1,502,491
Development Services	715,561	761,414	947,951	(186,537)
WVTA	4,075,627	4,075,627	3,707,849	367,778
Railroad Authority	166,502	166,502	160,831	5,671
Highway	15,348,653	16,384,727	15,570,516	814,211
Total highways and streets	22,693,879	24,857,399	22,237,239	2,620,160
Health:				
Air Pollution Control	228,113	228,113	228,113	-
Health Department	30,591,820	34,805,823	24,186,262	10,619,561
Total health	30,819,933	35,033,936	24,414,375	10,619,561
Social services:				
Clerk and Master	912,648	910,633	910,736	(103)
Chancery Court Judges	198,269	197,710	200,007	(2,297)
Juvenile Court Clerk:				
Child Support Division	1,232,969	1,230,892	1,189,614	41,278
Chief Reading Officer	333,674	333,674	329,234	4,440
Junior Achievement of Chattanooga	30,000	30,000	30,000	-
Imagination Library-Signal Center	50,000	50,000	50,000	-
LaPaz Chattanooga	125,000	125,000	125,000	-
Partnership for Families, Children & Adults	175,650	175,650	175,650	-
Collegedale Public Library	15,000	15,000	15,000	-
Hamilton County Schools-CTE Match	750,000	750,000	514,420	235,580
Title XX	-	69,710	84,411	(14,701)
Urban League	50,000	50,000	50,000	-
Total social services	3,873,210	3,938,269	3,674,072	264,197
Culture and recreation:				
Armed Forces Day Parade	20,000	35,000	35,000	-
Family Justice Center	175,650	175,650	175,650	-
Hamilton County Fair	100,000	100,000	100,000	-
N. Chickamauga Creek Conservancy	-	26,000	26,000	-
Creative Discovery Museum	100,000	100,000	100,000	-
Bessie Smith Museum	100,603	100,603	100,603	-
Parks and Recreation Department	10,884,452	11,108,353	10,022,894	1,085,459
Total culture and recreation	11,380,705	11,645,606	10,560,147	1,085,459
Capital outlay	14,717,445	31,003,451	23,084,216	7,919,235
Debt service:				
Principal	-	2,541,743	2,367,984	173,759
Interest	-	302,491	328,772	(26,281)
Total debt service	-	2,844,234	2,696,756	147,478
Total budgetary expenditures	266,376,490	299,733,781	267,232,455	32,501,326
Excess of revenues over expenditures	36,067,452	19,345,950	30,911,943	11,565,993

(continued)

BUDGETARY COMPARISON SCHEDULE--(continued)
GENERAL FUND DETAIL

HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 15,627,000	\$ 15,807,000	\$ 15,854,169	\$ 47,169
Transfers out	(53,224,452)	(59,024,452)	(59,183,558)	(159,106)
Issuance of SBITA payable	100,000	100,000	-	(100,000)
Issuance of lease payable	750,000	750,000	3,163,421	2,413,421
Sale of capital assets	<u>680,000</u>	<u>680,000</u>	<u>395,823</u>	<u>(284,177)</u>
Total other financing sources (uses)	<u>(36,067,452)</u>	<u>(41,687,452)</u>	<u>(39,770,145)</u>	<u>1,917,307</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (22,341,502)</u>	<u>(8,858,202)</u>	<u>\$ 13,483,300</u>
Fund balance at beginning of year			<u>152,221,017</u>	
Fund balance at end of year			<u>\$ 143,362,815</u>	

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND

HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 2,198,573	\$ 2,198,573	\$ 858,673	\$ (1,339,900)
Investment earnings	<u>200,000</u>	<u>200,000</u>	<u>289,721</u>	<u>89,721</u>
Total revenues	<u>2,398,573</u>	<u>2,398,573</u>	<u>1,148,394</u>	<u>(1,250,179)</u>
EXPENDITURES				
Debt Service:				
Principal retirement	33,185,000	33,185,000	33,185,000	-
Interest and fiscal charges	<u>14,078,990</u>	<u>14,078,990</u>	<u>14,072,843</u>	<u>6,147</u>
Total budgetary expenditures	<u>47,263,990</u>	<u>47,263,990</u>	<u>47,257,843</u>	<u>6,147</u>
Deficiency of revenues under budgetary expenditures	<u>(44,865,417)</u>	<u>(44,865,417)</u>	<u>(46,109,449)</u>	<u>(1,244,032)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>44,865,417</u>	<u>44,865,417</u>	<u>46,218,516</u>	<u>1,353,099</u>
Total other financing sources	<u>44,865,417</u>	<u>44,865,417</u>	<u>46,218,516</u>	<u>1,353,099</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	109,067	<u>\$ 109,067</u>
Fund balance at beginning of year			<u>7,952,341</u>	
Fund balance at end of year			<u>\$ 8,061,408</u>	

**BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUND**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	Hotel / Motel Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Hotel/Motel occupancy tax	\$ 12,274,000	\$ 12,274,000	\$ 11,458,701	\$ (815,299)
Investment earnings	5,000	5,000	28,595	23,595
Total revenues	12,279,000	12,279,000	11,487,296	(791,704)
EXPENDITURES				
Hotel/Motel occupancy tax	10,612,000	10,612,000	11,248,534	(636,534)
Total budgetary expenditures	10,612,000	10,612,000	11,248,534	(636,534)
Excess (deficiency) of revenues over (under) budgetary expenditures	1,667,000	1,667,000	238,762	(1,428,238)
OTHER FINANCING SOURCES				
Transfers out	1,667,000	1,667,000	45,981	(1,621,019)
Total other financing sources	1,667,000	1,667,000	45,981	(1,621,019)
Net change in fund balance	\$ -	\$ -	192,781	\$ 192,781
Fund balance at beginning of year			-	
Fund balance at end of year			\$ 192,781	

**BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUND**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	Sheriff Special Revenue Funds			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 61,600	\$ 61,600	\$ -	\$ (61,600)
Fines, forfeitures and penalties	102,146	102,146	37,867	(64,279)
Investment earnings	3,700	3,700	61,482	57,782
Miscellaneous	316,245	316,245	108,250	(207,995)
Total revenues	483,691	483,691	207,599	(276,092)
EXPENDITURES				
Narcotics enforcement	411,345	844,722	498,428	346,294
TN State sexual offenders	72,346	72,346	20,950	51,396
Debt Service:				
Principal	-	899	856	43
Interest	-	43	43	-
Total budgetary expenditures	483,691	918,010	520,277	397,733
Net change in fund balance	\$ -	\$ (434,319)	(312,678)	\$ 121,641
Fund balance at beginning of year			1,447,892	
Fund balance at end of year			\$ 1,135,214	



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These are operating funds which are restricted as to use by the federal or state governments and special purpose funds established by the County Board of Commissioners.

Constitutional Offices Funds account for revenues and expenditures associated with the administrative function of the Constitutional Offices.

Governmental Law Library Fund accounts for revenues and expenditures associated with maintaining a law library for attorneys practicing in state and county courts.

Hotel/Motel Fund accounts for revenues and expenditures associated with the County's Hotel/Motel room tax.

Economic Crimes Fund accounts for revenues and expenditures of the bad check restitution program established by the Tennessee Legislature.

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Constitutional Offices	Governmental Law Library	Hotel/ Motel	Economic Crimes	
ASSETS					
Cash and cash equivalents	\$ 7,642,863	\$ 41,406	\$ 1,553,608	\$ 22,794	\$ 9,260,671
Investments	541,420	48,037	-	26,604	616,061
Receivables:					
Accounts	305,715	514	1,172,496	769	1,479,494
Prepaid items	<u>4,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,413</u>
Total assets	<u>\$ 8,494,411</u>	<u>\$ 89,957</u>	<u>\$ 2,726,104</u>	<u>\$ 50,167</u>	<u>\$ 11,360,639</u>
LIABILITIES					
Accrued items and other	\$ 975,065	\$ 1,580	\$ 2,487,342	\$ -	\$ 3,463,987
Due to other funds	<u>-</u>	<u>-</u>	<u>45,981</u>	<u>-</u>	<u>45,981</u>
Total liabilities	<u>975,065</u>	<u>1,580</u>	<u>2,533,323</u>	<u>-</u>	<u>3,509,968</u>
FUND BALANCES					
Nonspendable for prepaid items	4,413	-	-	-	4,413
Restricted for general government	4,460,725	-	192,781	-	4,653,506
Restricted for public safety	1,135,214	-	-	-	1,135,214
Restricted for social services	1,918,994	-	-	-	1,918,994
Committed for public safety	<u>-</u>	<u>88,377</u>	<u>-</u>	<u>50,167</u>	<u>138,544</u>
Total fund balances	<u>7,519,346</u>	<u>88,377</u>	<u>192,781</u>	<u>50,167</u>	<u>7,850,671</u>
Total liabilities and fund balances	<u>\$ 8,494,411</u>	<u>\$ 89,957</u>	<u>\$ 2,726,104</u>	<u>\$ 50,167</u>	<u>\$ 11,360,639</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Constitutional Offices	Governmental Law Library	Hotel/ Motel	Economic Crimes	
REVENUES					
Taxes	\$ -	\$ 12,248	\$ 11,458,701	\$ -	\$ 11,470,949
Charges for services	22,530,985	-	-	-	22,530,985
Fines, forfeitures and penalties	37,867	-	-	9,036	46,903
Investment earnings	1,403,177	4,213	28,595	2,079	1,438,064
Miscellaneous	215,174	-	-	-	215,174
Total revenues	24,187,203	16,461	11,487,296	11,115	35,702,075
EXPENDITURES					
Current:					
General government	5,889,168	-	11,248,534	-	17,137,702
Public safety:					
Sheriff	519,378	-	-	-	519,378
Other	-	18,643	-	-	18,643
Social services	1,991,857	-	-	7,663	1,999,520
Debt Service:					
Principal	856	-	-	-	856
Interest	43	-	-	-	43
Total expenditures	8,401,302	18,643	11,248,534	7,663	19,676,142
Excess (deficiency) of revenues over (under) expenditures	15,785,901	(2,182)	238,762	3,452	16,025,933
OTHER FINANCING USES					
Transfers out	(15,758,370)	-	(45,981)	-	(15,804,351)
Total other financing uses	(15,758,370)	-	(45,981)	-	(15,804,351)
Net change in fund balances	27,531	(2,182)	192,781	3,452	221,582
Fund balances, beginning	7,491,815	90,559	-	46,715	7,629,089
Fund balances, ending	\$ 7,519,346	\$ 88,377	\$ 192,781	\$ 50,167	\$ 7,850,671

**COMBINING BALANCE SHEET
CONSTITUTIONAL OFFICES NONMAJOR GOVERNMENTAL FUNDS**

HAMILTON COUNTY, TENNESSEE

June 30, 2024

	Clerk and Master	County Clerk	Register	Trustee	Sheriff Drug Fund	Sheriff State Sex Offenders Fund	Total Constitutional Offices
ASSETS							
Cash and cash equivalents	\$ 2,554,998	\$ 3,038,826	\$ 576,661	\$ 863,833	\$ 466,968	\$ 141,577	\$ 7,642,863
Investments	-	-	-	-	541,420	-	541,420
Receivables:							
Accounts	-	-	-	304,679	1,036	-	305,715
Prepaid items	<u>4,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,413</u>
Total assets	<u>\$ 2,559,411</u>	<u>\$ 3,038,826</u>	<u>\$ 576,661</u>	<u>\$ 1,168,512</u>	<u>\$ 1,009,424</u>	<u>\$ 141,577</u>	<u>\$ 8,494,411</u>
LIABILITIES							
Accrued items and other	<u>\$ 636,004</u>	<u>\$ 241,249</u>	<u>\$ 47,042</u>	<u>\$ 34,983</u>	<u>\$ 14,487</u>	<u>\$ 1,300</u>	<u>\$ 975,065</u>
Total liabilities	<u>636,004</u>	<u>241,249</u>	<u>47,042</u>	<u>34,983</u>	<u>14,487</u>	<u>1,300</u>	<u>975,065</u>
FUND BALANCES							
Nonspendable for prepaid items	4,413	-	-	-	-	-	4,413
Restricted for general government	-	2,797,577	529,619	1,133,529	-	-	4,460,725
Restricted for public safety	-	-	-	-	994,937	140,277	1,135,214
Restricted for social services	<u>1,918,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,918,994</u>
Total fund balances	<u>1,923,407</u>	<u>2,797,577</u>	<u>529,619</u>	<u>1,133,529</u>	<u>994,937</u>	<u>140,277</u>	<u>7,519,346</u>
Total liabilities and fund balances	<u>\$ 2,559,411</u>	<u>\$ 3,038,826</u>	<u>\$ 576,661</u>	<u>\$ 1,168,512</u>	<u>\$ 1,009,424</u>	<u>\$ 141,577</u>	<u>\$ 8,494,411</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CONSTITUTIONAL OFFICES NONMAJOR GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	Clerk and Master	County Clerk	Register	Trustee	Sheriff Drug Fund	Sheriff State Sex Offenders Fund	Total Constitutional Offices
REVENUES							
Charges for services	\$ 2,645,138	\$ 6,145,929	\$ 2,388,997	\$ 11,350,921	\$ -	\$ -	\$ 22,530,985
Fines, forfeitures and penalties	-	-	-	-	12,460	25,407	37,867
Investment earnings	834,412	279,989	80,915	146,379	54,143	7,339	1,403,177
Miscellaneous	-	30,797	76,127	-	108,250	-	215,174
Total revenues	<u>3,479,550</u>	<u>6,456,715</u>	<u>2,546,039</u>	<u>11,497,300</u>	<u>174,853</u>	<u>32,746</u>	<u>24,187,203</u>
EXPENDITURES							
Current:							
General government	-	3,755,477	927,753	1,205,938	-	-	5,889,168
Public safety:							
Sheriff	-	-	-	-	498,428	20,950	519,378
Social services	1,991,857	-	-	-	-	-	1,991,857
Debt Service:							
Principal	-	-	-	-	856	-	856
Interest	-	-	-	-	43	-	43
Total expenditures	<u>1,991,857</u>	<u>3,755,477</u>	<u>927,753</u>	<u>1,205,938</u>	<u>499,327</u>	<u>20,950</u>	<u>8,401,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,487,693</u>	<u>2,701,238</u>	<u>1,618,286</u>	<u>10,291,362</u>	<u>(324,474)</u>	<u>11,796</u>	<u>15,785,901</u>
OTHER FINANCING USES							
Transfers out	<u>(1,273,306)</u>	<u>(2,417,000)</u>	<u>(1,589,264)</u>	<u>(10,478,800)</u>	<u>-</u>	<u>-</u>	<u>(15,758,370)</u>
Total other financing uses	<u>(1,273,306)</u>	<u>(2,417,000)</u>	<u>(1,589,264)</u>	<u>(10,478,800)</u>	<u>-</u>	<u>-</u>	<u>(15,758,370)</u>
Net change in fund balances	214,387	284,238	29,022	(187,438)	(324,474)	11,796	27,531
Fund balances, beginning	<u>1,709,020</u>	<u>2,513,339</u>	<u>500,597</u>	<u>1,320,967</u>	<u>1,319,411</u>	<u>128,481</u>	<u>7,491,815</u>
Fund balances, ending	<u>\$ 1,923,407</u>	<u>\$ 2,797,577</u>	<u>\$ 529,619</u>	<u>\$ 1,133,529</u>	<u>\$ 994,937</u>	<u>\$ 140,277</u>	<u>\$ 7,519,346</u>



FIDUCIARY FUNDS

TRUST FUNDS

These funds are used to account for assets held by the County in trust accounts in a fiduciary capacity.

The County uses two sets of trust funds. One trust holds funds specifically to cover future OPEB obligations, and the other set of trust funds is used to account for obligations under certain defined benefit pension plans maintained by the County.

CUSTODIAL FUNDS

These funds are used to account for assets held by the County in a custodial capacity as an agent on behalf of individuals and other government entities.

Constitutional Offices Funds account for various deposits, bail bonds and performance bonds held by the Constitutional Offices.

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL TRUST FUNDS**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

	OPEB Trust Fund	Pension Trust Funds	Total OPEB & Pension Trust Funds
ASSETS			
Cash	\$ 5,632	\$ 53,365	\$ 58,997
Investments, at fair value:			
US Government Securities	5,596,930	-	5,596,930
Municipal Bonds	1,642,222	-	1,642,222
Mutual Funds	7,980,396	3,288,315	11,268,711
Domestic Equity Securities	7,518,563	-	7,518,563
Domestic Corporate Bonds	5,454,438	-	5,454,438
Foreign Bonds / Notes	698,343	-	698,343
Foreign Equity Securities	3,241,437	-	3,241,437
Quality Income Fund	5,118,800	-	5,118,800
Money Market	1,123,068	-	1,123,068
Exchange Traded Funds	10,417,180	-	10,417,180
Real Estate Investment Trust	79,093	-	79,093
Total investments, at fair value	<u>48,870,470</u>	<u>3,288,315</u>	<u>52,158,785</u>
Receivables:			
Interest	<u>162,803</u>	<u>2,499</u>	<u>165,302</u>
Total receivables	<u>162,803</u>	<u>2,499</u>	<u>165,302</u>
Total assets	<u>49,038,905</u>	<u>3,344,179</u>	<u>52,383,084</u>
LIABILITIES			
Accrued items and other	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for pension benefits	-	3,344,179	3,344,179
Restricted for OPEB benefits	<u>49,038,905</u>	<u>-</u>	<u>49,038,905</u>
Total net position	<u>\$ 49,038,905</u>	<u>\$ 3,344,179</u>	<u>\$ 52,383,084</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL TRUST FUNDS**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	OPEB Trust Fund	Pension Trust Funds	Total OPEB & Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 5,160,938	\$ 78,562	\$ 5,239,500
Other	-	1,788	1,788
Total contributions	5,160,938	80,350	5,241,288
Investment earnings:			
Net change in fair value of investments	3,986,534	176,680	4,163,214
Miscellaneous	-	64	64
Interest and dividends	1,039,131	102,174	1,141,305
Net investment earnings	5,025,665	278,918	5,304,583
Total additions	10,186,603	359,268	10,545,871
DEDUCTIONS			
Benefits	3,635,039	88,339	3,723,378
Administrative expense	96,012	36,813	132,825
Total deductions	3,731,051	125,152	3,856,203
Change in net position	6,455,552	234,116	6,689,668
Net position, beginning	42,583,353	3,110,063	45,693,416
Net position, ending	\$ 49,038,905	\$ 3,344,179	\$ 52,383,084

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CONSTITUTIONAL OFFICES CUSTODIAL FUNDS**

HAMILTON COUNTY, TENNESSEE

June 30, 2024

	Circuit Court Clerk	Clerk & Master	County Clerk	Criminal Court Clerk	Juvenile Court Clerk	Register	Sheriff	Trustee	Total Constitutional Offices Custodial Funds
ASSETS									
Cash and cash equivalents	\$ 4,023,342	\$24,741,308	\$ 4,450,012	\$ 471,407	\$ 71,106	\$ 1,721,988	\$ 149,243	\$ 1,376,428	\$ 37,004,834
Investments	-	-	-	-	62,673	-	-	-	62,673
Investments on behalf of litigants and beneficiaries	4,203,342	18,145,482	-	-	383,884	-	-	-	22,732,708
Accounts receivable	-	-	4,644	-	-	2,507	-	-	7,151
Total assets	<u>8,226,684</u>	<u>42,886,790</u>	<u>4,454,656</u>	<u>471,407</u>	<u>517,663</u>	<u>1,724,495</u>	<u>149,243</u>	<u>1,376,428</u>	<u>59,807,366</u>
LIABILITIES									
Due to State of Tennessee	28,126	-	4,337,423	-	-	1,724,495	-	-	6,090,044
Due to municipalities	-	-	36,305	1,374	-	-	-	993,982	1,031,661
Due to others	73,208	6,391,767	-	-	77,882	-	-	255,680	6,798,537
Total liabilities	<u>101,334</u>	<u>6,391,767</u>	<u>4,373,728</u>	<u>1,374</u>	<u>77,882</u>	<u>1,724,495</u>	<u>-</u>	<u>1,249,662</u>	<u>13,920,242</u>
NET POSITION									
Restricted for individuals, organizations and others	<u>8,125,350</u>	<u>36,495,023</u>	<u>80,928</u>	<u>470,033</u>	<u>439,781</u>	<u>-</u>	<u>149,243</u>	<u>126,766</u>	<u>45,887,124</u>
Total net position	<u>\$ 8,125,350</u>	<u>\$36,495,023</u>	<u>\$ 80,928</u>	<u>\$ 470,033</u>	<u>\$ 439,781</u>	<u>\$ -</u>	<u>\$ 149,243</u>	<u>\$ 126,766</u>	<u>\$ 45,887,124</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CONSTITUTIONAL OFFICES CUSTODIAL FUNDS**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	Circuit Court Clerk	Clerk & Master	County Clerk	Criminal Court Clerk	Juvenile Court Clerk	Register	Sheriff	Trustee	Total Constitutional Offices Custodial Funds
ADDITIONS									
Collections of taxes, fines and fees:									
State of Tennessee	\$ 159,742	\$ 42,845	\$ 45,185,740	\$ 884,799	\$ -	\$ 22,210,857	\$ -	\$ -	\$ 68,483,983
Municipalities	-	-	410,286	139,538	-	-	-	14,337,165	14,886,989
Judgments for litigants and beneficiaries	13,603,086	49,854,934	-	-	42,656	-	-	-	63,500,676
Miscellaneous	<u>479,018</u>	<u>27,410,233</u>	<u>842,788</u>	<u>832,010</u>	<u>760,510</u>	<u>-</u>	<u>164,971</u>	<u>17,469,015</u>	<u>47,958,545</u>
Total additions	<u>14,241,846</u>	<u>77,308,012</u>	<u>46,438,814</u>	<u>1,856,347</u>	<u>803,166</u>	<u>22,210,857</u>	<u>164,971</u>	<u>31,806,180</u>	<u>194,830,193</u>
DEDUCTIONS									
Payments of taxes, fines and fees:									
State of Tennessee	159,742	42,845	45,185,740	884,799	-	22,210,857	-	-	68,483,983
Municipalities	-	-	410,286	139,538	-	-	-	14,337,165	14,886,989
Payouts to litigants and beneficiaries	15,377,372	51,426,490	-	-	95,160	-	-	-	66,899,022
Miscellaneous	<u>479,019</u>	<u>27,410,233</u>	<u>818,067</u>	<u>1,003,553</u>	<u>760,510</u>	<u>-</u>	<u>115,231</u>	<u>17,437,684</u>	<u>48,024,297</u>
Total deductions	<u>16,016,133</u>	<u>78,879,568</u>	<u>46,414,093</u>	<u>2,027,890</u>	<u>855,670</u>	<u>22,210,857</u>	<u>115,231</u>	<u>31,774,849</u>	<u>198,294,291</u>
Change in net position	(1,774,287)	(1,571,556)	24,721	(171,543)	(52,504)	-	49,740	31,331	(3,464,098)
Net position, beginning	<u>9,899,637</u>	<u>38,066,579</u>	<u>56,207</u>	<u>641,576</u>	<u>492,285</u>	<u>-</u>	<u>99,503</u>	<u>95,435</u>	<u>49,351,222</u>
Net position, ending	<u>\$ 8,125,350</u>	<u>\$36,495,023</u>	<u>\$ 80,928</u>	<u>\$ 470,033</u>	<u>\$ 439,781</u>	<u>\$ -</u>	<u>\$ 149,243</u>	<u>\$ 126,766</u>	<u>\$ 45,887,124</u>



DISCRETELY PRESENTED COMPONENT UNITS

Discretely presented component units are entities that are legally separate from the County, but the County is considered to be financially accountable for these entities.

HAMILTON COUNTY SCHOOLS

Hamilton County Schools provides public education for grades kindergarten through twelve.

GOVERNMENTAL FUND TYPES

General Purpose School Fund accounts for the operations of the school system, including instructional programs, administration, transportation, and other educational expenditures for the individual schools.

Centralized Cafeteria Fund accounts for the food service operations at the schools.

Education Capital Projects Fund accounts for resources designated for major improvements to capital assets in the school system.

School Activity Fund accounts for extracurricular activities of the student bodies of the schools. The school principals and activity sponsors direct these activities.

PROPRIETARY FUND TYPES

Hamilton County Schools Internal Service Fund accounts for the Hamilton County Schools self-insurance programs. Hamilton County Schools is self-insured for on-the-job injury claims, non-tort liability claims, unemployment compensation, health insurance, and the dental reimbursement program.

RAILROAD AUTHORITY

PROPRIETARY FUND TYPES

Railroad Authority provides direct oversight of the jointly owned (with the City of Chattanooga) railroad network at Enterprise South Industrial Park. This twenty-mile network, with access to two major railroad carriers, is an important factor in attracting major manufacturers to the Park.

**COMBINING BALANCE SHEET
HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

	General Purpose School	Centralized Cafeteria	Education Capital Projects	School Activity	Total Hamilton County Schools Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 74,662,222	\$ 13,370,023	\$ 1,214,319	\$ 5,118,217	\$ 94,364,781
Investments	35,000,168	-	-	-	35,000,168
Receivables, net of allowance for uncollectible:					
Property taxes	137,543,864	-	-	-	137,543,864
Accounts	2,950,503	109,386	-	-	3,059,889
Leases	1,800,263	-	-	-	1,800,263
Intergovernmental	51,987,472	408,031	-	-	52,395,503
Due from other HCS funds	160	-	10,803,342	-	10,803,502
Inventories	18,464	1,073,810	-	-	1,092,274
Restricted Cash	-	-	-	5,127,227	5,127,227
Total assets	<u>\$ 303,963,116</u>	<u>\$ 14,961,250</u>	<u>\$ 12,017,661</u>	<u>\$ 10,245,444</u>	<u>\$ 341,187,471</u>
LIABILITIES					
Accounts payable	\$ 6,707,722	\$ 455,479	\$ 436,462	\$ 34,671	\$ 7,634,334
Accrued items and other	41,451,870	377,004	115,595	-	41,944,469
Intergovernmental payables	313,585	-	-	-	313,585
Due to other HSC funds	21,455,461	160	-	-	21,455,621
Total liabilities	<u>69,928,638</u>	<u>832,643</u>	<u>552,057</u>	<u>34,671</u>	<u>71,348,009</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	126,161,423	-	-	-	126,161,423
Unavailable intergovernmental	51,489	-	-	-	51,489
Unavailable property taxes	5,690,874	-	-	-	5,690,874
Deferred lease receivable	1,740,431	-	-	-	1,740,431
Total deferred inflows of resources	<u>133,644,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,644,217</u>
FUND BALANCES					
Nonspendable	18,464	1,073,810	-	-	1,092,274
Restricted for centralized cafeteria	-	12,985,808	-	-	12,985,808
Restricted for education	11,113,037	-	-	-	11,113,037
Restricted for stabilization reserve trust	12,794,509	-	-	-	12,794,509
Restricted for instruction	24,460	-	-	-	24,460
Restricted for local school activity	-	-	-	10,210,773	10,210,773
Committed for capital projects	-	-	11,465,604	-	11,465,604
Committed for instruction	10,000,000	-	-	-	10,000,000
Committed for noninstructional	-	68,989	-	-	68,989
Assigned for education	33,348,084	-	-	-	33,348,084
Unassigned	33,091,707	-	-	-	33,091,707
Total fund balances	<u>100,390,261</u>	<u>14,128,607</u>	<u>11,465,604</u>	<u>10,210,773</u>	<u>136,195,245</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 303,963,116</u>	<u>\$ 14,961,250</u>	<u>\$ 12,017,661</u>	<u>\$ 10,245,444</u>	<u>\$ 341,187,471</u>

RECONCILIATION OF THE BALANCE SHEET OF HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Differences in amounts reported for Hamilton County Schools in the statement of net position

Fund balances - total Hamilton County Schools governmental funds	\$ 136,195,245
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Amounts reported for Hamilton County Schools in the statement of net position are different because:

Capital assets used in Hamilton County Schools governmental activities are not financial resources and, therefore, are not reported in the funds.	477,360,917
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Other long-term assets are not available for current period expenditures and therefore are deferred in the governmental funds.

Property taxes	5,690,874
Intergovernmental	51,489

Internal service funds are used by management to charge the costs of self-insurance programs to individual funds. The assets and liabilities of the internal service funds are included in Hamilton County Schools in the statement of net position.

207,916

Long-term liabilities applicable to Hamilton County Schools governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

This item consists of the following:

Net pension asset	50,901,382
Deferred outflows from pension contributions	18,397,950
Deferred inflows from differences in pension investment earnings	10,557,781
Deferred outflows from pension experience	16,926,209
Deferred outflows from pension changes in assumptions	17,845,172
Deferred inflows from pension experience	(3,673,818)
Lease payable	(1,248,771)
SBITA payable	(5,066,596)
Deferred inflows from OPEB changes in assumptions	(42,011,470)
Deferred changes in proportion of net pension liability	1,883,886
Deferred outflows from OPEB experience	11,293,029
Net pension liability	(7,603,861)
Net OPEB liability	(97,220,942)
Compensated absences	<u>(17,045,460)</u>

Net position of Hamilton County Schools	<u>\$ 573,440,932</u>
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**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	General Purpose School	Centralized Cafeteria	Education Capital Projects	School Activity	Total Hamilton County Schools Governmental Funds
REVENUES					
Taxes	\$ 264,738,342	\$ -	\$ -	\$ -	\$ 264,738,342
Intergovernmental	384,001,337	23,497,502	-	-	407,498,839
Charges for services	5,912,059	4,191,125	-	-	10,103,184
Investment earnings	5,175,775	590,315	162,871	-	5,928,961
Miscellaneous	<u>4,424,918</u>	<u>2,444</u>	<u>70,935</u>	<u>14,267,150</u>	<u>18,765,447</u>
Total revenues	<u>664,252,431</u>	<u>28,281,386</u>	<u>233,806</u>	<u>14,267,150</u>	<u>707,034,773</u>
EXPENDITURES					
Current:					
Education	613,290,219	27,592,629	-	13,759,478	654,642,326
Capital outlay	39,325,933	-	10,559,408	-	49,885,341
Debt service:					
Principal	4,102,667	91,338	-	8,603	4,202,608
Interest	<u>89,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,063</u>
Total expenditures	<u>656,807,882</u>	<u>27,683,967</u>	<u>10,559,408</u>	<u>13,768,081</u>	<u>708,819,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,444,549</u>	<u>597,419</u>	<u>(10,325,602)</u>	<u>499,069</u>	<u>(1,784,565)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,971,691	-	6,088,000	-	9,059,691
Transfers out	(9,059,691)	-	-	-	(9,059,691)
SBITA issued	6,924,040	-	-	-	6,924,040
Leases issued	<u>345,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>345,471</u>
Total other funding sources (uses)	<u>1,181,511</u>	<u>-</u>	<u>6,088,000</u>	<u>-</u>	<u>7,269,511</u>
Net change in fund balances	8,626,060	597,419	(4,237,602)	499,069	5,484,946
Fund balances, beginning	<u>91,764,201</u>	<u>13,531,188</u>	<u>15,703,206</u>	<u>9,711,704</u>	<u>130,710,299</u>
Fund balances, ending	<u>\$ 100,390,261</u>	<u>\$ 14,128,607</u>	<u>\$ 11,465,604</u>	<u>\$ 10,210,773</u>	<u>\$ 136,195,245</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF HAMILTON COUNTY SCHOOLS
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024

Differences in amounts reported for governmental activities in the statement of activities

Net change in fund balances - total Hamilton County Schools governmental funds	\$ 5,484,946
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Amounts reported for Hamilton County Schools in the statement of activities
are different because:

Depreciation expense on governmental capital assets is included in the
governmental activities in the statement of activities.

Purchases of capital assets	45,670,849
Acquisition of right-to-use assets	366,613
Acquisition of right-to-use technology agreements	7,465,343
Depreciation and amortization expense	(23,034,337)

The net effect of capital asset transactions involving the primary government is to
increase net position.

Donated assets from primary government	34,657,681
Net book value of disposals	(3,527,692)

Other post employment benefits will not be funded therefore the expense is
not recognized in the funds.

2,004,120

The net revenues of internal service funds are reported with governmental activities.

(8,320,242)

Long-term financing proceeds provide current financial resources to governmental
funds, but issuing debt increases long-term liabilities in the statement of net
position. Repayment of debt principal is an expenditure in the governmental
funds, but repayment reduces long-term liabilities in the statement of net position.

Issuance of lease payable	(345,471)
Issuance of SBITA payable	(6,924,040)
Payment of principal	4,202,608

The remeasurements of SBITAs and leases do not require the use of current
financial resources and, therefore, are not reported as expenditures in the
governmental funds.

2,642,812

The net effect of the change in the net pension liability is included in the
statement of activities.

(5,549,680)

Compensated absences are measured by the amounts earned during the year in the
statement of activities. However, expenditures for these items are measured by the
amount of financial resources used in the governmental funds. Compensated
absences increased by this amount during the year.

(1,383,350)

Certain governmental revenues will not be collected for several months after the
fiscal year and are deferred in the governmental funds.

Property taxes	750,779
Intergovernmental	<u>(6,742,541)</u>

Change in net position of governmental activities	\$ <u>47,418,398</u>
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BUDGETARY COMPARISON SCHEDULE
HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS
GENERAL PURPOSE SCHOOL AND CENTRALIZED CAFETERIA

HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property taxes	\$ 148,817,516	\$ 148,817,516	\$ 144,866,518	\$ (3,950,998)
Local sales tax	<u>122,094,827</u>	<u>122,094,827</u>	<u>119,871,824</u>	<u>(2,223,003)</u>
Total taxes	<u>270,912,343</u>	<u>270,912,343</u>	<u>264,738,342</u>	<u>(6,174,001)</u>
Intergovernmental revenues:				
State of Tennessee:				
Education	262,968,668	302,624,618	279,878,474	(22,746,144)
Federal funds received from State of Tennessee and other sources:				
Education	96,739,574	120,331,790	104,122,863	(16,208,927)
Food service	<u>20,860,350</u>	<u>24,783,617</u>	<u>23,497,502</u>	<u>(1,286,115)</u>
Total intergovernmental revenues	<u>380,568,592</u>	<u>447,740,025</u>	<u>407,498,839</u>	<u>(40,241,186)</u>
Charges for services:				
Education	4,856,830	5,387,109	5,912,059	524,950
Food service	<u>4,124,763</u>	<u>4,124,763</u>	<u>4,191,125</u>	<u>66,362</u>
Total charges for current services	<u>8,981,593</u>	<u>9,511,872</u>	<u>10,103,184</u>	<u>591,312</u>
Investment earnings:				
Education	2,168,942	8,656,942	5,175,775	(3,481,167)
Food service	<u>387,106</u>	<u>568,106</u>	<u>590,315</u>	<u>22,209</u>
Total investment earnings	<u>2,556,048</u>	<u>9,225,048</u>	<u>5,766,090</u>	<u>(3,458,958)</u>
Miscellaneous:				
Education	4,843,467	8,787,886	4,424,918	(4,362,968)
Food service	<u>199,362</u>	<u>206,498</u>	<u>2,444</u>	<u>(204,054)</u>
Total miscellaneous	<u>5,042,829</u>	<u>8,994,384</u>	<u>4,427,362</u>	<u>(4,567,022)</u>
Total revenues	<u>668,061,405</u>	<u>746,383,672</u>	<u>692,533,817</u>	<u>(53,849,855)</u>

(continued)

BUDGETARY COMPARISON SCHEDULE--(continued)
HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS
GENERAL PURPOSE SCHOOL AND CENTRALIZED CAFETERIA
HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Current:				
Education:				
Regular instruction program	\$ 260,591,176	\$ 284,769,699	\$ 261,655,733	\$ 23,113,966
Special education program	45,103,616	56,612,119	51,563,694	5,048,425
Vocational education program	17,614,687	23,241,900	19,143,679	4,098,221
Attendance	6,867,154	7,550,962	6,896,362	654,600
Health services	7,147,960	8,064,727	6,924,103	1,140,624
Other student support	33,840,046	38,787,333	31,025,014	7,762,319
Regular instruction support	42,487,708	49,937,941	41,325,695	8,612,246
Special education support	12,177,392	11,574,582	9,694,014	1,880,568
Vocational education support	1,857,085	1,686,193	1,265,676	420,517
Technology	10,453,987	23,745,363	7,788,388	15,956,975
Board of education	6,605,367	6,620,396	6,739,132	(118,736)
Office of superintendent	3,534,001	3,524,777	3,175,393	349,384
Office of principal	37,515,216	38,902,571	37,569,204	1,333,367
Fiscal services	4,190,157	4,317,190	4,217,544	99,646
Human resources	4,759,818	5,541,856	2,977,661	2,564,195
Operation of plant	34,085,598	33,858,275	32,515,999	1,342,276
Maintenance of plant	11,223,932	21,724,509	14,294,251	7,430,258
Transportation	26,917,812	31,050,717	29,073,978	1,976,739
Central and other	427,788	284,689	475,345	(190,656)
Food service	2,600	17,102	56,289	(39,187)
Community services	6,179,826	13,783,656	9,782,185	4,001,471
Early childhood	4,289,343	5,314,527	4,786,402	528,125
Charter schools	29,554,485	30,554,485	30,344,478	210,007
Food service progrm	25,571,578	29,682,984	27,592,629	2,090,355
Total education	632,998,332	731,148,553	640,882,848	90,265,705
Debt service:				
Principal	-	-	4,194,005	(4,194,005)
Interest	-	-	89,063	(89,063)
Capital outlay:				
Education	33,592,000	31,441,016	39,325,933	(7,884,917)
Total budgetary expenditures	666,590,332	762,589,569	684,491,849	78,097,720
OTHER FINANCING SOURCES (USES)				
Transfers in from other School funds	1,430,000	1,430,000	2,971,691	1,541,691
Transfers out to other School funds	(4,830,130)	(9,544,145)	(9,059,691)	484,454
SBITAs issued	-	-	6,924,040	6,924,040
Leases issued	-	-	345,471	345,471
Net change in fund balance	\$ (1,929,057)	\$ (24,320,042)	9,223,479	\$ 33,543,521
Excess of nonbudgeted revenues and other financing sources over nonbudgeted expenditures and other financing uses (Education Capital Projects)			(4,237,602)	
(School Activity)			499,069	
Net change in fund balance--(GAAP Modified Accrual Basis)			5,484,946	
Fund balances at beginning of year--(GAAP Modified Accrual Basis)			130,710,299	
Fund balances at end of year--(GAAP Modified Accrual Basis)			\$ 136,195,245	

**STATEMENT OF NET POSITION
HAMILTON COUNTY SCHOOLS
INTERNAL SERVICE FUND**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

	Hamilton County Schools Internal Service Fund
ASSETS	
Cash	\$ 2,498,691
Receivables	391,185
Due from other HCS funds	10,652,119
Prepaid items	<u>200,000</u>
Total current assets	<u>13,741,995</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,437,619
Accrued claims	<u>8,204,369</u>
Total current liabilities	<u>10,641,988</u>
Noncurrent liabilities:	
Accrued claims	<u>2,892,091</u>
NET POSITION	
Unrestricted	<u><u>\$ 207,916</u></u>

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION
HAMILTON COUNTY SCHOOLS
INTERNAL SERVICE FUND**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	Hamilton County Schools Internal Service Fund
	<u>Fund</u>
OPERATING REVENUES	
Charges for services	\$ 97,798,265
Other	<u>1,000</u>
Total operating revenues	<u>97,799,265</u>
OPERATING EXPENSES	
Unemployment compensation	34,240
Claims and premiums	<u>106,211,549</u>
Total operating expenses	<u>106,245,789</u>
Operating income (loss)	(8,446,524)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	<u>126,282</u>
Change in net position	(8,320,242)
Net position, beginning	<u>8,528,158</u>
Net position, ending	<u><u>\$ 207,916</u></u>

**STATEMENT OF CASH FLOWS
HAMILTON COUNTY SCHOOLS
INTERNAL SERVICE FUND**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	Hamilton County Schools Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from insurance premiums	\$ 99,716,681
Cash paid for unemployment compensation	(34,240)
Cash paid for claims and premiums	<u>(101,543,583)</u>
Net cash used in operating activities	<u>(1,861,142)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash received from investment earnings	<u>126,282</u>
Net cash provided by investing activities	<u>126,282</u>
Net change in cash and cash equivalents	(1,734,860)
Beginning cash and cash equivalents	<u>4,233,551</u>
Ending cash and cash equivalents	<u><u>\$ 2,498,691</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	<u>\$ (8,446,524)</u>
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Change in receivables	1,395,074
Change in due from other HCS funds	543,483
Change in prepaid items	1,772,579
Change in accounts payable	1,364,122
Change in accrued claims	1,531,265
Change in unearned revenue	<u>(21,141)</u>
Total adjustments	<u>6,585,382</u>
Net cash used in operating activities	<u><u>\$ (1,861,142)</u></u>



**STATEMENT OF NET POSITION
RAILROAD AUTHORITY**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	<u>Railroad Authority</u>
ASSETS	
Cash and cash equivalents	<u>\$ 9,025</u>
Total assets	<u> 9,025</u>
LIABILITIES	
Accounts payable and other current liabilities	<u> -</u>
Total liabilities	<u> -</u>
NET POSITION	
Unrestricted	<u> 9,025</u>
Total net position	<u><u>\$ 9,025</u></u>

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION
RAILROAD AUTHORITY**

**HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024**

	<u>Railroad Authority</u>
OPERATING REVENUES	
Charges for services	<u>\$ 168,331</u>
Total operating revenues	<u>168,331</u>
OPERATING EXPENSES	
Salaries and benefits	150,697
Other	<u>10,134</u>
Total operating expenses	<u>160,831</u>
Change in net position	7,500
Net position, beginning	<u>1,525</u>
Net position, ending	<u><u>\$ 9,025</u></u>

STATEMENT OF CASH FLOWS
RAILROAD AUTHORITY

HAMILTON COUNTY, TENNESSEE
Year Ended June 30, 2024

	<u>Railroad Authority</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for services	\$ 168,331
Cash paid for railroad repairs	<u>(168,331)</u>
Net cash used in operating activities	<u>-</u>
Net change in cash and cash equivalents	-
Beginning cash and cash equivalents	<u>9,025</u>
Ending cash and cash equivalents	<u><u>\$ 9,025</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES	
Operating income	<u>\$ 7,500</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES	
Change in accounts payable	<u>(7,500)</u>
Total adjustments	<u>(7,500)</u>
Net cash used in operating activities	<u><u>\$ -</u></u>

SCHEDULE OF PROPERTY TAXES RECEIVABLE

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Year of Levy		Property Taxes Receivable	Allowance For Estimated Uncollectibles	Net Amount
2024	*	\$ 300,439,972	\$ 3,222,032	\$ 297,217,940
2023		14,778,707	103,870	14,674,837
2022		2,972,644	98,692	2,873,952
2021		1,368,659	79,245	1,289,414
2020		522,327	84,774	437,553
2019		(55,399)	(23,700)	(31,699)
2018		24,086	24,086	-
2017		<u>(30,255)</u>	<u>(30,255)</u>	<u>-</u>
		<u>\$ 320,020,741</u>	<u>\$ 3,558,744</u>	<u>\$ 316,461,997</u>

DISTRIBUTION TO PRIMARY GOVERNMENT

County General	\$ 180,936,461	\$ 2,018,329	\$ 178,918,132
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DISTRIBUTION TO COMPONENT UNIT

General Purpose School	<u>139,084,280</u>	<u>1,540,415</u>	<u>137,543,865</u>
	<u>\$ 320,020,741</u>	<u>\$ 3,558,744</u>	<u>\$ 316,461,997</u>

* Accrual of the anticipated current year levy is required by GASB Statement No. 33.

SCHEDULE OF CERTIFICATES OF DEPOSIT BY FUND

HAMILTON COUNTY, TENNESSEE

June 30, 2024

	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
PRIMARY GOVERNMENT			
CUSTODIAL FUNDS			
Constitutional Offices:			
Circuit Court Clerk	Various	Various	\$ 4,203,342
Clerk and Master	Various	Various	18,145,482
Juvenile Court Clerk	Various	Various	<u>383,884</u>
			<u>22,732,708</u>
Total primary government			<u>22,732,708</u>
COMPONENT UNITS			
GOVERNMENTAL FUNDS			
General Purpose School:			
First Horizon	5/14/2025	4.50%	<u>45,331</u>
PROPRIETARY FUNDS			
"911" Emergency Communications District:			
Pinnacle Bank	5/17/2025	5.10%	<u>9,827,718</u>
			<u>9,827,718</u>
Total component units			<u>9,873,049</u>
Total certificates of deposit			<u>\$ 32,605,757</u>

SCHEDULE OF INVESTMENTS BY FUND

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Hamilton County government utilizes a centralized investment pool for investing certain excess cash balances for its funds, including the Hamilton County Schools, a discretely presented component unit. The Hamilton County Finance Division is responsible for investing the excess cash balances for these funds.

At June 30, 2024, the centralized investment pool held the following investments:

	MATURITY DATE	INTEREST RATE	FACE VALUE
Federal Farm Credit Bank	04/21/2025	5.25%	\$ 5,000,000
Federal Farm Credit Bank	08/28/2025	5.54%	5,000,000
Federal Farm Credit Bank	03/13/2026	4.50%	5,000,000
Federal Farm Credit Bank	05/20/2026	5.23%	5,000,000
Federal Home Loan Bank	12/27/2024	5.25%	5,000,000
Federal Home Loan Bank	12/30/2024	5.15%	5,000,000
Federal Home Loan Bank	01/27/2025	5.22%	4,940,000
Federal Home Loan Bank	07/12/2024	4.60%	5,000,000
Federal Home Loan Bank	02/21/2025	5.10%	5,000,000
Federal Home Loan Bank	01/26/2026	5.50%	5,000,000
Federal Home Loan Bank	01/26/2026	5.50%	5,000,000
Federal Home Loan Bank	09/13/2024	5.20%	800,000
Federal Home Loan Bank	09/20/2024	5.16%	5,000,000
Federal Home Loan Bank	10/11/2024	5.20%	5,000,000
Federal Home Loan Bank	09/05/2025	5.35%	5,000,000
Federal Home Loan Bank	03/18/2026	5.10%	5,000,000
Federal Home Loan Bank	09/19/2025	5.20%	5,000,000
Federal Home Loan Bank	03/20/2025	5.40%	3,090,000
Federal Home Loan Bank	04/02/2025	5.10%	5,000,000
Federal Home Loan Bank	03/27/2025	5.40%	1,910,000
Federal Home Loan Bank	10/24/2025	5.50%	5,000,000
Federal Home Loan Bank	07/22/2025	5.44%	5,000,000
Federal Home Loan Bank	05/27/2026	5.50%	5,000,000
Federal Home Loan Bank	06/12/2025	5.45%	2,110,000
Federal Home Loan Mortgage Corporation	07/12/2024	4.00%	5,000,000
Federal Home Loan Mortgage Corporation	02/06/2025	4.80%	5,000,000
Federal Home Loan Mortgage Corporation	04/15/2026	5.00%	5,000,000
Federal Home Loan Mortgage Corporation	04/30/2026	5.37%	5,000,000
Federal Home Loan Mortgage Corporation	06/23/2026	5.40%	5,000,000
Federal National Mortgage Association	09/30/2024	5.30%	4,000,000
Federal National Mortgage Association	12/04/2025	5.35%	5,000,000
U.S. Treasury Note	08/15/2024	5.08%	5,131,000
Total investments in centralized investment pool			<u>\$ 146,981,000</u>

(continued)

SCHEDULE OF INVESTMENTS BY FUND--(continued)

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Hamilton County government utilizes a centralized investment pool for investing certain excess cash balances for its funds, including the Hamilton County Schools, a discretely presented component unit. The Hamilton County Finance Division is responsible for investing the excess cash balances for these funds. At June 30, 2024, the centralized investment pool held the following investments:

The investments in the centralized investment pool were held on behalf of the following funds:

	<u>AMOUNT</u>
PRIMARY GOVERNMENT	
GOVERNMENTAL FUNDS	
General Fund	\$ 70,153,485
Debt Service	3,915,272
Capital Projects	32,469,950
Constitutional Offices	541,420
Governmental Law Library	48,037
Economic Crimes	<u>26,604</u>
	<u>107,154,768</u>
PROPRIETARY FUNDS	
Internal Service	<u>17,603,231</u>
	<u>17,603,231</u>
FIDUCIARY FUNDS	
Constitutional Offices Custodial Funds	<u>62,673</u>
	<u>62,673</u>
Total primary government	<u>124,820,672</u>
COMPONENT UNITS	
General Purpose School	<u>22,160,328</u>
Total component units	<u>22,160,328</u>
Total investments in investment pool	<u><u>\$ 146,981,000</u></u>

(continued)

SCHEDULE OF INVESTMENTS BY FUND--(continued)

HAMILTON COUNTY, TENNESSEE

June 30, 2024

	MATURITY DATE	INTEREST RATE	FACE VALUE
PRIMARY GOVERNMENT			
GOVERNMENTAL FUNDS			
Capital Projects			
Federal Home Loan Mortgage Corporation	08/30/2024	4.00%	<u>5,000,000</u>
Total investments in Capital Project Funds			<u>\$ 5,000,000</u>

As discussed in Note C of the financial statements, Hamilton County and Hamilton County Schools have each placed certain funds in the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust (SRT). Investments in the SRT irrevocable trust consist of the following:

	AMOUNT
GOVERNMENTAL FUNDS	
PRIMARY GOVERNMENT	
General Fund	<u>\$ 3,954,151</u>
COMPONENT UNITS	
General Purpose School	<u>12,794,509</u>
Total investments in TCRS SRT	<u>\$ 16,748,660</u>

(continued)

SCHEDULE OF INVESTMENTS BY FUND--(continued)

HAMILTON COUNTY, TENNESSEE

June 30, 2024

The County additionally holds investments in its pension trust fund and its OPEB trust fund. Such investments at June 30, 2024, consist of:

	MATURITY DATE	INTEREST RATE	MARKET VALUE
FIDUCIARY FUNDS			
PENSION TRUST FUND			
Mutual Funds	Various	Various	\$ 3,288,315
OPEB TRUST FUND			
US Government Securities	Various	Various	5,596,930
Municipal Bonds	Various	Various	1,642,222
Mutual Funds	Various	Various	7,980,396
Domestic Equity Securities	Various	Various	7,518,563
Domestic Corporate Bonds	Various	Various	5,454,438
Foreign Bonds/Notes	Various	Various	698,343
Foreign Equity Securities	Various	Various	3,241,437
Quality Income Fund	Various	Various	5,118,800
Money Market	Various	Various	1,123,068
Exchange Traded Funds	Various	Various	10,417,180
Real Estate Investment Trust	Various	Various	79,093
			<u>48,870,470</u>
Total fiduciary funds' investments			<u><u>52,158,785</u></u>
Total investments			<u><u>\$ 204,139,785</u></u>

**SCHEDULE OF BONDS, NOTES PAYABLE,
AND OTHER DEBT**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2024		
			DATES	RATES		PRINCIPAL and		
						PRINCIPAL	INTEREST	INTEREST
BONDED DEBT								
General Improvement	3/01/1998 B	\$ 6,100,000	Aug/Feb	5.100	2025	\$ 460,000	\$ 11,730	\$ 471,730
						460,000	11,730	471,730
General Improvement	5/07/2015 A	11,442,000	Nov/May	5.000	2025	762,800	228,840	991,640
				5.000	2026	762,800	190,700	953,500
				5.000	2027	762,800	152,560	915,360
				5.000	2028	762,800	114,420	877,220
				5.000	2029	762,800	76,280	839,080
				5.000	2030	762,800	38,140	800,940
				4,576,800	800,940	5,377,740		
School	5/07/2015 A	48,558,000	Nov/May	5.000	2025	3,237,200	971,160	4,208,360
				5.000	2026	3,237,200	809,300	4,046,500
				5.000	2027	3,237,200	647,440	3,884,640
				5.000	2028	3,237,200	485,580	3,722,780
				5.000	2029	3,237,200	323,720	3,560,920
				5.000	2030	3,237,200	161,860	3,399,060
				19,423,200	3,399,060	22,822,260		
General Improvement	5/07/2015 B	7,194,600	Sept/Mar	4.000	2025	1,178,210	47,129	1,225,339
						1,178,210	47,129	1,225,339
School	5/07/2015 B	22,940,400	Sept/Mar	4.000	2025	3,756,790	150,272	3,907,062
						3,756,790	150,272	3,907,062

(continued)

**SCHEDULE OF BONDS, NOTES PAYABLE,
AND OTHER DEBT--(continued)**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2024		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
General Improvement	3/29/2018 A	\$ 45,363,000	Oct/April	5.000	2025	\$ 3,026,008	\$ 1,360,348	\$ 4,386,356
				5.000	2026	3,024,652	1,209,047	4,233,699
				5.000	2027	3,023,296	1,057,815	4,081,111
				5.000	2028	3,023,296	906,650	3,929,946
				5.000	2029	3,023,296	755,485	3,778,781
				5.000	2030	3,021,940	604,320	3,626,260
				5.000	2031	3,021,940	453,223	3,475,163
				5.000	2032	3,021,940	302,126	3,324,066
				5.000	2033	3,020,584	151,029	3,171,613
						<u>27,206,952</u>	<u>6,800,043</u>	<u>34,006,995</u>
School	3/29/2018 A	121,937,000	Oct/April	5.000	2025	8,133,992	3,656,652	11,790,644
				5.000	2026	8,130,348	3,249,953	11,380,301
				5.000	2027	8,126,704	2,843,435	10,970,139
				5.000	2028	8,126,704	2,437,100	10,563,804
				5.000	2029	8,126,704	2,030,765	10,157,469
				5.000	2030	8,123,060	1,624,430	9,747,490
				5.000	2031	8,123,060	1,218,277	9,341,337
				5.000	2032	8,123,060	812,124	8,935,184
				5.000	2033	8,119,416	405,971	8,525,387
						<u>73,133,048</u>	<u>18,278,707</u>	<u>91,411,755</u>
General Improvement	3/29/2018 B	4,295,000	Sept/Mar	5.000	2025	335,000	16,750	351,750
						<u>335,000</u>	<u>16,750</u>	<u>351,750</u>
General Improvement	9/24/2020 A	38,235,400	July/Jan	5.000	2025	2,254,000	1,437,612	3,691,612
				5.000	2026	2,890,983	1,324,912	4,215,895
				5.000	2027	3,036,583	1,180,363	4,216,946
				5.000	2028	2,213,667	1,028,534	3,242,201
				5.000	2029	2,324,833	917,850	3,242,683
				5.000	2030	2,440,833	801,609	3,242,442
				4.000	2031	2,561,667	679,567	3,241,234
				4.000	2032	2,663,167	577,100	3,240,267
				4.000	2033	2,769,500	470,573	3,240,073
				4.000	2034	2,880,667	359,793	3,240,460
				4.000	2035	2,996,666	244,567	3,241,233
				4.000	2036	3,117,500	124,700	3,242,200
						<u>32,150,066</u>	<u>9,147,180</u>	<u>41,297,246</u>

(continued)

**SCHEDULE OF BONDS, NOTES PAYABLE,
AND OTHER DEBT--(continued)**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2024		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
Water & Wastewater Treatment Authority	9/24/2020 A	\$ 18,015,000	July/Jan	5.000	2025	\$ 650,000	\$ 694,150	\$ 1,344,150
				5.000	2026	680,000	661,650	1,341,650
				5.000	2027	715,000	627,650	1,342,650
				5.000	2028	755,000	591,900	1,346,900
				5.000	2029	785,000	554,150	1,339,150
				5.000	2030	830,000	514,900	1,344,900
				4.000	2031	680,000	473,400	1,153,400
				4.000	2032	375,000	446,200	821,200
				4.000	2033	390,000	431,200	821,200
				4.000	2034	405,000	415,600	820,600
				4.000	2035	420,000	399,400	819,400
				4.000	2036	440,000	382,600	822,600
				4.000	2037	455,000	365,000	820,000
				4.000	2038	475,000	346,800	821,800
				4.000	2039	490,000	327,800	817,800
				4.000	2040	510,000	308,200	818,200
				4.000	2041	535,000	287,800	822,800
				4.000	2042	555,000	266,400	821,400
				4.000	2043	575,000	244,200	819,200
				4.000	2044	600,000	221,200	821,200
				4.000	2045	625,000	197,200	822,200
				4.000	2046	650,000	172,200	822,200
				4.000	2047	675,000	146,200	821,200
				4.000	2048	700,000	119,200	819,200
				4.000	2049	730,000	91,200	821,200
				4.000	2050	760,000	62,000	822,000
				4.000	2051	790,000	31,600	821,600
						<u>16,250,000</u>	<u>9,379,800</u>	<u>25,629,800</u>

(continued)

**SCHEDULE OF BONDS, NOTES PAYABLE,
AND OTHER DEBT--(continued)**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2024		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
School	9/24/2020 A	\$ 8,039,600	July/Jan	5.000	2025	\$ 66,000	\$ 387,138	\$ 453,138
				5.000	2026	3,399,017	383,838	3,782,855
				5.000	2027	3,568,417	213,887	3,782,304
				5.000	2028	76,333	35,466	111,799
				5.000	2029	80,167	31,650	111,817
				5.000	2030	84,167	27,641	111,808
				4.000	2031	88,333	23,433	111,766
				4.000	2032	91,833	19,900	111,733
				4.000	2033	95,500	16,227	111,727
				4.000	2034	99,333	12,407	111,740
				4.000	2035	103,334	8,433	111,767
				4.000	2036	107,500	4,300	111,800
						<u>7,859,934</u>	<u>1,164,320</u>	<u>9,024,254</u>
General Improvement	12/1/2020 B	4,013,776	Sept/Mar	5.000	2025	571,855	118,687	690,542
				5.000	2026	585,965	90,094	676,059
				5.000	2027	600,904	60,796	661,700
				5.000	2028	<u>615,014</u>	<u>30,751</u>	<u>645,765</u>
						<u>2,373,738</u>	<u>300,328</u>	<u>2,674,066</u>
School	12/1/2020 B	20,166,224	Sept/Mar	5.000	2025	2,873,145	596,313	3,469,458
				5.000	2026	2,944,035	452,656	3,396,691
				5.000	2027	3,019,096	305,454	3,324,550
				5.000	2028	<u>3,089,986</u>	<u>154,499</u>	<u>3,244,485</u>
						<u>11,926,262</u>	<u>1,508,922</u>	<u>13,435,184</u>

(continued)

**SCHEDULE OF BONDS, NOTES PAYABLE,
AND OTHER DEBT--(continued)**

**HAMILTON COUNTY, TENNESSEE
June 30, 2024**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2024		
			DATES	RATES		PRINCIPAL and		
						PRINCIPAL	INTEREST	INTEREST
General Improvement	12/14/2021	\$ 37,197,500	June/Dec	5.000	2025	\$ 1,987,500	\$ 1,405,513	\$ 3,393,013
				5.000	2026	2,090,000	1,303,575	3,393,575
				5.000	2027	2,197,500	1,196,388	3,393,888
				5.000	2028	2,310,000	1,083,700	3,393,700
				5.000	2029	2,427,500	965,263	3,392,763
				5.000	2030	2,552,500	840,763	3,393,263
				5.000	2031	2,682,500	709,888	3,392,388
				5.000	2032	2,822,500	572,263	3,394,763
				4.000	2033	2,950,000	442,700	3,392,700
				3.000	2034	3,055,000	337,875	3,392,875
				3.000	2035	3,147,500	244,838	3,392,338
				3.000	2036	3,245,000	148,950	3,393,950
				3.000	2037	3,342,500	50,138	3,392,638
						<u>34,810,000</u>	<u>9,301,854</u>	<u>44,111,854</u>
School	12/14/2021	37,197,500	June/Dec	5.000	2025	1,987,500	\$ 1,405,512	\$ 3,393,012
				5.000	2026	2,090,000	1,303,575	3,393,575
				5.000	2027	2,197,500	1,196,387	3,393,887
				5.000	2028	2,310,000	1,083,700	3,393,700
				5.000	2029	2,427,500	965,262	3,392,762
				5.000	2030	2,552,500	840,762	3,393,262
				5.000	2031	2,682,500	709,887	3,392,387
				5.000	2032	2,822,500	572,262	3,394,762
				4.000	2033	2,950,000	442,700	3,392,700
				3.000	2034	3,055,000	337,875	3,392,875
				3.000	2035	3,147,500	244,837	3,392,337
				3.000	2036	3,245,000	148,950	3,393,950
				3.000	2037	3,342,500	50,137	3,392,637
						<u>34,810,000</u>	<u>9,301,846</u>	<u>44,111,846</u>
TOTAL BONDED DEBT						\$ 270,250,000	\$ 69,608,881	\$ 339,858,881

DEBT SERVICE REQUIREMENTS TO MATURITY

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Year Ended June 30	GENERAL OBLIGATION BONDS		
	Bond Principal	Interest	Total
2025	\$ 31,280,000	\$ 12,487,806	\$ 43,767,806
2026	29,835,000	10,979,300	40,814,300
2027	30,485,000	9,482,175	39,967,175
2028	26,520,000	7,952,300	34,472,300
2029	23,195,000	6,620,425	29,815,425
2030	23,605,000	5,454,425	29,059,425
2031	19,840,000	4,267,675	24,107,675
2032	19,920,000	3,301,975	23,221,975
2033	20,295,000	2,360,400	22,655,400
2034	9,495,000	1,463,550	10,958,550
2035	9,815,000	1,142,075	10,957,075
2036	10,155,000	809,500	10,964,500
2037	7,140,000	465,275	7,605,275
2038	475,000	346,800	821,800
2039	490,000	327,800	817,800
2040	510,000	308,200	818,200
2041	535,000	287,800	822,800
2042	555,000	266,400	821,400
2043	575,000	244,200	819,200
2044	600,000	221,200	821,200
2045	625,000	197,200	822,200
2046	650,000	172,200	822,200
2047	675,000	146,200	821,200
2048	700,000	119,200	819,200
2049	730,000	91,200	821,200
2050	760,000	62,000	822,000
2051	790,000	31,600	821,600
	<u>\$ 270,250,000</u>	<u>\$ 69,608,881</u>	<u>\$ 339,858,881</u>

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 7/1/2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2024
GOVERNMENTAL ACTIVITIES									
BONDS PAYABLE									
Payable through Debt Service Fund									
General Obligation, Series 1998 B	\$ 6,100,000	5.10	3/1/1998	8/1/2024	\$ 895,000	\$ -	\$ 435,000	\$ -	\$ 460,000
General Obligation, Series 2015 A	11,442,000	5.00	5/7/2015	5/1/2030	5,339,600	-	762,800	-	4,576,800
School, Series 2015 A	48,558,000	5.00	5/7/2015	5/1/2030	22,660,400	-	3,237,200	-	19,423,200
General Obligation, Series 2015 B	7,194,600	4.00 to 5.00	5/7/2015	3/1/2025	2,781,387	-	1,603,177	-	1,178,210
School, Series 2015 B	22,940,400	4.00 to 5.00	5/7/2015	3/1/2025	8,868,613	-	5,111,823	-	3,756,790
General Obligation, Series 2018 A	45,363,000	5.00	3/29/2018	4/1/2033	30,232,960	-	3,026,008	-	27,206,952
School, Series 2018 A	121,937,000	5.00	3/29/2018	4/1/2033	81,267,040	-	8,133,992	-	73,133,048
General Obligation, Series 2018 B	4,295,000	2.00 to 5.00	3/29/2018	3/1/2025	1,280,000	-	945,000	-	335,000
General Obligation, Series 2020 A	38,235,400	4.00 to 5.00	9/24/2020	1/1/2036	34,272,233	-	2,122,167	-	32,150,066
School, Series 2020 A	8,039,600	4.00 to 5.00	9/24/2020	1/1/2036	7,922,767	-	62,833	-	7,859,934
WWTa, Series 2020 A	18,015,000	4.00 to 5.00	9/24/2020	1/1/2051	16,865,000	-	615,000	-	16,250,000
General Obligation, Series 2020 B	4,013,776	5.00	12/1/2020	3/1/2028	2,930,654	-	556,916	-	2,373,738
School, Series 2020 B	20,166,224	5.00	12/1/2020	3/1/2028	14,724,346	-	2,798,084	-	11,926,262
General Obligation, Series 2021	37,197,500	3.00 to 5.00	12/14/2021	12/1/2036	36,697,500	-	1,887,500	-	34,810,000
School, Series 2021	<u>37,197,500</u>	3.00 to 5.00	12/14/2021	12/1/2036	<u>36,697,500</u>	<u>-</u>	<u>1,887,500</u>	<u>-</u>	<u>34,810,000</u>
Total Bonds Payable - Debt Service Fund	<u>\$ 475,775,000</u>				<u>\$ 303,435,000</u>	<u>\$ -</u>	<u>\$ 33,185,000</u>	<u>\$ -</u>	<u>\$ 270,250,000</u>

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY LEASE

HAMILTON COUNTY, TENNESSEE June 30, 2024

Description of Indebtedness	Original Amount of Issue	Lease Terms in months	Interest Rate	Number of Leases	Lease Initiated Date	Maturity Date	Lease Outstanding 7/1/2023	Additions	Payments	Lease Outstanding 6/30/2024
GOVERNMENTAL ACTIVITIES										
LEASES PAYABLE										
Land	\$ 115,961	282	2.302%	1	July 2021	December 2044	\$ 106,088	\$ -	\$ 3,758	\$ 102,330
Infrastructure	17,582	96	1.372%	1	July 2021	June 2029	13,184	-	2,123	11,061
Infrastructure	18,828	102	1.448%	1	July 2021	December 2029	14,640	-	2,002	12,638
Building	134,988	60	0.237%	1	July 2021	June 2026	77,118	-	77,118	-
Building	23,503	30	0.435%	1	July 2021	December 2023	4,712	-	4,712	-
Building	606,522	60	3.651%	1	December 2023	December 2028	-	606,522	60,378	546,144
Vehicles	10,530	28	0.435%	1	July 2021	October 2023	1,511	-	1,511	-
Vehicles	75,911	29	0.435%	6	July 2021	November 2023	13,144	-	13,144	-
Vehicles	14,356	30	0.237%	1	July 2021	December 2023	2,877	-	2,877	-
Vehicles	56,031	30	0.435%	4	July 2021	December 2023	11,252	-	11,252	-
Vehicles	97,392	21	0.648%	6	July 2021	January 2024	22,125	-	22,125	-
Vehicles	71,273	32	0.648%	5	July 2021	February 2024	17,931	-	17,931	-
Vehicles	11,893	32	0.814%	1	July 2021	February 2024	2,997	-	2,997	-
Vehicles	130,564	33	0.648%	9	July 2021	March 2024	35,824	-	35,824	-
Vehicles	17,281	35	0.648%	1	July 2021	May 2024	5,466	-	5,466	-
Vehicles	40,640	37	0.648%	2	July 2021	July 2024	14,370	-	13,260	1,110
Vehicles	36,986	39	0.648%	2	July 2021	September 2024	14,311	-	11,440	2,871
Vehicles	44,225	40	0.648%	2	July 2021	October 2024	17,802	-	13,337	4,465
Vehicles	44,225	43	0.814%	2	July 2021	January 2025	19,698	-	12,411	7,287
Vehicles	623,428	44	0.814%	29	July 2021	February 2025	285,552	-	170,867	114,685
Vehicles	344,061	45	0.814%	17	July 2021	March 2025	161,799	-	92,180	69,619
Vehicles	303,445	46	0.814%	14	July 2021	April 2025	146,251	-	79,503	66,748
Vehicles	38,027	47	0.814%	2	July 2021	May 2025	18,751	-	9,747	9,004
Vehicles	444,832	48	0.814%	23	July 2021	June 2025	224,137	-	111,621	112,516
Vehicles	195,884	49	0.814%	9	July 2021	July 2025	100,715	-	48,131	52,584
Vehicles	187,437	50	0.814%	8	July 2021	August 2025	98,221	-	45,117	53,104
Vehicles	229,208	51	0.814%	9	July 2021	September 2025	122,306	-	54,081	68,225
Vehicles	130,886	59	0.980%	6	July 2021	May 2026	78,340	-	26,610	51,730
Vehicles	22,137	60	0.980%	1	July 2021	June 2026	13,401	-	4,423	8,978
Vehicles	230,689	60	0.822 - 0.909%	8	July 2021	July 2026	141,843	-	45,575	96,268
Vehicles	32,902	60	0.901%	1	August 2021	August 2026	20,668	-	6,463	14,205
Vehicles	32,649	60	0.940%	1	September 2021	September 2026	21,264	-	6,474	14,790
Vehicles	22,633	60	1.098%	1	December 2021	December 2026	15,806	-	4,454	11,352
Vehicles	115,168	60	2.366%	4	July 2022	July 2027	94,267	-	22,252	72,015
Vehicles	273,598	60	2.366%	11	August 2022	August 2027	227,341	-	52,540	174,801
Vehicles	63,500	60	3.305%	1	October 2022	October 2027	55,464	-	12,105	43,359

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY LEASE

HAMILTON COUNTY, TENNESSEE June 30, 2024

Description of Indebtedness	Original Amount of Issue	Lease Terms in months	Interest Rate	Number of Leases	Lease Initiated Date	Maturity Date	Lease Outstanding 7/1/2023	Additions	Payments	Lease Outstanding 6/30/2024
GOVERNMENTAL ACTIVITIES										
LEASES PAYABLE										
Vehicles	112,461	60	3.305%	3	December 2022	December 2027	101,263	-	21,222	80,041
Vehicles	25,319	60	2.682%	1	January 2023	January 2028	23,216	-	4,825	18,391
Vehicles	40,896	60	2.312%	1	February 2024	February 2029	-	40,896	3,157	37,739
Vehicles	172,972	60	2.312%	6	March 2024	March 2029	-	172,972	9,968	163,004
Vehicles	98,805	60	2.432%	2	March 2024	March 2029	-	98,805	5,125	93,680
Vehicles	333,272	60	2.616%	6	June 2024	June 2029	-	333,272	1,082	332,190
Vehicles	483,076	60	2.766%	14	May 2024	April 2029	-	483,077	19,041	464,036
Vehicles	231,301	60	2.766%	8	May 2024	May 2029	-	231,302	6,425	224,877
Vehicles	27,082	60	2.766%	1	June 2024	June 2029	-	27,082	-	27,082
Vehicles	132,381	60	2.876%	3	August 2023	July 2028	-	132,381	22,932	109,449
Vehicles	31,376	60	2.876%	1	September 2023	September 2028	-	31,376	4,021	27,355
Vehicles	722,847	60	3.651%	16	October 2023	October 2028	-	722,846	96,947	625,899
Machinery and equipment	1,426	42	1.651%	1	July 2021	January 2025	673	-	382	291
Machinery and equipment	43,049	45	0.569%	1	July 2021	March 2025	20,175	-	11,504	8,671
Machinery and equipment	6,823	51	0.081%	1	July 2021	October 2025	3,615	-	1,606	2,009
Machinery and equipment	8,990	25	0.435%	4	July 2021	July 2023	467	-	467	-
Machinery and equipment	1,938	26	0.435%	1	July 2021	August 2023	149	-	149	-
Machinery and equipment	4,537	27	0.435%	1	July 2021	September 2023	507	-	507	-
Machinery and equipment	3,322	28	0.435%	1	July 2021	October 2023	477	-	477	-
Machinery and equipment	3,080	29	0.435%	1	July 2021	November 2023	533	-	533	-
Machinery and equipment	2,059	30	0.435%	1	July 2021	December 2023	414	-	414	-
Machinery and equipment	1,366	32	0.648%	1	July 2021	February 2024	344	-	344	-
Machinery and equipment	14,556	33	0.648%	4	July 2021	March 2024	3,994	-	3,994	-
Machinery and equipment	16,729	34	0.648%	5	July 2021	April 2024	4,949	-	4,949	-
Machinery and equipment	4,135	35	0.648%	1	July 2021	May 2024	1,307	-	1,307	-
Machinery and equipment	15,812	37	0.648%	8	July 2021	July 2024	5,592	-	5,160	432
Machinery and equipment	1,518	40	0.648%	1	July 2021	October 2024	610	-	458	152
Machinery and equipment	2,120	42	0.814%	1	July 2021	December 2024	916	-	609	307
Machinery and equipment	5,323	44	0.814%	2	July 2021	Feb-25	2,437	-	1,458	979
Machinery and equipment	12,171	45	0.814%	4	July 2021	March 2025	5,723	-	3,260	2,463
Machinery and equipment	6,864	46	0.814%	2	July 2021	April 2025	3,307	-	1,798	1,509
Machinery and equipment	1,003	47	0.814%	1	July 2021	May 2025	504	-	262	242
Machinery and equipment	3,273	49	0.814%	1	July 2021	July 2025	1,683	-	804	879
Machinery and equipment	29,350	52	0.814%	10	July 2021	October 2025	15,921	-	6,787	9,134

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY LEASE

HAMILTON COUNTY, TENNESSEE
June 30, 2024

Description of Indebtedness	Original Amount of Issue	Lease Terms in months	Interest Rate	Number of Leases	Lease Initiated Date	Maturity Date	Lease Outstanding 7/1/2023	Additions	Payments	Lease Outstanding 6/30/2024
GOVERNMENTAL ACTIVITIES										
LEASES PAYABLE										
Machinery and equipment	3,653	55	0.980%	1	July 2021	January 2026	2,077	-	798	1,279
Machinery and equipment	11,542	58	0.980%	3	July 2021	April 2026	6,826	-	2,388	4,438
Machinery and equipment	27,789	59	0.980%	8	July 2021	May 2026	17,269	-	5,865	11,404
Machinery and equipment	12,980	60	0.980%	3	July 2021	June 2026	7,858	-	2,594	5,264
Machinery and equipment	7,038	36	1.620%	1	February 2022	February 2025	3,862	-	2,427	1,435
Machinery and equipment	6,817	60	0.893%	2	September 2021	August 2026	4,350	-	1,361	2,989
Machinery and equipment	27,673	60	1.225%	7	November 2021	October 2026	18,617	-	5,509	13,108
Machinery and equipment	16,866	60	1.098%	5	December 2021	November 2026	10,733	-	3,100	7,633
Machinery and equipment	3,284	60	1.098%	1	January 2022	December 2026	2,108	-	594	1,514
Machinery and equipment	28,984	60	1.564%	7	February 2022	January 2027	18,840	-	5,153	13,687
Machinery and equipment	46,439	60	2.291%	13	April 2022	March 2027	35,256	-	9,111	26,145
Machinery and equipment	23,060	60	2.583%	7	May 2022	April 2027	17,946	-	4,511	13,435
Machinery and equipment	32,557	60	2.157%	6	July 2022	June 2027	26,746	-	6,472	20,274
Machinery and equipment	22,196	60	2.366%	7	October 2022	September 2027	19,335	-	4,377	14,958
Machinery and equipment	17,144	60	3.305%	6	November 2022	October 2027	15,252	-	3,329	11,923
Machinery and equipment	36,907	60	3.305%	14	December 2022	November 2027	33,608	-	7,144	26,464
Machinery and equipment	2,720	60	2.682%	1	March 2023	February 2028	2,590	-	528	2,062
Machinery and equipment	5,901	60	2.310%	3	April 2023	March 2028	5,712	-	1,150	4,562
Machinery and equipment	17,859	60	2.310%	5	May 2023	April 2028	17,573	-	3,475	14,098
Machinery and equipment	5,030	60	2.310%	2	June 2023	May 2028	5,030	-	977	4,053
Machinery and equipment	887	60	2.682%	1	February 2023	January 2028	831	-	173	658
Machinery and equipment	3,485	60	2.258%	1	May 2022	April 2027	2,702	-	682	2,020
Machinery and equipment	343,581	84	0.308%	1	June 2023	June 2030	339,470	-	48,634	290,836
Machinery and equipment	4,955	59	2.312%	2	January 2024	December 2028	-	4,956	398	4,558
Machinery and equipment	10,228	59	2.432%	3	February 2024	January 2029	-	10,227	657	9,570
Machinery and equipment	5,141	59	2.616%	2	June 2024	May 2029	-	5,142	-	5,142
Machinery and equipment	8,069	59	2.715%	3	February 2024	January 2029	-	8,069	515	7,554
Machinery and equipment	3,382	60	2.766%	1	April 2024	March 2029	-	3,382	107	3,275
Machinery and equipment	1,762	60	2.876%	1	September 2023	August 2028	-	1,762	253	1,509
Machinery and equipment	219,246	60	3.451%	1	January 2024	January 2029	-	219,246	46,543	172,703
Machinery and equipment	<u>30,108</u>	58	3.511%	11	January 2024	November 2028	<u>-</u>	<u>30,106</u>	<u>2,771</u>	<u>27,335</u>
Total Leases Payable	<u>\$ 8,447,690</u>						<u>\$ 3,034,543</u>	<u>\$ 3,163,421</u>	<u>\$ 1,519,379</u>	<u>\$ 4,678,585</u>

DEBT SERVICE REQUIREMENTS TO MATURITY

HAMILTON COUNTY, TENNESSEE

June 30, 2024

Year Ended June 30	LEASES		
	Principal	Interest	Total
2025	\$ 1,491,031	\$ 102,161	\$ 1,593,192
2026	981,076	75,284	1,056,360
2027	873,197	50,294	923,491
2028	760,389	26,389	786,778
2029	442,937	6,759	449,696
2030	51,897	1,994	53,891
2031	4,407	1,793	6,200
2032	4,508	1,692	6,200
2033	4,612	1,588	6,200
2034	4,719	1,481	6,200
2035	4,827	1,373	6,200
2036	4,938	1,262	6,200
2037	5,052	1,148	6,200
2038	5,168	1,032	6,200
2039	5,286	914	6,200
2040	5,409	791	6,200
2041	5,533	667	6,200
2042	5,661	539	6,200
2043	5,790	409	6,199
2044	5,924	277	6,201
2045	<u>6,224</u>	<u>140</u>	<u>6,364</u>
	<u>\$ 4,678,585</u>	<u>\$ 277,987</u>	<u>\$ 4,956,572</u>



HAMILTON COUNTY, TENNESSEE
June 30, 2024

Statistical Section

This part of the County annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Page

Financial Trends

F-1

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

F-6

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Debt Capacity

F-10

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

F-13

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

F-15

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



Schedule I
Hamilton County, Tennessee
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 332,623,539	\$ 321,791,912	\$ 283,298,874	\$ 269,446,387	\$ 348,398,317	\$ 255,057,959	\$ 182,639,417	\$ 221,544,634	\$ 243,547,592	\$ 244,360,829
Restricted	17,392,439	13,622,328	12,686,479	9,421,442	76,679,946	6,081,371	5,056,603	4,252,078	-	-
Unrestricted	56,602,439	46,180,459	28,300,882	(33,029,662)	(143,499,147)	(20,227,136)	(17,431,115)	(100,258,326)	(86,040,888)	(94,151,918)
Total governmental activities net position	<u>\$ 406,618,417</u>	<u>\$ 381,594,699</u>	<u>\$ 324,286,235</u>	<u>\$ 245,838,167</u>	<u>\$ 281,579,116</u>	<u>\$ 240,912,194</u>	<u>\$ 170,264,905</u>	<u>\$ 125,538,386</u>	<u>\$ 157,506,704</u>	<u>\$ 150,208,911</u>
Primary government										
Net investment in capital assets	\$ 332,623,539	\$ 321,791,912	\$ 283,298,874	\$ 269,446,387	\$ 348,398,317	\$ 255,057,959	\$ 182,639,417	\$ 221,544,634	\$ 243,547,592	\$ 244,360,829
Restricted	17,392,439	13,622,328	12,686,479	9,421,442	76,679,946	6,081,371	5,056,603	4,252,078	-	-
Unrestricted	56,602,439	46,180,459	28,300,882	(33,029,662)	(143,499,147)	(20,227,136)	(17,431,115)	(100,258,326)	(86,040,888)	(94,151,918)
Total primary government net position	<u>\$ 406,618,417</u>	<u>\$ 381,594,699</u>	<u>\$ 324,286,235</u>	<u>\$ 245,838,167</u>	<u>\$ 281,579,116</u>	<u>\$ 240,912,194</u>	<u>\$ 170,264,905</u>	<u>\$ 125,538,386</u>	<u>\$ 157,506,704</u>	<u>\$ 150,208,911</u>

Schedule II
Hamilton County, Tennessee
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities:										
General Government	\$ 82,737,063	\$ 75,132,483	\$ 65,412,880	\$ 67,872,358	\$ 60,474,380	\$ 55,767,524	\$ 62,215,233	\$ 57,560,303	\$ 66,599,969	\$ 61,957,402
Public Safety:										
Sheriff	74,243,521	67,399,830	55,152,917	58,308,937	57,187,864	51,891,687	52,234,591	32,646,937	31,342,346	30,250,034
Criminal Court	4,949,635	4,904,063	4,386,440	4,581,124	4,195,556	4,188,380	4,522,390	4,114,771	4,048,753	2,724,085
Juvenile Court	2,561,823	2,193,007	1,929,795	2,230,129	1,816,779	1,780,985	1,638,962	1,526,597	1,633,352	1,495,996
Ambulance Services	21,154,616	19,950,683	16,592,588	13,907,097	12,462,477	10,871,091	10,102,862	9,960,981	9,966,416	9,514,960
Other	35,912,685	37,423,898	32,451,942	34,903,987	29,194,359	25,589,271	24,675,914	36,820,123	37,949,711	37,115,919
Highways and streets	27,446,516	22,932,949	22,446,784	22,147,101	21,160,560	10,352,115	15,064,154	10,469,195	11,666,094	12,396,414
Health	25,374,387	28,130,398	25,252,993	30,824,790	25,449,929	21,778,306	22,331,435	21,162,827	21,983,102	21,133,493
Social Services	5,708,647	4,954,867	4,095,899	4,226,229	6,236,091	6,123,386	6,623,453	6,223,637	6,914,723	6,274,516
Culture and recreation	13,383,050	11,501,826	10,998,375	9,964,719	9,741,420	9,926,545	9,841,274	8,751,277	8,898,519	7,921,387
Education	40,195,141	142	414,975	83,847,934	3,756,723	89,917	9,602,529	47,868,365	24,300,782	28,300,691
Interest on long-term debt	6,451,501	8,285,026	1,127,577	10,019,688	10,165,860	11,656,830	8,370,300	7,725,168	8,264,495	7,232,360
Total governmental activities expenses	340,118,585	282,809,172	240,263,165	342,834,093	241,841,998	210,016,037	227,223,097	244,830,181	233,568,262	226,317,257
Total primary government expenses	340,118,585	282,809,172	240,263,165	342,834,093	241,841,998	210,016,037	227,223,097	244,830,181	233,568,262	226,317,257
Program Revenues										
Governmental activities:										
Charges for services										
General Government	24,453,007	26,929,577	23,187,758	20,005,467	20,557,816	21,848,910	22,655,115	20,689,500	20,749,436	20,414,588
Public Safety:										
Sheriff	1,915,196	1,868,340	1,739,416	996,039	1,333,248	776,116	663,063	668,901	550,006	785,553
Criminal Court	1,450,086	1,480,716	1,317,353	874,275	1,405,774	2,024,378	2,351,890	2,484,895	1,759,490	2,578,618
Juvenile Court	310,925	335,913	320,595	312,627	379,796	469,720	432,503	472,625	436,100	389,769
Ambulance Services	17,414,722	15,526,476	17,050,364	12,914,511	11,988,529	10,458,877	11,629,623	6,565,594	7,956,293	7,440,280
Other	4,844,465	4,790,096	4,773,875	5,477,673	2,738,167	2,787,558	2,528,809	2,584,732	3,182,933	2,272,222
Highways and streets	5,141,083	4,180,767	3,924,120	3,690,350	3,731,308	3,876,585	3,191,092	3,153,073	2,966,389	2,719,713
Health	2,071,610	1,981,764	1,517,680	1,260,772	2,540,245	2,448,781	3,525,835	2,264,843	2,311,092	1,915,656
Social Services	2,654,174	2,249,276	2,333,601	2,861,229	4,499,835	4,787,417	4,577,597	4,306,940	4,373,514	4,397,525
Culture and recreation	1,486,970	1,405,121	1,326,127	1,362,067	838,467	945,477	812,386	867,973	659,701	538,507
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	44,757,020	33,000,295	42,276,632	49,047,926	30,900,412	32,061,112	27,654,388	27,259,713	28,271,264	28,079,517
Capital grants and contributions	20,335,156	21,757,912	9,982,093	2,928,950	815,075	119,836	3,392,780	1,629,141	14,573,339	6,678,478
Total governmental activities program revenues	126,834,414	115,506,253	109,749,614	101,731,886	81,728,672	82,604,767	83,415,081	72,947,930	87,789,557	78,210,426
Total primary government program revenues	126,834,414	115,506,253	109,749,614	101,731,886	81,728,672	82,604,767	83,415,081	72,947,930	87,789,557	78,210,426
Net (Expenses) Revenues										
Governmental activities	(213,284,171)	(167,302,919)	(130,513,551)	(241,102,207)	(160,113,326)	(127,411,270)	(143,808,016)	(171,882,251)	(145,778,705)	(148,106,831)
Total primary government net expense	(213,284,171)	(167,302,919)	(130,513,551)	(241,102,207)	(160,113,326)	(127,411,270)	(143,808,016)	(171,882,251)	(145,778,705)	(148,106,831)

(continued on next page)

Schedule II
Hamilton County, Tennessee
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

(continued from previous page)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 184,505,181	\$ 179,095,997	\$ 174,498,222	\$ 175,889,440	\$ 170,552,654	\$ 167,941,970	\$ 164,229,212	\$ 139,114,401	\$ 133,609,320	\$ 131,896,902
Sales taxes	10,374,909	10,595,498	9,863,308	8,706,398	6,417,109	4,614,304	4,468,331	3,213,807	3,221,704	2,710,878
Business taxes	12,686,659	12,539,131	11,253,585	11,046,058	10,157,568	8,578,121	8,199,195	8,327,648	7,227,282	6,273,817
Hotel/Motel taxes	11,458,701	11,363,925	10,857,607	7,810,625	7,296,070	8,507,507	7,927,669	7,638,833	7,304,030	6,498,427
Other taxes	1,101,643	1,099,117	1,060,268	1,152,209	1,230,072	1,159,602	916,809	835,238	1,031,115	975,611
Gain/Loss on joint venture	-	-	-	-	-	-	-	-	(9,262)	11,842
Unrestricted investment earnings	18,180,796	9,917,715	1,428,629	756,528	5,126,775	7,114,253	2,793,319	1,073,293	899,950	551,529
Gain/Loss on disposal of property	-	-	-	-	-	142,802	-	163,425	(207,641)	98,899
Total general revenues	<u>238,307,889</u>	<u>224,611,383</u>	<u>208,961,619</u>	<u>205,361,258</u>	<u>200,780,248</u>	<u>198,058,559</u>	<u>188,534,535</u>	<u>160,366,645</u>	<u>153,076,498</u>	<u>149,017,905</u>
Total primary government	<u>238,307,889</u>	<u>224,611,383</u>	<u>208,961,619</u>	<u>205,361,258</u>	<u>200,780,248</u>	<u>198,058,559</u>	<u>188,534,535</u>	<u>160,366,645</u>	<u>153,076,498</u>	<u>149,017,905</u>
Change in Net Position										
Governmental activities	<u>25,023,718</u>	<u>57,308,464</u>	<u>78,448,068</u>	<u>(35,740,949)</u>	<u>40,666,922</u>	<u>70,647,289</u>	<u>44,726,519</u>	<u>(11,515,606)</u>	<u>7,297,793</u>	<u>911,074</u>
Total primary government	<u>\$ 25,023,718</u>	<u>\$ 57,308,464</u>	<u>\$ 78,448,068</u>	<u>\$ (35,740,949)</u>	<u>\$ 40,666,922</u>	<u>\$ 70,647,289</u>	<u>\$ 44,726,519</u>	<u>\$ (11,515,606)</u>	<u>\$ 7,297,793</u>	<u>\$ 911,074</u>

Schedule III
Hamilton County, Tennessee
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund										
Nondisposable	\$ 1,224,401	\$ 1,897,708	\$ 1,440,367	\$ 1,652,375	\$ 1,480,757	\$ 1,193,320	\$ 1,156,307	\$ 1,025,249	\$ 1,390,633	\$ 1,807,295
Restricted	7,469,608	4,030,303	3,287,462	21,951	21,907	11,540	649	10,488	14,461	12,835
Committed	1,521,633	898,085	117,435	1,539,359	154,368	13,947	18,303	21,524	-	51,669
Assigned	12,820,609	9,384,666	7,069,156	7,585,603	9,494,566	10,067,230	3,926,251	4,564,021	4,644,426	4,703,014
Unassigned	<u>120,326,564</u>	<u>136,010,255</u>	<u>135,010,207</u>	<u>133,634,981</u>	<u>109,922,651</u>	<u>100,348,835</u>	<u>95,233,742</u>	<u>88,557,749</u>	<u>86,345,767</u>	<u>84,819,249</u>
Total general fund	<u>\$ 143,362,815</u>	<u>\$ 152,221,017</u>	<u>\$ 146,924,627</u>	<u>\$ 144,434,269</u>	<u>\$ 121,074,249</u>	<u>\$ 111,634,872</u>	<u>\$ 100,335,252</u>	<u>\$ 94,179,031</u>	<u>\$ 92,395,287</u>	<u>\$ 91,394,062</u>
All Other Governmental Funds										
Nondisposable	\$ 4,413	\$ 5,253	\$ 2,077	\$ 6,200	\$ -	\$ -	\$ 193	\$ 750	\$ -	\$ -
Restricted	114,170,296	112,300,333	131,771,375	90,389,934	76,658,039	139,227,107	153,720,514	4,241,590	3,896,918	3,326,363
Committed	13,159,845	10,402,580	12,885,565	9,694,535	147,516	167,325	175,842	208,494	25,174,169	53,325,270
Assigned	20,035,277	17,901,083	19,662,915	16,088,873	28,531,545	34,071,718	34,240,382	33,505,600	23,180,634	14,206,721
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 147,369,831</u>	<u>\$ 140,609,249</u>	<u>\$ 164,321,932</u>	<u>\$ 116,179,542</u>	<u>\$ 105,337,100</u>	<u>\$ 173,466,150</u>	<u>\$ 188,136,931</u>	<u>\$ 37,956,434</u>	<u>\$ 52,251,721</u>	<u>\$ 70,858,354</u>

Schedule IV
Hamilton County, Tennessee
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	\$ 220,127,093	\$ 214,693,668	\$ 207,532,990	\$ 204,604,730	\$ 195,653,473	\$ 190,523,948	\$ 185,713,226	\$ 160,837,882	\$ 153,813,194	\$ 150,086,536
Licenses, fees, and permits	2,004,067	1,816,592	1,567,804	2,182,815	1,494,414	1,274,647	965,887	850,809	841,036	683,952
Intergovernmental	64,477,176	54,758,207	52,258,725	51,155,126	31,687,237	31,787,504	31,177,283	27,854,854	40,583,287	33,995,494
Charges for services	51,362,838	49,194,499	49,250,017	43,805,445	42,668,514	41,883,954	43,573,738	35,889,597	37,065,288	35,182,223
Fines and penalties	1,535,173	1,530,383	1,379,092	1,882,804	1,446,484	1,805,720	1,930,412	1,979,801	1,833,329	1,860,362
Investment earnings	16,943,248	9,108,292	1,272,998	666,389	4,397,928	6,311,981	2,423,220	900,151	773,982	486,521
Miscellaneous	5,881,192	6,961,265	6,247,266	5,953,457	5,266,107	5,294,891	5,946,121	5,641,605	6,849,982	5,725,894
Total revenues	<u>362,330,787</u>	<u>338,062,906</u>	<u>319,508,892</u>	<u>310,250,766</u>	<u>282,614,157</u>	<u>278,882,645</u>	<u>271,729,887</u>	<u>233,954,699</u>	<u>241,760,098</u>	<u>228,020,982</u>
Expenditures										
General government	70,324,792	65,676,447	60,911,548	57,577,461	54,274,772	55,059,696	57,591,395	55,057,500	50,521,960	50,747,842
Public Safety:										
Sheriff	68,905,352	69,599,158	56,193,052	57,602,950	55,932,285	53,804,915	52,658,652	34,632,708	32,324,992	31,559,793
Criminal Court	4,435,502	4,314,844	4,347,457	4,329,895	4,224,953	4,230,803	4,160,125	4,241,548	4,116,558	2,834,843
Juvenile Court	1,967,891	1,877,946	1,816,679	1,648,854	1,660,883	1,615,587	1,583,178	1,578,937	1,467,125	1,407,321
Ambulance Services	19,184,379	17,649,645	16,353,124	13,218,534	10,750,075	10,750,075	10,225,294	10,282,834	9,829,870	9,277,506
Other	33,423,457	32,842,481	31,795,218	30,623,344	28,988,859	25,907,228	24,572,054	39,361,851	38,965,775	38,997,956
Highways and streets	22,237,239	17,472,125	19,297,872	19,299,045	23,412,725	16,458,784	12,208,999	11,832,004	10,968,407	11,075,618
Health	24,414,375	26,483,748	26,816,882	31,015,135	25,086,402	22,905,037	22,968,081	23,126,860	22,688,745	22,437,799
Social Services	5,673,592	4,767,224	4,406,394	4,280,226	6,220,743	6,551,731	6,854,449	6,822,417	6,581,931	6,729,372
Culture and recreation	10,560,147	9,133,428	9,227,616	8,124,569	8,054,872	8,519,429	8,055,565	8,080,138	7,343,145	7,589,563
Debt service:										
Principal	35,557,598	38,433,974	36,075,732	33,700,000	20,331,388	35,755,000	82,702,308	24,501,928	28,477,143	59,324,643
Interest	14,404,100	15,981,733	15,747,679	13,419,547	55,276,933	16,230,992	9,624,254	10,548,716	11,176,478	9,551,882
Capital Outlay:										
General government	52,435,099	47,427,949	59,701,328	45,235,780	14,575,902	9,495,987	14,428,486	12,684,474	38,401,652	32,471,558
Education	20,780,208	15,918,247	24,380,299	19,252,532	34,080,000	14,887,777	2,729,611	19,175,930	36,577,612	21,901,273
Total expenditures	<u>384,303,731</u>	<u>367,578,949</u>	<u>367,070,880</u>	<u>339,327,872</u>	<u>342,870,792</u>	<u>282,173,041</u>	<u>310,362,451</u>	<u>261,927,845</u>	<u>299,441,393</u>	<u>305,906,969</u>
Excess of revenues over/(under) expenditures	<u>(21,972,944)</u>	<u>(29,516,043)</u>	<u>(47,561,988)</u>	<u>(29,077,106)</u>	<u>(60,256,635)</u>	<u>(3,290,396)</u>	<u>(38,632,564)</u>	<u>(27,973,146)</u>	<u>(57,681,295)</u>	<u>(77,885,987)</u>
Other Financing Sources (Uses)										
Transfers in	75,633,973	64,010,145	65,267,577	106,669,875	62,143,221	6,355,286	123,177,102	49,613,268	53,458,157	76,042,323
Transfers out	(76,341,008)	(64,112,921)	(65,539,827)	(106,848,140)	(62,324,402)	(63,578,853)	(123,258,459)	(49,613,268)	(53,458,157)	(76,042,323)
Issuance of leases payable	3,163,421	1,084,410	4,592,841	-	-	-	-	-	-	-
Issuance of SBITA payable	-	8,601,975	-	-	-	-	-	-	-	-
Sale of capital assets	553,938	1,516,141	3,512,418	879,862	-	142,802	140,526	461,602	75,888	802,199
Issuance of debt	-	-	74,395,000	50,490,000	-	-	167,300,000	-	-	60,000,000
Proceeds from line of credit	-	-	-	-	-	-	-	15,000,000	40,000,000	30,000,000
Proceeds from sale of refunding bonds	-	-	-	37,980,000	-	-	4,295,000	-	-	30,135,000
Premium from bonds	-	-	15,966,727	11,825,054	-	-	27,593,678	-	-	10,716,640
Premium on refunding bonds	-	-	-	8,012,572	-	-	89,178	-	-	5,725,718
Payment to refunded bonds escrow agent	-	-	-	(45,729,655)	1,748,143	-	(4,367,743)	-	-	(35,860,718)
Total other financing sources (uses)	<u>3,010,324</u>	<u>11,099,750</u>	<u>98,194,736</u>	<u>63,279,568</u>	<u>1,566,962</u>	<u>(57,080,765)</u>	<u>194,969,282</u>	<u>15,461,602</u>	<u>40,075,888</u>	<u>101,518,839</u>
Net change in fund balances	<u>\$ (18,962,620)</u>	<u>\$ (18,416,293)</u>	<u>\$ 50,632,748</u>	<u>\$ 34,202,462</u>	<u>\$ (58,689,673)</u>	<u>\$ (60,371,161)</u>	<u>\$ 156,336,718</u>	<u>\$ (12,511,544)</u>	<u>\$ (17,605,407)</u>	<u>\$ 23,632,852</u>
Debt service as a percentage of noncapital expenditures	<u>15.8%</u>	<u>18.2%</u>	<u>17.8%</u>	<u>15.8%</u>	<u>29.8%</u>	<u>20.8%</u>	<u>31.8%</u>	<u>15.5%</u>	<u>16.9%</u>	<u>26.1%</u>

Schedule V
Hamilton County, Tennessee
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Levy Year	Real Property			Personalty Property	Public Utilities Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
		Residential Property	Commercial Property	Other Multi-Use Property					
2016	2015	\$ 4,840,478,821	\$ 2,898,914,219	\$ 134,968,174	\$ 632,734,311	\$ 330,679,765	\$ 8,837,775,290	2.7652	\$ 29,769,445,051
2017	2016	4,923,156,375	2,981,616,796	120,392,604	661,655,590	330,127,803	9,016,949,168	2.7652	30,353,494,803
2018	2017	5,437,069,856	3,476,977,280	132,251,360	710,444,679	329,778,563	10,086,521,738	2.7652	33,849,306,808
2019	2018	5,548,564,040	3,523,545,716	154,071,082	727,453,646	332,821,896	10,286,456,380	2.7652	34,546,666,930
2020	2019	5,679,302,175	3,626,917,105	144,615,444	808,087,480	311,265,206	10,570,187,410	2.7652	35,526,114,614
2021	2020	5,777,305,600	3,692,822,719	154,360,944	824,839,660	322,961,036	10,772,289,959	2.7652	36,192,483,095
2022	2021	7,323,586,300	4,593,445,687	158,439,245	857,745,728	371,497,253	13,304,714,213	2.2373	44,840,692,212
2023	2022	7,529,786,359	4,671,714,882	155,618,396	913,665,390	371,000,000	13,641,785,027	2.2373	46,037,711,928
2024	2023	7,752,640,774	4,802,124,355	157,119,979	1,005,607,692	290,947,706	14,008,440,506	2.2373	47,420,628,716
2025	2024	7,916,506,335	4,859,402,458	166,343,393	1,039,186,268	290,000,000	14,271,438,454	2.2373	44,896,009,462

Source: Hamilton County Assessor of Property

Notes: Property in Hamilton County is reassessed once every four years. The County assesses property at 25% of actual value for residential property, 40% of actual value for commercial property and 30% of actual value for other multi-use property and personalty property. The public utilities assessments are made by the State of Tennessee for all counties and cities in the state. The Electric Power Board (EPB) is not included in these totals. The assessed and estimated values for the EPB for fiscal year 2024 are \$442,998,874 and \$805,452,498 respectively. Assessments for tax exempt properties are excluded from total taxable assessed value.

Schedule VI
Hamilton County, Tennessee
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30	County Direct Rates				Overlapping Rates									
	General Government	Department of Education	District Road	Total Direct Rate	Chattanooga	East Ridge	Red Bank	Lookout Mountain	Signal Mountain	Collegedale	Soddy- Daisy	Lakesite	Ridgeside	Walden
2015	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3500	1.6600	1.5684	1.3713	1.3524	0.2350	2.0100	0.4290
2016	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3500	1.7430	1.5684	1.3713	1.3524	0.2350	2.0100	0.4290
2017	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3500	1.8300	1.5684	1.3713	1.3524	0.2350	2.0100	0.4290
2018	1.5050	1.2503	0.0099	2.7652	2.2770	1.3381	1.1826	1.8300	1.5665	1.2594	1.3524	0.2150	2.7310	0.3853
2019	1.5050	1.2503	0.0099	2.7652	2.2770	1.3381	1.3900	1.8900	1.5665	1.2594	1.3524	0.2350	2.7310	0.4053
2020	1.5050	1.2503	0.0099	2.7652	2.2770	1.3381	1.3900	1.9900	1.8866	1.6500	1.3524	0.2350	2.7310	0.5053
2021	1.2177	1.0116	0.0080	2.2373	2.2500	1.2500	1.1000	1.8800	1.7012	1.3897	1.1159	0.2000	2.5500	0.5315
2022	1.2177	1.0116	0.0080	2.2373	2.2500	1.2500	1.1000	2.0200	1.7012	1.3897	1.1159	0.2000	2.5500	0.5315
2023	1.2639	0.9654	0.0080	2.2373	2.2500	1.2500	1.6700	2.1500	1.7012	1.5500	1.1159	0.2000	2.5500	0.5315
2024	1.2639	0.9654	0.0080	2.2373	2.2500	1.2500	1.6700	2.2600	1.7012	1.5500	1.3200	0.2000	2.5500	0.5315

Source: Hamilton County Trustee's Office

Schedule VII
Hamilton County, Tennessee
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	% of Total Assessed Valuation	Taxable Assessed Value	Rank	% of Total Assessed Valuation
Volkswagen Chattanooga	\$ 595,748,078	1	4.34%	\$ 215,991,955	2	2.54%
Electric Power Board	442,998,874	2	3.23%	414,360,215	1	4.87%
Tennessee Valley Authority	238,447,739	3	1.74%	137,422,487	3	1.62%
Blue Cross Blue Shield of Tennessee	120,022,740	4	0.87%	93,496,986	4	1.10%
Gestamp Alabama LLC	62,056,382	5	0.45%	-	-	-
McKee Foods Corporation	60,480,984	6	0.44%	64,672,647	8	0.76%
Tennessee-American Water Co.	56,218,207	7	0.41%	62,763,289	9	0.74%
Vision Chattanooga	52,613,110	8	0.38%	-	-	-
Walmart	49,092,882	9	0.36%	45,597,043	10	0.54%
UnumProvident Corporation	48,718,083	10	0.36%	-	-	-
CBL Properties	-	-	-	92,122,378	5	1.08%
Bellsouth Telecommunications	-	-	-	72,273,335	6	0.85%
Alstom	-	-	-	66,684,418	7	0.78%
	<u>\$ 1,726,397,079</u>		<u>12.58%</u>	<u>\$ 1,265,384,753</u>		<u>14.88%</u>

Source: Hamilton County Trustee & Hamilton County Assessor of Property

Note: This schedule serves a dual purpose of providing basic information about Hamilton County's most significant revenue payers and highlighting the degree to which the county depends on a small number of payers.

Schedule VIII
Hamilton County, Tennessee
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Original Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	231,397,863	221,090,224	95.545%	9,767,918	230,858,142	99.767%
2016	235,238,229	224,830,856	95.576%	9,760,683	234,591,539	99.725%
2017	240,208,002	231,560,395	96.400%	7,880,845	239,441,240	99.681%
2018	269,793,372	260,026,061	96.380%	7,278,938	267,304,999	99.078%
2019	275,238,833	264,579,713	96.127%	6,223,116	270,802,829	98.388%
2020	281,352,215	270,718,929	96.221%	7,295,878	278,014,807	98.814%
2021	286,650,272	278,636,909	97.204%	5,404,175	284,041,084	99.090%
2022	289,354,846	280,854,205	97.062%	5,484,504	286,338,709	98.958%
2023	296,906,906	288,616,651	97.208%	5,207,258	293,823,909	98.962%
2024	301,750,002	290,660,651	96.325%	-	290,660,651	96.325%

Source: Hamilton County Trustee

Schedule IX
Hamilton County, TN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Total Debt Per Capita
	General Obligation Bonds	Notes Payable	Net Unamortized Premium	Leases & Subscriptions			
2015	\$ 272,965,000	\$ 669,043	\$ 29,918,021	\$ -	\$ 303,552,064	1.92%	864
2016	245,030,000	40,126,979	26,759,635	-	311,916,614	1.86%	881
2017	220,635,000	55,020,051	23,664,248	-	299,319,299	1.74%	837
2018	360,180,000	-	47,790,972	-	407,970,972	2.26%	1,128
2019	324,425,000	-	43,090,341	-	367,515,341	1.95%	1,009
2020	290,345,000	-	38,495,450	-	328,840,450	1.68%	894
2021	299,920,000	-	50,022,571	4,114,843	354,057,414	1.68%	967
2022	339,520,000	-	50,963,343	3,772,465	394,255,808	1.71%	1,068
2023	303,435,000	-	42,852,353	11,088,565	357,375,918	1.46%	954
2024	270,250,000	-	35,645,312	11,785,233	317,680,545	1.25%	836

Schedule X
Hamilton County, TN
Ratios of General Bonded Debt and Other Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds including Net Deferred Premium	Notes Payable	Percentage of Actual Taxable Value of Property	Bonded Debt Per Capita
2015	\$ 302,883,021	\$ 669,043	1.02%	\$ 864
2016	271,789,635	40,126,979	1.03%	881
2017	244,299,248	55,020,051	0.88%	837
2018	407,970,972	-	1.18%	1,128
2019	367,515,340	-	1.03%	1,009
2020	328,840,450	-	0.91%	894
2021	349,942,574	-	0.78%	956
2022	390,483,343	-	0.85%	1,058
2023	346,287,353	-	0.73%	924
2024	305,895,312	-	0.68%	805

Schedule XI
Hamilton County, TN
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Chattanooga	\$ 120,523,528	100.0%	\$ 120,523,528
East Ridge	25,836,797	100.0%	25,836,797
Red Bank	2,174,154	100.0%	2,174,154
Lookout Mountain	-	100.0%	-
Signal Mountain	4,020,000	100.0%	4,020,000
Collegedale	2,880,000	100.0%	2,880,000
Soddy Daisy	360,582	100.0%	360,582
Lakesite	-	100.0%	-
Ridgeside	-	100.0%	-
Walden	-	100.0%	-
Other debt			
Chattanooga	224,238,851	100.0%	224,238,851
East Ridge	-	100.0%	-
Red Bank	41,300	100.0%	41,300
Lookout Mountain	-	100.0%	-
Signal Mountain	-	100.0%	-
Collegedale	1,868,000	100.0%	1,868,000
Soddy Daisy	-	100.0%	-
Lakesite	-	100.0%	-
Ridgeside	-	100.0%	-
Walden	-	100.0%	-
Subtotal, overlapping debt			381,943,212
Hamilton County direct debt			<u>317,680,545</u>
Total direct and overlapping debt			<u>\$ 699,623,757</u>

Sources: Debt outstanding data provided by each municipality.

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the respective government's boundaries and dividing it by each unit's total assessed value.

Note: Overlapping governments are those that coincide with the geographic boundaries of Hamilton County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses in Hamilton County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying debt of each overlapping government.

Schedule XII
Hamilton County, Tennessee
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (000's)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2014	351,220	\$ 15,850,749	\$ 45,131	6.1%
2015	354,098	16,755,431	47,319	4.9%
2016	357,738	17,200,658	48,082	4.1%
2017	361,613	17,990,850	49,752	4.0%
2018	364,286	18,620,955	51,116	3.0%
2019	367,804	19,537,328	53,119	3.6%
2020	366,207	20,635,821	56,350	5.1%
2021	369,135	21,906,252	59,345	3.9%
2022	374,682	22,739,854	60,691	3.4%
2023	379,864	25,395,390	66,854	2.7%

Sources: Personal income and per capita income information was provided by the Chamber of Commerce - Bureau of Economic Analysis (BEA). For 2023, personal income and per capita income were interpolated based on percentage increases reported by metropolitan areas in the BEA. Personal income and per capita income were updated to actuals as reported by BEA for 2018-2022. Population estimates were found at the U.S. Census Bureau. Unemployment information was provided by State Department of Employment Security.

Schedule XIII
Hamilton County, Tennessee
Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Blue Cross Blue Shield of Tennessee	6,607	1	3.05%	4,437	2	2.31%
Hamilton County Schools	5,597	2	2.58%	4,504	1	2.34%
Erlanger Health System	5,519	3	2.54%	3,604	4	1.87%
Volkswagen Chattanooga	5,275	4	2.43%	2,372	9	1.23%
Tennessee Valley Authority	3,901	5	1.80%	3,737	3	1.94%
Memorial Health Care System	3,634	6	1.68%	2,832	5	1.47%
McKee Foods Corporation	3,300	7	1.52%	2,750	7	1.43%
UnumProvident Corporation	2,685	8	1.24%	2,800	6	1.45%
Roper	2,500	9	1.15%	-		-
City of Chattanooga	2,343	10	1.08%	2,230	10	1.16%
Amazon.com Services LLC	-		-	2,473	8	1.28%
Total	<u>41,361</u>		<u>19.07%</u>	<u>31,739</u>		<u>16.48%</u>

Source: Chattanooga Area Chamber of Commerce

Schedule XIV
Hamilton County, TN
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years

<u>Positions By Division</u>	<u>Authorized Positions</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Constitutional Offices	424.00	418.11	423.05	431.07	427.80	427.62	425.28	419.37	422.32	437.37
Support Agencies	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Unassigned Departments	113.50	106.46	102.96	101.50	99.50	84.50	83.00	80.00	97.50	105.00
Finance Division	100.00	99.50	97.50	96.50	96.50	96.50	96.50	96.50	78.00	81.00
Public Works Division	206.50	214.50	214.50	214.50	215.50	211.50	208.13	209.63	175.63	173.63
General Services Division	315.26	309.26	289.26	278.26	276.89	252.89	240.26	251.76	292.13	286.53
Health Services Division	304.13	298.26	321.63	272.76	275.94	275.65	274.23	268.14	266.78	266.78
Human Resources Division	22.00	20.00	23.50	21.50	21.50	21.50	21.50	21.50	13.00	-
Juvenile Court Clerk	36.00	36.00	36.00	36.00	36.00	36.00	36.00	37.00	37.00	37.00
Sheriff's Office	538.00	530.00	532.00	440.00	440.00	434.00	423.50	391.00	381.00	380.00
Total	2,061.39	2,034.09	2,042.40	1,894.09	1,891.63	1,842.16	1,810.40	1,776.90	1,765.36	1,769.31

Source: Comprehensive Annual Budget Report

Notes: Full time equivalents (FTE)

Full time - 1 full time equivalent - these are permanent employees who earn pension and leave time
Skimp - .63 full time equivalent - these are permanent employees who do not work more than 1,300 hours a year, earn leave time but do not participate in pension
Part time - .5 full time equivalent - these are permanent employees who do not work more than 1,040 hours a year and do not participate in pension nor earn leave time
Temporary - .5 full time equivalent - these employees do not have permanent status, do not work more than 1,040 hours a year and do not participate in pension nor earn leave time

Schedule XV
Hamilton County, TN
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government										
County Clerk (DMV) - transactions processed ¹	481,191	523,679	402,852	405,773	409,051	482,738	392,156	384,941	395,979	361,666
Register - documents recorded	51,747	67,135	81,283	71,961	62,259	68,326	68,016	69,783	67,189	66,254
Recycling - tons collected	1,638	1,677	1,671	2,014	1,979	1,938	2,050	2,171	2,099	2,104
Election Commission - registered voters	226,112	239,868	232,752	235,939	214,837	206,945	196,864	197,224	186,384	207,044
Election Commission - votes cast in last county-wide election ²	41,437	101,838	48,860	172,363	62,475	134,494	57,120	21,517	29,100	83,193
Purchasing - bids posted	79	107	125	203	139	137	153	121	184	137
Public Safety										
Building Inspections - permits issued	1,689	1,496	1,884	1,927	1,378	1,550	1,444	1,306	1,193	1,069
Building Inspections - inspections and investigations	19,522	21,257	20,592	18,322	15,802	16,727	14,612	14,405	12,020	12,684
Building Inspections - applications for new/existing septic system	1,469	1,495	1,229	1,026	821	874	731	624	593	438
County correctional facilities - avg. no. of inmates housed daily	1,089	1,066	1,066	1,169	1,427	1,568	1,497	1,526	1,554	1,486
Sheriff's Dept. - physical arrests	7,276	7,004	7,013	6,188	7,059	9,234	8,543	7,522	7,895	6,872
Juvenile Court Judge - cases heard	4,999	5,077	4,729	4,479	4,611	5,713	5,217	5,552	5,625	5,385
Criminal Court Judge - cases heard	2,102	1,706	2,193	1,669	2,028	2,770	2,956	3,313	3,389	3,512
Ambulance Services - responded calls	38,322	38,627	37,010	30,422	27,517	26,477	25,634	24,417	23,257	22,632
Police Protection (sworn, correctional, civilian and others)	499	542	528	532	440	440	433	413	390	387
Highways and Streets										
Engineering Services - projects administered	25	30	27	49	47	45	43	34	31	58
Highways & Streets - bridges maintained	67	67	67	67	67	67	67	67	67	67
Health										
Health Dept. - patients seen ³	28,119	26,334	21,179	41,932	29,212	30,883	24,640	25,397	29,995	31,490
Community Services (formerly Social Services)										
Emergency Assistance Program - households served	152	143	76	263	252	357	377	314	371	370
Emergency Assistance Program - number of services	162	150	74	296	279	364	406	473	512	446
Chancery Court Judge - cases heard	2,192	2,764	2,197	1,904	2,151	2,361	2,404	2,581	2,489	2,073
Circuit Court Judge - cases heard	4,112	4,353	4,576	4,613	4,703	5,025	5,541	5,343	5,077	5,471
Culture & Recreation										
Number of facilities maintained	32	29	28	27	26	26	26	32	32	32
Number of programs offered ⁴	24	18	3	-	28	34	28	26	34	22
Education										
Public school enrollment	45,438	44,987	45,121	44,285	44,122	44,059	44,028	43,669	43,319	43,511
Private school enrollment	11,535	11,234	11,756	11,217	10,945	10,726	10,411	10,335	10,241	10,474

Sources: CABR from prior years, ACFR from prior years and various department personnel

¹ Note on County Clerk - The increase in 2019 is attributed to fleet transactions (tractor trailer tags).

² Note on Election Commission - Beginning in 2019 number reflects total votes cast county-wide. Prior years reflect votes cast only in the last election.

³ Note on Health Dept. Patients - The increase in FY21 was related to the Coronavirus (COVID - 19).

⁴ Note on Culture & Recreation - No programs were offered in 2021 due to the Coronavirus (COVID - 19).

Schedule XVI
Hamilton County, TN
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Function/Program</u>										
General Government										
Libraries	9	9	9	9	9	9	9	9	9	9
Recycling Stations	5	5	5	5	5	5	5	5	5	5
Election Commission										
ballot boxes	130	130	130	130	130	130	130	127	127	127
Telecommunications										
locations supported ¹	125	121	118	118	122	121	120	119	212	212
Public Safety										
Volunteer Fire Stations	17	18	18	18	18	18	18	18	18	18
Ambulance Stations	16	16	15	15	15	15	15	15	15	15
Sheriff patrol vehicles	318	284	274	310	285	282	274	276	285	260
Highways and Streets										
Miles of paved streets	2,743	2,723	2,691	2,690	2,690	2,672	2,637	2,631	2,665	2,665
Health										
Healthcare Systems	5	5	5	5	5	5	5	4	4	4
Culture & Recreation										
Number of Parks	95	95	95	95	94	94	92	90	90	90
Golf Courses	20	20	20	20	20	20	21	21	21	21
Recreation Centers	18	18	18	18	18	18	16	16	16	16
Theaters	17	17	17	17	18	18	17	17	17	17
Bowling Alleys	4	4	4	4	4	4	4	4	4	3

Sources: ACFR from prior years and various department personnel

¹ The County Telecommunications Department discontinued servicing the Hamilton County Department of Education in January 2017.

Schedule XVII
Hamilton County, TN
Salaries and Surety Bonds of Principal Officers
Fiscal Year ended June 30, 2024

Official Title	Salary	Bond
County Mayor	\$ 192,238	\$ 100,000
Superintendent of Schools	230,000	500,000
Medical Examiner	260,000	N/A
County Attorney	187,637	N/A
Chief Financial Officer	165,377	N/A
County Auditor	130,000	N/A
County Commissioners:		
Jeff Eversole, Chairman	32,202	N/A
Mike Chauncey, Chairman Pro Tempore	29,702	N/A
D.C. (Chip) Baker	27,202	N/A
Greg Beck	27,202	N/A
Joe Graham	27,202	N/A
Lee Helton	27,202	N/A
Dr. Steve Highlander	27,202	N/A
Warren Mackey	27,202	N/A
Gene-O Shipley	27,202	N/A
David Sharpe	27,202	N/A
Ken Smith	27,202	N/A
Constitutional Offices		
Assessor of Property	\$ 152,535	\$ 50,000
Circuit Court Clerk	146,535	100,000
Clerk and Master	146,535	100,000
County Clerk	146,535	100,000
Criminal Court Clerk	146,535	100,000
Juvenile Court Judge	204,543	100,000
Juvenile Court Clerk	146,535	100,000
Register	146,535	100,000
Sheriff	182,626	100,000
Trustee	146,535	18,087,546

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF JUSTICE				
2020 Justice Assistance Grant Program	16.738	2020-DJ-BX-0228	\$ -	\$ 7,745
Total JAG Program and Community Crime Prevention			-	7,745
2022 Bulletproof Vest Partnership Grant	16.607	N/A	-	8,305
Total Bulletproof Vest Partnership Grant			-	8,305
2017 State Criminal Alien Assistance Program	16.606	2020-AP-BX-0892	-	1,299
2022 State Criminal Alien Assistance Program	16.606	15PBJA-22-RR-05151-SCAA	-	33,470
Total State Criminal Alien Assistance Program			-	34,769
Drug Court Enhancement Project	16.585	2018-DC-BX-0016	-	19,365
Drug Recovery Court Program	16.585	15PBJA-22-GG-03886-DGCT	-	62,705
Total Recovery Court			-	82,070
Passed through the Tennessee Office of Criminal Justice Programs:				
Safe Neighborhood Grant	16.609	15PJBA21GG03063GUNP	-	33,412
Total Safe Neighborhood Grant			-	33,412
Equitable Sharing Program	16.922	TN0330000	-	56,701
Second Chance Act Pay for Success Initiative	16.812	2020-MU-BX-0001	-	19,627
Total Office of Justice Assistance Programs			-	76,328
Law Enforcement Mental Health and Wellness Act	16.710	2020MHWXK033	-	12,481
Public Safety Partnership (Component Unit)	16.710	None	-	99,685
Total Public Safety Partnership Programs			-	112,166
Total U.S. Department of Justice			-	354,795
U.S. DEPARTMENT OF AGRICULTURE				
Passed through the Tennessee Commission on Children and Youth:				
Supplemental Nutrition program for Women, Infants and Children	10.557	GG-22-72193-00	-	1,291,268
Supplemental Nutrition program for Women, Infants and Children	10.557	GG-22-72193-00	-	62,496
Total U.S. Department of Agriculture			-	1,353,764
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the Tennessee Emergency Management Agency:				
Emergency Management Performance Grants	97.042	60323-29845	-	221,101
Homeland Security Grant Program	97.067	EMW-2021-SS-00058-S01	-	174,439
Homeland Security Grant Program	97.067	EMW-2022-SS-00053-S01	-	128,674
Homeland Security Grant Program	97.067	EMW-2023-SS-00032-S01	-	29,578
Total Homeland Security Grant Program			-	332,691
Public Assistance Disaster Grant	97.036	45521	-	73,399
Public Assistance Disaster Grant	97.036	45521	-	6,551
Total Public Assistance Disaster Grant			-	79,950
Emergency Protective Measure	97.029	EMA-2021-FM-E003	-	19,188
Total U.S. Department of Homeland Security			-	652,930

(continued)

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Substance Abuse & Mental Health Services Administration	93.243	1 H79 SM080906-01	-	744,342
Passed through the Tennessee Department of Health and Human Services:				
Child Support Program Title IV-D	93.563	74015	-	402,582
Child Support Program Title IV-D	93.563	34513-835249	-	283,969
Total Child Support			-	686,551
Passed through the Tennessee Department of Health and Human Services:				
Social Services Block Grant	93.667	Z-23-49306		
		Z-23-49307	47,116	47,116
Maternal, Infant and Early Childhood Home Visiting Program	93.870	GG-24-78959-01	-	383,172
Parents As Teachers (PAT) - Temporary Assistance for Needy Families (TANF)	98.870	GG-24-78959-01	-	132,621
Parents As Teachers Model's	93.870	GG-23-76302-00	-	47,287
Total Parents As Teachers			-	563,080
Project Grant & Cooperative Agreement for Tuberculosis Control	93.116	GG-24-79400-00	-	95,536
Public Health Emergency Preparedness	93.074 / 93.069 ^D	GG-23-75491-00	-	506,382
Centers for Disease Control & Prevention: Injury Prevention and Control Research and State and Community-Based Programs	93.136	GG-24-82727-01	-	27,776
High Impact Area Substance Misuse Epidemic Response	93.136	GG-24-81001-00		
		GG-23-75646-00	-	85,810
Total Injury Prevention Cooperative Agreements			-	113,586
Homeless Health Capital Infrastructure Grant	93.526	1 CBECS43676-01-00	-	85,668
Child Care and Development Fund Cluster:				
Immunization Cooperative Audits	93.575	71565	-	76,469
Child Development Block Grant (Component Unit)	93.575	None	-	4,691,338
Total Child Care and Development Fund Cluster			-	4,767,807
Immunization Cooperative Grant	93.268	GG-22-76029-01	-	202,332
COVID-19 Immunization	93.268	GG-22-76029	-	156,917
Total Immunization Cooperative Agreements			-	359,249
U.S. Department of Health and Human Services, page total			47,116	7,969,317

(continued)

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES--continued				
Passed through the Tennessee Department of Health:				
Centers for Disease Control and Prevention, Investigations and Technical Assistance	93.305	GG-20-65379-01	\$ -	\$ 41,607
Preventive Health and Health Services Block Grant	93.991	GG-21-165267-02	-	200,866
HIV Care Formula Grants	93.917	GG-24-83837-00 GG-23-78697-00	-	145,919
HIV Prevention Activities: Health Department Based	93.977	GG-23-81773-00	-	132,245
Maternal and Child Health Services:				
Maternal and Child Health Services Block Grant - State and Local	93.994 / 93.898 ^D	GG-24-77647-00	-	165,481
CHANT Grant	93.994	GG-24-76938-00	-	185,253
Family Planning Services and Maternal & Child Health Services Block Grant to the State	93.217 / 93.994 ^D	GG-23-74288-01	-	396,159
Total Maternal and Child Health Services			-	746,893
COVID-19 Detection Expansion Funds	93.323	GG-23-76988-00	-	1,140,463
Epidemiology and Laboratory Capacity Confinement Facilities Award	93.323	Z-22-262260-01	-	393,939
Total Epidemiology and Laboratory Capacity for Infectious Diseases			-	1,534,402
Maternal and Child Health Services Block Grant	93.197	GU-24-77361-01	-	74,880
Health Center Program Cluster:				
Grants for New and Expanded Services under the Health Center Program	93.527	H8GCS48597-01-01	-	109,926
Grant to Health Center Program	93.527	H80CS00023	-	1,912,287
Total Health Center Program			-	2,022,213
Supplemental Coronavirus Funding	93.224	1 H8FCS41181-01-00	-	1,028,999
Total Health Center Program Cluster			-	3,051,212
Total U.S. Department of Health and Human Services			47,116	13,897,341
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through the Tennessee Department of Economic & Community Development:				
CDBG Program Equipment Grant	14.228	15212	-	200,045
Total U. S. Department of Treasury			-	200,045
U.S. DEPARTMENT OF TREASURY				
Passed through the Tennessee Department of Health:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	8,793,014	15,299,800
Total U. S. Department of Treasury			8,793,014	15,299,800
Total Expenditures of Federal Awards-Primary Government			\$ 8,840,130	\$ 26,967,652

(continued)

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
COMPONENT UNITS				
U.S. DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster:				
Passed through Tennessee Department of Agriculture:				
Food Donation (Noncash - Food Commodities)	10.555	None	\$ -	\$ 1,881,800
Passed through Tennessee Department of Education:				
After School Snack Program	10.555	None	-	243,113
Seamless Summer Program	10.555	None	-	20,810,837
Rebate of Cost Paid State Contracted Warehouse	10.555	None	-	45,671
Total Child Nutrition			-	22,981,421
Fresh Fruit and Vegetable Program	10.582	None	-	197,752
Total Child Nutrition Cluster			-	23,179,173
Pandemic-EBT Administrative Cost Grant	10.649	None	-	6,180
Equipment Assistance Grant	10.579	None	-	86,827
Local Food for Schools Cooperative Grant	10.185	None	-	18,823
Total U.S. Department of Agriculture			-	23,291,003
U.S. DEPARTMENT OF EDUCATION				
Impact Aid - Public Law 874	84.041	None	-	85,644
Passed through Tennessee Department of Education:				
School Based Mental Health	84.184H	None	-	492,859
Title I Grant to Local Educational Agencies	84.010	None	-	16,743,200
Title II Part A Teacher and Principal Training and Recruiting	84.367	None	-	1,905,446
English Language Acquisition Grants	84.365	None	-	635,622
Career and Technical Education- Basic Grants to States	84.048	None	-	917,728
Homeless McKinney-Vento	84.196A	None	-	239,743
Twenty-First Century Community Learning Centers	84.287	None	-	737,455
Special Education Cluster:				
Special Education- Grants to States	84.027	None	-	11,727,097
COVID Special Education- Grants to States	84.027X	None	-	70,524
COVID Special Education- Teaching All Students	84.027A	None	-	5,119
Total Special Education			-	11,802,740
Special Education- Preschool Grants	84.173	None	-	4,706
Total Special Education Cluster			-	11,807,446
Title IV, Part A, Student Support and Academic Enrichment	84.424	None	-	1,312,207
Transition School to Work	84.126	None	-	69,450
HQIM Literacy Implementation Networks	84.371	None	-	100,135
Elementary & Secondary School Emergency Relief (ESSR):				
COVID-19 Elementary & Secondary School Emergency Relief	84.425D / 84.425W / 84.425U	None	-	5,408,145
COVID-19 Elementary & Secondary School Emergency Relief 2.0	84.425D / 84.425W	None	-	329,709
COVID-19 Elementary & Secondary School Emergency Relief 3.0	84.425D / 84.425W	None	-	52,096,429
Total Elementary & Secondary School Emergency Relief			-	57,834,283
Total U.S. Department of Education			-	92,881,218

(continued)

HAMILTON COUNTY, TENNESSEE**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
COMPONENT UNITS				
U.S. DEPARTMENT OF FEDERAL COMMUNICATIONS COMMISSION				
Emergency Connectivity Fund - ARPA	32.009	None	-	56,806
Total U.S. Department of Federal Communications Commission			-	56,806
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Tennessee Department of Health and Human Services:				
Passed through the Tennessee Department of Education:				
Summer Learning Camps	93.558	None	-	921,824
Total U.S. Department of Health and Human Services			-	921,824
U.S. DEPARTMENT OF JUSTICE				
Children Exposed to Violence	16.818	None	-	75,621
STOP School Violence	16.839	None	-	50,550
Total U.S. Department of Justice			-	126,171
Total Expenditures of Federal Awards-Component Units			-	122,068,045
Total Expenditures of Federal Awards- Reporting Entity			\$ 8,840,130	\$ 149,035,697

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
STATE GRANTS				
Board of Probation and Payroll	N/A	67271	\$ -	\$ 341,131
Juvenile Detention Unit	N/A	39565	-	9,000
Governor's Highway Child Safety Program	N/A	N/A	-	3,406
Child Welfare Research and Demonstration - CASA Program	N/A	31601-2021-21	-	40,000
State Justice Institute	N/A	SJI-23-T-029	-	63,327
TN Corrections Institute	N/A	31809-0076	-	10,738
TN Dept. of Mental Health and Substance Abuse	N/A	74673	-	506,976
TN Dept. of Mental Health - Safe Baby Court	N/A	DGA 74161_2022-2023_018	-	141,758
TN Dept. of Economic & Community Development	N/A	N/A	-	1,250,000
TN Dept. of Economic & Community Development	N/A	77633	-	1,000,000
TN Dept. of Environment & Conservation - Recycling & Waste Oil	N/A	N/A	-	19,916
TN Dept. of Safety & Homeland Security - School Resource Deputies Grant	N/A	N/A	-	2,620,119
TN Dept. of Health - Safety Net Dental Services	N/A	DG63296	-	237,992
TN Dept. of Health - Safety Net Primary Care Services	N/A	N/A	-	19,736
TN Dept. of Health - Grant in Aid	N/A	GG-20-62935-00 & GG-24-80342-00	-	839,994
TN Dept. of Health - Environmental Health Programs	N/A	GU-23-74474	-	10,441
TN Dept. of Health - CHANT Grant	N/A	GG-24-76938-00	-	843,932
TN Dept. of Health - Dental Prevention	N/A	GG-23-76049-00	-	383,870
TN Dept. of Health - Fetal Infant Mortality Review	N/A	GG-21-65384-02	-	223,673
TN Dept. of Health - Recovery Courts - Adult Mental Health	N/A	78199	-	69,627
TN Dept. of Health - Childhood Lead Poisoning	N/A	GU-24-77361-01	-	18,720
TN Dept. of Health - Tobacco Prevention & Education Program	N/A	GG-24-77300-00	-	80,452
TN Dept. of Health - PAFT - Home Visiting Program	N/A	GG-24-78959-01	-	73,085
TN Dept. of Health - Projects Grants and Cooperative Agreements for Tuberculosis Control Program	N/A	GG-24-79400-00	-	245,664
TN Dept. of Health - Immunization	N/A	GG-22-76029-02	-	10,649
TN Dept. of Health - Family Planning	N/A	GG-23-74288-01	-	81,141
TN Dept. of Health - HIV Prevention Activities: Health Dept. Based	N/A	GG-21-69109-00	-	219,200
TN Dept. of Health - HIV Prevention Activities: Health Dept. Based	N/A	GG-22-76737-00	-	219,200
TN Dept. of Health - Preventive Health Services: Sexually Transmitted Diseases Control Grants	N/A	GG-23-81773-00	-	9,956
TN Dept. of Health - Maternal & Child Health Services Block Grant to States	N/A	GG-24-77647-00	-	58,142
TN Dept. of Labor and Workforce Development	N/A	N/A	-	90,249
TN Dept. of Transportation	N/A	CMA 2375	-	226,871
TN Dept. of Transportation	N/A	Z23LIT033	-	127,500
TN Dept. of Finance and Administration	N/A	4208	-	50,022
TN Dept. of Finance and Administration	N/A	N/A	-	634,991
TN Dept. of Finance and Administration	N/A	77241-VCIF	-	1,540,973
TN Dept. of Homeland Security (TEMA)	N/A	60323-29845	-	6,794
TN Dept. of Education - Public School Security Grant	N/A	N/A	-	2,588,558
TN Dept. of Education - Safe Schools	N/A	N/A	-	66,114
TN Dept. of Education - State School Improvement Grant	N/A	N/A	-	1,179,132
TN Dept. of Education - Arts360	N/A	N/A	-	11,685
TN Dept. of Education - Supporting Postsecondary Access in Rural Communities (SPARC)	N/A	N/A	-	20,868
TN Dept. of Education - Innovative School Models (ISM)	N/A	N/A	-	4,790,987
TN Dept. of Education - Voluntary Pre-K	N/A	N/A	-	2,801,590
TN Dept. of Education - Learning Camps	N/A	N/A	-	4,767,920
TN Dept. of Education - State Special Ed Preschool	N/A	N/A	-	453,356
Total Expenditures of State Awards			-	28,790,255
Total Expenditures of Federal and State Awards			\$ 8,840,130	\$ 177,825,952

HAMILTON COUNTY, TENNESSEE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2024

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the general-purpose financial statements.

NOTE B. SUBRECIPIENTS

Program Title	Federal AL Number	Amount Provided to Subrecipient
Social Services Block Grant	93.667	\$ 47,116
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	8,793,014

NOTE C. INDIRECT COST

The County has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D. COMMINGLED ASSISTANCE

These noted funds were awarded to the County as commingled assistance and are not separately identifiable in the award documents.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**To the County Commission
of Hamilton County, Tennessee
Chattanooga, Tennessee**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Hamilton County, Tennessee** (the County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 26, 2025. Our report includes a reference to other auditors who audited the financial statements of the Hamilton County "911" Emergency Communications District as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be significant deficiencies.

Report on Compliance and Other Matters

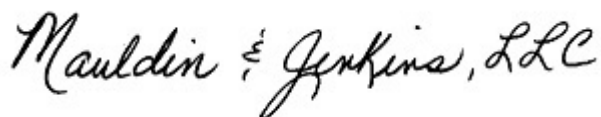
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Hamilton County, Tennessee's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Chattanooga, Tennessee
February 26, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the County Commission
of Hamilton County, Tennessee
Chattanooga, Tennessee**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Programs

We have audited **Hamilton County, Tennessee's** (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

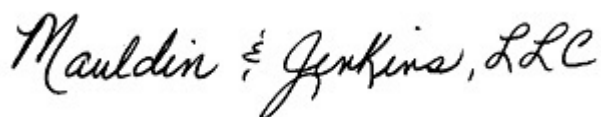
Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Chattanooga, Tennessee
February 26, 2025

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the
Financial statements audited were prepared in
accordance with GAAP

Unmodified

Internal control over financial reporting:
Material weakness(es) identified?

 X yes no

Significant deficiency(ies) identified?

 X yes none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal Control over major programs:
Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 yes X none reported

Type of auditor's report issued on compliance for
major programs

Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR 200.516(a)?

 yes X no

Identification of major programs:

AL Number

21.027

93.575

93.527 & 93.224

84.425D, 84.425U & 84.425W

84.027 & 84.173

Name of Federal Program or Cluster

COVID-19: Coronavirus State and Local Fiscal
Recovery Funds

Child Care and Development Block Grant

Health Center Program Cluster

COVID-19: Elementary and Secondary School
Emergency Relief (ESSER)

COVID-19: Special Education Cluster (IDEA)

Dollar threshold used to distinguish between
Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

 yes X no

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II FINANCIAL STATEMENT FINDINGS

2024-001 Investigative Report – State of Tennessee Comptroller of the Treasury – Released April 23, 2024

Criteria: The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to Hamilton County Schools Department of School Nutrition (HCSN). The investigation was initiated after Hamilton County Schools officials reported allegations that an employee misappropriated school nutrition assets and abused his position for personal gain.

Condition: An investigation was limited to selected records for the period October 18, 2021 through April 29, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 11th Judicial District.

Context/Cause: The following are the findings released by the Comptroller's Office Investigative Report:

- Former HCSN Assistant Director Andrew Woodbury misappropriated HCSN assets valued at \$12,374.68.
- Woodbury abused his position for personal gain.
- Internal Control and Compliance Deficiency related to Hamilton County Schools not providing adequate oversight or separate financial duties for the HCSN surplus property disposal process.

Effects: The lack of proper adherence to the County's policies and procedures and lack of accountability within the County allowed for the issues to occur.

Recommendation: We recommend the Hamilton County Schools officials and Hamilton County School Board members be aware of, and confirm authorized signatories prior to giving their approval. If a document is signed by an unauthorized signatory, officials should make inquiries to verify authenticity and proper authorization before providing their approval via signature. We also recommend a Hamilton County Schools official not involved in the HCSN surplus property disposal approval process or sales process obtain a monthly sales report for reconciliation, regardless of the third-party auction site used, to ensure all sales were authorized and that the funds collected were accurately accounted for, and timely deposited.

Auditee's Response: Management is making every effort to implement necessary processes to be in compliance.

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS

2024-002 Investigative Report – State of Tennessee Comptroller of the Treasury – Released May 10, 2024

Criteria: The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Hamilton County Schools Department of Transportation. The investigation was initiated after Hamilton County Schools officials reported that the former Department of Transportation manager used his work-assigned vehicle to work for a commercial food delivery service.

Condition: The investigation was limited to selected records for the period March 20, 2017, through June 30, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 11th Judicial District.

Context/Cause: The following are the findings released by the Comptroller’s Office Investigative Report:

- Former Transportation manager David Eaves misappropriated at least \$18,368.19.
- Eaves used his work-assigned vehicle to perform commercial food delivery services.
- Eaves made at least \$1,475.91 in questionable fuel purchases using Hamilton County Schools funds while performing commercial food deliveries.

Effects: The lack of proper adherence to the County’s policies and procedures and lack of accountability within the County allowed for the issues to occur.

Recommendation: We recommend the Hamilton County Schools officials provide adequate oversight of employee’s duties, responsibilities, work-hours, and attendance. We also recommend Hamilton County Schools design and implement a process to reconcile fuel purchases to documentation of where an employee traveled in County owned vehicles. The suspended employee was allowed to retire while suspended which allowed him to receive payment of accumulated sick leave. We recommend Hamilton County design and implement a policy that provides guidance regarding the approval or retirement requests for suspended employees.

Auditee's Response: Management is making every effort to implement necessary processes to be in compliance.

HAMILTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS

2024-003 Restatement of Fund Balance

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they are earned for exchange transactions and when the eligibility requirements of non-exchange transactions have been met, and funds are measurable and available. When loans are made between the County and its component units, those transactions should not generate expenditures or revenues for the County.

Condition: In the year ended June 30, 2021, the County provide a portion of the Series 2020A bond proceeds to the component unit and the disbursement was incorrectly reported as an expenditure in the governmental funds and was captured as a receivable in the full accrual Statement of Net Position. As this was an intra-entity loan of bond proceeds, there should have been no expenditure recognition, but a receivable reported in both the fund balance sheet and the statement of net position.

Context/Cause: Management determined a restatement was required to the Capital Project Fund's fund balance to record the receivable and increase fund balance as of June 30, 2023.

Effects: A restatement of \$16,865,000 was required to restate fund balance.

Recommendation: All disbursements to the component units from the County should be carefully reviewed to ensure they are properly reported as loans/advances or a true expenditure for a good or service being received by the County.

Auditee's Response: We concur with the finding. We will implement the necessary controls and procedures to ensure that future disbursements between the County and its component units are properly evaluated and reported as receivables from the component unit or expenditures for the exchange of goods or services.

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION III

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None noted

HAMILTON COUNTY, TENNESSEE
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

2023-001 Payroll Procedures in Court System

Criteria: In accordance with both the Criminal Court Employee handbook as well as the *Code of Federal Regulations*, Title 29 Section 553.50, each employee subject to compensatory time and compensatory time off, shall maintain records noting the number of daily hours worked, including noting all absences or leave.

Condition: Following the end of the social distancing required under the Hamilton County emergency Pandemic Procedures on February 2, 2021 the Criminal Court permitted employees to receive the opportunity to take every other Friday as a “Free day” for which the employees were not required to come work. These employees were permitted to not work, but the day was not charged against their paid-time-off hours available, the employee was paid as if they were working. The time records maintained by the Court were manually maintained and did not utilize the County’s electronic timekeeper system. Due to the lack of sufficient record keeping of the time worked, “free days” taken, and paid time off used the full magnitude of the free day payments could not be determined.

Status: Resolved

2023-002 Reporting

**Child Care and Development Block Grant (Assistance Listing Number 93.575)
U.S. Department of Health and Human Services, Passed Through
the Tennessee Department of Human Services**

Criteria: Per review of the grant agreements between the State of Tennessee and the Hamilton County Department of Education (the Department), the Department was required to submit periodic reports to the State at least every ninety (90) days after the receipt of the award and at three month subsequent intervals.

Condition: During testing, it was noted that the Department was not submitting the required reports in the required three month intervals. The reports were being submitted at the conclusion of the expending of the awards, but not within the 3 month intervals required by the grant agreements.

Status: Resolved



HAMILTON COUNTY, TENNESSEE

MANAGEMENT'S CORRECTIVE ACTION PLAN

2024-001 Investigative Report – State of Tennessee Comptroller of the Treasury – Released April 23, 2024

Person Responsible for Corrective Action Plan: Mary Ellen Heuton, Chief Financial Officer
Hamilton County Schools

Signature: _____

Corrective Action Plan: Management of the School Board is making every effort to implement necessary processes to be in compliance.

Anticipated Completion Date: June 30, 2025.

2024-002 Investigative Report – State of Tennessee Comptroller of the Treasury – Released May 10, 2024

Person Responsible for Corrective Action Plan: Mary Ellen Heuton, Chief Financial Officer
Hamilton County Schools

Signature: _____

Corrective Action Plan: Management of the School Board is making every effort to implement necessary processes to be in compliance.

Anticipated Completion Date: June 30, 2025.

2024-003 Revenue Recognition and Related Receivables

Person Responsible for Corrective Action Plan: Lee Brouner, Chief Financial Officer

Signature: _____

Corrective Action Plan: We will implement the necessary controls and procedures to ensure that future disbursements between the County and its component units are properly evaluated and reported as receivables from the component unit or expenditures for the exchange of goods or services

Anticipated Completion Date: June 30, 2025.





FRONT & BACK COVER PHOTOS — Hot Air Balloon Festival at the Tennessee Riverpark
INSIDE FRONT & BACK COVERS — Water Fountain at Coolidge Park

SLIPSHEET — Bryson King, son of retired Deputy Chief of Law Enforcement, Mark King, coming out of the shoot in the Saddle Bronc competition at the Outlaw Rodeo during the 2024 Little Debbie Hamilton County Fair

PAGE 2 — Two of the four new yurts at Chester Frost Park

PAGE 3 — Some of the Courthouse Christmas decor

PAGE 4 — Leanna Crawford performs during the 2024 Little Debbie Hamilton County Fair

PAGE 7 — T-Rex and a couple Triceratops at the 2024 Asian Lantern Festival at the Chattanooga Zoo

PAGE 8 — Chattanooga's own, Olivia Reeves, during the parade celebrating her 2024 Summer Olympics gold medal in women's weight-lifting

PAGE 9 — Nina and Pinta visiting this year at Ross's Landing

PAGE 11 — Medal of Honor Flag being raised in front of the National Medal of Honor Heritage Center, kicking off a year of festivities, leading up to the National Medal of Honor Convention that will be held in Chattanooga in September of 2025

PAGE 14 — One of EPB's 2024 Christmas windows

PAGE 17 — Ooltewah High School Concert Choir performs on the final day of the 2024 Christmas at the Courthouse

PAGES 18 & 19 — Demolition at the U.S. Pipe / Wheland Foundry site in preparation for the new Chattanooga Lookouts stadium, which is currently scheduled to open in April 2026

PAGE 20 — Snowfall at "The General" memorial at the Chattanooga National Cemetery. This year, two more members of Andrews' Raiders were posthumously awarded the Congressional Medal of Honor, which brings the number of MOH recipients amongst the Raiders to 21

PAGE V — Cast members in "The Music Man" at the Signal Mountain Playhouse

PAGE VII — Area disc golf enthusiasts, taking part in the first tournament and Grand Opening at The Corbettas at Enterprise South Nature Park, a world class, 18-hole disc golf course.

PAGE IX — Native Americans lead some dances during the Blessing of the Buffalo at the Vital Buffalo Farm. Inset - some of the buffalo that live on the farm

PAGE XIV — Christian artist, Taya, on stage at JFest 2024 which is held at the Tennessee Riverpark

PAGE XV — 2024 County Courthouse Christmas Tree with the Gold Dome Building in the background

PAGE XVI — Swan display at the 2024 Asian Lantern Festival at the Chattanooga Zoo

PAGE XVII — Bull rider during the Outlaw Rodeo at the 2024 Little Debbie Hamilton County Fair

PAGE XIX — Flag bearer, presenting colors, during the Outlaw Rodeo at the 2024 Hamilton County Fair

PAGE XXI — Snowfall on one of the piers at the Tennessee Riverpark

PAGE XXII — 2024 IronMan Chattanooga athletes out on the new bike course along Highway 27 in Hamilton County

Special thanks to Shelia Cannon of the Hamilton County Finance Division for her photo contributions to the 2024 ACFR.

HAMILTON COUNTY FINANCE DIVISION

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