

HAMILTON COUNTY, TN
June 30, 2010

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.

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Financial Trends

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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

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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

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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

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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

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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 comprehensive annual financial reports for the relevant year. The county implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Schedule I
Hamilton County, Tennessee
Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 143,726,882	\$ 250,836,816	\$ 245,443,716
Restricted	25,363,259	26,820,351	39,198,251
Unrestricted	(67,221,963)	(71,766,690)	(58,222,559)
Total governmental activities net assets	<u>\$ 101,868,178</u>	<u>\$ 205,890,477</u>	<u>\$ 226,419,408</u>
Primary government			
Invested in capital assets, net of related debt	\$ 143,726,882	\$ 250,836,816	\$ 245,443,716
Restricted	25,363,259	26,820,351	39,198,251
Unrestricted	(67,221,963)	(71,766,690)	(58,222,559)
Total primary government net assets	<u>\$ 101,868,178</u>	<u>\$ 205,890,477</u>	<u>\$ 226,419,408</u>

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. Hamilton County does not have any business-type activities.

Fiscal Year

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 197,381,058	\$ 172,743,851	\$ 196,706,802	\$ 164,113,307	\$ 71,936,226	\$ 62,811,009
20,087,313	26,796,148	34,178,104	48,182,826	38,362,369	40,946,264
(18,991,416)	(11,889,667)	(59,663,380)	(30,993,207)	(33,459,493)	(35,882,551)
\$ 198,476,955	\$ 187,650,332	\$ 171,221,526	\$ 181,302,926	\$ 76,839,102	\$ 67,874,722
\$ 197,381,058	\$ 172,743,851	\$ 196,706,802	\$ 164,113,307	\$ 71,936,226	\$ 62,811,009
20,087,313	26,796,148	34,178,104	48,182,826	38,362,369	40,946,264
(18,991,416)	(11,889,667)	(59,663,380)	(30,993,207)	(33,459,493)	(35,882,551)
\$ 198,476,955	\$ 187,650,332	\$ 171,221,526	\$ 181,302,926	\$ 76,839,102	\$ 67,874,722

Schedule II
Hamilton County, Tennessee
Changes in Net Assets, Last Nine Years
(accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses				
Governmental activities:				
General Government	\$ 60,945,951	\$ 50,151,407	\$ 42,045,548	\$ 38,442,141
Public Safety:				
Sheriff	28,205,975	28,107,384	24,640,408	26,176,514
Criminal Court	4,199,909	4,108,437	3,973,378	3,835,788
Juvenile Court	7,804,678	8,701,955	8,581,230	7,960,486
Ambulance Services	22,613,585	21,720,861	20,122,892	19,676,312
Other	35,685,195	36,181,342	27,865,271	25,372,780
Highways and streets	16,709,116	18,635,187	15,801,736	15,540,503
Health	22,289,607	22,234,163	21,746,737	20,528,751
Social Services	9,922,024	9,048,831	8,357,336	7,911,773
Culture and recreation	10,867,943	10,953,584	10,369,561	12,513,987
Education	51,348,798	94,734,470	17,923,690	13,011,783
Interest on long-term debt	8,744,210	8,127,516	7,437,956	6,344,384
Total governmental activities expenses	<u>279,336,991</u>	<u>312,705,137</u>	<u>208,865,743</u>	<u>197,315,202</u>
Total primary government expenses	<u>279,336,991</u>	<u>312,705,137</u>	<u>208,865,743</u>	<u>197,315,202</u>
Program Revenues				
Governmental activities:				
Charges for services				
General Government	16,003,648	15,611,825	15,357,585	15,358,345
Public Safety:				
Sheriff	1,252,013	1,194,102	1,279,627	1,581,710
Criminal Court	2,365,764	2,206,055	2,616,360	2,641,719
Juvenile Court	387,503	507,980	553,234	676,830
Ambulance Services	21,513,200	20,584,282	20,228,681	18,697,842
Other	9,413,644	4,837,997	2,848,975	2,711,231
Highways and streets	2,554,986	2,346,478	2,228,804	1,960,832
Health	2,375,089	2,369,463	2,435,325	2,758,815
Social Services	4,394,572	4,519,884	4,374,293	4,351,989
Culture and recreation	605,779	602,550	603,712	560,931
Operating grants and contributions	24,716,541	27,141,888	28,400,517	24,838,263
Capital grants and contributions	3,894,488	68,688,249	8,033,704	5,230,533
Total governmental activities program revenues	<u>89,477,227</u>	<u>150,610,753</u>	<u>88,960,817</u>	<u>81,369,040</u>
Total primary government program revenues	<u>89,477,227</u>	<u>150,610,753</u>	<u>88,960,817</u>	<u>81,369,040</u>
Net (Expense)/Revenue				
Governmental activities	<u>(189,859,764)</u>	<u>(162,094,384)</u>	<u>(119,904,926)</u>	<u>(115,946,162)</u>
Total primary government net expense	<u>(189,859,764)</u>	<u>(162,094,384)</u>	<u>(119,904,926)</u>	<u>(115,946,162)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	124,907,475	122,782,141	118,523,153	96,081,225
Sales taxes	12,931,526	12,940,031	13,361,357	13,547,577
Business taxes	5,066,223	4,992,580	4,980,398	4,938,615
Hotel/Motel taxes	4,523,689	4,235,794	4,492,971	4,174,410
Other taxes	852,642	816,315	732,465	2,222,336
Unrestricted grants and contributions	496,928			
Investment earnings	864,264	1,841,224	5,757,035	5,808,622
Miscellaneous	(63,805,282)	(6,042,632)		
Total governmental activities	<u>85,837,465</u>	<u>141,565,453</u>	<u>147,847,379</u>	<u>126,772,785</u>
Total primary government	<u>85,837,465</u>	<u>141,565,453</u>	<u>147,847,379</u>	<u>126,772,785</u>
Change in Net Assets				
Governmental activities	<u>(104,022,299)</u>	<u>(20,528,931)</u>	<u>27,942,453</u>	<u>10,826,623</u>
Total primary government	<u>\$ (104,022,299)</u>	<u>\$ (20,528,931)</u>	<u>\$ 27,942,453</u>	<u>\$ 10,826,623</u>

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. Hamilton County does not have any business-type activities.

Fiscal Year					
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	34,981,305	\$ 31,552,148	\$ 32,954,221	\$ 34,675,500	\$ 35,365,044
	25,294,547	23,797,816	25,316,591	23,868,362	22,222,540
	3,586,288	3,516,738	3,459,762	3,168,418	2,981,818
	7,638,342	7,214,860	6,975,183	5,339,356	4,759,642
	17,811,039	17,687,413	15,058,814	11,845,698	11,955,328
	22,751,522	21,415,997	19,337,349	19,412,292	17,471,042
	13,673,235	15,464,132	14,288,450	9,927,596	11,297,051
	19,121,961	18,231,342	17,674,360	17,463,293	16,359,827
	7,776,426	7,914,628	8,120,070	10,195,370	8,310,516
	10,460,777	7,427,337	7,244,976	10,846,970	10,526,583
	12,792,560	35,440,590	15,308,638	15,260,477	24,893,665
	6,533,192	7,109,395	6,910,473	7,306,784	8,627,128
	<u>182,421,194</u>	<u>196,772,396</u>	<u>172,648,887</u>	<u>169,310,116</u>	<u>174,770,184</u>
	<u>182,421,194</u>	<u>196,772,396</u>	<u>172,648,887</u>	<u>169,310,116</u>	<u>174,770,184</u>
	17,509,655	13,905,047	13,429,971	15,220,090	13,584,977
	1,187,587	1,174,128	1,187,862	5,701,719	4,972,462
	2,393,387	2,312,890	2,406,421	1,999,857	2,094,339
	752,358	686,231	708,734	600,676	533,304
	18,387,291	17,770,987	15,664,216	10,428,914	10,573,042
	2,856,527	2,691,956	2,212,027	1,770,465	1,807,065
	514,874	1,342,931	814,626	286	9,194
	3,006,494	2,841,652	2,689,289	2,624,414	2,224,994
	3,762,669	3,427,119	3,398,463	3,330,528	3,093,179
	536,093	463,407	435,785	31,655	21,308
	24,653,509	22,965,548	24,226,919	20,693,054	19,724,016
	3,091,343	9,706,722	7,659,577	11,061,024	2,587,191
	<u>78,651,787</u>	<u>79,288,618</u>	<u>74,833,890</u>	<u>73,462,682</u>	<u>61,225,071</u>
	<u>78,651,787</u>	<u>79,288,618</u>	<u>74,833,890</u>	<u>73,462,682</u>	<u>61,225,071</u>
	(103,769,407)	(117,483,778)	(97,814,997)	(95,847,434)	(113,545,113)
	<u>(103,769,407)</u>	<u>(117,483,778)</u>	<u>(97,814,997)</u>	<u>(95,847,434)</u>	<u>(113,545,113)</u>
	90,818,279	85,451,188	84,841,031	85,242,735	84,676,341
	15,715,561	12,102,963	11,173,363	10,548,285	10,838,415
	5,096,014	1,830,352	3,602,133	3,474,784	3,021,021
	3,960,862	3,748,663	3,447,598	3,332,975	3,334,739
	744,167	1,244,418	1,349,121	1,266,662	1,590,774
				2,368,567	
	3,863,330	3,024,794	1,864,570		4,289,491
					25,174,647
	<u>120,198,213</u>	<u>107,402,378</u>	<u>106,277,816</u>	<u>106,234,008</u>	<u>132,925,428</u>
	<u>120,198,213</u>	<u>107,402,378</u>	<u>106,277,816</u>	<u>106,234,008</u>	<u>132,925,428</u>
	16,428,806	(10,081,400)	8,462,819	10,386,574	19,380,315
\$	<u>16,428,806</u>	<u>(10,081,400)</u>	<u>8,462,819</u>	<u>10,386,574</u>	<u>19,380,315</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$ 2,201,425	\$ 2,240,047	\$ 2,350,255	\$ 1,573,982
Unreserved	85,718,733	81,829,708	74,751,577	56,760,180
Total General Fund	<u>\$ 87,920,158</u>	<u>\$ 84,069,755</u>	<u>\$ 77,101,832</u>	<u>\$ 58,334,162</u>
All Other Governmental Funds				
Reserved	\$ 16,661,834	\$ 18,080,304	\$ 61,761,770	\$ 131,501,016
Unreserved, reported in:				
Special revenue funds	5,764,206	4,772,420	5,607,353	5,434,029
Capital projects funds	(30,688,283)	(19,622,546)	(15,833,094)	(104,202,005)
Debt service funds	297,560	227,025	240,340	1,653,012
Total all other governmental funds	<u>\$ (7,964,683)</u>	<u>\$ 3,457,203</u>	<u>\$ 51,776,369</u>	<u>\$ 34,386,052</u>

Fiscal Year

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 2,723,959	\$ 2,962,829	\$ 2,382,206	\$ 3,300,986	\$ 2,988,648	\$ 3,827,168
<u>52,638,869</u>	<u>46,751,479</u>	<u>51,103,451</u>	<u>50,303,712</u>	<u>52,325,865</u>	<u>53,045,083</u>
<u>\$ 55,362,828</u>	<u>\$ 49,714,308</u>	<u>\$ 53,485,657</u>	<u>\$ 53,604,698</u>	<u>\$ 55,314,513</u>	<u>\$ 56,872,251</u>
\$ 25,471,500	\$ 21,053,176	\$ 26,095,969	\$ 44,895,624	\$ 24,905,748	\$ 17,984,974
3,547,007	2,578,486	3,834,186	5,633,612	5,270,253	6,189,113
9,245,897	21,133,440	29,905,968	1,307,236	40,709,079	66,313,244
-	-	-	-	-	-
<u>\$ 38,264,404</u>	<u>\$ 44,765,102</u>	<u>\$ 59,836,123</u>	<u>\$ 51,836,472</u>	<u>\$ 70,885,080</u>	<u>\$ 90,487,331</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
Taxes	\$ 148,111,703	\$ 144,276,429	\$ 140,393,598	\$ 120,511,933
Licenses, fees, and permits	570,241	481,224	797,046	1,003,230
Fines and penalties	1,645,613	1,743,208	1,833,694	1,901,904
Charges for services	53,818,065	48,899,791	44,286,784	43,750,881
Intergovernmental	28,211,594	88,237,432	36,434,220	31,579,697
Investment earnings	721,590	1,460,315	4,787,729	5,003,729
Other revenues	5,231,714	3,656,393	5,609,073	4,644,229
Total revenues	<u>238,310,520</u>	<u>288,754,792</u>	<u>234,142,144</u>	<u>208,395,603</u>
Expenditures				
General government	44,204,640	45,220,838	43,766,409	38,105,787
Public Safety:				
Sheriff	27,098,751	27,233,714	26,485,549	25,276,122
Criminal Court	3,866,689	3,809,610	3,655,426	3,534,185
Juvenile Court	7,634,147	8,470,204	8,401,507	7,841,180
Ambulance Services	22,072,669	21,292,132	20,091,509	19,276,996
Other	34,836,832	28,981,590	26,738,109	24,015,988
Highways and streets	11,906,366	12,922,294	12,059,582	11,387,520
Health	22,318,932	22,054,237	21,474,905	20,281,542
Social Services	9,843,579	9,025,813	8,262,557	7,878,541
Culture and recreation	9,382,528	9,312,831	8,953,438	11,154,441
Capital Outlay				
General government	27,279,773	78,016,936	14,924,623	9,221,715
Education	21,897,496	40,495,222	80,904,133	30,744,012
Debt service				
Interest	9,547,473	8,722,581	5,369,261	19,951,308
Principal	23,884,805	46,909,239	18,674,736	6,626,765
Total expenditures	<u>275,774,680</u>	<u>362,467,241</u>	<u>299,761,744</u>	<u>235,296,102</u>
Excess of revenues over/(under) expenditures	<u>(37,464,160)</u>	<u>(73,712,449)</u>	<u>(65,619,600)</u>	<u>(26,900,499)</u>
Other Financing Sources (Uses)				
Transfers in	66,275,753	87,257,125	56,145,380	59,602,211
Transfers out	(66,275,753)	(87,257,125)	(56,145,380)	(59,477,211)
Bond and note proceeds	28,570,000	31,500,000	101,493,337	25,000,000
Bond premium	216,242	690,409	-	-
Payment to refunded bond escrow agent		-	-	-
Sale of capital assets	1,106,435	170,797	284,250	868,481
Total other financing sources (uses)	<u>29,892,677</u>	<u>32,361,206</u>	<u>101,777,587</u>	<u>25,993,481</u>
Net change in fund balances	<u>\$ (7,571,483)</u>	<u>\$ (41,351,243)</u>	<u>\$ 36,157,987</u>	<u>\$ (907,018)</u>
Debt service as a percentage of noncapital expenditures	17.3%	29.5%	13.4%	15.7%

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. Hamilton County does not have any business-type activities.

Fiscal Year

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 116,247,392	\$ 103,885,905	\$ 103,730,509	\$ 103,201,249	\$ 102,799,560	\$ 100,251,585
1,118,017	996,136	740,949	595,693	478,886	475,783
1,908,302	2,033,385	1,207,113	1,670,186	1,758,453	1,446,421
42,471,528	40,461,142	38,146,870	31,329,385	30,229,202	26,983,601
27,744,852	32,777,664	32,600,800	36,656,544	26,910,941	25,897,754
3,160,096	2,495,371	1,591,905	1,976,814	3,776,567	5,935,725
5,409,088	3,592,125	2,852,462	3,819,227	2,820,758	2,856,951
<u>198,059,275</u>	<u>186,241,728</u>	<u>180,870,608</u>	<u>179,249,098</u>	<u>168,774,367</u>	<u>163,847,820</u>
35,410,918	34,050,720	33,625,625	33,708,497	34,132,849	34,223,148
					49,376,760
24,518,755	22,599,098	23,593,493	22,319,578	21,083,913	-
3,261,864	3,219,691	3,184,747	2,855,969	2,636,307	-
7,388,345	7,005,899	6,913,363	5,195,263	4,529,038	-
17,479,465	17,514,899	14,842,261	11,218,477	11,632,439	-
22,200,063	20,359,518	18,620,790	17,818,148	16,590,536	-
9,638,478	9,663,858	10,384,639	9,888,106	10,583,226	8,103,653
19,009,220	17,873,029	17,852,323	17,318,336	15,970,858	14,414,966
7,747,039	7,774,655	8,114,455	10,156,391	8,213,683	8,712,605
10,245,016	9,331,150	9,891,062	9,656,196	9,525,518	8,923,026
					29,836,020
12,700,379	20,860,077	16,835,355	21,972,705	7,738,764	-
4,599,993	9,424,380	15,879,834	13,311,115	21,292,864	-
6,800,427	20,716,808	6,549,742	7,807,029	8,954,469	8,803,710
19,978,367	7,370,865	19,028,505	19,153,505	21,212,089	17,610,689
<u>200,978,329</u>	<u>207,764,647</u>	<u>205,316,194</u>	<u>202,379,315</u>	<u>194,096,553</u>	<u>180,004,577</u>
<u>(2,919,054)</u>	<u>(21,522,919)</u>	<u>(24,445,586)</u>	<u>(23,130,217)</u>	<u>(25,322,186)</u>	<u>(16,156,757)</u>
57,900,713	55,682,262	51,706,028	50,668,288	54,195,459	53,710,403
(57,775,713)	(55,557,262)	(51,581,028)	(50,543,288)	(54,070,459)	(53,652,621)
-	934	30,015,266	32,106,910	435,904	56,942,955
-	-	1,278,540	-	-	-
-	-	-	(30,122,469)	-	-
1,941,876	2,554,615	907,390	262,353	493,465	625,425
<u>2,066,876</u>	<u>2,680,549</u>	<u>32,326,196</u>	<u>2,371,794</u>	<u>1,054,369</u>	<u>57,626,162</u>
<u>\$ (852,178)</u>	<u>\$ (18,842,370)</u>	<u>\$ 7,880,610</u>	<u>\$ (20,758,423)</u>	<u>\$ (24,267,817)</u>	<u>\$ 41,469,405</u>
17.1%	18.8%	17.4%	19.2%	22.4%	17.2%

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

Fiscal Year Ended June 30	Levy Year	Real Property			Personalty Property
		Residential Property	Commercial Property	Other Multi-Use Property	
2002	2001	2,179,884,250	1,530,466,437	59,930,440	538,284,895
2003	2002	2,651,812,860	1,754,913,695	72,547,310	567,016,262
2004	2003	2,712,679,140	1,806,507,185	72,650,505	543,049,870
2005	2004	2,778,249,335	1,820,877,702	81,426,865	535,345,864
2006	2005	2,855,267,780	1,842,598,736	82,034,675	533,938,891
2007	2006	3,511,594,235	2,136,195,594	93,950,970	527,095,881
2008	2007	3,791,887,727	2,276,582,369	102,219,515	574,160,097
2009	2008	3,892,376,937	2,347,954,299	104,523,805	556,193,467
2010	2009	4,585,377,106	2,743,690,312	114,177,025	616,574,058
2011	2010	4,640,933,356	2,723,942,772	108,325,420	600,198,491

Source: Hamilt Source: Hamilton County Assessor's Office

Notes: Property in Hamilton County is reassessed once every four years. The County assesses property at approximately 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 2010 are \$294,416,668 and \$535,303,033, respectively.

<u>Public Utilities Property</u>	<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>
308,775,833	-	4,617,341,855	3.061	15,101,164,815
312,777,498	-	5,359,067,625	3.061	17,695,100,611
285,476,577	-	5,420,363,277	3.061	17,938,367,428
297,427,438	-	5,513,327,204	2.894	18,261,877,852
333,289,963	-	5,647,130,045	2.894	18,686,794,931
329,134,150	-	6,597,970,830	3.154	22,055,447,822
299,212,058	-	7,044,061,766	3.154	23,657,627,461
304,586,243	-	7,205,634,751	2.765	24,195,577,571
340,109,973	-	8,399,928,474	2.765	28,254,952,917
304,075,212	-	8,377,475,251	2.765	28,288,200,746

Schedule VI
Hamilton County, Tennessee
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30	County Direct Rates				City of Chattanooga		
	General Government	Department of Education	District Road	Total Direct Rate	East Ridge	Red Bank	
2001	\$ 1.6960	\$ 1.8060	\$ 0.0170	\$ 3.5190	\$ 2.3100	\$ 1.2000	\$ 0.9420
2002	1.4750	1.5710	0.0150	3.0610	2.5160	1.0610	1.0500
2003	1.4328	1.6134	0.0148	3.0610	2.5160	1.0610	1.0500
2004	1.4328	1.6134	0.0148	3.0610	2.5160	1.2500	1.2200
2005	1.4128	1.6334	0.0148	3.0610	2.5160	1.2500	1.2200
2006	1.3159	1.5655	0.0126	2.8940	2.2020	1.0770	1.2600
2007	1.3159	1.5655	0.0126	2.8940	2.2020	1.0770	1.2600
2008	1.5759	1.5655	0.0126	3.1540	2.2020	1.0770	1.2600
2009	1.5759	1.5655	0.0126	3.1540	2.2020	1.2870	1.2600
2010	1.3816	1.3726	0.0110	2.7652	1.9390	1.1227	1.1001

Source: Hamilton County Trustee's Office

Overlapping Rates								Total Direct & Overlapping Rates
Lookout Mountain	Signal Mountain	Collegedale	Soddy-Daisy	Lakesite	Ridgeside	Town of Walden		
\$ 1.4970	\$ 1.3600	\$ 1.2190	\$ 0.5850	\$ 0.3990	\$ 1.9270	\$ 0.7100		\$ 15.6680
1.4970	1.6500	1.0786	0.4900	0.3390	1.9300	0.5800		15.2526
1.8000	1.6500	1.0786	0.4900	0.3390	1.9300	0.5800		15.5556
2.2000	1.6500	1.0786	0.4900	0.3390	1.9300	0.5800		16.3146
2.7000	1.6500	1.0500	0.4900	0.3390	1.9300	0.5800		16.7860
2.0136	1.4250	0.9520	0.7800	0.2900	1.5010	0.5000		14.8946
1.8000	1.7750	1.2000	0.7800	0.2900	1.5010	0.5000		15.2790
1.8000	1.7750	1.2000	0.7800	0.2900	1.6000	0.5000		15.6380
1.8000	1.7750	1.3200	0.7800	0.2900	1.8000	0.5000		16.1680
1.4700	1.5134	1.1500	0.6860	0.2400	1.6070	0.4300		14.0234

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

Taxpayer	2010		
	Taxable Assessed Value	Rank	% of Total Assessed Valuation
Electric Power Board	\$ 294,416,668	1	3.50%
TVA	116,498,890	2	1.38%
Blue Cross Blue Shield of Tennessee	83,396,376	3	0.99%
Bellsouth Telecommunications	76,198,418	4	0.91%
Lebcon Assoc/C B L	70,341,842	5	0.84%
McKee Baking/Foods Corp.	53,852,902	6	0.64%
Tennessee-American Water Co.	52,680,619	7	0.63%
Walmart	38,875,052	8	0.46%
Provident Life /Unum Provident	33,993,845	9	0.40%
Norfolk Southern	33,979,788	10	0.40%
E. I. Dupont	-		0.00%
Chattanooga Gas Company	-		0.00%
Tallan Holdings/Properties	-		0.00%
	<u>\$ 854,234,400</u>		<u>10.15%</u>

Source: Hamilton County Trustee

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 we depend on a small number of payers.

2001

<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
\$ 137,737,483	1	3.12%
95,033,719	2	2.15%
-		0.00%
69,047,678	3	1.56%
40,284,988	5	0.91%
33,522,553	8	0.76%
35,148,247	6	0.80%
-		0.00%
21,632,926	9	0.49%
-		0.00%
64,828,757	4	1.47%
30,593,867	7	0.69%
13,304,945	10	0.30%
<u>\$ 541,135,163</u>		<u>12.24%</u>

Schedule VIII
Hamilton County, Tennessee
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	149,435,772	141,232,237	94.7%	7,726,833	148,959,070	99.68%
2002	154,402,498	145,190,063	94.0%	9,102,932	154,292,995	99.93%
2003	156,901,705	149,006,804	95.0%	7,067,282	156,074,086	99.47%
2004	158,594,035	150,434,347	94.9%	7,871,523	158,305,870	99.82%
2005	162,140,351	153,718,818	94.8%	7,591,089	161,309,907	99.49%
2006	181,473,837	173,318,379	95.5%	7,734,000	181,052,379	99.77%
2007	187,738,019	179,757,257	95.7%	7,902,686	187,659,943	99.96%
2008	211,448,308	201,229,831	95.2%	8,621,779	209,851,610	99.24%
2009	217,659,937	205,689,580	94.5%	7,610,211	213,299,791	98.00%
2010	222,870,484	210,841,565	94.6%	-	210,841,565	94.60%

Schedule IX
Hamilton County, TN
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Governmental Activities						
Fiscal Year	General Obligation Bonds	Notes Payable	Certificates of Participation	Total Primary Government	Percentage of Personal Income	Per Capita
2001	173,680,000	21,594,284	1,405,000	196,679,284	2.09%	639
2002	154,960,000	19,642,195	715,000	175,317,195	1.82%	568
2003	139,070,000	22,384,490	-	161,454,490	1.62%	522
2004	162,040,000	20,975,624	-	183,015,624	1.78%	591
2005	143,380,000	19,570,147	-	162,950,147	1.53%	526
2006	125,510,000	17,322,009	-	142,832,009	1.28%	459
2007	107,730,000	14,989,671	-	122,719,671	1.02%	392
2008	188,260,000	12,649,201	-	200,909,201	1.60%	609
2009	200,110,000	10,389,963	-	210,499,963	1.64%	652
2010	206,960,000	8,036,685	-	214,996,685	1.63%	638

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

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2001	173,680,000	1.15%	564
2002	154,960,000	0.88%	502
2003	139,070,000	0.78%	450
2004	162,040,000	0.89%	524
2005	143,380,000	0.77%	463
2006	125,510,000	0.57%	404
2007	107,730,000	0.46%	344
2008	188,260,000	0.78%	570
2009	200,110,000	0.71%	620
2010	206,960,000	0.73%	614

Schedule XI
Hamilton County, TN
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
City of Chattanooga	\$ 145,415,167	56.052%	\$ 81,508,109
Town of East Ridge	7,418,145	4.517%	335,078
Town of Red Bank	133,620	2.486%	3,322
Town of Lookout Mountain	470,000	1.468%	6,900
Town of Signal Mountain	4,488,068	2.820%	126,564
Town of Collegedale	1,226,269	1.905%	23,360
Town of Soddy Daisy	300,000	2.769%	8,307
Other debt			
City of Chattanooga	287,059,369	56.052%	160,902,518
Town of East Ridge	-	4.517%	-
Town of Red Bank	5,098,106	2.486%	126,739
Town of Lookout Mountain	-	1.468%	-
Town of Signal Mountain	-	2.820%	-
Town of Collegedale	1,900,733	1.905%	36,209
Town of Soddy Daisy	-	2.769%	-
Subtotal, overlapping debt			243,077,105
Hamilton County direct debt			214,996,685
Total direct and overlapping debt			458,073,790

Sources: Debt outstanding data provided by each municipality. Assessed value data used to estimate applicable percentages provided by Hamilton County Assessor's office.

Notes: 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 recognized 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

Calendar Year	Population	Personal Income	Per Capita Income	Unemployment Rate
2000	308,011	9,389,860	29,822	2.9%
2001	308,497	9,655,987	30,186	3.2%
2002	309,200	9,957,029	30,909	4.2%
2003	309,482	10,276,160	33,204	4.1%
2004	309,729	10,662,865	34,426	3.5%
2005	310,935	11,128,309	35,790	5.8%
2006	312,905	11,988,866	38,315	5.4%
2007	330,168	12,555,734	38,028	3.9%
2008	332,848	12,850,333	38,607	5.8%
2009	337,175	13,151,844	39,006	9.8%

Sources: Personal income and per capita income information provided by the Chamber of Commerce: Bureau of Economic Analysis (BEA). For 2009, personal income and per capita income were interpolated based on percentage increases reported by Metropolitan areas in the BEA. The BEA performed a comprehensive revision to the national income for 1969-2007; therefore personal income and per capita income were updated to actuals as reported by BEA for 2000-2007. Population estimate was found at the U.S. Census Bureau. Unemployment information provided by State Department of Employment Security.

Schedule XIII
Hamilton County, Tennessee
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Blue Cross Blue Shield of Tennessee	4,458	1	2.51%	3,787	2	2.02%
Hamilton County Department of Education	4,297	2	2.42%	5,477	1	2.92%
Tennessee Valley Authority	3,715	3	2.09%	2,964	4	1.58%
Erlanger Health System	3,359	4	1.89%	2,939	5	1.57%
McKee Foods Corporation	3,060	5	1.72%	3,500	3	1.86%
UnumProvident Corporation	2,800	6	1.58%	2,665	6	1.42%
Memorial Health Care System	2,796	7	1.58%	2,410	9	1.28%
City of Chattanooga	2,266	8	1.28%	2,543	7	1.35%
CIGNA Healthcare	1,953	9	1.10%	2,200	10	1.17%
Hamilton County Government	1,867	10	1.05%			
Synthetic Industries				2,450	8	1.31%
Total	<u>30,571</u>		<u>17.23%</u>	<u>30,935</u>		<u>16.48%</u>

Source: Chattanooga Area Chamber of Commerce

Schedule XIV
Hamilton County, TN
Full-time Equivalent County Government Employees by Function Program
As of June 30, 2010

<u>Function/Program</u>	<u>Full-time-Equivalent Employees</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government	751	754	769	660	536
Public Safety ¹	534	447	384	379	365
Highways and Streets	97	125	130	129	111
Health ²	277	291	262	238	278
Social Services	58	108	108	83	97
Culture and Recreation	88	98	81	83	89
Total	1805	1823	1734	1572	1476

Source: Hamilton County Human Resources Department

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 the pension nor earn leave time

¹ The increase in the number of employees in Public Safety was due to the consolidation of the City and County 911 service

² There was an increase in the number of employees in the Health Dept because more manpower was needed to administer the 2 flu vaccines

³ Information for employment by function prior to implementation of GASB 44 is not currently available.



Schedule XV
Hamilton County, TN
Operating Indicators by Function/Program
Last Eight Fiscal Years

<u>Function/Program</u>	2010	2009	2008	2007
General Government				
County Clerk (DMV) - transactions processed	328,766	347,946	366,029	381,072
Register - documents recorded	67,824	73,441	79,036	78,300
Recycling - tons collected	3,137	3,157	2,235	2,342
Election Commission - registered voters	207,961	205,382	184,792	184,099
Election Commission - votes cast in last election	51,805	148,480	74,417	109,401
Purchasing - bids posted	173	164	190	153
Public Safety				
Building Inspections - permits issued	909	998	1,420	1,600
Building Inspections - inspections and investigations	11,210	15,051	22,214	25,292
Jail - average number inmates housed	525	555	592	610
Sheriff's Dept - physical arrests	7,558	7,002	6,654	6,728
Juvenile Court Judge - cases heard	6,325	7,287	7,618	9,255
Criminal Court Judge - cases heard	8,508	8,444	4,306	5,000
Ambulance Services - responded calls	22,247	21,580	21,382	20,393
Police Protection (Sworn, Correctional, Civilian and Others)	378	401	361	373
Highways and Streets				
Engineering Services - projects administered	74	56	70	80
⁴ Highways & Streets - bridges maintained	67	81	81	81
Health				
Health Dept - patients seen	59,096	43,467	44,452	47,383
³ Environmental Health - processed appl for new/existing septic system	1,166	467	2,250	2,131
Social Services				
¹ Emergency Assistance Program of Financial Services - # households served	503	488	448	425
¹ Emergency Assistance Program of Financial Services - # of services	620	607	645	548
Chancery Court Judge - # cases heard	2,241	2,383	2,253	2,521
Circuit Court Judge - #cases heard	3,846	3,016	2,925	2,892
Culture & Recreation				
# Facilities Maintained	32	32	34	34
# Programs Offered	17	17	15	18
Education				
² Public School Enrollment	41,950	41,372	40,578	40,430
Private School Enrollment	10,606	10,514	10,813	11,351

Sources: CABR from prior years, CAFR from prior years and various department personnel

¹ Note on EAP - The number of households served and services rendered by the Emergency Assistance Program have both decreased on average about 35% over the last decade due to inflation, decreased funding and program policy revision.

² Note on public school enrollment - The increase in 2009 school enrollment was largely due to the opening of the new Middle/High School and 2 public charter schools.

³ Note on Environmental Health - The current housing crisis has drastically affected the groundwater protection program. With very few houses being built, bought or sold means a large decrease in the number or applications for new/existing septic systems.

⁴ Note on Highways & Streets bridges maintained - The number of bridges maintained has decreased because some bridges are now maintained by other city annex areas.

Fiscal Year

2006	2005	2004	2003
404,066	393,942	369,790	392,387
81,687	89,228	86,165	83,337
2,218	2,200	1,710	1,479
182,250	176,671	169,399	164,193
50,968	137,272	28,514	89,030
150	135	131	145
1,616	1,609	1,531	1,419
24,562	22,838	22,437	19,524
583	561	607	669
6,723	6,843	6,896	6,590
7,574	7,699	7,765	7,558
4,866	4,396	4,747	3,907
20,536	20,624	19,608	18,662
393	385	388	387
69	100	99	99
81	81	81	81
49,817	58,808	50,419	48,867
828	1,044	2,554	2,369
350	331	338	387
420	386	421	382
2,520	2,266	2,452	1,998
3,088	3,357	3,431	3,379
34	34	32	30
18	17	16	18
40,826	40,376	40,774	40,138
11,330	11,348	11,328	10,857

Schedule XVI
Hamilton County, TN
Capital Asset Statistics by Function/Program
Last Nine Fiscal Years

Function/Program	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government									
Libraries	9	9	9	9	9	9	9	9	9
Recycling Stations	6	6	6	6	5	5	5	5	4
Telecommunications locations supported	208	202	202	202	202	202	202	202	202
Election Commission ballot boxes	125	125	125	122	122	122	122	122	122
Public Safety									
Volunteer Fire Stations	18	17	17	17	17	17	17	17	16
Ambulance Stations	15	15	15	15	15	15	15	15	15
Sheriff patrol cars	262	244	225	211	224	207	201	214	225
Highways and Streets									
Miles of paved streets	2380	2380	2380	2380	2435	2380	2379	2379	2379
Health									
Healthcare Facilities	5	5	5	5	5	5	5	5	5
Culture & Recreation									
Number of Parks	90	90	98	98	97	92	119	119	112
Golf Courses	21	21	21	21	21	21	16	16	17
Recreation Centers	15	16	17	17	17	17	15	15	16
Ball Fields	154	154	154	154	161	132	122	122	122
Public Tennis Courts	165	165	165	165	165	161	191	200	200
Swimming Pools	31	31	32	32	32	28	55	55	55
Theaters	17	15	15	15	14	14	17	17	15
Bowling Alleys	3	3	3	3	3	3	3	3	3

Sources: Prior year CAFRs and various department personnel

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. DEPARTMENT OF COMMERCE			
ARRA - Economic Adjustment Assistance	11.307	04-79-73015	\$ 625,098
Total U.S. Department of Commerce			<u>625,098</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Tennessee Housing Development Agency Home Investments Partnership Program	14.239	HTF-07-09	\$ 66,888
Community Development Block Grant - Brownfields Economic Development	14.246	SBAHQ-08-1-0121	<u>16,200</u>
Total U.S. Department of Housing and Urban Development			<u>83,088</u>
U.S. DEPARTMENT OF JUSTICE			
Passed through the Tennessee Drug Court Treatment Resource Fund Drug Court Treatment Program	16.585	Z-05-025517-00 & 2008-DD-BX-0478	508,852
State Criminal Alien Assistance Program	16.606	N/A	56,700
Bulletproof Vest Partnership Program	16.607	2007-BOBX-07039158	12,511
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Programs Grants to States and Territories	16.803	N/A	45,165
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Programs Grants to Units of Local Government	16.804	N/A	308,044
Passed through the Tennessee Commission of Children and Youth Title V - Delinquency Prevention Program	16.548	GG-07-12761-00	18,607
Domestic Violence	16.590	2005-WE-AX-0015	<u>80,480</u>
Total U.S. Department of Justice			<u>1,030,359</u>
U.S. DEPARTMENT OF LABOR			
WIA Pilots, Demonstrations, and Research Projects	17.261	EA-18598-09-60-A-47	<u>294,552</u>
Total U.S. Department of Labor			<u>294,552</u>
U.S. DEPARTMENT OF ENERGY			
ARRA - Energy Efficiency Conservation Block Grant	81.128	N/A	<u>12,312</u>
Total U.S. Department of Energy			<u>12,312</u>

(continued)

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued
Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Tennessee Commission on Children and Youth Supplemental Nutrition program for Women, Infants and Children	10.557	GG-09-26525-00 & GG-1030981-00	1,179,963
Passed through the Tennessee Department of Health Project Grants and Cooperative Agreements for Tuberculosis Control Program ARRA - Tuberculosis Elimination Program	93.116	GG-10-28793-00	344,870
ARRA - Renal Intervention	93.116	GG-10-29175-00	64,500
Centers for Disease Control and Prevention: Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-10-28961-00	30,000
Immunization Grants	93.268	GG-09-27381-00	114,089
ARRA - Grant to Health Center Programs	93.703	1 H8BCS12363-01-00	873,671
	93.703	6 C81CS14475-01-01	63,914
	93.703	H80CS00023-04-00	23,696
HIV Care Formula Grants	93.917	GG-09-27297-00	140,342
HIV Prevention Activities: Health Department Based	93.940	GG-09-27492-00 & GG-10-30937-00	327,412
Preventive Health Services: Sexually Transmitted Diseases Control Grants	93.977	GG-09-27492-00 & GG-1030937-00	227,495
Preventive Health and Health Services Block Grant	93.991	GG-09-25431-00	200
	93.991	GG-10-29627-00	121,700
Centers for Disease Control and Prevention, Investigations and Technical Assistance	93.283	GG-09-25431-00 &	
	93.283	GG-10-30142-00	502,500
	93.283	GG-09-28820-00 &	
	93.283	GG-10-31080-00	39,700
	93.283	GG-10-28776-00	51,859
Medical Assistance Program	93.778	GG-08-23309-01	135,149
Family Planning	93.217	GU-10-30050-00	541,600
Maternal and Child Health Services Block Grant	93.994	GG-10-29535-00	13,100
	93.994	GG-10-27690-00	219,742
Public Health Emergency Preparedness	93.069	GG-10-30224-00	877,886
Passed through the Tennessee Department of Human Services			
Child Support program Title IV-D	93.563	GG-09-25813-00 & GG-09-25249-01	483,738
Social Service Block Grant program	93.667	GG-10-28646	296,106
Total U.S. Department of Health and Human Service			<u>6,673,232</u>

(continued)

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued
Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the Tennessee Emergency Management Agency			
Public Assistance Disaster Grant	97.036	FEMA-1786-DR-LA & GG-06-12229-00	69,925
Emergency Management Performance Grants	97.042	DG-0924430-00	148,080
Port Security Grant Program	97.056	2009PUT90120 & 2007-GB-T7-0131	439,450
Buffer Zone Protection Program	97.078	GG-08-25544-00	17,071
Homeland Security Grant Program	97.067	GG-3959 & 2009-SS-T9-0086 & GG-08-24422-00	<u>873,829</u>
Total U.S. Department of Homeland Security			<u>1,548,355</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the Tennessee Department of Transportation			
Alcohol Impaired Drivers Enforcement (AAIDE)	20.607	Z-09-124610	60,828
Passed through the Tennessee Department of Environment & Conservation			
Recreational Trails Program	20.219	GG-09-27134-00	<u>62,112</u>
Total U.S. Department of Transportation			<u>122,940</u>
Total expenditures of federal awards-primary government			<u>\$ 10,389,936</u>
COMPONENT UNITS			
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Tennessee Department of Agriculture:			
Food Donation (Noncash - Food Commodities)	10.565	None	\$ 927,447
Passed through Tennessee Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	None	2,659,267
National School Lunch Program	10.555	None	8,353,653
ARRA - National School Lunch Program	10.555	None	<u>17,000</u>
Total U.S. Department of Agriculture			<u>11,957,367</u>

(continued)

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued
Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through Tennessee Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	None	10,664,728
Special Education- Grants to States	84.027	None	8,890,856
Career and Technical Education- Basic Grants to States	84.048	None	449,182
Special Education- Preschool Grants	84.173	None	191,661
Safe and Drug-Free Schools and Communities State Grants	84.186	None	164,493
Education for Homeless Children and Youth	84.196	None	89,866
Twenty-First Century Community Learning Centers	84.287	None	458,948
State Grants for Innovative Program	84.298	None	68,648
Education Technology State Grants	84.318	None	2,423,538
Reading First State Grants	84.357	None	584,391
English Language Acquisition Grants	84.365	None	186,436
Title II Part A 2009.01 Teacher and Principal Training and Recruiting	84.367	None	2,374,842
ARRA - Education Technology State Grants	84.368	None	226,802
School Improvement Grants	84.377	None	498,165
ARRA - Education Technology State Grants	84.386	None	257,556
ARRA - Title I Grants to Local Educational Agencies	84.389	S389A090042	3,066,358
ARRA - Special Education Grants to States	84.391	H391A090052	2,160,023
ARRA - Preschool Grants	84.392	H392A90095	56,419
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	None	7,310,200
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services	84.397	None	1,266,919
Funds for Improvement of Education	84.215	None	158,592
Early Reading	84.359	None	979,600
Total U.S. Department of Education			<u>42,528,223</u>
Total Expenditures of Federal Awards-Component Units			<u>54,485,590</u>
Total Expenditures of Federal Awards- Reporting Entity			<u>\$ 64,875,526</u>

**HAMILTON COUNTY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
STATE GRANTS			
Board of Probation and Payroll	N/A	Z-08-012318-00	\$ 315,746
Juvenile Detention Unit	N/A	GG-10-29840-00	9,000
TN Board of Equalization	N/A	N/A	73,317
Child Welfare Research and Demonstration - Casa Program	N/A	Z-08-23450-00	15,000
TN Dept. of Health - TENNdercare Community Outreach	N/A	GG-10-29179-00	299,013
TN Dept. of Health - Grant in Aid	N/A	GG-10-30754-00	371,300
TN Dept. of Health - HUGS	N/A	GG-10-29710-00	378,400
TN Dept. of Health - Oral Health	N/A	GG-09-25637-00	338,800
TN Dept. of Health - State TB Outreach	N/A	GG-10-28783-00	259,630
TN Dept. of Health - Fetal Infant Mortality Review	N/A	GG-29202-00	67,871
		Z-09-212751-00 &	
TN Dept. of Transportation	N/A	Z-10-220333-00	293,089
TN Dept. of Economic & Community Development - Scenic Industries	N/A	GG-07-12956-00	7,744
TN Dept. of Economic & Community Development - Alstrom Power Turbomachines	N/A	GG-10-30422-00	773,164
TN Dept. of Economic & Community Development-Madem Reels	N/A	GG-10-29646-00	20,906
TN Dept. of Economic & Community Development - Gestamp	N/A	N/A	568,696
TN Dept. of Economic & Community Development - United Enerstech Corporation	N/A	GG-09-27961-00	117,270
TN Dept. of Economic & Community Development - Chattem	N/A	N/A	625,159
TN Dept. of Economic & Community Development-Choose Chattanooga	N/A	N/A	904
TN Dept. of Economic & Community Development-Enterprise South Visitor Center	N/A	GG-09-27139	108,554
TN Dept. of Environment & Conservation - Recycling & Waste Oil	N/A	N/A	6,720
TN Dept. of Environment & Conservation - Waste Tire	N/A	Z-08-213009-08	317,511
TN Dept. of Education - Energy Efficient Schools	N/A	N/A	884,330
TN Dept of Education - ConnectTN Carryover	N/A	N/A	50,571
TN Dept. of Education - Moving Forward Graduation Summit	N/A	N/A	1,415
TN Dept. of Education - Pilot 500	N/A	N/A	3,700
TN Dept. of Education - Safe Schools	N/A	N/A	11,142
TN Dept. of Education - Pre-K Pilot and Expansion	N/A	N/A	2,432,888
TN Dept. of Education - Targeted Assistance	N/A	N/A	46,032
Total Expenditures of State Awards			<u>8,397,872</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 73,273,398</u>



NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
June 30, 2010

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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." 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 CFDA Number</u>	<u>Amount Provided To Subrecipient</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	\$ 69,716
Home Investment Partnership Program	14.239	66,888
Domestic Violence	16.590	80,480
WIA Pilots, Demonstrations, and Research Projects	17.261	294,552
Social Services Block Grant	93.667	296,106
Homeland Security Grant Program	97.067	506,382
TEMA - 2008 Homeland Security	97.067	198,909
TEMA-Port Security	N/A	425,614
Title I - Grants to Local Educational Agencies	84.010	44,915
ARRA Title I	84.389	23,095
Title IV - Safe and Drug-Free Schools and Communities	84.186	10,376
Title II - Part D Technology	84.318	7,601
ARRA Title II Part D Technology	84.386	20,741
Title II - Part A	84.367	17,333
IDEA Part B	84.027	13,816
ARRA IDEA Part B	84.391	17,457
Safe Schools Act	N/A	92,300
Title V - Public Charter Schools Program	84.282A	550,000

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and the Board of Commissioners
Hamilton County, Tennessee

We have audited the accompanying 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, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued our report thereon dated December 27, 2010. We did not audit the financial statements of the Hamilton County "911" Emergency Communications District. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on those financial statements, insofar as it relates to the amounts included for the Hamilton County "911" Emergency Communications District, was based solely on the work of other auditors. 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. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as items 2010-01 and 2010-02. A significant deficiency is a deficiency, or 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 determination of financial statement amounts. 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*.

We also noted certain matters that we reported to management of the County in a separate letter dated December 27, 2010.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Honorable Mayor, Board of Commissioners, the management of Hamilton County, Tennessee, federal and state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Joseph Decasino and Company, PLLC". The signature is written in a cursive, flowing style.

Chattanooga, Tennessee
December 27, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor and the Board of Commissioners
Hamilton County, Tennessee

Compliance

We have audited the compliance of Hamilton County, Tennessee, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, Hamilton County, Tennessee, 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, 2010.

Internal Control Over Compliance

The management of Hamilton County, Tennessee, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Honorable Mayor, Board of Commissioners, the management of Hamilton County, Tennessee, federal and state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Joseph DeCesario and Company, PLLC". The signature is written in a cursive, flowing style.

Chattanooga, Tennessee
December 27, 2010

HAMILTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiency identified that is not considered to be material weakness? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of auditors' report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
11.307	U.S. Department of Commerce: Economic Adjustment Assistance
16.803	U.S. Department of Justice Recovery Act: Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories
16.804	Recovery Act: Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government
17.261	U.S. Department of Labor: WIA Pilots, Demonstrations, and Research Projects
93.069	U.S. Department of Health and Human Services Public Health Emergency Preparedness
93.116	Tuberculosis Elimination Program
93.268	Immunization Grants
93.563	Child Support Program Title IV-D
93.667	Social Service Block Grant Program
93.703	Grant to Health Center Programs

HAMILTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

CFDA Number	Name of Federal Program or Cluster
93.917	HIV Care Formula Grants
93.944	Maternal and Child Health Services Block Grant
93.977	Preventive Health Services: Sexually Transmitted Diseases Control Grants
	U.S. Department of Homeland Security:
97.056	Port Security Grant Program
97.042	Emergency Management Performance Grants
	U.S. Department of Education:
	<i>Special Education Cluster (IDEA):</i>
84.027	Special Education Grants to States
84.173	Special Education - Preschool Grants
84.391	Special Education Grants to States
84.392	Special Education - Preschool Grants
84.010	Title I Grant to Local Educational Agencies
84.389	Title I Grants to Local Educational Agencies
84.394	State Fiscal Stabilization Fund (SFSF) - Education State Grants
84.397	State Fiscal Stabilization Fund (SFSF) - Government Services

Dollar threshold used to distinguish between type A and type B programs: \$1,634,567.

Auditee qualified as low risk auditee?

Yes No

HAMILTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

II. FINANCIAL STATEMENT FINDINGS

Finding 2010-01 - Testing of Spreadsheet Financial Information

Criteria: Spreadsheets software, such as Excel can be a useful and effective tool in providing support for financial information. They can support complex financial calculations and provide significant flexibility. When spreadsheets are used to support financial information, it is very important that proper controls are implemented to ensure the spreadsheet integrity for mathematical accuracy, formula results, formula design and change control.

Condition: In examining spreadsheets that supported capital assets and property taxes, we noted that several spreadsheets contained errors resulting from incorrect formula design, formula results and incorrect input data.

Effect: Certain buildings were depreciated in excess of their cost basis, thus overstating depreciation expense and understating capital assets. Collections unrelated to property taxes were incorrectly included in the year-end property tax receivable calculation, thus understating property tax receivable and unearned revenue.

Cause: The formulas in the capital assets spreadsheet allowed depreciation to exceed the cost basis. Unrelated collections were included in property tax receivable calculation. Existing controls failed to identify these spreadsheet errors.

Recommendation: We recommend that management expand the existing spreadsheet controls to include testing for mathematical accuracy, formula results, formula design and input data.

Management's Response: We concur with this finding. We make every effort to ensure that all formulas are properly tested. In the future we will have all schedules reviewed prior to the audit. In addition, fixed assets have now been converted to IFAS and reports have been developed to report depreciation.

Finding 2010-02 - Failure to Perform Physical Count of Fixed Assets

Criteria: Hamilton County Board of Education has established a policy for each school to perform a physical inventory count of fixed assets on an annual basis.

Condition: A significant number of schools have failed to perform a physical inventory count of fixed assets on an annual basis.

Effect: The lack of performing a physical inventory count of fixed assets has resulted in a significant deficiency in the County's internal control over financial reporting.

Cause: A significant number of schools have failed to perform a physical inventory count of fixed assets on an annual basis.

Recommendation: Our review of certain fixed asset records reveals that there may be assets recorded in the County's records that are no longer in use or assets in use that have not been recorded in the County's records. We believe that this indicates the need for the County to strictly enforce their policy of performing a complete physical inventory of fixed assets on annual bases, which will be the best and most efficient method for developing an accurate listing of all fixed assets. Additionally, this will allow the County to develop procedures whereby the fixed asset listing is reconciled to the general ledger, which will ensure an accurate accounting for assets.

HAMILTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

Management's Response: In Fiscal Year 2010 the Finance Group received physical inventories from all schools and departments. To test the accuracy of the information, our Information Systems Group has reconciled computer counts per the fixed asset listing to the fixed listings maintained by the Federal Programs Title Office and the District's Exceptional Education Office. No material differences or unaccounted assets were noted during our testing period. The School District will continue to work with schools and departments to ensure that all fixed asset transactions are properly accounted for. Based on the results of our work during FY2010, we believe that the accuracy of our fixed assets has made a huge stride in the right direction.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None reported.

IV. SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid
2009-01	Failure to Perform Physical Count of Fixed Assets	No	Repeated as Finding 2010-02; Partially Corrected





Area 61
Downtown Chattanooga



The collection of paintings, photos and photo treatments of downtown venues by local artists are on display at Area 61, a retail space on Main Street for local artists and craftsmen to showcase and sell their work.

COVER PHOTO: Volkswagen plant site preparation at Enterprise South, taken in late summer 2008.

PHOTO CREDIT: Aerial Innovations of Tennessee, Inc.

A view from the scenic overlook in the Enterprise South Nature Park offers a glimpse of the Volkswagen plant under construction. The vast tract of land consisting of 7,000 acres used to be the Volunteer Army Ammunition Plant (VAAP).

Enterprise South Nature Park which includes 2,700-plus wooded acres will offer visitors a rare opportunity to explore land that has been largely left to flourish in its natural state for more than 70 years. The Visitors' Center officially opened on December 16, 2010.



ABOVE AND LEFT: In June 2010, Volkswagen Group of America opened its \$40 million training center. The 163,000-square-foot center, with its 19 classrooms, will prepare employees for work, host an advanced vocational program and provide meeting facilities for outside groups when it is fully functioning.

LEFT: Volkswagen Drive which connects the plant and Nature Park to I-75 was formally opened on August 20, 2010.



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