

# Hamilton County Tennessee

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
*for year ended June 30, 2023*







**Annual Comprehensive Financial Report • HAMILTON COUNTY • Tennessee**

*for the year ended June 30, 2023*

*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

March 14, 2024

To the County Board of Commissioners  
And Citizens of Hamilton County

Hamilton County's economic opportunity and rich natural beauty make it one of the best places in America to live, work, and raise a family. Thanks to decades of strong leadership and conservative fiscal stewardship, Hamilton County is poised for a strong 2024 full of new opportunities for citizens from Alton Park to Sale Creek.



As the county's chief executive, it is my responsibility to protect and guide our county's finite tax dollars. In my short time in office, my team and I have made generational investments in public education, carved out innovative benefits for the county in one of the largest economic development deals in Chattanooga's history, reinvented the county fair into a world-class showing bringing tens of thousands of people to historic McDonald Farm, and launched a number of initiatives to combat the biggest epidemic in modern history.

While the state of Hamilton County is strong, I'm not naive to the fact that there are challenges our citizens face every day and people are relying on us to bring forward solutions. In the last year, we made substantial progress closing the gaps in our underserved communities, and we have a bold vision laid out as we strive to do right by Hamilton County taxpayers.

We know a good education can alter the course of a child's life, which is why we are making historic investments in public education. My office brought forward a series of recommendations addressing the facilities crisis in our public schools, representing one of the boldest commitments to education in the history of Hamilton County. This resulted in the school board unanimously passing a project list impacting 13 school communities, highlighted by the all-new Chattanooga High School, a sixth through twelfth grade campus. In the months to come, my office will present a proposal to fund these projects solidifying our commitment to modernize school facilities across the district.

Chattanooga High School will be paramount in addressing the lack of career and vocational training opportunities for our students in Chattanooga's downtown core. As the downtown area experiences record levels of economic development, the curriculum will align with the industry coming online on Chattanooga's Westside, providing internship opportunities and seamless transitions into the workforce.

Hamilton County Parks and Recreation had a record year hosting the reimagined, world-class County Fair at the breathtaking 2,100-acre McDonald Farm in Sale Creek over Veterans Day weekend. The event drew more than 40,000 people to the north end of the county celebrating family values and America's heroes.

McDonald Farm is a treasured asset in the north end of the county, where we must be intentional and methodical in our planning to ensure Hamilton County government is aligned with its citizens for its intended purpose. We are preserving hundreds of acres as a community park with assets no other park in the county currently has. I am in regular meetings with planning officials as we seek zoning options to develop the land for industrial possibilities and position the site for state investment, of which we have already been awarded \$3 million for water infrastructure.



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

*- continued from page one*

Our newly-created Department of Economic and Community Development has helped carry out a number of my office's initiatives in its first year. "Forty" is up and running serving forty students in two of our community's inner-city high schools. This mentorship initiative is focused on equipping young boys and girls with the necessary skills to become productive men and women in society, both personally and professionally, and ensures they have a set of skills to contribute to the future of our workforce. Our office also launched an internship program placing more than 50 young people, ages 14- 24, with internship opportunities across various departments in county government.

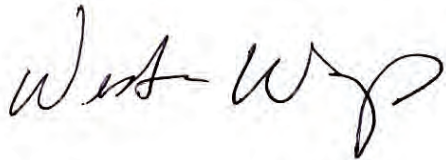
Hamilton County took an aggressive approach in the fight against the opioid epidemic distributing Opioid Abatement Settlement Funds to projects and groups on the front lines of this crisis. I included funding in the District Attorney's budget for a Chief Opioid Prosecutor, who has successfully resolved three 2nd degree murder cases with convictions for 2nd degree murder or facilitation to 2nd degree murder, and has another ten cases pending.

With collaboration from the mayor's office, Hamilton County Emergency Medical Services (HCEMS), and the Hamilton County Health Department, our overdose alert system is up and running. Officials are monitoring overdose data alerting internal stakeholders when the number rises to a threshold above a normal average with a plan to disseminate information to the public, warning citizens when dangerous drugs are infiltrating our streets. We also awarded \$300,000 to several local organizations who are deploying grassroots strategies to combat opioid's destructive impact on Hamilton County families, and we plan to open another round of grant funding this year furthering our commitment to make Hamilton County the worst place to deal deadly drugs.

Hamilton County EMS welcomed the county's seventeenth ambulance to the HCEMS fleet. In this year's budget, I proposed a 13 percent pay raise to all HCEMS employees, which resulted in the department being fully staffed for the first time in years. The pay increase also contributed to Medic 17 entering service, which reduced response times across the county.

Over the next few years, I intend to lead with civic courage, refusing to bow to the status quo, knowing parents, students, and families depend upon our leadership for a brighter future. Hamilton County is a hub of opportunity, and as my administration showcases all that Hamilton County and its citizens are, we hope to leave a generational impact further enriching this place we call home.

Sincerely,



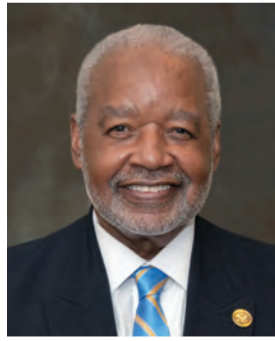
**Weston Wamp**  
*Hamilton County Mayor*



**BOARD OF COMMISSIONERS - As of June 30, 2023**



**D.C. (Chip) Baker**  
*Chairman*



**Greg Beck**  
*Commissioner*



**Mike Chauncey**  
*Commissioner*



**Jeff Eversole**  
*Commissioner*



**Joe Graham**  
*Chairman, Pro Tempore*



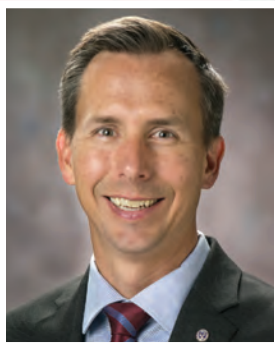
**Lee Helton**  
*Commissioner*



**Dr. Steve Highlander**  
*Commissioner*



**Warren Mackey**  
*Commissioner*



**David Sharpe**  
*Commissioner*



**Gene-o Shipley**  
*Commissioner*



**Ken Smith**  
*Commissioner*



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**HAMILTON COUNTY, TENNESSEE**

**Lee H. Brouner**

*Chief Financial Officer*

March 14, 2024

**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, 2023. 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, 2023, 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-v 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

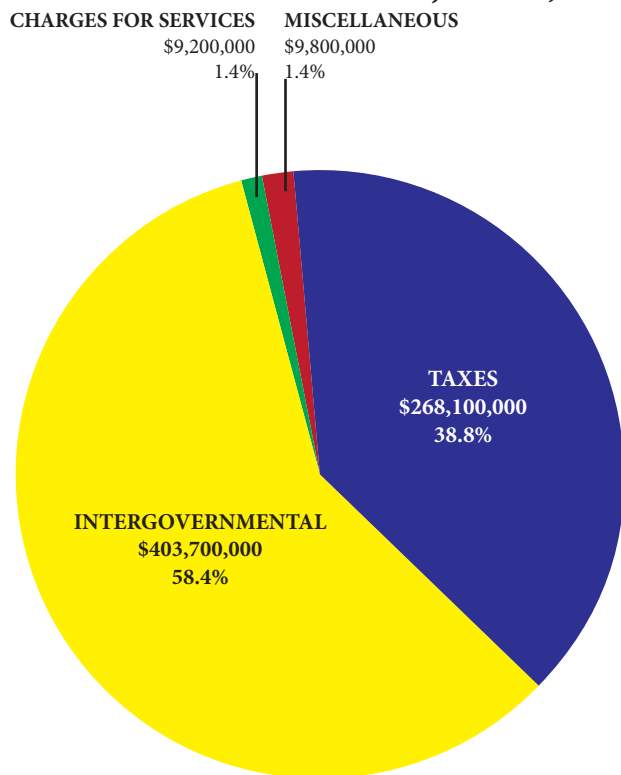
Hamilton County is located in the southeast region of the State of Tennessee, with the City of Chattanooga as its largest city. It is approximately 120 miles southwest of Knoxville, Tennessee; 360 miles east of Memphis, Tennessee; 120 miles southeast of Nashville, Tennessee, which is the State capital; 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 6,300 employees and serves a total student population of over 45,000. The total HCS operating budget for fiscal year 2023 was \$690.8 million. Hamilton County provided funding for 38.8%, or \$268.1 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, 2023



federal appropriations and grants provided \$403.7 million; charges for services provided \$9.2 million; and investments, miscellaneous items and transfers in from other funds provided \$9.8 million.

The Board of Commissioners adopted the fiscal year 2023 annual operating budget for the County on June 29, 2022, via Resolution 622-14. 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.

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, 2023, was 4.0%, as compared to the state’s rate of 3.2% and the national rate of 3.6%. With the County’s continued emphasis on economic development, we continue to foresee plenty of opportunities for employment growth on the horizon.

## FUND BALANCE

Hamilton County’s fund balances continue to remain healthy. At year end June 30, 2023, the fund balance for the General Fund grew to \$152.2 million, and total fund balances for Hamilton County Schools ended the year at \$130.7 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.

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

|      | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Funds</u> | <u>Debt<br/>Service<br/>Fund</u> |
|------|-------------------------|--------------------------------------|----------------------------------|
| 2014 | 112,106                 | 4,566                                | 923                              |
| 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                            |







## 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 are 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.

## RELEVANT FINANCIAL POLICIES

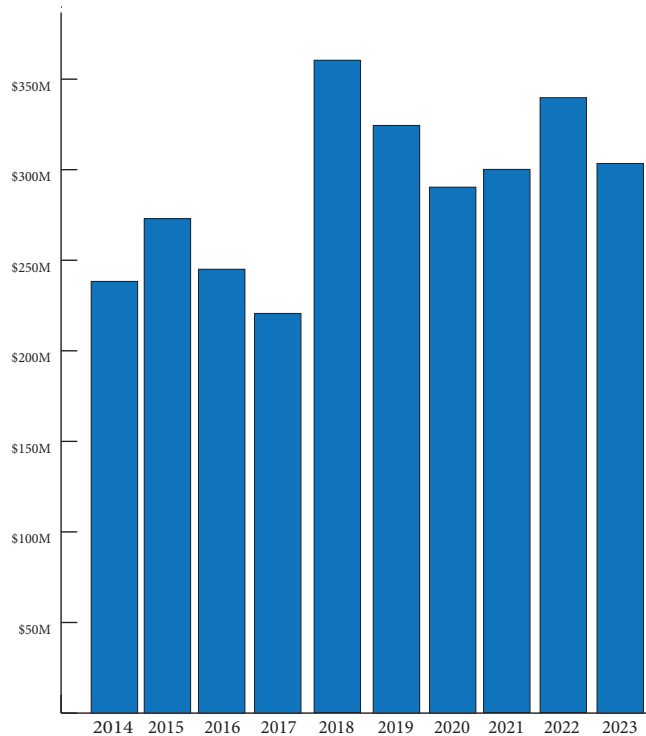
Hamilton County consistently maintains a low debt burden. This has been accomplished through sound, conservative debt management practices. The County has adopted a formal debt management policy, and we use this policy as a guide in maintaining our debt objectives and practices. The policy’s goal is 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.

### General Obligation Bond Debt Outstanding

| Fiscal Year Ended June 30 | General Obligation Bonds | Percentage of Actual Taxable Value of Property | Per Capita |
|---------------------------|--------------------------|--|------------|
| 2014                      | 238,300,000              | 0.83%  | 701        |
| 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        |

### General Obligation Bonds by Year





## 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 toward delivering quality services to our citizens.

Hamilton County issued general obligation bonds in December 2021 that are currently being directed to fund several major capital improvements in Hamilton County. A significant portion of the bond proceeds are being used to fund the construction of a new middle/high school to replace the aging Tyner Middle School and Tyner High School buildings. The proceeds are also being used for additional capital improvements for county general government, including major renovations to the Emergency Operations Center, the second phase of the Cromwell Road public works facility, renovations at the Business Development Center, and other essential governmental capital needs.

## 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 45 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 \$34.1 million in debt service payments for principal and interest due in FY 2023 from bonds outstanding for Hamilton County Schools' capital projects.

In January 2022, the Hamilton County Commission approved a contract for the design of the replacement Tyner Middle/High School. Construction of the new

Tyner Middle/High School progressed throughout fiscal year 2023, with plans to have the school ready for use by fall of 2024. In addition, the Hamilton County Commission expended \$10 million in June 2023 to purchase the Gateway building and property in the heart of downtown Chattanooga, with plans to add a new downtown high school at the site in the next couple of years.

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.

**Construction Career Center (CCC)** – The Hamilton County Construction Career Center opened in October 2022. The CCC is a joint public-private collaboration between Hamilton County government, the City of Chattanooga, Hamilton County Schools, Chattanooga State Community College, Associated General Contractors of East Tennessee, and the Chattanooga Area Chamber of Commerce. The CCC was established for the purpose of the development and operation of a vocational trade school focused on teaching and developing the skills needed in today's building and construction industry.

## **QUALITY OF LIFE ISSUES**

The Chattanooga-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.



OPEN

Barnacle Bay

Candy Lane Cafe

GINGERBREAD Bayou

The Glistening Grotto

Pearl's Point

Just Beach  
You are here

PARADISE

W 05 16 34835

- ***Hamilton Shines*** – Designed to reduce the practice of littering through education, 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.
- 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 anticipated 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 held its annual County Fair at the site in November 2023, where thousands of County residents and visitors were able to enjoy the natural beauty of the site.

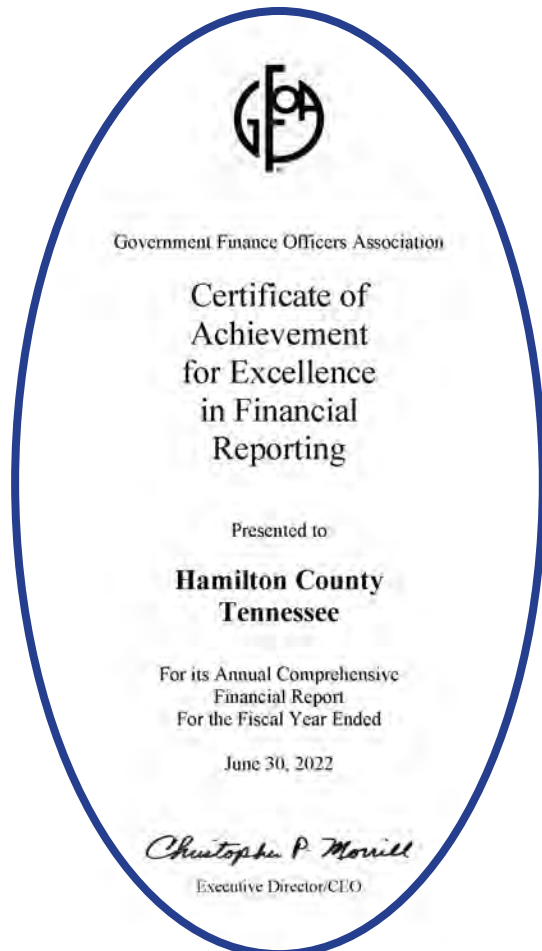
## AWARDS AND ACKNOWLEDGMENTS

### 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, 2022. Hamilton County has received this award for 42 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, 2024. This is the 22st 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, 2023)

Weston Wamp, *County Mayor*

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

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

Claire McVay, *Chief of Staff*

### Board of Commissioners

D.C. (Chip) Baker, *Chairman*

Greg Beck

Mike Chauncey

Jeff Eversole

Joe Graham, *Chairman Pro Tempore*

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. James Metcalfe, *Medical Examiner*

Marc Gravitt, *Register of Deeds*

Austin Garrett, *Sheriff*

Bill Hullander, *Trustee*

### Division & Department Heads

#### AUDITING

Chris McCollough, *County Auditor*

#### ECONOMIC & COMMUNITY DEVELOPMENT

Carla Sewell, *Interim Director, Economic & Community Development*

Alexa LeBoeuf, *Deputy Director, Intergovernmental Affairs*

Ladarius Price, *Deputy Director, Community Development*

#### OFFICE OF EMERGENCY MANAGEMENT/HOMELAND SECURITY

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

Winston Shields, *Deputy Director, Emergency Services*

#### FINANCE

Lee H. Brouner, *Administrator*

Vonda Patrick, *Assistant Administrator of Finance*

Jerald Carpenter, *Director of Procurement & Fleet Management*

Bart McKinney, *Director of Information Technology*

Holly Wormsley, *Director of Accounting*

#### GENERAL SERVICES

Christina Cooper, *Administrator*

Chris Jackson, *Director of Corrections*

Matt Folz, *Director of Recreation*

Karen Shostak, *Deputy Director of Recreation*

John Miller, *Director of Emergency Medical Services*

Wade Batson, *Deputy Director of Emergency Medical Services*

Beka Bohannon, *Director of Mental Health Court*

Shannon Morgan, *Director of Drug Recovery Court*

#### HEALTH SERVICES

Sabrina Novak, *Administrator*

Diana Kreider, *Director of Clinical Services*

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

Lowe Wilkins, *Director of Environmental Health*

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*

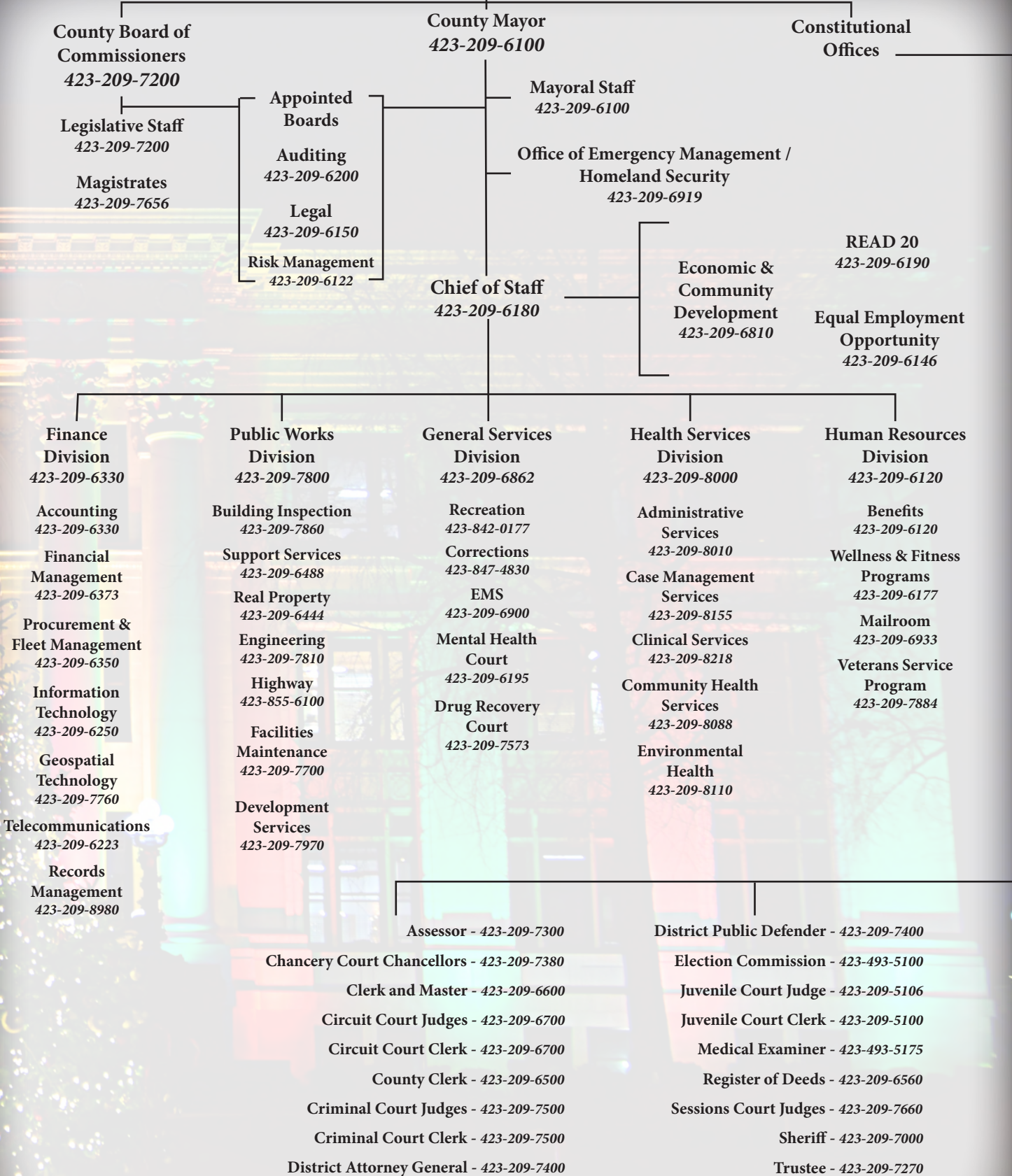
John Agan, *Director of Engineering and Facilities Maintenance*

Ronnie Blaylock, *Director of Building Inspection*

Nathan Janeway, *Director of Development Services*

Autumn Friday, *Deputy Director of Development Services*

# CITIZENS







## INDEPENDENT AUDITORS' REPORT

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**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, 2023, 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, 2023, 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 2 percent, 4 percent, and 3 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.

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***Emphasis of Matter – Change in Accounting Principle***

As described in Note A and Note S to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. This standard significantly changed the accounting for the County's subscription-based information technology arrangements. Our opinions are not modified with respect to this matter.

***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, 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.

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### ***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, 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements for the governmental funds, fiduciary funds, discretely presented component unit – Hamilton County Schools, 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.

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2024, 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.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
March 14, 2024



# MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023. 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 2023 were \$1,025.8 million, a decrease of \$17.8 million (1.7%) over the prior year.
- The government-wide liabilities of Hamilton County at the close of fiscal year 2023 were \$506.0 million, a decrease of \$30.2 million (6.0%) from the prior year.
- Government-wide revenues totaled \$340.1 million, an increase of \$21.4 million (6.7%) over the prior year.
- Government-wide expenses were \$282.8 million, an increase of \$42.5 million (17.7%) over the prior year.
- Total bonded debt at June 30, 2023 for the County was \$303.4 million, of which \$172.1 million (56.7%) was assigned to the Hamilton County Schools for capital additions and improvements.

### Fund Financial Statements

- Revenues for governmental funds increased \$18.6 million, or 5.8% from last year. This increase primarily occurred in the Capital Projects Fund, with an increase in intergovernmental revenues of \$11.8 million (118.0%).
- Expenditures for governmental funds were consistent with the prior year at \$367.6 million.
- Capital project expenditures were \$50.7 million, with \$34.8 million spent for general government construction projects and \$15.9 million spent for school construction projects.
- Other financing sources includes an accounting change of \$8.6 million related to the

implementation of GASB 96 *Subscription-Based Information Technology Arrangements*. Similar to the adoption of GASB 87 *Accounting for Leases* in the prior year, this new guidance required the recognition of the present value of applicable right-to-use IT arrangements as of July 1, 2022.

## 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 largest discretely presented component unit, Hamilton County Schools.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

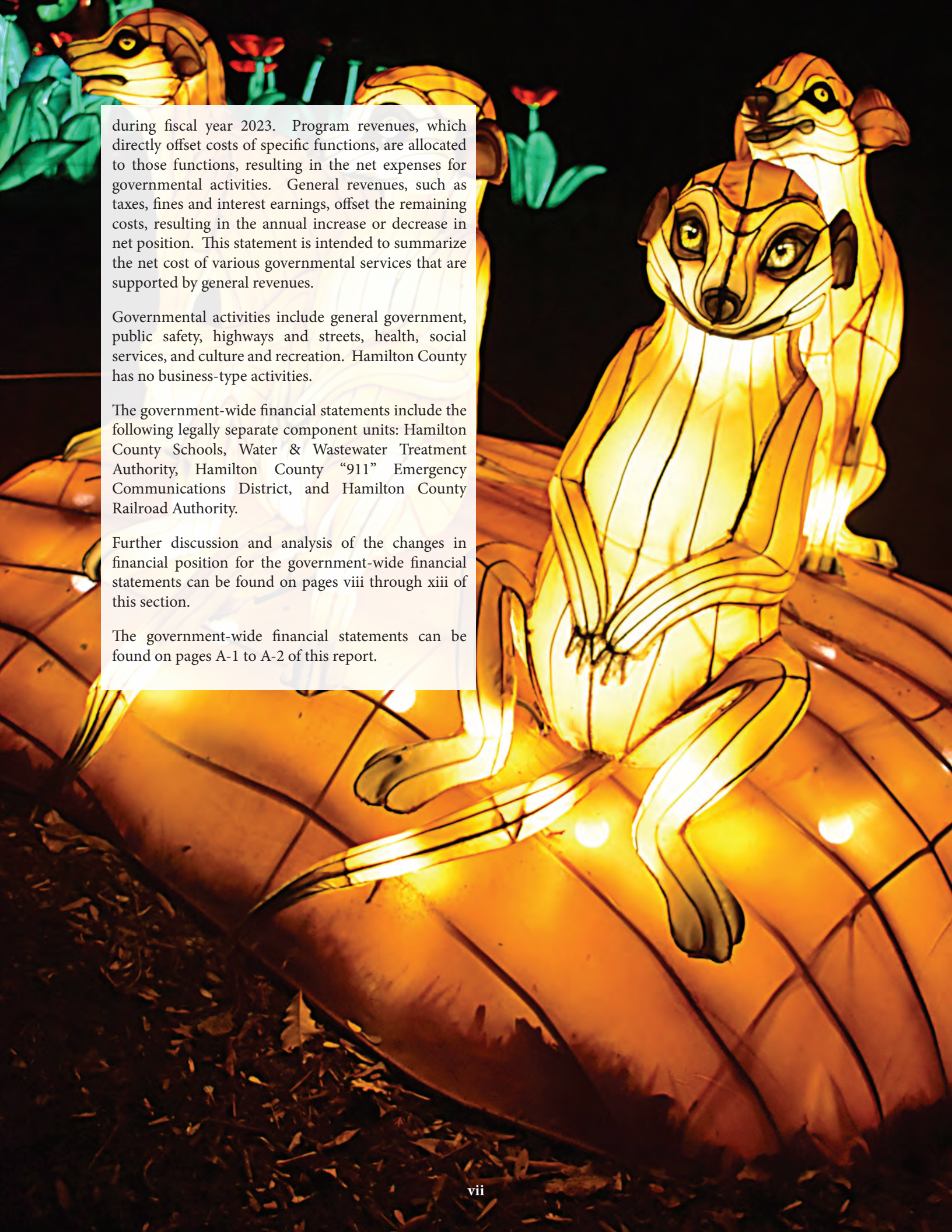
In the government-wide financial statements, the Statement of Net Position and Statement of Activities provide the reader with a broad overview of the County’s financial condition.

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 2023 of \$381.6 million increased \$57.3 million (17.7%) 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 2023. 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 the 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, 2023

## 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-95 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)

|  | <b>Governmental Activities</b> |                              |
|--|--------------------------------|------------------------------|
|  | <b>2023</b>                    | <b>2022</b>                  |
| <b>ASSETS</b>                            |                                |                              |
| Current and Other Assets                 | \$ 621,846,000                 | \$ 689,715,000               |
| Capital Assets                           | 403,943,000                    | 353,911,000                  |
| <b>TOTAL ASSETS</b>                      | <b>1,025,789,000</b>           | <b>1,043,626,000</b>         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                                |                              |
| Deferred outflows from pensions and OPEB | 35,794,000                     | 38,928,000                   |
| <b>LIABILITIES</b>                       |                                |                              |
| Long-term Liabilities                    | 405,395,000                    | 423,573,000                  |
| Other Liabilities                        | 100,640,000                    | 112,616,000                  |
| <b>TOTAL LIABILITIES</b>                 | <b>506,035,000</b>             | <b>536,189,000</b>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                                |                              |
| Unearned property tax revenue            | 160,560,000                    | 149,669,000                  |
| Deferred inflows from leases             | 5,070,000                      | 5,520,000                    |
| Deferred inflows from pensions and OPEB  | 7,107,000                      | 65,581,000                   |
| Deferred gain on refunding               | 1,216,000                      | 1,309,000                    |
|  | <u>173,953,000</u>             | <u>222,079,000</u>           |
| <b>NET POSITION</b>                      |                                |                              |
| Net Investment in Capital Assets         | 321,792,000                    | 283,299,000                  |
| Restricted                               | 13,623,000                     | 12,686,000                   |
| Unrestricted                             | 46,180,000                     | 28,301,000                   |
| <b>TOTAL NET POSITION</b>                | <b><u>\$ 381,595,000</u></b>   | <b><u>\$ 324,286,000</u></b> |

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 \$381.6 million at the close of the fiscal year ended June 30, 2023.

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)

|                                    | <b>Governmental Activities</b>      |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|
|                                    | <b>2023</b>                         | <b>2022</b>                         |
| <b>REVENUES</b>                    |                                     |                                     |
| Program Revenues:                  |                                     |                                     |
| Charges for Services               | \$ 60,748,000                       | \$ 57,491,000                       |
| Operating Grants and Contributions | 33,000,000                          | 42,277,000                          |
| Capital Grants and Contributions   | 21,758,000                          | 9,982,000                           |
| Total Program Revenues             | <u>115,506,000</u>                  | <u>109,750,000</u>                  |
| General Revenues:                  |                                     |                                     |
| Property Taxes                     | 179,096,000                         | 174,498,000                         |
| Other Taxes                        | 35,598,000                          | 33,034,000                          |
| Other                              | 9,918,000                           | 1,429,000                           |
| Total General Revenues             | <u>224,612,000</u>                  | <u>208,961,000</u>                  |
| <b>TOTAL REVENUES</b>              | <u><b>340,118,000</b></u>           | <u><b>318,711,000</b></u>           |
| <b>EXPENSES</b>                    |                                     |                                     |
| General Government                 | 75,132,000                          | 65,413,000                          |
| Public Safety                      | 131,872,000                         | 110,513,000                         |
| Highways and Streets               | 22,933,000                          | 22,447,000                          |
| Health                             | 28,130,000                          | 25,253,000                          |
| Social Services                    | 4,955,000                           | 4,096,000                           |
| Culture and Recreation             | 11,502,000                          | 10,998,000                          |
| Education                          | —                                   | 415,000                             |
| Interest on Long-Term Debt         | 8,285,000                           | 1,128,000                           |
| <b>TOTAL EXPENSES</b>              | <u><b>282,809,000</b></u>           | <u><b>240,263,000</b></u>           |
| <b>CHANGE IN NET POSITION</b>      | <u><b>57,309,000</b></u>            | <u><b>78,448,000</b></u>            |
| <b>Net Position, beginning</b>     | <u><b>324,286,000</b></u>           | <u><b>245,838,000</b></u>           |
| <b>Net Position, ending</b>        | <u><u><b>\$ 381,595,000</b></u></u> | <u><u><b>\$ 324,286,000</b></u></u> |

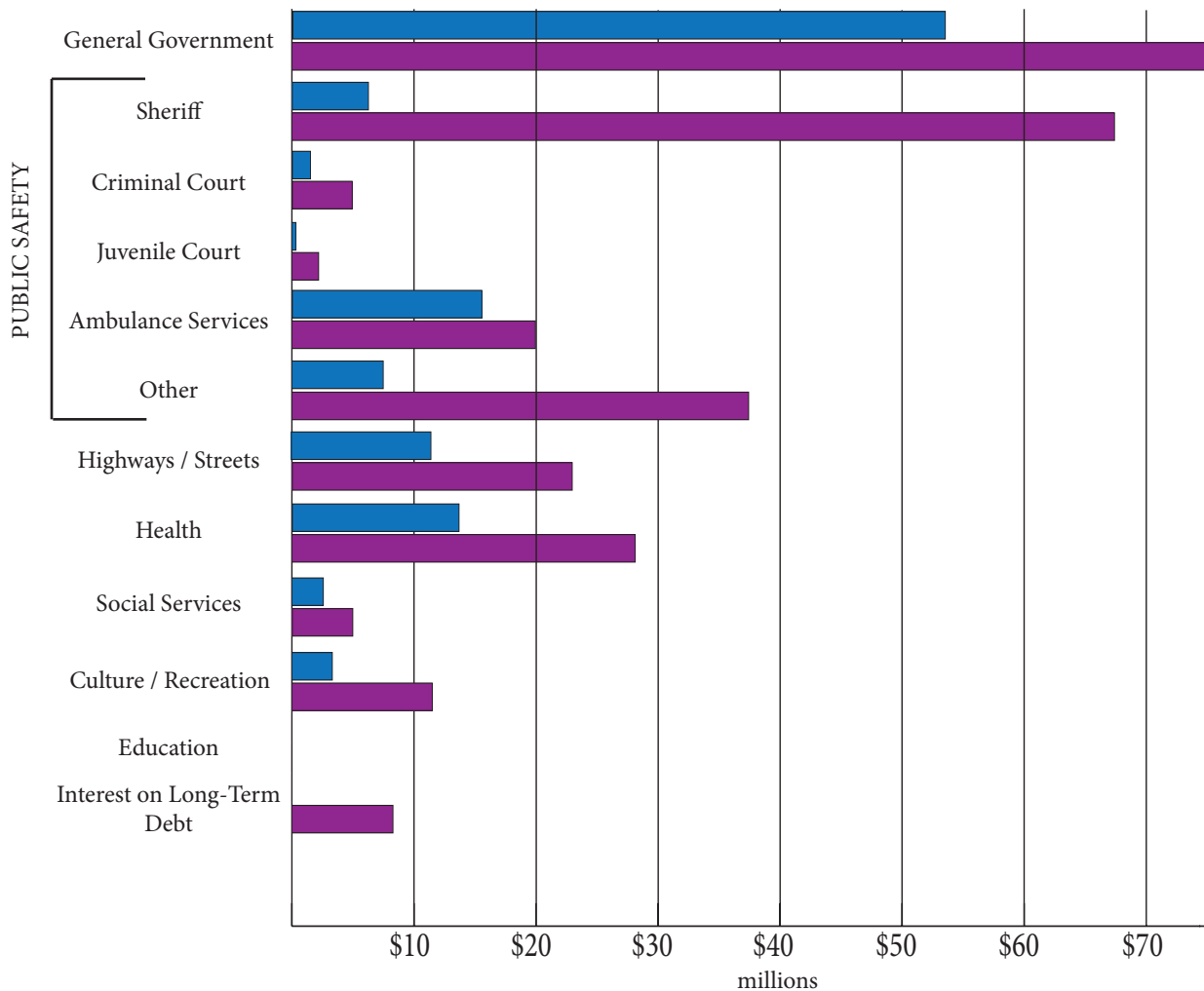
The County's revenues increased by \$5.6 million over revenues for the prior fiscal year. Total expenses for fiscal year 2023 increased by \$42.5 million (17.7%) from the prior year's expenses. The increased expenses in 2023 resulted from various factors, including significant pay increases in order to fill vacancies in critical areas such as EMS first responders, corrections officers and deputies; and increased interest related bond issuances (\$7.2 million).

# GOVERNMENT-WIDE FINANCIAL ANALYSIS - continued

## EXPENSES AND PROGRAM REVENUES

**Primary Government**  
*for fiscal year ending June 30, 2023*  
 (Rounded to the thousands)

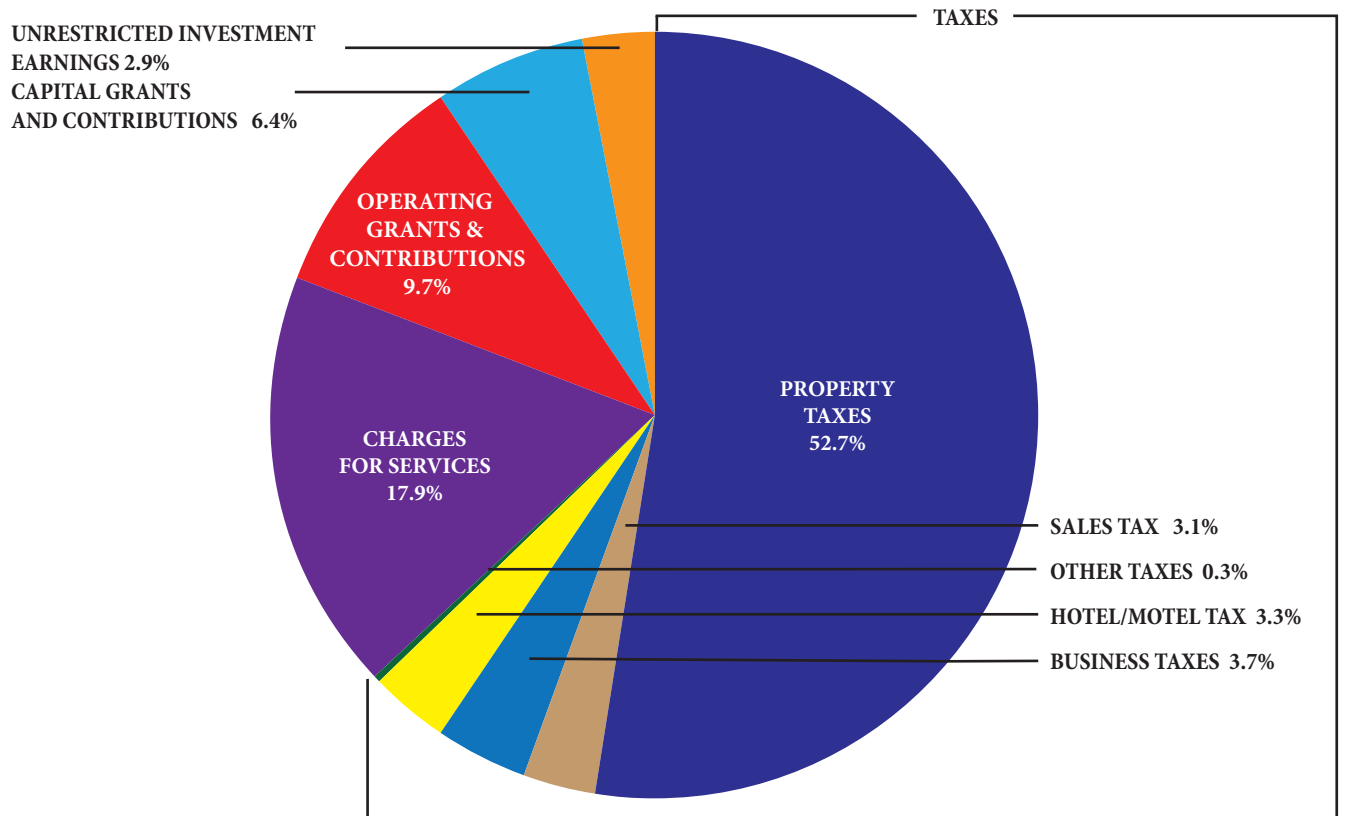
|                            | PROGRAM<br>REVENUES   | EXPENSES              |
|----------------------------|-----------------------|-----------------------|
| General Government         | \$ 53,460,000         | \$ 75,132,000         |
| Public Safety              |                       |                       |
| Sheriff                    | 6,236,000             | 67,400,000            |
| Criminal Court             | 1,481,000             | 4,904,000             |
| Juvenile Court             | 336,000               | 2,193,000             |
| Ambulance Services         | 15,526,000            | 19,951,000            |
| Other                      | 7,487,000             | 37,424,000            |
| Highways and Streets       | 11,431,000            | 22,933,000            |
| Health                     | 13,658,000            | 28,130,000            |
| Social Services            | 2,578,000             | 4,955,000             |
| Culture and Recreation     | 3,313,000             | 11,502,000            |
| Education                  | -                     | -                     |
| Interest on long-term debt | -                     | 8,285,000             |
| <b>TOTAL</b>               | <b>\$ 115,506,000</b> | <b>\$ 282,809,000</b> |



## REVENUES BY SOURCE

Primary Government  
for fiscal year ending June 30, 2023  
(Rounded to the thousands)

|                                    | 2023                  | PERCENTAGE  | 2022                  | PERCENTAGE  |
|------------------------------------|-----------------------|-------------|-----------------------|-------------|
| Taxes                              |                       |             |                       |             |
| Property Taxes                     | \$ 179,096,000        | 52.7%       | \$ 174,498,000        | 54.8%       |
| Sales Tax                          | 10,596,000            | 3.1%        | 9,863,000             | 3.1%        |
| Business Taxes                     | 12,539,000            | 3.7%        | 11,253,000            | 3.5%        |
| Hotel/Motel Taxes                  | 11,364,000            | 3.3%        | 10,858,000            | 3.4%        |
| Other Taxes                        | 1,099,000             | 0.3%        | 1,060,000             | 0.3%        |
| Charges for Services               | 60,748,000            | 17.9%       | 57,491,000            | 18.0%       |
| Operating Grants and Contributions | 33,000,000            | 9.7%        | 42,277,000            | 13.3%       |
| Capital Grants and Contributions   | 21,758,000            | 6.4%        | 9,982,000             | 3.1%        |
| Unrestricted Investment Earnings   | 9,918,000             | 2.9%        | 1,429,000             | 0.5%        |
| <b>TOTAL</b>                       | <b>\$ 340,118,000</b> | <b>100%</b> | <b>\$ 318,711,000</b> | <b>100%</b> |







# MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

## 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 the fiscal year.

As of the end of fiscal year 2023, the County’s governmental funds reported combined ending fund balances of \$292.8 million, a decrease of \$18.4 million. This decrease in total governmental fund balances is primarily due to decrease of \$22.5 million in the Capital Projects Fund.

The fund balance of the governmental funds consists of a restricted portion of \$116.3 million (consisting primarily of restricted for Capital Projects), an assigned portion of \$27.3 million, a committed portion of \$11.3 million, and an unassigned portion of \$136.0 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, 2023, was \$152.2 million, consisting of a non-spendable portion of \$1.9 million; assigned fund balance of \$9.4 million; and an unassigned fund balance of \$136.0 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 46.3% of the total General Fund expenditures and transfers out, while total fund balance represents 49.9% of that same amount.

Unassigned fund balance of the County’s General Fund increased by \$1.3 million during the current fiscal year, and total fund balance increased \$5.3 million during this time period. The increase in both unassigned and total fund balance, as further discussed below, was largely the result of the County’s continued efforts to control spending and remain fiscally conservative.

General Fund revenues totaled \$274.0 million and increased over the prior year by \$1.6 million (0.5%). Property taxes historically are the largest source of the revenues for the General Fund. Property tax revenues for the General Fund were \$179.1 million which was an increase of \$4.6 million over the prior year. Intergovernmental revenues decreased as compared to the prior year, from \$40.0 million in fiscal year 2022 to \$30.8 million in fiscal year 2023. Federal funding was higher than usual in the two previous years as a result of the additional funding received to support efforts to address the COVID-19 pandemic. Federal revenues are now more consistent with pre-pandemic levels.

General Fund expenditures was consistent with the prior year with an increase of \$4.2 million (1.7%) over the prior year.

Other Financing Sources includes an accounting change of \$8.6 million related to the implementation of GASB 96 *Subscription-Based Information Technology Arrangements*. Similar to the adoption of GASB 87 *Accounting for Leases* in the prior year, this new guidance required the recognition of the present value of applicable right-to-use IT arrangements as of July 1, 2022.



# MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

## FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS - *continued*

The Debt Service fund has a total fund balance of \$8.0 million which is a decrease of \$1.8 million from the prior year.

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 generally derived from issuances of general obligation bonds. The fund balance of the Capital Projects Fund decreased by \$22.5 million from the prior year, and closed the current year with a balance of \$125.0 million. Expenditures for capital additions completed in fiscal year 2023 totaled \$50.7 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 \$3.5 million in fiscal year 2023 and totaled \$38.8 million at the end of the fiscal year.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Hamilton County Board of Commissioners approved and adopted its fiscal year 2023 annual operating budget on June 29, 2022. The original General Fund operating budget was balanced without a use of fund balance.

The Board of Commissioners approved a total of \$30.4 million in amendments to General Fund operating

expenditures and transfers out during fiscal year 2023 and total amendments of \$17.3 million to the General Fund revenue budget. The amendments to the General Fund revenue and expenditure budgets were primarily for:

- Increases to 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;
- Increases to budgets for grant-related items that were not expended during the prior fiscal year and were carried over into the current fiscal year;
- Increases to budgets for EMS ambulance equipment upgrades;
- Increase to budget for purchase of the CIGNA Facility for a future school facility;
- New grants received from various state and federal agencies; and
- Expenditures, primarily at the County Health Department, to address the COVID-19 pandemic.

Actual revenues for the General Fund were below budgeted revenues by \$22.7 million (7.7%). This variance is largely due to lower than budgeted property tax revenues (\$6.6 million) and intergovernmental revenues related to Federal grants (\$11 million).

Total expenditures were less than budgeted expenditures by \$31.7 million (11.4%). 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, 2023

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### CAPITAL ASSETS

The County’s investment in capital assets as of June 30, 2023, amounts to \$403.9 million (net of accumulated depreciation of \$333.4 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 \$42.4 million (10.7%) 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:

- Silverdale Jail/Correctional Facility expansion - \$12.9 million
- CSLA/Lakesite School Renovation - \$8.7 million
- CIGNA Campus Facility for future school facility - \$7.9 million
- Tyner Middle/High School - \$7.0 million
- Walden’s Ridge Park - \$1.7 million

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### CAPITAL ASSET ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2023

#### NET OF DEPRECIATION

(Rounded to the thousands)

|                                    | <b>Beginning<br/>Balance</b> | <b>Additions</b>     | <b>Retirements</b>    | <b>Transfers</b> | <b>Ending<br/>Balance</b> |
|------------------------------------|------------------------------|----------------------|-----------------------|------------------|---------------------------|
| Land                               | \$ 88,429,000                | \$ 10,944,000        | \$ (2,914,000)        | \$ —             | \$ 96,459,000             |
| Construction in progress           | 44,120,000                   | 31,484,000           | —                     | (2,027,000)      | 73,577,000                |
| Buildings                          | 179,301,000                  | 3,975,000            | (65,000)              | 1,806,000        | 185,017,000               |
| Improvements other than buildings  | 44,767,000                   | 35,000               | (564,000)             | 152,000          | 44,390,000                |
| Machinery and equipment            | 56,139,000                   | 4,579,000            | (2,107,000)           | 14,000           | 58,625,000                |
| Infrastructure                     | 253,142,000                  | 7,953,000            | (1,322,000)           | —                | 259,773,000               |
| Intangibles                        | 7,222,000                    | 127,000              | (18,000)              | 55,000           | 7,386,000                 |
| Right-to-use technology agreements | 460,000                      | 8,602,000            | —                     | —                | 9,062,000                 |
| Leases                             | 3,308,000                    | (271,000)            | (20,000)              | —                | 3,017,000                 |
| Depreciation                       | (322,517,000)                | (13,872,000)         | 3,025,000             | —                | (333,364,000)             |
|                                    | <u>\$ 354,371,000</u>        | <u>\$ 53,556,000</u> | <u>\$ (3,985,000)</u> | <u>\$ —</u>      | <u>\$ 403,942,000</u>     |



# MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

## LONG-TERM DEBT

At the end of fiscal year 2023, the County had general obligation bonds outstanding of \$303.4 million. Of the bonded debt, \$172.1 million (56.7%) 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 and our future is bright 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 us 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 Standard and Poor’s 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.

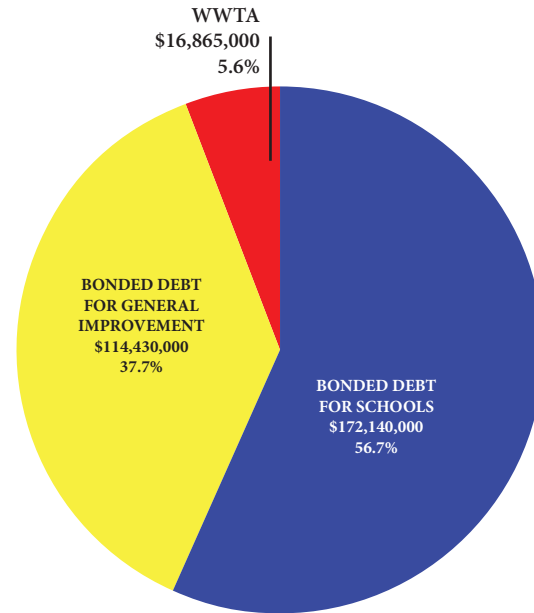
## ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND PROPERTY TAX RATES

The Hamilton County Commission approved the fiscal year 2024 budget on June 21, 2023. Following are some of the key factors considered in developing the fiscal year 2024 budget:

- The primary source of revenue for the County comes from property taxes. Property tax revenues for FY 2024 of \$348.7 million are budgeted to grow 2.0% over such revenues in the prior year.
- Sales tax revenues for fiscal year 2024 of \$124.6 are budgeted to grow 13.3% over the prior year budget. The vast majority of these revenues (\$113.6 million) is budgeted by the Hamilton

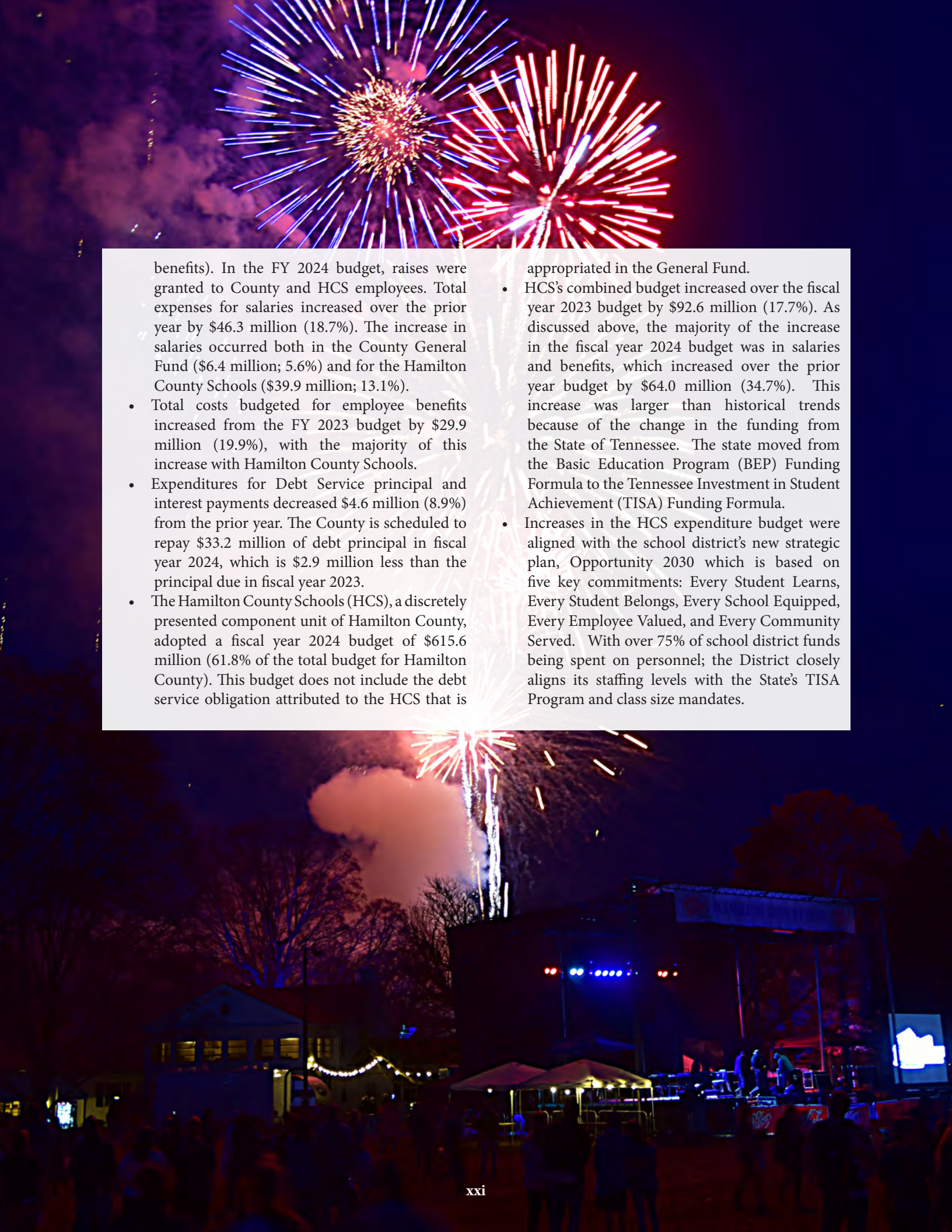
## General Obligation Bonds Outstanding

|   |                       |       |
|---|-----------------------|-------|
| General Improvement                       | \$ 114,430,000        | 37.7% |
| Schools                                   | 172,140,000           | 56.7% |
| WWTA                                      | 16,865,000            | 5.6%  |
| <b>Total General Obligation Bond Debt</b> | <b>\$ 303,435,000</b> |       |



County Schools, with the remainder going to the General Fund.

- Intergovernmental revenues account for 36.4% 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% 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 5.8% in fiscal year 2024.
- 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 2024 budget were \$64.3 million which was consistent with the FY 2023 budgeted amount.
- As is common for most governmental entities, the majority (64.4%) of the County’s expenditures are personnel related (salaries and employee



benefits). In the FY 2024 budget, raises were granted to County and HCS employees. Total expenses for salaries increased over the prior year by \$46.3 million (18.7%). The increase in salaries occurred both in the County General Fund (\$6.4 million; 5.6%) and for the Hamilton County Schools (\$39.9 million; 13.1%).

- Total costs budgeted for employee benefits increased from the FY 2023 budget by \$29.9 million (19.9%), with the majority of this increase with Hamilton County Schools.
- Expenditures for Debt Service principal and interest payments decreased \$4.6 million (8.9%) from the prior year. The County is scheduled to repay \$33.2 million of debt principal in fiscal year 2024, which is \$2.9 million less than the principal due in fiscal year 2023.
- The Hamilton County Schools (HCS), a discretely presented component unit of Hamilton County, adopted a fiscal year 2024 budget of \$615.6 million (61.8% 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 2023 budget by \$92.6 million (17.7%). As discussed above, the majority of the increase in the fiscal year 2024 budget was in salaries and benefits, which increased over the prior year budget by \$64.0 million (34.7%). This increase was larger than historical trends because of the change in the funding from the State of Tennessee. The state moved from the Basic Education Program (BEP) Funding Formula to the Tennessee Investment in Student Achievement (TISA) Funding Formula.
- Increases in the HCS expenditure budget were aligned with the school district's new 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 75% 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](http://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, 2023**

|  | Primary<br>Government<br>Governmental<br>Activities | Component<br>Units    |
|--|---|-----------------------|
| <b>ASSETS</b>  |   |                       |
| Cash and cash equivalents  | \$ 134,032,202                                      | \$ 127,331,820        |
| Investments  | 259,397,669   | 53,353,903            |
| Receivables, net of allowance for uncollectibles                       | 202,737,054   | 211,451,714           |
| Receivables, restricted  | -   | 2,882,789             |
| Due from component units   | 882,373   | -                     |
| Due from primary government  | -   | 9,494,861             |
| Inventories  | 1,633,101   | 1,019,552             |
| Prepaid items  | 830,108   | 2,039,317             |
| Advance to component units, net of allowance for uncollectibles        | 16,865,000  | -                     |
| Net pension asset  | 2,105,463   | 53,751,936            |
| Cash and cash equivalents - restricted                                 | -   | 15,576,254            |
| Investment in joint venture  | 3,363,058   | -                     |
| Land and other nondepreciable assets                                   | 170,036,918   | 45,688,440            |
| Other capital assets, net of accumulated depreciation and amortization | <u>233,905,673</u>                                  | <u>540,492,975</u>    |
| Total assets   | <u>1,025,788,619</u>                                | <u>1,063,083,561</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                  |   |                       |
| Pension contributions subsequent to measurement date                   | 10,247,161  | 20,256,249            |
| Pension experience differences   | 8,198,776   | 13,100,405            |
| Pension changes in assumptions   | 9,258,449   | 39,870,287            |
| Pension investment differences   | 1,017,482   | 1,854,661             |
| Deferred changes in proportion to the net pension liability            | -   | 402,711               |
| OPEB changes in assumptions  | 2,120,925   | -                     |
| OPEB contributions subsequent to measurement date                      | 4,951,471   | -                     |
| OPEB experience differences  | -   | 13,291,394            |
| Total deferred outflows of resources                                   | <u>35,794,264</u>                                   | <u>88,775,707</u>     |
| <b>LIABILITIES</b>   |   |                       |
| Accounts payable and accrued expenses                                  | 36,083,661  | 66,095,717            |
| Due to component unit  | 9,494,861   | -                     |
| Due to primary government  | -   | 882,373               |
| Unearned revenue   | 55,060,756  | -                     |
| Long-term liabilities:   |   |                       |
| Due within one year  | 39,942,903  | 17,254,923            |
| Due in more than one year  | 336,454,136   | 35,698,745            |
| Net pension liability, due in more than one year                       | 11,312,358  | 5,376,853             |
| Net OPEB liability, due in more than one year                          | 17,686,388  | 94,650,006            |
| Advance from primary government  | -   | 26,611,675            |
| Total liabilities  | <u>506,035,063</u>                                  | <u>246,570,292</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |   |                       |
| Deferred property tax revenue  | 160,559,645   | 119,239,664           |
| Deferred lease receivable  | 5,070,347   | 1,821,218             |
| Pension investment loss  | -   | -                     |
| Pension experience differences   | 1,902,669   | 11,064,538            |
| Pension changes in assumptions   | -   | -                     |
| Pension investment difference  | -   | -                     |
| OPEB changes in assumptions  | 1,039,186   | 48,584,891            |
| OPEB experience differences  | 534,945   | -                     |
| OPEB investment differences  | 3,630,542   | -                     |
| Deferred changes in proportion to the net pension liability            | -   | 389,473               |
| Deferred gain on refunding   | <u>1,215,787</u>                                    | <u>-</u>              |
| Total deferred inflows of resources                                    | <u>173,953,121</u>                                  | <u>181,099,784</u>    |
| <b>NET POSITION</b>  |   |                       |
| Net investment in capital assets                                       | 321,791,912   | 542,095,511           |
| Restricted for:  |   |                       |
| General government   | 4,334,903   | -                     |
| Public safety  | 1,476,117   | -                     |
| Partnership  | 1,041,194   | -                     |
| Social services  | 1,703,767   | -                     |
| Stabilization reserve trust  | 2,960,884   | 9,946,120             |
| Centralized cafeteria  | -   | 12,602,885            |
| Education  | -   | 13,862,530            |
| Local School Activities  | -   | 9,351,960             |
| Instruction  | -   | 28,846                |
| Net pension asset  | 2,105,463   | 53,751,936            |
| WWTA PSLP program  | -   | 11,227,053            |
| Debt service   | -   | 2,285,780             |
| Unrestricted   | <u>46,180,459</u>                                   | <u>69,036,571</u>     |
| Total net position   | <u>\$ 381,594,699</u>                               | <u>\$ 724,189,192</u> |

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

**STATEMENT OF ACTIVITIES**

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2023**

| Functions/Programs   | Expenses              | Program Revenues        |  |  | Net (Expenses) Revenues and<br>Changes in Net Position |                       |
|--|-----------------------|-------------------------|--|--|--|-----------------------|
|  |                       | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary<br>Governmental<br>Activities                  | Components<br>Units   |
| <b>PRIMARY GOVERNMENT</b>                                    |                       |                         |  |  |  |                       |
| Government activities:                                       |                       |                         |  |  |  |                       |
| General government   | \$ 75,132,483         | \$ 26,929,577           | \$ 4,772,634                             | \$ 21,757,912                          | \$ (21,672,360)  |                       |
| Public safety:   |                       |                         |  |  |  |                       |
| Sheriff  | 67,399,830            | 1,868,340               | 4,367,650                                | -                                      | (61,163,840)   |                       |
| Criminal Court   | 4,904,063             | 1,480,716               | -  | -                                      | (3,423,347)  |                       |
| Juvenile Court   | 2,193,007             | 335,913                 | -  | -                                      | (1,857,094)  |                       |
| Ambulance Services   | 19,950,683            | 15,526,476              | -  | -                                      | (4,424,207)  |                       |
| Other  | 37,423,898            | 4,790,096               | 2,696,883                                | -                                      | (29,936,919)   |                       |
| Highways and streets   | 22,932,949            | 4,180,767               | 7,250,032                                | -                                      | (11,502,150)   |                       |
| Health   | 28,130,398            | 1,981,764               | 11,675,983                               | -                                      | (14,472,651)   |                       |
| Social services  | 4,954,867             | 2,249,276               | 328,610                                  | -                                      | (2,376,981)  |                       |
| Culture and recreation                                       | 11,501,826            | 1,405,121               | 1,908,503                                | -                                      | (8,188,202)  |                       |
| Education  | 142                   | -                       | -  | -                                      | (142)  |                       |
| Interest on long-term debt                                   | 8,285,026             | -                       | -  | -                                      | (8,285,026)  |                       |
| <b>TOTAL PRIMARY GOVERNMENT</b>                              | <b>\$ 282,809,172</b> | <b>\$ 60,748,046</b>    | <b>\$ 33,000,295</b>                     | <b>\$ 21,757,912</b>                   | <b>(167,302,919)</b>                                   |                       |
| <b>COMPONENT UNITS</b>                                       |                       |                         |  |  |  |                       |
| Department of Education                                      | \$ 610,689,681        | \$ 9,507,429            | \$ 97,111,254                            | \$ 5,363,294                           |  | \$ (498,707,704)      |
| "911" Emergency Communications                               | 15,322,922            | -                       | 16,850,855                               | -                                      |  | 1,527,933             |
| Water & Wastewater Treatment Authority                       | 23,970,291            | 32,111,773              | 8,731,487                                | 6,626,513                              |  | 23,499,482            |
| Railroad Authority   | 1,288,218             | 149,327                 | 1,131,371                                | -                                      |  | (7,520)               |
| <b>TOTAL COMPONENT UNITS</b>                                 | <b>\$ 651,271,112</b> | <b>\$ 41,768,529</b>    | <b>\$ 123,824,967</b>                    | <b>\$ 11,989,807</b>                   |  | <b>(473,687,809)</b>  |
| General revenues:  |                       |                         |  |  |  |                       |
| Property taxes   |                       |                         |  |  | 179,095,997  | 153,334,918           |
| Sales taxes  |                       |                         |  |  | 10,595,498   | 116,522,025           |
| Business taxes   |                       |                         |  |  | 12,539,131   | -                     |
| Hotel/Motel taxes  |                       |                         |  |  | 11,363,925   | -                     |
| Other taxes  |                       |                         |  |  | 1,099,117  | -                     |
| Unrestricted investment earnings                             |                       |                         |  |  | 9,917,715  | 5,792,879             |
| Grants and contributions not restricted to specific programs |                       |                         |  |  | -  | 228,366,606           |
| <b>Total general revenues</b>                                |                       |                         |  |  | <b>224,611,383</b>                                     | <b>504,016,428</b>    |
| Change in net position                                       |                       |                         |  |  | 57,308,464   | 30,328,619            |
| Net position, beginning, restated                            |                       |                         |  |  | 324,286,235  | 693,860,573           |
| <b>Net position, ending</b>                                  |                       |                         |  |  | <b>\$ 381,594,699</b>                                  | <b>\$ 724,189,192</b> |

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

|   | General               | Debt<br>Service     | Capital<br>Projects   | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-----------------------|---------------------|-----------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>   |                       |                     |                       |                                   |                                |
| Cash and cash equivalents   | \$ 31,340,201         | \$ 1,511,034        | \$ 86,571,388         | \$ 7,255,082                      | \$ 126,677,705                 |
| Investments   | 118,429,189           | 6,441,307           | 103,530,692           | 1,172,048                         | 229,573,236                    |
| Receivables, net of allowance for uncollectible                       | 197,237,642           | -                   | 3,796,548             | 1,699,520                         | 202,733,710                    |
| Due from other funds  | 1,343,235             | -                   | 199,091               | 831                               | 1,543,157                      |
| Due from component units  | 882,373               | -                   | -                     | -                                 | 882,373                        |
| Inventories   | 1,379,857             | -                   | -                     | -                                 | 1,379,857                      |
| Prepaid items   | 517,851               | -                   | -                     | 5,253                             | 523,104                        |
| Total assets  | <u>\$ 351,130,348</u> | <u>\$ 7,952,341</u> | <u>\$ 194,097,719</u> | <u>\$ 10,132,734</u>              | <u>\$ 563,313,142</u>          |
| <b>LIABILITIES</b>  |                       |                     |                       |                                   |                                |
| Accounts payable  | \$ 4,010,243          | \$ -                | \$ 3,173,580          | \$ -                              | \$ 7,183,823                   |
| Accrued items and other   | 15,028,977            | -                   | -                     | 2,502,111                         | 17,531,088                     |
| Intergovernmental payables  | 985,087               | -                   | -                     | -                                 | 985,087                        |
| Due to other funds  | 6,221,255             | -                   | 1,341,071             | 1,534                             | 7,563,860                      |
| Due to component units  | -                     | -                   | 9,494,861             | -                                 | 9,494,861                      |
| Other unearned revenue  | -                     | -                   | 55,060,388            | -                                 | 55,060,388                     |
| Total liabilities   | <u>26,245,562</u>     | <u>-</u>            | <u>69,069,900</u>     | <u>2,503,645</u>                  | <u>97,819,107</u>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                       |                     |                       |                                   |                                |
| Deferred property tax revenue   | 160,559,645           | -                   | -                     | -                                 | 160,559,645                    |
| Unavailable property taxes  | 6,200,706             | -                   | -                     | -                                 | 6,200,706                      |
| Leases  | 5,070,347             | -                   | -                     | -                                 | 5,070,347                      |
| Other unavailable revenue   | 833,071               | -                   | -                     | -                                 | 833,071                        |
| Total deferred inflows of resources                                   | <u>172,663,769</u>    | <u>-</u>            | <u>-</u>              | <u>-</u>                          | <u>172,663,769</u>             |
| <b>FUND BALANCES</b>  |                       |                     |                       |                                   |                                |
| Nonspendable for inventories  | 1,379,857             | -                   | -                     | -                                 | 1,379,857                      |
| Nonspendable for prepaid items  | 517,851               | -                   | -                     | 5,253                             | 523,104                        |
| Restricted for stabilization reserve trust                            | 2,960,884             | -                   | -                     | -                                 | 2,960,884                      |
| Restricted for general government                                     | -                     | -                   | -                     | 4,334,903                         | 4,334,903                      |
| Restricted for public safety  | 28,225                | -                   | -                     | 1,447,892                         | 1,476,117                      |
| Restricted for partnership  | 1,041,194             | -                   | -                     | -                                 | 1,041,194                      |
| Restricted for social services  | -                     | -                   | -                     | 1,703,767                         | 1,703,767                      |
| Restricted for capital projects                                       | -                     | -                   | 104,813,771           | -                                 | 104,813,771                    |
| Committed for public safety   | 898,085               | -                   | -                     | 137,274                           | 1,035,359                      |
| Committed for capital projects  | -                     | -                   | 10,265,306            | -                                 | 10,265,306                     |
| Assigned for general government                                       | 2,503,978             | -                   | -                     | -                                 | 2,503,978                      |
| Assigned for public safety  | 2,040,165             | -                   | -                     | -                                 | 2,040,165                      |
| Assigned for debt service   | -                     | 7,952,341           | -                     | -                                 | 7,952,341                      |
| Assigned for highways and streets                                     | 3,305,991             | -                   | -                     | -                                 | 3,305,991                      |
| Assigned for health   | 273,053               | -                   | -                     | -                                 | 273,053                        |
| Assigned for culture and recreation                                   | 1,261,479             | -                   | -                     | -                                 | 1,261,479                      |
| Assigned for capital projects   | -                     | -                   | 9,948,742             | -                                 | 9,948,742                      |
| Unassigned  | 136,010,255           | -                   | -                     | -                                 | 136,010,255                    |
| Total fund balances   | <u>152,221,017</u>    | <u>7,952,341</u>    | <u>125,027,819</u>    | <u>7,629,089</u>                  | <u>292,830,266</u>             |
| Total liabilities, deferred inflows of resources<br>and fund balances | <u>\$ 351,130,348</u> | <u>\$ 7,952,341</u> | <u>\$ 194,097,719</u> | <u>\$ 10,132,734</u>              | <u>\$ 563,313,142</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, 2023**

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

Fund balances - total governmental funds \$ 292,830,266

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. 403,942,591

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. 7,033,777

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. 38,812,449

Long-term assets receivable from a component unit are not due until the related long-term liability is due and payable. 16,865,000

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. 3,363,058

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  | \$ (303,435,000) |                      |
| Original issue premiums   | (42,852,353)     |                      |
| Deferred gain on refunding  | (1,215,787)      |                      |
| Leases  | (3,034,543)      |                      |
| SBITAs  | (8,054,022)      |                      |
| Net pension asset   | 2,105,463        |                      |
| Net pension liability   | (11,312,358)     |                      |
| Deferred outflows from pension contributions                      | 10,247,161       |                      |
| Deferred outflows from differences in pension investment earnings | 1,017,482        |                      |
| Deferred outflows from pension experiences                        | 8,198,776        |                      |
| Deferred outflows from pension changes in assumptions             | 9,258,449        |                      |
| Deferred inflows from pension experiences                         | (1,902,669)      |                      |
| Net OPEB liability  | (17,686,388)     |                      |
| Deferred outflows from OPEB contributions                         | 4,951,471        |                      |
| Deferred outflows from OPEB changes in assumptions                | 2,120,925        |                      |
| Deferred inflows from differences in OPEB investment earnings     | (3,630,542)      |                      |
| Deferred inflows from OPEB experience                             | (534,945)        |                      |
| Deferred inflows from OPEB changes in assumptions                 | (1,039,186)      |                      |
| Landfill post closure costs                                       | (90,000)         |                      |
| Compensated absences  | (18,931,121)     |                      |
| Accrued interest payable  | (5,433,255)      |                      |
|   |                  | <u>(381,252,442)</u> |

Net position of governmental activities \$ 381,594,699

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, 2023**

|  | General               | Debt<br>Service     | Capital<br>Projects   | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------|---------------------|-----------------------|-----------------------------------|--------------------------------|
| <b>REVENUES</b>  |                       |                     |                       |                                   |                                |
| Taxes  | \$ 203,317,493        | \$ -                | \$ -                  | \$ 11,376,175                     | \$ 214,693,668                 |
| Licenses and permits   | 1,816,592             | -                   | -                     | -                                 | 1,816,592                      |
| Intergovernmental  | 30,756,550            | 2,231,704           | 21,757,912            | 12,041                            | 54,758,207                     |
| Charges for services   | 26,250,666            | -                   | 193,563               | 22,750,270                        | 49,194,499                     |
| Fines, forfeitures and penalties                             | 1,485,761             | -                   | -                     | 44,622                            | 1,530,383                      |
| Investment earnings  | 3,680,724             | 183,525             | 4,378,362             | 865,681                           | 9,108,292                      |
| Miscellaneous  | 6,688,275             | -                   | -                     | 272,990                           | 6,961,265                      |
| Total revenues   | <u>273,996,061</u>    | <u>2,415,229</u>    | <u>26,329,837</u>     | <u>35,321,779</u>                 | <u>338,062,906</u>             |
| <b>EXPENDITURES</b>  |                       |                     |                       |                                   |                                |
| Current:   |                       |                     |                       |                                   |                                |
| General government   | 48,451,040            | -                   | -                     | 17,225,407                        | 65,676,447                     |
| Public safety:   |                       |                     |                       |                                   |                                |
| Sheriff  | 69,288,703            | -                   | -                     | 310,455                           | 69,599,158                     |
| Criminal Court   | 4,314,844             | -                   | -                     | -                                 | 4,314,844                      |
| Juvenile Court   | 1,877,946             | -                   | -                     | -                                 | 1,877,946                      |
| Ambulance Services   | 17,649,645            | -                   | -                     | -                                 | 17,649,645                     |
| Other  | 32,824,390            | -                   | -                     | 18,091                            | 32,842,481                     |
| Highways and streets   | 17,472,125            | -                   | -                     | -                                 | 17,472,125                     |
| Health   | 26,483,748            | -                   | -                     | -                                 | 26,483,748                     |
| Social services  | 2,956,928             | -                   | -                     | 1,810,296                         | 4,767,224                      |
| Culture and recreation                                       | 9,133,428             | -                   | -                     | -                                 | 9,133,428                      |
| Debt service:  |                       |                     |                       |                                   |                                |
| Principal  | 2,344,458             | 36,085,000          | 3,673                 | 843                               | 38,433,974                     |
| Interest and fiscal charges                                  | 177,249               | 15,801,901          | 2,527                 | 56                                | 15,981,733                     |
| Capital outlay:  |                       |                     |                       |                                   |                                |
| General government   | 12,645,865            | -                   | 34,782,084            | -                                 | 47,427,949                     |
| Education  | -                     | -                   | 15,918,247            | -                                 | 15,918,247                     |
| Total expenditures   | <u>245,620,369</u>    | <u>51,886,901</u>   | <u>50,706,531</u>     | <u>19,365,148</u>                 | <u>367,578,949</u>             |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>28,375,692</u>     | <u>(49,471,672)</u> | <u>(24,376,694)</u>   | <u>15,956,631</u>                 | <u>(29,516,043)</u>            |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                       |                     |                       |                                   |                                |
| Transfers in   | 15,280,868            | 47,630,186          | 1,099,091             | -                                 | 64,010,145                     |
| Transfers out  | (48,832,053)          | -                   | -                     | (15,280,868)                      | (64,112,921)                   |
| Issuance of leases payable                                   | 1,084,410             | -                   | -                     | -                                 | 1,084,410                      |
| Issuance of SBITA payable                                    | 8,601,975             | -                   | -                     | -                                 | 8,601,975                      |
| Sale of capital assets                                       | 785,498               | -                   | 730,643               | -                                 | 1,516,141                      |
| Total other financing sources (uses)                         | <u>(23,079,302)</u>   | <u>47,630,186</u>   | <u>1,829,734</u>      | <u>(15,280,868)</u>               | <u>11,099,750</u>              |
| Net change in fund balances                                  | 5,296,390             | (1,841,486)         | (22,546,960)          | 675,763                           | (18,416,293)                   |
| Fund balances, beginning                                     | 146,924,627           | 9,793,827           | 147,574,779           | 6,953,326                         | 311,246,559                    |
| Fund balances, ending  | <u>\$ 152,221,017</u> | <u>\$ 7,952,341</u> | <u>\$ 125,027,819</u> | <u>\$ 7,629,089</u>               | <u>\$ 292,830,266</u>          |

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, 2023**

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

|  |                      |
|--|----------------------|
| Net change in fund balances - total governmental funds   | \$ (18,416,293)      |
| 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.  | 68,783,650           |
| Depreciation and amortization expense on governmental capital assets is included in the governmental activities in the statement of activities.  | (15,227,552)         |
| The payment of the principal of long-term debt consumes the current financial resources of governmental funds:   |                      |
| Payment on general obligation bonds  | 36,085,000           |
| Payment on SBITAs  | 1,008,309            |
| Payment on leases  | 1,340,665            |
| The issuance of the principal of long-term debt relieves the current financial resources of governmental funds:  |                      |
| Issuance of SBITAs   | (8,601,975)          |
| Issuance of leases   | (1,084,410)          |
| 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. | (762,157)            |
| 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.  |                      |
| Payments received from component units for advances  | (590,000)            |
| Landfill post closure costs  | 10,000               |
| Amortization of deferred charges on refunding  | 93,522               |
| Amortization of bond issuance premium  | 8,110,990            |
| Net book value of right-to-use asset returned to lessor  | (20,152)             |
| Lease liability remeasured   | 21,311               |
| Change in accrued interest payable   | (507,805)            |
| The net revenues of internal service funds are reported with governmental activities.  | (3,482,590)          |
| The net effect of various transactions involving capital assets is to decrease net position.   | (3,964,290)          |
| The net effect of the change in the net OPEB obligation is included in the governmental activities in the statement of activities.   | (5,552,882)          |
| The net effect of the change in the net pension liability is included in the governmental activities in the statement of activities.   | (1,770,184)          |
| Certain governmental revenues will not be collected for several months after the fiscal year and are reported as deferred inflows in the governmental funds.   | 1,470,304            |
| The net effect of the change in the Carter Street joint venture is included in the governmental activities in the statement of activities.   | <u>365,003</u>       |
| Change in net position of governmental activities  | <u>\$ 57,308,464</u> |

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, 2023**

|                                       | Original<br>Budget  | Final<br>Budget        | Actual                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|---------------------|------------------------|-----------------------|---|
| <b>REVENUES</b>                       |                     |                        |                       |   |
| Taxes                                 | \$ 207,677,200      | \$ 207,677,200         | \$ 203,317,493        | \$ (4,359,707)  |
| Licenses and permits                  | 1,745,000           | 1,745,000              | 1,816,592             | 71,592  |
| Intergovernmental revenues            | 31,784,218          | 48,869,351             | 30,756,550            | (18,112,801)  |
| Charges for services                  | 30,619,172          | 30,619,172             | 26,250,666            | (4,368,506)   |
| Fines, forfeitures and penalties      | 1,877,350           | 1,877,350              | 1,485,761             | (391,589)   |
| Investment earnings                   | 936,100             | 936,100                | 3,680,724             | 2,744,624   |
| Miscellaneous                         | 4,830,317           | 5,000,041              | 6,688,275             | 1,688,234   |
| Total revenues                        | <u>279,469,357</u>  | <u>296,724,214</u>     | <u>273,996,061</u>    | <u>(22,728,153)</u>                                     |
| <b>EXPENDITURES</b>                   |                     |                        |                       |   |
| Current:                              |                     |                        |                       |   |
| General government                    | 51,704,442          | 53,950,787             | 48,451,040            | 5,499,747   |
| Public safety                         | 121,537,563         | 130,338,304            | 125,955,528           | 4,382,776   |
| Highways and streets                  | 20,873,296          | 21,195,214             | 17,472,125            | 3,723,089   |
| Health                                | 33,200,557          | 40,650,562             | 26,483,748            | 14,166,814  |
| Social services                       | 3,035,971           | 3,190,336              | 2,956,928             | 233,408   |
| Culture and recreation                | 10,128,404          | 10,165,433             | 9,133,428             | 1,032,005   |
| Capital outlay                        | 6,121,412           | 16,518,605             | 12,645,865            | 3,872,740   |
| Debt service:                         |                     |                        |                       |   |
| Principal                             | -                   | 1,310,543              | 2,344,458             | (1,033,915)   |
| Interest                              | -                   | 21,618                 | 177,249               | (155,631)   |
| Total budgetary expenditures          | <u>246,601,645</u>  | <u>277,341,402</u>     | <u>245,620,369</u>    | <u>31,721,033</u>                                       |
| Excess of revenues over expenditures  | <u>32,867,712</u>   | <u>19,382,812</u>      | <u>28,375,692</u>     | <u>8,992,880</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                     |                        |                       |   |
| Transfers in                          | 14,070,000          | 14,124,000             | 15,280,868            | 1,156,868   |
| Transfers out                         | (48,684,962)        | (48,684,962)           | (48,832,053)          | (147,091)   |
| Issuance of SBITA payable             | -                   | -                      | 8,601,975             | 8,601,975   |
| Issuance of lease payable             | 130,000             | 130,000                | 1,084,410             | 954,410   |
| Sale of capital assets                | 1,617,250           | 1,617,250              | 785,498               | (831,752)   |
| Total other financing sources (uses)  | <u>(32,867,712)</u> | <u>(32,813,712)</u>    | <u>(23,079,302)</u>   | <u>9,734,410</u>  |
| Net change in fund balance            | <u>\$ -</u>         | <u>\$ (13,430,900)</u> | 5,296,390             | <u>\$ 18,727,290</u>                                    |
| Fund balance at beginning of year     |                     |                        | <u>146,924,627</u>    |   |
| Fund balance at end of year           |                     |                        | <u>\$ 152,221,017</u> |   |

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

**STATEMENT OF NET POSITION  
PROPRIETARY FUND**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

|                           | Governmental<br>Activities -<br>Internal Service<br>Fund |
|---------------------------|--|
|                           | <u>Fund</u>  |
| <b>ASSETS</b>             |  |
| Current assets            |  |
| Cash                      | \$ 7,354,497   |
| Investments               | 29,824,433   |
| Accounts receivable       | 3,344  |
| Due from other funds      | 6,021,369  |
| Inventory                 | 253,244  |
| Prepaid items             | <u>307,004</u>   |
| Total current assets      | <u>43,763,891</u>  |
| Total assets              | <u>43,763,891</u>  |
| <b>LIABILITIES</b>        |  |
| Current liabilities       |  |
| Accounts payable          | 110,744  |
| Accrued items and other   | 3,803  |
| Accrued claims            | 4,227,861  |
| Due to other funds        | 666  |
| Unearned revenue          | <u>368</u>   |
| Total current liabilities | <u>4,343,442</u>   |
| Noncurrent liabilities    |  |
| Accrued claims            | <u>608,000</u>   |
| Total liabilities         | <u>4,951,442</u>   |
| <b>NET POSITION</b>       |  |
| Unrestricted              | <u>\$ 38,812,449</u>                                     |

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, 2023**

|                                | Governmental<br>Activities -<br>Internal Service<br>Fund |
|--------------------------------|--|
|                                | <u>Fund</u>  |
| <b>OPERATING REVENUES</b>      |  |
| Charges for services           | \$ 44,582,542  |
| Other                          | <u>2,271,788</u>   |
| Total operating revenues       | <u>46,854,330</u>  |
| <b>OPERATING EXPENSES</b>      |  |
| Unemployment compensation      | 12,094   |
| Claims and premiums            | 41,353,815   |
| Pharmacy                       | 7,336,406  |
| Clinic                         | 1,462,204  |
| Administration                 | 1,083,701  |
| Debt Service:                  |  |
| Principal                      | 896  |
| Interest                       | <u>3</u>   |
| Total operating expenses       | <u>51,249,119</u>  |
| Operating loss                 | (4,394,789)  |
| <b>NONOPERATING REVENUES</b>   |  |
| Investment earnings            | 809,423  |
| <b>OTHER FINANCING SOURCES</b> |  |
| Transfers in                   | <u>102,776</u>   |
| Change in net position         | (3,482,590)  |
| Net position, beginning        | <u>42,295,039</u>  |
| Net position, ending           | <u>\$ 38,812,449</u>                                     |

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, 2023**

|   | Governmental<br>Activities -<br>Internal Service<br>Fund |
|---|--|
|   | <u>                    </u>                              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |
| Cash received from insurance premiums   | \$ 38,389,103  |
| Cash received from unemployment compensation  | 770,129  |
| Cash received from pharmacy   | 6,081,812  |
| Cash paid for claims and premiums   | (40,898,016)   |
| Cash paid for administration  | (1,082,294)  |
| Cash paid for clinic  | (1,462,204)  |
| Cash paid for pharmacy  | <u>(7,336,406)</u>                                       |
| Net cash used in operating activities   | <u>(5,537,876)</u>                                       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |
| Proceeds from sale of investments   | 35,588,789   |
| Purchase of investments   | (29,824,433)   |
| Interest on investments   | <u>809,423</u>   |
| Net cash provided by investing activities   | <u>6,573,779</u>   |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                     |  |
| Transfers in  | <u>102,776</u>   |
| Cash provided by non-capital financing activities   | <u>102,776</u>   |
| Net change in cash and cash equivalents   | 1,138,679  |
| Beginning cash and cash equivalents   | <u>6,215,818</u>   |
| Ending cash and cash equivalents  | <u>\$ 7,354,497</u>                                      |
| <b>RECONCILIATION OF OPERATING LOSS TO<br/>NET CASH USED IN OPERATING ACTIVITIES</b>        |  |
| Operating loss  | <u>\$ (4,394,789)</u>                                    |
| <b>ADJUSTMENTS TO RECONCILE OPERATING LOSS TO<br/>NET CASH USED IN OPERATING ACTIVITIES</b> |  |
| Change in accounts receivable   | 19,876   |
| Change in due from other funds  | (3,024,188)  |
| Change in inventory   | 12,512   |
| Change in prepaid items   | (82,176)   |
| Change in accounts payable  | (29,345)   |
| Change in due to other funds  | 12,346   |
| Change in liabilities   | (3,284)  |
| Change in accrued claims  | <u>1,951,172</u>   |
| Total adjustments   | <u>(1,143,087)</u>                                       |
| Net cash used in operating activities   | <u>\$ (5,537,876)</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, 2023**

|   | OPEB &<br>Pension<br>Trust<br>Funds | Constitutional<br>Offices<br>Custodial<br>Funds |
|---|-------------------------------------|---|
|   | <u>                    </u>         | <u>                    </u>                     |
| <b>ASSETS</b>   |                                     |   |
| Cash  | \$ 92,658                           | \$ 52,898,622                                   |
| Investments   | -                                   | 69,510  |
| Investments on behalf of litigants<br>and beneficiaries | -                                   | 10,795,632                                      |
| Investments, at fair value:                             |                                     |   |
| US Government Securities                                | 3,654,044                           | -   |
| Municipal Bonds   | 1,912,837                           | -   |
| Mutual Funds  | 11,695,956                          | -   |
| Domestic Equity Securities                              | 6,662,558                           | -   |
| Domestic Corporate Bonds                                | 4,108,382                           | -   |
| Foreign Bonds / Notes                                   | 552,474                             | -   |
| Foreign Equity Securities                               | 2,675,134                           | -   |
| Quality Income Fund                                     | 4,405,568                           | -   |
| Money Market  | 760,774                             | -   |
| Exchange-traded Funds                                   | 8,952,176                           | -   |
| Real Estate Investment Trust                            | 91,285                              | -   |
|   | <u>45,471,188</u>                   | <u>-</u>  |
| Total investments, at fair value                        |                                     |   |
| Receivables:  |                                     |   |
| Interest  | 129,570                             | -   |
| Accounts  | -                                   | 3,928   |
|   | <u>129,570</u>                      | <u>3,928</u>                                    |
| Total receivables                                       |                                     |   |
|   | <u>45,693,416</u>                   | <u>63,767,692</u>                               |
| <b>LIABILITIES</b>                                      |                                     |   |
| Accrued items and other                                 | -                                   | 7,030,945                                       |
| Intergovernmental payables                              | -                                   | 7,385,525                                       |
|   | <u>-</u>                            | <u>14,416,470</u>                               |
| Total liabilities                                       |                                     |   |
| <b>NET POSITION</b>                                     |                                     |   |
| Restricted for pension benefits                         | 3,110,063                           | -   |
| Restricted for OPEB benefits                            | 42,583,353                          | -   |
| Restricted for individuals, organizations and others    | -                                   | 49,351,222                                      |
|   | <u>\$ 45,693,416</u>                | <u>\$ 49,351,222</u>                            |
| Total net position                                      |                                     |   |

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, 2023**

|  | OPEB &<br>Pension<br>Trust<br>Funds | Constitutional<br>Offices<br>Custodial<br>Funds |
|--|-------------------------------------|---|
|  | <u>                    </u>         | <u>                    </u>                     |
| <b>ADDITIONS</b>                           |                                     |   |
| Contributions:                             |                                     |   |
| Employer                                   | \$ 5,046,592                        | \$ -  |
| Other                                      | <u>1,788</u>                        | <u>-</u>  |
| Total contributions                        | <u>5,048,380</u>                    | <u>-</u>  |
| <br>                                       |                                     |   |
| Collections of taxes, fines and fees:      |                                     |   |
| State of Tennessee                         | -                                   | 65,721,930                                      |
| Municipalities                             | <u>-</u>                            | <u>14,588,325</u>                               |
| Total collections of taxes, fines and fees | <u>-</u>                            | <u>80,310,255</u>                               |
| <br>                                       |                                     |   |
| Judgments for litigants and beneficiaries  | -                                   | 61,048,066                                      |
| Miscellaneous                              | -                                   | 20,778,415                                      |
| <br>                                       |                                     |   |
| Investment earnings:                       |                                     |   |
| Net change in fair value of investments    | 3,425,975                           | -   |
| Interest and dividends                     | <u>861,427</u>                      | <u>-</u>  |
| Net investment earnings                    | <u>4,287,402</u>                    | <u>-</u>  |
| <br>                                       |                                     |   |
| Total additions                            | <u>9,335,782</u>                    | <u>162,136,736</u>                              |
| <br>                                       |                                     |   |
| <b>DEDUCTIONS</b>                          |                                     |   |
| Benefits                                   | 3,437,756                           | -   |
| Payments of taxes, fines and fees:         |                                     |   |
| State of Tennessee                         | -                                   | 65,721,930                                      |
| Municipalities                             | -                                   | 14,588,325                                      |
| Payouts to litigants and beneficiaries     | -                                   | 45,537,816                                      |
| Administrative expense                     | 225,799                             | -   |
| Miscellaneous                              | <u>-</u>                            | <u>20,978,261</u>                               |
| Total deductions                           | <u>3,663,555</u>                    | <u>146,826,332</u>                              |
| <br>                                       |                                     |   |
| Change in net position                     | 5,672,227                           | 15,310,404                                      |
| <br>                                       |                                     |   |
| Net position, beginning                    | <u>40,021,189</u>                   | <u>34,040,818</u>                               |
| Net position, ending                       | <u>\$ 45,693,416</u>                | <u>\$ 49,351,222</u>                            |

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



**STATEMENT OF NET POSITION  
COMPONENT UNITS**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

|   | Hamilton<br>County<br>Schools | "911"<br>Emergency<br>Communications<br>District | Water &<br>Wastewater<br>Treatment<br>Authority<br>(WWTA) | Railroad<br>Authority | Total                 |
|---|-------------------------------|--|---|-----------------------|-----------------------|
| <b>ASSETS</b>   |                               |  |   |                       |                       |
| Cash and cash equivalents                                   | \$ 89,733,393                 | \$ 11,379,219                                    | \$ 26,210,183   | \$ 9,025              | \$ 127,331,820        |
| Investments   | 41,517,232                    | 11,836,671                                       | -   | -                     | 53,353,903            |
| Receivables, net of allowance for uncollectible             | 195,623,016                   | 546,135  | 15,282,563  | -                     | 211,451,714           |
| Receivables, restricted                                     | -                             | -  | 2,882,789   | -                     | 2,882,789             |
| Due from primary government                                 | -                             | -  | 9,494,861   | -                     | 9,494,861             |
| Inventories   | 955,161                       | -  | 64,391  | -                     | 1,019,552             |
| Prepaid items   | 2,020,016                     | -  | 19,301  | -                     | 2,039,317             |
| Net pension asset   | 53,751,936                    | -  | -   | -                     | 53,751,936            |
| Cash and cash equivalents - restricted                      | 4,946,210                     | -  | 10,630,044  | -                     | 15,576,254            |
| Land and other nondepreciable assets                        | 21,458,682                    | 47,876   | 24,181,882  | -                     | 45,688,440            |
| Capital assets, net of accumulated depreciation             | 394,303,778                   | 5,081,301  | 141,107,896   | -                     | 540,492,975           |
| Total assets  | <u>804,309,424</u>            | <u>28,891,202</u>                                | <u>229,873,910</u>  | <u>9,025</u>          | <u>1,063,083,561</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                       |                               |  |   |                       |                       |
| Pension contributions subsequent to measurement date        | 19,399,513                    | 856,736  | -   | -                     | 20,256,249            |
| Pension experience differences                              | 12,562,865                    | 537,540  | -   | -                     | 13,100,405            |
| Pension changes in assumptions                              | 38,703,209                    | 1,167,078  | -   | -                     | 39,870,287            |
| Pension investment differences                              | 1,787,424                     | 67,237   | -   | -                     | 1,854,661             |
| Deferred changes in proportion to the net pension liability | 402,711                       | -  | -   | -                     | 402,711               |
| OPEB experience differences                                 | 13,291,394                    | -  | -   | -                     | 13,291,394            |
| Total deferred outflows of resources                        | <u>86,147,116</u>             | <u>2,628,591</u>                                 | <u>-</u>  | <u>-</u>              | <u>88,775,707</u>     |
| <b>LIABILITIES</b>  |                               |  |   |                       |                       |
| Accounts payable and other current liabilities              | 53,196,369                    | 67,297   | 12,824,551  | 7,500                 | 66,095,717            |
| Due to primary government                                   | -                             | 573,060  | 309,313   | -                     | 882,373               |
| Noncurrent liabilities:                                     |                               |  |   |                       |                       |
| Due within one year   | 14,250,414                    | 757,273  | 2,247,236   | -                     | 17,254,923            |
| Due in more than one year                                   | 16,868,167                    | -  | 18,830,578  | -                     | 35,698,745            |
| Net pension liability, due in more than one year            | 4,768,381                     | 608,472  | -   | -                     | 5,376,853             |
| Net OPEB liability, due in more than one year               | 94,650,006                    | -  | -   | -                     | 94,650,006            |
| Advance from primary government                             | -                             | -  | 26,611,675  | -                     | 26,611,675            |
| Total liabilities   | <u>183,733,337</u>            | <u>2,006,102</u>                                 | <u>60,823,353</u>   | <u>7,500</u>          | <u>246,570,292</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                        |                               |  |   |                       |                       |
| Deferred property tax revenue                               | 119,239,664                   | -  | -   | -                     | 119,239,664           |
| Deferred lease receivable                                   | 1,821,218                     | -  | -   | 1,821,218             | 1,821,218             |
| Pension experience differences                              | 10,665,423                    | 399,115  | -   | -                     | 11,064,538            |
| OPEB changes in assumptions                                 | 48,584,891                    | -  | -   | -                     | 48,584,891            |
| Deferred changes in proportion to the net pension liability | 389,473                       | -  | -   | -                     | 389,473               |
| Total deferred inflows of resources                         | <u>180,700,669</u>            | <u>399,115</u>                                   | <u>-</u>  | <u>-</u>              | <u>181,099,784</u>    |
| <b>NET POSITION</b>   |                               |  |   |                       |                       |
| Net investment in capital assets                            | 409,871,184                   | 5,129,177  | 127,095,150   | -                     | 542,095,511           |
| Restricted for:   |                               |  |   |                       |                       |
| Centralized cafeteria                                       | 12,602,885                    | -  | -   | -                     | 12,602,885            |
| Education   | 13,862,530                    | -  | -   | -                     | 13,862,530            |
| Local School Activities                                     | 9,351,960                     | -  | -   | -                     | 9,351,960             |
| Stabilization reserve trust                                 | 9,946,120                     | -  | -   | -                     | 9,946,120             |
| Instruction   | 28,846                        | -  | -   | -                     | 28,846                |
| Net pension asset   | 53,751,936                    | -  | -   | -                     | 53,751,936            |
| WWTA PSLP program   | -                             | -  | 11,227,053  | -                     | 11,227,053            |
| Debt service  | -                             | -  | 2,285,780   | -                     | 2,285,780             |
| Unrestricted  | 16,607,073                    | 23,985,399                                       | 28,442,574  | 1,525                 | 69,036,571            |
| Total net position  | <u>\$ 526,022,534</u>         | <u>\$ 29,114,576</u>                             | <u>\$ 169,050,557</u>                                     | <u>\$ 1,525</u>       | <u>\$ 724,189,192</u> |

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, 2023**

| Functions/Programs                                | Expenses              | Program Revenues     |                                    |                                  |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|
|   |                       | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>HAMILTON COUNTY SCHOOLS</b>                    |                       |                      |                                    |                                  |
| Regular instruction                               | \$ 276,967,628        | \$ 5,229,843         | \$ 31,136,072                      | \$ -                             |
| Exceptional instruction                           | 47,869,135            | -                    | -                                  | -                                |
| Vocational instruction                            | 11,710,136            | -                    | -                                  | -                                |
| Support services:                                 |                       |                      |                                    |                                  |
| Pupil services                                    | 35,242,788            | -                    | 9,074,052                          | -                                |
| Instructional staff                               | 54,491,585            | -                    | 21,067,844                         | -                                |
| Technology  | 8,442,779             | -                    | 368,913                            | -                                |
| Board of education                                | 7,286,279             | -                    | -                                  | -                                |
| Administration                                    | 38,234,603            | -                    | 148,036                            | -                                |
| Business and fiscal services                      | 4,205,072             | -                    | 220,017                            | -                                |
| Human resources                                   | 2,977,550             | -                    | -                                  | -                                |
| Plant operation and maintenance                   | 55,293,596            | -                    | 488,506                            | 5,363,294                        |
| Pupil transportation                              | 27,129,088            | -                    | 1,833,868                          | -                                |
| Central and other                                 | 1,486,814             | -                    | -                                  | -                                |
| Operation of noninstructional services:           |                       |                      |                                    |                                  |
| Community services                                | 9,411,835             | -                    | 8,197,795                          | -                                |
| Early childhood education                         | 3,640,299             | -                    | -                                  | -                                |
| Child Nutrition                                   | 26,264,751            | 4,277,586            | 24,576,151                         | -                                |
| Interest and fiscal charges                       | 35,743                | -                    | -                                  | -                                |
| <b>TOTAL HAMILTON COUNTY SCHOOLS</b>              | <b>610,689,681</b>    | <b>9,507,429</b>     | <b>97,111,254</b>                  | <b>5,363,294</b>                 |
| <b>"911" EMERGENCY COMMUNICATIONS DISTRICT</b>    |                       |                      |                                    |                                  |
| Emergency communications operations               | 15,322,922            | -                    | 16,850,855                         | -                                |
| <b>WATER &amp; WASTEWATER TREATMENT AUTHORITY</b> |                       |                      |                                    |                                  |
| Water & wastewater treatment operations           | 23,970,291            | 32,111,773           | 8,731,487                          | 6,626,513                        |
| <b>RAILROAD AUTHORITY</b>                         |                       |                      |                                    |                                  |
| Railroad authority operations                     | 1,288,218             | 149,327              | 1,131,371                          | -                                |
| <b>TOTAL COMPONENT UNITS</b>                      | <b>\$ 651,271,112</b> | <b>\$ 41,768,529</b> | <b>\$123,824,967</b>               | <b>\$ 11,989,807</b>             |

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, restated  
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<br>County<br>Schools | "911"<br>Emergency<br>Communication | Water &<br>Wastewater<br>Treatment<br>Authority | Railroad<br>Authority | Total                 |
|-------------------------------|-------------------------------------|---|-----------------------|-----------------------|
| \$ (240,601,713)              |                                     |   |                       | \$ (240,601,713)      |
| (47,869,135)                  |                                     |   |                       | (47,869,135)          |
| (11,710,136)                  |                                     |   |                       | (11,710,136)          |
| (26,168,736)                  |                                     |   |                       | (26,168,736)          |
| (33,423,741)                  |                                     |   |                       | (33,423,741)          |
| (8,073,866)                   |                                     |   |                       | (8,073,866)           |
| (7,286,279)                   |                                     |   |                       | (7,286,279)           |
| (38,086,567)                  |                                     |   |                       | (38,086,567)          |
| (3,985,055)                   |                                     |   |                       | (3,985,055)           |
| (2,977,550)                   |                                     |   |                       | (2,977,550)           |
| (49,441,796)                  |                                     |   |                       | (49,441,796)          |
| (25,295,220)                  |                                     |   |                       | (25,295,220)          |
| (1,486,814)                   |                                     |   |                       | (1,486,814)           |
| (1,214,040)                   |                                     |   |                       | (1,214,040)           |
| (3,640,299)                   |                                     |   |                       | (3,640,299)           |
| 2,588,986                     |                                     |   |                       | 2,588,986             |
| <u>(35,743)</u>               |                                     |   |                       | <u>(35,743)</u>       |
| <u>(498,707,704)</u>          |                                     |   |                       | <u>(498,707,704)</u>  |
|                               | \$ 1,527,933                        |   |                       | 1,527,933             |
|                               |                                     | \$ 23,499,482                                   |                       | 23,499,482            |
|                               |                                     |   | \$ (7,520)            | <u>(7,520)</u>        |
|                               |                                     |   |                       | <u>(473,687,809)</u>  |
| 153,334,918                   | -                                   | -   | -                     | 153,334,918           |
| 116,522,025                   | -                                   | -   | -                     | 116,522,025           |
| 228,366,606                   | -                                   | -   | -                     | 228,366,606           |
| <u>4,364,167</u>              | <u>199,542</u>                      | <u>1,229,170</u>                                | <u>-</u>              | <u>5,792,879</u>      |
| <u>502,587,716</u>            | <u>199,542</u>                      | <u>1,229,170</u>                                | <u>-</u>              | <u>504,016,428</u>    |
| 3,880,012                     | 1,727,475                           | 24,728,652                                      | (7,520)               | 30,328,619            |
| <u>522,142,522</u>            | <u>27,387,101</u>                   | <u>144,321,905</u>                              | <u>9,045</u>          | <u>693,860,573</u>    |
| <u>\$ 526,022,534</u>         | <u>\$ 29,114,576</u>                | <u>\$ 169,050,557</u>                           | <u>\$ 1,525</u>       | <u>\$ 724,189,192</u> |



## NOTES TO BASIC FINANCIAL STATEMENTS

### HAMILTON COUNTY, TENNESSEE

June 30, 2023

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## NOTES TO BASIC FINANCIAL STATEMENTS

HAMILTON COUNTY, TENNESSEE  
JUNE 30, 2023

### 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. 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 venture:

**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 Venture.

**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 County is committed to fund a minimum of \$1,500,000 annually for indigent patient care to the Authority. 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, 2023, 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, 2023, 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, 2023, the amount of encumbrances of the General Fund expected to be reappropriated in the next year was \$5,585,803.

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<br>Final Budget<br>Positive /<br>(Negative) |
|-------------------------|-----------------------|-----------------------|-----------------------|---|
| General Fund            |                       |                       |                       |   |
| Constitutional Offices  | \$ 28,147,062         | \$ 28,450,710         | \$ 26,709,144         | \$ 1,741,566  |
| Supported Agencies      | 4,933,577             | 4,933,577             | 4,870,684             | 62,893  |
| Unassigned              | 89,484,072            | 104,889,443           | 96,178,559            | 8,710,884   |
| Finance                 | 10,569,729            | 10,553,016            | 9,844,116             | 708,900   |
| Public Works            | 30,958,970            | 31,263,963            | 27,407,547            | 3,856,416   |
| General Services        | 32,085,378            | 32,531,991            | 30,534,235            | 1,997,756   |
| Human Resources         | 2,477,747             | 2,048,567             | 1,851,885             | 196,682   |
| Health                  | 31,472,444            | 38,922,449            | 24,755,635            | 14,166,814  |
| Sheriff                 | 62,061,442            | 69,336,462            | 69,288,703            | 47,759  |
| Juvenile Court Clerk    | 3,096,186             | 3,096,186             | 3,011,914             | 84,272  |
| Total General Fund      | <u>295,286,607</u>    | <u>326,026,364</u>    | <u>294,452,422</u>    | <u>31,573,942</u>   |
| Debt Service            | <u>51,886,890</u>     | <u>51,886,890</u>     | <u>51,886,901</u>     | <u>(11)</u>   |
| Hotel Motel             | <u>10,578,000</u>     | <u>10,578,000</u>     | <u>11,381,790</u>     | <u>(803,790)</u>  |
| Sheriff Special Revenue | <u>483,691</u>        | <u>636,084</u>        | <u>311,354</u>        | <u>324,730</u>  |
| Primary Government      | <u>\$ 358,235,188</u> | <u>\$ 389,127,338</u> | <u>\$ 358,032,467</u> | <u>\$ 31,094,871</u>                                      |

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 \$25,000 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, unassigned amounts are expended first, then assigned amounts, then committed 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, 2022 |
| Levy date                                 | October 1, 2022 |
| Tax bills mailed                          | October 1, 2022 |
| Delinquency date                          | March 1, 2023   |
| Tax sale – 2019 delinquent property taxes | June 22, 2023   |

## **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.

**Excess of Expenditures Over Appropriations in Individual Funds**

For the year ended June 30, 2023, the County’s Hotel/Motel Fund had material excess of expenditures over appropriations in the amount of \$803,790. These over expenditures were funded with revenues of equal amounts in excess of appropriation.

**Net Position/Fund Balance Deficit**

At June 30, 2023, the County has \$46,180,459 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, 2023, the County’s long-term liabilities include general obligation bonds of \$172,140,666 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, 2023, 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, 2023:

|                                | <u>Investment Pool</u> | <u>SRT</u>          | <u>Other</u>         | <u>Total</u>          |
|--------------------------------|------------------------|---------------------|----------------------|-----------------------|
| <b>Primary Government</b>      |                        |                     |                      |                       |
| General                        | \$ 115,468,305         | \$ 2,960,884        | \$ -                 | \$ 118,429,189        |
| Debt Service                   | 6,441,307              | -                   | -                    | 6,441,307             |
| Capital Projects               | 57,596,692             | -                   | 45,934,000           | 103,530,692           |
| Other Government               | 1,172,048              | -                   | -                    | 1,172,048             |
| Internal Service               | 29,824,433             | -                   | -                    | 29,824,433            |
| Custodial Funds                | 69,510                 | -                   | 10,795,632           | 10,865,142            |
|                                | <u>210,572,295</u>     | <u>2,960,884</u>    | <u>56,729,632</u>    | <u>270,262,811</u>    |
| <b>Hamilton County Schools</b> | 31,525,705             | 9,946,120           | 45,407               | 41,517,232            |
|                                | <u>\$ 242,098,000</u>  | <u>\$12,907,004</u> | <u>\$ 56,775,039</u> | <u>\$ 311,780,043</u> |

Individual investments held in the Investment Pool at June 30, 2023, consist of:

| Investment                             | Maturity Date | Interest Rate | Credit Rating | Level 2      | Fair Value   |
|--|---------------|---------------|---------------|--------------|--------------|
| Federal Farm Credit Bank Funding Corp. | 09/27/2023    | 0.28%         | AAA           | \$ 5,000,000 | \$ 5,000,000 |
| Federal Farm Credit Bank Funding Corp. | 01/18/2024    | 0.91%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Farm Credit Bank Funding Corp. | 03/08/2024    | 1.67%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Farm Credit Bank Funding Corp. | 08/10/2023    | 0.23%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Farm Credit Bank Funding Corp. | 01/25/2024    | 1.04%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Farm Credit Bank Funding Corp. | 04/21/2025    | 5.30%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 08/18/2023    | 0.25%         | AAA           | 10,000,000   | 10,000,000   |
| Federal Home Loan Bank                 | 11/22/2023    | 0.63%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 12/29/2023    | 0.75%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 02/28/2024    | 1.25%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 03/28/2024    | 1.57%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 03/28/2024    | 2.00%         | AAA           | 3,000,000    | 3,000,000    |
| Federal Home Loan Bank                 | 04/12/2024    | 2.30%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 04/25/2024    | 2.50%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 10/25/2023    | 4.86%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 11/17/2023    | 0.50%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 02/07/2024    | 1.00%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 07/12/2024    | 4.60%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 12/30/2024    | 5.15%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 12/30/2024    | 5.25%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 01/27/2025    | 5.22%         | AAA           | 4,940,000    | 4,940,000    |
| Federal Home Loan Bank                 | 02/21/2025    | 5.10%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 05/22/2025    | 5.50%         | AAA           | 3,800,000    | 3,800,000    |
| Federal Home Loan Bank                 | 05/28/2025    | 5.51%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 06/13/2025    | 5.70%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 06/27/2025    | 5.63%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 09/27/2024    | 5.75%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 05/23/2025    | 5.50%         | AAA           | 2,000,000    | 2,000,000    |
| Federal Home Loan Bank                 | 03/14/2024    | 2.12%         | AAA           | 3,250,000    | 3,250,000    |
| Federal Home Loan Bank                 | 03/14/2024    | 2.12%         | AAA           | 900,000      | 900,000      |
| Federal Home Loan Bank                 | 03/15/2024    | 2.11%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Bank                 | 04/26/2024    | 4.00%         | AAA           | 3,275,000    | 3,275,000    |
| Federal Home Loan Bank                 | 06/21/2024    | 2.25%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Mortgage Corporation | 09/08/2023    | 0.22%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Mortgage Corporation | 10/17/2023    | 1.40%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Mortgage Corporation | 05/23/2024    | 3.15%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Mortgage Corporation | 06/07/2024    | 3.05%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Mortgage Corporation | 05/17/2024    | 3.00%         | AAA           | 4,000,000    | 4,000,000    |
| Federal Home Loan Mortgage Corporation | 06/28/2024    | 3.05%         | AAA           | 3,808,000    | 3,808,000    |
| Federal Home Loan Mortgage Corporation | 07/12/2024    | 4.00%         | AAA           | 5,000,000    | 5,000,000    |
| Federal Home Loan Mortgage Corporation | 02/06/2025    | 4.80%         | AAA           | 5,000,000    | 5,000,000    |
| Federal National Mortgage Association  | 09/30/2024    | 5.30%         | AAA           | 4,000,000    | 4,000,000    |
| Federal National Mortgage Association  | 07/10/2023    | 0.23%         | AAA           | 5,000,000    | 5,000,000    |
| Municipal Bonds                        | 09/01/2023    | 0.40%         | AAA           | 1,000,000    | 1,000,000    |
| Municipal Bonds                        | 08/01/2023    | 1.05%         | AA            | 220,000      | 220,000      |
| Municipal Bonds                        | 07/15/2023    | 0.30%         | AA            | 925,000      | 925,000      |
| Municipal Bonds                        | 07/15/2023    | 0.28%         | AA-           | 540,000      | 540,000      |
| Municipal Bonds                        | 09/01/2023    | 0.28%         | AAA           | 790,000      | 790,000      |
| Municipal Bonds                        | 07/01/2023    | 0.35%         | AA            | 970,000      | 970,000      |
| Municipal Bonds                        | 08/15/2023    | 0.26%         | AA            | 700,000      | 700,000      |
| Municipal Bonds                        | 02/01/2024    | 2.68%         | Aa3           | 5,000,000    | 5,000,000    |
| Municipal Bonds                        | 11/15/2023    | 3.15%         | Aa3           | 4,190,000    | 4,190,000    |

| Investment         | Maturity Date | Interest Rate | Credit Rating | Level 2               | Fair Value            |
|--------------------|---------------|---------------|---------------|-----------------------|-----------------------|
| Municipal Bonds    | 11/15/2023    | 0.40%         | AA            | \$ 730,000            | \$ 730,000            |
| Municipal Bonds    | 07/15/2023    | 0.32%         | A1            | 1,000,000             | 1,000,000             |
| Municipal Bonds    | 10/01/2023    | 0.35%         | A1            | 590,000               | 590,000               |
| Municipal Bonds    | 07/01/2023    | 0.32%         | Aa3           | 1,750,000             | 1,750,000             |
| Municipal Bonds    | 10/01/2023    | 0.35%         | Aa2           | 500,000               | 500,000               |
| Municipal Bonds    | 09/01/2023    | 0.25%         | AA-           | 750,000               | 750,000               |
| Municipal Bonds    | 07/01/2023    | 0.30%         | A+            | 2,750,000             | 2,750,000             |
| Municipal Bonds    | 11/01/2023    | 1.05%         | AA            | 1,030,000             | 1,030,000             |
| Municipal Bonds    | 09/15/2023    | 0.35%         | AA+           | 1,975,000             | 1,975,000             |
| Municipal Bonds    | 12/01/2023    | 0.61%         | AAA           | 690,000               | 690,000               |
| Municipal Bonds    | 07/15/2023    | 0.40%         | AA-           | 375,000               | 375,000               |
| Municipal Bonds    | 10/15/2023    | 0.40%         | AA-           | 4,970,000             | 4,970,000             |
| Municipal Bonds    | 10/01/2023    | 1.48%         | AA-           | 650,000               | 650,000               |
| Municipal Bonds    | 09/01/2023    | 0.40%         | Aa1           | 1,500,000             | 1,500,000             |
| Municipal Bonds    | 07/01/2023    | 0.31%         | AA            | 530,000               | 530,000               |
| U.S. Treasury Note | 12/31/2023    | 0.80%         | AAA           | 5,000,000             | 5,000,000             |
| Total              |               |               |               | <u>\$ 242,098,000</u> | <u>\$ 242,098,000</u> |

Individual investments held in the Capital Projects fund at June 30, 2023, consist of:

| Investment                             | Maturity Date | Interest Rate | Credit Rating | Level 2              | Fair Value           |
|--|---------------|---------------|---------------|----------------------|----------------------|
| Federal Home Loan Bank                 | 08/30/2023    | 3.50%         | AAA           | \$ 5,000,000         | \$ 5,000,000         |
| Federal Home Loan Bank                 | 11/27/2023    | 1.30%         | AAA           | 5,000,000            | 5,000,000            |
| Federal Home Loan Bank                 | 12/20/2023    | 5.10%         | AAA           | 5,000,000            | 5,000,000            |
| Federal Home Loan Bank                 | 12/28/2023    | 0.80%         | AAA           | 2,000,000            | 2,000,000            |
| Federal Home Loan Bank                 | 12/28/2023    | 0.80%         | AAA           | 3,000,000            | 3,000,000            |
| Federal Home Loan Bank                 | 02/23/2024    | 1.60%         | AAA           | 5,000,000            | 5,000,000            |
| Federal Home Loan Bank                 | 02/27/2024    | 1.45%         | AAA           | 5,000,000            | 5,000,000            |
| Federal Home Loan Bank                 | 03/07/2025    | 5.45%         | AAA           | 5,000,000            | 5,000,000            |
| Federal Home Loan Mortgage Corporation | 08/30/2024    | 4.00%         | AAA           | 5,000,000            | 5,000,000            |
| Municipal Bonds                        | 10/27/2023    | 0.55%         | AA-           | 810,000              | 810,000              |
| U.S. Treasury Note                     | 08/24/2023    | 4.97%         | AAA           | 5,124,000            | 5,124,000            |
|  |               |               |               | <u>\$ 45,934,000</u> | <u>\$ 45,934,000</u> |

As of June 30, 2023, total investments for the primary government (excluding Pension Trust Funds and OPEB Trust Fund) were \$259,397,669 and investments for Hamilton County Schools, a discretely presented component unit, were \$41,517,232. In addition to the investments listed in the previous table, the County holds \$10,795,632 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 - 5.85%  | Not rated     | \$ 3,020,351 | \$ -    | \$ -    | \$ 3,020,351 |
| Total        |               |               | \$ 3,020,351 | \$ -    | \$ -    | \$ 3,020,351 |

OPEB Trust Fund:

| Investment                   | Interest Rate  | Credit Rating | Level 1              | Level 2             | Level 3     | Fair Value           |
|------------------------------|----------------|---------------|----------------------|---------------------|-------------|----------------------|
|                              |                |               |                      |                     |             |                      |
| U.S. Treasury Note           | 1.50% - 4.125% | Aaa           | \$ -                 | \$ 3,329,150        | \$ -        | \$ 3,329,150         |
| Government Agency            | 0.875 - 2.625% | Aaa           | -                    | 324,894             | -           | 324,894              |
| Municipal Bonds              | 1.720 - 2.529% | Aaa           | 144,154              | -                   | -           | 144,154              |
| Municipal Bonds              | 2.450 - 5.552% | Aa1           | 362,205              | -                   | -           | 362,205              |
| Municipal Bonds              | 0.785 - 5.00%  | Aa2           | 629,707              | -                   | -           | 629,707              |
| Municipal Bonds              | 5.295 - 6.040% | Aa3           | 161,124              | -                   | -           | 161,124              |
| Municipal Bonds              | 1.88%          | A1            | 71,253               | -                   | -           | 71,253               |
| Municipal Bonds              | 5.18%          | A3            | 40,987               | -                   | -           | 40,987               |
| Municipal Bonds              | 1.008 - 3.107% | Not rated     | 503,407              | -                   | -           | 503,407              |
| Domestic Corporate Bonds     | 4.30%          | Aa2           | 68,399               | -                   | -           | 68,399               |
| Domestic Corporate Bonds     | 2.70 - 5.50%   | A1            | 753,679              | -                   | -           | 753,679              |
| Domestic Corporate Bonds     | 2.90 - 3.625%  | A2            | 219,296              | -                   | -           | 219,296              |
| Domestic Corporate Bonds     | 1.95 - 4.875%  | A3            | 685,134              | -                   | -           | 685,134              |
| Domestic Corporate Bonds     | 1.80 - 4.250%  | Baa1          | 748,372              | -                   | -           | 748,372              |
| Domestic Corporate Bonds     | 1.75 - 4.30%   | Baa2          | 1,166,995            | -                   | -           | 1,166,995            |
| Domestic Corporate Bonds     | 3.30 - 3.95%   | Baa3          | 332,415              | -                   | -           | 332,415              |
| Domestic Corporate Bonds     | 2.88%          | Not rated     | 134,092              | -                   | -           | 134,092              |
| Foreign Bonds / Notes        | 2.65%          | A1            | 137,709              | -                   | -           | 137,709              |
| Foreign Bonds / Notes        | 2.65%          | A2            | 139,810              | -                   | -           | 139,810              |
| Foreign Bonds / Notes        | 2.38%          | Aa2           | 140,630              | -                   | -           | 140,630              |
| Foreign Bonds / Notes        | 4.81%          | Baa1          | 134,325              | -                   | -           | 134,325              |
| Mutual Funds                 | 0.00 - 5.85%   | Not rated     | 8,675,605            | -                   | -           | 8,675,605            |
| Quality Income Fund          | 4.13%          | A2            | 4,405,568            | -                   | -           | 4,405,568            |
| Money Market                 | Various        | Not rated     | 760,774              | -                   | -           | 760,774              |
| Exchange-traded funds        | Various        | Not rated     | 8,952,176            | -                   | -           | 8,952,176            |
| Domestic Equity Securities   | Various        | Not rated     | 6,662,558            | -                   | -           | 6,662,558            |
| Foreign Equity Securities    | Various        | Not rated     | 2,675,134            | -                   | -           | 2,675,134            |
| Real Estate Investment Trust | 3.49%          | Not rated     | 91,285               | -                   | -           | 91,285               |
| <b>Total</b>                 |                |               | <b>\$ 38,796,793</b> | <b>\$ 3,654,044</b> | <b>\$ -</b> | <b>\$ 42,450,837</b> |

**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.

Investments in Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association classified as level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

**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, 2023, 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, 2023, the County and the Hamilton County Schools had the following investments held by the trust on its behalf.

| Investment                                   | Weighted Average Maturity (days) | Maturities | County's Fair Value | Hamilton County Schools' Fair Value |
|--|----------------------------------|------------|---------------------|-------------------------------------|
| Investments at Fair Value:                   |                                  |            |                     |                                     |
| U.S. Equity                                  | N/A                              | N/A        | \$ 917,874          | \$ 3,083,297                        |
| Developed Market International Equity        | N/A                              | N/A        | 414,524             | 1,392,456                           |
| Emerging Market International Equity         | N/A                              | N/A        | 118,435             | 397,845                             |
| U.S. Fixed Income                            | N/A                              | N/A        | 592,177             | 1,989,224                           |
| Real Estate                                  | N/A                              | N/A        | 296,088             | 994,612                             |
| Short-term Securities                        | N/A                              | N/A        | 29,609              | 99,462                              |
| Investments at Amortized Cost using the NAV: |                                  |            |                     |                                     |
| Private Equity and Strategic Lending         | N/A                              | N/A        | 592,177             | 1,989,224                           |
| Total  |                                  |            | <u>\$ 2,960,884</u> | <u>\$ 9,946,120</u>                 |

#### Primary Government

| Investment by Fair Value Level        | Fair Value 06/30/2023 | Fair Value Measurements Using |                   |                   | Amortized Cost    |
|---------------------------------------|-----------------------|-------------------------------|-------------------|-------------------|-------------------|
|                                       |                       | Level 1                       | Level 2           | Level 3           |                   |
| U.S. Equity                           | \$ 917,874            | \$ 917,874                    | \$ -              | \$ -              | \$ -              |
| Developed Market International Equity | 414,524               | 414,524                       | -                 | -                 | -                 |
| Emerging Market International Equity  | 118,435               | 118,435                       | -                 | -                 | -                 |
| U.S. Fixed Income                     | 592,177               | -                             | 592,177           | -                 | -                 |
| Real Estate                           | 296,088               | -                             | -                 | 296,088           | -                 |
| Short-term Securities                 | 29,609                | -                             | 29,609            | -                 | -                 |
| Private Equity and Strategic Lending  | 592,177               | -                             | -                 | -                 | 592,177           |
| Total                                 | <u>\$ 2,960,884</u>   | <u>\$ 1,450,833</u>           | <u>\$ 621,786</u> | <u>\$ 296,088</u> | <u>\$ 592,177</u> |

**Component Unit - Hamilton County Schools**

| Investment by Fair Value Level       | Fair Value<br>06/30/2023 | Fair Value Measurements Using |                     |                   | Amortized Cost      |
|--------------------------------------|--------------------------|-------------------------------|---------------------|-------------------|---------------------|
|                                      |                          | Level 1                       | Level 2             | Level 3           |                     |
| U.S. Equity                          | \$ 3,083,297             | \$ 3,083,297                  | \$ -                | \$ -              | \$ -                |
| Developed Market                     |                          |                               |                     |                   |                     |
| International Equity                 | 1,392,456                | 1,392,456                     | -                   | -                 | -                   |
| Emerging Market                      |                          |                               |                     |                   |                     |
| International Equity                 | 397,845                  | 397,845                       | -                   | -                 | -                   |
| U.S. Fixed Income                    | 1,989,224                | -                             | 1,989,224           | -                 | -                   |
| Real Estate                          | 994,612                  | -                             | -                   | 994,612           | -                   |
| Short-term Securities                | 99,462                   | -                             | 99,462              | -                 | -                   |
| Private Equity and Strategic Lending | 1,989,224                | -                             | -                   | -                 | 1,989,224           |
| <b>Total</b>                         | <b>\$ 9,946,120</b>      | <b>\$ 4,873,598</b>           | <b>\$ 2,088,686</b> | <b>\$ 994,612</b> | <b>\$ 1,989,224</b> |

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



**NOTE D – RECEIVABLES**

Receivables at June 30, 2023, consist of the following:

| Funds               | Property Taxes        | Patients             | Accounts            | Leases              | Inter-Governmental   | Allowance for Uncollectibles | Net                   |
|---------------------|-----------------------|----------------------|---------------------|---------------------|----------------------|------------------------------|-----------------------|
| Primary Government: |                       |                      |                     |                     |                      |                              |                       |
| General             | \$ 177,587,214        | \$ 14,626,275        | \$ 2,490,828        | \$ 5,110,717        | \$ 8,573,195         | \$ (11,150,587)              | \$ 197,237,642        |
| Capital Projects    | -                     | -                    | 2,078,207           | -                   | 1,718,341            | -                            | 3,796,548             |
| Nonmajor            | -                     | -                    | 1,699,520           | -                   | -                    | -                            | 1,699,520             |
| Internal Service    | -                     | -                    | 3,344               | -                   | -                    | -                            | 3,344                 |
|                     | <u>\$ 177,587,214</u> | <u>\$ 14,626,275</u> | <u>\$ 6,271,899</u> | <u>\$ 5,110,717</u> | <u>\$ 10,291,536</u> | <u>\$ (11,150,587)</u>       | <u>\$ 202,737,054</u> |

| Funds                         | Property Taxes        | Accounts             | Leases              | Inter-Governmental   | Allowance for Uncollectibles | Net                   |
|-------------------------------|-----------------------|----------------------|---------------------|----------------------|------------------------------|-----------------------|
| Component Units:              |                       |                      |                     |                      |                              |                       |
| Hamilton County               |                       |                      |                     |                      |                              |                       |
| Schools                       | \$ 137,194,761        | \$ 6,273,770         | \$ 1,863,264        | \$ 56,532,848        | \$ (6,241,627)               | \$ 195,623,016        |
| "911" Emergency Communication | -                     | 546,135              | -                   | -                    | -                            | 546,135               |
| WWTa                          | -                     | 15,325,859           | -                   | -                    | (43,296)                     | 15,282,563            |
|                               | <u>\$ 137,194,761</u> | <u>\$ 22,145,764</u> | <u>\$ 1,863,264</u> | <u>\$ 56,532,848</u> | <u>\$ (6,284,923)</u>        | <u>\$ 211,451,714</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, 2023.

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 \$90,000 at June 30, 2023, is based on the use of 100% of capacity of both landfill areas. The estimated total current cost of the post closure care of \$90,000 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, 2023. 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, 2023. The total contractual commitments outstanding as of June 30, 2023, aggregated approximately \$103,751,716. 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, is expected to sign a consent decree with the Environmental Protection Agency (EPA) 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 \$250,000,000 as of June 30, 2023.

#### NOTE G – CONDUIT DEBT OBLIGATION

From time to time, Hamilton County has issued Industrial Revenue 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, 2023, there is one Industrial Revenue Bond outstanding. The aggregate principal amount payable for the Industrial Revenue Bond series issued at June 30, 2023, is \$13,134,887.

#### NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, is as follows:

##### Primary Government

|   | Restated<br>Beginning<br>Balance | Current Year<br>Additions | Current Year<br>Retirements | Transfers          | Ending Balance        |
|---|----------------------------------|---------------------------|-----------------------------|--------------------|-----------------------|
| Governmental Activities:  |                                  |                           |                             |                    |                       |
| Non-Depreciable Assets:   |                                  |                           |                             |                    |                       |
| Land  | \$ 88,429,430                    | \$ 10,944,347             | \$ (2,914,064)              | \$ -               | \$ 96,459,713         |
| Construction in progress  | 44,120,061                       | 31,484,355                | -                           | (2,027,211)        | 73,577,205            |
| Total non-depreciable assets  | <u>132,549,491</u>               | <u>42,428,702</u>         | <u>(2,914,064)</u>          | <u>(2,027,211)</u> | <u>170,036,918</u>    |
| Depreciable Assets:   |                                  |                           |                             |                    |                       |
| Buildings   | 179,300,844                      | 3,974,947                 | (64,743)                    | 1,805,744          | 185,016,792           |
| Improvements other than buildings   | 44,767,288                       | 35,160                    | (563,643)                   | 152,466            | 44,391,271            |
| Machinery and equipment   | 56,138,194                       | 4,578,643                 | (2,107,288)                 | 14,201             | 58,623,750            |
| Infrastructure  | 253,141,580                      | 7,952,723                 | (1,321,874)                 | -                  | 259,772,429           |
| Intangibles   | 7,222,195                        | 127,090                   | (17,936)                    | 54,800             | 7,386,149             |
| Right-to-use technology agreements  | 460,356                          | 8,601,975                 | -                           | -                  | 9,062,331             |
| Total depreciable assets  | <u>541,030,457</u>               | <u>25,270,538</u>         | <u>(4,075,484)</u>          | <u>2,027,211</u>   | <u>564,252,722</u>    |
| Less Accumulated Depreciation for:  |                                  |                           |                             |                    |                       |
| Buildings   | (88,789,392)                     | (3,829,984)               | 53,950                      | -                  | (92,565,426)          |
| Improvements other than buildings   | (28,866,985)                     | (1,384,425)               | 331,751                     | -                  | (29,919,659)          |
| Machinery and equipment   | (36,279,270)                     | (4,335,445)               | 1,949,234                   | -                  | (38,665,481)          |
| Infrastructure  | (163,408,668)                    | (3,309,407)               | 672,387                     | -                  | (166,045,688)         |
| Intangibles   | (5,172,733)                      | (178,599)                 | 17,936                      | -                  | (5,333,396)           |
| Right-to-use technology agreements  | -                                | (834,615)                 | -                           | -                  | (834,615)             |
| Total accumulated depreciation  | <u>(322,517,048)</u>             | <u>(13,872,475)</u>       | <u>3,025,258</u>            | <u>-</u>           | <u>(333,364,265)</u>  |
| Depreciable Assets, net   | <u>218,513,409</u>               | <u>11,398,063</u>         | <u>(1,050,226)</u>          | <u>2,027,211</u>   | <u>230,888,457</u>    |
| Governmental activities capital assets, net                               | <u>\$ 351,062,900</u>            | <u>\$ 53,826,765</u>      | <u>\$ (3,964,290)</u>       | <u>\$ -</u>        | <u>400,925,375</u>    |
| Lease Assets, net - Note I  |                                  |                           |                             |                    | <u>3,017,216</u>      |
| Total Capital Assets, net<br>as reported in the Statement of Net Position |                                  |                           |                             |                    | <u>\$ 403,942,591</u> |

Discretely Presented Component Units

|   | Restated<br>Beginning<br>Balance | Current Year<br>Additions | Current Year<br>Retirements | Transfers          | Ending Balance        |
|---|----------------------------------|---------------------------|-----------------------------|--------------------|-----------------------|
| <b>Non-Depreciable Assets:</b>  |                                  |                           |                             |                    |                       |
| Land  | \$ 21,678,337                    | \$ 1,125,400              | \$ (1,400,000)              | \$ -               | \$ 21,403,737         |
| Construction in progress  | 9,847,682                        | 21,547,800                | (653)                       | (7,110,126)        | 24,284,703            |
| Total non-depreciable assets  | <u>31,526,019</u>                | <u>22,673,200</u>         | <u>(1,400,653)</u>          | <u>(7,110,126)</u> | <u>45,688,440</u>     |
| <b>Depreciable Assets:</b>  |                                  |                           |                             |                    |                       |
| Buildings   | 682,715,932                      | 1,393,762                 | (1,003,683)                 | -                  | 683,106,011           |
| Improvements other than buildings   | 43,150,237                       | 1,168,186                 | (3,500)                     | 434,368            | 44,749,291            |
| Machinery and equipment   | 48,958,372                       | 3,765,736                 | (1,761,982)                 | 499,376            | 51,461,502            |
| Right-to-use technology agreements  | 2,605,423                        | 3,626,727                 | -                           | -                  | 6,232,150             |
| Utility plant   | 194,264,200                      | 6,831,904                 | (1,097,574)                 | 6,176,382          | 206,174,912           |
| Total depreciable assets  | <u>971,694,164</u>               | <u>16,786,315</u>         | <u>(3,866,739)</u>          | <u>7,110,126</u>   | <u>991,723,866</u>    |
| <b>Less Accumulated Depreciation for:</b>                                 |                                  |                           |                             |                    |                       |
| Buildings   | (305,414,595)                    | (14,171,250)              | 963,308                     | -                  | (318,622,537)         |
| Improvements other than buildings   | (27,615,583)                     | (1,044,872)               | 3,500                       | -                  | (28,656,955)          |
| Machinery and equipment   | (35,022,480)                     | (2,817,253)               | 1,184,171                   | -                  | (36,655,562)          |
| Right-to-use technology agreements  | -                                | (2,638,060)               | -                           | -                  | (2,638,060)           |
| Utility plant   | (62,220,725)                     | (5,029,923)               | 267,159                     | -                  | (66,983,489)          |
| Total accumulated depreciation  | <u>(430,273,383)</u>             | <u>(25,701,358)</u>       | <u>2,418,138</u>            | <u>-</u>           | <u>(453,556,603)</u>  |
| Depreciable Assets, net   | <u>541,420,781</u>               | <u>(8,915,043)</u>        | <u>(1,448,601)</u>          | <u>7,110,126</u>   | <u>538,167,263</u>    |
| Component units capital assets, net                                       | <u>\$ 572,946,800</u>            | <u>\$ 13,758,157</u>      | <u>\$ (2,849,254)</u>       | <u>\$ -</u>        |                       |
| Lease Assets, net - Note I  |                                  |                           |                             |                    | <u>2,325,712</u>      |
| Total Capital Assets, net<br>as reported in the Statement of Net Position |                                  |                           |                             |                    | <u>\$ 586,181,415</u> |

Depreciation expense is charged to functions as follows:

|  | <u>Depreciation</u>  |
|--|----------------------|
| <b>Primary Government:</b>                   |                      |
| <b>Governmental Activities</b>               |                      |
| Ambulance Services                           | \$ 1,270,505         |
| Criminal Court                               | 385,904              |
| General Government                           | 2,665,642            |
| Health                                       | 307,407              |
| Highway and Streets                          | 3,777,075            |
| Juvenile Court                               | 145,149              |
| Other Public Safety                          | 1,062,662            |
| Culture and Recreation                       | 1,446,617            |
| Social Services                              | 536                  |
| Sheriff                                      | 2,810,978            |
| Total  | <u>\$ 13,872,475</u> |
| <b>Discretely Presented Component Units:</b> |                      |
| Hamilton County Schools                      | \$ 18,710,628        |
| Water & Wastewater Treatment Authority       | 5,719,053            |
| "911" Emergency Communications               | 1,271,677            |
| Total  | <u>\$ 25,701,358</u> |

Beginning balances for the County and Discretely Presented Component Units were restated for the recognition of opening balances of subscription-based information technology arrangements (SBITA) from the implementation of GASB Statement No. 96.

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<br/>Activities</u> |
|---------------------------------|------------------------------------|
| Capital assets, non-depreciable | \$ 170,036,918                     |
| Capital assets, depreciable     | <u>233,905,673</u>                 |
|                                 | <u>403,942,591</u>                 |
| Less:                           |                                    |
| Bonds payable                   | (303,435,000)                      |
| Premium on bonds                | (42,852,353)                       |
| Deferred gain on refunding      | (1,215,787)                        |
| Lease liability                 | (3,034,543)                        |
| SBITA liability                 | <u>(8,054,022)</u>                 |
|                                 | <u>(358,591,705)</u>               |
| Add:                            |                                    |
| Bonds for component unit assets | 189,005,665                        |
| Premium on component unit bonds | 25,033,726                         |
| Unspent proceeds                | <u>62,401,635</u>                  |
| Net Investment                  | <u><u>\$ 321,791,912</u></u>       |

#### NOTE I – LEASE ASSETS

Lease activity for the year ended June 30, 2023, is as follows:

##### Primary Government

|   | <u>Beginning<br/>Balance</u> | <u>Current Year<br/>Additions</u> | <u>Current Year<br/>Retirements</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|-----------------------------------|-------------------------------------|---------------------------|
| Governmental Activities:                  |                              |                                   |                                     |                           |
| Lease Assets:                             |                              |                                   |                                     |                           |
| Land                                      | \$ 115,961                   | \$ -                              | \$ -                                | \$ 115,961                |
| Infrastructure                            | 36,410                       | -                                 | -                                   | 36,410                    |
| Buildings                                 | 174,562                      | 9,370                             | (25,440)                            | 158,492                   |
| Vehicles                                  | 3,729,767                    | 590,258                           | (240,244)                           | 4,079,781                 |
| Machinery and equipment                   | 534,962                      | 484,782                           | (129,366)                           | 890,378                   |
| Total lease assets                        | <u>4,591,662</u>             | <u>1,084,410</u>                  | <u>(395,050)</u>                    | <u>5,281,022</u>          |
| Less accumulated amortization for:        |                              |                                   |                                     |                           |
| Land                                      | (4,935)                      | (4,934)                           | -                                   | (9,869)                   |
| Infrastructure                            | (4,413)                      | (4,413)                           | -                                   | (8,826)                   |
| Buildings                                 | (49,140)                     | (49,098)                          | 25,440                              | (72,798)                  |
| Vehicles                                  | (1,062,870)                  | (1,123,586)                       | 220,092                             | (1,966,364)               |
| Machinery and equipment                   | (162,269)                    | (173,046)                         | 129,366                             | (205,949)                 |
| Total accumulated amortization            | <u>(1,283,627)</u>           | <u>(1,355,077)</u>                | <u>374,898</u>                      | <u>(2,263,806)</u>        |
| Governmental activities lease assets, net | <u><u>\$3,308,035</u></u>    | <u><u>\$ (270,667)</u></u>        | <u><u>\$ (20,152)</u></u>           | <u><u>\$3,017,216</u></u> |

Discretely Presented Component Units

|   | <u>Beginning<br/>Balance</u> | <u>Current Year<br/>Additions</u> | <u>Current Year<br/>Retirements</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|-----------------------------------|-------------------------------------|---------------------------|
| Governmental Activities:                  |                              |                                   |                                     |                           |
| Lease Assets:                             |                              |                                   |                                     |                           |
| Vehicles                                  | \$ 42,185                    | \$ 895,278                        | \$ -                                | \$ 937,463                |
| Improvements other than buildings         | 14,364                       | -                                 | (14,364)                            | -                         |
| Machinery and equipment                   | 3,737,999                    | 841,447                           | (76,905)                            | 4,502,541                 |
| Total lease assets                        | <u>3,794,548</u>             | <u>1,736,725</u>                  | <u>(91,269)</u>                     | <u>5,440,004</u>          |
| Less accumulated amortization for:        |                              |                                   |                                     |                           |
| Vehicles                                  | (2,695)                      | (238,798)                         | -                                   | (241,493)                 |
| Improvements other than buildings         | (10,887)                     | (3,477)                           | 14,364                              | -                         |
| Machinery and equipment                   | <u>(1,468,098)</u>           | <u>(1,481,606)</u>                | <u>76,905</u>                       | <u>(2,872,799)</u>        |
| Total accumulated amortization            | <u>(1,481,680)</u>           | <u>(1,723,881)</u>                | <u>91,269</u>                       | <u>(3,114,292)</u>        |
| Governmental activities lease assets, net | <u>\$2,312,868</u>           | <u>\$ 12,844</u>                  | <u>\$ -</u>                         | <u>\$2,325,712</u>        |

Amortization expense is charged to functions as follows:

|                                       | <u>Amortization</u> |
|---------------------------------------|---------------------|
| Primary Government:                   |                     |
| Governmental Activities               |                     |
| Ambulance Services                    | \$ 106,832          |
| Criminal Court                        | 6,927               |
| General Government                    | 361,593             |
| Health                                | 99,986              |
| Highway and Streets                   | 337,992             |
| Juvenile Court                        | 37,367              |
| Other Public Safety                   | 169,790             |
| Culture and Recreation                | 172,520             |
| Sheriff                               | 56,146              |
| Social Services                       | 5,924               |
| Total                                 | <u>\$ 1,355,077</u> |
| Discretely Presented Component Units: |                     |
| Hamilton County Schools               | <u>\$ 1,723,881</u> |
| Total                                 | <u>\$ 1,723,881</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:

| <b>Primary Government</b>  |                                |                                |                            |                                |                           |              |
|--|--------------------------------|--------------------------------|----------------------------|--------------------------------|---------------------------|--------------|
|  | Hamilton County<br>Legacy Plan | Hamilton County<br>Hybrid Plan | Employees'<br>Pension Plan | Commissioners'<br>Pension Plan | Teachers'<br>Pension Plan | Total        |
| Net pension asset  | \$ -                           | \$ 74,792                      | \$ 2,030,671               | \$ -                           | \$ -                      | \$ 2,105,463 |
| Net pension liability  | 11,126,223                     | -                              | -                          | 184,366                        | 1,769                     | 11,312,358   |
| Deferred outflows - pension contributions subsequent to measurement date | 9,033,146                      | 1,118,894                      | 60,000                     | 32,121                         | 3,000                     | 10,247,161   |
| Deferred outflows - pension experience difference                        | 7,145,916                      | 1,052,860                      | -                          | -                              | -                         | 8,198,776    |
| Deferred outflows - changes in assumptions                               | 8,892,263                      | 366,186                        | -                          | -                              | -                         | 9,258,449    |
| Deferred outflows - pension investment returns                           | 497,836                        | 161,316                        | 279,196                    | 78,917                         | 217                       | 1,017,482    |
| Deferred inflows - pension investment returns                            | -                              | -                              | -                          | -                              | -                         | -            |
| Deferred inflows - pension changes in assumptions                        | -                              | -                              | -                          | -                              | -                         | -            |
| Deferred inflows - pension experience differences                        | 1,884,826                      | 17,843                         | -                          | -                              | -                         | 1,902,669    |
| Pension expense  | 11,358,779                     | 581,485                        | -                          | 68,310                         | 232                       | 12,008,806   |
| Pension income   | -                              | -                              | 81,571                     | -                              | -                         | 81,571       |

**Hamilton County Schools**

|  | Non-Teacher<br>Legacy Plan | Non-Teacher<br>Hybrid Plan | Teacher Legacy<br>Pension Plan | Teacher<br>Retirement Plan | Total         |
|--|----------------------------|----------------------------|--------------------------------|----------------------------|---------------|
| Net pension asset  | \$ -                       | \$ 61,194                  | \$ 51,932,995                  | \$ 1,757,747               | \$ 53,751,936 |
| Net pension liability  | 4,768,381                  | -                          | -                              | -                          | 4,768,381     |
| Deferred outflows - pension contributions subsequent to measurement date       | 3,863,684                  | 931,600                    | 11,580,643                     | 3,023,586                  | 19,399,513    |
| Deferred outflows - pension experience difference                              | 3,062,536                  | 861,430                    | 8,542,785                      | 96,114                     | 12,562,865    |
| Deferred outflows - changes in assumptions                                     | 3,810,969                  | 299,607                    | 32,533,520                     | 2,059,113                  | 38,703,209    |
| Deferred outflows - changes in proportion to the net pension liability (asset) | -                          | -                          | 329,433                        | 73,278                     | 402,711       |
| Deferred outflows - pension investment returns                                 | 213,358                    | 131,986                    | 888,030                        | 554,050                    | 1,787,424     |
| Deferred inflows - pension experience differences                              | 807,783                    | 14,598                     | 8,775,099                      | 1,067,943                  | 10,665,423    |
| Deferred inflows - changes in proportion to the net pension liability (asset)  | -                          | -                          | 139,618                        | 249,855                    | 389,473       |
| Pension expense  | 4,868,048                  | 475,761                    | 435,557                        | 2,467,125                  | 8,246,491     |

**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 -<br>Legacy Plan | Hamilton County<br>Schools - Legacy<br>Plan | Total         |
|--|----------------------------------|---|---------------|
| Net pension liability  | \$ 11,126,223                    | \$ 4,768,381                                | \$ 15,894,604 |
| Deferred outflows - pension contributions subsequent to measurement date | 9,033,146                        | 3,863,684                                   | 12,896,830    |
| Deferred outflows - pension experience difference                        | 7,145,916                        | 3,062,536                                   | 10,208,452    |
| Deferred outflows - changes in assumptions                               | 8,892,263                        | 3,810,969                                   | 12,703,232    |
| Deferred outflows - pension investment returns                           | 497,836                          | 213,358                                     | 711,194       |
| Deferred inflows - pension experience differences                        | 1,884,826                        | 807,783                                     | 2,692,609     |
| Pension expense  | 11,358,779                       | 4,868,048                                   | 16,226,827    |

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 2<sup>nd</sup> 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, 2023, 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, 2023, employer contributions for the County were \$12,896,830. 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<br>Expected<br>Real Rate of<br><u>Return</u> | Target<br><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, 2022, 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, 2022 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, 2023   |
| Measurement Date           | June 30, 2022   |
| Actuarial Valuation Date   | June 30, 2022   |
| 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, 2022, 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, 2022

|  |              |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 2,847        |
| Inactive employees entitled to but not yet receiving benefits    | 2,320        |
| Active employees   | <u>1,546</u> |
| Total  | <u>6,713</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<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (asset)<br>(a) - (b) |
|--|-----------------------------------|---------------------------------------|---|
| Balance at June 30, 2021   | \$ 625,174,852                    | \$ 687,205,835                        | \$ (62,030,983)                               |
| Service Cost   | 7,934,094                         | -                                     | 7,934,094                                     |
| Interest   | 41,718,960                        | -                                     | 41,718,960                                    |
| Differences between expected and<br>actual experience            | 15,312,678                        | -                                     | 15,312,678                                    |
| Changes in assumptions   | -                                 | -                                     | -   |
| Contributions - employer   | -                                 | 13,110,907                            | (13,110,907)                                  |
| Contributions - employees  | -                                 | 50,904                                | (50,904)                                      |
| Net investment income  | -                                 | (25,962,834)                          | 25,962,834                                    |
| Benefit payments, including refunds<br>of employee contributions | (30,100,545)                      | (30,100,545)                          | -   |
| Administrative expense   | -                                 | (158,832)                             | 158,832                                       |
| Net changes  | <u>34,865,187</u>                 | <u>(43,060,400)</u>                   | <u>77,925,587</u>                             |
| Balance at June 30, 2022   | <u>\$ 660,040,039</u>             | <u>\$ 644,145,435</u>                 | <u>\$ 15,894,604</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:

|                               | 1% Decrease<br>(5.75%) | Current Rate<br>(6.75%) | 1% Increase<br>(7.75%) |
|-------------------------------|------------------------|-------------------------|------------------------|
| Net Pension Liability (Asset) | \$ 98,194,292          | \$ 15,894,604           | \$(52,819,169)         |

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

For the year ended June 30, 2023, the County recognized pension expense (income) is \$16,226,827. At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

|  | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                               | \$ 10,208,452                     | \$ 2,692,609                     |
| Net difference between projected and actual earnings of pension plan investments | 711,194                           | -                                |
| Changes in assumptions   | 12,703,232                        | -                                |
| County's contributions subsequent to the measurement date of June 30, 2022       | 12,896,830                        | -                                |
| Total  | <u>\$ 36,519,708</u>              | <u>\$ 2,692,609</u>              |

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2022,” 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:

| Year ending June 30, |                      |
|----------------------|----------------------|
| 2024                 | \$ 11,256,349        |
| 2025                 | 1,447,055            |
| 2026                 | (6,127,574)          |
| 2027                 | 14,354,439           |
| Thereafter           | -                    |
| Total                | <u>\$ 20,930,269</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, 2023, the County reported a payable of \$969,093 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

**(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 -<br>Hybrid Plan | Hamilton County<br>Schools - Hybrid<br>Plan | Total      |
|--|----------------------------------|---|------------|
| Net pension asset  | \$ 74,792                        | \$ 61,194                                   | \$ 135,986 |
| Deferred outflows - pension contributions subsequent to measurement date | 1,118,894                        | 931,600                                     | 2,050,494  |
| Deferred outflows - pension experience difference                        | 1,052,860                        | 861,430                                     | 1,914,290  |
| Deferred outflows - changes in assumptions                               | 366,186                          | 299,607                                     | 665,793    |
| Deferred outflows - pension investment returns                           | 161,316                          | 131,986                                     | 293,302    |
| Deferred inflows - pension experience differences                        | 17,843                           | 14,598                                      | 32,441     |
| Pension expense  | 581,485                          | 475,761                                     | 1,057,246  |

*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 2<sup>nd</sup> 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, 2022, the following employees were covered by the benefit terms:

|  |              |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 9            |
| Inactive employees entitled to but not yet receiving benefits    | 1,130        |
| Active employees   | <u>1,528</u> |
| Total  | <u>2,667</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 2023, the participants contributed \$3,397,400 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, 2023 to the Public Employee Retirement Plan were \$2,050,494 which is 2.59 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, 2023 was \$874,364, which represents 1.41% 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, 2022, 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, 2022 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, 2022 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>                    | Long-Term<br>Expected<br>Real Rate of<br><u>Return</u> | Target<br><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.

*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<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (asset)<br>(a) - (b) |
|--|-----------------------------------|---------------------------------------|---|
| Balance at June 30, 2021   | \$ 10,847,812                     | \$ 12,743,411                         | \$ (1,895,599)                                |
| Service Cost   | 3,458,793                         | -                                     | 3,458,793                                     |
| Interest   | 955,708                           | -                                     | 955,708                                       |
| Differences between expected and<br>actual experience            | 790,291                           | -                                     | 790,291                                       |
| Changes in assumptions   | -                                 | -                                     | -   |
| Contributions - employer   | -                                 | 1,218,317                             | (1,218,317)                                   |
| Contributions - employee   | -                                 | 2,932,917                             | (2,932,917)                                   |
| Net investment income  | -                                 | (558,436)                             | 558,436                                       |
| Benefit payments, including refunds<br>of employee contributions | (295,926)                         | (295,926)                             | -   |
| Administrative expense   | -                                 | (147,619)                             | 147,619                                       |
| Net changes  | <u>4,908,866</u>                  | <u>3,149,253</u>                      | <u>1,759,613</u>                              |
| Balance at June 30, 2022   | <u>\$ 15,756,678</u>              | <u>\$ 15,892,664</u>                  | <u>\$ (135,986)</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:

|                               | 1% Decrease<br><u>(5.75%)</u> | Current Rate<br><u>(6.75%)</u> | 1% Increase<br><u>(7.75%)</u> |
|-------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Net Pension Liability (Asset) | \$ 3,624,072                  | \$ (135,986)                   | \$ (2,991,899)                |

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

*Pension expense.* For the year ended June 30, 2023, Hamilton County Hybrid Plan recognized pension expense (negative pension expense) of \$1,057,246.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2023, Hamilton County Hybrid Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                               | \$ 1,914,290                      | \$ 32,441                        |
| Net difference between projected and actual earnings of pension plan investments | 293,302                           | -                                |
| Changes in assumptions   | 665,793                           | -                                |
| Contributions subsequent to the measurement date of June 30, 2022                | 2,050,494                         | -                                |
| Total  | <u>\$ 4,923,879</u>               | <u>\$ 32,441</u>                 |

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2022,” 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:

| Year ending June 30, |                     |
|----------------------|---------------------|
| 2024                 | \$ 417,148          |
| 2025                 | 418,539             |
| 2026                 | 396,169             |
| 2027                 | 727,563             |
| 2028                 | 418,813             |
| Thereafter           | 462,712             |
| Total                | <u>\$ 2,840,944</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, 2023, Hamilton County Hybrid Plan reported a payable of \$159,206 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.



### (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 2<sup>nd</sup> 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, 2023, to the Teacher Legacy Pension Plan were \$11,580,643, which is 8.69 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, 2023, the Hamilton County Schools reported an asset of \$51,932,995 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2022, 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, 2022, Hamilton County Schools' proportion was 4.234570 percent. The proportion measured as of June 30, 2021, was 4.228676 percent.

*Pension expense.* For the year ended June 30, 2023, Hamilton County Schools recognized a pension expense of \$435,557.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2023, Hamilton County Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                               | \$ 8,542,785                      | \$ 8,775,099                     |
| Net difference between projected and actual earnings of pension plan investments | 888,030                           | -                                |
| Changes in proportion of Net Pension Liability (Asset)                           | 329,433                           | 139,618                          |
| Changes in assumptions   | 32,533,520                        | -                                |
| LEA's contributions subsequent to the measurement date of June 30, 2022          | 11,580,643                        | -                                |
| Total  | <u>\$ 53,874,411</u>              | <u>\$ 8,914,717</u>              |

Hamilton County Schools employer contributions of \$11,580,643, 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, 2024. 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, |                      |
|----------------------|----------------------|
| 2024                 | \$ 5,228,863         |
| 2025                 | 9,815,620            |
| 2026                 | (9,075,627)          |
| 2027                 | 27,410,195           |
| Thereafter           | -                    |
| Total                | <u>\$ 33,379,051</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, 2022, 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, 2022 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<br/>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:

|   | 1% Decrease<br><u>(5.75%)</u> | Current<br>Discount Rate<br><u>(6.75%)</u> | 1% Increase<br><u>(7.75%)</u> |
|---|-------------------------------|--|-------------------------------|
| Hamilton County Schools' proportionate share of the net pension liability (asset) | \$ 102,861,365                | \$ (51,932,995)                            | \$ (180,866,415)              |

*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, 2023, Hamilton County Schools reported a payable of \$859,818 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

#### (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 2<sup>nd</sup> 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 2023, the participants contributed \$5,686,922 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, 2023 to the Teacher Retirement Plan were \$3,023,586, which is 2.87 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, 2023, was \$1,150,756, which represents 1.13% 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, 2023, Hamilton County Schools reported an asset of \$1,757,747 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, 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, 2022, Hamilton County Schools’ proportion was 5.802579 percent. At the measurement date of June 30, 2021, Hamilton County Schools’ proportion was 5.780728 percent.

*Pension Expense.* For the year ended June 30, 2023, Hamilton County Schools recognized pension expense of \$2,467,125.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2023, Hamilton County Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                               | \$ 96,114                         | \$ 1,067,943                     |
| Net difference between projected and actual earnings of pension plan investments | 554,050                           | -                                |
| Changes in proportion of Net Pension Liability (Asset)                           | 73,278                            | 249,855                          |
| Changes in assumptions   | 2,059,113                         | -                                |
| LEA's contributions subsequent to the measurement date of June 30, 2022          | 3,023,586                         | -                                |
| Total  | \$ 5,806,141                      | \$ 1,317,798                     |

Hamilton County Schools’ employer contributions of \$3,023,586, 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, 2024. 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, |              |
|----------------------|--------------|
| 2024                 | \$ 23,323    |
| 2025                 | 28,965       |
| 2026                 | (62,078)     |
| 2027                 | 902,946      |
| 2028                 | 84,777       |
| Thereafter           | 486,824      |
| Total                | \$ 1,464,757 |

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, 2022 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, 2022 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:

|   | 1% Decrease<br><u>(5.75%)</u> | Current<br>Discount Rate<br><u>(6.75%)</u> | 1% Increase<br><u>(7.75%)</u> |
|---|-------------------------------|--|-------------------------------|
| Hamilton County Schools' proportionate share of the net pension liability (asset) | \$ 9,227,152                  | \$ (1,757,747)                             | \$ (9,780,103)                |

*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, 2023, Hamilton County Schools reported a payable of \$251,933 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

## **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 55<sup>th</sup> 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'<br/>Pension Plan</u> | <u>Commissioners'<br/>Pension Plan</u> | <u>Teachers'<br/>Pension Plan</u> |
|---|------------------------------------|--|-----------------------------------|
| Retirees and beneficiaries receiving benefits | 7                                  | 14                                     | 1                                 |
| Vested terminated employees                   | -                                  | -                                      | -                                 |
| Active employees:                             |                                    |  |                                   |
| Fully vested                                  | -                                  | 1                                      | -                                 |
| Non-vested                                    | -                                  | 10                                     | -                                 |
| Actuarial valuation date                      | June 30, 2021                      | June 30, 2021                          | June 30, 2021                     |
| Measurement date                              | June 30, 2022                      | June 30, 2022                          | June 30, 2022                     |



## 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, 2023, is shown below:

| <u>Asset Class</u> | Employees’<br>Pension Plan Target<br><u>Allocation</u> | Commissioners’<br>Pension Plan Target<br><u>Allocation</u> |
|--------------------|--|--|
| Equity             | 40.00%   | 40.00%   |
| Fixed Income       | <u>60.00%</u>  | <u>60.00%</u>  |
|                    | <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, 2023, employer contributions were made for the Commissioners' Pension Plan and Teachers' Pension Plan. The contributions were \$32,121 for the Commissioners' Pension Plan and \$3,000 for the Teachers' Pension Plan. Employer contributions were also made to the Employees' Pension Plan in the amount of \$60,000 for the year ended June 30, 2023. The annual money-weighted rate of return on investments, net of investment expense, for the Employees' and Commissioners' plans were (16.64) percent and (18.01) 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, 2023, 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   | \$60,000                                    | \$32,121               | \$3,000          |
| Other contributing entities                        | N/A   | N/A                    | \$1,788          |
| Date of last actuarial valuation                   | June 30, 2023                               | June 30, 2023          | June 30, 2023    |
| Actuarial valuation date for current contributions | June 30, 2023                               | June 30, 2023          | June 30, 2023    |

|                                      |                                |                                |                                |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 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%                | \$(2,025,737)                        |
| Net Pension Liability, Current Rate | 6.75%                | \$(2,030,671)                        |
| Net Pension Liability, 1% Increase  | 7.75%                | \$(2,035,225)                        |
| <u>Commissioners' Pension Plan</u>  |                      |                                      |
| Net Pension Liability, 1% Decrease  | 5.00%                | \$257,196                            |
| Net Pension Liability, Current Rate | 6.00%                | \$184,366                            |
| Net Pension Liability, 1% Increase  | 7.00%                | \$121,499                            |
| <u>Teachers' Pension Plan</u>       |                      |                                      |
| Net Pension Liability, 1% Decrease  | 4.00%                | \$1,806                              |
| Net Pension Liability, Current Rate | 5.00%                | \$1,769                              |
| Net Pension Liability, 1% Increase  | 6.00%                | \$1,734                              |

### Components of Net Pension Liability (Asset)

The components of the net pension liability at June 30, 2023, measurement date of June 30, 2022, were as follows:

|  | Employees' Pension<br>Plan  | Commissioners'<br>Pension Plan | Teachers' Pension<br>Plan   |
|--|-----------------------------|--------------------------------|-----------------------------|
|  | <u>                    </u> | <u>                    </u>    | <u>                    </u> |
| Total Pension Liability  | \$ 126,896                  | \$ 929,897                     | \$ 2,108                    |
| Plan Fiduciary Net Position                                      | (2,157,567)                 | (745,531)                      | (339)                       |
| Net Pension Liability (Asset)                                    | <u>\$ (2,030,671)</u>       | <u>\$ 184,366</u>              | <u>\$ 1,769</u>             |
| Plan Fiduciary Net Position as a<br>% of Total Pension Liability | 1700.3%                     | 80.2%                          | 16.1%                       |

### Changes in Net Pension Liability (Asset)

#### Employees' Pension Plan

|  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (asset)<br>(a) - (b) |
|--|-----------------------------------|---------------------------------------|---|
|  | <u>                    </u>       | <u>                    </u>           | <u>                    </u>                   |
| Balance at June 30, 2021   | \$ 151,372                        | \$ 2,551,207                          | \$ (2,399,835)                                |
| Interest   | 10,057                            | -                                     | 10,057  |
| Differences between expected and<br>actual experience            | -                                 | -                                     | -   |
| Change of assumptions  | -                                 | -                                     | -   |
| Net investment income  | -                                 | (330,757)                             | 330,757                                       |
| Benefit payments, including refunds<br>of employee contributions | (34,533)                          | (34,533)                              | -   |
| Administrative expense   | -                                 | (28,350)                              | 28,350  |
| Other changes  | -                                 | -                                     | -   |
| Net changes  | <u>(24,476)</u>                   | <u>(393,640)</u>                      | <u>369,164</u>                                |
| Balance at June 30, 2022   | <u>\$ 126,896</u>                 | <u>\$ 2,157,567</u>                   | <u>\$ (2,030,671)</u>                         |

Commissioners' Pension Plan

|  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (asset)<br>(a) - (b) |
|--|-----------------------------------|---------------------------------------|---|
| Balance at June 30, 2021   | \$ 892,719                        | \$ 895,675                            | \$ (2,956)                                    |
| Service Cost   | 31,185                            | -                                     | 31,185  |
| Interest   | 53,994                            | -                                     | 53,994  |
| Differences between expected and<br>actual experience            | -                                 | -                                     | -   |
| Changes of assumptions   | -                                 | -                                     | -   |
| Contributions - employer   | -                                 | 32,121                                | (32,121)                                      |
| Net investment income  | -                                 | (101,252)                             | 101,252                                       |
| Benefit payments, including refunds<br>of employee contributions | (48,001)                          | (48,001)                              | -   |
| Administrative expense   | -                                 | (33,012)                              | 33,012  |
| Other changes  | -                                 | -                                     | -   |
| Net changes  | <u>37,178</u>                     | <u>(150,144)</u>                      | <u>187,322</u>                                |
| Balance at June 30, 2022   | <u>\$ 929,897</u>                 | <u>\$ 745,531</u>                     | <u>\$ 184,366</u>                             |

Teachers' Pension Plan

|  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (asset)<br>(a) - (b) |
|--|-----------------------------------|---------------------------------------|---|
| Balance at June 30, 2021   | \$ 3,776                          | \$ 1,915                              | \$ 1,861                                      |
| Interest   | 144                               | -                                     | 144   |
| Differences between expected and<br>actual experience            | -                                 | -                                     | -   |
| Changes of assumptions   | -                                 | -                                     | -   |
| Contributions - employer   | -                                 | 236                                   | (236)   |
| Net investment income  | -                                 | -                                     | -   |
| Benefit payments, including refunds<br>of employee contributions | (1,812)                           | (1,812)                               | -   |
| Other changes  | -                                 | -                                     | -   |
| Net changes  | <u>(1,668)</u>                    | <u>(1,576)</u>                        | <u>(92)</u>                                   |
| Balance at June 30, 2022   | <u>\$ 2,108</u>                   | <u>\$ 339</u>                         | <u>\$ 1,769</u>                               |

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

For the fiscal year ended June 30, 2023, the Teachers' Pension Plan recognized pension expense (income) will be \$232, the Commissioners' Pension Plan recognized pension expense (income) will be \$68,310, and the Employees' Pension Plan recognized pension expense (income) will be \$(81,571). This determination is based on a measurement date of June 30, 2022.

As of June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources in relation to pensions from the following sources:

|                                   | <u>Employees' Pension Plan</u>                     |   | <u>Commissioners' Pension Plan</u>                 |   | <u>Teachers' Pension Plan</u>                      |   |
|-----------------------------------|--|---|--|---|--|---|
|                                   | Collective<br>Deferred<br>Outflows of<br>Resources | Collective<br>Deferred<br>Inflows of<br>Resources | Collective<br>Deferred<br>Outflows of<br>Resources | Collective<br>Deferred<br>Inflows of<br>Resources | Collective<br>Deferred<br>Outflows of<br>Resources | Collective<br>Deferred<br>Inflows of<br>Resources |
| Investment losses (gains)         | \$ 279,196   | \$ -  | \$ 78,917  | \$ -  | \$ 217   | \$ -  |
| Experience losses (gains)         | -  | -   | -  | -   | -  | -   |
| Change of assumptions             | -  | -   | -  | -   | -  | -   |
| Post-measurement<br>contributions | 60,000   | -   | 32,121   | -   | 3,000  | -   |
|                                   | <u>\$ 339,196</u>                                  | <u>\$ -</u>                                       | <u>\$ 111,038</u>                                  | <u>\$ -</u>                                       | <u>\$ 3,217</u>                                    | <u>\$ -</u>                                       |

The contributions made subsequent to the measurement date of June 30, 2022, will be recognized against the net pension liability (asset) in the June 30, 2024, fiscal year.

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

|                       | <u>Employees'<br/>Pension Plan</u> | <u>Commissioners'<br/>Pension Plan</u> | <u>Teachers'<br/>Pension Plan</u> |
|-----------------------|------------------------------------|--|-----------------------------------|
| Years Ending June 30, |                                    |  |                                   |
| 2024                  | \$ 62,474                          | \$ 17,382                              | \$ 108                            |
| 2025                  | 60,618                             | 16,823                                 | 62                                |
| 2026                  | 52,157                             | 14,006                                 | 35                                |
| 2027                  | 103,947                            | 30,706                                 | 12                                |
| 2028                  | -                                  | -                                      | -                                 |
| Thereafter            | -                                  | -                                      | -                                 |
| Total                 | <u>\$ 279,196</u>                  | <u>\$ 78,917</u>                       | <u>\$ 217</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'<br>Retirement | Commissioners'<br>Retirement | Teachers'<br>Retirement | Total        |
|---|--------------------------|------------------------------|-------------------------|--------------|
| <b>ASSETS</b>                             |                          |                              |                         |              |
| Cash                                      | \$ 21,718                | \$ 64,067                    | \$ 1,527                | \$ 87,312    |
| Investments, at fair value:               |                          |                              |                         |              |
| Mutual Funds                              | 2,312,534                | 707,817                      | -                       | 3,020,351    |
| Total investments                         | 2,312,534                | 707,817                      | -                       | 3,020,351    |
| Receivables:                              |                          |                              |                         |              |
| Interest                                  | 1,838                    | 562                          | -                       | 2,400        |
| Total Assets                              | 2,336,090                | 772,446                      | 1,527                   | 3,110,063    |
| <b>LIABILITIES</b>                        |                          |                              |                         |              |
| Accrued items and other                   | -                        | -                            | -                       | -            |
| Total Assets                              | -                        | -                            | -                       | -            |
| <b>NET POSITION</b>                       |                          |                              |                         |              |
| Assets held in trust for pension benefits | \$ 2,336,090             | \$ 772,446                   | \$ 1,527                | \$ 3,110,063 |
|   | Employees'<br>Retirement | Commissioners'<br>Retirement | Teachers'<br>Retirement | Total        |
| <b>ADDITIONS</b>                          |                          |                              |                         |              |
| Contributions:                            |                          |                              |                         |              |
| Employer                                  | \$ 60,000                | \$ 32,121                    | \$ 3,000                | \$ 95,121    |
| Other                                     | -                        | -                            | 1,788                   | 1,788        |
| Total Contributions                       | 60,000                   | 32,121                       | 4,788                   | 96,909       |
| Investment Earnings:                      |                          |                              |                         |              |
| Net change in fair value of investments   | 97,828                   | 29,505                       | -                       | 127,333      |
| Miscellaneous                             | 49                       | -                            | -                       | 49           |
| Interest                                  | 70,193                   | 21,492                       | -                       | 91,685       |
| Net investment income                     | 168,070                  | 50,997                       | -                       | 219,067      |
| Total Additions                           | 228,070                  | 83,118                       | 4,788                   | 315,976      |
| <b>DEDUCTIONS</b>                         |                          |                              |                         |              |
| Benefits                                  | 34,553                   | 48,132                       | 3,600                   | 86,285       |
| Administrative expense                    | 14,994                   | 8,071                        | -                       | 23,065       |
| Total Deductions                          | 49,547                   | 56,203                       | 3,600                   | 109,350      |
| Change in net position                    | 178,523                  | 26,915                       | 1,188                   | 206,626      |
| Net position, beginning                   | \$ 2,157,567             | \$ 745,531                   | \$ 339                  | \$ 2,903,437 |
| Net position, ending                      | \$ 2,336,090             | \$ 772,446                   | \$ 1,527                | \$ 3,110,063 |

**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 2023, the amount of payroll covered by the plan was \$67,947,994. 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 2023, the County contributed \$3,397,400 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 2023, the amount of payroll covered by the plan was \$113,738,433. 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 2023, Hamilton County Schools contributed \$5,686,922 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 2023.



## 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, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021, 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, 2022, were as follows:

|                             |                      |
|-----------------------------|----------------------|
| Total OPEB Liability        | \$ 54,804,140        |
| Plan Fiduciary Net Position | (37,117,752)         |
| Net OPEB Liability          | <u>\$ 17,686,388</u> |

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability 67.7%

*Actuarial Assumptions.* The total OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, 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 5.75% over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04% in 2075 |

The OPEB trust uses the following mortality rates: TCRS Local Government Mortality Rates with mortality improvement scale MP-2020.

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, 2023:

| <u>Asset Class</u>                    | <u>Long-Term Expected<br/>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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 10.78% 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<br/>Liability<br/>(a)</u> | <u>Plan Fiduciary<br/>Net Position<br/>(b)</u> | <u>Net OPEB<br/>Liability (asset)<br/>(a) - (b)</u> |
|---|---|--|---|
| Balance at June 30, 2022                                      | \$ 53,018,279                           | \$ 41,511,338                                  | \$ 11,506,941                                       |
| Service Cost  | 2,078,428                               | -  | 2,078,428   |
| Interest  | 3,344,854                               | -  | 3,344,854   |
| Differences between expected and actual experience            | -                                       | -  | -   |
| Change in assumptions   | -                                       | -  | -   |
| Contributions - employer                                      | -                                       | 5,237,421                                      | (5,237,421)   |
| Contributions - employee                                      | -                                       | -  | -   |
| Net investment income   | -                                       | (5,788,644)                                    | 5,788,644   |
| Benefit payments, including refunds of employee contributions | (3,637,421)                             | (3,637,421)                                    | -   |
| Administrative expense  | -                                       | (204,942)                                      | 204,942   |
| Other changes   | -                                       | -  | -   |
| Net changes   | <u>1,785,861</u>                        | <u>(4,393,586)</u>                             | <u>6,179,447</u>                                    |
| Balance at June 30, 2023                                      | <u>\$ 54,804,140</u>                    | <u>\$ 37,117,752</u>                           | <u>\$ 17,686,388</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:

|                    | <u>1% Decrease<br/>(5.50%)</u> | <u>Current<br/>Discount Rate<br/>(6.50%)</u> | <u>1% Increase<br/>(7.50%)</u> |
|--------------------|--------------------------------|--|--------------------------------|
| Net OPEB Liability | \$ 22,391,788                  | \$ 17,686,388                                | \$ 13,522,805                  |

*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<br><u>(5.25% - 4.75%)</u> | Current<br>Discount Rate<br><u>(6.25% - 5.75%)</u> | 1% Increase<br><u>(7.25% - 6.75%)</u> |
|--------------------|---------------------------------------|--|---------------------------------------|
| Net OPEB Liability | \$ 12,509,937                         | \$ 17,686,388                                      | \$ 23,758,411                         |

### 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<br/>Expense/(Income)</u> |
|--|----------------------------------|
| Service Cost                                       | \$ 2,078,428                     |
| Interest   | 3,344,854                        |
| Experience losses (gains)                          | -                                |
| Amortization of or change in<br>beginning balances | (912,515)                        |
| Change in assumptions                              | -                                |
| Projected investment income                        | 5,788,644                        |
| Administrative expense                             | 204,942                          |
| OPEB Expense                                       | <u>\$ 10,504,353</u>             |

For the year ended June 30, 2023, the recognized OPEB expense is \$10,504,353. At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

|  | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|--|---|--|
| Net difference between projected and actual earnings of<br>OPEB plan investments | \$ -                                      | \$ 3,630,542                             |
| Difference between expected and actual experience                                | -   | 534,945                                  |
| Amortization of or change in beginning balances                                  | -   | -  |
| Changes in assumptions   | 2,120,925                                 | 1,039,186                                |
| Contributions subsequent to the measurement date of<br>June 30, 2022             | 4,951,471                                 | -  |
| Total  | <u>\$ 7,072,396</u>                       | <u>\$ 5,204,673</u>                      |

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2022,” 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, |                       |
|----------------------|-----------------------|
| 2024                 | \$ (912,514)          |
| 2025                 | (825,533)             |
| 2026                 | (825,539)             |
| 2027                 | (260,082)             |
| Thereafter           | (260,080)             |
| Total                | <u>\$ (3,083,748)</u> |

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

**(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.

**Plan Membership**

At June 30, 2022, membership consisted of the following:

|  |              |
|--|--------------|
| Active members (with medical coverage) | 4,793        |
| Retirees (with medical coverage)       | <u>407</u>   |
| Total                                  | <u>5,200</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 2023, the HCS contributed \$6,437,140 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 2023.

**Total OPEB Liability of Hamilton County Schools**

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

*Actuarial Assumptions.* The total OPEB liability as of June 30, 2023, 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**

|  | <u>Total OPEB<br/>Liability</u> |
|--|---------------------------------|
| Balance at June 30, 2022   | \$ 90,088,307                   |
| Service Cost   | 7,176,437                       |
| Interest   | 3,714,849                       |
| Experience losses  | 2,120,887                       |
| Change in assumptions  | (2,013,334)                     |
| Benefit payments, including refunds<br>of employee contributions | <u>(6,437,140)</u>              |
| Net changes  | 4,561,699                       |
| Balance at June 30, 2023   | <u>\$ 94,650,006</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<br><u>(3.13%)</u> | Current<br>Discount Rate<br><u>(4.13%)</u> | 1% Increase<br><u>(5.13%)</u> |
|----------------------|-------------------------------|--|-------------------------------|
| Total OPEB Liability | \$102,430,526                 | \$94,650,006                               | \$87,637,399                  |

*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<br><u>(5.25% - 4.20%)</u> | Current<br>Discount Rate<br><u>(6.25% - 5.20%)</u> | 1% Increase<br><u>(7.25% - 6.20%)</u> |
|----------------------|---------------------------------------|--|---------------------------------------|
| Total OPEB Liability | \$85,273,227                          | \$94,650,006                                       | \$105,734,392                         |

**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**

|  | <u>OPEB Expense</u> |
|--|---------------------|
| Service Cost                                       | \$ 7,176,437        |
| Interest   | 3,714,849           |
| Amortization of or change in<br>beginning balances | 1,998,365           |
| Change in assumptions                              | <u>(6,573,421)</u>  |
| OPEB Expenses                                      | <u>\$ 6,316,230</u> |

For the year ended June 30, 2023, the recognized OPEB expense is \$6,316,230. At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB are from the following sources:

|                        | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|------------------------|---|--|
| Experience losses      | \$ 13,291,394                             | \$ -                                     |
| Changes in assumptions | -   | 48,584,891                               |
| Total                  | <u>\$ 13,291,394</u>                      | <u>\$ 48,584,891</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, |                        |
|----------------------|------------------------|
| 2024                 | \$ (4,575,056)         |
| 2025                 | (4,575,056)            |
| 2026                 | (4,575,056)            |
| 2027                 | (4,575,056)            |
| 2028                 | (4,575,056)            |
| Thereafter           | <u>(12,418,217)</u>    |
| Total                | <u>\$ (35,293,497)</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<br>Within One Year |
|--|----------------|------------------|-------------------------------|
| General Improvement, Series 1998 B       | 5.10%          | \$ 895,000       | \$ 435,000                    |
| General Improvement, Series 2015 A       | 5.00%          | 5,339,600        | 762,800                       |
| School, Series 2015 A                    | 5.00%          | 22,660,400       | 3,237,200                     |
| General Improvement, Series 2015 B       | 4.00 - 5.00%   | 2,781,387        | 1,603,177                     |
| School, Series 2015 B                    | 4.00 - 5.00%   | 8,868,613        | 5,111,823                     |
| General Improvement, Series 2018 A       | 5.00%          | 30,232,960       | 3,026,008                     |
| School, Series 2018 A                    | 5.00%          | 81,267,040       | 8,133,992                     |
| General Improvement, Series 2018 B       | 2.00 - 5.00%   | 1,280,000        | 945,000                       |
| General Improvement, Series 2020 A       | 4.00 - 5.00%   | 34,272,233       | 2,122,167                     |
| School, Series 2020 A                    | 4.00 - 5.00%   | 7,922,767        | 62,833                        |
| WWTA, Series 2020 A                      | 4.00 - 5.00%   | 16,865,000       | 615,000                       |
| General Improvement, Series 2020 B       | 5.00%          | 2,930,654        | 556,916                       |
| School, Series 2020 B                    | 5.00%          | 14,724,346       | 2,798,084                     |
| General Improvement, Series 2021         | 3.00 - 5.00%   | 36,697,500       | 1,887,500                     |
| School, Series 2021                      | 3.00 - 5.00%   | 36,697,500       | 1,887,500                     |
| Total payable from the Debt Service Fund |                | \$ 303,435,000   | \$ 33,185,000                 |

**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: |                |               |                |
| 2024                      | \$ 33,185,000  | \$ 14,059,989 | \$ 47,244,989  |
| 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 - 2033               | 106,855,000    | 22,004,900    | 128,859,900    |
| 2034 - 2038               | 37,080,000     | 4,227,200     | 41,307,200     |
| 2039 - 2043               | 2,665,000      | 1,434,400     | 4,099,400      |
| 2044 - 2048               | 3,250,000      | 856,000       | 4,106,000      |
| 2049 - 2051               | 2,280,000      | 184,800       | 2,464,800      |
|                           | \$ 303,435,000 | \$ 83,668,870 | \$ 387,103,870 |

**County Lease Liabilities** - As of July 1, 2021, the County had 83 leases as lessee for the use of copiers with terms ranging from 13 to 60 months. An initial lease liability was recorded in the amount of \$219,697. As of June 30, 2023, the value of the lease liability is \$76,198. The County is required to make monthly fixed payments ranging from \$22 to \$214. The leases have an interest rate ranging from 0.308% to 0.980%. The copiers' useful lives ranged from 13 months to 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$219,697 with accumulated amortization of \$104,303 is included with Equipment in the lease assets. One of the copiers has two extension options, each for 12 months.

As of July 1, 2021, the County had 185 leases as lessee for the use of vehicles with terms ranging from 16 months to 60 months. An initial lease liability was recorded in the amount of \$3,410,895. As of June 30, 2023, the value of the lease liability is \$1,428,971. The County is required to make monthly fixed payments ranging from \$312 to \$687. The leases have an interest rate ranging from 0.237% to 0.98%. The vehicles' useful lives ranged from 16 months to 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$3,410,895 with accumulated amortization of \$1,752,654 is included with Vehicles in the lease assets. The leases have guaranteed residual values ranging from \$4,875 to \$10,478.

As of July 1, 2021, the County had a 60-month lease for the use of the Society of Work-Mental Health building. An initial lease liability was recorded in the amount of \$134,988. As of June 30, 2023, the value of the lease liability is \$77,118. The County is required to make monthly fixed payments of \$2,665. The lease has an interest rate of 0.237%. The building's useful life was 60 months as of the contract commencement. The value of the right to use

asset as of June 30, 2023 of \$134,988 with accumulated amortization of \$53,995 is included with Buildings in the lease assets. The lease has nine extension options, each for 6 months.

As of July 1, 2021, the County had an 18-month lease as lessee for the use of the 711 Building. An initial lease liability was recorded in the amount of \$14,133. As of June 30, 2023, the value of the lease liability is \$4,712. The County is required to make semi-annual fixed payments of \$4,723. The lease has an interest rate of 0.44%. The building's useful life was 18 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$14,133 with accumulated amortization of \$9,421 is included with Buildings in the lease assets. The lease has one extension options, for 12 months.

As of July 1, 2021, the County had 5 leases as lessee for the use of other equipment with terms ranging from 22 months to 51 months. An initial lease liability was recorded in the amount of \$142,320. As of June 30, 2023, the value of the lease liability is \$24,629. The County is required to make monthly/quarterly fixed payments ranging from \$98 to \$4,086. The leases have an interest rate ranging from 0.081% to 1.651%. The equipment's useful lives ranged from 22 months to 51 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$142,320 with accumulated amortization of \$28,377 is included with Equipment in the lease assets. One of the leases has one extension option.

As of July 1, 2021, the County had a 282-month lease as lessee for the use of Valuation Milepost R-3. An initial lease liability was recorded in the amount of \$115,961. As of June 30, 2023, the value of the lease liability is \$106,088. The County is required to make annual fixed payments of \$6,200. The lease has an interest rate of 2.30%. The land's useful life was 282 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$115,961 with accumulated amortization of \$9,869 is included with Land in the lease assets.

As of July 1, 2021, the County had a 96-month lease as lessee for the use of the White Oak Mountain Transmitter site. An initial lease liability was recorded in the amount of \$17,582. As of June 30, 2023, the value of the lease liability is \$13,184. The County is required to make annual fixed payments of \$2,304. The lease has an interest rate of 1.372%. The transmitter's useful life was 96 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$17,582 with accumulated amortization of \$4,396 is included with Infrastructure in the lease assets.

As of July 1, 2021, the County had a 102-month lease as lessee for the use of Sale Creek Mountain Transmitter site. An initial lease liability was recorded in the amount of \$18,828. As of June 30, 2023, the value of the lease liability is \$14,640. The County is required to make annual fixed payments of \$2,214. The lease has an interest rate of 1.448%. The transmitter's useful life was 102 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$18,828 with accumulated amortization of \$4,430 is included with Infrastructure in the lease assets.

On July 1, 2021, the County had 4 leases as lessee for the use of printers with terms of 52 months. An initial lease liability was recorded in the amount of \$13,819. As of June 30, 2023, the value of the lease liability is \$7,496. The County is required to make monthly fixed payments ranging from \$16 to \$197. The leases have an interest rate of 0.814%. The printers' useful lives were 52 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$13,819 with accumulated amortization of \$6,378 is included with Equipment in the lease assets.

As of July 1, 2021, the County had a 24-month lease as lessee for the use of the Surplus Storage building. An initial lease liability was recorded in the amount of \$25,440. As of June 30, 2023, the value of the lease liability is \$0. The County is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 0.237%. The building's useful life was 24 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$25,440 with accumulated amortization of \$25,440 is included with Buildings in the lease assets. The lease has one extension option.

In July 2021, the County entered into 11 leases as lessee for the use of vehicles with terms of 60 months. An initial lease liability was recorded in the amount of \$319,084. As of June 20, 2023, the value of the lease liability is \$199,581. The County is required to make monthly fixed payments ranging from \$384 to \$554. The leases have an interest rate ranging from 0.822% to 1.098%. The vehicles' useful lives were 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$319,084 with accumulated amortization of \$120,919 is included with Vehicles in the lease assets. The leases have guaranteed residual values ranging from \$6,922 to \$8,965.



In September 2021, the County entered into 14 leases as lessee for the use of copiers with terms of 60 months. An initial lease liability was recorded in the amount of \$50,078. As of June 30, 2023, the value of the lease liability is \$33,701. The County is required to make monthly fixed payments ranging from \$32 to \$84. The leases have an interest rate ranging from 0.893% to 1.225%. The copiers' useful lives were 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$50,078 with accumulated amortization of \$16,660 is included with Equipment in the lease assets.

In January 2022, the County entered into 29 leases as lessee for the use of copiers with terms of 60 months. An initial lease liability was recorded in the amount of \$102,011. As of June 30, 2023, the value of the lease liability is \$76,851. The County is required to make monthly fixed payments ranging from \$46 to \$75. The leases have an interest rate ranging from 1.098% to 2.583%. The copiers' useful lives were 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$102,011 with accumulated amortization of \$26,078 is included with Equipment in the lease assets.

In February 2022, the County entered into a 36-month lease as lessee for the use of the Plotwave 345. An initial lease liability was recorded in the amount of \$7,038. As of June 30, 2023, the value of the lease liability is \$3,862. The County is required to make annual fixed payments of \$206. The lease has an interest rate of 1.62%. The equipment's useful life was 36 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$7,038 with accumulated amortization of \$3,219 is included with Equipment in the lease assets. The lease has one extension option for 12 months.

In July 2022, the County entered into 20 leases as lessee for the use of vehicles with terms of 60 months. An initial lease liability was recorded in the amount of \$590,046. As of June 30, 2023, the value of the lease liability is \$501,551. The County is required to make monthly fixed payments ranging from \$433 to \$1,146. The leases have an interest rate ranging from 2.366% to 3.305%. The vehicles' useful lives were 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$590,046 with accumulated amortization of \$92,792 is included with Vehicles in the lease assets. The leases have guaranteed residual values ranging from \$6,479 to \$16,412.

In July 2022, the County entered into 39 leases as lessee for the use of copiers with terms of 60 months. An initial lease liability was recorded in the amount of \$116,640. As of June 30, 2023, the value of the lease liability is \$105,912. The County is required to make monthly fixed payments ranging from \$36 to \$175. The leases have an interest rate ranging from 2.157% to 3.305%. The copiers' useful lives were 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$126,432 with accumulated amortization of \$15,112 is included with Equipment in the lease assets.

In July 2022, the County entered into 6 leases as lessee for the use of printers with terms of 60 months. An initial lease liability was recorded in the amount of \$24,563. As of June 30, 2023, the value of the lease liability is \$20,579. The County is required to make monthly fixed payments ranging from \$16 to \$197. The leases have an interest rate ranging from 2.157% to 3.305%. The copiers' useful lives were 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$14,770 with accumulated amortization of \$2,250 is included with Equipment in the lease assets.

In June 2023, the County entered into an 84-month lease as lessee for the use of Southeastern Laundry Equipment - Silverdale. An initial lease liability was recorded in the amount of \$343,580. As of June 30, 2023, the value of the lease liability is \$339,470. The County is required to make monthly fixed payments of \$4,134. The leases have an interest rate of 0.308%. The equipment's useful life was 84 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$343,580 with accumulated amortization of \$3,272 is included with Equipment in the lease assets.

**County Lease Receivables** - In July 2021, the County entered into a 126-month lease as Lessor for the use of Moccasin Bend Golf Course. An initial lease receivable was recorded in the amount of \$725,037. As of June 30, 2023, the value of the lease receivable is \$595,829. The lessee is required to make monthly fixed payments of \$6,250. The lease has an interest rate of 1.5940%. The value of the deferred inflow of resources as of June 30, 2023 was \$586,934, and the County recognized lease revenue of \$69,051 during the fiscal year. The lessee has 2 extension option(s), each for 60 months. The County had a termination period of 3 months as of the lease commencement.

In July 2021, the County entered into a 102-month lease as Lessor for the use of Standifer Gap Firehall. An initial lease receivable was recorded in the amount of \$500,559. As of June 30, 2023, the value of the lease receivable is \$385,102. The lessee is required to make monthly fixed payments of \$5,043. The lease has an interest rate of 0.6480%. The value of the deferred inflow of resources as of June 30, 2023 was \$382,780, and the County recognized lease revenue of \$58,889 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

In July 2021, the County entered into a 69-month lease as Lessor for the use of Centre South Riverport/Ind. River Park Terminal. An initial lease receivable was recorded in the amount of \$389,091. As of June 30, 2023, the value of the lease receivable is \$256,621. The lessee is required to make monthly fixed payments of \$0.00. The lessee is required to make quarterly variable fixed in substance principal and interest payments of \$17,500. The lease has an interest rate of 1.1380%. The value of the deferred inflow of resources as of June 30, 2023 was \$254,535, and the County recognized lease revenue of \$67,278 during the fiscal year.

In July 2021, the County entered into a 110-month lease as Lessor for the use of J. Merle Crawley Agriculture Service Ctr. An initial lease receivable was recorded in the amount of \$111,557. As of June 30, 2023, the value of the lease receivable is \$88,356. The lessee is required to make monthly fixed payments of \$1,082. The lease has an interest rate of 1.4480%. The value of the deferred inflow of resources as of June 30, 2023 was \$87,217, and the County recognized lease revenue of \$12,170 during the fiscal year.

In July 2021, the County entered into a 30-month lease as Lessor for the use of Office Space - 7000 Discovery Drive. An initial lease receivable was recorded in the amount of \$373,036. As of June 30, 2023, the value of the lease receivable is \$74,905. The lessee is required to make monthly fixed payments of \$12,500. The lease has an interest rate of 0.4350%. The value of the deferred inflow of resources as of June 30, 2023 was \$74,607, and the County recognized lease revenue of \$149,215 during the fiscal year. The lessee has 4 extension option(s), each for 6 months.

In July 2021, the County entered into an 84-month lease as Lessor for the use of McDonald Farm - Mike Neal Corn Farm. An initial lease receivable was recorded in the amount of \$210,336. As of June 30, 2023, the value of the lease receivable is \$181,203. The lessee is required to make annual fixed payments of \$31,875. The lease has an interest rate of 1.5640%. The value of the deferred inflow of resources as of June 30, 2023 was \$170,272, and the County recognized lease revenue of \$30,048 during the fiscal year. The County has 6 extension option(s), each for 12 months.

In July 2021, the County entered into a 35-month lease as Lessor for the use of ATM-Courthouse & Courts Building. An initial lease receivable was recorded in the amount of \$13,906. As of June 30, 2023, the value of the lease receivable is \$4,390. The lessee is required to make monthly fixed payments of \$400. The lease has an interest rate of 0.4780%. The value of the deferred inflow of resources as of June 30, 2023 was \$4,370, and the County recognized lease revenue of \$4,768 during the fiscal year.

In July 2021, the County entered into a 38-month lease as Lessor for the use of Blue Flame Building. An initial lease receivable was recorded in the amount of \$393,111. As of June 30, 2023, the value of the lease receivable is \$145,691. The lessee is required to make monthly fixed payments of \$10,449. The lease has an interest rate of 0.6480%. The value of the deferred inflow of resources as of June 30, 2023 was \$144,830, and the County recognized lease revenue of \$124,140 during the fiscal year.

In July 2021, the County entered into a 300-month lease as Lessor for the use of ESIP Rail. An initial lease receivable was recorded in the amount of \$3,602,827. As of June 30, 2023, the value of the lease receivable is \$3,378,620. The lessee is required to make monthly fixed payments of \$15,813. The lease has an interest rate of 2.3230%. The value of the deferred inflow of resources as of June 30, 2023 was \$3,314,601, and the County recognized lease revenue of \$144,113 during the fiscal year.

**County SBITA Liabilities** - For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

In November 2022, the County entered into a 120-month subscription for the use of Axon Software. An initial subscription liability was recorded in the amount of \$8,601,975. As of June 30, 2023, the value of the subscription liability is \$7,849,756. The County is required to make annual fixed payments of \$93,000. The subscription has an interest rate of 3.3090%. The value of the right to use asset as of June 30, 2023 of \$8,601,975 with accumulated amortization of \$573,465 is included with Software on the Subscription Class activities table found below. The County had a termination period of 6 months as of the subscription commencement.

In July 2022, the County entered into a 69-month subscription for the use of Dominion Optical Scan Voting System. An initial subscription liability was recorded in the amount of \$12,072. As of June 30, 2023, the value of the subscription liability is \$9,729. The County is required to make annual fixed payments of \$7,275. The subscription has an interest rate of 2.3220%. The value of the right to use asset as of June 30, 2023 of \$12,072 with accumulated amortization of \$2,071 is included with Software on the Subscription Class activities table found below.

In July 2022, the County entered into a 36-month subscription for the use of OpenGov - Citizen Services. An initial subscription liability was recorded in the amount of \$213,318. As of June 30, 2023, the value of the subscription liability is \$147,234. The County is required to make annual fixed payments of \$66,084. The subscription has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$213,318 with accumulated amortization of \$71,106 is included with Software on the Subscription Class activities table found below.

In July 2022, the County entered into a 15-month subscription for the use of Circuit Court Scan Station. An initial subscription liability was recorded in the amount of \$234,966. As of June 30, 2023, the value of the subscription liability is \$47,303. The County is required to make monthly fixed payments of \$15,809. The subscription has an interest rate of 1.5800%. The value of the right to use asset as of June 30, 2023 of \$234,966 with accumulated amortization of \$187,973 is included with Software on the Subscription Class activities table found below.

**Schools Lease Liabilities** – On March 29, 2022, the Schools entered into a 48-month lease as Lessee for the use of Vehicle - Chevrolet Express 2500. An initial lease liability was recorded in the amount of \$42,185. As of June 30, 2023, the value of the lease liability is \$26,196. The Schools is required to make monthly fixed payments of \$918. The lease has an interest rate of 2.2630%. The value of the right to use asset as of June 30, 2023 of \$42,185 with accumulated amortization of \$13,242 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,046.

On April 21, 2022, the Schools entered into a 48-month lease as Lessee for the use of Lanier Multifunctional Printer - Brainerd High School. An initial lease liability was recorded in the amount of \$1,644. As of June 30, 2023, the value of the lease liability is \$1,146. The Schools is required to make monthly fixed payments of \$36. The lease has an interest rate of 2.5790%. The value of the right to use asset as of June 30, 2023 of \$1,644 with accumulated amortization of \$491 is included with Equipment on the Lease Class activities table found below. The Schools has the option to purchase the Equipment for \$1.

On December 14, 2021, the Schools entered into a 24-month lease as Lessee for the use of Lanier Multifunctional System - Brainerd High School. An initial lease liability was recorded in the amount of \$746. As of June 30, 2023, the value of the lease liability is \$156. The Schools is required to make monthly fixed payments of \$31. The lease has an interest rate of 0.5450%. The value of the right to use asset as of June 30, 2023 of \$746 with accumulated amortization of \$577 is included with Equipment on the Lease Class activities table found below. The Schools has the option to purchase the Equipment for \$1.

On January 5, 2022, the Schools entered into a 24-month lease as Lessee for the use of Lanier SPF Color Multifunctional System - Brainerd High School. An initial lease liability was recorded in the amount of \$744. As of June 30, 2023, the value of the lease liability is \$187. The Schools is required to make monthly fixed payments of \$31. The lease has an interest rate of 0.8930%. The value of the right to use asset as of June 30, 2023 of \$744 with accumulated amortization of \$554 is included with Equipment on the Lease Class activities table found below. The Schools has the option to purchase the Equipment for \$1.

On December 14, 2021, the Schools entered into a 60-month lease as Lessee for the use of Lanier Desktop Printer - Brainerd High School. An initial lease liability was recorded in the amount of \$3,659. As of June 30, 2023, the value of the lease liability is \$2,520. The Schools is required to make monthly fixed payments of \$63. The lease has an interest rate of 1.0980%. The value of the right to use asset as of June 30, 2023 of \$3,659 with accumulated amortization of \$1,132 is included with Equipment on the Lease Class activities table found below. The Schools has the option to purchase the Equipment for \$1.

On July 1, 2021, the Schools entered into an 18-month lease as Lessee for the use of Postage Meters - HS Pitney Bowes - East Hamilton High School. An initial lease liability was recorded in the amount of \$1,948. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make quarterly fixed payments of \$326. The lease has an interest rate of 0.4350%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 53-month lease as Lessee for the use of Postage Meters - MS Pitney Bowes - East Hamilton Middle School. An initial lease liability was recorded in the amount of \$5,026. As of June 30, 2023, the value of the lease liability is \$2,681. The Schools is required to make quarterly fixed payments of \$301. The lease has an interest rate of 0.8140%. The value of the right to use asset as of June 30, 2023 of \$5,026 with accumulated amortization of \$2,273 is included with Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 26-month lease as Lessee for the use of SendPro Series Version 4 - Pitney Bowes- Hunter Middle School. An initial lease liability was recorded in the amount of \$1,616. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make quarterly fixed payments of \$203. The lease has an interest rate of 0.4350%. The value of the right to use asset as of June 30, 2023 of \$1,616 with accumulated amortization of \$1,492 is included with Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 48-month lease as Lessee for the use of Beeler Copiers. An initial lease liability was recorded in the amount of \$841,312. As of June 30, 2023, the value of the lease liability is \$841,447. The Schools is required to make monthly fixed payments of \$35,201. The lease has an interest rate of 0.4170%. The value of the right to use asset as of June 30, 2023 of \$1,682,759 with accumulated amortization of \$841,312 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On July 1, 2021, the Schools entered into a 25-month lease as Lessee for the use of Lenovo Chrome Books - Student Laptops. An initial lease liability was recorded in the amount of \$746,471. As of June 30, 2023, the value of the lease liability is \$248,912. The Schools is required to make annual fixed payments of \$249,995. The lease has an interest rate of 0.4350%. The value of the right to use asset as of June 30, 2023 of \$746,471 with accumulated amortization of \$694,391 is included with Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 59-month lease as Lessee for the use of Pitney Bowes Copier - Ooltewah HS. An initial lease liability was recorded in the amount of \$5,067. As of June 30, 2023, the value of the lease liability is \$2,960. The Schools is required to make quarterly fixed payments of \$273. The lease has an interest rate of 0.9800%. The value of the right to use asset as of June 30, 2023 of \$5,067 with accumulated amortization of \$2,060 is included with Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 14-month lease as Lessee for the use of Neopost Digital Mailing System- Ooltewah Middle School. An initial lease liability was recorded in the amount of \$301. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make quarterly fixed payments of \$75 The lease has an interest rate of 0.3080%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 17-month lease as Lessee for the use of Xerox Copier/Printer. An initial lease liability was recorded in the amount of \$14,096. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$831. The lease has an interest rate of 0.3080%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 35-month lease as Lessee for the use of Canon Copier - Accountability & Research. An initial lease liability was recorded in the amount of \$6,007. As of June 30, 2023, the value of the lease liability is \$1,899. The Schools is required to make monthly fixed payments of \$173. The lease has an interest rate of 0.6480%. The value of the right to use asset as of June 30, 2023 of \$6,007 with accumulated amortization of \$4,118.98 is included with Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 15-month lease as Lessee for the use of Brown Academy. An initial lease liability was recorded in the amount of \$14,364. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make annual fixed payments of \$7,200. The lease has an interest rate of 0.3080%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Land Improvements on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 37-month lease as Lessee for the use of Lenovo #1702469 - Teacher Devices. An initial lease liability was recorded in the amount of \$826,227. As of June 30, 2023, the value of the lease liability is \$413,328. The Schools is required to make annual fixed payments of \$208,675. The lease has an interest rate of 0.6480%. The value of the right to use asset as of June 30, 2023 of \$826,227 with accumulated amortization of \$533,050 is included with Computer Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 37-month lease as Lessee for the use of Lenovo #1702475 - Teacher Devices. An initial lease liability was recorded in the amount of \$425,507. As of June 30, 2023, the value of the lease liability is \$212,864. The Schools is required to make annual fixed payments of \$107,468. The lease has an interest rate of 0.6480%. The value of the right to use asset as of June 30, 2023 of \$425,507 with accumulated amortization of \$274,521 is included with Computer Equipment on the Lease Class activities table found below.

On July 1, 2021, the Schools entered into a 37-month lease as Lessee for the use of Lenovo #1669241 - Teacher Devices. An initial lease liability was recorded in the amount of \$797,066. As of June 30, 2023, the value of the lease liability is \$398,740. The Schools is required to make annual fixed payments of \$201,310. The lease has an interest rate of 0.6480%. The value of the right to use asset as of June 30, 2023 of \$797,066 with accumulated amortization of \$514,236 is included with Computer Equipment on the Lease Class activities table found below.

On July 14, 2021, the Schools entered into a 23-month lease as Lessee for the use of Beeler Copiers - HCDE ESOL. An initial lease liability was recorded in the amount of \$4,997. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$218. The lease has an interest rate of 0.4190%. The value of the right to use asset as of June 30, 2023 of \$0.00 with accumulated amortization of \$0.00 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On July 22, 2021, the Schools entered into a 23-month lease as Lessee for the use of Beeler Copiers - Dawn School & Ooltewah High. An initial lease liability was recorded in the amount of \$3,762. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$164. The lease has an interest rate of 0.3950%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On July 29, 2021, the Schools entered into a 23-month lease as Lessee for the use of Beeler Copiers - Brainerd High. An initial lease liability was recorded in the amount of \$1,620. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$71. The lease has an interest rate of 0.3950%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On September 21, 2021, the Schools entered into a 21-month lease as Lessee for the use of Beeler Copiers - East Ridge High. An initial lease liability was recorded in the amount of \$1,479. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$71. The lease has an interest rate of 0.4110%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On September 30, 2021, the Schools entered into a 21-month lease as Lessee for the use of Beeler Copiers - Dupont & East Brainerd Elementary. An initial lease liability was recorded in the amount of \$4,945. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$236. The lease has an interest rate of 0.4580%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On October 12, 2021, the Schools entered into a 20-month lease as Lessee for the use of Beeler Copiers - Orchard Knob Elementary. An initial lease liability was recorded in the amount of \$709. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$36. The lease has an interest rate of 0.5140%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On October 21, 2021, the Schools entered into a 20-month lease as Lessee for the use of Beeler Copiers - Hillcrest Virtual. An initial lease liability was recorded in the amount of \$8,398. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$422. The lease has an interest rate of 0.5930%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0.00 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On October 26, 2021, the Schools entered into a 20-month lease as Lessee for the use of Beeler Copiers - Red Bank High. An initial lease liability was recorded in the amount of \$483. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$24. The lease has an interest rate of 0.6080%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On October 29, 2021, the Schools entered into a 20-month lease as Lessee for the use of Beeler Copiers - Hixson Elementary. An initial lease liability was recorded in the amount of \$1,958. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$98. The lease has an interest rate of 0.6160%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On November 5, 2021, the Schools entered into a 19-month lease as Lessee for the use of Beeler Copiers - Chattanooga High CCA. An initial lease liability was recorded in the amount of \$2,352. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$124. The lease has an interest rate of 0.5450%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On November 19, 2021, the Schools entered into a 19-month lease as Lessee for the use of Beeler Copiers - East Lake Elementary. An initial lease liability was recorded in the amount of \$2,362. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$125. The lease has an interest rate of 0.5450%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0.00 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On November 22, 2021, the Schools entered into a 19-month lease as Lessee for the use of Beeler Copiers - East Ridge, Middle Valley, Rivermont, Howard. An initial lease liability was recorded in the amount of \$5,408. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$286. The lease has an interest rate of 0.5450%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On November 29, 2021, the Schools entered into a 19-month lease as Lessee for the use of Beeler Copiers - Signal Mtn Middle/High. An initial lease liability was recorded in the amount of \$2,725. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$144. The lease has an interest rate of 0.5450%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On December 28, 2021, the Schools entered into an 18-month lease as Lessee for the use of Beeler Copiers - Ooltewah Elementary. An initial lease liability was recorded in the amount of \$638. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$36. The lease has an interest rate of 0.5450%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On January 23, 2022, the Schools entered into a 17-month lease as Lessee for the use of Beeler Copiers - Soddy-Daisy High. An initial lease liability was recorded in the amount of \$2,086. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$123. The lease has an interest rate of 0.6950%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is

included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On January 24, 2022, the Schools entered into a 17-month lease as Lessee for the use of Beeler Copiers - Red Bank Elementary. An initial lease liability was recorded in the amount of \$2,964. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$175. The lease has an interest rate of 0.6950%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On January 31, 2022, the Schools entered into a 17-month lease as Lessee for the use of Beeler Copiers - East Ridge High, Shepherd Bess, Woodmore Elementary. An initial lease liability was recorded in the amount of \$6,863.26. As of June 30, 2023, the value of the lease liability is \$0.00. The Schools is required to make monthly fixed payments of \$406.03. The lease has an interest rate of 0.8530%. The value of the right to use asset as of June 30, 2023 of \$0.00 with accumulated amortization of \$0.00 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On April 1, 2022, the Schools entered into a 14-month lease as Lessee for the use of Beeler Copiers - Normal Park, Signal Mtn, Soddy. An initial lease liability was recorded in the amount of \$4,868. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$328. The lease has an interest rate of 1.5960%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On May 1, 2022, the Schools entered into a 14-month lease as Lessee for the use of Beeler Copiers - HCDE Exceptional Ed. An initial lease liability was recorded in the amount of \$1,944. As of June 30, 2023, the value of the lease liability is \$0. The Schools is required to make monthly fixed payments of \$140. The lease has an interest rate of 1.8960%. The value of the right to use asset as of June 30, 2023 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below. The Schools has 2 extension option(s), each for 12 months. the Schools had a termination period of 1 month as of the lease commencement.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E100-GMC Sierra 3500 Chassis. An initial lease liability was recorded in the amount of \$26,891. As of June 30, 2023, the value of the lease liability is \$18,848. The Schools is required to make monthly fixed payments of \$771. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$26,891 with accumulated amortization of \$8,721 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$11,280.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E101-2021 Chevrolet Silverado 2500HD. An initial lease liability was recorded in the amount of \$25,980. As of June 30, 2023, the value of the lease liability is \$18,209. The Schools is required to make monthly fixed payments of \$745. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$25,980 with accumulated amortization of \$8,426 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$10,883.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E102 - 2021 Chevrolet Express 2500. An initial lease liability was recorded in the amount of \$20,981. As of June 30, 2023, the value of the lease liability is \$14,706. The Schools is required to make monthly fixed payments of \$601. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$20,981 with accumulated amortization of \$6,805 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,043.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E103 - 2021 Chevrolet Express 2500. An initial lease liability was recorded in the amount of \$20,981. As of June 30, 2023, the value of the lease liability is \$14,706. The Schools is required to make monthly fixed payments of \$601. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$20,981 with accumulated amortization of \$6,805 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,043.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E104 - 2021 Chevy Express 2500 Work Van. An initial lease liability was recorded in the amount of \$20,981. As of June 30, 2023, the value of the lease liability is \$14,706. The Schools is required to make monthly fixed payments of \$601. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$20,981 with accumulated amortization of \$6,805 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,043.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E105 - 2022 Chevrolet Silverado 2500HD. An initial lease liability was recorded in the amount of \$22,077. As of June 30, 2023, the value of the lease liability is \$15,474. The Schools is required to make monthly fixed payments of \$633. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$22,077 with accumulated amortization of \$7,160 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,656.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E106 - 2022 Chevy Silverado 2500 WT 4x2 Reg Cab. An initial lease liability was recorded in the amount of \$22,077. As of June 30, 2023, the value of the lease liability is \$15,474. The Schools is required to make monthly fixed payments of \$633. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$22,077 with accumulated amortization of \$7,160 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,656.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E107 - 2022 Chevy Silverado 2500 WT 4x2 Reg Cab. An initial lease liability was recorded in the amount of \$22,077. As of June 30, 2023, the value of the lease liability is \$15,474. The Schools is required to make monthly fixed payments of \$633. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$22,077 with accumulated amortization of \$7,160 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,656.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E108 - 2022 Chevy Silverado 2500 WT 4WD Reg Cab. An initial lease liability was recorded in the amount of \$23,592. As of June 30, 2023, the value of the lease liability is \$16,536. The Schools is required to make monthly fixed payments of \$676. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$23,592 with accumulated amortization of \$7,652 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$10,326.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E109 - 2022 Chevy Silverado 2500 WT 4x2 Reg Cab. An initial lease liability was recorded in the amount of \$22,077. As of June 30, 2023, the value of the lease liability is \$15,474. The Schools is required to make monthly fixed payments of \$633. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$22,077 with accumulated amortization of \$7,160 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,656.

On July 1, 2022, the Schools entered into a 37-month lease as Lessee for the use of E110 - 2022 Chevy Silverado 2500 WT 4x2 Reg Cab. An initial lease liability was recorded in the amount of \$22,077. As of June 30, 2023, the value of the lease liability is \$15,474. The Schools is required to make monthly fixed payments of \$633. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$22,077 with accumulated amortization of \$7,160 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,656.

On July 1, 2022, the Schools entered into a 46-month lease as Lessee for the use of E111 - 2022 Chevy Express 3500 Work Van. An initial lease liability was recorded in the amount of \$28,724. As of June 30, 2023, the value of the lease liability is \$21,911. The Schools is required to make monthly fixed payments of \$664. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$28,724 with accumulated amortization of \$7,493 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,514.

On July 1, 2022, the Schools entered into a 46-month lease as Lessee for the use of E112 - 2022 Chevy Express 3500 Work Van. An initial lease liability was recorded in the amount of \$28,724. As of June 30, 2023, the value of the lease liability is \$21,911. The Schools is required to make monthly fixed payments of \$664. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$28,724 with accumulated amortization of \$7,493 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,514.



On July 1, 2022, the Schools entered into a 39-month lease as Lessee for the use of E113 - 2022 Chevy Express 3500 Work Van. An initial lease liability was recorded in the amount of \$22,831. As of June 30, 2023, the value of the lease liability is \$16,372. The Schools is required to make monthly fixed payments of \$621. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$22,831 with accumulated amortization of \$7,025 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,415.

On July 1, 2022, the Schools entered into a 39-month lease as Lessee for the use of E114 - 2022 Chevy Express 3500 Work Van. An initial lease liability was recorded in the amount of \$22,887. As of June 30, 2023, the value of the lease liability is \$16,413. The Schools is required to make monthly fixed payments of \$622. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$22,887 with accumulated amortization of \$7,042 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$9,438.

On July 1, 2022, the Schools entered into a 46-month lease as Lessee for the use of E115 - 2022 Chevrolet Express 3500 Van. An initial lease liability was recorded in the amount of \$26,460. As of June 30, 2023, the value of the lease liability is \$20,184. The Schools is required to make monthly fixed payments of \$612. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$26,460 with accumulated amortization of \$6,903 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$8,785.

On July 1, 2022, the Schools entered into a 38-month lease as Lessee for the use of E117 - 2022 Ford Explorer XLT. An initial lease liability was recorded in the amount of \$30,032. As of June 30, 2023, the value of the lease liability is \$21,300. The Schools is required to make monthly fixed payments of \$838. The lease has an interest rate of 2.0380%. The value of the right to use asset as of June 30, 2023 of \$30,032 with accumulated amortization of \$9,484 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$8,747.

On November 21, 2022, the Schools entered into a 48-month lease as Lessee for the use of E119 - 2022 Ford F-250. An initial lease liability was recorded in the amount of \$40,109. As of June 30, 2023, the value of the lease liability is \$34,442. The Schools is required to make monthly fixed payments of \$908. The lease has an interest rate of 3.1350%. The value of the right to use asset as of June 30, 2023 of \$40,109 with accumulated amortization of \$6,128 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$12,116.

On July 1, 2022, the Schools entered into a 47-month lease as Lessee for the use of E120 - 2023 Chevrolet Silverado 2500HD. An initial lease liability was recorded in the amount of \$44,062. As of June 30, 2023, the value of the lease liability is \$33,847. The Schools is required to make monthly fixed payments of \$998. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$44,062 with accumulated amortization of \$11,250 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$14,291.

On November 21, 2022, the Schools entered into a 48-month lease as Lessee for the use of E121 - Ford F-250 XL 4x2 SD Reg Cab. An initial lease liability was recorded in the amount of \$40,109. As of June 30, 2023, the value of the lease liability is \$34,442. The Schools is required to make monthly fixed payments of \$908. The lease has an interest rate of 3.1350%. The value of the right to use asset as of June 30, 2023 of \$40,109 with accumulated amortization of \$6,128 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$12,116.

On July 1, 2022, the Schools entered into a 47-month lease as Lessee for the use of E122 - 2023 Chevrolet Silverado 2500HD 4x2 Double Cab. An initial lease liability was recorded in the amount of \$45,898. As of June 30, 2023, the value of the lease liability is \$35,258. The Schools is required to make monthly fixed payments of \$1,040. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$45,898 with accumulated amortization of \$11,719 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$14,892.

On July 1, 2022, the Schools entered into a 47-month lease as Lessee for the use of E123 - 2023 Chevrolet Silverado 2500 HD 4x2 Double Cab. An initial lease liability was recorded in the amount of \$45,898. As of June 30, 2023, the value of the lease liability is \$35,258. The Schools is required to make monthly fixed payments of \$1,040. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$45,898 with accumulated

amortization of \$11,719 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$14,892.

On November 21, 2022, the Schools entered into a 48-month lease as Lessee for the use of E124 - 2023 Ford F-250 XL 4x4 Reg Cab. An initial lease liability was recorded in the amount of \$42,075. As of June 30, 2023, the value of the lease liability is \$36,131. The Schools is required to make monthly fixed payments of \$952. The lease has an interest rate of 3.1350%. The value of the right to use asset as of June 30, 2023 of \$42,075 with accumulated amortization of \$6,428 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$13,143.

On March 23, 2023, the Schools entered into a 48-month lease as Lessee for the use of E125 - 2023 Ford Transit 250 Cargo. An initial lease liability was recorded in the amount of \$50,540. As of June 30, 2023, the value of the lease liability is \$47,465. The Schools is required to make monthly fixed payments of \$1,132. The lease has an interest rate of 2.5890%. The value of the right to use asset as of June 30, 2023 of \$50,540 with accumulated amortization of \$3,440 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$15,150.

On July 1, 2022, the Schools entered into a 48-month lease as Lessee for the use of E126 - 2023 Ford Transit-250 Cargo. An initial lease liability was recorded in the amount of \$44,952. As of June 30, 2023, the value of the lease liability is \$34,762. The Schools is required to make monthly fixed payments of \$997. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$44,952 with accumulated amortization of \$11,238 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$14,176.

On July 1, 2022, the Schools entered into a 47-month lease as Lessee for the use of E127 - 2023 Chevrolet Silverado 2500HD 4x2 Reg Cab. An initial lease liability was recorded in the amount of \$44,062. As of June 30, 2023, the value of the lease liability is \$33,847. The Schools is required to make monthly fixed payments of \$998. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$44,062 with accumulated amortization of \$11,250 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$14,291.

On July 1, 2022, the Schools entered into a 47-month lease as Lessee for the use of E128 - 2023 Chevrolet Silverado 2500HD. An initial lease liability was recorded in the amount of \$44,062. As of June 30, 2023, the value of the lease liability is \$33,847. The Schools is required to make monthly fixed payments of \$998. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$44,062 with accumulated amortization of \$11,250 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$14,291.

On July 1, 2022, the Schools entered into a 47-month lease as Lessee for the use of E129 - 2023 Chevrolet Silverado 2500HD 4x2 Reg Cab. An initial lease liability was recorded in the amount of \$44,062. As of June 30, 2023, the value of the lease liability is \$33,847. The Schools is required to make monthly fixed payments of \$998. The lease has an interest rate of 2.1120%. The value of the right to use asset as of June 30, 2023 of \$44,062 with accumulated amortization of \$11,250 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$14,291.

**School Lease Receivables** - On July 1, 2021, the Schools entered into a 60-month lease as Lessor for the use of Communications Tower - 4COM. An initial lease receivable was recorded in the amount of \$66,079. As of June 30, 2023, the value of the lease receivable is \$40,439. The lessee is required to make monthly fixed payments of \$1,110. The lease has an interest rate of 0.9800%. The value of the deferred inflow of resources as of June 30, 2023 was \$39,720, and the Schools recognized lease revenue of \$13,179 during the fiscal year. The lessee has 1 extension option(s), each for 60 months. The lessee had a termination period of 2 months as of the lease commencement.

On July 1, 2021, the Schools entered into a 264-month lease as Lessor for the use of 5728 Highway - Sprintcom. An initial lease receivable was recorded in the amount of \$505,446. As of June 30, 2023, the value of the lease receivable is \$470,286. The lessee is required to make monthly fixed payments of \$1,624. The lease has an interest rate of 0.4350%. The value of the deferred inflow of resources as of June 30, 2023 was \$459,618, and the Schools recognized lease revenue of \$22,914 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On July 1, 2021, the Schools entered into a 264-month lease as Lessor for the use of 500 N. Highland Park Avenue - Sprintcom. An initial lease receivable was recorded in the amount of \$505,477. As of June 30, 2023, the value of the lease receivable is \$470,286. The lessee is required to make monthly fixed payments of \$1,624. The lease has an interest rate of 0.4350%. The value of the deferred inflow of resources as of June 30, 2023 was \$459,617, and the

Schools recognized lease revenue of \$22,930 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On July 1, 2021, the Schools entered into a 264-month lease as Lessor for the use of 1301 Dallas Road - Sprintcom. An initial lease receivable was recorded in the amount of \$505,477. As of June 30, 2023, the value of the lease receivable is \$470,286. The lessee is required to make monthly fixed payments of \$1,624. The lease has an interest rate of 0.4350%. The value of the deferred inflow of resources as of June 30, 2023 was \$459,617, and the Schools recognized lease revenue of \$22,930 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On July 1, 2021, the Schools entered into a 130-month lease as Lessor for the use of 4320 Bennett Road - Phoenix Tower. An initial lease receivable was recorded in the amount of \$218,120. As of June 30, 2023, the value of the lease receivable is \$181,991. The lessee is required to make monthly fixed payments of \$1,624. The lease has an interest rate of 1.5940%. The value of the deferred inflow of resources as of June 30, 2023 was \$175,944, and the Schools recognized lease revenue of \$19,775 during the fiscal year.

On July 1, 2021, the Schools entered into a 264-month lease as Lessor for the use of 1301 Dallas Road - Communication Enhancement, LLC. An initial lease receivable was recorded in the amount of \$249,011. As of June 30, 2023, the value of the lease receivable is \$229,420. The lessee is required to make monthly fixed payments of \$1,100. The lease has an interest rate of 1.4330%. The value of the deferred inflow of resources as of June 30, 2023 was \$226,388, and the Schools recognized lease revenue of \$11,312 during the fiscal year.

**School SBITA Liabilities** - For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On August 3, 2022, the Schools entered into a 24-month subscription for the use of Zoom Meetings - Education. An initial subscription liability was recorded in the amount of \$138,736. As of June 30, 2023, the value of the subscription liability is \$68,307. The Schools is required to make annual fixed payments of \$70,429. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$138,736 with accumulated amortization of \$63,202 is included with Software on the Subscription Class activities table found below.

On July 29, 2022, the Schools entered into a 24-month subscription for the use of DocuSign Business. An initial subscription liability was recorded in the amount of \$121,378. As of June 30, 2023, the value of the subscription liability is \$61,347. The Schools is required to make annual fixed payments of \$60,031. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$121,378 with accumulated amortization of \$55,969 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the Schools entered into a 14-month subscription for the use of Zonar Essentials. An initial subscription liability was recorded in the amount of \$77,757. As of June 30, 2023, the value of the subscription liability is \$38,290. The Schools is required to make annual fixed payments of \$39,467. The subscription has an interest rate of 3.0740%. The value of the right to use asset as of June 30, 2023 of \$77,757 with accumulated amortization of \$66,649 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the Schools entered into a 24-month subscription for the use of Lighthouse Partner. An initial subscription liability was recorded in the amount of \$185,514. As of June 30, 2023, the value of the subscription liability is \$91,338. The Schools is required to make annual fixed payments of \$94,176. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$185,514 with accumulated amortization of \$92,757 is included with Software on the Subscription Class activities table found below. The Schools has 10 extension option(s), each for 12 months.

On July 1, 2022, the Schools entered into a 24-month subscription for the use of Teachingbooks.Net. An initial subscription liability was recorded in the amount of \$18,186. As of June 30, 2023, the value of the subscription liability is \$8,954. The Schools is required to make annual fixed payments of \$9,232. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$18,186 with accumulated amortization of \$9,093 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the Schools entered into a 36-month subscription for the use of Naviance Solution Suite. An initial subscription liability was recorded in the amount of \$176,767. As of June 30, 2023, the value of the subscription liability is \$116,326. The Schools is required to make annual fixed payments of \$60,900. The subscription has an interest rate of 3.1210%. The value of the right to use asset as of June 30, 2023 of \$176,767 with accumulated amortization of \$58,922 is included with Software on the Subscription Class activities table found below.

On September 9, 2022, the Schools entered into a 24-month subscription for the use of iReady Classroom. An initial subscription liability was recorded in the amount of \$2,341,629. As of June 30, 2023, the value of the subscription liability is \$1,152,904. The Schools is required to make annual fixed payments of \$1,188,725. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$2,341,629 with accumulated amortization of \$949,661 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the Schools entered into a 24-month subscription for the use of Edulog. An initial subscription liability was recorded in the amount of \$41,550. As of June 30, 2023, the value of the subscription liability is \$20,457. The Schools is required to make annual fixed payments of \$21,093. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$41,550 with accumulated amortization of \$20,775 is included with Software on the Subscription Class activities table found below.

On July 28, 2022, the Schools entered into a 24-month subscription for the use of T-Eval. An initial subscription liability was recorded in the amount of \$70,915.19. As of June 30, 2023, the value of the subscription liability is \$34,915. The Schools is required to make annual fixed payments of \$36,000. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$70,915 with accumulated amortization of \$32,798 is included with Software on the Subscription Class activities table found below.

On August 5, 2022, the Schools entered into a 24-month subscription for the use of Read & Math 180. An initial subscription liability was recorded in the amount of \$174,638.49. As of June 30, 2023, the value of the subscription liability is \$85,983. The Schools is required to make annual fixed payments of \$88,655. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$233,798 with accumulated amortization of \$105,859 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the Schools entered into an 18-month subscription for the use of iCIMS Applicant Tracking. An initial subscription liability was recorded in the amount of \$317,593. As of June 30, 2023, the value of the subscription liability is \$123,762. The Schools is required to make quarterly fixed payments of \$37,487. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$371,811 with accumulated amortization of \$247,874 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the Schools entered into a 24-month subscription for the use of Digital Libraries. An initial subscription liability was recorded in the amount of \$705,383. As of June 30, 2023, the value of the subscription liability is \$349,383. The Schools is required to make annual fixed payments of \$356,000. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of June 30, 2023 of \$705,383 with accumulated amortization of \$352,691 is included with Software on the Subscription Class activities table found below.

On August 1, 2022, the Schools entered into a 35-month subscription for the use of Packback. An initial subscription liability was recorded in the amount of \$167,967. As of June 30, 2023, the value of the subscription liability is \$106,967. The Schools is required to make annual fixed payments of \$61,000. The subscription has an interest rate of 3.1210%. The value of the right to use asset as of June 30, 2023 of \$167,967 with accumulated amortization of \$52,790 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the Schools entered into a 48-month subscription for the use of Canvas. An initial subscription liability was recorded in the amount of \$680,953. As of June 30, 2023, the value of the subscription liability is \$502,753. The Schools is required to make annual fixed payments of \$178,200. The subscription has an interest rate of 3.1350%. The value of the right to use asset as of June 30, 2023 of \$905,153 with accumulated amortization of \$226,288 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the Schools entered into a 24-month subscription for the use of IXL Learning. An initial subscription liability was recorded in the amount of \$222,700. As of June 30, 2023, the value of the subscription liability is \$109,646. The Schools is required to make annual fixed payments of \$113,053. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$222,700 with accumulated amortization of \$111,350 is included with Software on the Subscription Class activities table found below.

On August 27, 2022, the Schools entered into a 24-month subscription for the use of IXL Math. An initial subscription liability was recorded in the amount of \$189,009. As of June 30, 2023, the value of the subscription liability is \$93,059. The Schools is required to make annual fixed payments of \$95,950. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$189,009 with accumulated amortization of \$79,804 is included with Software on the Subscription Class activities table found below.

On August 27, 2022, the Schools entered into a 24-month subscription for the use of IXL Math 9-12. An initial subscription liability was recorded in the amount of \$177,780. As of June 30, 2023, the value of the subscription liability is \$87,530. The Schools is required to make annual fixed payments of \$90,250. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of June 30, 2023 of \$177,780 with accumulated amortization of \$75,063 is included with Software on the Subscription Class activities table found below.

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

| Year               | Principal    | Interest  | Total        |
|--------------------|--------------|-----------|--------------|
| Lease Obligations: |              |           |              |
| 2024               | \$ 1,187,560 | \$ 31,557 | \$ 1,219,117 |
| 2025               | 926,667      | 20,140    | 946,807      |
| 2026               | 394,510      | 11,992    | 406,502      |
| 2027               | 237,456      | 6,506     | 243,962      |
| 2028               | 100,348      | 2,921     | 103,269      |
| 2029 - 2033        | 123,634      | 9,372     | 133,006      |
| 2034 - 2038        | 24,703       | 6,297     | 31,000       |
| 2039 - 2043        | 27,680       | 3,320     | 31,000       |
| 2044 - 2045        | 11,985       | 415       | 12,400       |
|                    | \$ 3,034,543 | \$ 92,520 | \$ 3,127,063 |

| Year               | Principal    | Interest     | Total        |
|--------------------|--------------|--------------|--------------|
| Lease Receivables: |              |              |              |
| 2024               | \$ 548,940   | \$ 95,981    | \$ 644,921   |
| 2025               | 371,190      | 89,844       | 461,034      |
| 2026               | 355,884      | 84,253       | 440,137      |
| 2027               | 344,059      | 78,578       | 422,637      |
| 2028               | 296,840      | 73,297       | 370,137      |
| 2029 - 2033        | 1,066,391    | 295,681      | 1,362,072    |
| 2034 - 2038        | 743,294      | 205,486      | 948,780      |
| 2039 - 2043        | 834,748      | 114,033      | 948,781      |
| 2044 - 2046        | 549,371      | 19,897       | 569,268      |
|                    | \$ 5,110,717 | \$ 1,057,050 | \$ 6,167,767 |

| Year               | Principal    | Interest     | Total        |
|--------------------|--------------|--------------|--------------|
| SBITA Obligations: |              |              |              |
| 2024               | \$ 928,374   | \$ 262,712   | \$ 1,191,086 |
| 2025               | 909,396      | 234,263      | 1,143,659    |
| 2026               | 872,567      | 205,018      | 1,077,585    |
| 2027               | 901,406      | 176,169      | 1,077,575    |
| 2028               | 928,633      | 146,367      | 1,075,000    |
| 2029 - 2033        | 3,513,646    | 267,844      | 3,781,490    |
|                    | \$ 8,054,022 | \$ 1,292,373 | \$ 9,346,395 |

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

| Year               | Principal    | Interest  | Total        |
|--------------------|--------------|-----------|--------------|
| Lease Obligations: |              |           |              |
| 2024               | \$ 1,450,908 | \$ 23,977 | \$ 1,474,885 |
| 2025               | 1,201,106    | 12,094    | 1,213,200    |
| 2026               | 167,058      | 2,490     | 169,548      |
| 2027               | 20,282       | 160       | 20,442       |
|                    | \$ 2,839,354 | \$ 38,721 | \$ 2,878,075 |

| Year               | Principal    | Interest   | Total        |
|--------------------|--------------|------------|--------------|
| Lease Receivables: |              |            |              |
| 2024               | \$ 95,242    | \$ 12,362  | \$ 107,604   |
| 2025               | 97,660       | 11,565     | 109,225      |
| 2026               | 100,132      | 10,747     | 110,879      |
| 2027               | 90,399       | 9,958      | 100,357      |
| 2028               | 91,740       | 9,228      | 100,968      |
| 2029 - 2033        | 471,022      | 34,654     | 505,676      |
| 2034 - 2038        | 431,674      | 20,104     | 451,778      |
| 2039 - 2043        | 443,035      | 7,092      | 450,127      |
|                    | \$ 1,820,904 | \$ 115,710 | \$ 1,936,614 |

| Year               | Principal    | Interest   | Total        |
|--------------------|--------------|------------|--------------|
| SBITA Obligations: |              |            |              |
| 2024               | \$ 2,598,246 | \$ 88,343  | \$ 2,686,589 |
| 2025               | 280,893      | 14,207     | 295,100      |
| 2026               | 172,783      | 5,417      | 178,200      |
|                    | \$ 3,051,922 | \$ 107,967 | \$ 3,159,889 |

Changes in Long-term Liabilities – During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

|                                 | Restated<br>Balance<br>July 1 | Additions             | Reductions            | Balance<br>June 30    | Due Within One<br>Year |
|---------------------------------|-------------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| <b>Primary Government:</b>      |                               |                       |                       |                       |                        |
| <b>Governmental Activities:</b> |                               |                       |                       |                       |                        |
| General obligation bonds        | \$ 339,520,000                | \$ -                  | \$ 36,085,000         | \$ 303,435,000        | \$ 33,185,000          |
| Net pension liability           | (43,422,783)                  | 64,066,181            | 9,331,040             | 11,312,358            | -                      |
| Net OPEB liability              | 11,506,941                    | 11,807,671            | 5,628,224             | 17,686,388            | -                      |
| Leases                          | 3,312,109                     | 1,084,410             | 1,361,976             | 3,034,543             | 1,187,560              |
| SBITAs                          | 460,356                       | 8,601,975             | 1,008,309             | 8,054,022             | 928,374                |
| Landfill post closure costs     | 100,000                       | -                     | 10,000                | 90,000                | 10,000                 |
| Compensated absences            | 18,168,964                    | 7,579,710             | 6,817,553             | 18,931,121            | 4,631,969              |
|                                 | <u>329,645,587</u>            | <u>93,139,947</u>     | <u>60,242,102</u>     | <u>362,543,432</u>    | <u>\$ 39,942,903</u>   |
| Unamortized premium             | 50,963,343                    | -                     | 8,110,990             | 42,852,353            |                        |
|                                 | <u>\$ 380,608,930</u>         | <u>\$ 93,139,947</u>  | <u>\$ 68,353,092</u>  | <u>\$ 405,395,785</u> |                        |
| <b>Component Units:</b>         |                               |                       |                       |                       |                        |
| <b>Hamilton County Schools:</b> |                               |                       |                       |                       |                        |
| Claims payable                  | \$ 9,217,958                  | \$ 85,708,995         | \$ 85,361,758         | \$ 9,565,195          | \$ 7,009,251           |
| Net pension liability           | (18,292,732)                  | 27,326,218            | 4,265,105             | 4,768,381             | -                      |
| Net OPEB liability              | 90,088,307                    | 13,012,173            | 8,450,474             | 94,650,006            | -                      |
| Leases                          | 2,558,423                     | 1,736,725             | 1,455,794             | 2,839,354             | 1,450,908              |
| SBITAs                          | 2,240,888                     | 3,567,567             | 2,756,533             | 3,051,922             | 2,598,246              |
| Compensated absences            | 15,403,051                    | 1,557,976             | 1,298,917             | 15,662,110            | 3,192,009              |
|                                 | <u>101,215,895</u>            | <u>132,909,654</u>    | <u>103,588,581</u>    | <u>130,536,968</u>    | <u>14,250,414</u>      |
| <b>WWTA:</b>                    |                               |                       |                       |                       |                        |
| Notes payable and other debt    | 21,032,985                    | 2,141,289             | 2,125,902             | 21,048,372            | 2,217,794              |
| SBITAs                          | 86,117                        | -                     | 56,675                | 29,442                | 29,442                 |
| Advance from primary government | 23,955,000                    | -                     | 590,000               | 23,365,000            | -                      |
| Advance on premium from County  | 3,557,746                     | -                     | 311,071               | 3,246,675             | -                      |
|                                 | <u>48,631,848</u>             | <u>2,141,289</u>      | <u>3,083,648</u>      | <u>47,689,489</u>     | <u>2,247,236</u>       |
| <b>911:</b>                     |                               |                       |                       |                       |                        |
| Net pension liability           | (1,112,783)                   | 2,292,813             | 571,558               | 608,472               | -                      |
| Compensated absences            | 763,133                       | -                     | 5,860                 | 757,273               | 757,273                |
|                                 | <u>\$ 149,498,093</u>         | <u>\$ 137,343,756</u> | <u>\$ 107,249,647</u> | <u>\$ 179,592,202</u> | <u>\$ 17,254,923</u>   |

The net pension liability beginning balance was adjusted by \$43,424,644 to add the County's Legacy Plan and Commissioners' Pension Plan which are now net pension liabilities. Additionally, with the implementation of GASB Statement No. 96, *Subscription-based information technology agreements*, SBITA liabilities were reported as July 1, 2022.

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 \$21,311.

**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                         | Internal Service                  | \$ 666              |
| General Fund                         | Capital Projects                  | 1,341,035           |
| General Fund                         | Nonmajor Governmental Fund        | 1,534               |
| Capital Projects                     | General Fund                      | 199,091             |
| Internal Service                     | General Fund                      | 6,021,333           |
| Internal Service                     | Capital Projects                  | 36                  |
| Sheriff Drug Fund                    | General Fund                      | 831                 |
|                                      |                                   | <u>\$ 7,564,526</u> |
| <br>                                 |                                   |                     |
| <u>Receivable Primary Government</u> | <u>Payable Component Units</u>    | <u>Amount</u>       |
| General Fund                         | "911" Emergency Communication     | \$ 573,060          |
| General Fund                         | Water & Wastewater Treatment      | 309,313             |
|                                      |                                   | <u>\$ 882,373</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 2023 that occurred within the primary government were as follows:

|  | <u>Transfers in</u>  | <u>Transfers out</u> |
|--|----------------------|----------------------|
| General Fund                               |                      |                      |
| Excess fees from special revenue funds     | \$ 15,280,868        | \$ -                 |
| Debt service fund                          | -                    | 47,630,186           |
| Capital projects fund                      | -                    | 1,099,091            |
| Internal service funds                     | -                    | 102,776              |
| Debt Service Fund                          |                      |                      |
| General fund for debt service requirements | 47,630,186           | -                    |
| Capital Projects Fund                      |                      |                      |
| General fund                               | 1,099,091            | -                    |
| Internal Service Fund                      |                      |                      |
| General fund                               | 102,776              | -                    |
| Other Governmental Funds                   |                      |                      |
| Excess fees                                | -                    | 15,280,868           |
|  | <u>\$ 64,112,921</u> | <u>\$ 64,112,921</u> |



## NOTE P – JOINT VENTURE

The Carter Street Corporation is 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, 2023, is as follows:

### STATEMENT OF NET POSITION

|                                  |                             |
|----------------------------------|-----------------------------|
| Assets                           | <u>\$ 17,657,479</u>        |
| Liabilities and deferred inflows | <u>7,568,306</u>            |
| Net position                     | <u><u>\$ 10,089,173</u></u> |

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

|                               |                             |
|-------------------------------|-----------------------------|
| Total operating revenues      | \$ 4,213,128                |
| Total operating expenses      | <u>4,111,513</u>            |
| Net operating income          | 101,615                     |
| Non-operating revenues        | 793,395                     |
| Capital contributions         | <u>200,000</u>              |
| Change in net position        | 1,095,010                   |
| Net position at July 1, 2022  | <u>8,994,163</u>            |
| Net position at June 30, 2023 | <u><u>\$ 10,089,173</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<br>Government | Total Component<br>Units |
|------------------------------|-----------------------------|--------------------------|
| Unpaid claims, June 30, 2021 | \$ 3,485,882                | \$ 8,972,673             |
| Incurred claims              | 35,846,362                  | 80,485,589               |
| Claims payments              | <u>(36,447,555)</u>         | <u>(80,240,304)</u>      |
| 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 | <u>\$ 4,835,861</u>         | <u>\$ 9,565,195</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, 2023, the Hamilton County Internal Service Fund has net position of \$38,812,449 and the Hamilton County Schools Internal Service Fund has net position of \$8,528,158. 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 three types of tax abatement programs: (1) Housing Development; (2) Commercial and Industrial Development; and (3) Tax Increment Financing. 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 utilizes two tax abatement programs to promote economic development and growth.

### (1) Commercial and Industrial Development

This 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 creation 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, rail services, and sewer improvements.

### (2) Tax Increment Financing (TIF)

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 with the tax revenues generated by the 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 TIF Program is primarily for economic development projects that provide improvements in blighted and under-utilized areas in the County and in other properties designated by the Hamilton County Commission.

The County has entered into the following number of tax abatement agreements as of June 30, 2023:

|  | Number of<br>Abatements as of the<br>End of the Fiscal<br>Year | Number of Future<br>Abatements<br>Approved | Total Tax<br>Abatements during<br>the Fiscal Year |
|--|--|--|---|
| Housing Development                      | 12   | 2  | \$ 586,078  |
| Economic Development:                    |  |  |   |
| Commercial and Industrial Development    | 19   | 2  | 9,461,383   |
| Infrastructure (Tax Increment Financing) | 5  | -  | 463,406   |
| Total                                    | <u>36</u>  | <u>4</u>                                   | <u>\$ 10,510,867</u>                              |

**NOTE S – RESTATEMENT OF NET POSITION**

The County implemented GASB Statement No. 96 effective July 1, 2022 which resulted in the restatement of beginning balances for the right-to-use assets as of July 1, 2022.

|  | <u>Governmental Activities</u> |  |                           |
|--|--------------------------------|--|---------------------------|
| Net position, previously reported                  | \$                             |  | 324,286,235               |
| Implementation of GASB No. 96: right-to-use assets |                                |  | 460,356                   |
| Implementation of GASB No. 96: liability           |                                |  | <u>(460,356)</u>          |
| Net position, as restated                          | \$                             |  | <u><u>324,286,235</u></u> |

|  | <u>WWTA</u>                  | <u>Schools</u>               | <u>Total Component<br/>Units</u> |
|--|------------------------------|------------------------------|----------------------------------|
| Net position, previously reported                  | \$ 144,321,905               | \$ 521,864,104               | \$ 666,186,009                   |
| Implementation of GASB No. 96: right-to-use assets | 86,117                       | 2,519,306                    | 2,605,423                        |
| Implementation of GASB No. 96: liability           | <u>(86,117)</u>              | <u>(2,240,888)</u>           | <u>(2,327,005)</u>               |
| Net position, as restated                          | <u><u>\$ 144,321,905</u></u> | <u><u>\$ 522,142,522</u></u> | <u><u>\$ 666,464,427</u></u>     |



## 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, 2023**

Tennessee Consolidated Retirement System

|  | 2022*                 | 2021                   | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  |
|--|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total Pension Liability (Asset)</b>   |                       |                        |                       |                       |                       |                       |                       |                       |                       |
| Service Cost (normal cost adjusted to end of year)                               | \$ 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   | 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                               | 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   | <u>(30,100,545)</u>   | <u>(28,276,233)</u>    | <u>(27,109,825)</u>   | <u>(25,647,262)</u>   | <u>(23,269,432)</u>   | <u>(22,060,655)</u>   | <u>(20,765,309)</u>   | <u>(19,193,091)</u>   | <u>(17,833,455)</u>   |
| <b>Net Change in Total Pension Liability (Asset)</b>                             | 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            |
| <b>Total Pension Liability (Asset) - beginning</b>                               | <u>625,174,852</u>    | <u>575,067,939</u>     | <u>552,523,775</u>    | <u>528,379,092</u>    | <u>510,769,021</u>    | <u>473,645,490</u>    | <u>451,695,728</u>    | <u>436,152,489</u>    | <u>416,614,295</u>    |
| <b>Total Pension Liability (Asset) - ending (a)</b>                              | <u>\$ 660,040,039</u> | <u>\$ 625,174,852</u>  | <u>\$ 575,067,939</u> | <u>\$ 552,523,775</u> | <u>\$ 528,379,092</u> | <u>\$ 510,769,021</u> | <u>\$ 473,645,490</u> | <u>\$ 451,695,728</u> | <u>\$ 436,152,489</u> |
| <b>Plan Fiduciary Net Position</b>   |                       |                        |                       |                       |                       |                       |                       |                       |                       |
| Contributions - employer   | \$ 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   | 50,904                | 4,434                  | -                     | -                     | 796                   | 9,814                 | 213                   | 8,026                 | 65,443                |
| Net investment income  | (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   | (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  | (158,832)             | (144,676)              | (168,794)             | (180,197)             | (211,661)             | (202,759)             | (202,445)             | (141,919)             | (120,676)             |
| Other  | -                     | -                      | -                     | -                     | -                     | 10,192                | -                     | -                     | -                     |
| <b>Net Change in Plan Fiduciary Net Position</b>                                 | (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            |
| <b>Plan Fiduciary Net Position - beginning</b>                                   | <u>687,205,835</u>    | <u>559,573,109</u>     | <u>546,003,064</u>    | <u>519,622,194</u>    | <u>488,420,393</u>    | <u>445,437,186</u>    | <u>439,515,657</u>    | <u>430,654,137</u>    | <u>372,520,300</u>    |
| <b>Plan Fiduciary Net Position - ending (b)</b>                                  | <u>\$ 644,145,435</u> | <u>\$ 687,205,835</u>  | <u>\$ 559,573,109</u> | <u>\$ 546,003,064</u> | <u>\$ 519,622,194</u> | <u>\$ 488,420,393</u> | <u>\$ 445,437,186</u> | <u>\$ 439,515,657</u> | <u>\$ 430,654,137</u> |
| <b>Net Pension Liability (Asset) - ending (a) - (b)</b>                          | <u>\$ 15,894,604</u>  | <u>\$ (62,030,983)</u> | <u>\$ 15,494,830</u>  | <u>\$ 6,520,711</u>   | <u>\$ 8,756,898</u>   | <u>\$ 22,348,628</u>  | <u>\$ 28,208,304</u>  | <u>\$ 12,180,071</u>  | <u>\$ 5,498,352</u>   |
| <b>Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)</b> | 97.59%                | 109.92%                | 97.31%                | 98.82%                | 98.34%                | 95.62%                | 94.04%                | 97.30%                | 98.74%                |
| <b>Covered payroll</b>   | \$ 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        |
| <b>Net Pension Liability (Asset) as a % of covered payroll</b>                   | 18.25%                | -69.35%                | 16.49%                | 6.99%                 | 8.45%                 | 21.42%                | 26.67%                | 11.64%                | 5.31%                 |

\* for fiscal year ending June 30, 2023 (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.

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  
HAMILTON COUNTY HYBRID PLAN**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

Tennessee Consolidated Retirement System

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

\* for fiscal year ending June 30, 2023 (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, 2023**

Tennessee Consolidated Retirement System

|   | 2022            | 2021             | 2020            | 2019            | 2018            | 2017           | 2016           | 2015           | 2014           |
|---|-----------------|------------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|
| Proportion of the net pension liability (asset)   | 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)  | \$ (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   | \$ 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 | -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)              | 104.42%         | 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.

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 RETIREMENT PLAN**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

Tennessee Consolidated Retirement System

|   | 2022           | 2021           | 2020           | 2019           | 2018           | 2017           | 2016          | 2015          |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Proportion of the net pension liability (asset)   | 5.802579%      | 5.780728%      | 5.774267%      | 5.548473%      | 5.121912%      | 5.230015%      | 5.794097%     | 4.970172%     |
| Proportionate share of the net pension liability (asset)  | \$ (1,757,747) | \$ (6,261,753) | \$ (3,283,489) | \$ (3,132,037) | \$ (2,322,930) | \$ (1,379,858) | \$ (603,184)  | \$ (199,948)  |
| Covered payroll   | \$ 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 | -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)              | 104.55%        | 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, 2023**

Hamilton County Administered Plans

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

\* for fiscal year ending June 30, 2023 (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.

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  
EMPLOYEES' PENSION PLAN**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

Hamilton County Administered Plans

|  | 2022*                 | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total Pension Liability (Asset)</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Service Cost (normal cost adjusted to end of year)                               | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| Interest   | 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                               | -                     | 10,483                | -                     | (56,402)              | -                     | (60,418)              | -                     | (17,798)              | -                     |
| Changes of assumptions   | -                     | (10,474)              | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Benefit Payments/Refunds   | (34,533)              | (34,553)              | (40,610)              | (47,211)              | (55,458)              | (65,447)              | (75,680)              | (85,477)              | (96,114)              |
| <b>Net Change in Total Pension Liability (Asset)</b>                             | (24,476)              | (22,779)              | (27,043)              | (83,994)              | (33,627)              | (97,124)              | (44,021)              | (66,961)              | (55,939)              |
| <b>Total Pension Liability (Asset) - beginning</b>                               | 151,372               | 174,151               | 201,194               | 285,188               | 318,815               | 415,939               | 459,960               | 526,921               | 582,860               |
| <b>Total Pension Liability (Asset) - ending (a)</b>                              | <u>\$ 126,896</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>     |
| <b>Plan Fiduciary Net Position</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Contributions - employer   | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| Contributions - employee   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Net investment income  | (330,757)             | 420,807               | 115,714               | 143,028               | 116,159               | 145,167               | 50,026                | 60,128                | 226,056               |
| Benefit Payments/Refunds   | (34,533)              | (34,553)              | (40,610)              | (47,211)              | (55,458)              | (65,447)              | (75,680)              | (85,477)              | (96,114)              |
| Administrative expenses  | (28,350)              | (20,908)              | (32,778)              | (13,200)              | (23,269)              | (13,027)              | (16,804)              | (13,940)              | (15,390)              |
| Other  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| <b>Net Change in Plan Fiduciary Net Position</b>                                 | (393,640)             | 365,346               | 42,326                | 82,617                | 37,432                | 66,693                | (42,458)              | (39,289)              | 114,552               |
| <b>Plan Fiduciary Net Position - beginning</b>                                   | 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             |
| <b>Plan Fiduciary Net Position - ending (b)</b>                                  | <u>\$ 2,157,567</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>   |
| <b>Net Pension Liability (Asset) - ending (a) - (b)</b>                          | <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> |
| <b>Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)</b> | 1700.3%               | 1685.4%               | 1255.2%               | 1065.4%               | 722.7%                | 634.7%                | 470.5%                | 434.7%                | 386.9%                |
| <b>Covered payroll</b>   | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| <b>Net Pension Liability (Asset) as a % of covered payroll</b>                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |

\* for fiscal year ending June 30, 2023 (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.

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  
COMMISSIONERS' PENSION PLAN**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

Hamilton County Administered Plans

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

\* for fiscal year ending June 30, 2023 (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.

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, 2023**

Tennessee Consolidated Retirement System

| Year Ended June 30 | Hamilton County Legacy Plan         |                     |                                  |                 | Contribution as a Percentage of Covered Payroll |
|--------------------|-------------------------------------|---------------------|----------------------------------|-----------------|---|
|                    | Actuarially Determined Contribution | Actual Contribution | Contribution deficiency (excess) | Covered Payroll |   |
| 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%  |
| 2014               | \$ 14,573,540                       | \$ 14,573,540       | \$ -                             | \$ 103,506,102  | 14.08%  |

| Year Ended June 30 | Hamilton County Hybrid Plan*        |                     |                                  |                 | Contribution as a Percentage of Covered Payroll |     |
|--------------------|-------------------------------------|---------------------|----------------------------------|-----------------|---|-----|
|                    | Actuarially Determined Contribution | Actual Contribution | Contribution deficiency (excess) | Covered Payroll |   |     |
| 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, 2023**

Tennessee Consolidated Retirement System

| Year<br>Ended<br>June 30 | Teacher Legacy Plan                       |                        |  |                    | Contribution as a<br>Percentage of<br>Covered Payroll |
|--------------------------|---|------------------------|--|--------------------|---|
|                          | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>deficiency<br>(excess) | Covered<br>Payroll |   |
| 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%   |
| 2014                     | \$ 15,202,379                             | \$ 15,202,379          | \$ -                                   | \$ 171,197,958     | 8.88%   |

| Year<br>Ended<br>June 30 | Teacher Retirement Plan**                 |                        |  |                    | Contribution as a<br>Percentage of<br>Covered Payroll |     |
|--------------------------|---|------------------------|--|--------------------|---|-----|
|                          | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>deficiency<br>(excess) | Covered<br>Payroll |   |     |
| 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, 2023**

Hamilton County Administered Plans

| Year<br>Ended<br>June 30 | Employees' Pension Plan                   |                        |  |                    |   |
|--------------------------|---|------------------------|--|--------------------|---|
|                          | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>deficiency<br>(excess) | Covered<br>Payroll | Contribution as a<br>Percentage of<br>Covered Payroll |
|                          | 2023                                      | \$ -                   | \$ 60,000                              | \$ (60,000)        | \$ -  |
| 2022                     | -   | -                      | -                                      | -                  | N/A   |
| 2021                     | -   | -                      | -                                      | -                  | N/A   |
| 2020                     | -   | -                      | -                                      | -                  | N/A   |
| 2019                     | -   | -                      | -                                      | -                  | N/A   |
| 2018                     | -   | -                      | -                                      | -                  | N/A   |
| 2017                     | -   | -                      | -                                      | -                  | N/A   |
| 2016                     | -   | -                      | -                                      | -                  | N/A   |
| 2015                     | -   | -                      | -                                      | -                  | N/A   |
| 2014                     | -   | -                      | -                                      | -                  | N/A   |

| Year<br>Ended<br>June 30 | Commissioners' Pension Plan               |                        |  |                    |   |
|--------------------------|---|------------------------|--|--------------------|---|
|                          | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>deficiency<br>(excess) | Covered<br>Payroll | Contribution as a<br>Percentage of<br>Covered Payroll |
|                          | 2023                                      | \$ 32,121              | \$ 32,121                              | \$ -               | \$ 228,546  |
| 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%   |
| 2014                     | 51,769                                    | 65,888                 | (14,119)                               | 186,705            | 35.3%   |

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

Hamilton County Administered Plans

| Year<br>Ended<br>June 30 | Teachers' Pension Plan                    |                        |  |                    |   |
|--------------------------|---|------------------------|--|--------------------|---|
|                          | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>deficiency<br>(excess) | Covered<br>Payroll | Contribution as a<br>Percentage of<br>Covered Payroll |
| 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   |
| 2014                     | 1,393                                     | -                      | 1,393                                  | -                  | N/A   |

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

|   | <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> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b><u>Teachers' Pension Plan</u></b>  |             |             |             |             |             |             |             |             |             |
| Annual money-weighted rate of return,<br>net of investment expenses for the<br>County's Teachers' Pension Plan      | 0.00%       | 0.00%       | 0.00%       | 0.02%       | 0.04%       | 0.00%       | 0.00%       | 3.01%       | 0.03%       |
| <b><u>Employees' Pension Plan</u></b>   |             |             |             |             |             |             |             |             |             |
| Annual money-weighted rate of return,<br>net of investment expenses for the<br>County's Employees' Pension Plan     | -16.64%     | 15.67%      | 2.46%       | 6.80%       | 6.06%       | 4.51%       | 6.53%       | 2.97%       | 2.32%       |
| <b><u>Commissioners' Pension Plan</u></b>   |             |             |             |             |             |             |             |             |             |
| Annual money-weighted rate of return,<br>net of investment expenses for the<br>County's Commissioners' Pension Plan | -18.01%     | 14.16%      | 2.86%       | 5.43%       | 4.95%       | 4.90%       | 7.79%       | 1.70%       | -0.10%      |

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 OPEB LIABILITY (ASSET) AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

**Primary Government**

|   | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB Liability (Asset)</b>   |                      |                      |                      |                      |                      |                      |
| Service Cost  | \$ 2,078,428         | \$ 2,012,377         | \$ 1,889,556         | \$ 1,799,577         | \$ 1,900,008         | \$ 1,809,531         |
| Interest  | 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                            | -                    | (365,712)            | -                    | (638,683)            | -                    | -                    |
| Changes of assumptions  | -                    | (1,454,860)          | -                    | 4,948,829            | -                    | -                    |
| Other changes   | -                    | (250,986)            | -                    | -                    | -                    | -                    |
| Benefit Payments/Refunds  | <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>   |
| <b>Net Change in Total OPEB Liability (Asset)</b>                             | 1,785,861            | (135,664)            | 1,771,902            | 5,636,183            | 2,143,940            | 2,111,360            |
| <b>Total OPEB Liability (Asset) - beginning</b>                               | <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>    |
| <b>Total OPEB Liability (Asset) - ending (a)</b>                              | <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> |
| <b>Plan Fiduciary Net Position</b>  |                      |                      |                      |                      |                      |                      |
| Contributions - employer  | \$ 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                               | 3,637,421            | 3,423,455            | 3,346,473            | 3,346,473            | 2,548,068            | 2,359,321            |
| Contributions - employee  | -                    | -                    | -                    | -                    | -                    | -                    |
| Net investment income   | (5,788,644)          | 8,724,901            | 1,266,049            | 1,830,516            | 1,937,951            | 2,263,871            |
| Benefit Payments/Refunds  | (3,637,421)          | (3,423,455)          | (3,346,473)          | (3,346,473)          | (2,548,068)          | (2,359,321)          |
| Administrative expenses   | (204,942)            | (102,502)            | (128,717)            | (119,139)            | (130,753)            | (93,252)             |
| Other   | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Net Change in Plan Fiduciary Net Position</b>                              | (4,393,586)          | 10,222,399           | 2,737,332            | 3,311,377            | 3,407,198            | 3,770,619            |
| <b>Plan Fiduciary Net Position - beginning</b>                                | <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>    |
| <b>Plan Fiduciary Net Position - ending (b)</b>                               | <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> |
| <b>Net OPEB Liability (Asset) - ending (a) - (b)</b>                          | <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> |
| <b>Plan Fiduciary Net Position as a % of the Total OPEB Liability (Asset)</b> | 67.7%                | 78.3%                | 58.9%                | 55.6%                | 55.2%                | 50.1%                |
| <b>Covered payroll</b>  | \$ 91,125,927        | \$ 88,471,774        | \$ 84,370,423        | \$ 81,913,032        | \$ 76,872,177        | \$ 74,633,182        |
| <b>Net OPEB Liability (Asset) as a % of covered payroll</b>                   | 19.4%                | 13.0%                | 25.9%                | 27.9%                | 26.7%                | 29.2%                |

Note: Measurement period is as of June 30, 2023.

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 presented 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, 2023**

**Hamilton County Schools**

|   | 2023                 | 2022                 | 2021                  | 2020                  | 2019                  | 2018                  |
|---|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total OPEB Liability (Asset)</b>                   |                      |                      |                       |                       |                       |                       |
| Service Cost  | \$ 7,176,437         | \$ 6,834,702         | \$ 7,320,275          | \$ 7,121,583          | \$ 6,782,460          | \$ 7,953,820          |
| Interest  | 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                              | (6,437,140)          | (5,442,142)          | (5,122,016)           | (6,394,544)           | (5,948,413)           | (6,033,842)           |
| <b>Net Change in Total OPEB Liability (Asset)</b>     | 4,561,699            | (12,634,374)         | (19,712,958)          | 4,050,275             | (2,888,267)           | 5,577,829             |
| <b>Total OPEB Liability - beginning</b>               | <u>90,088,307</u>    | <u>102,722,681</u>   | <u>122,435,639</u>    | <u>118,385,364</u>    | <u>121,273,631</u>    | <u>115,695,802</u>    |
| <b>Total OPEB Liability - ending</b>                  | <u>\$ 94,650,006</u> | <u>\$ 90,088,307</u> | <u>\$ 102,722,681</u> | <u>\$ 122,435,639</u> | <u>\$ 118,385,364</u> | <u>\$ 121,273,631</u> |
| <br>  |                      |                      |                       |                       |                       |                       |
| <b>Covered payroll</b>                                | \$ 276,149,282       | \$ 241,834,173       | \$ 234,790,459        | \$ 207,957,595        | \$ 201,900,578        | \$ 180,057,926        |
| <b>Total OPEB Liability as a % of covered payroll</b> | 34.3%                | 37.3%                | 43.8%                 | 58.9%                 | 58.6%                 | 67.4%                 |

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, 2023**

**Primary Government**

|  | <u>2023</u>           | <u>2022</u>           | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>        |
|--|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| <b>Schedule of Contributions</b>                                     |                       |                       |                     |                     |                     |                     |                    |
| Actuarially determined contribution                                  | \$ 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>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>(1,694,615)</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 payroll  | \$ 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 payroll                     | 5.07%                 | 5.75%                 | 5.68%               | 5.86%               | 6.04%               | 5.40%               | 5.30%              |
| <b>Schedule of Investment Returns</b>                                |                       |                       |                     |                     |                     |                     |                    |
| Annual money-weighted rate of return, net of investment expense      | 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, 2023

#### PUBLIC EMPLOYEE RETIREMENT SYSTEMS

Actuarial information of the Tennessee Consolidated Retirement System Plans

Employer contributions for the year ended June 30, 2023 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 2023.

|                               |  |
|-------------------------------|--|
| 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 5.75% over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04% 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, 2023**

|  | Original<br>Budget | Final<br>Budget | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-----------------|----------------|---|
| <b>REVENUES</b>                            |                    |                 |                |   |
| Taxes:                                     |                    |                 |                |   |
| Property taxes                             | \$ 185,076,200     | \$ 185,076,200  | \$ 179,095,997 | \$ (5,980,203)  |
| Local sales tax                            | 10,000,000         | 10,000,000      | 10,595,498     | 595,498   |
| Business taxes                             | 11,361,000         | 11,361,000      | 12,539,131     | 1,178,131   |
| Wholesale beer tax                         | 1,240,000          | 1,240,000       | 1,086,867      | (153,133)   |
| Total taxes                                | 207,677,200        | 207,677,200     | 203,317,493    | (4,359,707)   |
| Licenses and permits                       | 1,745,000          | 1,745,000       | 1,816,592      | 71,592  |
| Intergovernmental revenues:                |                    |                 |                |   |
| State of Tennessee                         | 18,902,290         | 27,612,176      | 21,202,583     | (6,409,593)   |
| United States Government                   | 9,359,283          | 17,669,530      | 6,703,782      | (10,965,748)  |
| Cities                                     | 3,522,645          | 3,587,645       | 2,850,185      | (737,460)   |
| Total intergovernmental revenues           | 31,784,218         | 48,869,351      | 30,756,550     | (18,112,801)  |
| Charges for services:                      |                    |                 |                |   |
| Health department                          | 3,566,100          | 3,566,100       | 1,858,719      | (1,707,381)   |
| Other                                      | 27,053,072         | 27,053,072      | 24,391,947     | (2,661,125)   |
| Total charges for services                 | 30,619,172         | 30,619,172      | 26,250,666     | (4,368,506)   |
| Fines, forfeitures and penalties           | 1,877,350          | 1,877,350       | 1,485,761      | (391,589)   |
| Investment earnings                        | 936,100            | 936,100         | 3,680,724      | 2,744,624   |
| Miscellaneous                              | 4,830,317          | 5,000,041       | 6,688,275      | 1,688,234   |
| Total revenues                             | 279,469,357        | 296,724,214     | 273,996,061    | (22,728,153)  |
| <b>EXPENDITURES</b>                        |                    |                 |                |   |
| Current:                                   |                    |                 |                |   |
| General government:                        |                    |                 |                |   |
| County Clerk                               | 2,431,470          | 2,424,715       | 2,384,150      | 40,565  |
| Register                                   | 632,897            | 632,897         | 507,886        | 125,011   |
| County Trustee                             | 1,374,326          | 1,374,326       | 1,235,681      | 138,645   |
| Assessor of Property                       | 3,988,851          | 4,122,051       | 3,756,322      | 365,729   |
| Election Commission                        | 2,802,735          | 2,807,150       | 2,662,484      | 144,666   |
| Board of Equalization                      | 5,000              | 5,000           | 2,010          | 2,990   |
| Soil Conservation                          | 144,511            | 144,511         | 144,895        | (384)   |
| Agricultural Department                    | 268,717            | 268,717         | 267,940        | 777   |
| County-City Planning Commission            | 847,400            | 847,400         | 847,400        | -   |
| Regional Council of<br>Government & SETTDD | 81,903             | 81,903          | 81,903         | -   |

(continued)

**BUDGETARY COMPARISON SCHEDULE--(continued)**  
**GENERAL FUND DETAIL**

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2023**

|                                    | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Positive<br>(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                  | 100,000            | 100,000           | 100,000           | -   |
| County Board of Commissioners      | 963,635            | 964,139           | 939,209           | 24,930  |
| County Mayor                       | 787,578            | 692,721           | 758,429           | (65,708)  |
| County Auditor                     | 1,025,208          | 1,023,922         | 1,006,338         | 17,584  |
| Chief of Staff                     | 437,517            | 437,517           | 521,795           | (84,278)  |
| County Attorney                    | 1,567,997          | 1,574,754         | 1,556,922         | 17,832  |
| Employee Assistance Program        | 48,500             | 48,500            | 37,406            | 11,094  |
| Benefits                           | 786,192            | 786,192           | 696,474           | 89,718  |
| Risk Management                    | 464,662            | 604,747           | 410,657           | 194,090   |
| Wellness & Fitness Programs        | 235,416            | 235,416           | 218,638           | 16,778  |
| Mailroom                           | 475,941            | 475,941           | 406,682           | 69,259  |
| Drug & Alcohol Testing             | 15,000             | 15,000            | 16,733            | (1,733)   |
| American Disability Act            | 1,000              | 1,000             | -                 | 1,000   |
| Veterans' Service Program          | 185,544            | 221,027           | 218,694           | 2,333   |
| Human Resources Administrator      | 265,492            | 265,492           | 257,260           | 8,232   |
| Insurance                          | 470,000            | 470,000           | 392,513           | 77,487  |
| Employee Benefits                  | 2,469,732          | 2,469,732         | 2,379,087         | 90,645  |
| Trustee's Commission               | 4,731,500          | 4,731,500         | 4,360,166         | 371,334   |
| External Audits                    | 150,020            | 150,020           | 156,589           | (6,569)   |
| TSCA Dues                          | 11,310             | 11,310            | 11,310            | -   |
| NACO Dues                          | 6,729              | 6,729             | 6,729             | -   |
| Equal Employment Opportunity       | 139,155            | 139,155           | 135,806           | 3,349   |
| Finance Administrator              | 454,365            | 454,365           | 454,330           | 35  |
| Accounting                         | 2,268,425          | 2,273,231         | 2,253,327         | 19,904  |
| Financial Management               | 376,592            | 341,109           | 263,342           | 77,767  |
| Information Technology             | 3,862,369          | 3,862,369         | 3,507,056         | 355,313   |
| Procurement & Fleet Management     | 895,526            | 907,240           | 843,556           | 63,684  |
| Geographic Information System      | 1,090,286          | 1,088,843         | 937,470           | 151,373   |
| Telecommunications                 | 1,014,253          | 1,014,253         | 913,709           | 100,544   |
| Records Management                 | 607,913            | 607,913           | 514,079           | 93,834  |
| Opioid Settlement                  | -                  | 1,503,940         | -                 | 1,503,940   |
| Custodial Services                 | 4,136,059          | 4,243,929         | 3,673,170         | 570,759   |
| Real Property                      | 441,314            | 441,314           | 356,095           | 85,219  |
| Recycling                          | 393,806            | 393,806           | 325,359           | 68,447  |
| General Services Administrator     | 258,272            | 258,272           | 257,920           | 352   |
| Economic and Community Development | 457,555            | 824,099           | 452,135           | 371,964   |
| Ground Maintenance                 | 315,000            | 315,000           | 231,768           | 83,232  |
| Facilities Maintenance             | 3,644,663          | 3,715,514         | 3,648,092         | 67,422  |
| Utilities                          | 2,666,906          | 2,666,906         | 2,436,324         | 230,582   |
| Total general government           | <u>51,704,442</u>  | <u>53,950,787</u> | <u>48,451,040</u> | <u>5,499,747</u>  |

(continued)

**BUDGETARY COMPARISON SCHEDULE--(continued)**  
**GENERAL FUND DETAIL**

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2023**

|                                     | Original<br>Budget | Final<br>Budget    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------|--------------------|--------------------|--------------------|---|
| EXPENDITURES--(continued):          |                    |                    |                    |   |
| Current--(continued):               |                    |                    |                    |   |
| Public safety:                      |                    |                    |                    |   |
| Recovery Court                      | \$ 939,978         | \$ 1,247,558       | \$ 768,730         | \$ 478,828  |
| Mental Health Court                 | 507,382            | 597,186            | 442,285            | 154,901   |
| Medical Examiner                    | 1,748,139          | 1,748,139          | 1,753,465          | (5,326)   |
| Circuit Court Clerk                 | 3,760,504          | 3,754,504          | 3,394,974          | 359,530   |
| Criminal Court Clerk                | 4,467,263          | 4,499,063          | 4,314,844          | 184,219   |
| District Attorney General           | 1,674,397          | 1,684,459          | 1,448,274          | 236,185   |
| Public Defender                     | 1,055,007          | 1,055,007          | 975,614            | 79,393  |
| General Sessions Court              | 1,710,484          | 1,852,641          | 1,763,915          | 88,726  |
| Juries                              | 136,100            | 136,100            | 88,251             | 47,849  |
| Court Judges                        | 624,845            | 624,845            | 636,166            | (11,321)  |
| Judicial Commission Magistrates     | 609,255            | 608,735            | 581,656            | 27,079  |
| Juvenile Court                      | 8,285,552          | 8,295,738          | 7,873,682          | 422,056   |
| Forest Fire Prevention              | 4,000              | 4,000              | 4,000              | -   |
| Humane Education Society            | 620,970            | 620,970            | 620,970            | -   |
| Certified Cost Reimbursement        | 781,600            | 781,600            | 436,795            | 344,805   |
| Building Inspection                 | 1,454,365          | 1,179,197          | 1,210,996          | (31,799)  |
| Office of Emergency Management      | 4,272,929          | 4,656,229          | 4,224,367          | 431,862   |
| Corrections                         | 1,543,295          | 1,724,586          | 1,374,127          | 350,459   |
| Litter Grant                        | 663,326            | 700,654            | 628,448            | 72,206  |
| Homeland Security Grants            | -                  | 571,435            | 113,268            | 458,167   |
| Security Services                   | 1,498,358          | 1,496,519          | 1,247,637          | 248,882   |
| Volunteer Emergency Services        | 2,268,590          | 2,272,345          | 2,249,902          | 22,443  |
| Pretrial Diversion Program          | 993,029            | 1,029,685          | 986,868            | 42,817  |
| Ambulance Services                  | 17,959,430         | 17,967,005         | 17,649,645         | 317,360   |
| Juvenile Court Clerk                |                    |                    |                    |   |
| Administration and Courts           | 1,897,323          | 1,893,642          | 1,877,946          | 15,696  |
| Sheriff                             |                    |                    |                    |   |
| Administration                      | 3,539,422          | 3,533,300          | 2,573,545          | 959,755   |
| Patrol                              | 14,920,073         | 15,965,646         | 16,219,782         | (254,136)   |
| Jail                                | 28,052,993         | 29,694,710         | 26,495,431         | 3,199,279   |
| Courts                              | 1,538,530          | 1,538,530          | 1,902,538          | (364,008)   |
| Records                             | 687,333            | 687,333            | 611,778            | 75,555  |
| Criminal Investigation              | 2,387,621          | 2,390,145          | 2,362,427          | 27,718  |
| Fugitive                            | 2,081,992          | 2,081,992          | 2,071,153          | 10,839  |
| Civil Process                       | 990,915            | 990,915            | 1,015,896          | (24,981)  |
| Community Oriented Policing Service | -                  | 79,495             | 39,433             | 40,062  |
| Confinement Facilities Award        | -                  | 440,066            | 45,694             | 394,372   |
| Maintenance Department              | 926,504            | 926,504            | 855,938            | 70,566  |
| Legal & Accreditation               | 471,694            | 471,694            | 431,917            | 39,777  |
| Special Operations                  | 1,328,907          | 1,328,907          | 1,302,558          | 26,349  |
| TN Office of Criminal Justice       | -                  | 961,102            | 109,699            | 851,403   |
| Department of Justice Grants        | -                  | 88,595             | 77,797             | 10,798  |
| IV-D Civil Process Grant            | 260,497            | 260,497            | 256,265            | 4,232   |
| Information Systems                 | 2,290,195          | 2,294,161          | 1,131,676          | 1,162,485   |
| Training                            | 1,161,324          | 1,193,504          | 892,156            | 301,348   |
| Human Resources                     | 489,425            | 516,040            | 498,452            | 17,588  |
| Internal Affairs                    | 558,995            | 558,995            | 479,054            | 79,941  |
| Lease and SBITA outlays             | -                  | -                  | 8,962,594          | (8,962,594)   |
| Special projects                    | -                  | 6,271              | 1,089              | 5,182   |
| Mental Health                       | 375,022            | 3,328,060          | 951,831            | 2,376,229   |
| Total public safety                 | <u>121,537,563</u> | <u>130,338,304</u> | <u>125,955,528</u> | <u>4,382,776</u>  |

(continued)

**BUDGETARY COMPARISON SCHEDULE--(continued)**  
**GENERAL FUND DETAIL**

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2023**

|   | Original<br>Budget | Final<br>Budget    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|--------------------|---|
| EXPENDITURES--(continued):              |                    |                    |                    |   |
| Current--(continued):                   |                    |                    |                    |   |
| Highways and streets:                   |                    |                    |                    |   |
| Public Works Administrator              | \$ 287,372         | \$ 287,372         | \$ 296,957         | \$ (9,585)  |
| Engineering Services                    | 1,973,282          | 1,803,841          | 1,413,036          | 390,805   |
| Development Services                    | -                  | 550,542            | 349,585            | 200,957   |
| WWTA                                    | 3,829,881          | 3,829,881          | 3,122,326          | 707,555   |
| Railroad Authority                      | 167,814            | 167,814            | 156,827            | 10,987  |
| Highway                                 | <u>14,614,947</u>  | <u>14,555,764</u>  | <u>12,133,394</u>  | <u>2,422,370</u>  |
| Total highways and streets              | <u>20,873,296</u>  | <u>21,195,214</u>  | <u>17,472,125</u>  | <u>3,723,089</u>  |
| Health:                                 |                    |                    |                    |   |
| Air Pollution Control                   | 228,113            | 228,113            | 228,113            | -   |
| Baroness Erlanger Hospital              | 1,500,000          | 1,500,000          | 1,500,000          | -   |
| Health Department                       | <u>31,472,444</u>  | <u>38,922,449</u>  | <u>24,755,635</u>  | <u>14,166,814</u>                                       |
| Total health                            | <u>33,200,557</u>  | <u>40,650,562</u>  | <u>26,483,748</u>  | <u>14,166,814</u>                                       |
| Social services:                        |                    |                    |                    |   |
| Clerk and Master                        | 875,152            | 875,152            | 857,528            | 17,624  |
| Chancery Court Judges                   | 192,850            | 192,850            | 183,256            | 9,594   |
| Juvenile Court Clerk:                   |                    |                    |                    |   |
| Child Support Division                  | 1,198,863          | 1,198,863          | 1,130,405          | 68,458  |
| Chief Reading Officer                   | 341,795            | 341,795            | 332,384            | 9,411   |
| Chattanooga Regional Homeless Coalition | -                  | 50,000             | 50,000             | -   |
| Title XX                                | 377,311            | 481,676            | 353,355            | 128,321   |
| Urban League                            | <u>50,000</u>      | <u>50,000</u>      | <u>50,000</u>      | <u>-</u>  |
| Total social services                   | <u>3,035,971</u>   | <u>3,190,336</u>   | <u>2,956,928</u>   | <u>233,408</u>  |
| Culture and recreation:                 |                    |                    |                    |   |
| Armed Forces Day Parade                 | 20,000             | 20,000             | 20,000             | -   |
| Interstate Beautification               | 62,500             | 62,500             | -                  | 62,500  |
| Creative Discovery Museum               | 100,000            | 100,000            | 100,000            | -   |
| Bessie Smith Museum                     | 100,262            | 100,262            | 100,263            | (1)   |
| Parks and Recreation Department         | <u>9,845,642</u>   | <u>9,882,671</u>   | <u>8,913,165</u>   | <u>969,506</u>  |
| Total culture and recreation            | <u>10,128,404</u>  | <u>10,165,433</u>  | <u>9,133,428</u>   | <u>1,032,005</u>  |
| Capital outlay                          | <u>6,121,412</u>   | <u>16,518,605</u>  | <u>12,645,865</u>  | <u>3,872,740</u>  |
| Debt service:                           |                    |                    |                    |   |
| Principal                               | -                  | 1,310,543          | 2,344,458          | (1,033,915)   |
| Interest                                | <u>-</u>           | <u>21,618</u>      | <u>177,249</u>     | <u>(155,631)</u>  |
| Total debt service                      | <u>-</u>           | <u>1,332,161</u>   | <u>2,521,707</u>   | <u>(1,189,546)</u>                                      |
| Total budgetary expenditures            | <u>246,601,645</u> | <u>277,341,402</u> | <u>245,620,369</u> | <u>31,721,033</u>                                       |
| Excess of revenues over expenditures    | <u>32,867,712</u>  | <u>19,382,812</u>  | <u>28,375,692</u>  | <u>8,992,880</u>  |

(continued)

**BUDGETARY COMPARISON SCHEDULE--(continued)**  
**GENERAL FUND DETAIL**

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2023**

|                                      | Original<br>Budget  | Final<br>Budget        | Actual                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|---------------------|------------------------|-----------------------|---|
| OTHER FINANCING SOURCES (USES)       |                     |                        |                       |   |
| Transfers in                         | \$ 14,070,000       | \$ 14,124,000          | \$ 15,280,868         | \$ 1,156,868  |
| Transfers out                        | (48,684,962)        | (48,684,962)           | (48,832,053)          | (147,091)   |
| Issuance of SBITA payable            | -                   | -                      | 8,601,975             | 8,601,975   |
| Issuance of lease payable            | 130,000             | 130,000                | 1,084,410             | 954,410   |
| Sale of capital assets               | <u>1,617,250</u>    | <u>1,617,250</u>       | <u>785,498</u>        | <u>(831,752)</u>  |
| Total other financing sources (uses) | <u>(32,867,712)</u> | <u>(32,813,712)</u>    | <u>(23,079,302)</u>   | <u>9,734,410</u>  |
| Net change in fund balance           | <u>\$ -</u>         | <u>\$ (13,430,900)</u> | 5,296,390             | <u>\$ 18,727,290</u>                                    |
| Fund balance at beginning of year    |                     |                        | <u>146,924,627</u>    |   |
| Fund balance at end of year          |                     |                        | <u>\$ 152,221,017</u> |   |

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|  | Budgeted Amounts      |                       | Actual              | Variance with                          |
|--|-----------------------|-----------------------|---------------------|--|
|  | Original              | Final                 |                     | Final Budget<br>Positive<br>(Negative) |
| <b>REVENUES</b>  |                       |                       |                     |  |
| Intergovernmental                                      | \$ 2,231,704          | \$ 2,231,704          | \$ 2,231,704        | \$ -                                   |
| Investment earnings                                    | <u>25,000</u>         | <u>25,000</u>         | <u>183,525</u>      | <u>158,525</u>                         |
| Total revenues   | <u>2,256,704</u>      | <u>2,256,704</u>      | <u>2,415,229</u>    | <u>158,525</u>                         |
| <b>EXPENDITURES</b>                                    |                       |                       |                     |  |
| Debt Service:  |                       |                       |                     |  |
| Principal retirement                                   | 36,085,000            | 36,085,000            | 36,085,000          | -                                      |
| Interest and fiscal charges                            | <u>15,801,890</u>     | <u>15,801,890</u>     | <u>15,801,901</u>   | <u>(11)</u>                            |
| Total budgetary expenditures                           | <u>51,886,890</u>     | <u>51,886,890</u>     | <u>51,886,901</u>   | <u>(11)</u>                            |
| Deficiency of revenues under<br>budgetary expenditures | <u>(49,630,186)</u>   | <u>(49,630,186)</u>   | <u>(49,471,672)</u> | <u>158,514</u>                         |
| <b>OTHER FINANCING SOURCES</b>                         |                       |                       |                     |  |
| Transfers in   | <u>47,630,186</u>     | <u>47,630,186</u>     | <u>47,630,186</u>   | <u>-</u>                               |
| Total other financing sources                          | <u>47,630,186</u>     | <u>47,630,186</u>     | <u>47,630,186</u>   | <u>-</u>                               |
| Net change in fund balance                             | <u>\$ (2,000,000)</u> | <u>\$ (2,000,000)</u> | <u>(1,841,486)</u>  | <u>\$ 158,514</u>                      |
| Fund balance at beginning of year                      |                       |                       | <u>9,793,827</u>    |  |
| Fund balance at end of year                            |                       |                       | <u>\$ 7,952,341</u> |  |



**BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|                                   | Hotel / Motel Fund |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|--------------------|-------------------|-------------------|---|
|                                   | Budgeted Amounts   |                   | Actual            |   |
|                                   | Original           | Final             |                   |   |
| <b>REVENUES</b>                   |                    |                   |                   |   |
| Hotel/Motel occupancy tax         | \$ 10,573,000      | \$ 10,573,000     | \$ 11,363,925     | \$ 790,925  |
| Investment earnings               | <u>5,000</u>       | <u>5,000</u>      | <u>17,865</u>     | <u>12,865</u>   |
| Total revenues                    | <u>10,578,000</u>  | <u>10,578,000</u> | <u>11,381,790</u> | <u>803,790</u>  |
| <b>EXPENDITURES</b>               |                    |                   |                   |   |
| Hotel/Motel occupancy tax         | <u>10,578,000</u>  | <u>10,578,000</u> | <u>11,381,790</u> | <u>(803,790)</u>  |
| Total budgetary expenditures      | <u>10,578,000</u>  | <u>10,578,000</u> | <u>11,381,790</u> | <u>(803,790)</u>  |
| Net change in fund balance        | <u>\$ -</u>        | <u>\$ -</u>       | -                 | <u>\$ -</u>   |
| Fund balance at beginning of year |                    |                   | -                 |   |
| Fund balance at end of year       |                    |                   | <u>\$ -</u>       |   |

**BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|  | Sheriff Special Revenue Funds |                     |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------------|---------------------|---------------------|---|
|  | Budgeted Amounts              |                     | Actual              |   |
|  | Original                      | Final               |                     |   |
| <b>REVENUES</b>  |                               |                     |                     |   |
| Intergovernmental  | \$ 61,600                     | \$ 61,600           | \$ 12,041           | \$ (49,559)   |
| Fines, forfeitures and penalties                                       | 102,146                       | 102,146             | 37,169              | (64,977)  |
| Investment earnings  | 3,700                         | 3,700               | 28,154              | 24,454  |
| Miscellaneous  | <u>316,245</u>                | <u>316,245</u>      | <u>155,994</u>      | <u>(160,251)</u>  |
| Total revenues   | <u>483,691</u>                | <u>483,691</u>      | <u>233,358</u>      | <u>(250,333)</u>  |
| <b>EXPENDITURES</b>  |                               |                     |                     |   |
| Narcotics enforcement  | 411,345                       | 563,738             | 285,800             | 277,938   |
| TN State sexual offenders  | 72,346                        | 72,346              | 24,655              | 47,691  |
| Debt Service:  |                               |                     |                     |   |
| Principal  | -                             | -                   | 843                 | (843)   |
| Interest   | <u>-</u>                      | <u>-</u>            | <u>56</u>           | <u>(56)</u>   |
| Total budgetary expenditures   | <u>483,691</u>                | <u>636,084</u>      | <u>311,354</u>      | <u>324,730</u>  |
| Excess (deficiency) of revenues over (under)<br>budgetary expenditures | <u>-</u>                      | <u>(152,393)</u>    | <u>(77,996)</u>     | <u>74,397</u>   |
| <b>OTHER FINANCING SOURCES</b>   |                               |                     |                     |   |
| Sale of capital assets   | <u>-</u>                      | <u>-</u>            | <u>-</u>            | <u>-</u>  |
| Total other financing sources  | <u>-</u>                      | <u>-</u>            | <u>-</u>            | <u>-</u>  |
| Net change in fund balance   | <u>\$ -</u>                   | <u>\$ (152,393)</u> | <u>(77,996)</u>     | <u>\$ 74,397</u>  |
| Fund balance at beginning of year                                      |                               |                     | <u>1,525,888</u>    |   |
| Fund balance at end of year  |                               |                     | <u>\$ 1,447,892</u> |   |



## **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, 2023**

|                                     | Special Revenue Funds     |                                |                     |                    | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------------------|---------------------------|--------------------------------|---------------------|--------------------|--|
|                                     | Constitutional<br>Offices | Governmental<br>Law<br>Library | Hotel/<br>Motel     | Economic<br>Crimes |  |
| <b>ASSETS</b>                       |                           |                                |                     |                    |  |
| Cash and cash equivalents           | \$ 6,144,215              | \$ 17,998                      | \$ 1,083,707        | \$ 9,162           | \$ 7,255,082                               |
| Investments                         | 1,060,467                 | 74,639                         | -                   | 36,942             | 1,172,048                                  |
| Receivables:                        |                           |                                |                     |                    |  |
| Accounts                            | 600,052                   | 990                            | 1,097,867           | 611                | 1,699,520                                  |
| Due from other funds                | 831                       | -                              | -                   | -                  | 831  |
| Prepaid items                       | <u>5,253</u>              | <u>-</u>                       | <u>-</u>            | <u>-</u>           | <u>5,253</u>                               |
| Total assets                        | <u>\$ 7,810,818</u>       | <u>\$ 93,627</u>               | <u>\$ 2,181,574</u> | <u>\$ 46,715</u>   | <u>\$ 10,132,734</u>                       |
| <b>LIABILITIES</b>                  |                           |                                |                     |                    |  |
| Accrued items and other             | \$ 319,003                | \$ 1,534                       | \$ 2,181,574        | \$ -               | \$ 2,502,111                               |
| Due to other funds                  | <u>-</u>                  | <u>1,534</u>                   | <u>-</u>            | <u>-</u>           | <u>1,534</u>                               |
| Total liabilities                   | <u>319,003</u>            | <u>3,068</u>                   | <u>2,181,574</u>    | <u>-</u>           | <u>2,503,645</u>                           |
| <b>FUND BALANCES</b>                |                           |                                |                     |                    |  |
| Nonspendable for prepaid items      | 5,253                     | -                              | -                   | -                  | 5,253                                      |
| Restricted for general government   | 4,334,903                 | -                              | -                   | -                  | 4,334,903                                  |
| Restricted for public safety        | 1,447,892                 | -                              | -                   | -                  | 1,447,892                                  |
| Restricted for social services      | 1,703,767                 | -                              | -                   | -                  | 1,703,767                                  |
| Committed for public safety         | <u>-</u>                  | <u>90,559</u>                  | <u>-</u>            | <u>46,715</u>      | <u>137,274</u>                             |
| Total fund balances                 | <u>7,491,815</u>          | <u>90,559</u>                  | <u>-</u>            | <u>46,715</u>      | <u>7,629,089</u>                           |
| Total liabilities and fund balances | <u>\$ 7,810,818</u>       | <u>\$ 93,627</u>               | <u>\$ 2,181,574</u> | <u>\$ 46,715</u>   | <u>\$ 10,132,734</u>                       |

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|  | Special Revenue Funds     |                                |                   |                    | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------------|--------------------------------|-------------------|--------------------|--|
|  | Constitutional<br>Offices | Governmental<br>Law<br>Library | Hotel/<br>Motel   | Economic<br>Crimes |  |
| <b>REVENUES</b>  |                           |                                |                   |                    |  |
| Taxes  | \$ -                      | \$ 12,250                      | \$ 11,363,925     | \$ -               | \$ 11,376,175                              |
| Intergovernmental  | 12,041                    | -                              | -                 | -                  | 12,041                                     |
| Charges for services   | 22,750,270                | -                              | -                 | -                  | 22,750,270                                 |
| Fines, forfeitures and penalties                             | 37,169                    | -                              | -                 | 7,453              | 44,622                                     |
| Investment earnings  | 845,426                   | 1,633                          | 17,865            | 757                | 865,681                                    |
| Miscellaneous  | 272,990                   | -                              | -                 | -                  | 272,990                                    |
| Total revenues   | <u>23,917,896</u>         | <u>13,883</u>                  | <u>11,381,790</u> | <u>8,210</u>       | <u>35,321,779</u>                          |
| <b>EXPENDITURES</b>  |                           |                                |                   |                    |  |
| Current:   |                           |                                |                   |                    |  |
| General government   | 5,843,617                 | -                              | 11,381,790        | -                  | 17,225,407                                 |
| Public safety:   |                           |                                |                   |                    |  |
| Sheriff  | 310,455                   | -                              | -                 | -                  | 310,455                                    |
| Other  | -                         | 18,091                         | -                 | -                  | 18,091                                     |
| Social services  | 1,800,686                 | -                              | -                 | 9,610              | 1,810,296                                  |
| Debt Service:  |                           |                                |                   |                    |  |
| Principal  | 843                       | -                              | -                 | -                  | 843  |
| Interest   | 56                        | -                              | -                 | -                  | 56   |
| Total expenditures   | <u>7,955,657</u>          | <u>18,091</u>                  | <u>11,381,790</u> | <u>9,610</u>       | <u>19,365,148</u>                          |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>15,962,239</u>         | <u>(4,208)</u>                 | <u>-</u>          | <u>(1,400)</u>     | <u>15,956,631</u>                          |
| <b>OTHER FINANCING USES</b>                                  |                           |                                |                   |                    |  |
| Transfers out  | <u>(15,280,868)</u>       | <u>-</u>                       | <u>-</u>          | <u>-</u>           | <u>(15,280,868)</u>                        |
| Total other financing uses                                   | <u>(15,280,868)</u>       | <u>-</u>                       | <u>-</u>          | <u>-</u>           | <u>(15,280,868)</u>                        |
| Net change in fund balances                                  | 681,371                   | (4,208)                        | -                 | (1,400)            | 675,763                                    |
| Fund balances, beginning                                     | <u>6,810,444</u>          | <u>94,767</u>                  | <u>-</u>          | <u>48,115</u>      | <u>6,953,326</u>                           |
| Fund balances, ending  | <u>\$ 7,491,815</u>       | <u>\$ 90,559</u>               | <u>\$ -</u>       | <u>\$ 46,715</u>   | <u>\$ 7,629,089</u>                        |

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2023**

|                                     | Clerk and<br>Master | County<br>Clerk     | Register          | Trustee             | Sheriff<br>Drug Fund | Sheriff<br>State Sex<br>Offenders Fund | Total<br>Constitutional<br>Offices |
|-------------------------------------|---------------------|---------------------|-------------------|---------------------|----------------------|--|------------------------------------|
| <b>ASSETS</b>                       |                     |                     |                   |                     |                      |  |                                    |
| Cash and cash equivalents           | \$ 1,482,865        | \$ 2,731,770        | \$ 548,358        | \$ 993,582          | \$ 257,809           | \$ 129,831                             | \$ 6,144,215                       |
| Investments                         | -                   | -                   | -                 | -                   | 1,060,467            | -                                      | 1,060,467                          |
| Receivables:                        |                     |                     |                   |                     |                      |  |                                    |
| Accounts                            | 220,944             | 19,872              | -                 | 358,434             | 502                  | 300                                    | 600,052                            |
| Due from other funds                | -                   | -                   | -                 | -                   | 831                  | -                                      | 831                                |
| Prepaid items                       | <u>5,253</u>        | -                   | -                 | -                   | -                    | -                                      | <u>5,253</u>                       |
| Total assets                        | <u>\$ 1,709,062</u> | <u>\$ 2,751,642</u> | <u>\$ 548,358</u> | <u>\$ 1,352,016</u> | <u>\$ 1,319,609</u>  | <u>\$ 130,131</u>                      | <u>\$ 7,810,818</u>                |
| <b>LIABILITIES</b>                  |                     |                     |                   |                     |                      |  |                                    |
| Accrued items and other             | \$ 42               | \$ 238,303          | \$ 47,761         | \$ 31,049           | \$ 198               | \$ 1,650                               | \$ 319,003                         |
| Total liabilities                   | <u>42</u>           | <u>238,303</u>      | <u>47,761</u>     | <u>31,049</u>       | <u>198</u>           | <u>1,650</u>                           | <u>319,003</u>                     |
| <b>FUND BALANCES</b>                |                     |                     |                   |                     |                      |  |                                    |
| Nonspendable for prepaid items      | 5,253               | -                   | -                 | -                   | -                    | -                                      | 5,253                              |
| Restricted for general government   | -                   | 2,513,339           | 500,597           | 1,320,967           | -                    | -                                      | 4,334,903                          |
| Restricted for public safety        | -                   | -                   | -                 | -                   | 1,319,411            | 128,481                                | 1,447,892                          |
| Restricted for social services      | <u>1,703,767</u>    | -                   | -                 | -                   | -                    | -                                      | <u>1,703,767</u>                   |
| Total fund balances                 | <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>                   |
| Total liabilities and fund balances | <u>\$ 1,709,062</u> | <u>\$ 2,751,642</u> | <u>\$ 548,358</u> | <u>\$ 1,352,016</u> | <u>\$ 1,319,609</u>  | <u>\$ 130,131</u>                      | <u>\$ 7,810,818</u>                |

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|  | Clerk and<br>Master | County<br>Clerk     | Register           | Trustee             | Sheriff<br>Drug Fund | Sheriff<br>State Sex<br>Offenders Fund | Total<br>Constitutional<br>Offices |
|--|---------------------|---------------------|--------------------|---------------------|----------------------|--|------------------------------------|
| <b>REVENUES</b>  |                     |                     |                    |                     |                      |  |                                    |
| Intergovernmental  | \$ -                | \$ -                | \$ -               | \$ -                | \$ 12,041            | \$ -                                   | \$ 12,041                          |
| Charges for services   | 2,241,823           | 6,799,294           | 2,486,908          | 11,222,245          | -                    | -                                      | 22,750,270                         |
| Fines, forfeitures and penalties                             | -                   | -                   | -                  | -                   | 11,426               | 25,743                                 | 37,169                             |
| Investment earnings  | 443,474             | 216,730             | 56,642             | 100,426             | 23,217               | 4,937                                  | 845,426                            |
| Miscellaneous  | -                   | 31,863              | 85,133             | -                   | 155,994              | -                                      | 272,990                            |
| Total revenues   | <u>2,685,297</u>    | <u>7,047,887</u>    | <u>2,628,683</u>   | <u>11,322,671</u>   | <u>202,678</u>       | <u>30,680</u>                          | <u>23,917,896</u>                  |
| <b>EXPENDITURES</b>  |                     |                     |                    |                     |                      |  |                                    |
| Current:   |                     |                     |                    |                     |                      |  |                                    |
| General government   | -                   | 3,806,856           | 883,930            | 1,152,831           | -                    | -                                      | 5,843,617                          |
| Public safety:   |                     |                     |                    |                     |                      |  |                                    |
| Sheriff  | -                   | -                   | -                  | -                   | 285,800              | 24,655                                 | 310,455                            |
| Social services  | 1,800,686           | -                   | -                  | -                   | -                    | -                                      | 1,800,686                          |
| Debt Service:  |                     |                     |                    |                     |                      |  |                                    |
| Principal  | -                   | -                   | -                  | -                   | 843                  | -                                      | 843                                |
| Interest   | -                   | -                   | -                  | -                   | 56                   | -                                      | 56                                 |
| Total expenditures   | <u>1,800,686</u>    | <u>3,806,856</u>    | <u>883,930</u>     | <u>1,152,831</u>    | <u>286,699</u>       | <u>24,655</u>                          | <u>7,955,657</u>                   |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>884,611</u>      | <u>3,241,031</u>    | <u>1,744,753</u>   | <u>10,169,840</u>   | <u>(84,021)</u>      | <u>6,025</u>                           | <u>15,962,239</u>                  |
| <b>OTHER FINANCING USES</b>                                  |                     |                     |                    |                     |                      |  |                                    |
| Transfers out  | <u>(714,257)</u>    | <u>(2,850,000)</u>  | <u>(1,898,655)</u> | <u>(9,817,956)</u>  | <u>-</u>             | <u>-</u>                               | <u>(15,280,868)</u>                |
| Total other financing uses                                   | <u>(714,257)</u>    | <u>(2,850,000)</u>  | <u>(1,898,655)</u> | <u>(9,817,956)</u>  | <u>-</u>             | <u>-</u>                               | <u>(15,280,868)</u>                |
| Net change in fund balances                                  | 170,354             | 391,031             | (153,902)          | 351,884             | (84,021)             | 6,025                                  | 681,371                            |
| Fund balances, beginning                                     | <u>1,538,666</u>    | <u>2,122,308</u>    | <u>654,499</u>     | <u>969,083</u>      | <u>1,403,432</u>     | <u>122,456</u>                         | <u>6,810,444</u>                   |
| Fund balances, ending  | <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>                |





## **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, 2023**

|                                  | OPEB<br>Trust<br>Fund       | Pension<br>Trust<br>Funds   | Total OPEB<br>& Pension<br>Trust Funds |
|----------------------------------|-----------------------------|-----------------------------|--|
|                                  | <u>                    </u> | <u>                    </u> | <u>                    </u>            |
| <b>ASSETS</b>                    |                             |                             |  |
| Cash                             | \$ 5,346                    | \$ 87,312                   | \$ 92,658                              |
| Investments, at fair value:      |                             |                             |  |
| US Government Securities         | 3,654,044                   | -                           | 3,654,044                              |
| Municipal Bonds                  | 1,912,837                   | -                           | 1,912,837                              |
| Mutual Funds                     | 8,675,605                   | 3,020,351                   | 11,695,956                             |
| Domestic Equity Securities       | 6,662,558                   | -                           | 6,662,558                              |
| Domestic Corporate Bonds         | 4,108,382                   | -                           | 4,108,382                              |
| Foreign Bonds / Notes            | 552,474                     | -                           | 552,474                                |
| Foreign Equity Securities        | 2,675,134                   | -                           | 2,675,134                              |
| Quality Income Fund              | 4,405,568                   | -                           | 4,405,568                              |
| Money Market                     | 760,774                     | -                           | 760,774                                |
| Exchange Traded Funds            | 8,952,176                   | -                           | 8,952,176                              |
| Real Estate Investment Trust     | 91,285                      | -                           | 91,285                                 |
|                                  | <u>42,450,837</u>           | <u>3,020,351</u>            | <u>45,471,188</u>                      |
| Total investments, at fair value |                             |                             |  |
| Receivables:                     |                             |                             |  |
| Interest                         | 127,170                     | 2,400                       | 129,570                                |
| Total receivables                | <u>127,170</u>              | <u>2,400</u>                | <u>129,570</u>                         |
| Total assets                     | <u>42,583,353</u>           | <u>3,110,063</u>            | <u>45,693,416</u>                      |
| <b>LIABILITIES</b>               |                             |                             |  |
| Accrued items and other          | <u>-</u>                    | <u>-</u>                    | <u>-</u>                               |
| Total liabilities                | <u>-</u>                    | <u>-</u>                    | <u>-</u>                               |
| <b>NET POSITION</b>              |                             |                             |  |
| Restricted for pension benefits  | -                           | 3,110,063                   | 3,110,063                              |
| Restricted for OPEB benefits     | <u>42,583,353</u>           | <u>-</u>                    | <u>42,583,353</u>                      |
| Total net position               | <u>\$ 42,583,353</u>        | <u>\$ 3,110,063</u>         | <u>\$ 45,693,416</u>                   |

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
ALL TRUST FUNDS**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|   | OPEB<br>Trust<br>Fund | Pension<br>Trust<br>Funds | Total OPEB<br>& Pension<br>Trust Funds |
|---|-----------------------|---------------------------|--|
| <b>ADDITIONS</b>                        |                       |                           |  |
| Contributions:                          |                       |                           |  |
| Employer                                | \$ 4,951,471          | \$ 95,121                 | \$ 5,046,592                           |
| Other                                   | -                     | 1,788                     | 1,788                                  |
| Total contributions                     | <u>4,951,471</u>      | <u>96,909</u>             | <u>5,048,380</u>                       |
| Investment earnings:                    |                       |                           |  |
| Net change in fair value of investments | 3,298,593             | 127,333                   | 3,425,926                              |
| Miscellaneous                           | -                     | 49                        | 49                                     |
| Interest and dividends                  | <u>769,742</u>        | <u>91,685</u>             | <u>861,427</u>                         |
| Net investment earnings                 | <u>4,068,335</u>      | <u>219,067</u>            | <u>4,287,402</u>                       |
| Total additions                         | <u>9,019,806</u>      | <u>315,976</u>            | <u>9,335,782</u>                       |
| <b>DEDUCTIONS</b>                       |                       |                           |  |
| Benefits                                | 3,351,471             | 86,285                    | 3,437,756                              |
| Administrative expense                  | <u>202,734</u>        | <u>23,065</u>             | <u>225,799</u>                         |
| Total deductions                        | <u>3,554,205</u>      | <u>109,350</u>            | <u>3,663,555</u>                       |
| Change in net position                  | 5,465,601             | 206,626                   | 5,672,227                              |
| Net position, beginning                 | <u>37,117,752</u>     | <u>2,903,437</u>          | <u>40,021,189</u>                      |
| Net position, ending                    | <u>\$ 42,583,353</u>  | <u>\$ 3,110,063</u>       | <u>\$ 45,693,416</u>                   |

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CONSTITUTIONAL OFFICES CUSTODIAL FUNDS**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2023**

|   | Circuit<br>Court Clerk | Clerk &<br>Master   | County<br>Clerk  | Criminal<br>Court Clerk | Juvenile<br>Court Clerk | Register         | Sheriff          | Trustee          | Total<br>Constitutional<br>Offices<br>Custodial<br>Funds |
|---|------------------------|---------------------|------------------|-------------------------|-------------------------|------------------|------------------|------------------|--|
| <b>ASSETS</b>   |                        |                     |                  |                         |                         |                  |                  |                  |  |
| Cash and cash equivalents                               | \$ 7,563,347           | \$36,714,460        | \$ 4,529,307     | \$ 634,760              | \$ 61,424               | \$ 1,789,743     | \$ 99,503        | \$ 1,506,078     | \$ 52,898,622  |
| Investments   | -                      | -                   | -                | -                       | 69,510                  | -                | -                | -                | 69,510   |
| Investments on behalf of litigants and<br>beneficiaries | 2,437,743              | 7,923,801           | -                | -                       | 434,088                 | -                | -                | -                | 10,795,632   |
| Accounts receivable                                     | -                      | -                   | 5                | -                       | -                       | 3,923            | -                | -                | 3,928  |
| Total assets  | <u>10,001,090</u>      | <u>44,638,261</u>   | <u>4,529,312</u> | <u>634,760</u>          | <u>565,022</u>          | <u>1,793,666</u> | <u>99,503</u>    | <u>1,506,078</u> | <u>63,767,692</u>  |
| <b>LIABILITIES</b>                                      |                        |                     |                  |                         |                         |                  |                  |                  |  |
| Due to State of Tennessee                               | 27,579                 | -                   | 4,436,385        | 4                       | -                       | 1,793,666        | -                | -                | 6,257,634  |
| Due to municipalities                                   | -                      | -                   | 36,720           | (6,820)                 | -                       | -                | -                | 1,097,991        | 1,127,891  |
| Due to others   | 73,874                 | 6,571,682           | -                | -                       | 72,737                  | -                | -                | 312,652          | 7,030,945  |
| Total liabilities                                       | <u>101,453</u>         | <u>6,571,682</u>    | <u>4,473,105</u> | <u>(6,816)</u>          | <u>72,737</u>           | <u>1,793,666</u> | <u>-</u>         | <u>1,410,643</u> | <u>14,416,470</u>  |
| <b>NET POSITION</b>                                     |                        |                     |                  |                         |                         |                  |                  |                  |  |
| Restricted for individuals, organizations<br>and others | <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>  |
| Total net position                                      | <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>                                     |

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CONSTITUTIONAL OFFICES CUSTODIAL FUNDS**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|   | <u>Circuit<br/>Court Clerk</u> | <u>Clerk &amp;<br/>Master</u> | <u>County<br/>Clerk</u> | <u>Criminal<br/>Court Clerk</u> | <u>Juvenile<br/>Court Clerk</u> | <u>Register</u>   | <u>Sheriff</u>   | <u>Trustee</u>    | <u>Total<br/>Constitutional<br/>Offices<br/>Custodial<br/>Funds</u> |
|---|--------------------------------|-------------------------------|-------------------------|---------------------------------|---------------------------------|-------------------|------------------|-------------------|---|
| <b>ADDITIONS</b>                          |                                |                               |                         |                                 |                                 |                   |                  |                   |   |
| Collections of taxes, fines and fees:     |                                |                               |                         |                                 |                                 |                   |                  |                   |   |
| State of Tennessee                        | \$ 154,204                     | \$ 42,726                     | \$ 43,410,235           | \$ 810,937                      | \$ -                            | \$ 21,303,828     | \$ -             | \$ -              | \$ 65,721,930   |
| Municipalities                            | -                              | -                             | 456,065                 | 130,209                         | -                               | -                 | -                | 14,002,051        | 14,588,325  |
| Judgments for litigants and beneficiaries | 14,913,819                     | 46,107,795                    | -                       | -                               | 26,452                          | -                 | -                | -                 | 61,048,066  |
| Miscellaneous                             | <u>469,888</u>                 | <u>12,116,328</u>             | <u>700,656</u>          | <u>1,085,602</u>                | <u>672,372</u>                  | <u>-</u>          | <u>190,972</u>   | <u>5,542,597</u>  | <u>20,778,415</u>   |
| Total additions                           | <u>15,537,911</u>              | <u>58,266,849</u>             | <u>44,566,956</u>       | <u>2,026,748</u>                | <u>698,824</u>                  | <u>21,303,828</u> | <u>190,972</u>   | <u>19,544,648</u> | <u>162,136,736</u>  |
| <b>DEDUCTIONS</b>                         |                                |                               |                         |                                 |                                 |                   |                  |                   |   |
| Payments of taxes, fines and fees:        |                                |                               |                         |                                 |                                 |                   |                  |                   |   |
| State of Tennessee                        | 154,204                        | 42,726                        | 43,410,235              | 810,937                         | -                               | 21,303,828        | -                | -                 | 65,721,930  |
| Municipalities                            | -                              | -                             | 456,065                 | 130,209                         | -                               | -                 | -                | 14,002,051        | 14,588,325  |
| Payouts to litigants and beneficiaries    | 11,122,726                     | 34,352,687                    | -                       | -                               | 62,403                          | -                 | -                | -                 | 45,537,816  |
| Miscellaneous                             | <u>469,888</u>                 | <u>12,116,328</u>             | <u>721,387</u>          | <u>1,189,984</u>                | <u>672,372</u>                  | <u>-</u>          | <u>237,981</u>   | <u>5,570,321</u>  | <u>20,978,261</u>   |
| Total deductions                          | <u>11,746,818</u>              | <u>46,511,741</u>             | <u>44,587,687</u>       | <u>2,131,130</u>                | <u>734,775</u>                  | <u>21,303,828</u> | <u>237,981</u>   | <u>19,572,372</u> | <u>146,826,332</u>  |
| Change in net position                    | 3,791,093                      | 11,755,108                    | (20,731)                | (104,382)                       | (35,951)                        | -                 | (47,009)         | (27,724)          | 15,310,404  |
| Net position, beginning                   | <u>6,108,544</u>               | <u>26,311,471</u>             | <u>76,938</u>           | <u>745,958</u>                  | <u>528,236</u>                  | <u>-</u>          | <u>146,512</u>   | <u>123,159</u>    | <u>34,040,818</u>   |
| Net position, ending                      | <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>  |



## **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, 2023**

|   | General<br>Purpose<br>School | Centralized<br>Cafeteria | Education<br>Capital<br>Projects | School<br>Activity  | Total<br>Hamilton County<br>Schools<br>Governmental<br>Funds |
|---|------------------------------|--------------------------|----------------------------------|---------------------|--|
| <b>ASSETS</b>   |                              |                          |                                  |                     |  |
| Cash and cash equivalents   | \$ 60,645,187                | \$ 10,446,802            | \$ 9,642,359                     | \$ 4,765,494        | \$ 85,499,842  |
| Investments   | 41,517,232                   | -                        | -                                | -                   | 41,517,232   |
| Receivables, net of allowance<br>for uncollectible:                           |                              |                          |                                  |                     |  |
| Property taxes  | 130,953,133                  | -                        | -                                | -                   | 130,953,133  |
| Accounts  | 4,370,612                    | 116,900                  | -                                | -                   | 4,487,512  |
| Leases  | 1,863,264                    | -                        | -                                | -                   | 1,863,264  |
| Intergovernmental   | 54,194,717                   | 2,338,131                | -                                | -                   | 56,532,848   |
| Due from other HCS funds  | 775,483                      | -                        | 7,490,608                        | -                   | 8,266,091  |
| Inventories   | 26,858                       | 928,303                  | -                                | -                   | 955,161  |
| Prepaid items   | 47,437                       | -                        | -                                | -                   | 47,437   |
| Restricted Cash   | -                            | -                        | -                                | 4,946,210           | 4,946,210  |
| <b>Total assets</b>   | <b>\$ 294,393,923</b>        | <b>\$ 13,830,136</b>     | <b>\$ 17,132,967</b>             | <b>\$ 9,711,704</b> | <b>\$ 335,068,730</b>  |
| <b>LIABILITIES</b>  |                              |                          |                                  |                     |  |
| Accounts payable  | \$ 9,118,242                 | \$ 50,775                | \$ 576,193                       | \$ -                | \$ 9,745,210   |
| Accrued items and other   | 41,698,131                   | 248,173                  | 78,085                           | -                   | 42,024,389   |
| Intergovernmental payables  | 332,132                      | -                        | -                                | -                   | 332,132  |
| Due to other HSC funds  | 18,686,210                   | -                        | 775,483                          | -                   | 19,461,693   |
| <b>Total liabilities</b>  | <b>69,834,715</b>            | <b>298,948</b>           | <b>1,429,761</b>                 | <b>-</b>            | <b>71,563,424</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                              |                          |                                  |                     |  |
| Deferred property taxes   | 119,239,664                  | -                        | -                                | -                   | 119,239,664  |
| Unavailable intergovernmental   | 6,794,030                    | -                        | -                                | -                   | 6,794,030  |
| Unavailable property taxes  | 4,940,095                    | -                        | -                                | -                   | 4,940,095  |
| Deferred lease receivable   | 1,821,218                    | -                        | -                                | -                   | 1,821,218  |
| <b>Total deferred inflows of resources</b>                                    | <b>132,795,007</b>           | <b>-</b>                 | <b>-</b>                         | <b>-</b>            | <b>132,795,007</b>   |
| <b>FUND BALANCES</b>  |                              |                          |                                  |                     |  |
| Nonspendable  | 74,295                       | 928,303                  | -                                | -                   | 1,002,598  |
| Restricted for centralized cafeteria  | -                            | 12,602,885               | -                                | -                   | 12,602,885   |
| Restricted for education  | 13,502,786                   | -                        | -                                | 359,744             | 13,862,530   |
| Restricted for stabilization reserve trust                                    | 9,946,120                    | -                        | -                                | -                   | 9,946,120  |
| Restricted for instruction  | 28,846                       | -                        | -                                | -                   | 28,846   |
| Restricted for local school activity  | -                            | -                        | -                                | 9,351,960           | 9,351,960  |
| Committed for capital projects  | -                            | -                        | 15,703,206                       | -                   | 15,703,206   |
| Committed for education   | 1,747,488                    | -                        | -                                | -                   | 1,747,488  |
| Assigned for education  | 15,860,099                   | -                        | -                                | -                   | 15,860,099   |
| Unassigned  | 50,604,567                   | -                        | -                                | -                   | 50,604,567   |
| <b>Total fund balances</b>  | <b>91,764,201</b>            | <b>13,531,188</b>        | <b>15,703,206</b>                | <b>9,711,704</b>    | <b>130,710,299</b>   |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 294,393,923</b>        | <b>\$ 13,830,136</b>     | <b>\$ 17,132,967</b>             | <b>\$ 9,711,704</b> | <b>\$ 335,068,730</b>  |

**RECONCILIATION OF THE BALANCE SHEET OF HAMILTON COUNTY SCHOOLS  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2023**

Differences in amounts reported for Hamilton County Schools in the statement of net position

|  |                |
|--|----------------|
| Fund balances - total Hamilton County Schools governmental funds | \$ 130,710,299 |
|--|----------------|

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. | 415,762,460 |
|---|-------------|

|  |           |
|--|-----------|
| Other long-term assets are not available for current period expenditures and therefore are deferred in the governmental funds. |           |
| Property taxes   | 4,940,095 |
| Intergovernmental  | 6,794,030 |

|  |           |
|--|-----------|
| 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. | 8,528,158 |
|--|-----------|

|  |                     |
|--|---------------------|
| 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  | 53,751,936          |
| Deferred outflows from pension contributions   | 19,399,513          |
| Deferred inflows from differences in pension investment earnings   | 1,787,424           |
| Deferred outflows from pension experience  | 12,562,865          |
| Deferred outflows from pension changes in assumptions  | 38,703,209          |
| Deferred inflows from pension experience   | (10,665,423)        |
| Lease payable  | (2,839,354)         |
| SBITA payable  | (3,051,922)         |
| Deferred inflows from OPEB changes in assumptions  | (48,584,891)        |
| Deferred changes in proportion of net pension liability  | 13,238              |
| Deferred outflows from OPEB experience   | 13,291,394          |
| Net pension liability  | (4,768,381)         |
| Net OPEB liability   | (94,650,006)        |
| Compensated absences   | <u>(15,662,110)</u> |

|   |                       |
|---|-----------------------|
| Net position of Hamilton County Schools | <u>\$ 526,022,534</u> |
|---|-----------------------|

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|  | General<br>Purpose<br>School | Centralized<br>Cafeteria | Education<br>Capital<br>Projects | School<br>Activity      | Total<br>Hamilton County<br>Schools<br>Governmental<br>Funds |
|--|------------------------------|--------------------------|----------------------------------|-------------------------|--|
| <b>REVENUES</b>  |                              |                          |                                  |                         |  |
| Taxes  | \$ 269,426,894               | \$ -                     | \$ -                             | \$ -                    | \$ 269,426,894   |
| Intergovernmental  | 289,793,756                  | 25,259,905               | -                                | -                       | 315,053,661  |
| Charges for services   | 5,229,843                    | 4,277,586                | -                                | -                       | 9,507,429  |
| Investment earnings  | 3,908,088                    | 374,729                  | 81,350                           | -                       | 4,364,167  |
| Miscellaneous  | <u>6,612,523</u>             | <u>5,467</u>             | <u>-</u>                         | <u>12,966,548</u>       | <u>19,584,538</u>  |
| <br>Total revenues   | <br><u>574,971,104</u>       | <br><u>29,917,687</u>    | <br><u>81,350</u>                | <br><u>12,966,548</u>   | <br><u>617,936,689</u>                                       |
| <b>EXPENDITURES</b>  |                              |                          |                                  |                         |  |
| Current:   |                              |                          |                                  |                         |  |
| Education  | 535,197,669                  | 26,418,485               | -                                | 13,348,905              | 574,965,059  |
| Capital outlay   | 10,988,093                   | -                        | 10,625,770                       | -                       | 21,613,863   |
| Debt service:  |                              |                          |                                  |                         |  |
| Principal  | 4,110,304                    | 94,176                   | -                                | 7,847                   | 4,212,327  |
| Interest   | <u>35,422</u>                | <u>-</u>                 | <u>-</u>                         | <u>321</u>              | <u>35,743</u>  |
| <br>Total expenditures   | <br><u>550,331,488</u>       | <br><u>26,512,661</u>    | <br><u>10,625,770</u>            | <br><u>13,357,073</u>   | <br><u>600,826,992</u>                                       |
| <br>Excess (deficiency) of revenues<br>over (under) expenditures | <br><u>24,639,616</u>        | <br><u>3,405,026</u>     | <br><u>(10,544,420)</u>          | <br><u>(390,525)</u>    | <br><u>17,109,697</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                            |                              |                          |                                  |                         |  |
| Transfers in   | 3,786,041                    | -                        | 11,337,000                       | -                       | 15,123,041   |
| Transfers out  | (15,123,041)                 | -                        | -                                | -                       | (15,123,041)   |
| SBITA issued   | 3,382,053                    | 185,514                  | -                                | -                       | 3,567,567  |
| Leases issued  | <u>1,736,725</u>             | <u>-</u>                 | <u>-</u>                         | <u>-</u>                | <u>1,736,725</u>   |
| <br>Total other funding sources (uses)                           | <br><u>(6,218,222)</u>       | <br><u>185,514</u>       | <br><u>11,337,000</u>            | <br><u>-</u>            | <br><u>5,304,292</u>   |
| <br>Net change in fund balances                                  | <br>18,421,394               | <br>3,590,540            | <br>792,580                      | <br>(390,525)           | <br>22,413,989   |
| <br>Fund balances, beginning                                     | <br><u>73,342,807</u>        | <br><u>9,940,648</u>     | <br><u>14,910,626</u>            | <br><u>10,102,229</u>   | <br><u>108,296,310</u>                                       |
| <br>Fund balances, ending  | <br><u>\$ 91,764,201</u>     | <br><u>\$ 13,531,188</u> | <br><u>\$ 15,703,206</u>         | <br><u>\$ 9,711,704</u> | <br><u>\$ 130,710,299</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, 2023**

Differences in amounts reported for governmental activities in the statement of activities

|  |    |            |
|--|----|------------|
| Net change in fund balances - total Hamilton County Schools governmental funds | \$ | 22,413,989 |
|--|----|------------|

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  |  | 7,745,510    |
| Acquisition of right-to-use assets   |  | 1,736,725    |
| Acquisition of right-to-use technology agreements  |  | 3,626,727    |
| Depreciation and amortization expense  |  | (20,964,503) |

|  |  |             |
|--|--|-------------|
| The net effect of capital asset transactions involving the primary government is to increase net position. |  |             |
| Net book value of disposals  |  | (1,443,912) |

|   |  |         |
|---|--|---------|
| Other post employment benefits will not be funded therefore the expense is not recognized in the funds. |  | 120,910 |
|---|--|---------|

|   |  |              |
|---|--|--------------|
| The net revenues of internal service funds are reported with governmental activities. |  | (16,647,326) |
|---|--|--------------|

|   |  |             |
|---|--|-------------|
| 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   |  | (1,736,725) |
| Issuance of SBITA payable   |  | (3,567,567) |
| Payment of principal  |  | 4,212,327   |

|   |  |            |
|---|--|------------|
| The net effect of the change in the net pension liability is included in the statement of activities. |  | 12,009,912 |
|---|--|------------|

|  |  |           |
|--|--|-----------|
| 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. |  | (259,059) |
|--|--|-----------|

|  |  |                    |
|--|--|--------------------|
| Certain governmental revenues will not be collected for several months after the fiscal year and are deferred in the governmental funds. |  |                    |
| Property taxes   |  | 430,049            |
| Intergovernmental  |  | <u>(3,797,045)</u> |

|   |    |                         |
|---|----|-------------------------|
| Change in net position of governmental activities | \$ | <u><u>3,880,012</u></u> |
|---|----|-------------------------|

**BUDGETARY COMPARISON SCHEDULE  
HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS  
GENERAL PURPOSE SCHOOL AND CENTRALIZED CAFETERIA**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|   | Original<br>Budget | Final<br>Budget    | Actual<br>(Non-GAAP<br>Basis) | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|-------------------------------|---|
| <b>REVENUES</b>   |                    |                    |                               |   |
| Taxes:  |                    |                    |                               |   |
| Property taxes  | \$ 157,533,000     | \$ 151,781,878     | \$ 152,904,869                | \$ 1,122,991  |
| Local sales tax   | <u>100,200,000</u> | <u>116,360,911</u> | <u>116,522,025</u>            | <u>161,114</u>  |
| Total taxes   | <u>257,733,000</u> | <u>268,142,789</u> | <u>269,426,894</u>            | <u>1,284,105</u>  |
| Intergovernmental revenues:                                       |                    |                    |                               |   |
| State of Tennessee:   |                    |                    |                               |   |
| Education   | 193,199,513        | 225,165,055        | 196,860,384                   | (28,304,671)  |
| Federal funds received from State of Tennessee and other sources: |                    |                    |                               |   |
| Education   | 87,676,499         | 156,472,063        | 92,933,372                    | (63,538,691)  |
| Food service  | <u>19,798,205</u>  | <u>22,071,884</u>  | <u>25,259,905</u>             | <u>3,188,021</u>  |
| Total intergovernmental revenues                                  | <u>300,674,217</u> | <u>403,709,002</u> | <u>315,053,661</u>            | <u>(88,655,341)</u>                                     |
| Charges for services:   |                    |                    |                               |   |
| Education   | 4,899,551          | 5,232,762          | 5,229,843                     | (2,919)   |
| Food service  | <u>3,067,654</u>   | <u>3,972,573</u>   | <u>4,277,586</u>              | <u>305,013</u>  |
| Total charges for current services                                | <u>7,967,205</u>   | <u>9,205,335</u>   | <u>9,507,429</u>              | <u>302,094</u>  |
| Investment earnings:  |                    |                    |                               |   |
| Education   | 1,200,065          | 1,255,362          | 3,908,088                     | 2,652,726   |
| Food service  | <u>5,587</u>       | <u>308,256</u>     | <u>374,729</u>                | <u>66,473</u>   |
| Total investment earnings   | <u>1,205,652</u>   | <u>1,563,618</u>   | <u>4,282,817</u>              | <u>2,719,199</u>  |
| Miscellaneous:  |                    |                    |                               |   |
| Education   | 3,365,698          | 8,168,323          | 6,612,523                     | (1,555,800)   |
| Food service  | <u>3,000</u>       | <u>3,000</u>       | <u>5,467</u>                  | <u>2,467</u>  |
| Total miscellaneous   | <u>3,368,698</u>   | <u>8,171,323</u>   | <u>6,617,990</u>              | <u>(1,553,333)</u>                                      |
| Total revenues  | <u>570,948,772</u> | <u>690,792,067</u> | <u>604,888,791</u>            | <u>(85,903,276)</u>                                     |

(continued)

**BUDGETARY COMPARISON SCHEDULE--(continued)**  
**HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS**  
**GENERAL PURPOSE SCHOOL AND CENTRALIZED CAFETERIA**

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2023**

|  | Original<br>Budget  | Final<br>Budget        | Actual<br>(Non-GAAP<br>Basis) | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|------------------------|-------------------------------|---|
| <b>EXPENDITURES</b>  |                     |                        |                               |   |
| Current:   |                     |                        |                               |   |
| Education:   |                     |                        |                               |   |
| Regular instruction program  | \$ 240,675,078      | \$ 279,682,396         | \$ 242,607,903                | \$ 37,074,493   |
| Special education program  | 47,348,290          | 53,211,257             | 45,673,598                    | 7,537,659   |
| Vocational education program   | 10,519,649          | 13,240,854             | 11,035,183                    | 2,205,671   |
| Attendance   | 2,970,366           | 3,686,746              | 3,167,468                     | 519,278   |
| Health services  | 6,142,863           | 7,865,803              | 6,723,395                     | 1,142,408   |
| Other student support  | 18,752,158          | 29,327,356             | 22,465,431                    | 6,861,925   |
| Regular instruction support  | 31,069,988          | 45,603,723             | 37,502,274                    | 8,101,449   |
| Special education support  | 8,135,705           | 10,494,722             | 11,668,829                    | (1,174,107)   |
| Vocational education support   | 997,155             | 2,087,115              | 1,342,387                     | 744,728   |
| Technology   | 6,284,102           | 23,926,829             | 6,029,627                     | 17,897,202  |
| Board of education   | 6,967,979           | 7,092,697              | 6,896,829                     | 195,868   |
| Office of superintendent   | 3,074,777           | 3,073,216              | 3,460,672                     | (387,456)   |
| Office of principal  | 31,336,717          | 32,608,042             | 32,414,688                    | 193,354   |
| Fiscal services  | 4,247,407           | 4,632,143              | 4,087,139                     | 545,004   |
| Human resources  | 1,989,685           | 2,197,559              | 2,183,123                     | 14,436  |
| Operation of plant   | 27,835,452          | 32,812,255             | 27,745,673                    | 5,066,582   |
| Maintenance of plant   | 9,310,001           | 13,405,270             | 11,228,492                    | 2,176,778   |
| Transportation   | 21,192,112          | 28,836,520             | 25,590,046                    | 3,246,474   |
| Central and other  | 447,719             | 1,051,427              | 802,618                       | 248,809   |
| Food service   | 20,000              | 100,099                | 78,509                        | 21,590  |
| Community services   | 5,236,200           | 17,305,063             | 8,890,723                     | 8,414,340   |
| Early childhood  | 3,227,024           | 3,434,078              | 3,408,967                     | 25,111  |
| Charter schools  | 21,724,828          | 21,724,828             | 20,194,096                    | 1,530,732   |
| Food service program   | 22,874,446          | 26,355,713             | 26,418,485                    | (62,772)  |
| Total education  | <u>532,379,701</u>  | <u>663,755,711</u>     | <u>561,616,155</u>            | <u>102,139,556</u>                                      |
| Debt service:  |                     |                        |                               |   |
| Principal  | 975,000             | -                      | 4,204,480                     | (4,204,480)   |
| Interest   | -                   | -                      | 35,422                        | (35,422)  |
| Capital outlay:  |                     |                        |                               |   |
| Education  | <u>34,915,000</u>   | <u>35,610,465</u>      | <u>10,988,093</u>             | <u>24,622,372</u>                                       |
| Total budgetary expenditures   | <u>568,269,701</u>  | <u>699,366,176</u>     | <u>576,844,150</u>            | <u>122,522,026</u>                                      |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                     |                        |                               |   |
| Transfers in from other School funds   | 2,285,000           | 2,285,000              | 3,786,042                     | 1,501,042   |
| Transfers out to other School funds  | (5,176,244)         | (18,445,264)           | (15,123,041)                  | 3,322,223   |
| SBITAs issued  | -                   | -                      | 3,567,567                     | 3,567,567   |
| Leases issued  | -                   | -                      | 1,736,725                     | 1,736,725   |
| Net change in fund balance   | <u>\$ (212,173)</u> | <u>\$ (24,734,373)</u> | 22,011,934                    | <u>\$ 46,746,307</u>                                    |
| Excess of nonbudgeted revenues and other financing sources<br>over nonbudgeted expenditures and other financing uses<br>(Education Capital Projects) |                     |                        |                               |   |
|  |                     |                        | 792,580                       |   |
| (School Activity)  |                     |                        |                               |   |
|  |                     |                        | <u>(390,525)</u>              |   |
| Net change in fund balance--(GAAP Modified Accrual Basis)  |                     |                        | 22,413,989                    |   |
| Fund balances at beginning of year--(GAAP Modified Accrual Basis)  |                     |                        | <u>108,296,310</u>            |   |
| Fund balances at end of year--(GAAP Modified Accrual Basis)  |                     |                        | <u>\$ 130,710,299</u>         |   |

**STATEMENT OF NET POSITION  
HAMILTON COUNTY SCHOOLS  
INTERNAL SERVICE FUND**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

|                           | Hamilton County<br>Schools<br>Internal Service<br>Fund |
|---------------------------|--|
|                           | <u>Fund</u>  |
| <b>ASSETS</b>             |  |
| Cash                      | \$ 4,233,551   |
| Receivables               | 1,786,259  |
| Due from other HCS funds  | 11,195,602   |
| Prepaid items             | <u>1,972,579</u>                                       |
| Total current assets      | <u>19,187,991</u>                                      |
| <b>LIABILITIES</b>        |  |
| Current liabilities:      |  |
| Accounts payable          | 1,073,497  |
| Accrued claims            | 7,009,251  |
| Deferred revenue          | <u>21,141</u>  |
| Total current liabilities | <u>8,103,889</u>                                       |
| Noncurrent liabilities:   |  |
| Accrued claims            | <u>2,555,944</u>                                       |
| <b>NET POSITION</b>       |  |
| Unrestricted              | <u>\$ 8,528,158</u>                                    |

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION  
HAMILTON COUNTY SCHOOLS  
INTERNAL SERVICE FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|                                  | Hamilton County<br>Schools<br>Internal Service<br>Fund |
|----------------------------------|--|
| OPERATING REVENUES               |  |
| Charges for services             | \$ <u>76,982,905</u>                                   |
| Total operating revenues         | <u>76,982,905</u>                                      |
| OPERATING EXPENSES               |  |
| Unemployment compensation        | 40,003   |
| Claims and premiums              | <u>93,650,927</u>                                      |
| Total operating expenses         | <u>93,690,930</u>                                      |
| Operating income (loss)          | (16,708,025)   |
| NONOPERATING REVENUES (EXPENSES) |  |
| Investment earnings              | <u>60,699</u>  |
| Change in net position           | (16,647,326)   |
| Net position, beginning          | <u>25,175,484</u>                                      |
| Net position, ending             | <u><u>\$ 8,528,158</u></u>                             |



**STATEMENT OF CASH FLOWS  
HAMILTON COUNTY SCHOOLS  
INTERNAL SERVICE FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|   | Hamilton County<br>Schools<br>Internal Service<br>Fund |
|---|--|
|   | <u>Fund</u>  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |
| Cash received from insurance premiums   | \$ 93,548,160  |
| Cash paid for unemployment compensation   | (40,003)   |
| Cash paid for claims and premiums   | <u>(94,986,455)</u>                                    |
| Net cash used in operating activities   | <u>(1,478,298)</u>                                     |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                     |  |
| Cash received from investment earnings  | <u>60,699</u>  |
| Net cash provided by investing activities   | <u>60,699</u>  |
| Net change in cash and cash equivalents   | (1,417,599)  |
| Beginning cash and cash equivalents   | <u>5,651,150</u>                                       |
| Ending cash and cash equivalents  | <u>\$ 4,233,551</u>                                    |
| <b>RECONCILIATION OF OPERATING LOSS TO NET<br/>CASH USED IN OPERATING ACTIVITIES</b>        |  |
| Operating loss  | <u>\$ (16,708,025)</u>                                 |
| <b>ADJUSTMENTS TO RECONCILE OPERATING LOSS<br/>TO NET CASH USED IN OPERATING ACTIVITIES</b> |  |
| Change in receivables   | (240,885)  |
| Change in due from other HCS funds  | 16,853,087   |
| Change in prepaid items   | (1,895,627)  |
| Change in accounts payable  | 212,862  |
| Change in accrued claims  | 347,237  |
| Change in unearned revenue  | <u>(46,947)</u>  |
| Total adjustments   | <u>15,229,727</u>                                      |
| Net cash used in operating activities   | <u>\$ (1,478,298)</u>                                  |



**STATEMENT OF NET POSITION  
RAILROAD AUTHORITY**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|  | <u>Railroad<br/>Authority</u> |
|--|-------------------------------|
| <b>ASSETS</b>                                  |                               |
| Cash and cash equivalents                      | <u>\$ 9,025</u>               |
| Total assets                                   | <u>9,025</u>                  |
| <b>LIABILITIES</b>                             |                               |
| Accounts payable and other current liabilities | <u>7,500</u>                  |
| Total liabilities                              | <u>7,500</u>                  |
| <b>NET POSITION</b>                            |                               |
| Unrestricted                                   | <u>1,525</u>                  |
| Total net position                             | <u><u>\$ 1,525</u></u>        |

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION  
RAILROAD AUTHORITY**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|                              | <u>Railroad<br/>Authority</u> |
|------------------------------|-------------------------------|
| <b>OPERATING REVENUES</b>    |                               |
| Charges for services         | \$ <u>149,327</u>             |
| Total operating revenues     | <u>149,327</u>                |
| <b>OPERATING EXPENSES</b>    |                               |
| Salaries and benefits        | 144,916                       |
| Construction services        | 1,131,371                     |
| Other                        | <u>11,931</u>                 |
| Total operating expenses     | <u>1,288,218</u>              |
| Operating loss               | (1,138,891)                   |
| <b>NONOPERATING REVENUES</b> |                               |
| Grants and Contributions     | <u>1,131,371</u>              |
| Change in net position       | (7,520)                       |
| Net position, beginning      | <u>9,045</u>                  |
| Net position, ending         | <u><u>\$ 1,525</u></u>        |

**STATEMENT OF CASH FLOWS  
RAILROAD AUTHORITY**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2023**

|   | <u>Railroad<br/>Authority</u> |
|---|-------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                               |
| Cash received for services  | \$ 149,327                    |
| Cash paid for railroad repairs  | <u>(1,280,718)</u>            |
| Net cash used in operating activities   | <u>(1,131,391)</u>            |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                     |                               |
| Cash received from grants   | <u>1,131,371</u>              |
| Net cash provided by investing activities   | <u>1,131,371</u>              |
| Net change in cash and cash equivalents   | (20)                          |
| Beginning cash and cash equivalents   | <u>9,045</u>                  |
| Ending cash and cash equivalents  | <u>\$ 9,025</u>               |
| <b>RECONCILIATION OF OPERATING LOSS TO NET<br/>CASH USED IN OPERATING ACTIVITIES</b>        |                               |
| Operating loss  | <u>\$ (1,138,891)</u>         |
| <b>ADJUSTMENTS TO RECONCILE OPERATING LOSS<br/>TO NET CASH USED IN OPERATING ACTIVITIES</b> |                               |
| Change in accounts payable  | <u>7,500</u>                  |
| Total adjustments   | <u>7,500</u>                  |
| Net cash used in operating activities   | <u>\$ (1,131,391)</u>         |

**SCHEDULE OF PROPERTY TAXES RECEIVABLE**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2023**

| Year of<br>Levy |   | Property<br>Taxes<br>Receivable | Allowance<br>For Estimated<br>Uncollectibles | Net Amount            |
|-----------------|---|---------------------------------|--|-----------------------|
| 2023            | * | \$ 295,872,194                  | \$ 10,286,905                                | \$ 285,585,289        |
| 2022            |   | 14,653,804                      | 219,379                                      | 14,434,425            |
| 2021            |   | 2,577,762                       | 228,390                                      | 2,349,372             |
| 2020            |   | 1,348,351                       | 215,197                                      | 1,133,154             |
| 2019            |   | 626,901                         | 285,428                                      | 341,473               |
| 2018            |   | (112,887)                       | (73,828)                                     | (39,059)              |
| 2017            |   | (99,596)                        | (99,596)                                     | -                     |
| 2016            |   | (84,554)                        | (84,554)                                     | -                     |
|                 |   | <u>\$ 314,781,975</u>           | <u>\$ 10,977,321</u>                         | <u>\$ 303,804,654</u> |

**DISTRIBUTION TO PRIMARY GOVERNMENT**

|                |                |              |                |
|----------------|----------------|--------------|----------------|
| County General | \$ 177,587,214 | \$ 4,735,694 | \$ 172,851,520 |
|----------------|----------------|--------------|----------------|

**DISTRIBUTION TO COMPONENT UNIT**

|                        |                       |                      |                       |
|------------------------|-----------------------|----------------------|-----------------------|
| General Purpose School | <u>137,194,761</u>    | <u>6,241,627</u>     | <u>130,953,134</u>    |
|                        | <u>\$ 314,781,975</u> | <u>\$ 10,977,321</u> | <u>\$ 303,804,654</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, 2023**

|  | <u>MATURITY<br/>DATE</u> | <u>INTEREST<br/>RATE</u> | <u>AMOUNT</u>        |
|--|--------------------------|--------------------------|----------------------|
| PRIMARY GOVERNMENT                       |                          |                          |                      |
| CUSTODIAL FUNDS                          |                          |                          |                      |
| Constitutional Offices:                  |                          |                          |                      |
| Circuit Court Clerk                      | Various                  | Various                  | \$ 2,437,743         |
| Clerk and Master                         | Various                  | Various                  | 7,923,801            |
| Juvenile Court Clerk                     | Various                  | Various                  | <u>434,088</u>       |
|  |                          |                          | <u>10,795,632</u>    |
| Total primary government                 |                          |                          | <u>10,795,632</u>    |
|  |                          |                          |                      |
| COMPONENT UNITS                          |                          |                          |                      |
| GOVERNMENTAL FUNDS                       |                          |                          |                      |
| General Purpose School:                  |                          |                          |                      |
| First Horizon                            | 8/30/2022                | 0.20%                    | <u>45,407</u>        |
|  |                          |                          |                      |
| PROPRIETARY FUNDS                        |                          |                          |                      |
| "911" Emergency Communications District: |                          |                          |                      |
| Pinnacle Bank                            | 5/17/2024                | 5.28%                    | 9,333,556            |
| First Horizon Bank                       | 4/4/2024                 | 4.77%                    | <u>2,503,115</u>     |
|  |                          |                          | <u>11,836,671</u>    |
| Total component units                    |                          |                          | <u>11,882,078</u>    |
| Total certificates of deposit            |                          |                          | <u>\$ 22,677,710</u> |

## SCHEDULE OF INVESTMENTS BY FUND

### HAMILTON COUNTY, TENNESSEE

June 30, 2023

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, 2023, the centralized investment pool held the following investments:

|   | MATURITY<br>DATE | INTEREST<br>RATE | FACE<br>VALUE |
|---|------------------|------------------|---------------|
| Federal Farm Credit Banks Funding Corp. | 08/10/2023       | 0.23%            | \$ 5,000,000  |
| Federal Farm Credit Banks Funding Corp. | 09/27/2023       | 0.28%            | 5,000,000     |
| Federal Farm Credit Banks Funding Corp. | 01/18/2024       | 0.91%            | 5,000,000     |
| Federal Farm Credit Banks Funding Corp. | 01/25/2024       | 1.04%            | 5,000,000     |
| Federal Farm Credit Banks Funding Corp. | 03/08/2024       | 1.67%            | 5,000,000     |
| Federal Farm Credit Banks Funding Corp. | 04/01/2025       | 5.30%            | 5,000,000     |
| Federal Home Loan Bank                  | 08/18/2023       | 0.25%            | 10,000,000    |
| Federal Home Loan Bank                  | 10/25/2023       | 4.86%            | 5,000,000     |
| Federal Home Loan Bank                  | 11/17/2023       | 0.50%            | 5,000,000     |
| Federal Home Loan Bank                  | 11/22/2023       | 0.63%            | 5,000,000     |
| Federal Home Loan Bank                  | 12/29/2023       | 0.75%            | 5,000,000     |
| Federal Home Loan Bank                  | 02/07/2024       | 1.00%            | 5,000,000     |
| Federal Home Loan Bank                  | 02/28/2024       | 1.25%            | 5,000,000     |
| Federal Home Loan Bank                  | 03/14/2024       | 2.12%            | 3,250,000     |
| Federal Home Loan Bank                  | 03/14/2024       | 2.12%            | 900,000       |
| Federal Home Loan Bank                  | 03/15/2024       | 2.11%            | 5,000,000     |
| Federal Home Loan Bank                  | 03/28/2024       | 1.57%            | 5,000,000     |
| Federal Home Loan Bank                  | 03/28/2024       | 2.00%            | 3,000,000     |
| Federal Home Loan Bank                  | 04/12/2024       | 2.30%            | 5,000,000     |
| Federal Home Loan Bank                  | 04/25/2024       | 2.50%            | 5,000,000     |
| Federal Home Loan Bank                  | 04/26/2024       | 4.00%            | 3,275,000     |
| Federal Home Loan Bank                  | 06/21/2024       | 2.25%            | 5,000,000     |
| Federal Home Loan Bank                  | 07/12/2024       | 4.60%            | 5,000,000     |
| Federal Home Loan Bank                  | 09/27/2024       | 5.75%            | 5,000,000     |
| Federal Home Loan Bank                  | 12/30/2024       | 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                  | 02/21/2025       | 5.10%            | 5,000,000     |
| Federal Home Loan Bank                  | 05/22/2025       | 5.50%            | 3,800,000     |
| Federal Home Loan Bank                  | 05/23/2025       | 5.50%            | 2,000,000     |
| Federal Home Loan Bank                  | 05/28/2025       | 5.51%            | 5,000,000     |
| Federal Home Loan Bank                  | 06/13/2025       | 5.70%            | 5,000,000     |
| Federal Home Loan Bank                  | 06/27/2025       | 5.63%            | 5,000,000     |
| Federal Home Loan Mortgage Corporation  | 09/08/2023       | 0.22%            | 5,000,000     |
| Federal Home Loan Mortgage Corporation  | 10/17/2023       | 1.40%            | 5,000,000     |
| Federal Home Loan Mortgage Corporation  | 05/17/2024       | 3.00%            | 4,000,000     |
| Federal Home Loan Mortgage Corporation  | 05/23/2024       | 3.15%            | 5,000,000     |
| Federal Home Loan Mortgage Corporation  | 06/07/2024       | 3.05%            | 5,000,000     |
| Federal Home Loan Mortgage Corporation  | 06/28/2024       | 3.05%            | 3,808,000     |
| 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 National Mortgage Association   | 07/10/2023       | 0.23%            | 5,000,000     |

(continued)



**SCHEDULE OF INVESTMENTS BY FUND--(continued)**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2023**

|  | Maturity<br><u>DATE</u> | Interest<br><u>RATE</u> | Face<br><u>VALUE</u> |
|--|-------------------------|-------------------------|----------------------|
| Federal National Mortgage Association            | 09/30/2024              | 5.30%                   | 4,000,000            |
| Municipal Bonds                                  | 07/01/2023              | 0.35%                   | 970,000              |
| Municipal Bonds                                  | 07/01/2023              | 0.32%                   | 1,750,000            |
| Municipal Bonds                                  | 07/01/2023              | 0.30%                   | 2,750,000            |
| Municipal Bonds                                  | 07/01/2023              | 0.31%                   | 530,000              |
| Municipal Bonds                                  | 07/15/2023              | 0.28%                   | 540,000              |
| Municipal Bonds                                  | 07/15/2023              | 0.30%                   | 925,000              |
| Municipal Bonds                                  | 07/15/2023              | 0.32%                   | 1,000,000            |
| Municipal Bonds                                  | 07/15/2023              | 0.40%                   | 375,000              |
| Municipal Bonds                                  | 09/01/2023              | 0.40%                   | 1,000,000            |
| Municipal Bonds                                  | 09/01/2023              | 0.28%                   | 790,000              |
| Municipal Bonds                                  | 09/01/2023              | 0.25%                   | 750,000              |
| Municipal Bonds                                  | 09/01/2023              | 0.40%                   | 1,500,000            |
| Municipal Bonds                                  | 09/15/2023              | 0.35%                   | 1,975,000            |
| Municipal Bonds                                  | 10/01/2023              | 1.48%                   | 650,000              |
| Municipal Bonds                                  | 10/01/2023              | 0.35%                   | 590,000              |
| Municipal Bonds                                  | 10/01/2023              | 0.35%                   | 500,000              |
| Municipal Bonds                                  | 10/15/2023              | 0.40%                   | 4,970,000            |
| Municipal Bonds                                  | 11/01/2023              | 1.05%                   | 1,030,000            |
| Municipal Bonds                                  | 11/15/2023              | 3.15%                   | 4,190,000            |
| Municipal Bonds                                  | 11/15/2023              | 0.40%                   | 730,000              |
| Municipal Bonds                                  | 02/01/2024              | 2.68%                   | 5,000,000            |
| Municipal Bonds                                  | 08/01/2023              | 1.05%                   | 220,000              |
| Municipal Bonds                                  | 08/15/2023              | 0.26%                   | 700,000              |
| Municipal Bonds                                  | 12/01/2023              | 0.61%                   | 690,000              |
| U.S. Treasury Note                               | 12/31/2023              | 0.80%                   | 5,000,000            |
|  |                         |                         | \$ 242,098,000       |
| Total investments in centralized investment pool |                         |                         |                      |

**SCHEDULE OF INVESTMENTS BY FUND--(continued)**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2023**

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, 2023, 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>                |
|--|------------------------------|
| <b>PRIMARY GOVERNMENT</b>              |                              |
| <b>GOVERNMENTAL FUNDS</b>              |                              |
| General Fund                           | \$ 115,468,305               |
| Debt Service                           | 6,441,307                    |
| Capital Projects                       | 57,596,692                   |
| Constitutional Offices                 | 1,060,467                    |
| Governmental Law Library               | 74,639                       |
| Economic Crimes                        | <u>36,942</u>                |
|  | <u>180,678,352</u>           |
| <br>                                   |                              |
| <b>PROPRIETARY FUNDS</b>               |                              |
| Internal Service                       | <u>29,824,433</u>            |
|  | <u>29,824,433</u>            |
| <br>                                   |                              |
| <b>FIDUCIARY FUNDS</b>                 |                              |
| Constitutional Offices Custodial Funds | <u>69,510</u>                |
|  | <u>69,510</u>                |
| <br>                                   |                              |
| Total primary government               | <u>210,572,295</u>           |
| <br>                                   |                              |
| <b>COMPONENT UNITS</b>                 |                              |
| General Purpose School                 | <u>31,525,705</u>            |
| Total component units                  | <u>31,525,705</u>            |
| <br>                                   |                              |
| Total investments in investment pool   | <u><u>\$ 242,098,000</u></u> |

(continued)

**SCHEDULE OF INVESTMENTS BY FUND--(continued)**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2023**

|  | MATURITY<br>DATE | INTEREST<br>RATE | FACE<br>VALUE        |
|--|------------------|------------------|----------------------|
| PRIMARY GOVERNMENT                         |                  |                  |                      |
| GOVERNMENTAL FUNDS                         |                  |                  |                      |
| Capital Projects                           |                  |                  |                      |
| Municipal Bonds                            | 10/27/2023       | 0.55%            | \$ 810,000           |
| Federal Home Loan Bank                     | 08/30/2023       | 3.50%            | 5,000,000            |
| Federal Home Loan Bank                     | 11/27/2023       | 1.30%            | 5,000,000            |
| Federal Home Loan Bank                     | 12/20/2023       | 5.10%            | 5,000,000            |
| Federal Home Loan Bank                     | 12/28/2023       | 0.80%            | 2,000,000            |
| Federal Home Loan Bank                     | 12/28/2023       | 0.80%            | 3,000,000            |
| Federal Home Loan Bank                     | 03/07/2025       | 5.45%            | 5,000,000            |
| Federal Home Loan Bank                     | 02/23/2024       | 1.60%            | 5,000,000            |
| Federal Home Loan Bank                     | 02/27/2024       | 1.45%            | 5,000,000            |
| Federal Home Loan Mortgage Corporation     | 08/30/2024       | 4.00%            | 5,000,000            |
| U.S. Treasury Note                         | 08/24/2023       | 4.97%            | <u>5,124,000</u>     |
| Total investments in Capital Project Funds |                  |                  | <u>\$ 45,934,000</u> |

(continued)

**SCHEDULE OF INVESTMENTS BY FUND--(continued)**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2023**

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:

|                               | <u>AMOUNT</u>               |
|-------------------------------|-----------------------------|
| GOVERNMENTAL FUNDS            |                             |
| PRIMARY GOVERNMENT            |                             |
| General Fund                  | \$ <u>2,960,884</u>         |
| COMPONENT UNITS               |                             |
| General Purpose School        | <u>9,946,120</u>            |
| Total investments in TCRS SRT | <u>\$ <u>12,907,004</u></u> |

The County additionally holds investments in its pension trust fund and its OPEB trust fund. Such investments at June 30, 2023, consist of:

|                                    | <u>MATURITY</u><br><u>DATE</u> | <u>INTEREST</u><br><u>RATE</u> | <u>MARKET</u><br><u>VALUE</u> |
|------------------------------------|--------------------------------|--------------------------------|-------------------------------|
| FIDUCIARY FUNDS                    |                                |                                |                               |
| PENSION TRUST FUND                 |                                |                                |                               |
| Mutual Funds                       | Various                        | Various                        | \$ 3,020,351                  |
| OPEB TRUST FUND                    |                                |                                |                               |
| US Government Securities           | Various                        | Various                        | 3,654,044                     |
| Municipal Bonds                    | Various                        | Various                        | 1,912,837                     |
| Mutual Funds                       | Various                        | Various                        | 8,675,605                     |
| Domestic Equity Securities         | Various                        | Various                        | 6,662,558                     |
| Domestic Corporate Bonds           | Various                        | Various                        | 4,108,382                     |
| Foreign Bonds/Notes                | Various                        | Various                        | 552,474                       |
| Foreign Equity Securities          | Various                        | Various                        | 2,675,134                     |
| Quality Income Fund                | Various                        | Various                        | 4,405,568                     |
| Money Market                       | Various                        | Various                        | 760,774                       |
| Exchange Traded Funds              | Various                        | Various                        | 8,952,176                     |
| Real Estate Investment Trust       | Various                        | Various                        | <u>91,285</u>                 |
|                                    |                                |                                | <u>42,450,837</u>             |
| Total fiduciary funds' investments |                                |                                | <u>45,471,188</u>             |
| Total investments                  |                                |                                | <u>\$ <u>346,410,192</u></u>  |

**SCHEDULE OF BONDS, NOTES PAYABLE,  
AND OTHER DEBT**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

| TYPE OF ISSUE       | DATE<br>OF ISSUE | ORIGINAL<br>ISSUE | INTEREST         |                   | FISCAL<br>YEAR | DEBT REMAINING AT JUNE 30, 2023 |                |                           |
|---------------------|------------------|-------------------|------------------|-------------------|----------------|---------------------------------|----------------|---------------------------|
|                     |                  |                   | DATES            | RATES             |                | PRINCIPAL                       | INTEREST       | PRINCIPAL and<br>INTEREST |
| <b>BONDED DEBT</b>  |                  |                   |                  |                   |                |                                 |                |                           |
| General Improvement | 3/01/1998 B      | \$ 6,100,000      | Aug/Feb          | 5.100             | 2024           | \$ 435,000                      | \$ 34,552      | \$ 469,552                |
|                     |                  |                   |                  | 5.100             | 2025           | 460,000                         | 11,730         | 471,730                   |
|                     |                  |                   |                  |                   |                | <u>895,000</u>                  | <u>46,282</u>  | <u>941,282</u>            |
| General Improvement | 5/07/2015 A      | 11,442,000        | Nov/May          | 5.000             | 2024           | 762,800                         | 266,980        | 1,029,780                 |
|                     |                  |                   |                  | 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                   |
|                     |                  | <u>5,339,600</u>  | <u>1,067,920</u> | <u>6,407,520</u>  |                |                                 |                |                           |
| School              | 5/07/2015 A      | 48,558,000        | Nov/May          | 5.000             | 2024           | 3,237,200                       | 1,133,020      | 4,370,220                 |
|                     |                  |                   |                  | 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                 |
|                     |                  | <u>22,660,400</u> | <u>4,532,080</u> | <u>27,192,480</u> |                |                                 |                |                           |
| General Improvement | 5/07/2015 B      | 7,194,600         | Sept/Mar         | 4.000             | 2024           | 1,603,177                       | 111,255        | 1,714,432                 |
|                     |                  |                   |                  | 4.000             | 2025           | 1,178,210                       | 47,129         | 1,225,339                 |
|                     |                  |                   |                  |                   |                | <u>2,781,387</u>                | <u>158,384</u> | <u>2,939,771</u>          |
| School              | 5/07/2015 B      | 22,940,400        | Sept/Mar         | 4.000             | 2024           | 5,111,823                       | 354,745        | 5,466,568                 |
|                     |                  |                   |                  | 4.000             | 2025           | 3,756,790                       | 150,272        | 3,907,062                 |
|                     |                  |                   |                  |                   |                | <u>8,868,613</u>                | <u>505,017</u> | <u>9,373,630</u>          |

(continued)

**SCHEDULE OF BONDS, NOTES PAYABLE,  
AND OTHER DEBT--(continued)**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

| TYPE OF ISSUE       | DATE<br>OF ISSUE | ORIGINAL<br>ISSUE | INTEREST  |       | FISCAL<br>YEAR | DEBT REMAINING AT JUNE 30, 2023 |                   |                           |
|---------------------|------------------|-------------------|-----------|-------|----------------|---------------------------------|-------------------|---------------------------|
|                     |                  |                   | DATES     | RATES |                | PRINCIPAL                       | INTEREST          | PRINCIPAL and<br>INTEREST |
| General Improvement | 3/29/2018 A      | \$ 45,363,000     | Oct/April | 5.000 | 2024           | \$ 3,026,008                    | \$ 1,511,648      | \$ 4,537,656              |
|                     |                  |                   |           | 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>30,232,960</u>               | <u>8,311,691</u>  | <u>38,544,651</u>         |
| School              | 3/29/2018 A      | 121,937,000       | Oct/April | 5.000 | 2024           | 8,133,992                       | 4,063,352         | 12,197,344                |
|                     |                  |                   |           | 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>81,267,040</u>               | <u>22,342,059</u> | <u>103,609,099</u>        |
| General Improvement | 3/29/2018 B      | 4,295,000         | Sept/Mar  | 2.250 | 2024           | 945,000                         | 38,012            | 983,012                   |
|                     |                  |                   |           | 5.000 | 2025           | 335,000                         | 16,750            | 351,750                   |
|                     |                  |                   |           |       |                | <u>1,280,000</u>                | <u>54,762</u>     | <u>1,334,762</u>          |
| General Improvement | 9/24/2020 A      | 38,235,400        | July/Jan  | 5.000 | 2024           | 2,122,167                       | 1,543,720         | 3,665,887                 |
|                     |                  |                   |           | 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>34,272,233</u>               | <u>10,690,900</u> | <u>44,963,133</u>         |

(continued)

**SCHEDULE OF BONDS, NOTES PAYABLE,  
AND OTHER DEBT--(continued)**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

| TYPE OF ISSUE                             | DATE<br>OF ISSUE | ORIGINAL<br>ISSUE | INTEREST |       | FISCAL<br>YEAR    | DEBT REMAINING AT JUNE 30, 2023 |                   |                           |
|---|------------------|-------------------|----------|-------|-------------------|---------------------------------|-------------------|---------------------------|
|   |                  |                   | DATES    | RATES |                   | PRINCIPAL                       | INTEREST          | PRINCIPAL and<br>INTEREST |
| Water & Wastewater<br>Treatment Authority | 9/24/2020 A      | \$ 18,015,000     | July/Jan | 5.000 | 2024              | \$ 615,000                      | \$ 724,900        | \$ 1,339,900              |
|   |                  |                   |          | 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>16,865,000</u> | <u>10,104,700</u>               | <u>26,969,700</u> |                           |

(continued)

**SCHEDULE OF BONDS, NOTES PAYABLE,  
AND OTHER DEBT--(continued)**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

| TYPE OF ISSUE       | DATE<br>OF ISSUE | ORIGINAL<br>ISSUE | INTEREST |       | FISCAL<br>YEAR    | DEBT REMAINING AT JUNE 30, 2023 |                   |                           |
|---------------------|------------------|-------------------|----------|-------|-------------------|---------------------------------|-------------------|---------------------------|
|                     |                  |                   | DATES    | RATES |                   | PRINCIPAL                       | INTEREST          | PRINCIPAL and<br>INTEREST |
| School              | 9/24/2020 A      | \$ 8,039,600      | July/Jan | 5.000 | 2024              | \$ 62,833                       | \$ 390,280        | \$ 453,113                |
|                     |                  |                   |          | 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>7,922,767</u>  | <u>1,554,600</u>                | <u>9,477,367</u>  |                           |
| General Improvement | 12/1/2020 B      | 4,013,776         | Sept/Mar | 5.000 | 2024              | 556,916                         | 146,533           | 703,449                   |
|                     |                  |                   |          | 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              | 615,014                         | 30,751            | 645,765                   |
|                     |                  |                   |          |       | <u>2,930,654</u>  | <u>446,861</u>                  | <u>3,377,515</u>  |                           |
| School              | 12/1/2020 B      | 20,166,224        | Sept/Mar | 5.000 | 2024              | 2,798,084                       | 736,217           | 3,534,301                 |
|                     |                  |                   |          | 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              | 3,089,986                       | 154,499           | 3,244,485                 |
|                     |                  |                   |          |       | <u>14,724,346</u> | <u>2,245,139</u>                | <u>16,969,485</u> |                           |

(continued)



**SCHEDULE OF BONDS, NOTES PAYABLE,  
AND OTHER DEBT--(continued)**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

| TYPE OF ISSUE       | DATE OF ISSUE | ORIGINAL ISSUE | INTEREST |       | FISCAL YEAR           | DEBT REMAINING AT JUNE 30, 2023 |                       |                        |
|---------------------|---------------|----------------|----------|-------|-----------------------|---------------------------------|-----------------------|------------------------|
|                     |               |                | DATES    | RATES |                       | PRINCIPAL                       | INTEREST              | PRINCIPAL and INTEREST |
| General Improvement | 12/14/2021    | \$ 37,197,500  | June/Dec | 5.000 | 2024                  | \$ 1,887,500                    | \$ 1,502,388          | \$ 3,389,888           |
|                     |               |                |          | 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>36,697,500</u>     | <u>10,804,242</u>               | <u>47,501,742</u>     |                        |
| School              | 12/14/2021    | 37,197,500     | June/Dec | 5.000 | 2024                  | 1,887,500                       | \$ 1,502,387          | \$ 3,389,887           |
|                     |               |                |          | 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>36,697,500</u>     | <u>10,804,233</u>               | <u>47,501,733</u>     |                        |
| TOTAL BONDED DEBT   |               |                |          |       | <u>\$ 303,435,000</u> | <u>\$ 83,668,870</u>            | <u>\$ 387,103,870</u> |                        |

# DEBT SERVICE REQUIREMENTS TO MATURITY

## HAMILTON COUNTY, TENNESSEE

June 30, 2023

| Year Ended<br>June 30 | GENERAL OBLIGATION BONDS |                      |                       |
|-----------------------|--------------------------|----------------------|-----------------------|
|                       | Bond<br>Principal        | Interest             | Total                 |
| 2024                  | \$ 33,185,000            | \$ 14,059,989        | \$ 47,244,989         |
| 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>\$ 303,435,000</u>    | <u>\$ 83,668,870</u> | <u>\$ 387,103,870</u> |

**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2023**

| Description of Indebtedness             | Original Amount of Issue | Interest Rate | Date of Issue | Final Maturity Date | Outstanding 7/1/2022  | Issued During Period | Paid and/or Matured During Period | Refunded During Period | Outstanding 6/30/2023 |
|---|--------------------------|---------------|---------------|---------------------|-----------------------|----------------------|-----------------------------------|------------------------|-----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>          |                          |               |               |                     |                       |                      |                                   |                        |                       |
| <b>BONDS PAYABLE</b>                    |                          |               |               |                     |                       |                      |                                   |                        |                       |
| Payable through Debt Service Fund       |                          |               |               |                     |                       |                      |                                   |                        |                       |
| General Obligation, Series 1998 B       | \$ 6,100,000             | 5.10          | 3/1/1998      | 8/1/2024            | \$ 1,310,000          | \$ -                 | \$ 415,000                        | \$ -                   | \$ 895,000            |
| General Obligation, Series 2013 B       | 6,701,100                | 3.00 to 4.00  | 4/10/2013     | 3/1/2023            | 909,732               | -                    | 909,732                           | -                      | -                     |
| School, Series 2013 B                   | 38,378,900               | 3.00 to 4.00  | 4/10/2013     | 3/1/2023            | 5,210,268             | -                    | 5,210,268                         | -                      | -                     |
| General Obligation, Series 2015 A       | 11,442,000               | 5.00          | 5/7/2015      | 5/1/2030            | 6,102,400             | -                    | 762,800                           | -                      | 5,339,600             |
| School, Series 2015 A                   | 48,558,000               | 5.00          | 5/7/2015      | 5/1/2030            | 25,897,600            | -                    | 3,237,200                         | -                      | 22,660,400            |
| General Obligation, Series 2015 B       | 7,194,600                | 4.00 to 5.00  | 5/7/2015      | 3/1/2025            | 4,326,071             | -                    | 1,544,684                         | -                      | 2,781,387             |
| School, Series 2015 B                   | 22,940,400               | 4.00 to 5.00  | 5/7/2015      | 3/1/2025            | 13,793,929            | -                    | 4,925,316                         | -                      | 8,868,613             |
| General Obligation, Series 2018 A       | 45,363,000               | 5.00          | 3/29/2018     | 4/1/2033            | 33,258,968            | -                    | 3,026,008                         | -                      | 30,232,960            |
| School, Series 2018 A                   | 121,937,000              | 5.00          | 3/29/2018     | 4/1/2033            | 89,401,032            | -                    | 8,133,992                         | -                      | 81,267,040            |
| General Obligation, Series 2018 B       | 4,295,000                | 2.00 to 5.00  | 3/29/2018     | 3/1/2025            | 2,255,000             | -                    | 975,000                           | -                      | 1,280,000             |
| General Obligation, Series 2020 A       | 38,235,400               | 4.00 to 5.00  | 9/24/2020     | 1/1/2036            | 36,297,400            | -                    | 2,025,167                         | -                      | 34,272,233            |
| School, Series 2020 A                   | 8,039,600                | 4.00 to 5.00  | 9/24/2020     | 1/1/2036            | 7,982,600             | -                    | 59,833                            | -                      | 7,922,767             |
| WWTA, Series 2020 A                     | 18,015,000               | 4.00 to 5.00  | 9/24/2020     | 1/1/2051            | 17,455,000            | -                    | 590,000                           | -                      | 16,865,000            |
| General Obligation, Series 2020 B       | 4,013,776                | 5.00          | 12/1/2020     | 3/1/2028            | 3,473,460             | -                    | 542,806                           | -                      | 2,930,654             |
| School, Series 2020 B                   | 20,166,224               | 5.00          | 12/1/2020     | 3/1/2028            | 17,451,540            | -                    | 2,727,194                         | -                      | 14,724,346            |
| General Obligation, Series 2021         | 37,197,500               | 3.00 to 5.00  | 12/14/2021    | 12/1/2036           | 37,197,500            | -                    | 500,000                           | -                      | 36,697,500            |
| School, Series 2021                     | <u>37,197,500</u>        | 3.00 to 5.00  | 12/14/2021    | 12/1/2036           | <u>37,197,500</u>     | -                    | <u>500,000</u>                    | -                      | <u>36,697,500</u>     |
| Total Bonds Payable - Debt Service Fund | <u>\$ 475,775,000</u>    |               |               |                     | <u>\$ 339,520,000</u> | <u>\$ -</u>          | <u>\$ 36,085,000</u>              | <u>\$ -</u>            | <u>\$ 303,435,000</u> |

**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY LEASE**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

| Description of Indebtedness | Original Amount of Issue | Lease Terms in months | Interest Rate  | Number of Leases | Lease Initiated Date | Maturity Date  | Lease Outstanding 7/1/2022 | Additions | Payments | Lease Outstanding 6/30/2023 |
|-----------------------------|--------------------------|-----------------------|----------------|------------------|----------------------|----------------|----------------------------|-----------|----------|-----------------------------|
| GOVERNMENTAL ACTIVITIES     |                          |                       |                |                  |                      |                |                            |           |          |                             |
| LEASES PAYABLE              |                          |                       |                |                  |                      |                |                            |           |          |                             |
| Land                        | \$ 115,961               | 282                   | 2.302%         | 1                | July 2021            | December 2044  | \$ 109,761                 | \$ -      | \$ 3,673 | \$ 106,088                  |
| Infrastructure              | 17,582                   | 96                    | 1.372%         | 1                | July 2021            | June 2029      | 15,278                     | -         | 2,094    | 13,184                      |
| Infrastructure              | 18,828                   | 102                   | 1.448%         | 1                | July 2021            | December 2029  | 16,614                     | -         | 1,974    | 14,640                      |
| Building                    | 134,988                  | 60                    | 0.237%         | 1                | July 2021            | June 2026      | 102,702                    | -         | 25,584   | 77,118                      |
| Building                    | 14,134                   | 30                    | 0.435%         | 1                | July 2021            | December 2023  | 4,713                      | 9,581     | 9,394    | 4,900                       |
| Building                    | 25,440                   | 24                    | 0.237%         | 1                | July 2021            | June 2023      | 13,482                     | -         | 13,482   | -                           |
| Vehicles                    | 6,029                    | 16                    | 0.308%         | 1                | July 2021            | October 2022   | 1,509                      | -         | 1,509    | -                           |
| Vehicles                    | 73,147                   | 20                    | 0.435%         | 10               | July 2021            | February 2023  | 29,318                     | -         | 29,318   | -                           |
| Vehicles                    | 53,015                   | 21                    | 0.435%         | 6                | July 2021            | March 2023     | 22,766                     | -         | 22,766   | -                           |
| Vehicles                    | 54,134                   | 22                    | 0.435%         | 4                | July 2021            | April 2023     | 24,652                     | -         | 24,652   | -                           |
| Vehicles                    | 12,859                   | 23                    | 0.435%         | 1                | July 2021            | May 2023       | 6,162                      | -         | 6,162    | -                           |
| Vehicles                    | 10,530                   | 28                    | 0.435%         | 1                | July 2021            | October 2023   | 6,030                      | -         | 4,519    | 1,511                       |
| Vehicles                    | 75,911                   | 29                    | 0.435%         | 6                | July 2021            | November 2023  | 44,590                     | -         | 31,447   | 13,143                      |
| Vehicles                    | 82,101                   | 30                    | 0.435%         | 6                | July 2021            | December 2023  | 49,349                     | -         | 35,219   | 14,130                      |
| Vehicles                    | 97,392                   | 21                    | 0.648%         | 6                | July 2021            | January 2024   | 59,860                     | -         | 37,735   | 22,125                      |
| Vehicles                    | 83,166                   | 32                    | 0.648%         | 6                | July 2021            | February 2024  | 52,143                     | -         | 31,216   | 20,927                      |
| Vehicles                    | 143,006                  | 33                    | 0.648%         | 10               | July 2021            | March 2024     | 91,262                     | -         | 55,438   | 35,824                      |
| Vehicles                    | 17,281                   | 35                    | 0.648%         | 1                | July 2021            | May 2024       | 11,391                     | -         | 5,925    | 5,466                       |
| Vehicles                    | 40,640                   | 37                    | 0.648%         | 2                | July 2021            | July 2024      | 27,545                     | -         | 13,175   | 14,370                      |
| Vehicles                    | 36,986                   | 39                    | 0.648%         | 2                | July 2021            | September 2024 | 25,676                     | -         | 11,365   | 14,311                      |
| Vehicles                    | 44,225                   | 40                    | 0.648%         | 2                | July 2021            | October 2024   | 31,054                     | -         | 13,252   | 17,802                      |
| Vehicles                    | 44,225                   | 43                    | 0.814%         | 2                | July 2021            | January 2025   | 32,008                     | -         | 12,310   | 19,698                      |
| Vehicles                    | 640,331                  | 44                    | 0.814%         | 30               | July 2021            | February 2025  | 467,376                    | -         | 181,821  | 285,555                     |
| Vehicles                    | 344,061                  | 45                    | 0.814%         | 17               | July 2021            | March 2025     | 253,228                    | -         | 91,429   | 161,799                     |
| Vehicles                    | 303,445                  | 46                    | 0.814%         | 14               | July 2021            | April 2025     | 225,110                    | -         | 78,859   | 146,251                     |
| Vehicles                    | 38,027                   | 47                    | 0.814%         | 2                | July 2021            | May 2025       | 28,419                     | -         | 9,668    | 18,751                      |
| Vehicles                    | 444,832                  | 48                    | 0.814%         | 23               | July 2021            | June 2025      | 334,845                    | -         | 110,708  | 224,137                     |
| Vehicles                    | 195,884                  | 49                    | 0.814%         | 9                | July 2021            | July 2025      | 148,455                    | -         | 47,740   | 100,715                     |
| Vehicles                    | 187,437                  | 50                    | 0.814%         | 8                | July 2021            | August 2025    | 142,973                    | -         | 44,752   | 98,221                      |
| Vehicles                    | 229,208                  | 51                    | 0.814%         | 9                | July 2021            | September 2025 | 175,951                    | -         | 53,645   | 122,306                     |
| Vehicles                    | 130,886                  | 59                    | 0.980%         | 6                | July 2021            | May 2026       | 104,689                    | -         | 26,349   | 78,340                      |
| Vehicles                    | 22,137                   | 60                    | 0.980%         | 1                | July 2021            | June 2026      | 17,781                     | -         | 4,380    | 13,401                      |
| Vehicles                    | 232,181                  | 60                    | 0.822 - 0.909% | 8                | July 2021            | July 2026      | 187,012                    | -         | 45,169   | 141,843                     |
| Vehicles                    | 33,478                   | 60                    | 0.901%         | 1                | August 2021          | August 2026    | 27,073                     | -         | 6,405    | 20,668                      |
| Vehicles                    | 34,090                   | 60                    | 0.940%         | 1                | September 2021       | September 2026 | 27,677                     | -         | 6,413    | 21,264                      |
| Vehicles                    | 24,618                   | 60                    | 1.098%         | 1                | December 2021        | December 2026  | 20,212                     | -         | 4,406    | 15,806                      |
| Vehicles                    | 115,168                  | 60                    | 2.366%         | 4                | July 2022            | July 2027      | -                          | 115,168   | 20,901   | 94,267                      |

**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY LEASE**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

| Description of Indebtedness | Original Amount of Issue | Lease Terms in months | Interest Rate | Number of Leases | Lease Initiated Date | Maturity Date  | Lease Outstanding 7/1/2022 | Additions | Payments | Lease Outstanding 6/30/2023 |
|-----------------------------|--------------------------|-----------------------|---------------|------------------|----------------------|----------------|----------------------------|-----------|----------|-----------------------------|
| GOVERNMENTAL ACTIVITIES     |                          |                       |               |                  |                      |                |                            |           |          |                             |
| LEASES PAYABLE              |                          |                       |               |                  |                      |                |                            |           |          |                             |
| Vehicles                    | 273,598                  | 60                    | 2.366%        | 11               | August 2022          | August 2027    | -                          | 273,598   | 46,257   | 227,341                     |
| Vehicles                    | 63,500                   | 60                    | 3.305%        | 1                | October 2022         | October 2027   | -                          | 63,500    | 8,036    | 55,464                      |
| Vehicles                    | 112,461                  | 60                    | 3.305%        | 3                | December 2022        | December 2027  | -                          | 112,461   | 11,198   | 101,263                     |
| Vehicles                    | 25,319                   | 60                    | 2.682%        | 1                | January 2023         | January 2028   | -                          | 25,319    | 2,103    | 23,216                      |
| Machinery and equipment     | 1,487                    | 24                    | 0.435%        | 1                | July 2021            | July 2023      | 827                        | -         | 661      | 166                         |
| Machinery and equipment     | 1,426                    | 42                    | 1.651%        | 1                | July 2021            | January 2025   | 1,049                      | -         | 376      | 673                         |
| Machinery and equipment     | 43,049                   | 45                    | 0.569%        | 1                | July 2021            | March 2025     | 31,614                     | -         | 11,439   | 20,175                      |
| Machinery and equipment     | 6,823                    | 51                    | 0.081%        | 1                | July 2021            | October 2025   | 5,220                      | -         | 1,605    | 3,615                       |
| Machinery and equipment     | 90,714                   | 22                    | 0.435%        | 1                | July 2021            | May 2023       | 40,774                     | -         | 40,774   | -                           |
| Machinery and equipment     | 18,456                   | 13                    | 0.308%        | 13               | July 2021            | July 2022      | 1,564                      | -         | 1,564    | -                           |
| Machinery and equipment     | 581                      | 14                    | 0.308%        | 1                | July 2021            | August 2022    | 83                         | -         | 83       | -                           |
| Machinery and equipment     | 1,118                    | 15                    | 0.308%        | 1                | July 2021            | September 2022 | 224                        | -         | 224      | -                           |
| Machinery and equipment     | 4,045                    | 17                    | 0.308%        | 2                | July 2021            | November 2022  | 1,191                      | -         | 1,191    | -                           |
| Machinery and equipment     | 746                      | 18                    | 0.435%        | 1                | July 2021            | December 2022  | 249                        | -         | 249      | -                           |
| Machinery and equipment     | 6,563                    | 19                    | 0.435%        | 3                | July 2021            | January 2023   | 2,422                      | -         | 2,422    | -                           |
| Machinery and equipment     | 1,354                    | 20                    | 0.435%        | 1                | July 2021            | February 2023  | 543                        | -         | 543      | -                           |
| Machinery and equipment     | 5,121                    | 24                    | 0.435%        | 1                | July 2021            | June 2023      | 2,565                      | -         | 2,565    | -                           |
| Machinery and equipment     | 7,504                    | 25                    | 0.435%        | 3                | July 2021            | July 2023      | 3,909                      | -         | 3,608    | 301                         |
| Machinery and equipment     | 1,938                    | 26                    | 0.435%        | 1                | July 2021            | August 2023    | 1,045                      | -         | 896      | 149                         |
| Machinery and equipment     | 4,537                    | 27                    | 0.435%        | 1                | July 2021            | September 2023 | 2,526                      | -         | 2,019    | 507                         |
| Machinery and equipment     | 3,322                    | 28                    | 0.435%        | 1                | July 2021            | October 2023   | 1,902                      | -         | 1,425    | 477                         |
| Machinery and equipment     | 3,080                    | 29                    | 0.435%        | 1                | July 2021            | November 2023  | 1,809                      | -         | 1,276    | 533                         |
| Machinery and equipment     | 2,059                    | 30                    | 0.435%        | 1                | July 2021            | December 2023  | 1,238                      | -         | 824      | 414                         |
| Machinery and equipment     | 1,366                    | 32                    | 0.648%        | 1                | July 2021            | February 2024  | 856                        | -         | 512      | 344                         |
| Machinery and equipment     | 14,556                   | 33                    | 0.648%        | 4                | July 2021            | March 2024     | 9,288                      | -         | 5,294    | 3,994                       |
| Machinery and equipment     | 16,729                   | 34                    | 0.648%        | 5                | July 2021            | April 2024     | 10,853                     | -         | 5,904    | 4,949                       |
| Machinery and equipment     | 4,135                    | 35                    | 0.648%        | 1                | July 2021            | May 2024       | 2,724                      | -         | 1,417    | 1,307                       |
| Machinery and equipment     | 15,812                   | 37                    | 0.648%        | 8                | July 2021            | July 2024      | 10,714                     | -         | 5,126    | 5,588                       |
| Machinery and equipment     | 1,518                    | 40                    | 0.648%        | 1                | July 2021            | October 2024   | 1,065                      | -         | 455      | 610                         |
| Machinery and equipment     | 2,120                    | 42                    | 0.814%        | 1                | July 2021            | December 2024  | 1,520                      | -         | 604      | 916                         |
| Machinery and equipment     | 5,323                    | 44                    | 0.814%        | 2                | July 2021            | February 2025  | 3,884                      | -         | 1,447    | 2,437                       |
| Machinery and equipment     | 12,171                   | 45                    | 0.814%        | 4                | July 2021            | March 2025     | 8,956                      | -         | 3,233    | 5,723                       |
| Machinery and equipment     | 6,864                    | 46                    | 0.814%        | 2                | July 2021            | April 2025     | 5,090                      | -         | 1,783    | 3,307                       |
| Machinery and equipment     | 1,003                    | 47                    | 0.814%        | 1                | July 2021            | May 2025       | 765                        | -         | 261      | 504                         |

**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY LEASE**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2023**

| Description of Indebtedness | Original Amount of Issue | Lease Terms in months | Interest Rate | Number of Leases | Lease Initiated Date | Maturity Date  | Lease Outstanding 7/1/2022 | Additions           | Payments            | Lease Outstanding 6/30/2023 |
|-----------------------------|--------------------------|-----------------------|---------------|------------------|----------------------|----------------|----------------------------|---------------------|---------------------|-----------------------------|
| GOVERNMENTAL ACTIVITIES     |                          |                       |               |                  |                      |                |                            |                     |                     |                             |
| LEASES PAYABLE              |                          |                       |               |                  |                      |                |                            |                     |                     |                             |
| Machinery and equipment     | 3,273                    | 49                    | 0.814%        | 1                | July 2021            | July 2025      | 2,480                      | -                   | 797                 | 1,683                       |
| Machinery and equipment     | 18,439                   | 52                    | 0.814%        | 6                | July 2021            | October 2025   | 11,987                     | -                   | 3,562               | 8,425                       |
| Machinery and equipment     | 3,653                    | 55                    | 0.980%        | 1                | July 2021            | January 2026   | 2,867                      | -                   | 790                 | 2,077                       |
| Machinery and equipment     | 11,542                   | 58                    | 0.980%        | 3                | July 2021            | April 2026     | 9,191                      | -                   | 2,365               | 6,826                       |
| Machinery and equipment     | 27,789                   | 59                    | 0.980%        | 8                | July 2021            | May 2026       | 23,077                     | -                   | 5,808               | 17,269                      |
| Machinery and equipment     | 12,980                   | 60                    | 0.980%        | 3                | July 2021            | June 2026      | 10,426                     | -                   | 2,568               | 7,858                       |
| Machinery and equipment     | 13,819                   | 52                    | 0.814%        | 4                | July 2021            | October 2025   | 10,666                     | -                   | 3,170               | 7,496                       |
| Machinery and equipment     | 8,638                    | 36                    | 1.620%        | 1                | February 2022        | February 2025  | 6,250                      | -                   | 2,388               | 3,862                       |
| Machinery and equipment     | 7,046                    | 60                    | 0.893%        | 2                | September 2021       | August 2026    | 5,698                      | -                   | 1,348               | 4,350                       |
| Machinery and equipment     | 29,495                   | 60                    | 1.225%        | 7                | November 2021        | October 2026   | 24,056                     | -                   | 5,439               | 18,617                      |
| Machinery and equipment     | 16,866                   | 60                    | 1.098%        | 5                | December 2021        | November 2026  | 13,800                     | -                   | 3,066               | 10,734                      |
| Machinery and equipment     | 3,284                    | 60                    | 1.098%        | 1                | January 2022         | December 2026  | 2,696                      | -                   | 588                 | 2,108                       |
| Machinery and equipment     | 28,984                   | 60                    | 1.564%        | 7                | February 2022        | January 2027   | 23,912                     | -                   | 5,072               | 18,840                      |
| Machinery and equipment     | 53,058                   | 60                    | 2.291%        | 13               | April 2022           | March 2027     | 44,157                     | -                   | 8,901               | 35,256                      |
| Machinery and equipment     | 30,775                   | 60                    | 2.583%        | 8                | May 2022             | April 2027     | 25,711                     | -                   | 5,064               | 20,647                      |
| Machinery and equipment     | 21,511                   | 60                    | 2.157%        | 5                | July 2022            | June 2027      | -                          | 21,511              | 3,840               | 17,671                      |
| Machinery and equipment     | 22,196                   | 60                    | 2.366%        | 7                | October 2022         | September 2027 | -                          | 22,196              | 2,861               | 19,335                      |
| Machinery and equipment     | 17,144                   | 60                    | 3.305%        | 6                | November 2022        | October 2027   | -                          | 17,144              | 1,892               | 15,252                      |
| Machinery and equipment     | 35,032                   | 60                    | 3.305%        | 12               | December 2022        | November 2027  | -                          | 35,032              | 3,308               | 31,724                      |
| Machinery and equipment     | 2,720                    | 60                    | 2.682%        | 1                | March 2023           | February 2028  | -                          | 2,720               | 130                 | 2,590                       |
| Machinery and equipment     | 4,940                    | 60                    | 2.310%        | 2                | April 2023           | March 2028     | -                          | 4,940               | 158                 | 4,782                       |
| Machinery and equipment     | 17,859                   | 60                    | 2.310%        | 5                | May 2023             | April 2028     | -                          | 17,859              | 286                 | 17,573                      |
| Machinery and equipment     | 5,030                    | 60                    | 2.310%        | 2                | June 2023            | May 2028       | -                          | 5,030               | -                   | 5,030                       |
| Machinery and equipment     | 887                      | 60                    | 2.682%        | 1                | February 2023        | January 2028   | -                          | 887                 | 56                  | 831                         |
| Machinery and equipment     | 11,046                   | 60                    | 2.157%        | 1                | July 2022            | June 2027      | -                          | 11,046              | 1,972               | 9,074                       |
| Machinery and equipment     | 961                      | 60                    | 2.310%        | 1                | April 2023           | March 2028     | -                          | 961                 | 31                  | 930                         |
| Machinery and equipment     | 1,876                    | 60                    | 3.305%        | 2                | December 2022        | November 2027  | -                          | 1,876               | 177                 | 1,699                       |
| Machinery and equipment     | <u>343,581</u>           | 84                    | 0.308%        | 1                | June 2023            | June 2030      | -                          | <u>343,581</u>      | <u>4,111</u>        | <u>339,470</u>              |
| Total Leases Payable        | <u>\$ 5,692,185</u>      |                       |               |                  |                      |                | <u>\$ 3,312,109</u>        | <u>\$ 1,084,410</u> | <u>\$ 1,361,976</u> | <u>\$ 3,034,543</u>         |

**DEBT SERVICE REQUIREMENTS TO MATURITY**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2023**

| Year Ended<br>June 30 | LEASES              |                  |                     |
|-----------------------|---------------------|------------------|---------------------|
|                       | Principal           | Interest         | Total               |
| 2024                  | \$ 1,187,560        | \$ 31,557        | \$ 1,219,117        |
| 2025                  | 926,667             | 20,140           | 946,807             |
| 2026                  | 394,510             | 11,992           | 406,502             |
| 2027                  | 237,456             | 6,506            | 243,962             |
| 2028                  | 100,348             | 2,921            | 103,269             |
| 2029                  | 58,210              | 2,305            | 60,515              |
| 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                  | 4,718               | 1,482            | 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                  | 5,287               | 913              | 6,200               |
| 2040                  | 5,408               | 792              | 6,200               |
| 2041                  | 5,533               | 667              | 6,200               |
| 2042                  | 5,661               | 539              | 6,200               |
| 2043                  | 5,791               | 409              | 6,200               |
| 2044                  | 5,925               | 275              | 6,200               |
| 2045                  | <u>6,060</u>        | <u>140</u>       | <u>6,200</u>        |
|                       | <u>\$ 3,034,543</u> | <u>\$ 92,520</u> | <u>\$ 3,127,063</u> |

**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2023**

**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           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | <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>2014</u>           |
| Governmental activities                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets           | \$ 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        | \$ 238,660,378        |
| Restricted                                 | 13,622,328            | 12,686,479            | 9,421,442             | 76,679,946            | 6,081,371             | 5,056,603             | 4,252,078             | -                     | -                     | 52,298                |
| Unrestricted                               | <u>46,180,459</u>     | <u>28,300,882</u>     | <u>(33,029,662)</u>   | <u>(143,499,147)</u>  | <u>(20,227,136)</u>   | <u>(17,431,115)</u>   | <u>(100,258,326)</u>  | <u>(86,040,888)</u>   | <u>(94,151,918)</u>   | <u>(89,414,839)</u>   |
| Total governmental activities net position | <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> | <u>\$ 149,297,837</u> |
| Primary government                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets           | \$ 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        | \$ 238,660,378        |
| Restricted                                 | 13,622,328            | 12,686,479            | 9,421,442             | 76,679,946            | 6,081,371             | 5,056,603             | 4,252,078             | -                     | -                     | 52,298                |
| Unrestricted                               | <u>46,180,459</u>     | <u>28,300,882</u>     | <u>(33,029,662)</u>   | <u>(143,499,147)</u>  | <u>(20,227,136)</u>   | <u>(17,431,115)</u>   | <u>(100,258,326)</u>  | <u>(86,040,888)</u>   | <u>(94,151,918)</u>   | <u>(89,414,839)</u>   |
| Total primary government net position      | <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> | <u>\$ 149,297,837</u> |



**Schedule II**  
**Hamilton County, Tennessee**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|  | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
| <b>Expenses</b>                                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General Government                             | \$ 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        | \$ 54,450,998        |
| Public Safety:                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Sheriff  | 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           | 29,934,441           |
| Criminal Court                                 | 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            | 4,181,671            |
| Juvenile Court                                 | 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            | 8,112,975            |
| Ambulance Services                             | 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            | 9,513,721            |
| Other  | 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           | 30,292,964           |
| Highways and streets                           | 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           | 8,542,153            |
| Health   | 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           | 21,478,078           |
| Social Services                                | 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            | 6,624,641            |
| Culture and recreation                         | 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            | 7,018,607            |
| Education                                      | 142                  | 414,975              | 83,847,934           | 3,756,723            | 89,917               | 9,602,529            | 47,868,365           | 24,300,782           | 28,300,691           | 32,510,412           |
| Interest on long-term debt                     | 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            | 7,770,919            |
| Total governmental activities expenses         | <u>282,809,172</u>   | <u>240,263,165</u>   | <u>342,834,093</u>   | <u>241,841,998</u>   | <u>210,016,037</u>   | <u>227,223,097</u>   | <u>244,830,181</u>   | <u>233,568,262</u>   | <u>226,317,257</u>   | <u>220,431,580</u>   |
| Total primary government expenses              | <u>282,809,172</u>   | <u>240,263,165</u>   | <u>342,834,093</u>   | <u>241,841,998</u>   | <u>210,016,037</u>   | <u>227,223,097</u>   | <u>244,830,181</u>   | <u>233,568,262</u>   | <u>226,317,257</u>   | <u>220,431,580</u>   |
| <b>Program Revenues</b>                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for services                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General Government                             | 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           | 19,044,471           |
| Public Safety:                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Sheriff  | 1,868,340            | 1,739,416            | 996,039              | 1,333,248            | 776,116              | 663,063              | 668,901              | 550,006              | 785,553              | 1,234,909            |
| Criminal Court                                 | 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            | 2,715,418            |
| Juvenile Court                                 | 335,913              | 320,595              | 312,627              | 379,796              | 469,720              | 432,503              | 472,625              | 436,100              | 389,769              | 381,798              |
| Ambulance Services                             | 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            | 7,059,718            |
| Other  | 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            | 2,278,610            |
| Highways and streets                           | 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            | 2,803,123            |
| Health   | 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            | 1,806,662            |
| Social Services                                | 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            | 4,322,084            |
| Culture and recreation                         | 1,405,121            | 1,326,127            | 1,362,067            | 838,467              | 945,477              | 812,386              | 867,973              | 659,701              | 538,507              | 697,461              |
| Education                                      | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Operating grants and contributions             | 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           | 27,009,289           |
| Capital grants and contributions               | 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            | 3,340,173            |
| Total governmental activities program revenues | <u>115,506,253</u>   | <u>109,749,614</u>   | <u>101,731,886</u>   | <u>81,728,672</u>    | <u>82,604,767</u>    | <u>83,415,081</u>    | <u>72,947,930</u>    | <u>87,789,557</u>    | <u>78,210,426</u>    | <u>72,693,716</u>    |
| Total primary government program revenues      | <u>115,506,253</u>   | <u>109,749,614</u>   | <u>101,731,886</u>   | <u>81,728,672</u>    | <u>82,604,767</u>    | <u>83,415,081</u>    | <u>72,947,930</u>    | <u>87,789,557</u>    | <u>78,210,426</u>    | <u>72,693,716</u>    |
| Net (Expenses) Revenues                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities                        | <u>(167,302,919)</u> | <u>(130,513,551)</u> | <u>(241,102,207)</u> | <u>(160,113,326)</u> | <u>(127,411,270)</u> | <u>(143,808,016)</u> | <u>(171,882,251)</u> | <u>(145,778,705)</u> | <u>(148,106,831)</u> | <u>(147,737,864)</u> |
| Total primary government net expense           | <u>(167,302,919)</u> | <u>(130,513,551)</u> | <u>(241,102,207)</u> | <u>(160,113,326)</u> | <u>(127,411,270)</u> | <u>(143,808,016)</u> | <u>(171,882,251)</u> | <u>(145,778,705)</u> | <u>(148,106,831)</u> | <u>(147,737,864)</u> |

(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          |                      |                        |                      |                      | Fiscal Year          |                        |                     |                    |                     |
|---|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|------------------------|---------------------|--------------------|---------------------|
|   | 2023                 | 2022                 | 2021                   | 2020                 | 2019                 | 2018                 | 2017                   | 2016                | 2015               | 2014                |
| <b>General Revenues and Other Changes in Net Position</b> |                      |                      |                        |                      |                      |                      |                        |                     |                    |                     |
| Governmental activities:                                  |                      |                      |                        |                      |                      |                      |                        |                     |                    |                     |
| Taxes:  |                      |                      |                        |                      |                      |                      |                        |                     |                    |                     |
| Property taxes  | \$ 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     | \$ 131,026,476      |
| Sales taxes   | 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          | 3,011,186           |
| Business taxes  | 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          | 6,338,605           |
| Hotel/Motel taxes   | 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          | 5,823,474           |
| Other taxes   | 1,099,117            | 1,060,268            | 1,152,209              | 1,230,072            | 1,159,602            | 916,809              | 835,238                | 1,031,115           | 975,611            | 971,162             |
| Gain/Loss on joint venture                                | -                    | -                    | -                      | -                    | -                    | -                    | -                      | (9,262)             | 11,842             | 32,625              |
| Unrestricted investment earnings                          | 9,917,715            | 1,428,629            | 756,528                | 5,126,775            | 7,114,253            | 2,793,319            | 1,073,293              | 899,950             | 551,529            | 525,199             |
| Gain/Loss on disposal of property                         | -                    | -                    | -                      | -                    | 142,802              | -                    | 163,425                | (207,641)           | 98,899             | 1,659,848           |
| Total general revenues                                    | <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> | <u>149,388,575</u>  |
| Total primary government                                  | <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> | <u>149,388,575</u>  |
| <b>Change in Net Position</b>                             |                      |                      |                        |                      |                      |                      |                        |                     |                    |                     |
| Governmental activities                                   | <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>     | <u>1,650,711</u>    |
| Total primary government                                  | <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>  | <u>\$ 1,650,711</u> |

**Schedule III**  
**Hamilton County, Tennessee**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

|                                    | Fiscal Year           |                       |                       |                       |                       |                       |                      |                      |                      |                       |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
|                                    | <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>2014</u>           |
| General Fund                       |                       |                       |                       |                       |                       |                       |                      |                      |                      |                       |
| Nonspendable                       | \$ 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         | \$ 1,461,681          |
| Restricted                         | 4,030,303             | 3,287,462             | 21,951                | 21,907                | 11,540                | 649                   | 10,488               | 14,461               | 12,835               | 676,543               |
| Committed                          | 898,085               | 117,435               | 1,539,359             | 154,368               | 13,947                | 18,303                | 21,524               | -                    | 51,669               | 635,790               |
| Assigned                           | 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            | 4,388,787             |
| Unassigned                         | <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>    | <u>104,942,810</u>    |
| Total general fund                 | <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> | <u>\$ 112,105,611</u> |
| All Other Governmental Funds       |                       |                       |                       |                       |                       |                       |                      |                      |                      |                       |
| Nonspendable                       | \$ 5,253              | \$ 2,077              | \$ 6,200              | \$ -                  | \$ -                  | \$ 193                | \$ 750               | \$ -                 | \$ -                 | \$ -                  |
| Restricted                         | 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            | 3,699,234             |
| Committed                          | 10,402,580            | 12,885,565            | 9,694,535             | 147,516               | 167,325               | 175,842               | 208,494              | 25,174,169           | 53,325,270           | 22,323,862            |
| Assigned                           | 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           | 923,069               |
| Unassigned                         | -                     | -                     | -                     | -                     | -                     | -                     | -                    | -                    | -                    | (432,212)             |
| Total all other governmental funds | <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> | <u>\$ 26,513,953</u>  |

**Schedule IV**  
**Hamilton County, Tennessee**  
**Changes in Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

|   | Fiscal Year            |                      |                      |                        |                        |                       |                        |                        |                      |                       |
|---|------------------------|----------------------|----------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|----------------------|-----------------------|
|   | 2023                   | 2022                 | 2021                 | 2020                   | 2019                   | 2018                  | 2017                   | 2016                   | 2015                 | 2014                  |
| <b>Revenues</b>   |                        |                      |                      |                        |                        |                       |                        |                        |                      |                       |
| Taxes   | \$ 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       | \$ 147,308,652        |
| Licenses, fees, and permits                             | 1,816,592              | 1,567,804            | 2,182,815            | 1,494,414              | 1,274,647              | 965,887               | 850,809                | 841,036                | 683,952              | 776,100               |
| Intergovernmental                                       | 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           | 30,757,104            |
| Charges for services                                    | 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           | 63,906,651            |
| Fines and penalties                                     | 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            | 1,921,990             |
| Investment earnings                                     | 9,108,292              | 1,272,998            | 666,389              | 4,397,928              | 6,311,981              | 2,423,220             | 900,151                | 773,982                | 486,521              | 461,792               |
| Miscellaneous   | 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            | 4,651,714             |
| Total revenues  | <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>   | <u>249,784,003</u>    |
| <b>Expenditures</b>                                     |                        |                      |                      |                        |                        |                       |                        |                        |                      |                       |
| General government                                      | 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           | 50,362,251            |
| Public Safety:  |                        |                      |                      |                        |                        |                       |                        |                        |                      |                       |
| Sheriff   | 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           | 29,259,072            |
| Criminal Court  | 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            | 4,068,093             |
| Juvenile Court  | 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            | 8,217,867             |
| Ambulance Services                                      | 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            | 29,926,931            |
| Other   | 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           | 37,731,583            |
| Highways and streets                                    | 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           | 10,287,522            |
| Health  | 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           | 21,540,074            |
| Social Services   | 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            | 6,714,942             |
| Culture and recreation                                  | 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            | 7,358,539             |
| Debt service:   |                        |                      |                      |                        |                        |                       |                        |                        |                      |                       |
| Principal   | 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           | 26,665,621            |
| Interest  | 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            | 9,748,185             |
| Capital Outlay:   |                        |                      |                      |                        |                        |                       |                        |                        |                      |                       |
| General government                                      | 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           | 11,510,232            |
| Education   | 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           | 7,514,503             |
| Total expenditures                                      | <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>   | <u>260,905,415</u>    |
| Excess of revenues over/(under) expenditures            | <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>  | <u>(11,121,412)</u>   |
| <b>Other Financing Sources (Uses)</b>                   |                        |                      |                      |                        |                        |                       |                        |                        |                      |                       |
| Transfers in  | 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           | 47,201,886            |
| Transfers out   | (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)         | (47,201,886)          |
| Issuance of leases payable                              | 1,084,410              | 4,592,841            | -                    | -                      | -                      | -                     | -                      | -                      | -                    | -                     |
| Issuance of SBITA payable                               | 8,601,975              | -                    | -                    | -                      | -                      | -                     | -                      | -                      | -                    | -                     |
| Sale of capital assets                                  | 1,516,141              | 3,512,418            | 879,862              | -                      | 142,802                | 140,526               | 461,602                | 75,888                 | 802,199              | 2,750,091             |
| 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           | 5,000,000             |
| 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>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>   | <u>7,750,091</u>      |
| Net change in fund balances                             | <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> | <u>\$ (3,371,321)</u> |
| Debt service as a percentage of noncapital expenditures | <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>         | <u>15.1%</u>          |

**Schedule V**  
**Hamilton County, Tennessee**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

| Fiscal<br>Year Ended<br>June 30 | Levy<br>Year | Real Property           |                        |                             | Personalty<br>Property | Public Utilities<br>Property | Total Taxable<br>Assessed<br>Value | Total Direct<br>Tax Rate | Estimated<br>Actual Taxable<br>Value |
|---------------------------------|--------------|-------------------------|------------------------|-----------------------------|------------------------|------------------------------|------------------------------------|--------------------------|--------------------------------------|
|                                 |              | Residential<br>Property | Commercial<br>Property | Other Multi-Use<br>Property |                        |                              |                                    |                          |                                      |
| 2015                            | 2014         | \$ 4,769,391,038        | \$ 2,828,250,473       | \$ 134,609,987              | \$ 635,961,929         | \$ 332,475,202               | \$ 8,700,688,629                   | 2.7652                   | \$ 29,321,263,755                    |
| 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          | 395,000,000                  | 14,112,492,800                     | 2.2373                   | 47,609,632,887                       |

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 2023 are \$535,321,329 and \$973,311,507 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<br>Year Ended<br>June 30 | County Direct Rates   |                            |                  |                      | Overlapping Rates |               |             |                     |                    |             |                 |          |           |        |
|---------------------------------|-----------------------|----------------------------|------------------|----------------------|-------------------|---------------|-------------|---------------------|--------------------|-------------|-----------------|----------|-----------|--------|
|                                 | General<br>Government | Department of<br>Education | District<br>Road | Total Direct<br>Rate | Chattanooga       | East<br>Ridge | Red<br>Bank | Lookout<br>Mountain | Signal<br>Mountain | Collegedale | Soddy-<br>Daisy | Lakesite | Ridgeside | Walden |
| 2014                            | 1.3816                | 1.3726                     | 0.0110           | 2.7652               | 2.3090            | 1.4227        | 1.3561      | 1.6200              | 1.5684             | 1.3713      | 1.3524          | 0.2352   | 1.9063    | 0.4290 |
| 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 |

Source: Hamilton County Trustee's Office



**Schedule VII**  
**Hamilton County, Tennessee**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

| Taxpayer                            | 2023                    |      |                               | 2014                    |      |                               |
|-------------------------------------|-------------------------|------|-------------------------------|-------------------------|------|-------------------------------|
|                                     | Taxable Assessed Value  | Rank | % of Total Assessed Valuation | Taxable Assessed Value  | Rank | % of Total Assessed Valuation |
| Electric Power Board                | \$ 535,321,329          | 1    | 4.03%                         | \$ 393,434,299          | 1    | 4.76%                         |
| Volkswagen Chattanooga              | 464,398,378             | 2    | 3.50%                         | 221,292,027             | 2    | 2.68%                         |
| Tennessee Valley Authority          | 235,114,813             | 3    | 1.77%                         | 160,173,848             | 3    | 1.94%                         |
| Blue Cross Blue Shield of Tennessee | 119,943,800             | 4    | 0.90%                         | 93,269,076              | 5    | 1.13%                         |
| McKee Foods Corporation             | 80,052,729              | 5    | 0.60%                         | 64,386,082              | 7    | 0.78%                         |
| Tennessee-American Water Co.        | 75,140,692              | 6    | 0.57%                         | 58,029,337              | 8    | 0.70%                         |
| Gestamp Alabama LLC                 | 64,329,372              | 7    | 0.48%                         | -                       | -    | -                             |
| UnumProvident Corporation           | 51,506,372              | 8    | 0.39%                         | -                       | -    | -                             |
| Walmart                             | 50,113,414              | 9    | 0.38%                         | 46,121,805              | 9    | 0.56%                         |
| Chattanooga Gas Company             | 49,190,504              | 10   | 0.37%                         | -                       | -    | -                             |
| CBL Properties                      | -                       | -    | -                             | 97,031,350              | 4    | 1.17%                         |
| Bellsouth Telecommunications        | -                       | -    | -                             | 65,842,838              | 6    | 0.80%                         |
| Norfolk Southern                    | -                       | -    | -                             | 38,739,262              | 10   | 0.47%                         |
|                                     | <u>\$ 1,725,111,403</u> |      | <u>12.99%</u>                 | <u>\$ 1,238,319,924</u> |      | <u>14.99%</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<br>Year Ended<br>June 30 | Original<br>Tax Levy | Collected within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years | Total Collections to Date |                       |
|---------------------------------|----------------------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                 |                      | Amount  | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2014                            | \$ 228,590,172       | \$ 217,614,995                                  | 95.199%               | \$ 10,126,714                         | \$ 227,741,709            | 99.629%               |
| 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%               | -                                     | 288,616,651               | 97.208%               |

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 |                          |                               |                       |
| 2014        | \$ 238,300,000           | \$ 6,193,607  | \$ 18,050,485           | \$ -                   | \$ 262,544,092           | 1.78%                         | 753                   |
| 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%                         | 932                   |

**Schedule X**  
**Hamilton County, TN**  
**Ratios of General Bonded Debt and Other Debt Outstanding**  
**Last Ten Fiscal Years**

| <u>Fiscal Year</u> | <u>General Obligation Bonds including Net Deferred Premium</u> | <u>Notes Payable</u> | <u>Leases &amp; Subscriptions</u> | <u>Percentage of Actual Taxable Value of Property</u> | <u>Bonded Debt Per Capita</u> |
|--------------------|--|----------------------|-----------------------------------|---|-------------------------------|
| 2014               | \$ 256,350,485   | \$ 6,193,607         | \$ -                              | 0.90%   | \$ 753                        |
| 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  | -                    | 4,114,843                         | 0.79%   | 956                           |
| 2022               | 390,483,343  | -                    | 3,772,465                         | 0.86%   | 1,058                         |
| 2023               | 346,287,353  | -                    | 11,088,565                        | 0.75%   | 924                           |

**Schedule XI**  
**Hamilton County, TN**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2023**

| Governmental Unit                 | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable (1) | Estimated<br>Share of<br>Direct and<br>Overlapping<br>Debt |
|-----------------------------------|---------------------|---|--|
| Debt repaid with property taxes   |                     |   |  |
| Chattanooga                       | \$ 89,685,084       | 100.0%                                    | \$ 89,685,084  |
| East Ridge                        | 27,596,277          | 100.0%                                    | 27,596,277   |
| Red Bank                          | 1,890,970           | 100.0%                                    | 1,890,970  |
| Lookout Mountain                  | -                   | 100.0%                                    | -  |
| Signal Mountain                   | 4,280,000           | 100.0%                                    | 4,280,000  |
| Collegedale                       | 3,263,000           | 100.0%                                    | 3,263,000  |
| Soddy Daisy                       | 535,312             | 100.0%                                    | 535,312  |
| Lakesite                          | -                   | 100.0%                                    | -  |
| Ridgeside                         | 516,000             | 100.0%                                    | 516,000  |
| Walden                            | -                   | 100.0%                                    | -  |
| Other debt                        |                     |   |  |
| Chattanooga                       | 238,677,102         | 100.0%                                    | 238,677,102  |
| East Ridge                        | -                   | 100.0%                                    | -  |
| Red Bank                          | 83,000              | 100.0%                                    | 83,000   |
| Lookout Mountain                  | -                   | 100.0%                                    | -  |
| Signal Mountain                   | -                   | 100.0%                                    | -  |
| Collegedale                       | 2,114,000           | 100.0%                                    | 2,114,000  |
| Soddy Daisy                       | -                   | 100.0%                                    | -  |
| Lakesite                          | -                   | 100.0%                                    | -  |
| Ridgeside                         | -                   | 100.0%                                    | -  |
| Walden                            | -                   | 100.0%                                    | -  |
| Subtotal, overlapping debt        |                     |   | 368,640,745  |
| Hamilton County direct debt       |                     |   | <u>357,375,918</u>   |
| Total direct and overlapping debt |                     |   | <u>\$ 726,016,663</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> |
|----------------------|-------------------|--------------------------------|--------------------------|--------------------------|
| 2013                 | 348,673           | \$ 15,403,291                  | \$ 44,177                | 7.2%                     |
| 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           | 18,893,164                     | 51,864                   | 3.0%                     |
| 2019                 | 367,804           | 19,519,758                     | 53,071                   | 3.6%                     |
| 2020                 | 366,207           | 20,779,836                     | 56,743                   | 5.1%                     |
| 2021                 | 369,135           | 23,108,330                     | 62,601                   | 3.9%                     |
| 2022                 | 374,682           | 24,394,836                     | 65,108                   | 3.4%                     |

Sources: Personal income and per capita income information was provided by the Chamber of Commerce - Bureau of Economic Analysis (BEA). For 2022, 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 2017-2021. 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                            | 2023                |      |                                       | 2014                |      |                                       |
|-------------------------------------|---------------------|------|---------------------------------------|---------------------|------|---------------------------------------|
|                                     | Number of Employees | Rank | Percentage of Total County Employment | Number of Employees | Rank | Percentage of Total County Employment |
| Hamilton County Schools             | 5,375               | 1    | 2.54%                                 | 4,480               | 1    | 2.41%                                 |
| Blue Cross Blue Shield of Tennessee | 4,776               | 2    | 2.25%                                 | 4,282               | 2    | 2.30%                                 |
| Volkswagen Chattanooga              | 4,668               | 3    | 2.20%                                 | 2,459               | 8    | 1.32%                                 |
| Erlanger Health System              | 4,632               | 4    | 2.19%                                 | 3,176               | 4    | 1.71%                                 |
| Tennessee Valley Authority          | 3,746               | 5    | 1.77%                                 | 4,180               | 3    | 2.25%                                 |
| Memorial Health Care System         | 3,525               | 6    | 1.66%                                 | 3,171               | 5    | 1.70%                                 |
| McKee Foods Corporation             | 3,196               | 7    | 1.51%                                 | 2,650               | 7    | 1.42%                                 |
| UnumProvident Corporation           | 2,872               | 8    | 1.36%                                 | 2,800               | 6    | 1.50%                                 |
| Amazon.com Services LLC             | 2,751               | 9    | 1.30%                                 | 1,879               | 10   | 1.01%                                 |
| Roper                               | 2,500               | 10   | 1.18%                                 | -                   | -    | -                                     |
| City of Chattanooga                 | -                   | -    | -                                     | 2,685               | 8    | 1.44%                                 |
| <b>Total</b>                        | <b>38,041</b>       |      | <b>17.96%</b>                         | <b>31,762</b>       |      | <b>16.79%</b>                         |

Source: Chattanooga Area Chamber of Commerce

**Schedule XIV**  
**Hamilton County, TN**  
**Full-time Equivalent County Government Employees by Function/Program**  
**Last Ten Fiscal Years**

|                                     | Authorized Positions |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|-------------------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                     | <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>2014</u>     |
| <b><u>Positions By Division</u></b> |                      |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Constitutional Offices              | 418.11               | 423.05          | 431.07          | 427.80          | 427.62          | 425.28          | 419.37          | 422.32          | 437.37          | 431.27          |
| Support Agencies                    | 2.00                 | 2.00            | 2.00            | 2.00            | 2.00            | 2.00            | 2.00            | 2.00            | 2.00            | 2.00            |
| Unassigned Departments              | 106.46               | 102.96          | 101.50          | 99.50           | 84.50           | 83.00           | 80.00           | 97.50           | 105.00          | 74.50           |
| Finance Division                    | 99.50                | 97.50           | 96.50           | 96.50           | 96.50           | 96.50           | 96.50           | 78.00           | 81.00           | 81.00           |
| Public Works Division               | 214.50               | 214.50          | 214.50          | 215.50          | 211.50          | 208.13          | 209.63          | 175.63          | 173.63          | 206.13          |
| General Services Division           | 309.26               | 289.26          | 278.26          | 276.89          | 252.89          | 240.26          | 251.76          | 292.13          | 286.53          | 288.76          |
| Health Services Division            | 298.26               | 321.63          | 272.76          | 275.94          | 275.65          | 274.23          | 268.14          | 266.78          | 266.78          | 270.49          |
| Human Resources Division            | 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           | 37.00           | 37.00           | 37.00           | 37.00           |
| Sheriff's Office                    | 530.00               | 532.00          | 440.00          | 440.00          | 434.00          | 423.50          | 391.00          | 381.00          | 380.00          | 373.13          |
| <b>Total</b>                        | <b>2,034.09</b>      | <b>2,042.40</b> | <b>1,894.09</b> | <b>1,891.63</b> | <b>1,842.16</b> | <b>1,810.40</b> | <b>1,776.90</b> | <b>1,765.36</b> | <b>1,769.31</b> | <b>1,764.28</b> |

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**

| <b>Function/Program</b>  | <b>Fiscal Year</b> |             |             |             |             |             |             |             |             |             |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | <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>2014</u> |
| <b>General Government</b>  |                    |             |             |             |             |             |             |             |             |             |
| County Clerk (DMV) - transactions processed <sup>1</sup>                   | 523,679            | 402,852     | 405,773     | 409,051     | 482,738     | 392,156     | 384,941     | 395,979     | 361,666     | 400,000     |
| Register - documents recorded  | 67,135             | 81,283      | 71,961      | 62,259      | 68,326      | 68,016      | 69,783      | 67,189      | 66,254      | 69,147      |
| Recycling - tons collected   | 1,677              | 1,671       | 2,014       | 1,979       | 1,938       | 2,050       | 2,171       | 2,099       | 2,104       | 2,239       |
| Election Commission - registered voters                                    | 239,868            | 232,752     | 235,939     | 214,837     | 206,945     | 196,864     | 197,224     | 186,384     | 207,044     | 206,444     |
| Election Commission - votes cast in last county-wide election <sup>2</sup> | 101,838            | 48,860      | 172,363     | 62,475      | 134,494     | 57,120      | 21,517      | 29,100      | 83,193      | 53,685      |
| Purchasing - bids posted   | 107                | 125         | 203         | 139         | 137         | 153         | 121         | 184         | 137         | 132         |
| <b>Public Safety</b>   |                    |             |             |             |             |             |             |             |             |             |
| Building Inspections - permits issued                                      | 1,496              | 1,884       | 1,927       | 1,378       | 1,550       | 1,444       | 1,306       | 1,193       | 1,069       | 1,149       |
| Building Inspections - inspections and investigations                      | 21,257             | 20,592      | 18,322      | 15,802      | 16,727      | 14,612      | 14,405      | 12,020      | 12,684      | 12,540      |
| Building Inspections - applications for new/existing septic system         | 1,495              | 1,229       | 1,026       | 821         | 874         | 731         | 624         | 593         | 438         | 378         |
| County correctional facilities - avg. no. of inmates housed daily          | 1,066              | 1,066       | 1,169       | 1,427       | 1,568       | 1,497       | 1,526       | 1,554       | 1,486       | 1,415       |
| Sheriff's Dept. - physical arrests   | 7,004              | 7,013       | 6,188       | 7,059       | 9,234       | 8,543       | 7,522       | 7,895       | 6,872       | 6,175       |
| Juvenile Court Judge - cases heard   | 5,077              | 4,729       | 4,479       | 4,611       | 5,713       | 5,217       | 5,552       | 5,625       | 5,385       | 5,346       |
| Criminal Court Judge - cases heard   | 1,706              | 2,193       | 1,669       | 2,028       | 2,770       | 2,956       | 3,313       | 3,389       | 3,512       | 3,522       |
| Ambulance Services - responded calls                                       | 38,627             | 37,010      | 30,422      | 27,517      | 26,477      | 25,634      | 24,417      | 23,257      | 22,632      | 21,462      |
| Police Protection (sworn, correctional, civilian and others)               | 542                | 528         | 532         | 440         | 440         | 433         | 413         | 390         | 387         | 387         |
| <b>Highways and Streets</b>  |                    |             |             |             |             |             |             |             |             |             |
| Engineering Services - projects administered                               | 30                 | 27          | 49          | 47          | 45          | 43          | 34          | 31          | 58          | 73          |
| Highways & Streets - bridges maintained                                    | 67                 | 67          | 67          | 67          | 67          | 67          | 67          | 67          | 67          | 67          |
| <b>Health</b>  |                    |             |             |             |             |             |             |             |             |             |
| Health Dept. - patients seen <sup>3</sup>                                  | 26,334             | 21,179      | 41,932      | 29,212      | 30,883      | 24,640      | 25,397      | 29,995      | 31,490      | 33,004      |
| <b>Community Services (formerly Social Services)</b>                       |                    |             |             |             |             |             |             |             |             |             |
| Emergency Assistance Program - households served                           | 143                | 76          | 263         | 252         | 357         | 377         | 314         | 371         | 370         | 351         |
| Emergency Assistance Program - number of services                          | 150                | 74          | 296         | 279         | 364         | 406         | 473         | 512         | 446         | 443         |
| Chancery Court Judge - cases heard   | 2,764              | 2,197       | 1,904       | 2,151       | 2,361       | 2,404       | 2,581       | 2,489       | 2,073       | 2,330       |
| Circuit Court Judge - cases heard  | 4,353              | 4,576       | 4,613       | 4,703       | 5,025       | 5,541       | 5,343       | 5,077       | 5,471       | 5,514       |
| <b>Culture &amp; Recreation</b>  |                    |             |             |             |             |             |             |             |             |             |
| Number of facilities maintained  | 29                 | 28          | 27          | 26          | 26          | 26          | 32          | 32          | 32          | 32          |
| Number of programs offered <sup>4</sup>                                    | 18                 | 3           | -           | 28          | 34          | 28          | 26          | 34          | 22          | 14          |
| <b>Education</b>   |                    |             |             |             |             |             |             |             |             |             |
| Public school enrollment   | 44,987             | 45,121      | 44,285      | 44,122      | 44,059      | 44,028      | 43,669      | 43,319      | 43,511      | 42,141      |
| Private school enrollment  | 11,234             | 11,756      | 11,217      | 10,945      | 10,726      | 10,411      | 10,335      | 10,241      | 10,474      | 10,372      |

**Sources:** CABR from prior years, ACFR from prior years and various department personnel

<sup>1</sup> Note on County Clerk - The increase in 2019 is attributed to fleet transactions (tractor trailer tags).

<sup>2</sup> Note on Election Commission - Beginning in 2019 number reflects total votes cast county-wide. Prior years reflect votes cast only in the last election.

<sup>3</sup> Note on Health Dept. Patients - The increase in FY21 was related to the Coronavirus (COVID - 19).

<sup>4</sup> 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**

| <u>Function/Program</u>          | <u>Fiscal Year</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>2014</u> |
| <b>General Government</b>        |                    |             |             |             |             |             |             |             |             |             |
| 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         | 127         | 127         | 127         | 127         |
| Telecommunications               |                    |             |             |             |             |             |             |             |             |             |
| locations supported <sup>1</sup> | 121                | 118         | 118         | 122         | 121         | 120         | 119         | 212         | 212         | 212         |
| <b>Public Safety</b>             |                    |             |             |             |             |             |             |             |             |             |
| Volunteer Fire Stations          | 18                 | 18          | 18          | 18          | 18          | 18          | 18          | 18          | 18          | 18          |
| Ambulance Stations               | 16                 | 15          | 15          | 15          | 15          | 15          | 15          | 15          | 15          | 15          |
| Sheriff patrol vehicles          | 284                | 274         | 310         | 285         | 282         | 274         | 276         | 285         | 260         | 262         |
| <b>Highways and Streets</b>      |                    |             |             |             |             |             |             |             |             |             |
| Miles of paved streets           | 2,723              | 2,691       | 2,690       | 2,690       | 2,672       | 2,637       | 2,631       | 2,665       | 2,665       | 2,665       |
| <b>Health</b>                    |                    |             |             |             |             |             |             |             |             |             |
| Healthcare Systems               | 5                  | 5           | 5           | 5           | 5           | 5           | 4           | 4           | 4           | 5           |
| <b>Culture &amp; Recreation</b>  |                    |             |             |             |             |             |             |             |             |             |
| Number of Parks                  | 95                 | 95          | 95          | 94          | 94          | 92          | 90          | 90          | 90          | 90          |
| Golf Courses                     | 20                 | 20          | 20          | 20          | 20          | 21          | 21          | 21          | 21          | 21          |
| Recreation Centers               | 18                 | 18          | 18          | 18          | 18          | 16          | 16          | 16          | 16          | 16          |
| Theaters                         | 17                 | 17          | 17          | 18          | 18          | 17          | 17          | 17          | 17          | 17          |
| Bowling Alleys                   | 4                  | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 3           | 3           |

**Sources:** ACFR from prior years and various department personnel

<sup>1</sup> 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, 2023**

| Official Title                   | <u>Salary</u> | <u>Bond</u> |
|----------------------------------|---------------|-------------|
| County Mayor                     | \$ 184,844    | \$ 100,000  |
| Superintendent of Schools        | 225,000       | 500,000     |
| Medical Examiner                 | 78,000        | N/A         |
| County Attorney                  | 180,420       | N/A         |
| Finance Administrator            | 157,455       | N/A         |
| County Auditor                   | 133,017       | N/A         |
| County Commissioners:            |               |             |
| D.C. (Chip) Baker, Chairman      | 31,156        | N/A         |
| Joe Graham, Chairman Pro Tempore | 28,656        | N/A         |
| Greg Beck                        | 26,156        | N/A         |
| Jeff Eversole                    | 26,156        | N/A         |
| Mike Chauncey                    | 26,156        | N/A         |
| Lee Helton                       | 26,156        | N/A         |
| Dr. Steve Highlander             | 26,156        | N/A         |
| Warren Mackey                    | 26,156        | N/A         |
| Gene-O Shipley                   | 26,156        | N/A         |
| David Sharpe                     | 26,156        | N/A         |
| Ken Smith                        | 26,156        | N/A         |
| Constitutional Offices           |               |             |
| Assessor of Property             | \$ 145,583    | \$ 50,000   |
| Circuit Court Clerk              | 139,583       | 100,000     |
| Clerk and Master                 | 139,583       | 100,000     |
| County Clerk                     | 139,583       | 100,000     |
| Criminal Court Clerk             | 139,583       | 100,000     |
| Juvenile Court Judge             | 194,803       | 100,000     |
| Juvenile Court Clerk             | 139,583       | 100,000     |
| Register                         | 139,583       | 100,000     |
| Sheriff                          | 175,601       | 100,000     |
| Trustee                          | 139,583       | 18,087,546  |

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2023**

| <b>Federal Grantor/Pass-Through Grantor/Program Title</b>         | <b>Federal AL Number</b> | <b>Pass-Through Grantor's Number</b> | <b>Passed Through to Subrecipients</b> | <b>Expenditures</b> |
|---|--------------------------|--------------------------------------|--|---------------------|
| <b>U.S. DEPARTMENT OF JUSTICE</b>                                 |                          |                                      |  |                     |
| 2018 Justice Assistance Grant Program                             | 16.738                   | 2018-MU-BX-0122                      | \$ -                                   | \$ 37,240           |
| 2019 Justice Assistance Grant Program                             | 16.738                   | 2019-DJ-BX-0789                      | -                                      | 41,506              |
| 2022 Justice Assistance Grant Program                             | 16.738                   | 15PBJA-22-GG-02161-JAGX              | -                                      | 50,316              |
| Total JAG Program and Community Crime Prevention                  |                          |                                      | -                                      | 129,062             |
| 2021 Bulletproof Vest Partnership Grant                           | 16.607                   | N/A                                  | -                                      | 9,763               |
| 2022 Bulletproof Vest Partnership Grant                           | 16.607                   | N/A                                  | -                                      | 1,162               |
| Total Bulletproof Vest Partnership Grant                          |                          |                                      | -                                      | 10,925              |
| 2017 State Criminal Alien Assistance Program                      | 16.606                   | 2020-AP-BX-0892                      | -                                      | 66,872              |
| Drug Court Enhancement Project                                    | 16.585                   | 2018-DC-BX-0016                      | -                                      | 98,329              |
| Equitable Sharing Program   | 16.922                   | TN0330000                            | -                                      | 50,873              |
| Second Chance Act Pay for Success Initiative                      | 16.812                   | 2020-MU-BX-0001                      | -                                      | 97,063              |
| Total Office of Justice Assistance Programs                       |                          |                                      | -                                      | 313,137             |
| Law Enforcement Mental Health and Wellness Act                    | 16.710                   | 2020MHWXK033                         | -                                      | 39,433              |
| Public Safety Partnership (Component Unit)                        | 16.710                   | None                                 | -                                      | 814,691             |
| Total Public Safety Partnership Programs                          |                          |                                      | -                                      | 854,124             |
| Passed through the Tennessee Dept. of Finance and Administration: |                          |                                      |  |                     |
| Victims of Crime Act (VOCA) Grant Program                         | 16.575                   | 35417                                | -                                      | 122,338             |
| Victims of Crime Act (VOCA) Safe Courts Grant                     | 16.575                   | 2019-V2-GX-0043                      | -                                      | 9,363               |
| Total Victims of Crime Act Grants                                 |                          |                                      | -                                      | 131,701             |
| Total U.S. Department of Justice                                  |                          |                                      | -                                      | 1,438,949           |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                             |                          |                                      |  |                     |
| Passed through the Tennessee Commission on Children and Youth:    |                          |                                      |  |                     |
| Supplemental Nutrition program for Women, Infants and Children    | 10.557                   | GG-22-72193-00                       | 2,653                                  | 1,131,702           |
| Supplemental Nutrition program for Women, Infants and Children    | 10.557                   | GG-22-72193-00                       | -                                      | 67,281              |
| Total U.S. Department of Agriculture                              |                          |                                      | 2,653                                  | 1,198,983           |
| <b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>                       |                          |                                      |  |                     |
| Passed through the Tennessee Emergency Management Agency:         |                          |                                      |  |                     |
| Emergency Management Performance Grants                           | 97.042                   | 60323-29845                          | -                                      | 150,500             |
| Homeland Security Grant Program                                   | 97.067                   | EMW-2020-SS-00029-S01                | -                                      | 135,768             |
| Public Assistance Disaster Grant                                  | 97.036                   | 45521                                | -                                      | 50,825              |
| Public Assistance Disaster Grant                                  | 97.036                   | 45521                                | -                                      | 15,947              |
| Total Public Assistance Disaster Grant                            |                          |                                      | -                                      | 66,772              |
| Emergency Protective Measure                                      | 97.029                   | FMA-PJ-04TN-2019-003                 | -                                      | 156,695             |
| Total U.S. Department of Homeland Security                        |                          |                                      | -                                      | 509,735             |

(continued)

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**  
**Year Ended June 30, 2023**

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u>   | <u>Federal<br/>AL<br/>Number</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u>       | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Expenditures</u> |
|---|----------------------------------|--|--|---------------------|
| <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>   |                                  |  |  |                     |
| FUSE THDA Grant   | 14.231                           | E-20-DW-47-0001                                    | \$ -   | \$ 4,252            |
| Total U.S. Department of Housing and Urban Development  |                                  |  | -  | 4,252               |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>   |                                  |  |  |                     |
| Substance Abuse & Mental Health Services Administration   | 93.243                           | 1 H79 SM080906-01                                  | -  | 657,003             |
| Passed through the Tennessee Department of Health and Human Services:   |                                  |  |  |                     |
| Child Support Program Title IV-D  | 93.563                           | 74015  | -  | 240,805             |
| Child Support Program Title IV-D  | 93.563                           | 34513-83519  | -  | 256,266             |
| Total Child Support   |                                  |  | -  | 497,071             |
| Passed through the Tennessee Department of Health and Human Services:   |                                  |  |  |                     |
| Social Services Block Grant   | 93.667                           | Z-22-49307<br>Z-23-49307                           | 290,118  | 314,851             |
| Elder Abuse Prevention Interventions Program  | 93.747                           | Z22-49357  | 1,119  | 13,760              |
| Maternal, Infant and Early Childhood Home Visiting Program  | 93.870                           | GG-23-75943-00                                     | -  | 423,074             |
| Parents As Teachers (PAT) Model's   | 93.870                           | GG-23-76302-00                                     | -  | 61,971              |
| Project Grant & Cooperative Agreement for Tuberculosis Control  | 93.116                           | GG-22-27495-00                                     | -  | 88,259              |
| Public Health Emergency Preparedness  | 93.074 / 93.069                  | GG-23-75491-00                                     | -  | 543,317             |
| Centers for Disease Control & Prevention: Injury Prevention and Control Research and State and Community-Based Programs |                                  |  |  |                     |
| High Impact Area Substance Misuse Epidemic Response   | 93.136                           | GG-19-61339-04<br>GG-22-72473-00<br>GG-23-75646-00 | -  | 33,917              |
| Total Injury Prevention Cooperative Agreements  |                                  |  | -  | 122,488             |
| Chronic Disease Prevention  | 93.426                           | GG-20-63228-03                                     | -  | 27,143              |
| Child Care and Development Fund Cluster:  |                                  |  |  |                     |
| Immunization Cooperative Audits   | 93.575                           | 71565  | -  | 83,975              |
| Child Development Block Grant (Component Unit)  | 93.575                           | None   | -  | 7,105,563           |
| Total Child Care and Development Fund Cluster   |                                  |  | -  | 7,189,538           |
| Immunization Cooperative Grant  | 93.268                           | GG-22-76029-01                                     | -  | 127,590             |
| COVID-19 Immunization   | 93.268                           | GG-22-76029  | -  | 208,703             |
| Total Immunization Cooperative Agreements   |                                  |  | -  | 336,293             |
| U.S. Department of Health and Human Services, page total  |                                  |  | 291,237  | 10,274,768          |

(continued)

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**

**Year Ended June 30, 2023**

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u>                                 | <u>Federal<br/>AL<br/>Number</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u>                         | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Expenditures</u> |
|---|----------------------------------|--|--|---------------------|
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES--continued</b>                            |                                  |  |  |                     |
| Passed through the Tennessee Department of Health:  |                                  |  |  |                     |
| Centers for Disease Control and Prevention, Investigations and<br>Technical Assistance    | 93.305                           | GG-20-65379-01   | \$ -   | \$ 72,061           |
| Preventive Health and Health Services Block Grant   | 93.991                           | GG-21-165267-01  | -  | 159,904             |
| HIV Care Formula Grants   | 93.917                           | GG-22-73750-00<br>GG-23-78697-00                                     | -  | 133,840             |
| HIV Prevention Activities: Health Department Based  | 93.940 / 93.977                  | GG-21-69109-00<br>GG-22-76737-00<br>GG-23-76302-00<br>GG-23-75820-00 | -  | 175,176             |
|   |                                  |  | -  | 79,194              |
| Total HIV Prevention Grants   |                                  |  | -  | 254,370             |
| Maternal and Child Health Services:   |                                  |  |  |                     |
| Maternal and Child Health Services Block Grant - State and Local<br>CHANT Grant           | 93.994 / 93.898                  | GG-21-74658-00   | -  | 140,637             |
|   | 93.994                           | GG-22-70745-01   | -  | 191,520             |
| Family Planning Services and Maternal & Child Health Services<br>Block Grant to the State | 93.217 / 93.994                  | GG-23-74288-00   | -  | 273,819             |
| Total Maternal and Child Health Services  |                                  |  | -  | 605,976             |
| COVID-19 Detection Expansion Funds  | 93.323                           | 34349-97520  | -  | 2,232,351           |
| Epidemiology and Laboratory Capacity Confinement Facilities Award                         | 93.323                           | Z-22-262260-01   | -  | 45,694              |
| COVID-19 Detection Expansion Funds - HCS  | 93.323                           | None   | -  | 830,277             |
| Total Epidemiology and Laboratory Capacity for Infectious Diseases                        |                                  |  | -  | 3,108,322           |
| Maternal and Child Health Services Block Grant  | 93.197                           | GU-19-58119-06   | -  | 61,677              |
| Passed through National Association of County and City Health Officials:                  |                                  |  |  |                     |
| Supplemental Award to Public Health Emergency Service Program                             | 93.232                           | 34349-97520  | -  | 22,500              |
| Health Center Program Cluster:  |                                  |  |  |                     |
| Grant to Health Center Program  | 93.527                           | H80CS00023   | -  | 1,984,471           |
| Supplemental Coronavirus Funding  | 93.224                           | 1 H8FCS41181-01-00   | -  | 365,553             |
| Total Health Center Program Cluster   |                                  |  | -  | 2,350,024           |
| Total U.S. Department of Health and Human Services  |                                  |  | 291,237  | 17,043,442          |
| <b>U.S. DEPARTMENT OF TREASURY</b>  |                                  |  |  |                     |
| Passed through the Tennessee Department of Health:  |                                  |  |  |                     |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                                | 21.027                           |  | 8,731,487                                      | 12,954,156          |
| Total U. S. Department of Treasury  |                                  |  | 8,731,487                                      | 12,954,156          |
| Total Expenditures of Federal Awards-Primary Government                                   |                                  |  | \$ 9,025,377                                   | \$ 25,229,263       |

(continued)

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**

**Year Ended June 30, 2023**

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u>     | <u>Federal<br/>AL<br/>Number</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u> | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Expenditures</u> |
|---|----------------------------------|--|--|---------------------|
| <b>COMPONENT UNITS</b>  |                                  |  |  |                     |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                         |                                  |  |  |                     |
| Child Nutrition Cluster:                                      |                                  |  |  |                     |
| Passed through Tennessee Department of Agriculture:           |                                  |  |  |                     |
| Food Donation (Noncash - Food Commodities)                    | 10.555                           | None   | \$ -   | \$ 1,767,875        |
| Passed through Tennessee Department of Education:             |                                  |  |  |                     |
| After School Snack Program                                    | 10.555                           | None   | -  | 261,200             |
| Seamless Summer Program                                       | 10.555                           | None   | -  | 22,654,430          |
| Rebate of Cost Paid State Contracted Warehouse                | 10.555                           | None   | -  | 140,423             |
| Fresh Fruit and Vegetable Program                             | 10.582                           | None   | -  | 230,665             |
| Total Child Nutrition Cluster                                 |                                  |  | -  | 25,054,593          |
| Pandemic-EBT Administrative Cost Grant                        | 10.649                           | None   | -  | 5,950               |
| Equipment Assistance Grant                                    | 10.579                           | None   | -  | 89,127              |
| Total U.S. Department of Agriculture                          |                                  |  | -  | 25,149,670          |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                           |                                  |  |  |                     |
| Impact Aid - Public Law 874                                   | 84.041                           | None   | -  | 30,575              |
| Passed through Tennessee Department of Education:             |                                  |  |  |                     |
| School Based Mental Health                                    | 84.184H                          | None   | -  | 3,987               |
| Title I Grant to Local Educational Agencies                   | 84.010                           | None   | -  | 18,284,091          |
| Title II Part A Teacher and Principal Training and Recruiting | 84.367                           | None   | -  | 2,443,365           |
| English Language Acquisition Grants                           | 84.365                           | None   | -  | 525,188             |
| Career and Technical Education- Basic Grants to States        | 84.048                           | None   | -  | 932,031             |
| Homeless McKinney-Vento                                       | 84.196A                          | None   | -  | 131,469             |
| Twenty-First Century Community Learning Centers               | 84.287                           | None   | -  | 932,153             |
| Special Education Cluster:                                    |                                  |  |  |                     |
| Special Education- Grants to States                           | 84.027                           | None   | -  | 12,018,019          |
| COVID Special Education- Grants to States                     | 84.027X                          | None   | -  | 1,671,928           |
| COVID Special Education- Teaching All Students                | 84.027A                          | None   | -  | 17,496              |
| Special Education- Preschool Grants                           | 84.173                           | None   | -  | 131,583             |
| Total Special Education Cluster                               |                                  |  | -  | 13,839,026          |
| Title IV, Part A, Student Support and Academic Enrichment     | 84.424                           | None   | -  | 1,254,042           |
| Transition School to Work                                     | 84.126                           | None   | -  | 63,784              |
| HQIM Literacy Implementation Networks                         | 84.371                           | None   | -  | 84,959              |
| Elementary & Secondary School Emergency Relief (ESSR):        |                                  |  |  |                     |
| COVID-19 Elementary & Secondary School Emergency Relief       | 84.425D / 84.425W                | None   | -  | 3,498,559           |
| COVID-19 Elementary & Secondary School Emergency Relief 2.0   | 84.425D / 84.425W                | None   | -  | 11,225,182          |
| COVID-19 Elementary & Secondary School Emergency Relief 3.0   | 84.425D                          | None   | -  | 17,956,473          |
| Total Elementary & Secondary School Emergency Relief          |                                  |  | -  | 32,680,214          |
| Total U.S. Department of Education                            |                                  |  | -  | 71,204,884          |

(continued)

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**

**Year Ended June 30, 2023**

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u>             | <u>Federal<br/>AL<br/>Number</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u> | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Expenditures</u> |
|---|----------------------------------|--|--|---------------------|
| <b>COMPONENT UNITS</b>  |                                  |  |  |                     |
| <b>U.S. DEPARTMENT OF FEDERAL COMMUNICATIONS COMMISSION</b>           |                                  |  |  |                     |
| Emergency Connectivity Fund - ARPA                                    | 32.009                           | None   | -  | 227,152             |
| Total U.S. Department of Federal Communications Commission            |                                  |  | -  | 227,152             |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                   |                                  |  |  |                     |
| Passed through the Tennessee Department of Health and Human Services: |                                  |  |  |                     |
| Passed through the Tennessee Department of Education:                 |                                  |  |  |                     |
| Summer Learning Camps   | 93.558                           | None   | -  | 2,437,403           |
| Total U.S. Department of Health and Human Services                    |                                  |  | -  | 2,437,403           |
| <b>U.S. DEPARTMENT OF JUSTICE</b>                                     |                                  |  |  |                     |
| STOP School Violence  | 16.839                           | None   | -  | 56,913              |
| Total U.S. Department of Justice                                      |                                  |  | -  | 56,913              |
| Total Expenditures of Federal Awards-Component Units                  |                                  |  | -  | 106,996,276         |
| Total Expenditures of Federal Awards- Reporting Entity                |                                  |  | \$ 9,025,377                                   | \$ 132,225,539      |



HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2023

| Federal Grantor/Pass-Through Grantor/Program Title  | Federal<br>AL<br>Number | Pass-Through<br>Grantor's<br>Number | Passed<br>Through to<br>Subrecipients | Expenditures   |
|---|-------------------------|-------------------------------------|---------------------------------------|----------------|
| STATE GRANTS  |                         |                                     |                                       |                |
| Board of Probation and Payroll  | N/A                     | 67271                               | \$ -                                  | \$ 327,162     |
| Juvenile Detention Unit   | N/A                     | 39565                               | -                                     | 9,000          |
| Governor's Highway Child Safety Program   | N/A                     | N/A                                 | -                                     | 2,676          |
| Child Welfare Research and Demonstration - CASA Program   | N/A                     | 31601-2021-21                       | -                                     | 22,000         |
| TN Dept. of Mental Health and Substance Abuse   | N/A                     | 74673                               | -                                     | 409,678        |
| TN Dept. of Economic & Community Development  | N/A                     | N/A                                 | -                                     | 1,200,000      |
| TN Dept. of Economic & Community Development  | N/A                     | 55705                               | -                                     | 500,000        |
| TN Dept. of Economic & Community Development  | N/A                     | 74291                               | -                                     | 1,775,000      |
| TN Dept. of Economic & Community Development  | N/A                     | 70146                               | -                                     | 277,567        |
| TN Dept. of Health - Child Support Program Title IV-D   | 93.563                  | 74015                               | -                                     | 124,051        |
| TN Dept. of Health - Safety Net Dental Services   | N/A                     | DG63296                             | -                                     | 186,176        |
| TN Dept. of Health - Safety Net Primary Care Services   | N/A                     | N/A                                 | -                                     | 15,832         |
| TN Dept. of Health - Grant in Aid   | N/A                     | GG-23-75757-00                      | -                                     | 678,828        |
| TN Dept. of Health - Environmental Health Programs  | N/A                     | GU-23-74474                         | -                                     | 12,135         |
| TN Dept. of Health - CHANT Grant  | 93.994                  | GG-22-70745-01                      | -                                     | 872,479        |
| TN Dept. of Health - Dental Prevention  | N/A                     | GG-23-76049-00                      | -                                     | 374,870        |
| TN Dept. of Health - Fetal Infant Mortality Review  | N/A                     | GG-23-65384-01                      | -                                     | 212,497        |
| TN Dept. of Health - Recovery Courts - Adult Mental Health  | N/A                     | 78199                               | -                                     | 53,919         |
| TN Dept. of Health - Childhood Lead Poisoning   | 93.197                  | GU-19-58119-06                      | -                                     | 18,423         |
| TN Dept. of Health - Tobacco Prevention & Education Program   | N/A                     | GG-19-59338-07                      | -                                     | 72,874         |
| TN Dept. of Health - Projects Grants and Cooperative Agreements for<br>Tuberculosis Control Program | 93.116                  | GG-22-27495-01                      | -                                     | 264,777        |
| TN Dept. of Health - Immunization   | 93.268                  | GG-22-76029-01                      | -                                     | 6,715          |
| TN Dept. of Health - Family Planning  | 93.994 / 93.217         | GG-23-74288-00                      | -                                     | 56,083         |
| TN Dept. of Health - HIV Prevention Activities: Health Dept. Based                                  | 93.940                  | GG-21-69109-00                      | -                                     | 4,013          |
|   | 93.977                  | GG-22-76737-00                      |                                       |                |
| TN Dept. of Health - Preventive Health Services: Sexually Transmitted<br>Diseases Control Grants    | 93.977                  | GG-21-69109-00                      | -                                     | 128,560        |
|   | 93.940                  | GG-22-76737-00                      |                                       |                |
|   |                         | GG-23-76302-00                      |                                       |                |
|   |                         | GG-23-75820-00                      |                                       |                |
| TN Dept. of Health - Maternal & Child Health Services Block Grant<br>to States                      | 93.994                  | GG-23-74658-00                      | -                                     | 57,443         |
|   | 93.898                  |                                     |                                       |                |
| TN Dept. of Transportation  | N/A                     | CMA 2375                            | -                                     | 100,011        |
| TN Dept. of Transportation  | N/A                     | Z23LIT033                           | -                                     | 127,500        |
| TN Dept. of Finance and Administration  | N/A                     | 4208                                | -                                     | 109,700        |
| TN Dept. of Finance and Administration  | N/A                     | N/A                                 | -                                     | 603,514        |
| TN Dept. of Homeland Security (TEMA)  | N/A                     | FEMA-4541-DR-TN                     | -                                     | 560,729        |
| TN Dept. of Education - Family Resource Centers   | N/A                     | N/A                                 | -                                     | 59,223         |
| TN Dept. of Education - Safe Schools  | N/A                     | N/A                                 | -                                     | 989,638        |
| TN Dept. of Education - Arts360   | N/A                     | N/A                                 | -                                     | 24,926         |
| TN Dept. of Education - Supporting Postsecondary Access<br>in Rural Communities (SPARC)             | N/A                     | N/A                                 | -                                     | 95,158         |
| TN Dept. of Education - Innovative School Models (ISM)  | N/A                     | N/A                                 | -                                     | 1,272,346      |
| TN Dept. of Education - Voluntary Pre-K   | N/A                     | N/A                                 | -                                     | 3,092,827      |
| TN Dept. of Education - Learning Camps  | N/A                     | N/A                                 | -                                     | 5,224,878      |
| TN Dept. of Education - Coordinated School Health   | N/A                     | N/A                                 | -                                     | 180,000        |
| Total Expenditures of State Awards  |                         |                                     | -                                     | 20,103,208     |
| Total Expenditures of Federal and State Awards  |                         |                                     | \$ 9,025,377                          | \$ 152,328,747 |

**HAMILTON COUNTY, TENNESSEE**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended June 30, 2023**

**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**

| <u>Program Title</u>   | <u>Federal<br/>AL<br/>Number</u> | <u>Amount<br/>Provided to<br/>Subrecipient</u> |
|--|----------------------------------|--|
| Special Supplemental Nutrition Program<br>for Women, Infants, and Children | 10.557                           | \$ 2,653                                       |
| Social Services Block Grant  | 93.667                           | 290,118  |
| Title XX - Partnership COVID Program                                       | 93.747                           | 1,119  |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                 | 21.027                           | 8,731,487                                      |

**NOTE C. INDIRECT COST**

The County has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**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**

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**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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 14, 2024. 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. In addition, our report includes an emphasis of matter as the County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

**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.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

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## 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 Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### 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.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee

March 14, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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**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, 2023. 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, 2023.

***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.

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### ***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.

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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.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

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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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
March 14, 2024



HAMILTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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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?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal Control over major programs:  
Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  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  no

Identification of major programs:

| <u>AL Number</u> | <u>Name of Federal Program or Cluster</u>                |
|------------------|--|
| 10.555, 10.582   | Child Nutrition Cluster                                  |
| 21.027           | Coronavirus State and Local Fiscal Recovery Funds        |
| 93.575           | Child Care and Development Block Grant                   |
| 84.425D          | Elementary and Secondary School Emergency Relief (ESSER) |

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee?  yes  no

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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SECTION II  
FINANCIAL STATEMENT FINDINGS

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.

**Context/Cause:** Employees of the Criminal Court were given the opportunity to receive full time wages and benefits without working the full-time hours of forty hours a week. 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 cannot be determined.

**Effects:** Based on review of the time period for which this “free day” was available to the staff of the Criminal Court – Criminal office, Criminal Court – Sessions office, and Criminal Court – Delinquent office, the potential range of the unearned wages and benefits began in the County’s 2021 fiscal year and continued through August 2024. Due to the Court’s lack of timesheets to support the actual time paid but unearned the total amount of hours paid for employees not at work could not be determined. Based on interviews and the range of dates it is estimated to be between 7,756 and 20,036 hours.

**Recommendation:** The breakdown and lack of required timesheets has permitted the Court’s employees to accrued paid-time-off and receive paid-time-off without requiring them to use the paid-time-off. The Court should implement a new process by which the timesheets are properly maintained in accordance with the Court’s Employee Handbook. The strongest control to implement would be to move to utilizing the electronic timekeeper system utilized throughout the County.

**Auditee’s Response (Criminal Court Clerk):** The Criminal Court Clerk concurs with the findings and recommendations from the report. As of January 24, 2024, the Clerk’s office has implemented the County’s electronic timekeeper system.

HAMILTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

**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.

**Context/Cause:** The Department did not submit the quarterly reports for the fiscal year ended June 30, 2023 and were only filing the reports once all funds were expended.

**Effects:** The Department was not compliant with the 34 grant agreements in place for funding at 34 schools. However, the County has continued to receive funding from the State under three different rounds of funding for the program. At each interval, any outstanding reports were brought current and the additional funding was provided.

**Recommendation:** We recommend the Department ensure they have carefully reviewed and complied to all requirements in the agreements signed with the State or other grantors. Controls should be put in place to obtain written waivers for any requirements which are later deemed not applicable, so as to have documentation for any amendments to the agreements.

**Auditee's Response (Department of Education):** The Department agrees with the recommendation and has implemented new procedures to ensure the quarterly reports are being loaded into the State's dashboard for compliance with the requirement.

HAMILTON COUNTY, TENNESSEE  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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None



## HAMILTON COUNTY, TENNESSEE

### MANAGEMENT'S CORRECTIVE ACTION PLAN

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#### 2023-001 Payroll Procedures in Court System

**Person Responsible for Corrective Action Plan:** Lee Brouner, Chief Financial Officer  
Hamilton County

**Signature:** 

**Corrective Action Plan:** As of January 24, 2024, the Criminal Court Clerk's office has implemented the County's electronic timekeeper system.

**Anticipated Completion Date:** June 30, 2024.

#### 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**

**Person Responsible for Corrective Action Plan:** Mary Ellen Heuton, Chief Financial Officer  
Hamilton County Schools

**Signature:** 

**Corrective Action Plan:** The District (Hamilton County Schools) has implemented new procedures to ensure the quarterly reports are being loaded into the State's dashboard for compliance with the requirement.

**Anticipated Completion Date:** June 30, 2024.



**FRONT COVER PHOTO — Hamilton County Courthouse**

**INSIDE FRONT & BACK COVERS — Riverfront activity during Head of the Hooch**

**SLIPSHEET — Flag presentation during the Outlaw Rodeo at the 2023 Hamilton County Fair, which was held for the first time at McDonald Farm Park**

**PAGE 2 — The first slab of the new boat ramp at Chester Frost Park being moved into place. This is part of the Bill Dance Signature Lakes project.**

**PAGE 3 — “Duke” at Sculpture Fields**

**PAGE 4 — Blessing Ofor performs during JFest 2023 at the Tennessee Riverpark**

**PAGE 7 — Chinese Dragon at the 2023 Asian Lantern Festival at the Chattanooga Zoo**

**PAGE 8 — Little Debbie Sculpture at the new Little Debbie Park in Collegedale**

**PAGE 9 — Park Superintendent, Allison Harr, letting in citizens and their dogs, during the Grand Opening of Barks & Tails Dog Park at Enterprise South Nature Park**

**PAGE 11 — Captain Larry Taylor (left) and Sgt. 1st Class Leroy Petry, 2 of our nation’s Medal of Honor recipients, on stage at the Welcome Home parade, honoring Captain Taylor, who is our area’s newest Medal of Honor recipient. Sadly, Captain Taylor passed away on January 28, 2024.**

**PAGE 14 — One of EPB’s 2023 Christmas windows**

**PAGE 17 — Students from Loftis Middle School perform during annual Christmas at the Courthouse event**

**PAGES 18 & 19 — County Courthouse lit up for the 2nd Annual Christmas Tree Lighting**

**PAGE 20 — Water fountain at Coolidge Park**

**PAGE VII — Meerkats at the Asian Lantern Festival at the Chattanooga Zoo**

**PAGE IX — “The Anchor” at Sculpture Fields during Sculptures in the Sky Festival**

**PAGE XIV — Crowder on stage during JFest 2023 at the Tennessee Riverpark**

**PAGE XV — Little Debbie Christmas Tree cake statue at the new Little Debbie Park in Collegedale**

**PAGE XVI — Monte Manka, driving his SlingShot during the 2023 Chattanooga Motorcar Festival**

**PAGE XVII — Cast members perform “Seussical: The Musical” at the Signal Mountain Playhouse**

**PAGE XIX — U.S Army 1st Infantry Division Mounted Color Guard from Fort Riley, Kansas, leading the Welcome Home parade honoring the area’s newest Medal of Honor recipient, Captain Larry Taylor**

**PAGE XXI — Fireworks over the main stage on the last night of the 2023 Hamilton County Fair**

**PAGE XXII — Snowfall at Chattanooga National Cemetery. This year, for the first time, wreaths were laid on all the graves at the cemetery for the holidays.**

**BACK COVER PHOTO — The farmhouse at McDonald Farm Park**

Special thanks to Shelia Cannon of the Hamilton County Finance Division for her photo contributions to the 2023 ACFR.

**HAMILTON COUNTY FINANCE DIVISION**

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