

**CONSTITUTIONAL OFFICERS OF
HAMILTON COUNTY, TENNESSEE**

FINANCIAL REPORT

Fiscal Year Ending June 30, 2024



INTERNAL AUDIT OFFICE
455 N. HIGHLAND PARK AVENUE
CHATTANOOGA, TENNESSEE 37404

WESTON WAMP
COUNTY MAYOR

BOARD OF COMMISSIONERS
D.C. (CHIP) BAKER
GREG BECK
MIKE CHAUNCEY
JEFF EVERSELE
JOE GRAHAM
LEE HELTON
STEVE HIGHLANDER
WARREN MACKAY
DAVID SHARPE
GENE-O SHIPLEY
KEN SMITH



CHRIS MCCOLLOUGH, CPA, CFE, CCFO
COUNTY AUDITOR

AUSTIN DURALL, CFE, CGFM, CCFO
AUDIT MANAGER

AUDIT STAFF
J.C. CLONTS
LAUREN COOPER, CPA (INACTIVE)
JAMESETTA GRAY, CCFO
ROGER KINCER, CGFM, CCFO, CFE
MARICELA MADERA
JOHNETTA TRUSS, CCFO

HAMILTON COUNTY, TENNESSEE

OFFICE OF THE COUNTY AUDITOR

TO: Weston Wamp, County Mayor
Audit Committee
Hamilton County Board of Commissioners

DATE: January 30, 2025

SUBJECT: Audit of the Financial Statements of the Hamilton County Constitutional Officers
for the Fiscal Year Ended June 30, 2024

AUDIT SCOPE

Our test work at the offices of the Circuit Court Clerk, Clerk and Master, County Clerk, Criminal Court Clerk, Juvenile Court Clerk, Register, Sheriff, and Trustee for fiscal year 2024 was performed in conjunction with the County's external auditors Mauldin & Jenkins, LLC.

AUDIT OBJECTIVES

The objectives of our audit procedures were:

- to determine that internal control procedures are adequate to ensure that the revenue and expenditure activities of the office are properly recorded in all material respects and that its assets were safeguarded against waste, loss, or misappropriation;
- to determine that the office's procedures were performed in accordance with County policy and applicable laws;
- to determine the propriety of billings for the services performed;
- to determine, in conjunction with the work performed by the external auditors, that the offices' financial statements as of and for the fiscal year ended June 30, 2024, are fairly stated in all material respects.

AUDIT PROCEDURES

Our procedures consisted of the following:

- review of office procedures, internal controls, and tests of compliance with such controls to determine that the accounting system is adequate to ensure that revenues and expenditures are properly recorded in all material respects;
- detail tests of certain transactions during the fiscal year ended June 30, 2024, to ensure that charges and fees or commissions were properly computed based upon the service performed and were recorded correctly in all material respects;
- preparation of the June 30, 2024, trial balance and supporting schedules based on the accounting records maintained by the office.

AUDITORS' OPINION

Mauldin & Jenkins, LLC, in their Independent Auditors' Report on the County's Annual Comprehensive Financial Report (ACFR) stated that, in their opinion, the financial statements of Hamilton County, Tennessee (inclusive of component units, major funds, and the remaining aggregate funds) as of June 30, 2024, and for the year then ended are fairly presented in all material respects.

The County's ACFR includes a summarized version of the financial statements for each constitutional office. The financial information included herein shows additional detail on the financial operations of each respective constitutional officer. All amounts included in the attached financial statements agree with the financial information reported in the FY 2024 ACFR.

As part of our examination, we evaluated internal controls as required by *Governmental Auditing Standards*. In addition, we offered recommendations concerning administrative and operating matters that are not directly related to internal controls. Those recommendations, along with our recommendations for improvements in internal controls and management's responses to our findings, are described on pages 41 of this report.

We appreciate the help of all the Hamilton County constitutional officers' staff in assisting us during our audit. Please get in touch with us if we can be of assistance.



Chris McCollough, County Auditor

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CIRCUIT COURT CLERK

The Hamilton County, Circuit Court Clerk, acts as an agent for the Circuit Court and the Civil Division of General Sessions Court. The Clerk's office is divided into two major divisions: the Circuit Court Division and the Sessions Court Division. The primary functions of the Circuit Court and Sessions Court divisions are to maintain court records and collect and disburse litigation taxes, court costs, fines, fees, restitution, child support, etc., as ordered by the respective court.

Larry L. Henry was elected to the Hamilton County Circuit Court Clerk position, assumed his duties on September 1, 2014, and has served continuously since.

CIRCUIT COURT CLERK - LARRY L. HENRY
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
BALANCE SHEET AND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024
(With comparative totals for 2023)

	Governmental Fund Type General Fund	Fiduciary Fund Type Custodial Funds	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 590,388	\$ 4,023,342	\$ 4,613,730	\$ 7,461,337
Savings accounts and investments made on behalf of litigants and beneficiaries	-	4,203,342	4,203,342	2,437,743
Investment	17,754	-	17,754	11,521
Total assets	<u>\$ 608,142</u>	<u>\$ 8,226,684</u>	<u>\$ 8,834,826</u>	<u>\$ 9,910,601</u>
LIABILITIES, FUND BALANCE AND NET POSITION				
Liabilities				
Due to State of Tennessee	\$ -	\$ 28,126	\$ 28,126	\$ 27,579
Due to Hamilton County	69,502	-	69,502	70,438
Due to others	-	73,208	73,208	73,874
Accrued and other liabilities	368,009	-	368,009	413,740
Total liabilities	<u>437,511</u>	<u>101,334</u>	<u>538,845</u>	<u>585,631</u>
Fund Balance/Net Position				
Unassigned	170,631	-	170,631	(574,667)
Restricted for Litigants and Beneficiaries	-	8,125,350	8,125,350	9,899,637
Total fund balance/net position	<u>170,631</u>	<u>8,125,350</u>	<u>8,295,981</u>	<u>9,324,970</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 608,142</u>	<u>\$ 8,226,684</u>	<u>\$ 8,834,826</u>	<u>\$ 9,910,601</u>

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

CIRCUIT COURT CLERK - LARRY L. HENRY
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2024
(With comparative totals for 2023)

	2024	2023
REVENUES		
Fees and commissions (other than Data Processing)		
Circuit Division	\$ 670,791	\$ 706,761
General Sessions - Civil Division	1,051,920	1,028,830
Circuit Division	7,686	8,394
General Sessions - Civil Division	50,580	50,056
Interest	165,886	(40,035)
Total revenues	<u>1,946,863</u>	<u>1,754,006</u>
EXPENDITURES		
Circuit Court Clerk's salary	146,535	139,583
Circuit Division	2,047,510	1,994,707
Employee benefits	1,080,312	1,135,963
Purchased services	60,191	58,470
Materials, supplies and repair	32,254	34,449
Rent, insurance and other	224,416	224,583
Total expenditures	<u>3,591,218</u>	<u>3,587,755</u>
Revenues over (under) expenditures	(1,644,355)	(1,833,749)
OTHER FINANCING SOURCES/(USES)		
Appropriation from Hamilton County	4,341,817	3,284,597
Fees Transferred to Hamilton County	(1,952,164)	(1,941,946)
Total other financing sources/(uses)	<u>2,389,653</u>	<u>1,342,651</u>
Net change in Fund Balance	745,298	(491,098)
Fund Balance at Beginning of Year	(574,667)	(83,569)
Fund Balance at End of Year	<u>\$ 170,631</u>	<u>\$ (574,667)</u>

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

CIRCUIT COURT CLERK - LARRY L. HENRY
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

ADDITIONS:	<u>Custodial Funds</u>
Circuit Division:	
Judgments for litigants and beneficiaries	\$ 8,217,418
State litigation taxes	(64,707)
Child support and alimony	8,000
Miscellaneous	88,587
Other	7,457
General Sessions - Civil Division:	
Judgments for litigants and beneficiaries	5,385,668
State litigation taxes	224,449
Miscellaneous	374,974
Total Additions	<u>14,241,846</u>
 DEDUCTIONS:	
Circuit Division:	
Judgments for litigants and beneficiaries	\$ 9,992,490
State litigation taxes	(64,707)
Child support and alimony	8,000
Miscellaneous	88,587
Other	7,458
General Sessions - Civil Division:	
Judgments for litigants and beneficiaries	5,384,882
State litigation taxes	224,449
Miscellaneous	374,974
Total Deductions	<u>16,016,133</u>
Net Increase (decrease) in fiduciary net position	(1,774,287)
Net position, beginning of year	<u>9,899,637</u>
Net position, end of year	<u>\$ 8,125,350</u>

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

CLERK & MASTER

The Hamilton County Clerk & Master serves in the dual role of Clerk of the Chancery Court and the Master in Chancery. As Clerk of the Chancery Court, she exercises all the duties and powers conferred upon clerks of court generally; the role is almost exclusively clerical, and law or orders of the court strictly define the powers exercised. As the Master in Chancery, she is a judicial officer clothed with many of the powers of a Chancellor. There is no question of Law of Equity, or disputed fact, which the Clerk & Master may not have an occasion to decide or to report her opinion to the court. The office is divided into six major divisions.

The Equity Division maintains court records and collects and disburses litigation taxes, court costs, judgments, fees, etc., on actions filed in Chancery Court. The Delinquent Property Tax Division maintains court records and collects and disburses delinquent property taxes, attorney fees, court costs, and other fees. This division also sells property on actions filed by local governments against property owners delinquent in property taxes. The Probate Division oversees the administration of the estates of deceased persons. The Guardian Division handles adoptions, supervises conservatorships and guardianships of incompetent persons, and collects and disburses the fees on these cases. The Finance Division maintains and supervises investments of monies held in the court's registry. The General Services Division supports the courts through court officers, process servers, law clerks, judicial clerks for motions and appeals, and information systems.

Robin Miller was appointed Hamilton County Clerk & Master in September 2015 and has served continuously since.

CLERK & MASTER - ROBIN MILLER
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
BALANCE SHEET AND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024
(With comparative totals for 2023)

	Governmental Fund Type General Fund	Fiduciary Fund Type Custodial Funds	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 2,554,998	\$ 24,741,308	\$ 27,296,306	\$ 38,197,325
Savings accounts and investments made on behalf of litigants and beneficiaries	-	18,145,482	18,145,482	7,923,801
Prepaid expense	4,413	-	4,413	5,253
Receivable from Tax	-	-	-	220,944
Total assets	<u>\$ 2,559,411</u>	<u>\$ 42,886,790</u>	<u>\$ 45,446,201</u>	<u>\$ 46,347,323</u>
LIABILITIES, FUND BALANCE AND NET POSITION				
Liabilities:				
Due to Hamilton County	\$ 636,004	\$ -	\$ 636,004	\$ 42
Due to municipalities	-	611,807	611,808	-
Due to back tax attorneys	-	89,073	89,073	-
Due to others	-	5,690,886	5,690,886	6,571,682
Total liabilities	<u>636,004</u>	<u>6,391,767</u>	<u>7,027,771</u>	<u>6,571,724</u>
Fund Balance/Net Position				
Restricted for computer-related purchases	141,218	-	141,218	244,461
Unassigned	1,782,189	-	1,782,189	1,464,559
Restricted for Litigants and Beneficiaries	-	36,495,023	36,495,023	38,066,579
Total fund balance/net position	<u>1,923,407</u>	<u>36,495,023</u>	<u>38,418,430</u>	<u>39,775,599</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 2,559,411</u>	<u>\$ 42,886,790</u>	<u>\$ 45,446,201</u>	<u>\$ 46,347,323</u>

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

CLERK & MASTER - ROBIN MILLER
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE FOR ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2024
(With comparative totals for 2023)

	2024	2023
REVENUES		
Chancery Court division	\$ 335,897	\$ 117,260
Delinquent tax division	1,843,955	1,738,694
Probate division	465,286	385,869
Interest	834,412	443,474
Total revenues	<u>3,479,550</u>	<u>2,685,297</u>
EXPENDITURES		
Clerk & Master's salary	146,535	139,583
Commissions paid to Clerk & Master	5,000	5,000
Other salaries and wages	1,518,907	1,526,508
Office equipment, maintenance and rentals	33,407	60,751
Computer Expenses	127,857	17,023
Miscellaneous	160,151	51,821
Total expenditures	<u>1,991,857</u>	<u>1,800,686</u>
Revenues over expenditures	1,487,693	884,611
OTHER FINANCING SOURCES/(USES)		
Excess fees remitted to Hamilton County	<u>(1,273,306)</u>	<u>(714,257)</u>
Total other financing sources/(uses)	<u>(1,273,306)</u>	<u>(714,257)</u>
Net change in Fund Balance	214,387	170,354
Fund Balance at Beginning of Year	1,709,020	1,538,666
Fund Balance at End of Year	<u>\$ 1,923,407</u>	<u>\$ 1,709,020</u>

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

CLERK & MASTER - ROBIN MILLER
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS:	
State Funds - Litigation taxes	\$ 42,845
Judgments for litigants and beneficiaries	49,854,934
Delinquent property taxes, penalties and interest for municipalities	3,907,398
Attorneys' fees	620,256
Back tax sales	6,698,317
Other	16,184,262
Total additions	<u>\$ 77,308,012</u>
DEDUCTIONS:	
State Funds - Litigation taxes	\$ 42,845
Judgments for litigants and beneficiaries	51,426,490
Delinquent property taxes, penalties and interest for municipalities	3,907,398
Attorneys' fees	620,256
Back tax sales	6,698,317
Other	16,184,262
Total deductions	<u>78,879,568</u>
Net increase (decrease) in fiduciary net position	(1,571,556)
Net position, beginning of year	38,066,579
Net position, end of year	<u><u>\$ 36,495,023</u></u>

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

COUNTY CLERK

The Hamilton County Clerk acts as an agent in collecting County taxes (other than real and personal property) and serves as an agent for the State in collecting taxes and fees for automobile tag renewals, registrations, and licenses. The office is divided into two major divisions: the Motor Vehicle Division and the County Division.

The Motor Vehicle Division is primarily responsible for issuing driver's licenses, vehicle license tags, and vehicle titles. Subsequently, the Clerk collects and disburses these fees and taxes to the appropriate agency.

The County Division is primarily responsible for issuing business licenses, marriage licenses, game and fish licenses, etc. Subsequently, the Clerk collects and disburses these fees and taxes to the appropriate agency.

The County Clerk also serves as secretary to the Hamilton County Commission.

William F. Knowles was elected to the position of Hamilton County Clerk in 1974 and has served continuously since.

COUNTY CLERK - WILLIAM F. KNOWLES
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
BALANCE SHEET AND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024
(With comparative totals for 2023)

	Governmental Fund Type General Fund	Fiduciary Fund Type Custodial Funds	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 3,038,826	\$ 4,450,012	\$ 7,488,838	\$ 7,261,077
Accounts receivable	-	4,644	4,644	19,877
Total assets	<u>\$ 3,038,826</u>	<u>\$ 4,454,656</u>	<u>\$ 7,493,482</u>	<u>\$ 7,280,954</u>
LIABILITIES, FUND BALANCE AND NET POSITION				
Liabilities:				
Due to State of Tennessee	\$ -	\$ 4,337,423	\$ 4,337,423	\$ 4,436,385
Due to City of Chattanooga	-	36,305	36,305	36,720
Due to Hamilton County	111,119	-	111,119	116,690
Accrued and other liabilities	130,130	-	130,130	121,613
Total liabilities	<u>241,249</u>	<u>4,373,728</u>	<u>4,614,977</u>	<u>4,711,408</u>
Fund Balance/Net Position				
Restricted for insurance verification	147,624	-	147,624	86,605
Restricted for organ donor program	1,248	-	1,248	1,248
Restricted for computer-related purchases	473,147	-	473,147	453,289
Restricted for Title Fees Collected	800,058	-	800,058	528,951
Unassigned	1,375,500	-	1,375,500	1,443,246
Restricted net position	<u>-</u>	<u>80,928</u>	<u>80,928</u>	<u>56,207</u>
Total fund balance/net position	<u>2,797,577</u>	<u>80,928</u>	<u>2,878,505</u>	<u>2,569,546</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 3,038,826</u>	<u>\$ 4,454,656</u>	<u>\$ 7,493,482</u>	<u>\$ 7,280,954</u>

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

COUNTY CLERK - WILLIAM F. KNOWLES
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2024
(With comparative totals for 2023)

	2024	2023
REVENUES		
Motor vehicle fees	\$ 4,134,828	\$ 4,696,772
Business license fees	1,094,059	1,097,956
Motor vehicle online renewal fees	143,886	137,542
Title and register fees restricted	471,028	581,581
Marriage license fees	51,357	49,902
Boat registration fees	62,151	65,539
Notary fees	10,430	10,840
Computer fees	117,171	128,322
Insurance verification fees	61,019	30,840
Miscellaneous	30,797	31,863
Interest	279,989	216,730
Total revenues	<u>6,456,715</u>	<u>7,047,887</u>
EXPENDITURES		
County Clerk's salary	146,428	140,057
Other salaries	3,294,332	3,079,378
Contracted wages - temporary services	-	50,439
Computer equipment and supplies	97,313	240,977
County budget reimbursement	-	201,957
Miscellaneous	217,404	94,048
Total expenditures	<u>3,755,477</u>	<u>3,806,856</u>
Revenues over expenditures	2,701,238	3,241,031
OTHER FINANCING SOURCES/(USES)		
Excess fees remitted to Hamilton County	<u>(2,417,000)</u>	<u>(2,850,000)</u>
Net change in Fund Balance	284,238	391,031
Fund Balance at Beginning of Year	<u>2,513,339</u>	<u>2,122,308</u>
Fund Balance at End of Year	<u>\$ 2,797,577</u>	<u>\$ 2,513,339</u>

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

COUNTY CLERK - WILLIAM F. KNOWLES
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS:	
State Funds	
Motor vehicle registration	\$ 19,037,860
Sales and use tax	25,950,510
Notary commissions	7,495
Marriage privilege tax	184,951
Other	4,924
Totals - State Funds	<u>45,185,740</u>
Funds Held For Others	
City of Chattanooga - Motor vehicle renewals	410,286
Dealer Escrow	472,369
Refunds	370,419
Totals - Funds Held For Others	<u>1,253,074</u>
Total additions	<u>46,438,814</u>
DEDUCTIONS:	
State Funds	
Motor vehicle registration	\$ 19,037,860
Sales and use tax	25,950,510
Notary commissions	7,495
Marriage privilege tax	184,951
Other	4,924
Totals - State Funds	<u>45,185,740</u>
Funds Held For Others	
City of Chattanooga - Motor vehicle renewals	410,286
Contractor - tenant escrow	1,702
Dealer Escrow	445,946
Refunds	370,419
Totals - Funds Held For Others	<u>1,228,353</u>
Total deductions	<u>46,414,093</u>
Net increase (decrease) in fiduciary net position	24,721
Net position, beginning of year	<u>56,207</u>
Net position, end of year	<u><u>\$ 80,928</u></u>

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

CRIMINAL COURT CLERK

The Hamilton County, Criminal Court Clerk, acts as an agent for the Criminal Court and the Criminal Division of General Sessions Court. The office is divided into three major divisions: the Criminal Court Division, the Sessions Court Division, and the Delinquent Collections Division. The primary functions of the Criminal and Sessions divisions are to maintain court records and to collect and disburse litigation taxes, court costs, judgments, fines, fees, etc., on cases tried in the respective court. The primary function of the Delinquent Collections Division is to collect delinquent litigation taxes, fines, costs, and fees due to the Criminal Court Clerk.

Vince Dean was sworn in as the Hamilton County Criminal Court Clerk position on September 1, 2014, and has served continuously since.

CRIMINAL COURT CLERK - VINCE DEAN
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
BALANCE SHEET AND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024
(With comparative totals for 2023)

	Governmental Fund Type General Fund	Fiduciary Fund Type Custodial Funds	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 104,775	\$ 471,407	\$ 576,182	\$ 615,964
Net equity in investment pool	52,489	-	52,489	36,730
Due from Hamilton County	1,476	-	1,476	10,649
Due from State of Tennessee	38,615	-	38,615	29,868
Other assets	273,785	-	273,785	270,933
Interfund receivable	-	-	-	116,066
Total assets	<u>\$ 471,140</u>	<u>\$ 471,407</u>	<u>\$ 942,547</u>	<u>\$ 1,080,210</u>
LIABILITIES, FUND BALANCE AND NET POSITION				
Liabilities:				
Due to Hamilton County	\$ 149	\$ -	\$ 149	\$ 150
Due to State of Tennessee and other governmental units	-	-	-	4
Miscellaneous	-	1,374	1,374	(6,820)
Accrued and other liabilities	399,958	-	399,958	166,270
Interfund payable	-	-	-	116,066
Total liabilities	<u>400,107</u>	<u>1,374</u>	<u>401,481</u>	<u>275,670</u>
Fund Balance/Net Position				
Unassigned	71,033	-	71,033	162,964
Restricted for appearance bonds	-	470,033	470,033	641,576
Total fund balance/net position	<u>71,033</u>	<u>470,033</u>	<u>541,066</u>	<u>804,540</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 471,140</u>	<u>\$ 471,407</u>	<u>\$ 942,547</u>	<u>\$ 1,080,210</u>

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

CRIMINAL COURT CLERK - VINCE DEAN
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2024
(With comparative totals for 2023)

	2024	2023
REVENUES		
Fees and commissions		
Criminal Division	\$ 523,004	\$ 653,278
General Sessions - Criminal Division	337,592	379,031
Delinquent Collections Division	589,490	448,407
Interest	36,031	(112,478)
Total revenues	<u>1,486,117</u>	<u>1,368,238</u>
EXPENDITURES		
Criminal Court Clerk's salary	146,535	139,583
Other salaries		
Criminal Division	1,073,028	1,044,482
General Sessions - Criminal Division	1,465,175	1,379,522
Delinquent Collections Division	276,350	250,621
Employee benefits	1,368,752	1,356,562
Purchased services	52,906	65,302
Materials, supplies, etc.	33,900	33,641
Rent Insurance and Other	9,055	14,160
Capital outlay	10,949	37,998
Total expenditures	<u>4,436,650</u>	<u>4,321,871</u>
Revenues over (under) expenditures	(2,950,533)	(2,953,633)
OTHER FINANCING SOURCES/(USES)		
Appropriation from Hamilton County	2,858,602	2,673,537
Total other financing sources	<u>2,858,602</u>	<u>2,673,537</u>
Net change in Fund Balance	(91,931)	(280,096)
Fund Balance at Beginning of Year	162,964	443,060
Fund Balance at End of Year	<u>\$ 71,033</u>	<u>\$ 162,964</u>

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

CRIMINAL COURT CLERK - VINCE DEAN
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

ADDITIONS:	Custodial Funds
Criminal Division - State and Other Governmental Units	
State Department of Revenue	\$ 209,753
State Department of Safety	5,901
Other State Departments	74,614
Drug fines	13,396
Municipal costs	58,948
General Sessions - Criminal Division - State and Other Governmental Units	
State Department of Revenue	214,359
State Department of Safety	114,687
Other State Departments	265,485
Drug fines	18,428
Municipal costs	80,590
Totals - State and Other Govt. Units	<u>1,056,161</u>
Criminal Division - Funds Held for Others	
Appearance bonds	102,527
Miscellaneous	165,099
General Sessions - Criminal Division - Funds Held for Others	
Appearance bonds	388,457
Victims' restitution	77,570
Miscellaneous	66,533
Totals - Funds Held for Others	<u>800,186</u>
Total additions	<u>1,856,347</u>
DEDUCTIONS:	
Criminal Division - State and Other Governmental Units	
State Department of Revenue	\$ 209,753
State Department of Safety	5,901
Other State Departments	74,614
Drug fines	13,396
Municipal costs	58,948
General Sessions - Criminal Division - State and Other Governmental Units	
State Department of Revenue	214,359
State Department of Safety	114,687
Other State Departments	265,485
Drug fines	18,428
Municipal costs	80,590
Totals - State and Other Govt. Units	<u>1,056,161</u>
Criminal Division - Funds Held for Others	
Appearance bonds	76,000
Miscellaneous	165,099
General Sessions - Criminal Division - Funds Held for Others	
Appearance bonds	586,527
Victims' restitution	77,570
Miscellaneous	66,533
Totals - Funds Held for Others	<u>971,729</u>
Total deductions	<u>2,027,890</u>
Net increase (decrease) in fiduciary net position	<u>(171,543)</u>
Net position, beginning of year	641,576
Net position, end of year	<u>\$ 470,033</u>

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

JUVENILE COURT CLERK

The Hamilton County, Juvenile Court Clerk, acts as an agent for the Juvenile Court. The office is divided into two major divisions: Administrative and Child Support. The primary functions of the Administrative Division are to maintain court records and to collect and disburse court costs, judgments, restitution, bonds, fees, fines, etc., on cases tried in the Juvenile Court. The Child Support Division is primarily responsible for maintaining court records and processing all legal documents for child support, paternity, consent, etc., on child support cases processed through the Juvenile Court system.

Gary D. Behler was elected to the Hamilton County Juvenile Court Clerk position in 2010 and has served continuously since.

JUVENILE COURT CLERK - GARY D. BEHLER
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
BALANCE SHEET AND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024
(With comparative totals for 2023)

	Governmental Fund Type General Fund	Fiduciary Fund Type Custodial Funds	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 1,518,544	\$ 71,106	\$ 1,589,650	\$ 63,624
Net equity in investment pool	1,757,611	62,673	1,820,284	3,308,940
Savings accounts and investments made on behalf of others	-	383,884	383,884	434,088
Due from State of Tennessee	12,172	-	12,172	15,520
Other assets	8,258	-	8,258	3,556
Total assets	<u>\$ 3,296,585</u>	<u>\$ 517,663</u>	<u>\$ 3,814,248</u>	<u>\$ 3,825,728</u>
LIABILITIES, FUND BALANCE AND NET POSITION				
Liabilities:				
Accrued and other liabilities	\$ 173,209	\$ -	\$ 173,209	\$ 115,876
Due to Others	35,689	-	35,689	31,928
Child support	-	71,106	71,106	61,424
Restitution	-	1,050	1,050	7,313
Other	-	5,726	5,726	4,000
Total liabilities	<u>208,898</u>	<u>77,882</u>	<u>286,780</u>	<u>220,541</u>
Fund Balance/Net Position				
Unassigned	3,087,687	-	3,087,687	3,112,902
Restricted for court awards	-	438,281	438,281	492,285
Restricted for appearance bonds	-	1,500	1,500	-
Total fund balance/net position	<u>3,087,687</u>	<u>439,781</u>	<u>3,527,468</u>	<u>3,605,187</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 3,296,585</u>	<u>\$ 517,663</u>	<u>\$ 3,814,248</u>	<u>\$ 3,825,728</u>

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

JUVENILE COURT CLERK - GARY D. BEHLER
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF ALL GOVERNMENTAL FUNDS
Year ended June 30, 2024
(With comparative totals for 2023)

	2024	2023
REVENUES		
Child support fees and commissions	\$ 150,728	\$ 163,119
Fines and court costs	140,552	149,984
Data processing fees	6,270	6,684
Miscellaneous	13,375	16,126
Interest	151,935	53,180
Total revenues	<u>462,860</u>	<u>389,093</u>
EXPENDITURES		
Juvenile Court Clerk's salary	146,535	139,583
Other salaries	1,899,144	1,754,712
Employee benefits	1,023,609	1,022,094
Purchased services	65,971	56,280
Materials and supplies	17,422	22,280
Rent	5,124	5,265
Capital outlay	3,263	11,699
Total expenditures	<u>3,161,068</u>	<u>3,011,913</u>
Revenues under expenditures	(2,698,208)	(2,622,820)
OTHER FINANCING SOURCES		
Appropriations from Hamilton County	<u>2,672,993</u>	<u>2,582,236</u>
Net change in Fund Balance	(25,215)	(40,584)
Fund Balance at Beginning of Year	<u>3,112,902</u>	<u>3,153,486</u>
Fund Balance at End of Year	<u>\$ 3,087,687</u>	<u>\$ 3,112,902</u>

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

JUVENILE COURT CLERK - GARY D. BEHLER
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS:	
Child support	\$ 728,823
Court awards held for minors	39,656
Appearance bonds	3,000
Restitution	15,470
Other	16,217
Total additions	<u>803,166</u>
DEDUCTIONS:	
Child support	\$ 728,823
Court awards held for minors	93,661
Appearance bonds	1,499
Restitution	15,470
Other	16,217
Total deductions	<u>855,670</u>
Net increase (decrease) in fiduciary net position	(52,504)
Net position, beg of year	<u>492,285</u>
Net position, end of year	<u>\$ 439,781</u>

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

REGISTER

The Hamilton County Register serves the State as the official recording agent for mortgages and deeds filed in Hamilton County. The office's primary function is to record various instruments such as deeds, mortgages, powers of attorney, plats, liens, etc. The office is also responsible for collecting certain taxes (realty transfer and mortgage taxes, mortgage probate taxes, and County official retirement taxes) and remittance of such collections to the State.

Marc Gravitt was sworn in as Hamilton County Register in September 2018.

REGISTER - MARC GRAVITT
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
BALANCE SHEET AND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024
(With comparative totals for 2023)

	Governmental Fund Type General Fund	Fiduciary Fund Type Custodial Funds	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 576,661	\$ 1,721,988	\$ 2,298,649	\$ 2,338,101
Accounts receivable	-	2,507	2,507	3,923
Total Assets	<u>\$ 576,661</u>	<u>\$ 1,724,495</u>	<u>\$ 2,301,156</u>	<u>\$ 2,342,024</u>
LIABILITIES, FUND BALANCE AND NET POSITION				
Liabilities:				
Due to State of Tennessee	\$ -	\$ 1,724,495	\$ 1,724,495	\$ 1,793,666
Accrued liabilities	47,042	-	47,042	47,761
Total liabilities	<u>47,042</u>	<u>1,724,495</u>	<u>1,771,537</u>	<u>1,841,427</u>
Fund Balance/Net Position				
Unassigned	529,619	-	529,619	500,597
Total fund balance/net position	<u>529,619</u>	<u>-</u>	<u>529,619</u>	<u>500,597</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 576,661</u>	<u>\$ 1,724,495</u>	<u>\$ 2,301,156</u>	<u>\$ 2,342,024</u>

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

REGISTER - MARC GRAVITT
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF ALL GOVERNMENTAL FUNDS
Year ended June 30, 2024
(With comparative totals for 2023)

	2024	2023
REVENUES		
Commissions	\$ 533,061	\$ 511,303
Recording fees - deeds	232,185	238,665
Recording fees - mortgages	899,298	944,665
Recording fees - other	381,751	439,806
Probate fees	20,050	22,285
Data processing fees	102,252	113,134
Remote access fees	220,400	217,050
Interest	80,915	56,642
Miscellaneous	76,127	85,133
Total revenues	<u>2,546,039</u>	<u>2,628,683</u>
EXPENDITURES		
Register's salary	146,535	139,583
Other salaries	768,107	722,536
Reimbursement to GIS for document recording	3,595	3,867
Miscellaneous	9,516	17,944
Total expenditures	<u>927,753</u>	<u>883,930</u>
Revenues over expenditures	1,618,286	1,744,753
OTHER FINANCING SOURCES/(USES)		
Excess fees remitted to Hamilton County	(1,487,012)	(1,785,521)
Excess data entry fees remitted to Hamilton County	(102,252)	(113,134)
Total other financing sources/(uses)	<u>(1,589,264)</u>	<u>(1,898,655)</u>
Net change in Fund Balance	29,022	(153,902)
Fund Balance at Beginning of Year	<u>500,597</u>	<u>654,499</u>
Fund Balance at End of Year	<u>\$ 529,619</u>	<u>\$ 500,597</u>

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

REGISTER - MARC GRAVITT
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS:	
State Funds	
State conveyance tax - deeds	\$ 17,635,870
State conveyance tax - mortgages	<u>4,574,987</u>
Total Additions	<u>22,210,857</u>
DEDUCTIONS:	
State Funds	
State conveyance tax - deeds	17,635,870
State conveyance tax - mortgages	<u>4,574,987</u>
Total Deductions	<u>22,210,857</u>
Net increase (decrease) in fiduciary net position	-
Net position, beginning of year	-
Net position, end of year	<u><u>\$ -</u></u>

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

SHERIFF

The Hamilton County Sheriff's Office is a multifunction operation. The Sheriff is responsible for preserving the peace, operating the Hamilton County Jail, courtroom security, and performing various other functions from which the Sheriff receives revenues. The primary function of preserving the peace is nonrevenue-producing; therefore, the County General Government provides an ex-officio appropriation for the operation of the office. Other primary revenues for the office are generated from fees charged by the court clerks for various civil processes and from the boarding of State and Federal prisoners in the Hamilton County Jail. The Sheriff's primary expenditures are for payroll and employee benefits.

Sheriff Austin Garrett was sworn in as the 60th Sheriff of Hamilton County Sheriff's Office on September 1, 2022.

SHERIFF - AUSTIN L. GARRETT
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
BALANCE SHEET AND STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024
(With comparative totals for 2023)

	Governmental Fund Type General Fund	Fiduciary Fund Type Custodial Funds	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 16,719,283	\$ 149,243	\$ 16,868,526	\$ (374,834)
Net equity in investment pool	21,890,667	-	21,890,667	39,154,412
Receivables:				
Due from Hamilton County	873	-	873	-
Due from other governmental units and agencies	780,349	-	780,349	588,801
Due from others	787,680	-	787,680	760,358
Total assets	<u>\$ 40,178,852</u>	<u>\$ 149,243</u>	<u>\$ 40,328,095</u>	<u>\$ 40,128,737</u>
LIABILITIES, FUND BALANCE AND NET POSITION				
Liabilities:				
Accrued and other liabilities	\$ 3,452,896	\$ -	\$ 3,452,896	\$ 3,076,642
Due to other governmental units and agencies	1,372,461	-	1,372,461	1,808,213
Total liabilities	<u>4,825,357</u>	<u>-</u>	<u>4,825,357</u>	<u>4,884,855</u>
Fund Balance/Net Position				
Restricted for special purpose	1,670,423	-	1,670,423	1,002,247
Assigned for public safety	33,683,072	-	33,683,072	34,142,132
Restricted confiscated & evidence	-	149,243	149,243	99,503
Total fund balance/net position	<u>35,353,495</u>	<u>149,243</u>	<u>35,502,738</u>	<u>35,243,882</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 40,178,852</u>	<u>\$ 149,243</u>	<u>\$ 40,328,095</u>	<u>\$ 40,128,737</u>

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

SHERIFF - AUSTIN L. GARRETT
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF ALL GOVERNMENTAL FUNDS
Year ended June 30, 2024
(With comparative totals for 2023)

	2024	2023
REVENUES		
Boarding prisoners - State of Tennessee	\$ 1,648,689	\$ 1,601,744
Boarding prisoners - Federal	586,905	450,065
Federal and State grants	6,494,213	1,920,298
Circuit Court Clerk	288,547	305,065
Criminal Court Clerk	90,173	92,738
Chancery Court	4,150	2,673
Sale of confiscated property	352	360
Award of confiscated funds	106,115	155,924
Jail commissary revenues	1,350,796	1,300,031
Contract services with Ham Co Dept of Education	-	-
Contract services with municipalities	144,473	150,527
Miscellaneous	460,253	461,769
Interest	1,735,243	580,018
Total revenues	<u>12,909,909</u>	<u>7,021,212</u>
EXPENDITURES		
Sheriff's salary	182,626	178,104
Other salaries and employee compensation	33,628,470	29,438,238
Employee benefits	15,481,354	13,861,998
Purchased services	12,126,163	9,497,080
Materials, supplies and repair parts	4,933,828	4,419,832
Rent, insurance and other	1,185,500	2,528,436
Capital outlay	2,879,770	1,662,789
Total expenditures	<u>70,417,711</u>	<u>61,586,477</u>
Revenues under expenditures	(57,507,802)	(54,565,265)
OTHER FINANCING SOURCES		
Appropriations from Hamilton County	57,716,918	57,083,028
Sale of capital assets	-	-
Total other financing sources	<u>57,716,918</u>	<u>57,083,028</u>
Net change in Fund Balance	209,116	2,517,763
Fund Balance at Beginning of Year	<u>35,144,379</u>	<u>32,626,616</u>
Fund Balance at End of Year	<u>\$ 35,353,495</u>	<u>\$ 35,144,379</u>

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

SHERIFF - AUSTIN L. GARRETT
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
Year Ended June 30, 2024

	Custodial Funds
ADDITIONS:	
Confiscated funds received	\$ 151,233
Evidence funds received	13,738
Total additions	<u>164,971</u>
DEDUCTIONS:	
Confiscated funds	\$ 115,231
Evidence funds	<u>-</u>
Total deductions	<u>115,231</u>
Net increase (decrease) in fiduciary net position	49,740
Net position, beginning of year	99,503
Net position, end of year	<u><u>\$ 149,243</u></u>

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

TRUSTEE

The Trustee serves as treasurer for all funds of the Hamilton County Government, including the Hamilton County School System. Most receipts and disbursements flow through the Trustee's office. In addition, the Trustee is responsible for collection and remittance of property tax, ad valorem tax, personalty tax, and hotel-motel tax for the County and municipalities.

Bill Hullander was elected to the position of Hamilton County Trustee in 2010 and has served continuously since.

TRUSTEE - BILL HULLANDER
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
BALANCE SHEET AND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024
(With comparative totals for 2023)

	Governmental Fund Type General Fund	Fiduciary Fund Type Custodial Funds	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 59,960,833	\$ 1,376,428	\$ 61,337,261	\$ 40,356,687
Due from others	48,999	-	48,999	45,782
Interfund receivable	255,680	-	255,680	312,652
Total assets	<u>\$ 60,265,512</u>	<u>\$ 1,376,428</u>	<u>\$ 61,641,940</u>	<u>\$ 40,715,121</u>
LIABILITIES, FUND BALANCE AND NET POSITION				
Liabilities:				
Funds held for Hamilton County	\$ 59,097,000	\$ -	\$ 59,097,000	\$ 37,857,027
Due to other governmental units	-	993,982	993,982	1,097,991
Due to Hamilton County	31,739	-	31,739	29,077
Accrued and other liabilities	3,244	-	3,244	1,972
Interfund payable	-	255,680	255,680	312,652
Total liabilities	<u>59,131,983</u>	<u>1,249,662</u>	<u>60,381,645</u>	<u>39,298,719</u>
Fund Balance/Net Position				
Unassigned	1,133,529	-	1,133,529	1,320,967
Restricted net position	-	126,766	126,766	95,435
Total fund balance/net position	<u>1,133,529</u>	<u>126,766</u>	<u>1,260,295</u>	<u>1,416,402</u>
TOTAL LIABILITIES, FUND BALANCE AND NET POSITION	<u>\$ 60,265,512</u>	<u>\$ 1,376,428</u>	<u>\$ 61,641,940</u>	<u>\$ 40,715,121</u>

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

TRUSTEE - BILL HULLANDER
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2024
(With comparative totals for 2023)

	2024	2023
REVENUES		
Commissions	\$ 10,929,416	\$ 10,804,742
Delinquent Tax fees	360,505	356,503
Contract income with City of East Ridge	35,000	35,000
Contract income with City of Red Bank	25,000	25,000
Contract income with City of Ridgeside	1,000	1,000
Interest	146,379	100,426
Total revenues	<u>11,497,300</u>	<u>11,322,671</u>
EXPENDITURES		
Trustee's salary	146,535	139,583
Other salaries	900,810	889,873
Attorney fees and other legal costs	39	80
Bank analysis and service fees	85,086	82,415
Security	20,712	21,605
Computer hardware and software	11,974	2,554
Building repair and renovations	-	1,738
Travel and dues	855	429
Office supplies and other	39,927	14,554
Total expenditures	<u>1,205,938</u>	<u>1,152,831</u>
Revenues over expenditures	10,291,362	10,169,840
OTHER FINANCING SOURCES/(USES)		
Excess fees remitted to Hamilton County	<u>(10,478,800)</u>	<u>(9,817,956)</u>
Net change in Fund Balance	(187,438)	351,884
Fund Balance at Beginning of Year	<u>1,320,967</u>	<u>969,083</u>
Fund Balance at End of Year	<u>\$ 1,133,529</u>	<u>\$ 1,320,967</u>

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

TRUSTEE - BILL HULLANDER
A CONSTITUTIONAL OFFICER OF HAMILTON COUNTY, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

	Custodial Funds
ADDITIONS:	
Municipal property and personalty taxes	\$ 501,774
Chattanooga hotel-motel occupancy taxes	9,700,576
East Ridge hotel-motel occupancy taxes	827,229
Red Bank hotel-motel occupancy taxes	25,706
Soddy Daisy hotel-motel occupancy taxes	28,030
Collegedale hotel-motel occupancy taxes	163,540
East Ridge sanitation fees	1,539,457
Red Bank sanitation fees	996,327
Ridgeside sanitation fees	37,931
Red Bank stormwater fees	516,595
Ridgeside community fees	-
Total other governmental units	<u>14,337,165</u>
Due to Others	
Real property tax sale	898,067
Unappropriated property taxes/refunds	4,895,653
Prepaid County property taxes	264,008
Hotel Motel Tax - County	11,408,118
Other	3,169
Total due to others	<u>17,469,015</u>
Total additions	<u>31,806,180</u>
DEDUCTIONS:	
Municipal property and personalty taxes	\$ 501,774
Chattanooga hotel-motel occupancy taxes	9,700,576
East Ridge hotel-motel occupancy taxes	827,229
Red Bank hotel-motel occupancy taxes	25,706
Soddy Daisy hotel-motel occupancy taxes	28,030
Collegedale hotel-motel occupancy taxes	163,540
East Ridge sanitation fees	1,539,457
Red Bank sanitation fees	996,327
Ridgeside sanitation fees	37,931
Red Bank stormwater fees	516,595
Ridgeside community fees	-
Total other governmental units	<u>14,337,165</u>
Due to Others	
Real property tax sale	898,067
Unappropriated property taxes/refunds	4,866,115
Prepaid County property taxes	262,835
Hotel Motel Tax - County	11,408,148
Other	2,519
Total due to others	<u>17,437,684</u>
Total deductions	<u>31,774,849</u>
Net increase (decrease) in fiduciary net position	31,331
Net position, beginning of year	95,435
Net position, end of year	<u>\$ 126,766</u>

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

CONSTITUTIONAL OFFICERS OF HAMILTON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

Fiscal Year Ending June 30, 2024

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Constitutional Officers of Hamilton County, Tennessee are established pursuant to the constitution of the State of Tennessee. The Circuit Court Clerk, County Clerk, Criminal Court Clerk, Juvenile Court Clerk, Register, Sheriff, and Trustee are independently elected officials, while the Clerk & Master is an appointed official. The officers' financial statements are included in the *Annual Comprehensive Financial Report* of Hamilton County, Tennessee. The Clerk & Master, County Clerk, Register, and Trustee are reported in the Special Revenue Funds and Custodial Funds. The Sheriff, Circuit Court Clerk, Criminal Court Clerk, and Juvenile Court Clerk are reported as part of the County General Fund and Custodial Funds.

The Constitutional Officers provide services to the public and are responsible for collecting and disbursement of monies to government agencies and third parties. Generally, each officer charges fees and/or commissions for their services in order to provide revenues for the operation of the office. In addition, Hamilton County expends funds on behalf of the Constitutional Officers for certain operating and capital expenses and to satisfy any deficits that may occur (see Notes 2, 3, 4, and 7). Fees and commissions collected by the Constitutional Officers, in excess of those required for the operation of the office, are remitted to Hamilton County.

Fund Accounting

The accounts of the Constitutional Officers are listed for reporting purposes as either governmental funds (General Fund) or fiduciary funds (Custodial Funds).

The General Fund accounts for the activities of each officer's Fee and Commission account. It is used to account for all revenue and certain expenditures applicable to the general operations of the officer. This fund measures financial position and changes in financial position, rather than focusing on net income.

Custodial Funds are assets held by the officers for distribution to government agencies and third parties. These funds are custodial in nature and do not involve the measurement of operations.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in each of the Constitutional Officer's financial position and operations.

Use of Estimates in the Preparation of Financial Statements

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 and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Constitutional Officers had evaluated subsequent events for potential recognition and disclosure through December 31, 2024, when the financial statements were available to be issued.

CONSTITUTIONAL OFFICERS OF HAMILTON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

Fiscal Year Ending June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting

The financial statements have been prepared using the modified accrual basis of accounting. Revenues are recorded when received in cash, except for certain revenues that are accrued when they are both measurable and available. Expenditures are generally recorded when the liability is incurred.

Reporting Model

Hamilton County has implemented the basic financial reporting model required by Government Accounting Standards Board (GASB) Statements 34, 84, 87, and 96. Certain supplementary information required by GASB Statements 34, 87, and 96 relative to the financial results for the Constitutional Officers is not included in the accompanying financial statements but is included in the *Annual Comprehensive Financial Report* of Hamilton County, Tennessee.

Note 2. Expenditures Funded by Hamilton County

Hamilton County partially funds employee and operating expenses along with capital purchases on behalf of the Constitutional Officers. These expenditures are reflected in the *Annual Comprehensive Financial Report* of Hamilton County, Tennessee, and are not included in the accompanying financial statements of the Constitutional Officers. The expenditures funded by the Hamilton County General Fund in the fiscal year ended June 30, 2024, with comparative totals for 2023, are as follows:

	Compensation and Employee Benefits	Other Operating Expenditures	Capital Outlay	Total Expenditures 2024	Total Expenditures 2023
Clerk & Master	\$ 769,295	\$ 143,353	\$ -	\$ 912,648	\$ 859,336
County Clerk	1,644,431	756,060	-	2,400,491	2,393,072
Register	461,820	66,075	-	527,895	516,646
Sheriff	-	-	2,193,049	2,193,049	2,007,500
Trustee	435,560	1,156,920		1,592,480	1,236,509

CONSTITUTIONAL OFFICERS OF HAMILTON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

Fiscal Year Ending June 30, 2024

Note 3. Fixed Assets and Long-Term Liabilities

The Constitutional Officers operate in physical facilities provided by Hamilton County. Generally, all capital improvements or additions are funded through general obligation bonds or general revenues of Hamilton County. Accordingly, all fixed assets and the related long-term liabilities are reflected in the *Annual Comprehensive Financial Report* of Hamilton County, Tennessee, and are not included in the accompanying financial statements of the Constitutional Officers.

Note 4. Employee Retirement Benefit Plans

Substantially all employees of the Constitutional Officers are eligible to participate in retirement benefit plans established by either Hamilton County or the State of Tennessee. For fiscal years ended June 30, 2024, and 2023, the following Constitutional Officers contributed retirement funds from their budget allowance as follows:

	Total Pension	Legacy Plan	Hybrid Plan
Circuit Court Clerk – 2024	\$ 289,070	252,602	36,468
Circuit Court Clerk – 2023	312,885	277,135	35,750
Criminal Court Clerk - 2024	335,005	242,245	92,760
Criminal Court Clerk - 2023	335,400	266,768	68,632
Juvenile Court Clerk – 2024	265,485	240,543	24,942
Juvenile Court Clerk – 2023	258,487	237,147	21,340
Sheriff – 2024	3,998,733	2,760,243	1,238,490
Sheriff – 2023	3,622,051	2,689,643	932,408

Contributions in the fiscal years 2024 and 2023 on behalf of the other Constitutional Officers were funded by the Hamilton County General Fund (see Note 2) and are not included in the accompanying financial statements of the respective Constitutional Officer.

Appropriate note disclosures relative to the retirement benefit plans are included in the *Annual Comprehensive Financial Report* of Hamilton County, Tennessee.

CONSTITUTIONAL OFFICERS OF HAMILTON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

Fiscal Year Ending June 30, 2024

Note 5. Investments Held For Others

The Circuit Court Clerk, Clerk & Master, and Juvenile Court Clerk are responsible for the investment of certain funds on behalf of litigants and beneficiaries. These funds are generally invested in interest-earning checking accounts, savings accounts, and certificates. These investments are recorded at cost plus accrued interest, which approximates market value.

Undistributed funds held for litigants and beneficiaries on June 30, 2024, with comparative totals for 2023, are as follows:

	Checking Accounts	Savings Accts, Certificates and Investments	Totals	
			2024	2023
Circuit Court Clerk	\$ 3,922,008	\$ 4,203,342	\$ 8,125,350	\$ 9,899,637
Clerk & Master	18,349,541	18,145,482	36,495,023	38,066,579
Juvenile Court Clerk	55,897	383,884	439,781	492,285

On June 30, 2024, substantially all funds held in the name of litigants and beneficiaries were covered by federal deposit insurance. Checking account balances for the Constitutional Officers are subject to State statutes requiring that all deposits with financial institutions be collateralized by securities whose market value equals 105% of the value of uninsured deposits. Collateral disclosures and other disclosures relative to the credit and market risk of the deposits and investments held by the Constitutional Officers are included in the *Annual Comprehensive Financial Report* of Hamilton County, Tennessee.

Note 6. Trustee's Collections and Disbursements

The Trustee acts in the capacity of treasurer for Hamilton County. Hamilton County's cash receipts and disbursements are processed through the Trustee's office. During the years ended June 30, 2024, and 2023, the Trustee processed the following collections and disbursements on behalf of Hamilton County:

CONSTITUTIONAL OFFICERS OF HAMILTON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Note 6. Trustee's Collections and Disbursements (continued)

	2024	2023
County funds collected		
Cash receipts and electronic fund transfers	\$ 1,763,994,120	\$ 1,535,940,330
Property and personalty taxes, including public utilities, in lieu of taxes, and stormwater fees	327,499,498	327,845,350
Cash transfers between County funds	1,140,871,458	1,010,430,702
Hotel/Motel occupancy taxes	11,408,118	11,330,091
Interest earnings	1,647,452	1,302,937
Total County funds collected	<u>\$ 3,245,420,646</u>	<u>\$ 2,886,849,410</u>
County funds disbursed:		
Checks and electronic fund transfers	\$ 2,071,901,098	\$ 1,881,040,163
Cash transfers between County funds	1,140,871,458	1,010,430,702
Total County funds disbursed	<u>\$ 3,212,772,556</u>	<u>\$ 2,891,470,865</u>

For purposes of reporting in the *Annual Comprehensive Financial Report* of Hamilton County, the above collections and disbursements are reported in the Trustee's Custodial Fund rather than as revenues and expenditures of the Trustee. Additionally, all cash held by the Trustee on behalf of Hamilton County on June 30, 2024, and 2023 is reported in the *Annual Comprehensive Financial Report* of Hamilton County.

Note 7. Funds Reserved for Data Processing Expenses

Tennessee State law authorizes certain Constitutional Officers to charge a data processing fee for services provided by the respective officer and requires that all proceeds from the fee be expended for the purchase of computer equipment, software, maintenance, and supplies for such officer, and certain other allowable expenses.

The Circuit Court Clerk, Criminal Court Clerk, Juvenile Court Clerk, and Sheriff remit all their data processing fees to the County General Fund. The Register sends their unspent data processing fees to the County General Fund, which is retained for later use on computer-related expenditures. The Clerk and Master and County Clerk's office keeps their unspent data processing fees for their respective computer-related expenditures.

CONSTITUTIONAL OFFICERS OF HAMILTON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Note 7. Funds Reserved for Data Processing Expenses (continued)

Data processing fees generated and the balance of unspent fees as of June 30, 2024, and 2023 are as follows:

	Data Processing Fees		Unspent Data Processing Fees at June 30	
	2024	2023	2024	2023
Circuit Court Clerk	\$ 58,266	\$ 58,450		\$ -
Clerk & Master	24,613	27,565	141,218	244,461
County Clerk	117,171	128,322	473,147	453,289
Criminal Court Clerk	19,358	24,033		-
Juvenile Court Clerk	6,270	6,684		-
Register	102,252	113,134	1,012,391	942,279
Sheriff	6,116	6,148		-

CONSTITUTIONAL OFFICERS OF HAMILTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

COUNTY CLERK

Finding 2024.01 – PAYROLL

Observation - During the FY24 payroll test, Hamilton County Internal Audit discovered that the Local Government Corporation (LGC) system was not calculating the Federal Income Tax (FIT) correctly for the County Clerk's payroll. After discussing the error with the County Clerk's Office, it was determined that the error occurred due to a system update in August 2023. The County Clerk had requested that LGC assist with the reporting of TCRS for Hybrid employees. This was a manual process for the County Clerk prior to the update. Unfortunately, when they pushed the update in August 2023, they also failed to include TCRS as a pre-tax deduction when calculating federal income tax.

Recommendation - We recommend that the County Clerk's Office notify the employees effected that an error occurred regarding their pay, and it will be corrected. We also advise that the errors for 2024 should be corrected in the 2nd Quarter, instead of amending the 1st Quarter 941 Form.

Management Response - On June 3, 2024 the error was corrected in the LGC system. We had our payroll system provider set up a one-time TCRS adjustment to give each effected employee one-hundred dollars for the mistake that resulted in too much federal income tax paid. The payroll in June 2024 for hybrid employees reflects a lower FIT than usual. For those employees effected, the FIT moving forward in 2024 will reflect the calculated FIT plus a credit for taxes overpaid thus far in 2024.