

# Hamilton County Tennessee

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
*for year ended June 30, 2022*











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

*for the year ended June 30, 2022*

*prepared by the Finance Division*

*Lee H. Brouner, Administrator of Finance*

*Vonda M. Patrick, Assistant Administrator of Finance*







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# HAMILTON COUNTY, TENNESSEE

OFFICE OF THE COUNTY MAYOR  
WESTON WAMP

January 24, 2023

To the County Board of Commissioners  
And Citizens of Hamilton County

Hamilton County, Tennessee is well-positioned to continue to be one of the best places in America to live, work, and raise a family.

As the first Hamilton County Mayor to take office from outside of county government, I have a unique perspective on the opportunities and challenges we face as a county. First, our opportunities are more pronounced than at any time in our county's history as a result of steady leadership in our community and the state of Tennessee's rise as arguably the nation's best managed state. Today, both local companies and those considering investments in Hamilton County are bullish about our region's future. Macro trends, ranging from work-from-home to growth in outdoor recreation, are significant advantages to Hamilton County.



In my first three months in office, I have advocated for increased transparency in county government. In the spirit of transparency, it is important that we candidly assess our challenges as a community. From wastewater to school facilities, there is ample evidence that we have inadequately invested in our county's long-term infrastructure. Though not uncommon, Hamilton County faces workforce shortages and a lack of career and vocational training opportunities for our students. With an economy valued at nearly \$23 billion, I believe it's important to find a career path for everyone in order to maintain our thriving economy.

A significant amount of our county's American Rescue Plan Act (ARPA) funds are being used to shore up deficiencies in wastewater treatment in many parts of the county. One of my first initiatives as County Mayor was the creation of a School Facilities Working Group with School Superintendent Dr. Justin Robertson. I have also worked diligently to create more career-focused pathways for our students, like the recently-opened Construction Career Center. This has been a daily focus for me and my team since day one.

Fortunately, as we look to the future, Hamilton County benefits from decades of fiscally conservative management, and I am pleased we have maintained our AAA bond ratings with the three top rating agencies: Standard and Poor's, Moody's, and Fitch. Bond issues in 2018 and 2021 have enabled transformative investments in our public schools. Chattanooga School for the Liberal Arts (CSLA) will be fully moved into its new campus for the second semester of this school year and Tyner Academy will begin construction for a new middle-high school next year.

Much of my focus in the months ahead will be to better position county government for long-term planning. Thoughtful, patient development of the north end of Hamilton County is among my top priorities. Soon, we will begin an unprecedented planning initiative with the Regional Planning Agency (RPA) to consider the future of several key parts of unincorporated Hamilton County. I am in weekly meetings regarding McDonald Farm, and I am looking forward to taking steps to open it up for community use in 2023.



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

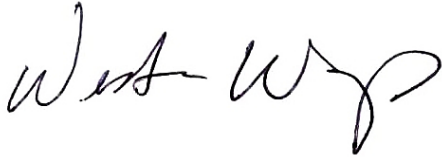
*- continued from page one*

Hamilton County Parks and Recreation will soon have new leadership in both the Director and Assistant Director roles as the department enters a new era of possibilities. Similarly, I will soon be filling vacancies within the Department of Economic and Community Development, giving it a more robust mission where many of my administration's initiatives will be carried out. I will also be filling leadership roles at the Highway Department.

While it is a time of great change and active planning in county government, continuity of leadership in important areas of government, namely Public Works and Finance, where the county has tenured public servants, will enable ambitious leadership in the years to come.

Over the next four years, I intend to lead county government with an emphasis on serving those who have been left behind as our region has been heralded for its quality of life. If we are successful in preparing students from all backgrounds for the jobs of the future, our community will benefit in a multitude of ways – lower crime, stronger families, and a dynamic, growing economy.

Sincerely,

A handwritten signature in black ink, appearing to read 'West Wamp', written in a cursive style.

**Weston Wamp**  
*Hamilton County Mayor*





## BOARD OF COMMISSIONERS - *As of June 30, 2022*



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



**Tim Boyd**  
*Chairman, Pro Tempore*



**Randy Fairbanks**  
*Commissioner*



**Katherlyn Geter**  
*Commissioner*



**Dr. Steve Highlander**  
*Commissioner*



**Warren Mackey**  
*Commissioner*



**David Sharpe**  
*Commissioner*



**Sabrena Smedley**  
*Chairman*



**Ken Smith**  
*Commissioner*









## HAMILTON COUNTY, TENNESSEE

**Lee H. Brouner**

*Administrator of Finance*

January 24, 2023

### TO THE CITIZENS, COUNTY MAYOR AND COUNTY BOARD OF COMMISSIONERS

I am pleased to present to you the Annual Comprehensive Financial Report (ACFR) of Hamilton County, Tennessee, for the fiscal year ended June 30, 2022. This report was prepared in accordance with generally accepted accounting principles (GAAP) by the Finance Division of Hamilton County.

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

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

The State of Tennessee requires an annual audit of the County's financial statements. An independent firm of certified public accountants, Mauldin & Jenkins, LLC, has audited the County's financial statements in accordance with this requirement. The independent firm is responsible to the County Board of Commissioners and the County Audit Committee, and is under contract with the Tennessee Comptroller of the Treasury. The independent auditor concluded, based upon the audit, that the County's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP and thus rendered an unmodified opinion. The report of the independent auditors is presented in the financial section of this report, pages i-v of the Financial Section.

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

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



## PROFILE OF HAMILTON COUNTY, TENNESSEE

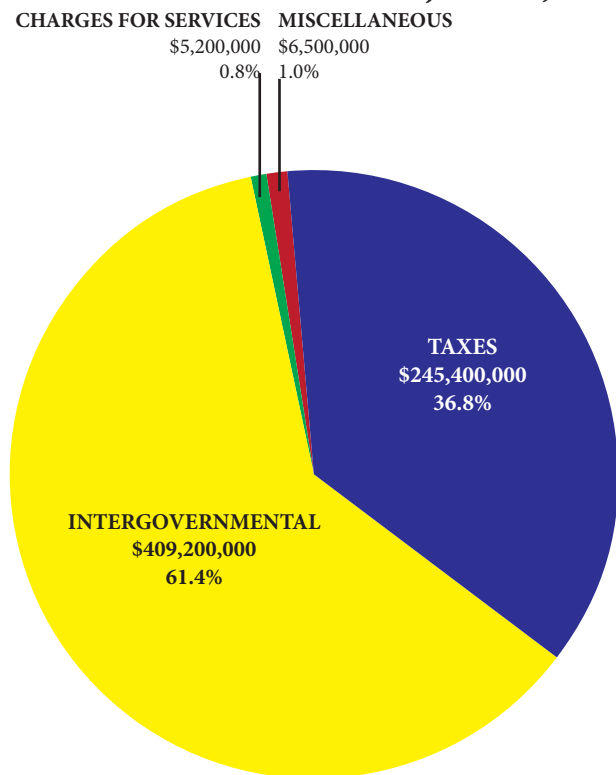
Hamilton County is located in the southeast region of the State of Tennessee, with the city of Chattanooga as its largest city. It is approximately 120 miles southwest of Knoxville, Tennessee; 360 miles east of Memphis, Tennessee; 120 miles southeast of Nashville, Tennessee, which is the State capital;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

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

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

Even though Hamilton County Schools (HCS) is a separate legal entity from Hamilton County government, it constitutes a major portion of the funding requirements for the County. The HCS has approximately 5,880 employees and serves a total student population of over 44,000. The total HCS operating budget for fiscal year 2022 was \$666.3 million. Hamilton County provided funding for 36.8%, or \$245.4 million of this operating budget through property taxes and sales taxes. State and

## HAMILTON COUNTY SCHOOLS REVENUE BUDGET BY SOURCE FOR FISCAL YEAR ENDING JUNE 30, 2022



federal appropriations and grants provided \$409.2 million; charges for services provided \$5.2 million; and investments, miscellaneous items and transfers in from other funds provided \$6.5 million.

The Board of Commissioners adopted the fiscal year 2022 annual operating budget for the County on June 16, 2021, via resolution 621-1. The County uses the annual budget as a management control device. The budget is prepared on a basis consistent with GAAP. All unexpended appropriations lapse at year-end. The level at which expenditures may not legally exceed appropriations is the division level.

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

Budget to actual comparisons are presented in this ACFR for each individual fund for which an annual







budget has been adopted. Hamilton County follows the laws of Tennessee regarding the control, adoption and amendment of the budget during each fiscal year. Hamilton County's budget practices not only comply with all state statutes but are more stringent due to the County's formal budget policy.

## LOCAL ECONOMIC OUTLOOK

The economy for Hamilton County continues to be steady, strong and healthy. Unemployment rates have steadily improved over the previous two years. According to the Bureau of Labor Statistics, the unemployment rate for Hamilton County as of June 30, 2022, was 4.1%, as compared to the state's rate of 3.3% and the national rate of 3.6%. With the County's continued emphasis on economic development, we foresee plenty of opportunities for employment growth on the horizon.

## FUND BALANCE

Hamilton County's fund balances continue to remain healthy. At year end June 30, 2022, the fund balance for the General Fund grew to \$146.9 million, and total fund balances for Hamilton County Schools ended the year at \$98.2 million.

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

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

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>
2013	111,169	6,034	358
2014	112,106	4,566	923
2015	91,394	3,536	1,330
2016	92,395	4,119	1,849
2017	94,179	4,451	2,163
2018	100,335	5,232	10,256
2019	111,635	6,237	10,401
2020	121,074	4,930	10,401
2021	144,434	6,558	9,808
2022	146,925	6,953	9,794







Buddy Bench



## LONG-TERM FINANCIAL PLANNING

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

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

The County's long-term capital needs are financed using fifteen-year general obligation bond debt. This rapid, fifteen-year debt amortization has proven effective in keeping the County's total debt load at a manageable level. This fifteen-year amortization results in principal retirement of approximately fifty percent (50%) within five years and eighty-one percent (81%) within ten years.

## RELEVANT FINANCIAL POLICIES

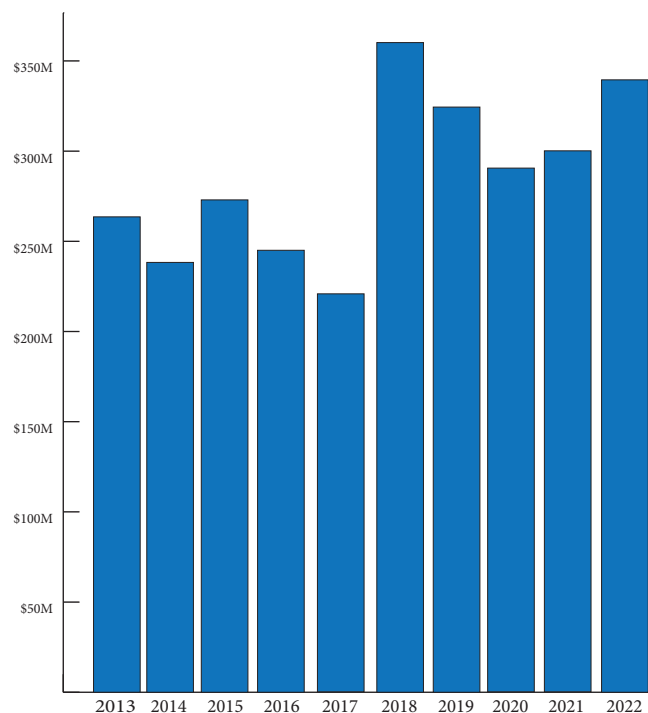
Hamilton County consistently maintains a low debt burden. This has been accomplished through sound, conservative debt management practices. In 2012, the County revised its debt policy in order to establish and codify its objectives and practices. The policy's goal is to assist all concerned parties in understanding the County's debt management approach and to promote transparency for the County's citizens, investors and all other interested parties.

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

### General Obligation Bond Debt Outstanding

Fiscal Year Ended June 30	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2013	263,545,000	0.92%	770
2014	238,300,000	0.83%	701
2015	272,965,000	0.92%	779
2016	245,030,000	0.94%	805
2017	220,635,000	0.81%	771
2018	360,180,000	1.04%	996
2019	324,425,000	0.91%	891
2020	290,345,000	0.80%	789
2021	299,920,000	0.67%	819
2022	339,520,000	0.74%	920

### General Obligation Bonds by Year









## MAJOR INITIATIVES

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

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

## PLANNED GROWTH STRATEGIES

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

## ECONOMIC DEVELOPMENT

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

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

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

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

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

- Steam Logistics, one of the fastest growing third party logistics transport companies in the US, plans to create 400 jobs in a \$7 million expansion located in the historic John Ross building in downtown Chattanooga.
- Freight Waves, a Chattanooga-based freight data and analytics company, is in the process of adding 100 jobs this year as it gains customers who are dealing with supply chain issues.
- NOVONIX, a Canada-based company that makes up to 10,000 tons of synthetic graphite annually, plans to invest \$160 million in the 400,000 square foot former Alstom factory on Riverfront Parkway and create 300 jobs. The synthetic graphite is used in ultra-long-life, high performance anode material for lithium ion batteries for electric vehicles and power grid storage.
- Southern Champion Tray, a Chattanooga-based company that makes paperboard packaging products, broke ground in October 2021 on a \$60 million expansion in Centre South Riverport Industrial Park. This will be the company's largest ever expansion and is projected to be completed in early 2023 and create approximately 150 jobs.

***Business Development Center*** – The Hamilton County Business Development Center (BDC) is a 125,000 square-foot former manufacturing facility that has been renovated into a highly successful business incubator owned by the County and managed by the Chattanooga Area Chamber of Commerce. The BDC offers start-up businesses office and manufacturing space at highly competitive lease rates for up to 3 years. Tenants have access to clerical support, manufacturing and office space, training workshops, conference centers, and free onsite business counseling from the Tennessee Small Business Development Center (TSBDC).



Hamilton County achieved LEED certification with its renovation of the BDC. The BDC is currently home to 43 businesses and has graduated 615 business owners over a 33 year history. The BDC is acclaimed as the largest business INCubator in Tennessee and the third largest in the United States.

***Future Industrial Park – McDonald Farm*** – The County had been actively looking for an optimal spot for its next major industrial park for several years, and in December 2021, the County closed on a \$16 million purchase of a 2,100 acre site in the northwestern section of the County. Use of the land as an industrial park is projected to be a long-term project that we, in conjunction with the state of Tennessee, will be developing over the next several years. The County will use this land resource for community and recreational events until plans and funding are finalized for the future industrial park. The County used unassigned fund balance of the General Fund to purchase the property.

## **PUBLIC EDUCATION IMPROVEMENT**

Hamilton County Schools (HCS) has an independently elected board tasked with operating the K-12 public school system in the County. Hamilton County is a primary funding source for the school system, with over 45 percent of the County property tax levy directed toward the operation of the school system.

The County also assists the school system through the issuance of debt and general obligation bonds to build, renovate and expand the school facilities. The County expended \$34 million from bond proceeds for construction and renovations to repurpose the existing Lakeside Elementary school into a K-12 magnet school for the Chattanooga School for the Liberal Arts (CSLA). The doors for the new CSLA opened for K-4 students in August 2022. Students in grades 5-10 will be added in January 2023 with grades 11 and 12 to be added as the current student body advances.

In January 2022, the Hamilton County Commission approved a contract for the design of the replacement Tyner Middle/High School. Construction of the new Tyner Middle/High School will begin in 2023, with plans to have the school ready for use by fall of 2024.

Hamilton County Schools strives to provide an exceptional learning environment in order to prepare students for future endeavors. In order to achieve this, HCS implements priority based budgeting with emphasis on the following areas: Investment in Talent, Community Ownership, Opportunities and Access,

Facilities, and Future Ready Students. These efforts create pathways for all students in our community by equipping them with skills and knowledge.

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

## **QUALITY OF LIFE ISSUES**

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

- ***Step ONE*** – This County-wide initiative addresses the problem of obesity in our community by promoting physical fitness, nutrition, and healthy lifestyles. This effort is guided by the County Mayor and the Hamilton County Regional Health Council.
- ***IRIS Project – Increasing the Rate of Infant Survival*** – This project works to initiate new, creative and innovative programs that have a positive impact on infant mortality rates, which are thought to be one of the best predictors of a community's overall health status.
- ***Hamilton Shines*** – Designed to reduce the practice of littering through education, Hamilton Shines strives to foster a sense of community pride in programs for school children and to inform all citizens on the consequences of littering.
- ***Hamilton County Litter Grant Program*** – The Courts Community Service program provides litter removal on roads and highways in Hamilton County. This unique program provides for litter collection and public education to reduce unsightly and environmentally harmful litter from the public right-of-ways. The







program utilizes non-violent offenders to relieve overcrowding in the corrections system by offering alternative sentencing in lieu of incarceration.

## RECREATIONAL ASSETS

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

- The RiverPark – Managed in partnership with the City of Chattanooga, the Tennessee RiverPark is a 16-mile paved, landscaped and lighted scenic urban greenway anchored along the southern bank of the Tennessee River. The family friendly route begins at the Chickamauga Dam and stretches to the heart of the downtown business and tourism district to Lookout Mountain and the hundreds of miles of trails extending into Alabama and Georgia. The RiverPark is an acknowledged catalyst for billions of dollars of downtown redevelopment and a connector for neighborhoods and business districts.
- Chester Frost Park – Located on the shores of Lake Chickamauga, Chester Frost

Park has long been a favorite destination for those who enjoy camping, fishing, swimming and other outdoor activities. The park is situated on 198 acres and is well-known among outdoor enthusiasts as a clean, safe and beautiful place to camp. The park hosts numerous fishing tournaments as Lake Chickamauga is a favorite among bass fishermen.

- Enterprise South Nature Park – The City of Chattanooga and Hamilton County elected to set aside 2,800 rolling, wooded acres for public recreation when Enterprise South Nature Park was first developed. Today, Enterprise South Nature Park attracts visitors from throughout the region and beyond who enjoy passive recreation in a natural setting. The park contains miles of trails and walking paths for pedestrians, cyclists, horseback riders and mountain bikers. Summit Knobs Equestrian Trails, a seventeen-mile trail system, is the first public facility in the County designed specifically for horseback riding. The park contains an abundance of wildlife – deer and wild turkey in particular – and abandoned underground storage bunkers which serve as remnants of an old Army ammunition plant once located on the site.





## AWARDS AND ACKNOWLEDGEMENTS

### AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hamilton County, Tennessee for its Annual Comprehensive Financial Report for the year ended June 30, 2021. Hamilton County has received this award for 41 consecutive years.

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

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are currently submitting it to the

GFOA to determine its eligibility for another certificate. GFOA also presented a Distinguished Budget Presentation Award to the County for its Comprehensive Annual Budget Report (CABR) for the fiscal year ended June 2023. This is the 21st consecutive year Hamilton County has received this award for the CABR. In order to be awarded a Distinguished Budget Presentation Award, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Budget Report, which must conform to program standards and satisfy both generally accepted accounting principles and applicable legal requirements. Like the Certificate of Achievement for Financial Reporting, this award is valid for a period of one year only.

### ACKNOWLEDGMENTS

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

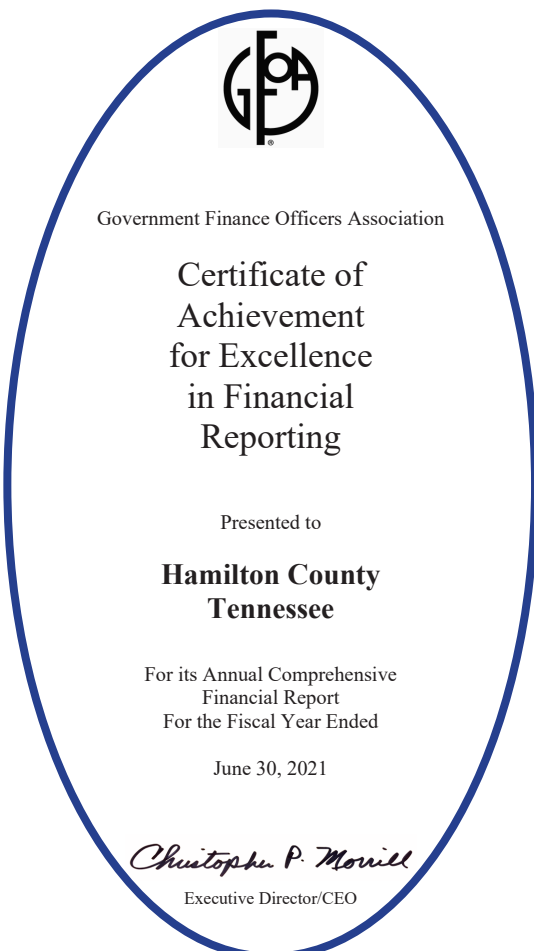
Respectfully submitted,



**Lee H. Brouner, CPA, CGFM, CCFO**  
*Administrator of Finance*



**Vonda M. Patrick, CPA, CCFO**  
*Assistant Administrator of Finance*







WARNING  
AVISO  
AVERTISSEMENT

DO NOT PUT  
HANDS OR  
TOOL IN  
MOUTH

NE PAS METTRE  
LES MAINS  
OU L'OUTIL  
DANS LA BOUCHE

NE PAS METTRE  
LES MAINS  
OU L'OUTIL  
DANS LA BOUCHE

FloraLife

1. WATERING / ARROSER

2. FERTILIZING / ENGRAIS





## HAMILTON COUNTY GENERAL GOVERNMENT OFFICIALS

(as of June 30, 2022)

Jim Coppinger, *County Mayor*

Mike Compton, *Chief of Staff*

### Board of Commissioners

D.C. (Chip) Baker

Tim Boyd, *Chairman Pro Tempore*

Randy Fairbanks

Katherlyn Geter

Dr. Steve Highlander

Warren Mackey

David Sharpe

Sabrena Smedley, *Chairman*

Ken Smith

### Legislative

Patricia Moore, *Legislative Administrator*

### Constitutional Officers

Michael S. Allen, *Administrator of Elections*

Marty Haynes, *Assessor of Property*

Larry Henry, *Circuit Court Clerk*

Robin Miller, *Clerk & Master*

William F. Knowles, *County Clerk*

Vince Dean, *Criminal Court Clerk*

Neal Pinkston, *District Attorney General*

Steve Smith, *District Public Defender*

Gary Behler, *Juvenile Court Clerk*

Robert D. Philyaw, *Juvenile Court Judge*

Dr. James Metcalfe, *Medical Examiner*

Marc Gravitt, *Register of Deeds*

Jim Hammond, *Sheriff*

Bill Hullander, *Trustee*

## Division & Department Heads

### AUDITING

Jenneth Randall, *County Auditor*

### ECONOMIC & COMMUNITY DEVELOPMENT

Carla Sewell, *Director of Economic & Community Development*

### OFFICE OF EMERGENCY MANAGEMENT/HOMELAND SECURITY

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

### FINANCE

Lee H. Brouner, *Administrator*

Vonda Patrick, *Assistant Administrator of Finance*

Jerald Carpenter, *Director of Procurement & Fleet Management*

Bart McKinney, *Director of Information Technology*

### GENERAL SERVICES

Christina Cooper, *Administrator*

Chris Jackson, *Director of Corrections*

Tom Lamb, *Director of Recreation*

John Miller, *Director of Emergency Medical Services*

Beka Bohannon, *Director of Mental Health Court*

Shannon Morgan, *Director of Drug Recovery Court*

### HEALTH SERVICES

Sabrina Novak, *Administrator*

Diana Kreider, *Director of Clinical Services*

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

Lowe Wilkins, *Director of Environmental Health*

Sonia Calvin, *Director of Administrative Services*

Carleena Angwin, *Director of Community Health Services*

### HUMAN RESOURCES

Sandra Ellis, *Administrator*

Jenny Godwin, *Director of Human Resources*

Bill Stoll, *Risk Manager*

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

### LEGAL

Rheubin M. Taylor, *County Attorney*

### PUBLIC WORKS

Todd Leamon, *Administrator and County Engineer*

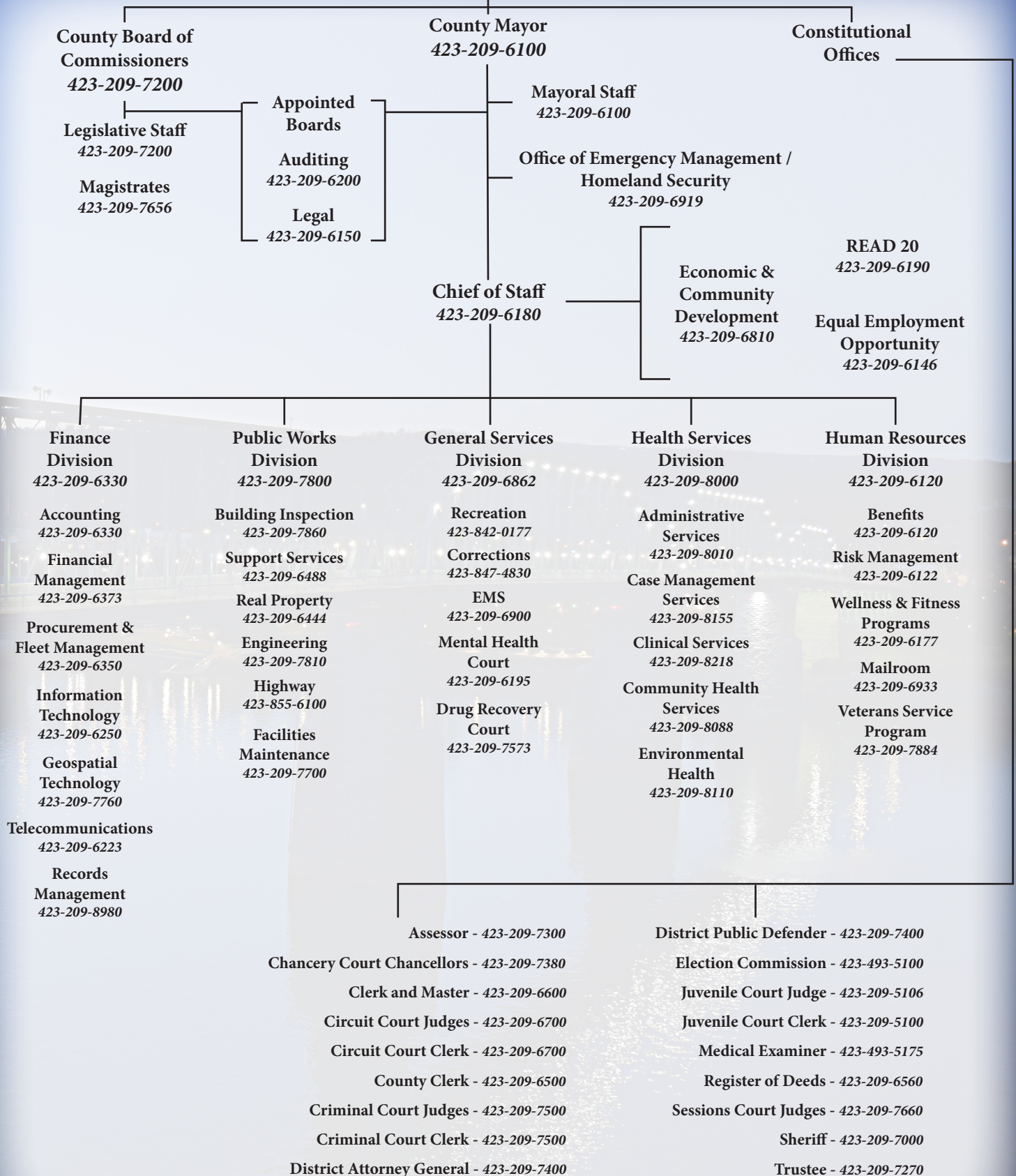
Gene Quinn, *Director of Highway Department (Interim)*

John Agan, *Director of Engineering and Facilities Maintenance*

Ronnie Blaylock, *Director of Building Inspection*



# CITIZENS











## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and, where applicable cash flows thereof and the respective budgetary comparison for the General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

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

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

As described in Note A to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, as of July 1, 2021. This standard significantly changed the accounting for the County's leases. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.



- 
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
  - Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages VI through XXII) and the schedules of required supplementary information on pages B-1 thru B-17 (collectively the "required supplementary information") be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hamilton County, Tennessee's basic financial statements. The combining and individual nonmajor fund financial statements for the governmental funds, fiduciary funds, discretely presented component unit – Hamilton County Schools, the budgetary comparison schedules, the financial schedules, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basis financial statements. Such



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information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements for the governmental funds, fiduciary funds, discretely presented component unit – Hamilton County Schools, the budgetary comparison schedules, the financial schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

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

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2023, on our consideration of Hamilton County, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee

January 24, 2023



# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The discussion and analysis of Hamilton County's financial performance provides an overall review of the County's financial activities for the year ended June 30, 2022. It is designed to:

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

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

## FINANCIAL HIGHLIGHTS

### Government-wide Financial Statements

- The government-wide assets of Hamilton County at the close of fiscal year 2022 were \$1,043.6 million, an increase of \$198.5 million (23.5%) over the prior year.
- The government-wide liabilities of Hamilton County at the close of fiscal year 2022 were \$536.2 million, an increase of \$58.8 million (12.3%) from the prior year.
- Government-wide revenues totaled \$318.7 million, an increase of \$11.6 million (3.8%) over the prior year.
- Government-wide expenses were \$240.3 million, a decrease of \$102.6 million (29.9%) over the prior year.
- Total bonded debt at June 30, 2022 for the County was \$339.5 million, of which \$196.9 million (58.0%) was assigned to the Hamilton County Schools for capital additions and improvements.

### Fund Financial Statements

- Revenues for governmental funds increased \$9.3 million, or 3.0% from last year. This increase primarily occurred in the Capital Projects Fund, with an increase in intergovernmental revenues of \$7.9 million (3.0%).
- Expenditures for governmental funds increased \$27.7 million, or 8.2% from last year.
- Capital project expenditures were \$57.4 million, with \$24.4 million spent for school construction projects.
- Other financing sources included proceeds from the sale of bonds in December 2021 of \$90.0 million which includes premium on the sale of

the bonds. Proceeds of these bonds will be used to replace Tyner Middle/High School and to fund various general government projects.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

The County's net position at the end of fiscal year 2022 of \$324.3 million increased \$78.5 million (31.9%) from the balance at the prior year end. The increase in net position is primarily a result of the decrease in the transfer of capital projects to Hamilton County Schools for 2022.

The Statement of Activities presents information showing how the government's net position changed



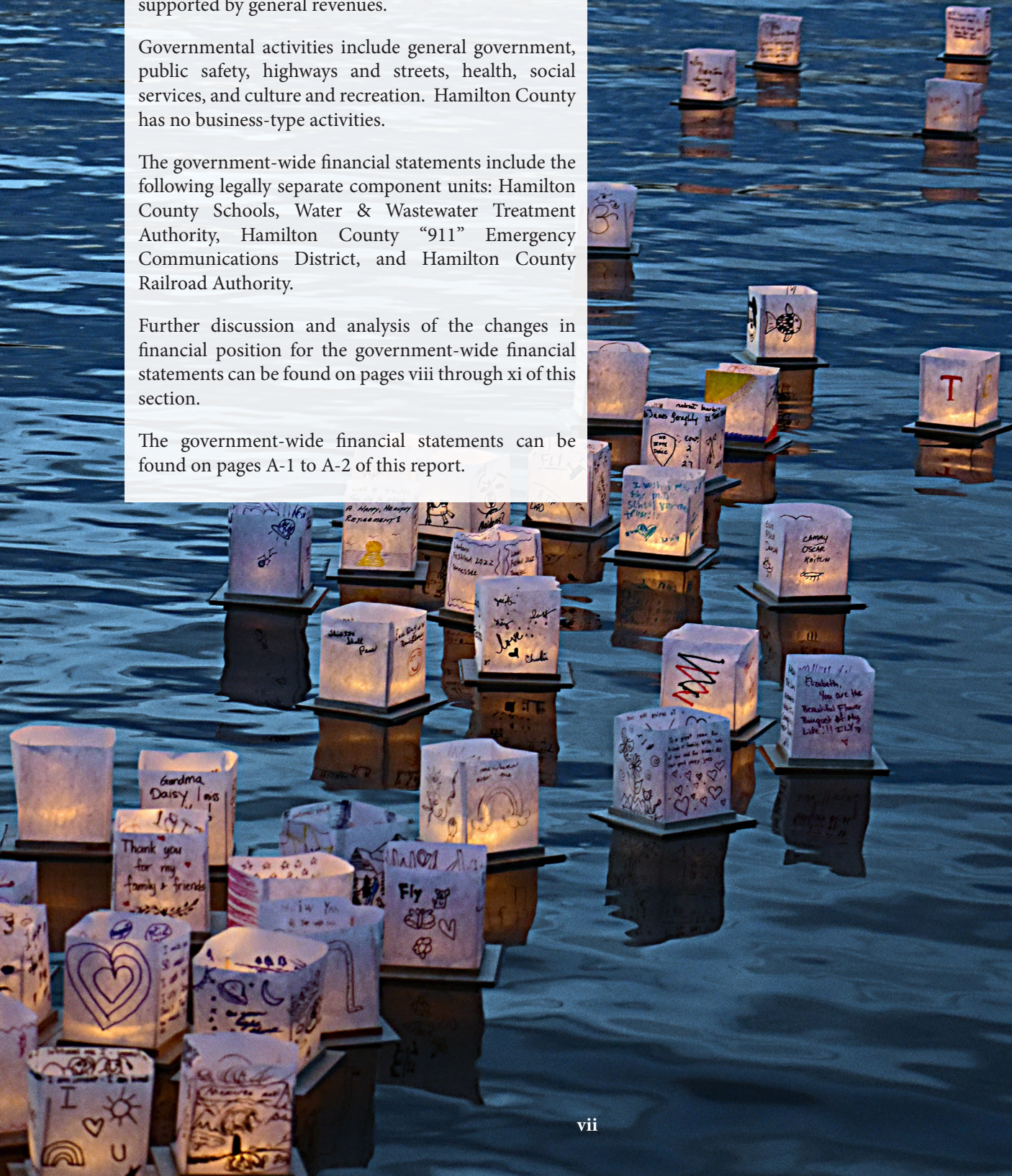
during fiscal year 2022. Program revenues, which directly offset costs of specific functions, are allocated to those functions, resulting in the net expenses for governmental activities. General revenues, such as taxes, fines and interest earnings, offset the remaining costs, resulting in the annual increase or decrease in net position. This statement is intended to summarize the net cost of various governmental services that are supported by general revenues.

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

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

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

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





# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

## FUND FINANCIAL STATEMENTS

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

### GOVERNMENTAL FUNDS

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

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

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

The County adopts an annual budget for the General and Debt Service funds and certain Special Revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance. The basic governmental fund financial statements can be found on pages A-3 to A-6 of this report.

### PROPRIETARY FUNDS

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

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

### FIDUCIARY FUNDS

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

### NOTES TO BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages A-16 to A-79 of this report.



## OTHER INFORMATION

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

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





# GOVERNMENT-WIDE FINANCIAL ANALYSIS

## NET POSITION

Primary Government

(Rounded to the thousands)

	Governmental Activities	
	2022	2021
<b>ASSETS</b>		
Current and Other Assets	\$ 689,715,000	\$ 549,742,000
Capital Assets	353,911,000	295,348,000
<b>TOTAL ASSETS</b>	<b>1,043,626,000</b>	<b>845,090,000</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows from pensions and OPEB	38,928,000	25,409,000
<b>LIABILITIES</b>		
Long-term Liabilities	423,573,000	434,761,000
Other Liabilities	112,616,000	42,594,000
<b>TOTAL LIABILITIES</b>	<b>536,189,000</b>	<b>477,355,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unearned property tax revenue	149,669,000	144,253,000
Deferred inflows from leases	5,520,000	—
Deferred inflows from pensions and OPEB	65,581,000	3,053,000
Deferred gain on refunding	1,309,000	—
	<b>222,079,000</b>	<b>149,409,000</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	283,299,000	272,252,000
Restricted	12,686,000	9,428,000
Unrestricted	28,301,000	(35,842,000)
<b>TOTAL NET POSITION</b>	<b>\$ 324,286,000</b>	<b>\$ 245,838,000</b>

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial health. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$324.3 million at the close of the fiscal year ended June 30, 2022.

Net position is comprised of three elements:

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

The long-term liabilities of \$423.6 million include \$90 million of new debt for issuance of bonds.



## CHANGES IN NET POSITION

Primary Government

(Rounded to the thousands)

	Governmental Activities	
	2022	2021
<b>REVENUES</b>		
Program Revenues:		
Charges for Services	\$ 57,491,000	\$ 49,755,000
Operating Grants and Contributions	42,277,000	49,048,000
Capital Grants and Contributions	9,982,000	2,929,000
Total Program Revenues	109,750,000	101,732,000
General Revenues:		
Property Taxes	174,498,000	175,889,000
Other Taxes	33,034,000	28,715,000
Other	1,429,000	757,000
Total General Revenues	208,961,000	205,361,000
<b>TOTAL REVENUES</b>	<b>318,711,000</b>	<b>307,093,000</b>
<b>EXPENSES</b>		
General Government	65,413,000	67,872,000
Public Safety	110,513,000	113,931,000
Highways and Streets	22,447,000	22,147,000
Health	25,253,000	30,825,000
Social Services	4,096,000	4,226,000
Culture and Recreation	10,998,000	9,965,000
Education	415,000	83,848,000
Interest on Long-Term Debt	1,128,000	10,019,000
<b>TOTAL EXPENSES</b>	<b>240,263,000</b>	<b>342,834,000</b>
<b>CHANGE IN NET POSITION</b>	<b>78,448,000</b>	<b>(35,741,000)</b>
<b>Net Position, beginning</b>	<b>245,838,000</b>	<b>281,579,000</b>
<b>Net Position, ending</b>	<b>\$ 324,286,000</b>	<b>\$ 245,838,000</b>

The County's revenues increased by \$11.6 million over revenues for the prior fiscal year. Total expenses for fiscal year 2022 decreased by \$103.9 million (30.3%) from the prior year's expenses. The decreased expenses in 2022 resulted from various factors, including decreased direct costs for the Health Department in addressing the COVID-19 pandemic (\$4.7 million); decreased long-term debt due to refunding (\$8.9 million); and decreased expenses related to Hamilton County Schools as 2021 had significantly higher transfer of completed capital projects (\$83.4 million).

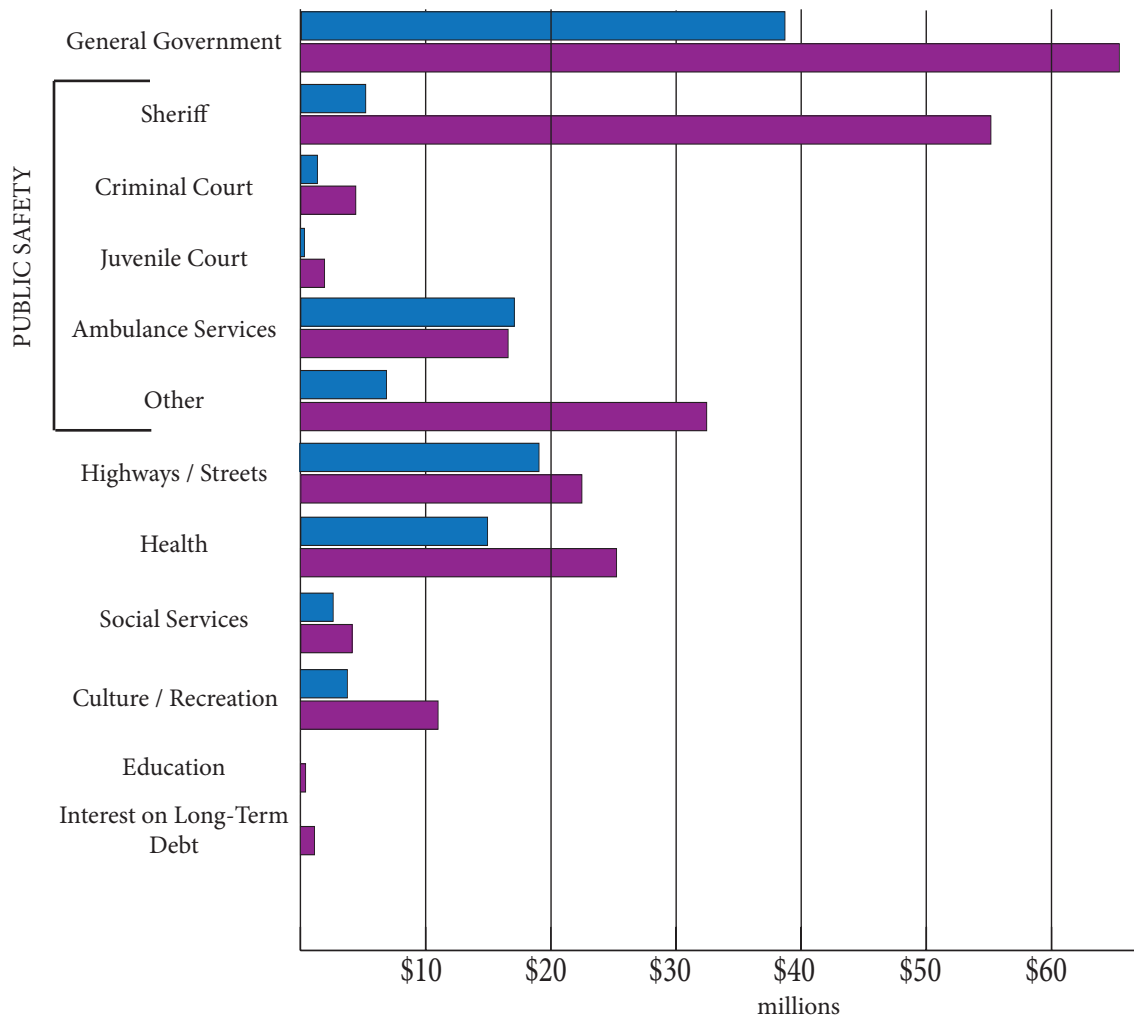


# GOVERNMENT-WIDE FINANCIAL ANALYSIS - continued

## EXPENSES AND PROGRAM REVENUES

**Primary Government**  
**for fiscal year ending June 30, 2022**  
(Rounded to the thousands)

	PROGRAM REVENUES	EXPENSES
General Government	\$ 38,625,000	\$ 65,413,000
Public Safety		
Sheriff	5,179,000	55,153,000
Criminal Court	1,317,000	4,386,000
Juvenile Court	321,000	1,930,000
Ambulance Services	17,050,000	16,592,000
Other	6,874,000	32,452,000
Highways and Streets	19,096,000	22,447,000
Health	14,912,000	25,253,000
Social Services	2,620,000	4,096,000
Culture and Recreation	3,754,000	10,998,000
Education	-	415,000
Interest on long-term debt	-	1,128,000
<b>TOTAL</b>	<b>\$ 109,750,000</b>	<b>\$ 240,263,000</b>

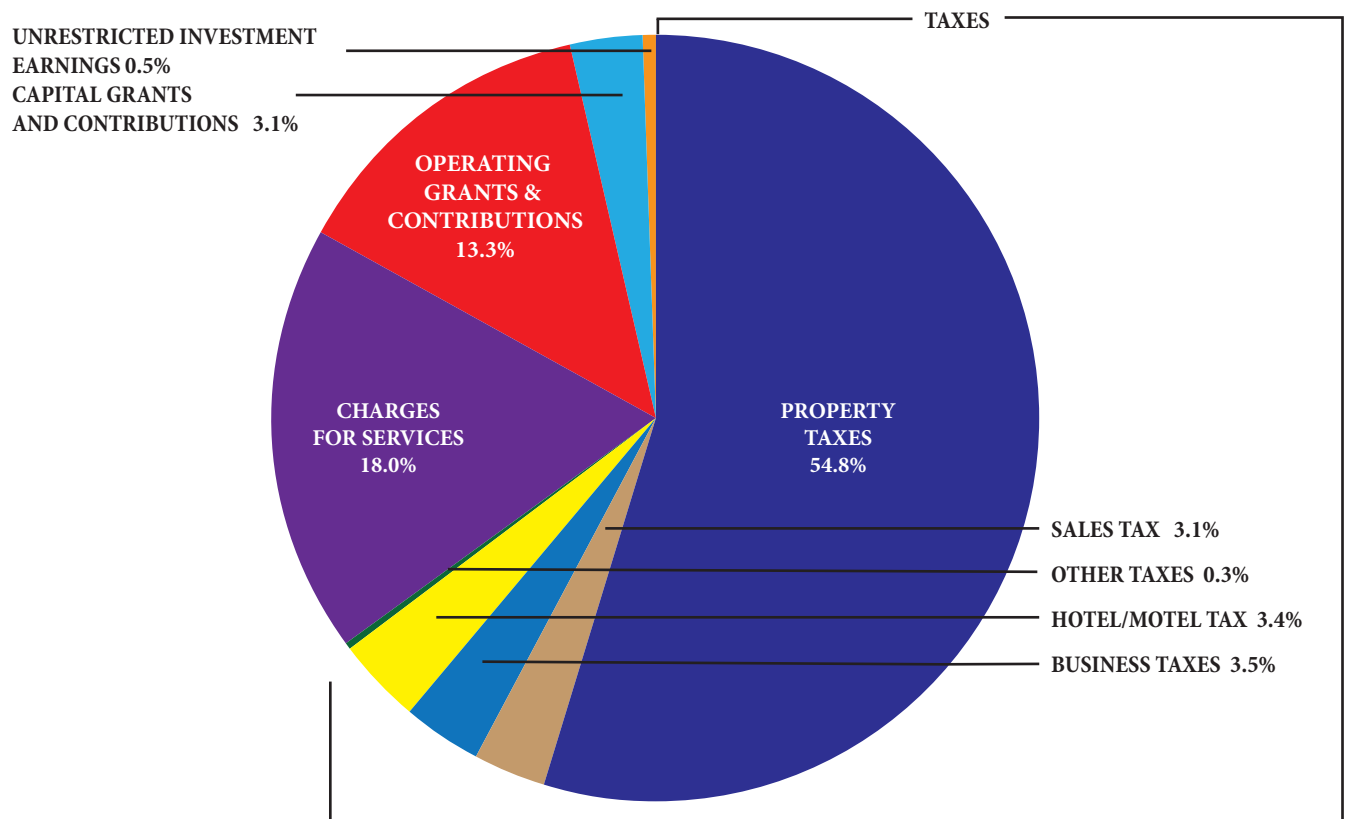




## REVENUES BY SOURCE

**Primary Government**  
*for fiscal year ending June 30, 2022*  
(Rounded to the thousands)

	2022	PERCENTAGE	2021	PERCENTAGE
Taxes				
Property Taxes	\$ 174,498,000	54.8%	\$ 175,889,000	57.3%
Sales Tax	9,863,000	3.1%	8,706,000	2.8%
Business Taxes	11,253,000	3.5%	11,046,000	3.6%
Hotel/Motel Taxes	10,858,000	3.4%	7,811,000	2.5%
Other Taxes	1,060,000	0.3%	1,152,000	0.4%
Charges for Services	57,491,000	18.0%	49,755,000	16.2%
Operating Grants and Contributions	42,277,000	13.3%	49,048,000	16.0%
Capital Grants and Contributions	9,982,000	3.1%	2,929,000	0.9%
Unrestricted Investment Earnings	1,429,000	0.5%	757,000	0.3%
<b>TOTAL</b>	<b>\$ 318,711,000</b>	<b>100%</b>	<b>\$ 307,093,000</b>	<b>100%</b>









# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

### GOVERNMENTAL FUNDS

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

As of the end of fiscal year 2022, the County's governmental funds reported combined ending fund balances of \$311.2 million, an increase of \$50.6 million. This increase in total governmental fund balances is primarily due to increase of \$47.8 million in the Capital Projects Fund.

The fund balance of the governmental funds consists of a restricted portion of \$135.1 million (consisting primarily of restricted for Capital Projects), an assigned portion of \$26.7 million, a committed portion of \$13.0 million, and an unassigned portion of \$135.0 million.

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

The General Fund is the chief operating fund of the County. The total fund balance at June 30, 2022, was \$146.9 million, consisting of a nonspendable portion of \$1.4 million; assigned fund balance of \$7.1 million; and an unassigned fund balance of \$135.0 million.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and

transfers out. Unassigned fund balance represents 46.4% of the total General Fund expenditures and transfers out, while total fund balance represents 50.5% of that same amount.

Unassigned fund balance of the County's General Fund increased by \$1.4 million during the current fiscal year, and total fund balance increased \$2.5 million during this time period. The increase in both unassigned and total fund balance, as further discussed below, was largely the result of the County's continued efforts to control spending and remain fiscally conservative.

General Fund revenues totaled \$272.4 million and decreased over the prior year by \$2.4 million (0.9%). Property taxes historically are the largest source of the revenues for the General Fund. Property tax revenues for the General Fund were \$174.5 million, remaining consistent with the prior year. Intergovernmental revenues decreased as compared to the prior year, from \$47.3 million in fiscal year 2021 to \$40.0 million in fiscal year 2022. Federal funding was higher than usual in FY 2021 as a result of the additional funding received to support efforts to address the COVID-19 pandemic.

General Fund expenditures increased \$21.0 million (9.5%) over the prior year. The increase is primarily a result of the increase in capital outlay which included the purchase of the McDonald Farm property for \$16.5 million and the Silverdale Jail expansion of \$12.1 million.

Other Financing Sources includes an accounting change of \$4.6 million related to the implementation of GASB 87 Accounting for Leases. This new guidance required the recognition of the present value of applicable leases as of July 1, 2021.





# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

The Debt Service fund has a total fund balance of \$9.8 million which is consistent with the prior fiscal year.

The Capital Projects Fund is used to account for revenues and expenditures for large capital projects. The majority of the funding for these capital projects is generally derived from issuances of general obligation bonds. The fund balance of the Capital Projects Fund increased by \$47.8 million from the balance at June 30, 2021, and closed the current year with a balance of \$147.6 million. This increase resulted from the issuance of debt from the 2021 bond issue of \$90 million; net of the expenditure for capital additions completed in fiscal year 2022 totaling \$57.4 million.

### PROPRIETARY FUNDS

The County's proprietary fund is used to account for the County's self-insurance programs. The County is self-insured for health, unemployment compensation, on-the-job injury claims, property, automobile and liability claims, and losses due to liabilities arising under the laws of the state and federal governments. The cost for these programs is funded through premiums paid by the departments and agencies of Hamilton County Government. Unrestricted net position for the proprietary fund increased \$0.7 million in fiscal year 2022 and totaled \$42.3 million at the end of the fiscal year.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Hamilton County Board of Commissioners approved and adopted its fiscal year 2022 annual operating budget on June 16, 2021. The original General Fund operating budget was balanced without a use of fund balance.

The Board of Commissioners approved a total of \$40.9 million in amendments to General Fund operating expenditures and transfers out during fiscal year 2022 and total amendments of \$16.1 million to the General Fund revenue budget. The amendments to the General Fund revenue and expenditure budgets were primarily for:

- Increases to budgets for purchases that were initiated in the prior fiscal year, encumbered against the prior fiscal year budget, but were completed and the goods received in the current fiscal year;
- Increases to budgets for grant-related items that were not expended during the prior fiscal year and were carried over into the current fiscal year;

- Increases to budgets for EMS ambulance equipment upgrades;
- Increase to budget for purchase of the McDonald Farm property;
- New grants received from various state and federal agencies; and
- Expenditures, primarily at the County Health Department, to address the COVID-19 pandemic.

Actual revenues for the General Fund were below budgeted revenues by \$14.6 million (5.4%). This variance is largely due to lower than budgeted property tax revenues (\$6.6 million) and intergovernmental revenues related to Federal grants (\$9 million).

Total expenditures were less than budgeted expenditures by \$34.2 million (14.2%). A large part of this favorable variance resulted from conservative spending by the General Government, Public Safety, Capital Outlay and Health. A detailed Budgetary Comparison Schedule for the General Fund is presented on pages C-1 through C-5 of this report.









# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### CAPITAL ASSETS

The County's investment in capital assets as of June 30, 2022, amounts to \$353.9 million (net of accumulated depreciation of \$322.5 million). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, intangibles and construction in progress. For the year, the County expended \$58.5 million (19.8%) for new and replacement capital assets and improvements to capital assets. Additional information on the County's capital assets can be found in the Notes to the Basic Financial Statements – Note H.

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

- CSLA/Lakesite School Renovation - \$22.5 million
- McDonald Farm property - \$16.5 million
- Silverdale Jail/Correctional Facility expansion - \$12.1 million
- EMS Ambulance equipment upgrades - \$2.7 million
- Tyner Middle/High School - \$1.4 million
- Ooltewah EMS Station - \$1.1 million
- Enterprise South Cycling Trail - \$1.0 million

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### CAPITAL ASSET ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2022

#### NET OF DEPRECIATION

(Rounded to the thousands)

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Land	\$ 72,904,000	\$ 18,061,000	\$ (2,536,000)	\$ —	\$ 88,429,000
Construction in progress	7,906,000	40,467,000	(415,000)	(3,838,000)	44,120,000
Buildings	177,445,000	101,000	(55,000)	1,810,000	179,301,000
Improvements other than buildings	43,335,000	6,000	—	1,426,000	44,767,000
Machinery and equipment	51,744,000	7,469,000	(3,595,000)	521,000	56,139,000
Infrastructure	248,550,000	4,591,000	—	—	253,141,000
Intangibles	7,060,000	277,000	(115,000)	—	7,222,000
Leases	4,115,000	478,000	(1,285,000)	—	3,308,000
Depreciation	(313,596,000)	(12,445,000)	3,444,000	81,000	(322,516,000)
	<u>\$ 299,463,000</u>	<u>\$ 59,005,000</u>	<u>\$ (4,557,000)</u>	<u>\$ —</u>	<u>\$ 353,911,000</u>







# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

## LONG-TERM DEBT

At the end of fiscal year 2022, the County had general obligation bonds outstanding of \$339.5 million. Of the bonded debt, \$196.9 million (58.0%) was issued for capital improvements for the Hamilton County Schools.

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

## OVERALL FINANCIAL HEALTH

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

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

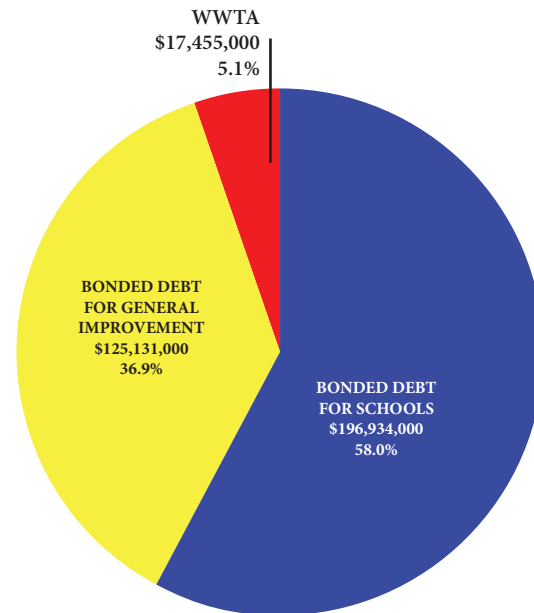
## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND PROPERTY TAX RATES

The Hamilton County Commission approved the fiscal year 2023 budget on June 29, 2022. Following are some of the key factors considered in developing the fiscal year 2023 budget:

- The primary source of revenue for the County comes from property taxes. Property tax revenues for FY 2023 of \$342.6 million are budgeted to grow 2.0% over such revenues in the prior year.
- Sales tax revenues for fiscal year 2023 of \$107.7 are budgeted to grow 11.8% over the prior year budget. The vast majority of these revenues (\$97.7 million) is budgeted by the Hamilton

## General Obligation Bonds Outstanding

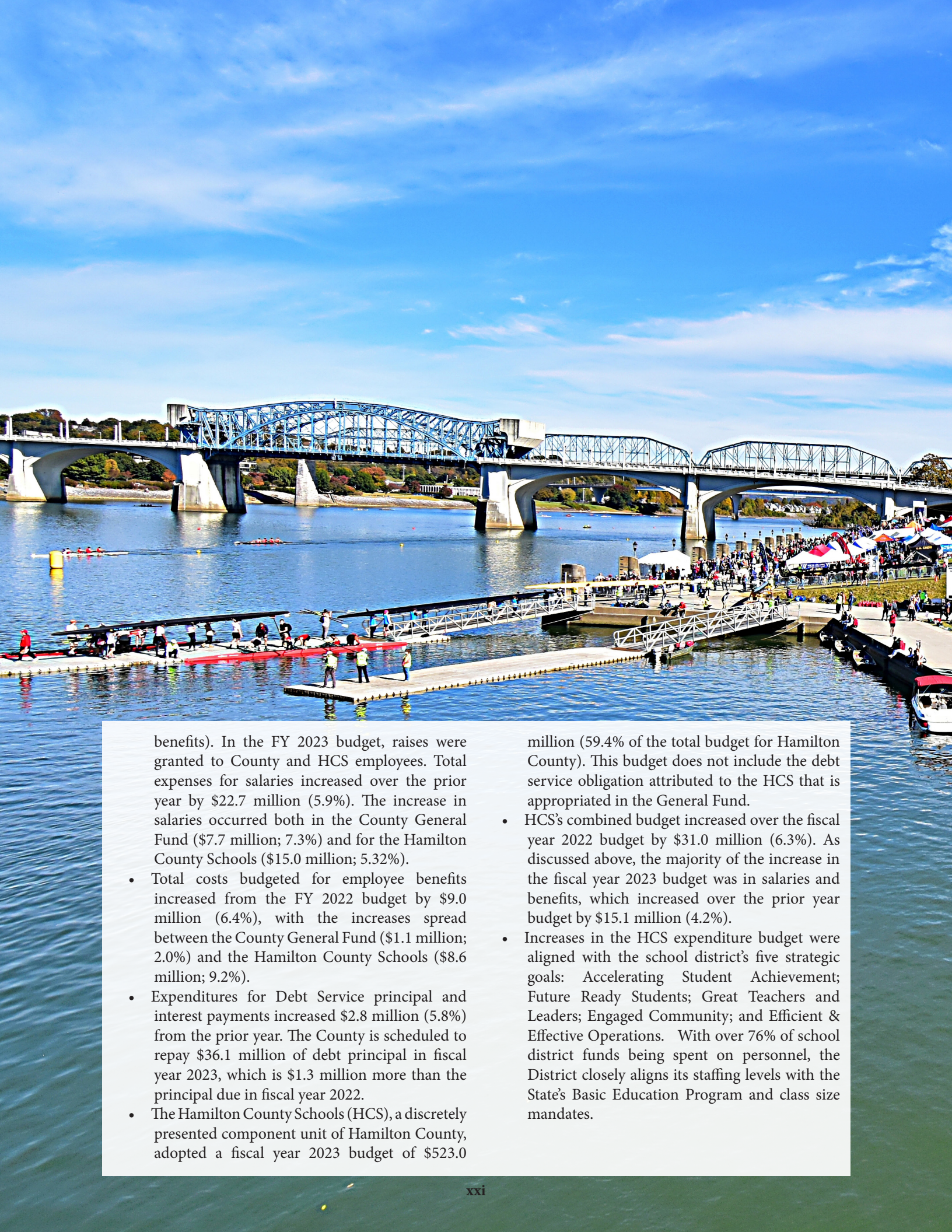
General Improvement	\$	125,131,000	36.9%
Schools		196,934,000	58.0%
WWTA		17,455,000	5.1%
Total General Obligation Bond Debt	\$	339,520,000	



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

- Intergovernmental revenues account for 32% of the County's total revenue. The intergovernmental revenues consist primarily of funding received from the State of Tennessee and from the Federal government. 89% of the intergovernmental revenues are received by the Hamilton County Schools with the remainder going to the General Fund. Intergovernmental revenues are projected to grow 5.8% in fiscal year 2023.
- Transfers-in from other funds includes excess fees paid to the General Fund from various constitutional offices and appropriations from the General Fund to the Debt Service Fund to cover scheduled principal and interest payments due. Total budgeted revenues from transfers for the FY 2023 budget were \$66.4 million which was consistent with the FY 2022 budgeted amount.
- As is common for most governmental entities, the majority (64.8%) of the County's expenditures are personnel related (salaries and employee





benefits). In the FY 2023 budget, raises were granted to County and HCS employees. Total expenses for salaries increased over the prior year by \$22.7 million (5.9%). The increase in salaries occurred both in the County General Fund (\$7.7 million; 7.3%) and for the Hamilton County Schools (\$15.0 million; 5.32%).

- Total costs budgeted for employee benefits increased from the FY 2022 budget by \$9.0 million (6.4%), with the increases spread between the County General Fund (\$1.1 million; 2.0%) and the Hamilton County Schools (\$8.6 million; 9.2%).
- Expenditures for Debt Service principal and interest payments increased \$2.8 million (5.8%) from the prior year. The County is scheduled to repay \$36.1 million of debt principal in fiscal year 2023, which is \$1.3 million more than the principal due in fiscal year 2022.
- The Hamilton County Schools (HCS), a discretely presented component unit of Hamilton County, adopted a fiscal year 2023 budget of \$523.0

million (59.4% of the total budget for Hamilton County). This budget does not include the debt service obligation attributed to the HCS that is appropriated in the General Fund.

- HCS's combined budget increased over the fiscal year 2022 budget by \$31.0 million (6.3%). As discussed above, the majority of the increase in the fiscal year 2023 budget was in salaries and benefits, which increased over the prior year budget by \$15.1 million (4.2%).
- Increases in the HCS expenditure budget were aligned with the school district's five strategic goals: Accelerating Student Achievement; Future Ready Students; Great Teachers and Leaders; Engaged Community; and Efficient & Effective Operations. With over 76% of school district funds being spent on personnel, the District closely aligns its staffing levels with the State's Basic Education Program and class size mandates.



# REQUESTS FOR INFORMATION

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

Additional financial information can be found on our web site [www.hamiltontn.gov](http://www.hamiltontn.gov).

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









**STATEMENT OF NET POSITION**  
**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2022**

	Primary Government Governmental Activities	Component Units
<b>ASSETS</b>		
Cash and cash equivalents	\$ 104,446,894	\$ 137,041,118
Investments	321,534,208	47,366,932
Receivables, net of allowance for uncollectibles	192,424,880	193,470,426
Receivables, restricted	-	2,508,960
Due from component units	1,644,497	-
Due from primary government	-	11,732,772
Inventories	1,485,635	1,281,498
Prepaid items	447,393	98,045
Advance to component units, net of allowance for uncollectibles	17,455,000	-
Net pension asset	47,278,401	208,818,452
Restricted cash	-	14,302,657
Investment in joint venture	2,998,054	-
Land and other nondepreciable assets	132,549,491	31,526,019
Other capital assets, net of accumulated depreciation and amortization	221,361,088	541,128,226
Total assets	<u>1,043,625,541</u>	<u>1,189,275,105</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension contributions subsequent to measurement date	10,013,543	20,508,669
Pension experience differences	2,315,607	2,306,888
Pension changes in assumptions	18,533,552	59,965,706
Deferred changes in proportion to the net pension liability	-	577,437
OPEB changes in assumptions	2,827,901	-
OPEB contributions subsequent to measurement date	5,237,421	-
OPEB experience differences	-	13,168,872
Total deferred outflows of resources	<u>38,928,024</u>	<u>96,527,572</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	32,867,880	55,177,766
Due to component unit	11,732,772	-
Due to primary government	-	1,644,497
Unearned revenue	68,014,913	-
Long-term liabilities:		
Due within one year	41,815,180	14,683,205
Due in more than one year	370,249,236	34,292,345
Net pension liability	1,861	-
Net OPEB liability	11,506,941	90,088,307
Advance from primary government	-	27,512,746
Total liabilities	<u>536,188,783</u>	<u>223,398,866</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred property tax revenue	149,668,639	123,525,165
Deferred lease receivable	5,519,682	307,171
Pension investment loss	54,894,574	-
Pension experience differences	3,848,204	19,827,025
Pension changes in assumptions	13,975	-
Pension investment difference	-	171,580,800
OPEB changes in assumptions	1,247,023	53,144,978
OPEB experience differences	678,430	-
OPEB investment differences	4,898,711	-
Deferred changes in proportion to the net pension liability	-	436,517
Deferred gain on refunding	1,309,309	-
Total deferred inflows of resources	<u>222,078,547</u>	<u>368,821,656</u>
<b>NET POSITION</b>		
Net investment in capital assets	283,298,874	533,282,863
Restricted for:		
General government	3,744,990	-
Public safety	1,547,907	-
Partnership	1,041,194	-
Social services	1,537,489	-
Stabilization reserve trust	2,224,249	7,842,967
Centralized cafeteria	-	8,733,062
Education	-	11,962,524
Instruction	-	22,802
Net pension asset	2,590,650	24,155,866
WWTA PSLP program	-	9,648,905
Debt service	-	1,961,965
Unrestricted	28,300,882	95,971,201
Total net position	<u>\$ 324,286,235</u>	<u>\$ 693,582,155</u>

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



# STATEMENT OF ACTIVITIES

## HAMILTON COUNTY, TENNESSEE

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Components Units
PRIMARY GOVERNMENT						
Government activities:						
General government	\$ 65,412,880	\$ 23,187,758	\$ 5,455,367	\$ 9,982,093	\$ (26,787,662)	
Public safety:						
Sheriff	55,152,917	1,739,416	3,439,546	-	(49,973,955)	
Criminal Court	4,386,440	1,317,353	-	-	(3,069,087)	
Juvenile Court	1,929,795	320,595	-	-	(1,609,200)	
Ambulance Services	16,592,588	17,050,364	-	-	457,776	
Other	32,451,942	4,773,875	2,100,405	-	(25,577,662)	
Highways and streets	22,446,784	3,924,120	15,172,331	-	(3,350,333)	
Health	25,252,993	1,517,680	13,394,289	-	(10,341,024)	
Social services	4,095,899	2,333,601	286,810	-	(1,475,488)	
Culture and recreation	10,998,375	1,326,127	2,427,884	-	(7,244,364)	
Education	414,975	-	-	-	(414,975)	
Interest on long-term debt	1,127,577	-	-	-	(1,127,577)	
TOTAL PRIMARY GOVERNMENT	\$ 240,263,165	\$ 57,490,889	\$ 42,276,632	\$ 9,982,093	(130,513,551)	
COMPONENT UNITS						
Department of Education	\$ 540,910,698	\$ 5,645,897	\$ 113,728,581	\$ 2,906,213		\$ (418,630,007)
"911" Emergency Communications	14,010,737	-	8,013,713	8,169,033		2,172,009
Water & Wastewater Treatment Authority	22,602,003	29,324,354	-	6,310,983		13,033,334
Railroad Authority	515,423	158,066	-	357,342		(15)
TOTAL COMPONENT UNITS	\$ 578,038,861	\$ 35,128,317	\$ 121,742,294	\$ 17,743,571		(403,424,679)
General revenues:						
Property taxes					174,498,222	152,249,724
Sales taxes					9,863,308	107,214,509
Business taxes					11,253,585	-
Hotel/Motel taxes					10,857,607	-
Other taxes					1,060,268	-
Unrestricted investment earnings					1,428,629	45,241
Grants and contributions not restricted to specific programs					-	209,251,091
Total general revenues					208,961,619	468,760,565
Change in net position					78,448,068	65,335,886
Net position, beginning					245,838,167	628,246,269
Net position, ending					\$ 324,286,235	\$ 693,582,155

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



**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2022**

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 307,493	\$ 240,017	\$ 90,573,182	\$ 7,110,384	\$ 98,231,076
Investments	138,647,096	9,553,810	136,461,673	1,282,839	285,945,418
Receivables, net of allowance for uncollectible	190,889,168	-	360,571	1,151,921	192,401,660
Due from other funds	1,143	-	3,225,316	207,974	3,434,433
Due from component units	1,644,497	-	-	-	1,644,497
Inventories	1,219,879	-	-	-	1,219,879
Prepaid items	220,488	-	-	2,077	222,565
Total assets	<u>\$ 332,929,764</u>	<u>\$ 9,793,827</u>	<u>\$ 230,620,742</u>	<u>\$ 9,755,195</u>	<u>\$ 583,099,528</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,336,518	\$ -	\$ 3,298,646	\$ -	\$ 7,635,164
Accrued items and other	13,635,562	-	-	2,801,869	16,437,431
Intergovernmental payables	818,181	-	-	-	818,181
Due to other funds	6,443,293	-	-	-	6,443,293
Due to component units	-	-	11,732,772	-	11,732,772
Other unearned revenue	-	-	68,014,545	-	68,014,545
Total liabilities	<u>25,233,554</u>	<u>-</u>	<u>83,045,963</u>	<u>2,801,869</u>	<u>111,081,386</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax revenue	149,668,639	-	-	-	149,668,639
Unavailable property taxes	5,563,473	-	-	-	5,563,473
Leases	5,519,682	-	-	-	5,519,682
Other unavailable revenue	19,789	-	-	-	19,789
Total deferred inflows of resources	<u>160,771,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,771,583</u>
<b>FUND BALANCES</b>					
Nonspendable for inventories	1,219,879	-	-	-	1,219,879
Nonspendable for prepaid items	220,488	-	-	2,077	222,565
Restricted for stabilization reserve trust	2,224,249	-	-	-	2,224,249
Restricted for general government	-	-	-	3,744,990	3,744,990
Restricted for public safety	22,019	-	-	1,525,888	1,547,907
Restricted for partnership	1,041,194	-	-	-	1,041,194
Restricted for social services	-	-	-	1,537,489	1,537,489
Restricted for capital projects	-	-	124,963,008	-	124,963,008
Committed for public safety	117,435	-	-	142,882	260,317
Committed for capital projects	-	-	12,742,683	-	12,742,683
Assigned for general government	4,331,409	-	-	-	4,331,409
Assigned for public safety	499,646	-	-	-	499,646
Assigned for debt service	-	9,793,827	-	-	9,793,827
Assigned for highways and streets	2,181,951	-	-	-	2,181,951
Assigned for health	56,150	-	-	-	56,150
Assigned for capital projects	-	-	9,869,088	-	9,869,088
Unassigned	135,010,207	-	-	-	135,010,207
Total fund balances	<u>146,924,627</u>	<u>9,793,827</u>	<u>147,574,779</u>	<u>6,953,326</u>	<u>311,246,559</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 332,929,764</u>	<u>\$ 9,793,827</u>	<u>\$ 230,620,742</u>	<u>\$ 9,755,195</u>	<u>\$ 583,099,528</u>

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



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

## HAMILTON COUNTY, TENNESSEE

June 30, 2022

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

Fund balances - total governmental funds	\$ 311,246,559
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	353,910,579
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Certain revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	5,563,473
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Internal service funds are used by management to charge the costs of self-insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	42,295,039
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Long-term assets receivable from a component unit are not due until the related long-term liability is due and payable.	17,455,000
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The County entered into a joint venture with the City of Chattanooga and the Carter Street Corporation for the development and management of the Convention and Visitor's Trade Center. This asset is not a currently available financial resource and is not reported in the funds.	2,998,054
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Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. This item consists of the following:

General obligation bonds	\$ (339,520,000)
Original issue premiums	(50,963,343)
Deferred gain on refunding	(1,309,309)
Leases	(3,312,109)
Net pension asset	47,278,401
Net pension liability	(1,861)
Deferred outflows from pension contributions	10,013,543
Deferred outflows from pensions experience	2,315,607
Deferred outflows from pensions changes in assumptions	18,533,552
Deferred inflows from difference in pension investment earnings	(54,894,574)
Deferred inflows from pensions experience	(3,848,204)
Deferred inflows from pensions changes in assumptions	(13,975)
Net OPEB liability	(11,506,941)
Deferred outflows from OPEB contributions	5,237,421
Deferred outflows from OPEB changes in assumptions	2,827,901
Deferred inflows from differences in OPEB investment earnings	(4,898,711)
Deferred inflows from OPEB experience	(678,430)
Deferred inflows from OPEB changes in assumptions	(1,247,023)
Landfill post closure costs	(100,000)
Compensated absences	(18,168,964)
Accrued interest payable	(4,925,450)
	<u>(409,182,469)</u>

Net position of governmental activities	\$ <u>324,286,235</u>
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The Notes to Basic Financial Statements are an integral part of this statement.



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

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2022**

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 196,663,478	\$ -	\$ -	\$ 10,869,512	\$ 207,532,990
Licenses and permits	1,567,804	-	-	-	1,567,804
Intergovernmental	40,009,932	2,228,884	9,982,093	37,816	52,258,725
Charges for services	26,443,414	-	187,538	22,619,065	49,250,017
Fines, forfeitures and penalties	1,338,760	-	-	40,332	1,379,092
Investment earnings	672,248	35,551	503,042	62,157	1,272,998
Miscellaneous	5,730,685	-	-	516,581	6,247,266
Total revenues	<u>272,426,321</u>	<u>2,264,435</u>	<u>10,672,673</u>	<u>34,145,463</u>	<u>319,508,892</u>
<b>EXPENDITURES</b>					
Current:					
General government	44,921,074	-	-	15,990,474	60,911,548
Public safety:					
Sheriff	56,122,906	-	-	70,146	56,193,052
Criminal Court	4,347,457	-	-	-	4,347,457
Juvenile Court	1,816,679	-	-	-	1,816,679
Ambulance Services	16,353,124	-	-	-	16,353,124
Other	31,791,267	-	-	3,951	31,795,218
Highways and streets	19,297,872	-	-	-	19,297,872
Health	26,816,882	-	-	-	26,816,882
Social services	2,764,858	-	-	1,641,536	4,406,394
Culture and recreation	9,227,616	-	-	-	9,227,616
Debt service:					
Principal	1,280,732	34,795,000	-	-	36,075,732
Interest and fiscal charges	26,223	15,721,456	-	-	15,747,679
Capital outlay:					
General government	26,688,089	-	33,013,239	-	59,701,328
Education	-	-	24,380,299	-	24,380,299
Total expenditures	<u>241,454,779</u>	<u>50,516,456</u>	<u>57,393,538</u>	<u>17,706,107</u>	<u>367,070,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,971,542</u>	<u>(48,252,021)</u>	<u>(46,720,865)</u>	<u>16,439,356</u>	<u>(47,561,988)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	16,129,611	48,237,966	900,000	-	65,267,577
Transfers out	(49,410,216)	-	-	(16,129,611)	(65,539,827)
Issuance of leases payable	4,592,841	-	-	-	4,592,841
Sale of capital assets	206,580	-	3,220,168	85,670	3,512,418
Issuance of debt	-	-	74,395,000	-	74,395,000
Premium from bonds	-	-	15,966,727	-	15,966,727
Total other financing sources (uses)	<u>(28,481,184)</u>	<u>48,237,966</u>	<u>94,481,895</u>	<u>(16,043,941)</u>	<u>98,194,736</u>
Net change in fund balances	2,490,358	(14,055)	47,761,030	395,415	50,632,748
Fund balances, beginning	<u>144,434,269</u>	<u>9,807,882</u>	<u>99,813,749</u>	<u>6,557,911</u>	<u>260,613,811</u>
Fund balances, ending	<u>\$ 146,924,627</u>	<u>\$ 9,793,827</u>	<u>\$ 147,574,779</u>	<u>\$ 6,953,326</u>	<u>\$ 311,246,559</u>

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



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

## HAMILTON COUNTY, TENNESSEE

Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	\$	50,632,748
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.		75,564,794
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Depreciation and amortization expense on governmental capital assets is included in the governmental activities in the statement of activities.		(13,729,687)
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The payment of the principal of long-term debt consumes the current financial resources of governmental funds:		
Payment on general obligation bonds		34,795,000
Payment on leases		1,280,732

The issuance of the principal of long-term debt relieves the current financial resources of governmental funds:		
Issuance of general obligation bonds		(74,395,000)
Issuance of bond premium		(15,966,727)
Issuance of leases		(4,592,841)

Compensated absences are measured by the amounts earned during the year in the statement of activities. However, expenditures for these items are measured by the amount of financial resources used in the governmental funds. Compensated absences increased by this amount during the year.		(2,035,065)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Payments received from component units for advances		(560,000)
Landfill post closure costs		10,000
Amortization of deferred charges on refunding		93,522
Amortization of bond issuance premium		15,025,955
Change in accrued interest payable		(499,376)

The net revenues of internal service funds are reported with governmental activities.		679,331
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The net effect of various transactions involving capital assets is to decrease net position.		(2,857,212)
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The net effect of capital asset transactions involving the Hamilton County Schools is to decrease net position.		(414,975)
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The net effect of the change in the net OPEB obligation is included in the governmental activities in the statement of activities.		3,966,361
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The net effect of the change in the net pension liability is included in the governmental activities in the statement of activities.		11,843,798
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Certain governmental revenues will not be collected for several months after the fiscal year and are reported as deferred inflows in the governmental funds.		(298,624)
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The net effect of the change in the Carter Street joint venture is included in the governmental activities in the statement of activities.		(94,666)
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Change in net position of governmental activities	\$	<u>78,448,068</u>
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The Notes to Basic Financial Statements are an integral part of this statement.



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

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 200,785,700	\$ 200,785,700	\$ 196,663,478	\$ (4,122,222)
Licenses and permits	1,480,000	1,480,000	1,567,804	87,804
Intergovernmental revenues	35,670,163	51,565,358	40,009,932	(11,555,426)
Charges for services	25,219,239	25,234,239	26,443,414	1,209,175
Fines, forfeitures and penalties	1,864,450	1,864,450	1,338,760	(525,690)
Investment earnings	396,500	396,500	672,248	275,748
Miscellaneous	5,475,814	5,654,247	5,730,685	76,438
Total revenues	<u>270,891,866</u>	<u>286,980,494</u>	<u>272,426,321</u>	<u>(14,554,173)</u>
<b>EXPENDITURES</b>				
Current:				
General government	49,098,392	49,823,080	44,921,074	4,902,006
Public safety	115,739,969	121,280,250	110,431,433	10,848,817
Highways and streets	20,407,207	20,322,606	19,297,872	1,024,734
Health	31,581,096	43,293,127	26,816,882	16,476,245
Social services	3,018,206	3,145,031	2,764,858	380,173
Culture and recreation	9,516,556	10,021,994	9,227,616	794,378
Capital outlay	6,862,279	27,786,468	26,688,089	1,098,379
Debt service:				
Principal	-	-	1,280,732	(1,280,732)
Interest	-	-	26,223	(26,223)
Total budgetary expenditures	<u>236,223,705</u>	<u>275,672,556</u>	<u>241,454,779</u>	<u>34,217,777</u>
Excess of revenues over expenditures	<u>34,668,161</u>	<u>11,307,938</u>	<u>30,971,542</u>	<u>19,663,604</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,661,200	12,661,200	16,129,611	3,468,411
Transfers out	(47,949,361)	(49,410,216)	(49,410,216)	-
Issuance of lease payable	-	-	4,592,841	4,592,841
Sale of capital assets	620,000	620,000	206,580	(413,420)
Total other financing sources (uses)	<u>(34,668,161)</u>	<u>(36,129,016)</u>	<u>(28,481,184)</u>	<u>7,647,832</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (24,821,078)</u>	2,490,358	<u>\$ 27,311,436</u>
Fund balance at beginning of year			<u>144,434,269</u>	
Fund balance at end of year			<u>\$ 146,924,627</u>	

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



**STATEMENT OF NET POSITION  
PROPRIETARY FUND**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

	Governmental Activities - Internal Service Fund
<hr/>	
ASSETS	
Current assets	
Cash	\$ 6,215,818
Investments	35,588,790
Accounts receivable	23,220
Due from other funds	3,010,003
Inventory	265,756
Prepaid items	224,828
	<hr/>
Total current assets	45,328,415
	<hr/>
Total assets	45,328,415
	<hr/>
LIABILITIES	
Current liabilities	
Accounts payable	140,089
Accrued items and other	7,087
Accrued claims	2,489,689
Due to other funds	1,143
Unearned revenue	368
	<hr/>
Total current liabilities	2,638,376
	<hr/>
Noncurrent liabilities	
Accrued claims	395,000
	<hr/>
Total liabilities	3,033,376
	<hr/>
NET POSITION	
Unrestricted	\$ 42,295,039
	<hr/>

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



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

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2022**

	Governmental Activities - Internal Service Fund
	<hr/>
OPERATING REVENUES	
Charges for services	\$ 44,105,798
Other	<u>1,301,017</u>
Total operating revenues	<u>45,406,815</u>
OPERATING EXPENSES	
Unemployment compensation	29,332
Claims and premiums	36,535,953
Pharmacy	6,221,994
Clinic	1,469,443
Administration	<u>898,643</u>
Total operating expenses	<u>45,155,365</u>
Operating income	251,450
NONOPERATING REVENUES	
Investment earnings	155,631
OTHER FINANCING SOURCES	
Transfers in	<u>272,250</u>
Change in net position	679,331
Net position, beginning	<u>41,615,708</u>
Net position, ending	<u>\$ 42,295,039</u>

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



**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	Governmental Activities - Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from insurance premiums	\$ 40,749,488
Cash received from unemployment compensation	748,438
Cash received from pharmacy	6,081,812
Cash paid for claims and premiums	(37,462,020)
Cash paid for administration	(898,643)
Cash paid for clinic	(1,469,443)
Cash paid for pharmacy	(6,221,994)
Net cash provided by operating activities	<u>1,527,638</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of investments	9,225,249
Purchase of investments	(35,590,792)
Interest on investments	155,631
Net cash used in investing activities	<u>(26,209,912)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers in	<u>272,250</u>
Cash provided by non-capital financing activities	<u>272,250</u>
Net change in cash and cash equivalents	(24,410,024)
Beginning cash and cash equivalents	<u>30,625,842</u>
Ending cash and cash equivalents	<u>\$ 6,215,818</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	<u>\$ 251,450</u>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	
Change in accounts receivable	(15,642)
Change in due from other funds	1,991,760
Change in inventory	37,446
Change in prepaid items	(109,204)
Change in accounts payable	32,594
Change in due to other funds	(56,615)
Change in liabilities	(2,958)
Change in accrued claims	(601,193)
Total adjustments	<u>1,276,188</u>
Net cash provided by operating activities	<u>\$ 1,527,638</u>

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



**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2022**

	OPEB & Pension Trust Funds	Constitutional Offices Custodial Funds
	<u>                    </u>	<u>                    </u>
ASSETS		
Cash	\$ 90,179	\$ 39,992,614
Investments	-	75,579
Investments on behalf of litigants and beneficiaries	-	11,179,292
Investments, at fair value:		
US Government Securities	3,259,470	-
Municipal Bonds	2,286,064	-
Mutual Funds	9,497,491	-
Domestic Equity Securities	4,805,273	-
Domestic Corporate Bonds	4,577,539	-
Foreign Bonds / Notes	821,190	-
Foreign Equity Securities	2,714,646	-
Quality Income Fund	3,973,454	-
Money Market	673,520	-
Exchange-traded Funds	7,130,934	-
Real Estate Investment Trust	73,919	-
	<u>39,813,500</u>	<u>-</u>
Total investments, at fair value		
Receivables:		
Interest	117,510	-
Accounts	-	4,705
	<u>117,510</u>	<u>4,705</u>
Total receivables		
	<u>40,021,189</u>	<u>51,252,190</u>
Total assets		
LIABILITIES		
Accrued items and other	-	8,237,642
Intergovernmental payables	-	8,973,730
	<u>-</u>	<u>17,211,372</u>
Total liabilities		
NET POSITION		
Restricted for pension benefits	2,903,437	-
Restricted for OPEB benefits	37,117,752	-
Restricted for individuals, organizations and others	-	34,040,818
	<u>\$ 40,021,189</u>	<u>\$ 34,040,818</u>
Total net position		

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



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

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2022**

	OPEB & Pension Trust Funds	Constitutional Offices Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 5,269,778	\$ -
Other	<u>1,788</u>	<u>-</u>
Total contributions	<u>5,271,566</u>	<u>-</u>
Collections of taxes, fines and fees:		
State of Tennessee	-	73,371,306
Municipalities	<u>-</u>	<u>35,768,534</u>
Total collections of taxes, fines and fees	<u>-</u>	<u>109,139,840</u>
Judgments for litigants and beneficiaries	-	41,808,732
Miscellaneous	-	28,049,364
Investment earnings:		
Net change in fair value of investments	(7,004,346)	-
Interest and dividends	<u>783,693</u>	<u>-</u>
Net investment earnings	<u>(6,220,653)</u>	<u>-</u>
Total additions	<u>(949,087)</u>	<u>178,997,936</u>
DEDUCTIONS		
Benefits	3,723,555	-
Payments of taxes, fines and fees:		
State of Tennessee	-	73,371,306
Municipalities	-	35,768,534
Payouts to litigants and beneficiaries	-	38,449,946
Administrative expense	266,304	-
Miscellaneous	<u>-</u>	<u>27,925,617</u>
Total deductions	<u>3,989,859</u>	<u>175,515,403</u>
Change in net position	(4,938,946)	3,482,533
Net position, beginning	<u>44,960,135</u>	<u>30,558,285</u>
Net position, ending	<u>\$ 40,021,189</u>	<u>\$ 34,040,818</u>

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







**STATEMENT OF NET POSITION  
COMPONENT UNITS**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2022**

	Hamilton County Schools	"911" Emergency Communications District	Water & Wastewater Treatment Authority (WWTA)	Railroad Authority	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 99,194,247	\$ 10,718,438	\$ 27,119,388	\$ 9,045	\$ 137,041,118
Investments	35,632,556	11,734,376	-	-	47,366,932
Receivables, net of allowance for uncollectible	188,249,039	52,029	5,169,358	-	193,470,426
Receivables, restricted	-	-	2,508,960	-	2,508,960
Due from primary government	-	-	11,732,772	-	11,732,772
Inventories	1,236,560	-	44,938	-	1,281,498
Prepaid items	76,952	-	21,093	-	98,045
Restricted cash	5,200,747	-	-	-	5,200,747
Net pension asset	207,705,669	1,112,783	-	-	208,818,452
Cash and cash equivalents - restricted	-	-	9,101,910	-	9,101,910
Land and other nondepreciable assets	20,845,631	88,230	10,592,158	-	31,526,019
Capital assets, net of accumulated depreciation	401,696,976	5,419,234	134,012,016	-	541,128,226
Total assets	959,838,377	29,125,090	200,302,593	9,045	1,189,275,105
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension contributions subsequent to measurement date	19,926,765	581,904	-	-	20,508,669
Pension experience differences	1,892,403	414,485	-	-	2,306,888
Pension changes in assumptions	58,625,297	1,340,409	-	-	59,965,706
Deferred changes in proportion to the net pension liability	577,437	-	-	-	577,437
OPEB experience differences	13,168,872	-	-	-	13,168,872
Total deferred outflows of resources	94,190,774	2,336,798	-	-	96,527,572
<b>LIABILITIES</b>					
Accounts payable and other current liabilities	47,966,892	67,494	7,143,380	-	55,177,766
Due to primary government	-	1,352,920	291,577	-	1,644,497
Noncurrent liabilities:					
Due within one year	11,835,090	763,133	2,084,982	-	14,683,205
Due in more than one year	15,344,342	-	18,948,003	-	34,292,345
Net OPEB liability	90,088,307	-	-	-	90,088,307
Advance from primary government	-	-	27,512,746	-	27,512,746
Total liabilities	165,234,631	2,183,547	55,980,688	-	223,398,866
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax revenue	123,525,165	-	-	-	123,525,165
Deferred lease receivable	307,171	-	-	-	307,171
Pension investment differences	171,580,800	-	-	-	171,580,800
Pension experience differences	17,935,785	1,891,240	-	-	19,827,025
OPEB changes in assumptions	53,144,978	-	-	-	53,144,978
Deferred changes in proportion to the net pension liability	436,517	-	-	-	436,517
Total deferred inflows of resources	366,930,416	1,891,240	-	-	368,821,656
<b>NET POSITION</b>					
Net investment in capital assets	419,984,184	5,507,464	107,791,215	-	533,282,863
Restricted for:					
Centralized cafeteria	8,733,062	-	-	-	8,733,062
Education	11,962,524	-	-	-	11,962,524
Stabilization reserve trust	7,842,967	-	-	-	7,842,967
Instruction	22,802	-	-	-	22,802
Net pension asset	23,043,083	1,112,783	-	-	24,155,866
WWTA PSLP program	-	-	9,648,905	-	9,648,905
Debt service	-	-	1,961,965	-	1,961,965
Unrestricted	50,275,482	20,766,854	24,919,820	9,045	95,971,201
Total net position	\$ 521,864,104	\$ 27,387,101	\$ 144,321,905	\$ 9,045	\$ 693,582,155

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



**STATEMENT OF ACTIVITIES  
COMPONENT UNITS**

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>HAMILTON COUNTY SCHOOLS</b>				
Regular instruction	\$ 275,354,233	\$ 5,007,432	\$ 39,927,186	\$ -
Exceptional instruction	45,761,917	-	-	-
Vocational instruction	10,624,682	-	-	-
Support services:				
Pupil services	26,911,954	-	16,872,021	-
Instructional staff	34,854,586	-	21,408,521	-
Technology	8,269,573	-	87,332	-
Board of education	6,834,211	-	-	-
Administration	33,602,223	-	533,497	-
Business and fiscal services	3,461,910	-	166,301	-
Human resources	1,983,313	-	2,805,281	-
Plant operation and maintenance	42,984,755	-	575,750	2,906,213
Pupil transportation	21,236,237	-	782,354	-
Central and other	1,057,625	-	-	-
Operation of noninstructional services:				
Community services	4,356,667	-	3,319,143	-
Early childhood education	3,298,580	-	54,233	-
Child Nutrition	20,313,769	638,465	27,196,962	-
Interest and fiscal charges	4,463	-	-	-
<b>TOTAL HAMILTON COUNTY SCHOOLS</b>	<u>540,910,698</u>	<u>5,645,897</u>	<u>113,728,581</u>	<u>2,906,213</u>
<b>"911" EMERGENCY COMMUNICATIONS DISTRICT</b>				
Emergency communications operations	<u>14,010,737</u>	<u>-</u>	<u>8,013,713</u>	<u>8,169,033</u>
<b>WATER &amp; WASTEWATER TREATMENT AUTHORITY</b>				
Water & wastewater treatment operations	<u>22,602,003</u>	<u>29,324,354</u>	<u>-</u>	<u>6,310,983</u>
<b>RAILROAD AUTHORITY</b>				
Railroad authority operations	<u>515,423</u>	<u>158,066</u>	<u>-</u>	<u>357,342</u>
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 578,038,861</u>	<u>\$ 35,128,317</u>	<u>\$ 121,742,294</u>	<u>\$ 17,743,571</u>

General revenues:

Property taxes

Sales taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Total general revenues

Change in net position

Net position, beginning

Net position, ending

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



Net (Expenses) Revenues and  
Changes in Net Position

Hamilton County Schools	"911" Emergency Communication	Water & Wastewater Treatment Authority	Railroad Authority	Total
\$ (230,419,615)				\$ (230,419,615)
(45,761,917)				(45,761,917)
(10,624,682)				(10,624,682)
(10,039,933)				(10,039,933)
(13,446,065)				(13,446,065)
(8,182,241)				(8,182,241)
(6,834,211)				(6,834,211)
(33,068,726)				(33,068,726)
(3,295,609)				(3,295,609)
821,968				821,968
(39,502,792)				(39,502,792)
(20,453,883)				(20,453,883)
(1,057,625)				(1,057,625)
(1,037,524)				(1,037,524)
(3,244,347)				(3,244,347)
7,521,658				7,521,658
<u>(4,463)</u>				<u>(4,463)</u>
<u>(418,630,007)</u>				<u>(418,630,007)</u>
	\$ 2,172,009			2,172,009
		\$ 13,033,334		13,033,334
			\$ (15)	<u>(15)</u>
				<u>(403,424,679)</u>
152,249,724	-	-	-	152,249,724
107,214,509	-	-	-	107,214,509
209,251,091	-	-	-	209,251,091
<u>(52,215)</u>	<u>32,276</u>	<u>65,180</u>	<u>-</u>	<u>45,241</u>
<u>468,663,109</u>	<u>32,276</u>	<u>65,180</u>	<u>-</u>	<u>468,760,565</u>
50,033,102	2,204,285	13,098,514	(15)	65,335,886
<u>471,831,002</u>	<u>25,182,816</u>	<u>131,223,391</u>	<u>9,060</u>	<u>628,246,269</u>
<u>\$ 521,864,104</u>	<u>\$ 27,387,101</u>	<u>\$ 144,321,905</u>	<u>\$ 9,045</u>	<u>\$ 693,582,155</u>







## NOTES TO BASIC FINANCIAL STATEMENTS

### HAMILTON COUNTY, TENNESSEE

June 30, 2022

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## NOTES TO BASIC FINANCIAL STATEMENTS

HAMILTON COUNTY, TENNESSEE  
JUNE 30, 2022

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### (1) REPORTING ENTITY

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

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

#### Discretely Presented Component Units

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

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



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

**Hamilton County Railroad Authority** – The Railroad Authority (the Authority) was organized under the Railroad Authority Act of the State of Tennessee. The Authority was established on February 20, 2002 for the purpose of improving rail service in Hamilton County. The five-member Board consists of the County Mayor, City of Chattanooga Mayor, one member elected by the Board of County Commissioners, one member elected by the Chattanooga City Council, and the President and CEO of Chattanooga Area Chamber of Commerce. The Authority's Board has final decision-making authority for the entity. The Board of Commissioners must approve any bonds or indebtedness of the Authority. Additional information may be obtained from: Hamilton County Railroad Authority, 6125 Preservation Drive, Chattanooga, TN 37416.

## (2) JOINT VENTURES

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

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

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

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

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

**Chattanooga-Hamilton County Hospital Authority** – The County Mayor appoints, subject to the approval of the County Board of Commissioners, four members of the eleven-member Hospital Authority Board. The County is committed to fund a minimum of \$1,500,000 annually for indigent patient care to the Authority. The Authority has the ability to issue its own debt, which is not an obligation of the County, and primarily patient revenues finance its operations.



### **(3) BASIC FINANCIAL STATEMENTS**

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements, focusing on either the County as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. At June 30, 2022, the County has no business-type activities in the primary government. In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis in a single column and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations and deferred resources of inflows and outflows.

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

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

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

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

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

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



**(4) BASIS OF PRESENTATION**

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

**a) Major Funds**

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

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

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

**b) Other Fund Types**

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

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

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

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

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

**(5) BASIS OF ACCOUNTING**

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

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



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

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

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

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

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

## **(6) BUDGET POLICY AND BUDGETARY DATA**

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

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

Public hearings are conducted which allow for taxpayer comments.

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

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

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

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

Encumbrances against budgeted appropriations are recorded during the year upon execution of purchase orders, contracts, or other appropriate documents. Amounts shown as encumbrances at June 30, 2022, reflect expenditures for goods and services that had not been received or completed at that date. These items are recorded as assignments of fund balances and provide authority for the carryover of appropriations to the subsequent year in order to complete these transactions. Encumbrances outstanding lapse at year end and are reappropriated in the subsequent year’s budget for annually budgeted funds.

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The General Fund was the only major budgeted fund to have encumbrances at year end. At June 30, 2022, the amount of encumbrances of the General Fund expected to be reappropriated in the next year was \$3,986,101.



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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
General Fund				
Constitutional Offices	\$ 38,416,117	\$ 38,668,612	\$ 36,902,449	\$ 1,766,163
Supported Agencies	4,836,712	4,836,712	3,941,072	895,640
Unassigned	78,343,467	101,894,142	99,624,152	2,269,990
Finance	10,049,728	10,160,390	9,470,703	689,687
Public Works	30,695,778	30,822,613	28,040,176	2,782,437
General Services	29,115,999	31,130,458	29,541,615	1,588,843
Human Resources	2,316,274	2,321,702	2,093,580	228,122
Health	29,892,556	41,604,587	25,128,342	16,476,245
Sheriff	60,506,435	63,643,556	56,122,906	7,520,650
Total General Fund	284,173,066	325,082,772	290,864,995	34,217,777
Debt Service	49,065,445	50,526,301	50,516,456	9,845
Hotel Motel	7,358,000	7,358,000	10,858,826	(3,500,826)
Sheriff Special Revenue	483,691	489,831	70,146	419,685
Primary Government	<u>\$ 341,080,202</u>	<u>\$ 383,456,904</u>	<u>\$ 352,310,423</u>	<u>\$ 31,146,481</u>

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

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

**a) Cash and Cash Equivalents**

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

**b) Investments**

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

**c) Receivables**

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

**d) Inventories and Prepaid Items**

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



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

#### **e) Capital Assets**

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

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

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

#### **f) Leases**

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

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

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

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

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



Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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

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

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

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

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

#### **g) Fund Balance**

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

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

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

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

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

encumbrances may be assigned, modified or rescinded by the County Mayor or his designee, as set forth in the Hamilton County Purchasing Rules and Regulations.

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

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

#### **h) Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the financial statements report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has six types of deferred inflows: deferred property taxes, unavailable revenue, deferred inflows from lease receivables, deferred inflows related to pensions, deferred inflows related to OPEB, and deferred gain on refundings. The County's governmental funds Balance Sheet and government-wide Statement of Net Position will report deferred property tax revenues as a deferred inflow of resources as the amount represents resources associated with an imposed, non-exchange transaction received or reported as a receivable before the period for which the property taxes were levied. The County reports deferred inflows from lease receivables, unavailable property taxes and various receivables for revenue which do not meet the availability criteria in governmental funds as deferred inflows of resources. Unavailable revenue is reported only in the governmental funds Balance Sheet. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows related to pensions and OPEB are discussed below.

#### **i) Pension Plans**

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

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

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



## **(8) REVENUES, EXPENDITURES AND EXPENSES**

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

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

### **a) Property Taxes**

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

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

Lien date	January 1, 2021
Levy date	October 1, 2021
Tax bills mailed	October 1, 2021
Delinquency date	March 1, 2022
Tax sale – 2018 delinquent property taxes	June 2, 2022

### **b) Grant Revenue**

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

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

### **c) Investment Income**

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

### **d) Interfund Transactions**

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

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

#### **e) Payments between the County and Component Units**

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

#### **f) Estimates**

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

#### **g) Compensated Absences**

County employees earn compensation for absences by a prescribed formula based on their length of service. Compensation for absences is accumulated every pay period and has a cap of 1,680 hours for employees hired before January 1, 2013. Employees hired after that date may only accumulate up to 800 hours. During the year, the compensation earned may be used for either vacation or absence due to illness. At year end, the liability for compensation for absences earned but not paid to employees is accrued in the government-wide financial statements by function. Upon termination or retirement, employees are paid for the balance accrued in their compensated absences bank.

### **(9) NET POSITION**

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

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

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

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

### **NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **Compliance with Finance Related Legal and Contractual Provisions**

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

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

For the year ended June 30, 2022, the County's Hotel/Motel Fund had material excess of expenditures over appropriations in the amount of \$3,500,826. These over expenditures were funded with revenues of equal amounts in excess of appropriation.

#### **Net Position/Fund Balance Deficit**

At June 30, 2022, the County has \$28,300,882 in unrestricted net position in the government-wide statement of net position for governmental activities. Historically, significant portions of the County's general obligation bonds are issued to acquire, construct, and develop facilities for Hamilton County Schools. These facilities are not recorded as capital assets of the County's governmental activities but are recorded as capital assets of the Hamilton County Schools, which is a discretely presented component unit. During the year ending June 30, 2022, the County conveyed \$414,975 in capital assets to Hamilton County Schools. At June 30, 2022, the County's long-term liabilities include general obligation bonds of \$196,934,469 issued for Hamilton County Schools' capital projects.



## NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS

### Cash and Cash Equivalents

Custodial credit risk relating to deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2022, all deposits were insured or collateralized, as required by government policy.

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

### Investments

The following summary of investment types by major funds summarizes the investment activities for the County and Hamilton County Schools as of June 30, 2022:

	Investment Pool	SRT	Other	Total
<b>Primary Government</b>				
General	\$ 136,422,847	\$ 2,224,249	\$ -	\$ 138,647,096
Debt Service	9,553,810	-	-	9,553,810
Capital Projects	78,746,673	-	57,715,000	136,461,673
Other Government	1,282,839	-	-	1,282,839
Internal Service	35,588,790	-	-	35,588,790
Custodial Funds	75,579	-	11,179,292	11,254,871
	<u>261,670,538</u>	<u>2,224,249</u>	<u>68,894,292</u>	<u>332,789,079</u>
<b>Hamilton County Schools</b>	27,742,462	7,842,967	47,127	35,632,556
	<u>\$ 289,413,000</u>	<u>\$10,067,216</u>	<u>\$ 68,941,419</u>	<u>\$ 368,421,635</u>

Individual investments held in the Investment Pool at June 30, 2022, consist of:

Investment	Maturity Date	Interest Rate	Credit Rating	Level 2	Fair Value
Federal Farm Credit Banks Funding Corp.	08/10/2023	0.23%	AAA	\$ 5,000,000	\$ 5,000,000
Federal Farm Credit Banks Funding Corp.	09/27/2023	0.28%	AAA	5,000,000	5,000,000
Federal Farm Credit Banks Funding Corp.	01/18/2024	0.91%	AAA	5,000,000	5,000,000
Federal Farm Credit Banks Funding Corp.	01/25/2024	1.04%	AAA	5,000,000	5,000,000
Federal Farm Credit Banks Funding Corp.	03/08/2024	1.67%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	09/09/2022	0.20%	AAA	1,000,000	1,000,000
Federal Home Loan Bank	12/09/2022	0.96%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	06/02/2023	0.24%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	08/18/2023	0.25%	AAA	10,000,000	10,000,000
Federal Home Loan Bank	11/17/2023	0.50%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	11/22/2023	0.63%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	12/28/2023	0.80%	AAA	2,000,000	2,000,000
Federal Home Loan Bank	12/28/2023	0.80%	AAA	3,000,000	3,000,000
Federal Home Loan Bank	12/29/2023	0.75%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	02/07/2024	1.00%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	02/28/2024	1.25%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	03/14/2024	2.12%	AAA	3,250,000	3,250,000
Federal Home Loan Bank	03/14/2024	2.12%	AAA	900,000	900,000
Federal Home Loan Bank	03/15/2024	2.11%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	03/28/2024	1.57%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	03/28/2024	2.00%	AAA	3,000,000	3,000,000
Federal Home Loan Bank	04/12/2024	2.30%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	04/25/2024	2.50%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	04/26/2024	4.00%	AAA	3,275,000	3,275,000
Federal Home Loan Bank	06/21/2024	2.25%	AAA	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	07/25/2022	0.45%	AAA	500,000	500,000
Federal Home Loan Mortgage Corporation	04/20/2023	0.98%	AAA	5,365,000	5,365,000
Federal Home Loan Mortgage Corporation	06/19/2023	0.20%	AAA	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	09/08/2023	0.22%	AAA	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	10/17/2023	1.40%	AAA	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	05/17/2024	3.00%	AAA	4,000,000	4,000,000
Federal Home Loan Mortgage Corporation	05/23/2024	3.15%	AAA	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	06/07/2024	3.05%	AAA	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	06/28/2024	3.05%	AAA	3,808,000	3,808,000
Federal Home Loan Mortgage Corporation	06/28/2024	3.10%	AAA	3,000,000	3,000,000
Federal Home Loan Mortgage Corporation	06/28/2024	3.77%	AAA	5,000,000	5,000,000
Federal National Mortgage Association	07/10/2023	0.23%	AAA	5,000,000	5,000,000
Municipal Bonds	07/01/2022	0.20%	AA2	1,750,000	1,750,000
Municipal Bonds	07/01/2022	0.35%	Aaa	700,000	700,000
Municipal Bonds	07/01/2022	0.37%	A+	475,000	475,000
Municipal Bonds	07/01/2022	0.40%	A2	500,000	500,000
Municipal Bonds	07/01/2022	0.50%	Aa3	425,000	425,000
Municipal Bonds	07/01/2022	1.00%	Aa1	910,000	910,000
Municipal Bonds	07/01/2022	1.81%	AA	1,190,000	1,190,000
Municipal Bonds	08/01/2022	0.26%	A1	500,000	500,000
Municipal Bonds	08/01/2022	1.00%	A	1,745,000	1,745,000
Municipal Bonds	08/15/2022	0.40%	AA	2,475,000	2,475,000
Municipal Bonds	08/15/2022	1.80%	Aaa	2,100,000	2,100,000
Municipal Bonds	09/01/2022	0.20%	AA-	600,000	600,000
Municipal Bonds	09/01/2022	0.25%	Aa1	4,700,000	4,700,000
Municipal Bonds	09/01/2022	0.27%	Aa2	500,000	500,000
Municipal Bonds	09/01/2022	1.40%	AA	700,000	700,000
Municipal Bonds	09/29/2022	0.78%	SP-1+	515,000	515,000



Investment	Maturity Date	Interest Rate	Credit Rating	Level 2	Fair Value
Municipal Bonds	10/01/2022	0.26%	Aa3	500,000	500,000
Municipal Bonds	10/01/2022	0.26%	AA	705,000	705,000
Municipal Bonds	10/01/2022	0.30%	AA	975,000	975,000
Municipal Bonds	10/01/2022	0.85%	MIG1	1,450,000	1,450,000
Municipal Bonds	10/01/2022	1.96%	AA	915,000	915,000
Municipal Bonds	10/15/2022	0.25%	Aa3	430,000	430,000
Municipal Bonds	11/01/2022	0.25%	Aa3	2,665,000	2,665,000
Municipal Bonds	11/01/2022	0.90%	AA+	800,000	800,000
Municipal Bonds	11/30/2022	0.93%	AAA	5,000,000	5,000,000
Municipal Bonds	12/01/2022	0.20%	Aa2	415,000	415,000
Municipal Bonds	12/01/2022	0.22%	AA-	200,000	200,000
Municipal Bonds	12/01/2022	0.25%	A+	1,000,000	1,000,000
Municipal Bonds	12/01/2022	0.30%	AAA	750,000	750,000
Municipal Bonds	12/01/2022	0.73%	AA	710,000	710,000
Municipal Bonds	12/15/2022	0.25%	AA	490,000	490,000
Municipal Bonds	12/30/2022	0.35%	AA	460,000	460,000
Municipal Bonds	01/01/2023	0.22%	AA+	2,555,000	2,555,000
Municipal Bonds	01/01/2023	0.25%	A+	1,000,000	1,000,000
Municipal Bonds	01/01/2023	0.26%	Aa3	900,000	900,000
Municipal Bonds	01/01/2023	0.35%	Aa3	2,790,000	2,790,000
Municipal Bonds	01/01/2023	0.40%	A	450,000	450,000
Municipal Bonds	01/01/2023	0.95%	AA-	300,000	300,000
Municipal Bonds	02/01/2023	0.25%	AA	250,000	250,000
Municipal Bonds	02/01/2023	0.30%	A3	485,000	485,000
Municipal Bonds	02/01/2023	0.31%	Aa2	460,000	460,000
Municipal Bonds	02/01/2023	0.35%	AA-	700,000	700,000
Municipal Bonds	02/01/2023	0.70%	A1	875,000	875,000
Municipal Bonds	02/15/2023	0.25%	A+	785,000	785,000
Municipal Bonds	03/01/2023	0.25%	Aa3	500,000	500,000
Municipal Bonds	03/01/2023	0.25%	Aa2	500,000	500,000
Municipal Bonds	03/01/2023	0.30%	Aa3	980,000	980,000
Municipal Bonds	03/01/2023	0.31%	AA	510,000	510,000
Municipal Bonds	03/01/2023	0.45%	A	2,850,000	2,850,000
Municipal Bonds	04/01/2023	0.31%	AA-	1,785,000	1,785,000
Municipal Bonds	04/01/2023	0.45%	AA	770,000	770,000
Municipal Bonds	04/01/2023	2.25%	AA	750,000	750,000
Municipal Bonds	05/01/2023	0.25%	AA	6,530,000	6,530,000
Municipal Bonds	05/01/2023	0.28%	Aa3	500,000	500,000
Municipal Bonds	05/01/2023	0.29%	A+	8,875,000	8,875,000
Municipal Bonds	05/01/2023	0.33%	AA	760,000	760,000
Municipal Bonds	06/01/2023	0.20%	AAA	340,000	340,000
Municipal Bonds	06/01/2023	0.25%	AA	1,170,000	1,170,000
Municipal Bonds	06/01/2023	0.30%	AA	3,375,000	3,375,000
Municipal Bonds	06/01/2023	0.35%	A+	2,170,000	2,170,000
Municipal Bonds	06/01/2023	0.50%	AA	1,650,000	1,650,000
Municipal Bonds	06/15/2023	0.26%	AA	680,000	680,000
Municipal Bonds	06/15/2023	0.31%	AA	1,205,000	1,205,000
Municipal Bonds	06/15/2023	0.38%	AA	2,090,000	2,090,000
Municipal Bonds	06/15/2023	0.45%	AA	400,000	400,000
Municipal Bonds	07/01/2023	0.30%	A+	2,750,000	2,750,000
Municipal Bonds	07/01/2023	0.31%	AA	530,000	530,000
Municipal Bonds	07/01/2023	0.32%	Aa3	1,750,000	1,750,000
Municipal Bonds	07/01/2023	0.35%	AA	970,000	970,000
Municipal Bonds	07/15/2023	0.28%	AA-	540,000	540,000

Investment	Maturity Date	Interest Rate	Credit Rating	Level 2	Fair Value
Municipal Bonds	07/15/2023	0.30%	AA	925,000	925,000
Municipal Bonds	07/15/2023	0.32%	A1	1,000,000	1,000,000
Municipal Bonds	07/15/2023	0.40%	AA-	375,000	375,000
Municipal Bonds	08/01/2023	1.05%	AA	220,000	220,000
Municipal Bonds	08/15/2023	0.26%	AA	700,000	700,000
Municipal Bonds	09/01/2023	0.25%	AA-	750,000	750,000
Municipal Bonds	09/01/2023	0.28%	AAA	790,000	790,000
Municipal Bonds	09/01/2023	0.40%	AAA	2,500,000	2,500,000
Municipal Bonds	09/15/2023	0.35%	AA+	1,975,000	1,975,000
Municipal Bonds	10/01/2023	0.35%	A1	1,090,000	1,090,000
Municipal Bonds	10/01/2023	1.48%	AA-	650,000	650,000
Municipal Bonds	10/15/2023	0.40%	AA-	4,970,000	4,970,000
Municipal Bonds	11/01/2023	1.05%	AA	1,030,000	1,030,000
Municipal Bonds	11/15/2023	0.40%	AA	730,000	730,000
Municipal Bonds	11/15/2023	3.15%	Aa3	4,190,000	4,190,000
Municipal Bonds	12/01/2023	0.61%	AAA	690,000	690,000
Municipal Bonds	12/31/2023	0.80%	AAA	5,000,000	5,000,000
Municipal Bonds	02/01/2024	2.68%	Aa3	5,000,000	5,000,000
Total investments at fair value				<u>\$ 289,413,000</u>	<u>\$ 289,413,000</u>

Individual investments held in the Capital Projects fund at June 30, 2022, consist of:

Investment	Maturity Date	Interest Rate	Credit Rating	Level 2	Fair Value
Federal Farm Credit Banks Funding Corp.	02/22/2023	1.19%	AAA	\$ 5,000,000	\$ 5,000,000
Federal Farm Credit Banks Funding Corp.	12/15/2022	0.60%	AAA	1,000,000	1,000,000
Federal Home Loan Bank	11/27/2023	1.30%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	02/23/2024	1.60%	AAA	5,000,000	5,000,000
Federal Home Loan Bank	02/27/2024	1.45%	AAA	5,000,000	5,000,000
Federal National Mortgage Association	10/05/2022	0.86%	AAA	5,000,000	5,000,000
Federal National Mortgage Association	01/19/2023	1.10%	AAA	5,000,000	5,000,000
Municipal Bonds	07/31/2022	0.66%	AAA	5,000,000	5,000,000
Municipal Bonds	08/31/2022	0.75%	AAA	5,000,000	5,000,000
Municipal Bonds	07/01/2022	0.25%	AA-	250,000	250,000
Municipal Bonds	09/15/2022	0.25%	AA+	2,050,000	2,050,000
Municipal Bonds	10/01/2022	0.20%	AA-	500,000	500,000
Municipal Bonds	10/31/2022	0.80%	AAA	5,000,000	5,000,000
Municipal Bonds	11/01/2022	0.30%	AA-	500,000	500,000
Municipal Bonds	11/15/2022	0.25%	AA	1,205,000	1,205,000
Municipal Bonds	01/01/2023	0.50%	AA	400,000	400,000
Municipal Bonds	06/01/2023	0.40%	AA-	1,000,000	1,000,000
Municipal Bonds	10/01/2023	0.55%	AA-	810,000	810,000
Municipal Bonds	12/31/2023	0.80%	AAA	5,000,000	5,000,000
				<u>\$ 57,715,000</u>	<u>\$ 57,715,000</u>

As of June 30, 2022, total investments for the primary government (excluding Pension Trust Funds and OPEB Trust Fund) were \$321,534,208 and investments for Hamilton County Schools, a discretely presented component unit, were \$35,632,556. In addition to the investments listed in the previous table, the County holds \$11,254,871 in custodial funds, on the behalf of court litigants and beneficiaries.



**Interest rate risk** – Interest rate risk is the risk that the fair value of an investment will be adversely affected by changes in interest rates. As a means of limiting the County’s exposure to fair value losses arising from rising interest rates, the County purchases investments with maturities of two years or less as required by state law. The County’s investment practices further reduce exposure to interest rate risk by maintaining a weighted average maturity in its investment portfolio of one year or less through the use of the “ladder” method of investing and by holding all investments to maturity. The County’s investment portfolio did not experience any significant fluctuations in fair value during the year.

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

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

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

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

Pension Trust Funds:

Investment	Interest Rate	Credit Rating	Level 1	Level 2	Level 3	Fair Value
Mutual Funds	0.00 - 5.85%	Not rated	\$ 2,815,602	\$ -	\$ -	\$ 2,815,602
Total			<u>\$ 2,815,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,815,602</u>

OPEB Trust Fund:

Investment	Interest Rate	Credit Rating	Level 1	Level 2	Level 3	Fair Value
U.S. Treasury Note	0.125 - 3.000%	Aaa	\$ -	\$ 2,981,338	\$ -	\$ 2,981,338
Government Agency	0.875 - 2.625%	Aaa	-	278,132	-	278,132
Municipal Bonds	3.43 - 3.58%	Aaa	151,537	-	-	151,537
Municipal Bonds	2.93 - 4.22%	Aa1	403,233	-	-	403,233
Municipal Bonds	3.03 - 3.98%	Aa2	648,580	-	-	648,580
Municipal Bonds	4.12 - 4.13%	Aa3	170,411	-	-	170,411
Municipal Bonds	4.00%	A1	72,734	-	-	72,734
Municipal Bonds	1.64%	A2	49,927	-	-	49,927
Municipal Bonds	4.96%	A3	46,431	-	-	46,431
Municipal Bonds	3.33 - 4.52%	Not rated	743,211	-	-	743,211
Domestic Corporate Bonds	4.82%	Aa2	59,309	-	-	59,309
Domestic Corporate Bonds	4.00 - 4.71%	A1	347,912	-	-	347,912
Domestic Corporate Bonds	4.06 - 5.20%	A2	616,297	-	-	616,297
Domestic Corporate Bonds	3.87 - 4.95%	A3	716,475	-	-	716,475
Domestic Corporate Bonds	3.84 - 5.57%	Baa1	964,892	-	-	964,892
Domestic Corporate Bonds	3.63 - 5.41%	Baa2	1,353,893	-	-	1,353,893
Domestic Corporate Bonds	4.99 - 6.54%	Baa3	377,478	-	-	377,478
Domestic Corporate Bonds	5.78%	Not rated	141,283	-	-	141,283
Foreign Bonds / Notes	3.58%	A1	155,047	-	-	155,047
Foreign Bonds / Notes	3.74 - 4.41%	A2	297,631	-	-	297,631
Foreign Bonds / Notes	4.18%	Aa2	153,602	-	-	153,602
Foreign Bonds / Notes	4.81%	Baa1	144,236	-	-	144,236
Foreign Bonds / Notes	5.74%	Not rated	70,674	-	-	70,674
Mutual Funds	0.00 - 5.85%	Not rated	6,681,889	-	-	6,681,889
Quality Income Fund	4.13	A2	3,973,454	-	-	3,973,454
Money Market	Various	Not rated	673,520	-	-	673,520
Exchange-traded funds	Various	Not rated	7,130,934	-	-	7,130,934
Domestic Equity Securities	Various	Not rated	4,805,273	-	-	4,805,273
Foreign Equity Securities	Various	Not rated	2,714,646	-	-	2,714,646
Real Estate Investment Trust	3.49%	Not rated	73,919	-	-	73,919
Total			<u>\$ 33,738,428</u>	<u>\$ 3,259,470</u>	<u>\$ -</u>	<u>\$ 36,997,898</u>

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

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

### Tennessee Consolidated Retirement System Stabilization Trust

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



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

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

Investments are reported at fair value or amortized which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2022, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

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

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

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

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

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2022, the County and the Hamilton County Schools had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	County's Fair Value	Hamilton County Schools' Fair Value
Investments at Fair Value:				
U.S. Equity	N/A	N/A	\$ 689,517	\$ 2,431,320
Developed Market International Equity	N/A	N/A	311,395	1,098,015
Emerging Market International Equity	N/A	N/A	88,970	313,719
U.S. Fixed Income	N/A	N/A	444,850	1,568,593
Real Estate	N/A	N/A	222,425	784,297
Short-term Securities	N/A	N/A	22,242	78,430
Investments at Amortized Cost using the NAV:				
Private Equity and Strategic Lending	N/A	N/A	444,850	1,568,593
Total			<u>\$ 2,224,249</u>	<u>\$ 7,842,967</u>

#### Primary Government

Investment by Fair Value Level	Fair Value 06/30/2022	Fair Value Measurements Using			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Equity	\$ 689,517	\$ 689,517	\$ -	\$ -	\$ -
Developed Market International Equity	311,395	311,395	-	-	-
Emerging Market International Equity	88,970	88,970	-	-	-
U.S. Fixed Income	444,850	-	444,850	-	-
Real Estate	222,425	-	-	222,425	-
Short-term Securities	22,242	-	22,242	-	-
Private Equity and Strategic Lending	444,850	-	-	-	444,850
Total	<u>\$ 2,224,249</u>	<u>\$ 1,089,882</u>	<u>\$ 467,092</u>	<u>\$ 222,425</u>	<u>\$ 444,850</u>



**Component Unit - Hamilton County Schools**

Investment by Fair Value Level	Fair Value 06/30/2022	Fair Value Measurements Using			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Equity	\$ 2,431,320	\$ 2,431,320	\$ -	\$ -	\$ -
Developed Market International Equity	1,098,015	1,098,015	-	-	-
Emerging Market International Equity	313,719	313,719	-	-	-
U.S. Fixed Income	1,568,593	-	1,568,593	-	-
Real Estate	784,297	-	-	784,297	-
Short-term Securities	78,430	-	78,430	-	-
Private Equity and Strategic Lending	1,568,593	-	-	-	1,568,593
<b>Total</b>	<b>\$ 7,842,967</b>	<b>\$ 3,843,054</b>	<b>\$ 1,647,023</b>	<b>\$ 784,297</b>	<b>\$ 1,568,593</b>

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

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

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

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

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

For further information concerning the investments of the County and the Hamilton County Schools with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

## NOTE D – RECEIVABLES

Receivables at June 30, 2022, consist of the following:

Funds	Property Taxes	Patients	Accounts	Leases	Inter-Governmental	Allowance for Uncollectibles	Net
Primary Government:							
General	\$ 168,977,171	\$ 14,484,651	\$ 2,380,942	\$ 5,518,473	\$ 12,337,213	\$ (12,809,282)	\$ 190,889,168
Capital Projects	-	-	-	-	360,571	-	360,571
Nonmajor	-	-	1,151,921	-	-	-	1,151,921
Internal Service	-	-	23,220	-	-	-	23,220
	<u>\$ 168,977,171</u>	<u>\$ 14,484,651</u>	<u>\$ 3,556,083</u>	<u>\$ 5,518,473</u>	<u>\$ 12,697,784</u>	<u>\$ (12,809,282)</u>	<u>\$ 192,424,880</u>

Funds	Property Taxes	Accounts	Leases	Inter-Governmental	Allowance for Uncollectibles	Net
Component Units:						
Hamilton County						
Schools	\$ 141,001,014	\$ 5,749,310	\$ 310,440	\$ 47,407,948	\$ (6,219,673)	\$ 188,249,039
"911" Emergency						
Communication	-	52,029	-	-	-	52,029
WETA	-	7,722,075	-	-	(43,757)	7,678,318
	<u>\$ 141,001,014</u>	<u>\$ 13,523,414</u>	<u>\$ 310,440</u>	<u>\$ 47,407,948</u>	<u>\$ (6,263,430)</u>	<u>\$ 195,979,386</u>

Property tax receivables include uncollected taxes from the past seven years' levies plus the anticipated levy for the current calendar year. Taxes uncollected after seven years are written off, and the property is ultimately sold through a back tax property sale. The allowance for uncollectible tax is computed based upon the weighted average percentage of prior year collections on delinquent taxes to the total delinquent taxes receivable at June 30, 2022.

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

## NOTE E – SOLID WASTE DISPOSAL POST CLOSURE CARE COSTS

The County utilizes the General Fund to account for post closure care costs of the Hamilton County Birchwood Landfill Area 1 and the TVA Model Landfill. The County completed closure of both Area 1 and the TVA Model Landfill in 2001. In accordance with state and federal regulations, the County is required to perform certain maintenance and monitoring functions for thirty years after closure. The estimated liability for post closure care costs of \$100,000 at June 30, 2022, is based on the use of 100% of capacity of both landfill areas. The estimated total current cost of the post closure care of \$100,000 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired at June 30, 2022. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. It is anticipated that future inflation costs will be financed in part from earnings on investments. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post closure requirements will be covered by appropriations in the General Fund.

## NOTE F – COMMITMENTS AND CONTINGENCIES

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

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



The County has entered into various construction commitments. Such contracts include contracts for improvements to schools, industrial parks, and other facilities related to general government capital projects. Several of these contracts were in progress but not completed as of June 30, 2022. The total contractual commitments outstanding as of June 30, 2022, aggregated approximately \$39,130,000. These commitments are not reported in the government-wide statements. The County has sufficient funds available to cover these commitments.

Hamilton County Water & Wastewater Treatment Authority (the Authority), a discretely presented component unit, is expected to sign a consent decree with the Environmental Protection Agency (EPA) which will obligate the Authority to make improvements to the wastewater system to ensure compliance with the Clean Water Act. The Authority's estimated outlays for these projects were estimated to be approximately \$250,000,000 as of June 30, 2022.

## NOTE G – CONDUIT DEBT OBLIGATION

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

As of June 30, 2022, there is one Industrial Revenue Bond outstanding. The aggregate principal amount payable for the Industrial Revenue Bond series issued at June 30, 2022, is \$14,010,678.

The aggregate principal amount for the remaining series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$184,971,000.

## NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, is as follows:

### Primary Government

	Beginning Balance	Current Year Additions	Current Year Retirements	Transfers	Ending Balance
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 72,903,592	\$ 18,061,231	\$ (2,535,393)	\$ -	\$ 88,429,430
Construction in progress	7,906,286	40,466,602	(414,975)	(3,837,852)	44,120,061
Total non-depreciable assets	80,809,878	58,527,833	(2,950,368)	(3,837,852)	132,549,491
Depreciable Assets:					
Buildings	177,445,250	100,695	(55,216)	1,810,115	179,300,844
Improvements other than buildings	43,335,039	6,450	-	1,425,799	44,767,288
Machinery and equipment	51,743,503	7,468,797	(3,595,436)	521,330	56,138,194
Infrastructure	248,550,200	4,591,380	-	-	253,141,580
Intangibles	7,060,140	276,798	(114,743)	-	7,222,195
Total depreciable assets	528,134,132	12,444,120	(3,765,395)	3,757,244	540,570,101
Less Accumulated Depreciation for:					
Buildings	(85,072,247)	(3,760,974)	43,829	-	(88,789,392)
Improvements other than buildings	(27,133,917)	(1,733,068)	-	-	(28,866,985)
Machinery and equipment	(35,789,731)	(3,860,399)	3,290,252	80,608	(36,279,270)
Infrastructure	(160,489,163)	(2,919,505)	-	-	(163,408,668)
Intangibles	(5,111,293)	(170,935)	109,495	-	(5,172,733)
Total accumulated depreciation	(313,596,351)	(12,444,881)	3,443,576	80,608	(322,517,048)
Depreciable Assets, net	214,537,781	(761)	(321,819)	3,837,852	218,053,053
Governmental activities capital assets, net	\$ 295,347,659	\$ 58,527,072	\$ (3,272,187)	\$ -	350,602,544
Lease Assets, net - Note I					3,308,035
Total Capital Assets, net as reported in the Statement of Net Position					<u>\$ 353,910,579</u>

# Discretely Presented Component Units

	Beginning Balance	Current Year Additions	Current Year Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land	\$ 21,197,047	\$ 481,290	\$ -	\$ -	\$ 21,678,337
Construction in progress	6,469,681	6,871,241	(644,139)	(2,849,101)	9,847,682
Total non-depreciable assets	<u>27,666,728</u>	<u>7,352,531</u>	<u>(644,139)</u>	<u>(2,849,101)</u>	<u>31,526,019</u>
Depreciable Assets:					
Buildings	690,181,341	3,772,414	(22,113)	(11,215,710)	682,715,932
Improvements other than buildings	31,119,052	589,292	(384,661)	11,826,554	43,150,237
Machinery and equipment	47,551,498	1,355,326	(900,329)	951,872	48,958,367
Utility plant	186,037,723	6,940,092	-	1,286,385	194,264,200
Total depreciable assets	<u>954,889,614</u>	<u>12,657,124</u>	<u>(1,307,103)</u>	<u>2,849,101</u>	<u>969,088,736</u>
Less Accumulated Depreciation for:					
Buildings	(293,957,926)	(14,194,318)	92	2,737,556	(305,414,596)
Improvements other than buildings	(23,867,606)	(1,010,602)	181	(2,737,556)	(27,615,583)
Machinery and equipment	(33,169,961)	(2,655,214)	802,701	-	(35,022,474)
Utility plant	(57,390,068)	(4,830,657)	-	-	(62,220,725)
Total accumulated depreciation	<u>(408,385,561)</u>	<u>(22,690,791)</u>	<u>802,974</u>	<u>-</u>	<u>(430,273,378)</u>
Depreciable Assets, net	<u>546,504,053</u>	<u>(10,033,667)</u>	<u>(504,129)</u>	<u>2,849,101</u>	<u>538,815,358</u>
Component units capital assets, net	<u>\$ 574,170,781</u>	<u>\$ (2,681,136)</u>	<u>\$ (1,148,268)</u>	<u>\$ -</u>	
Lease Assets, net - Note I					<u>2,312,868</u>
Total Capital Assets, net as reported in the Statement of Net Position					<u>\$ 572,654,245</u>

Depreciation expense is charged to functions as follows:

	<u>Depreciation</u>
Primary Government:	
Governmental Activities	
Ambulance Services	\$ 1,065,562
Criminal Court	356,332
General Government	2,090,340
Health	315,247
Highway and Streets	3,486,226
Juvenile Court	142,014
Other Public Safety	1,073,425
Culture and Recreation	1,817,359
Sheriff	2,098,376
Total	<u>\$ 12,444,881</u>
Discretely Presented Component Units:	
Hamilton County Schools	\$ 16,618,908
Water & Wastewater Treatment Authority	5,393,182
"911" Emergency Communications	678,701
Total	<u>\$ 22,690,791</u>

Hamilton County donated \$414,975 assets transferred from construction in progress to Hamilton County Schools, a component unit of Hamilton County.



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

	Governmental Activities
Capital assets, non-depreciable	\$ 132,549,491
Capital assets, depreciable	221,361,300
	<u>353,910,791</u>
Less:	
Bonds payable	(339,520,000)
Premium on bonds	(50,963,343)
Deferred gain on refunding	(1,309,309)
Lease liability	(3,312,109)
	<u>(395,104,761)</u>
Add:	
Bonds for component unit assets	214,389,469
Premium on component unit bonds	30,128,041
Unspent proceeds	79,975,334
	<u>324,492,844</u>
Net Investment	<u>\$ 283,298,874</u>

#### NOTE I – LEASE ASSETS

Lease activity for the year ended June 30, 2022, is as follows:

##### Primary Government

	Beginning Balance	Current Year Additions	Current Year Retirements	Ending Balance
Governmental Activities:				
Lease Assets:				
Land	\$ 115,961	\$ -	\$ -	\$ 115,961
Infrastructure	36,410	-	-	36,410
Buildings	174,562	-	-	174,562
Vehicles	3,410,895	318,872	-	3,729,767
Machinery and equipment	377,015	159,126	(1,179)	534,962
Total lease assets	<u>4,114,843</u>	<u>477,998</u>	<u>(1,179)</u>	<u>4,591,662</u>
Less accumulated amortization for:				
Land	-	(4,935)	-	(4,935)
Infrastructure	-	(4,413)	-	(4,413)
Buildings	-	(49,140)	-	(49,140)
Vehicles	-	(1,062,870)	-	(1,062,870)
Machinery and equipment	-	(163,448)	1,179	(162,269)
Total accumulated amortization	<u>-</u>	<u>(1,284,806)</u>	<u>1,179</u>	<u>(1,283,627)</u>
Governmental activities lease assets, net	<u>\$4,114,843</u>	<u>\$ (806,808)</u>	<u>\$ -</u>	<u>\$3,308,035</u>

## Discretely Presented Component Units

	<u>Beginning Balance</u>	<u>Current Year Additions</u>	<u>Current Year Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets:				
Vehicles	\$ -	\$ 42,185	\$ -	\$ 42,185
Improvements other than buildings	14,364	-	-	14,364
Machinery and equipment	3,670,645	67,354	-	3,737,999
Total lease assets	<u>3,685,009</u>	<u>109,539</u>	<u>-</u>	<u>3,794,548</u>
Less accumulated amortization for:				
Vehicles	-	(2,695)	-	(2,695)
Improvements other than buildings	-	(10,887)	-	(10,887)
Machinery and equipment	-	(1,468,098)	-	(1,468,098)
Total accumulated amortization	<u>-</u>	<u>(1,481,680)</u>	<u>-</u>	<u>(1,481,680)</u>
Governmental activities lease assets, net	<u>\$3,685,009</u>	<u>\$(1,372,141)</u>	<u>\$ -</u>	<u>\$2,312,868</u>

Amortization expense is charged to functions as follows:

	<u>Amortization</u>
Primary Government:	
Governmental Activities	
Ambulance Services	\$ 99,837
Criminal Court	1,270
General Government	345,356
Health	79,645
Highway and Streets	340,066
Juvenile Court	26,538
Other Public Safety	142,303
Culture and Recreation	165,555
Sheriff	74,733
Social Services	9,503
Total	<u>\$ 1,284,806</u>
Discretely Presented Component Units:	
Hamilton County Schools	<u>\$ 1,481,680</u>
Total	<u>\$ 1,481,680</u>

## **NOTE J – EMPLOYEE RETIREMENT SYSTEMS**

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

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



sharing, multiple-employer combination of a defined benefit plan and a defined contribution plan (see Note J for information on the defined contribution portion of the plan).

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

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

<b>Primary Government</b>						
	Hamilton County Legacy Plan	Hamilton County Hybrid Plan	Employees' Pension Plan	Commissioners' Pension Plan	Teachers' Pension Plan	Total
Net pension asset	\$ 43,738,251	\$ 1,137,359	\$ 2,399,835	\$ 2,956	\$ -	\$ 47,278,401
Net pension liability	-	-	-	-	1,861	1,861
Deferred outflows - pension contributions subsequent to measurement date	9,251,623	729,562	-	32,121	236	10,013,543
Deferred outflows - pension experience difference	1,445,336	870,272	-	-	-	2,315,607
Deferred outflows - changes in assumptions	18,038,589	494,963	-	-	-	18,533,552
Deferred inflows - pension investment returns	53,914,794	750,802	171,539	57,744	(304)	54,894,574
Deferred inflows - pension changes in assumptions	-	-	-	13,975	-	13,975
Deferred inflows - pension experience differences	3,823,504	24,203	-	497	-	3,848,204
Pension expense	-	251,113	-	-	-	251,113
Pension income	2,221,371	-	164,392	2,524	2,257	2,390,544

<b>Hamilton County Schools</b>					
	Non-Teacher Legacy Plan	Non-Teacher Hybrid Plan	Teacher Legacy Pension Plan	Teacher Retirement Plan	Total
Net pension asset	\$ 18,292,732	\$ 758,240	\$ 182,392,944	\$ 6,261,753	\$ 207,705,669
Deferred outflows - pension contributions subsequent to measurement date	3,869,323	490,435	13,535,298	2,031,709	19,926,765
Deferred outflows - pension experience difference	590,348	580,181	612,939	108,935	1,892,403
Deferred outflows - changes in assumptions	7,367,875	266,518	48,732,347	2,258,557	58,625,297
Deferred outflows - changes in proportion to the net pension liability	-	-	494,999	82,438	577,437
Deferred inflows - pension investment returns	22,021,535	500,534	145,454,299	3,604,432	171,580,800
Deferred inflows - pension experience differences	1,561,713	16,135	15,212,164	1,145,773	17,935,785
Deferred inflows - changes in proportion to the net pension liability	-	-	172,944	263,573	436,517
Pension expense	-	167,409	-	744,602	912,011
Pension income	907,320	-	28,452,394	-	29,359,714

## Tennessee Consolidated Retirement Systems

### (1) HAMILTON COUNTY LEGACY PLAN

#### Plan Description

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

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

	Hamilton County - Legacy Plan	Hamilton County Schools - Legacy Plan	Total
Net pension asset	\$ 43,738,251	\$ 18,292,732	\$ 62,030,983
Deferred outflows - pension contributions subsequent to measurement date	9,251,623	3,869,323	13,120,946
Deferred outflows - pension experience difference	1,445,336	590,348	2,035,684
Deferred outflows - changes in assumptions	18,038,589	7,367,875	25,406,464
Deferred inflows - pension investment returns	53,914,794	22,021,535	75,936,329
Deferred inflows - pension experience differences	3,823,504	1,561,713	5,385,217
Pension expense	-	-	-
Pension income	2,221,371	907,320	3,128,691

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

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



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

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

## **Funding Policy**

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

Hamilton County is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2022, was 14.70% of annual covered payroll. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, employer contributions for the County were \$13,120,946. By law, employer contributions are required to be paid. The TCRS may intercept the County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

## **Investment Rate of Return**

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

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

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

## Net Pension Liability (Asset)

The County's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability as of June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

### Summary of Key Actuarial Assumptions

Reporting Date	June 30, 2022
Measurement Date	June 30, 2021
Actuarial Valuation Date	June 30, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Asset valuation method	10-year smoothed within a 20 percent corridor to fair value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2020 (generational projection)
Cost of living adjustments	2.125 percent, if provided

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

### Employees Covered by Benefit Terms at June 30, 2021

Inactive employees or beneficiaries currently receiving benefits	2,745
Inactive employees entitled to but not yet receiving benefits	2,353
Active employees	<u>1,703</u>
Total	<u>6,801</u>

Note: The plan is closed to new entrants.

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



### Schedule of Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2020	\$ 575,067,939	\$ 559,573,109	\$ 15,494,830
Service Cost	7,164,441	-	7,164,441
Interest	41,186,834	-	41,186,834
Differences between expected and actual experience	(8,077,825)	-	(8,077,825)
Changes in assumptions	38,109,696	-	38,109,696
Contributions - employer	-	13,606,943	(13,606,943)
Contributions - employees	-	4,434	(4,434)
Net investment income	-	142,442,258	(142,442,258)
Benefit payments, including refunds of employee contributions	(28,276,233)	(28,276,233)	-
Administrative expense	-	(144,676)	144,676
Net changes	50,106,913	127,632,726	(77,525,813)
Balance at June 30, 2021	\$ 625,174,852	\$ 687,205,835	\$ (62,030,983)

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

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

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

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

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	\$ 16,627,343	\$ (62,030,983)	\$(127,659,233)

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

For the year ended June 30, 2022, the County recognized pension expense (income) is \$(3,128,691). At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,035,684	\$ 5,385,217
Net difference between projected and actual earnings of pension plan investments	-	75,936,329
Changes in assumptions	25,406,464	-
County's contributions subsequent to the measurement date of June 30, 2021	13,120,946	-
Total	<u>\$ 40,563,094</u>	<u>\$ 81,321,546</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2021," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year ending June 30,	
2023	\$ (7,183,467)
2024	(8,202,314)
2025	(18,011,608)
2026	(20,482,009)
2027	-
Thereafter	-
Total	<u>\$ (53,879,398)</u>

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

## Payable to the Pension Plan

At June 30, 2022, the County reported a payable of \$1,058,158 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

## (2) HAMILTON COUNTY HYBRID PLAN

### Summary of Significant Accounting Policies

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

### General Information about the Pension Plan

*Plan description.* Employees with membership in the Tennessee Consolidated Retirement System (TCRS) before September 30, 2015, of Hamilton County are provided with pensions through the Hamilton County Legacy Pension Plan administered by the TCRS. The Hamilton County Legacy Pension Plan is closed to new membership. Employees with membership in the TCRS after October 1, 2015 are provided a defined



benefit pension plan through the Public Employee Retirement Plan, an agent, multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

	Hamilton County - Hybrid Plan	Hamilton County Schools - Hybrid Plan	Total
Net pension asset	\$ 1,137,359	\$ 758,240	\$ 1,895,599
Deferred outflows - pension contributions subsequent to measurement date	729,562	490,435	1,219,997
Deferred outflows - pension experience difference	870,272	580,181	1,450,453
Deferred outflows - changes in assumptions	494,963	266,518	761,481
Deferred inflows - pension investment returns	750,802	500,534	1,251,336
Deferred inflows - pension experience differences	24,203	16,135	40,338
Pension expense	251,113	167,409	418,522

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

*Employees covered by benefit terms.* At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	770
Active employees	<u>1,366</u>
Total	<u>2,140</u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic costs controls set out in law. Employees contribute 5 percent of their salary to this plan. During 2022, the participants contributed \$2,801,013 to the plan, which represents 5% of covered payroll. Participants are 100% vested in the employee contributions when they are made. The County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. Beginning in fiscal year 2019, the employer contribution rate was divided between the actuarially determined contribution (ADC) rate of covered payroll that was placed in the pension plan and the difference between the ADC and 4.00% that was placed in the TCRS Stabilization Reserve Trust. By law, employer contributions for the Hamilton County Hybrid Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the County if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022 to the Public Employee Retirement Plan were \$1,219,997 which is 2.04 percent of covered payroll and is 100% of the required ADC for the year. The amount placed in the Stabilization Reserve Trust for the year ended June 30, 2022 was \$915,754, which represents 1.96% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension liabilities (assets).* Hamilton County Hybrid Plan's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability as of the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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



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

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

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

#### **Schedule of Changes in Net Pension Liability (Asset)**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2020	\$ 6,888,214	\$ 7,429,189	\$ (540,975)
Service Cost	2,586,745	-	2,586,745
Interest	682,485	-	682,485
Differences between expected and actual experience	(29,964)	-	(29,964)
Changes in assumptions	843,070		843,070
Contributions - employer	-	927,661	(927,661)
Contributions - employee	-	2,311,533	(2,311,533)
Net investment income	-	2,304,683	(2,304,683)
Benefit payments, including refunds of employee contributions	(122,738)	(122,738)	-
Administrative expense	-	(106,917)	106,917
Net changes	<u>3,959,598</u>	<u>5,314,222</u>	<u>(1,354,624)</u>
Balance at June 30, 2021	<u>\$ 10,847,812</u>	<u>\$ 12,743,411</u>	<u>\$ (1,895,599)</u>

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

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

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

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

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	\$ 789,440	\$ (1,895,599)	\$ (3,933,631)

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

*Pension expense.* For the year ended June 30, 2022, Hamilton County Hybrid Plan recognized pension expense (negative pension expense) of \$418,522.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2022, Hamilton County Hybrid Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,450,453	\$ 40,338
Net difference between projected and actual earnings of pension plan investments	-	1,251,336
Changes in assumptions	761,481	-
Contributions subsequent to the measurement date of June 30, 2021	1,219,997	-
Total	<u>\$ 3,431,931</u>	<u>\$ 1,291,674</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year ending June 30,	
2023	\$ 5,820
2024	9,612
2025	11,003
2026	(11,367)
2027	320,027
Thereafter	585,165
Total	<u>\$ 920,260</u>

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

### Payable to the Pension Plan

At June 30, 2022, Hamilton County Hybrid Plan reported a payable of \$100,091 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.



### (3) **TEACHER LEGACY PENSION PLAN**

#### **Summary of Significant Accounting Policies**

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

#### **General Information about the Pension Plan**

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Hamilton County Schools for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$13,535,298, which is 10.30 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension liabilities (assets).* At June 30, 2022, the Hamilton County Schools reported an asset of \$182,392,944 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Hamilton County Schools' proportion of the net pension liability was based on Hamilton County Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, Hamilton County Schools' proportion was 4.228676 percent. The proportion measured as of June 30, 2020, was 4.327313 percent.

*Pension expense.* For the year ended June 30, 2022, Hamilton County Schools recognized a negative pension expense of \$28,452,394.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2022, Hamilton County Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 612,939	\$ 15,212,164
Net difference between projected and actual earnings of pension plan investments	-	145,454,299
Changes in proportion of Net Pension Liability (Asset)	494,999	172,944
Changes in assumptions	48,732,347	-
LEA's contributions subsequent to the measurement date of June 30, 2021	13,535,298	-
Total	<u>\$ 63,375,583</u>	<u>\$ 160,839,407</u>

Hamilton County Schools employer contributions of \$13,535,298, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2023	\$ (26,387,240)
2024	(24,969,208)
2025	(20,388,748)
2026	(39,253,926)
2027	-
Thereafter	-
Total	<u>\$ (110,999,122)</u>

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

*Actuarial assumptions.* The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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



The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Hamilton County Schools' proportionate share of the net pension liability (asset)	\$ (32,459,808)	\$ (182,392,944)	\$ (307,167,223)

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

### **Payable to the Pension Plan**

At June 30, 2022, Hamilton County Schools reported a payable of \$1,132,645 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

#### (4) **TEACHER RETIREMENT PLAN**

##### **Summary of Significant Accounting Policies**

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

##### **General Information About the Pension Plan**

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of their salary to this plan. During 2022, the participants contributed \$4,914,763 to the plan, which represents 5% of covered payroll. Participants are 100% vested in the employee contributions when they are made. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. Beginning in fiscal year 2019, the employer contribution rate was divided between the actuarially determined contribution (ADC) rate that was placed in this plan and the difference between the ADC and 4.00% that was placed in the TCRS Stabilization Reserve Trust. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Hamilton County Schools for the year ended June 30, 2022 to the Teacher Retirement Plan were \$2,031,709, which is 2.01 percent of covered



payroll and is 100% of the required ADC for the year. The amount placed in the Stabilization Reserve Trust for the year ended June 30, 2022, was \$1,850,764, which represents 1.99% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension liabilities (assets).* At June 30, 2022, Hamilton County Schools reported an asset of \$6,261,753 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial value as of that date. Hamilton County Schools' proportion of the net pension asset was based on Hamilton County Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, Hamilton County Schools' proportion was 5.780728 percent. At the measurement date of June 30, 2020, Hamilton County Schools' proportion was 5.774267 percent.

*Pension Expense.* For the year ended June 30, 2022, Hamilton County Schools recognized pension expense of \$744,602.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2022, Hamilton County Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 108,935	\$ 1,145,773
Net difference between projected and actual earnings of pension plan investments	-	3,604,432
Changes in proportion of Net Pension Liability (Asset)	82,438	263,573
Changes in assumptions	2,258,557	-
LEA's contributions subsequent to the measurement date of June 30, 2021	2,031,709	-
Total	<u>\$ 4,481,639</u>	<u>\$ 5,013,778</u>

Hamilton County Schools' employer contributions of \$2,031,709, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2023	\$ (807,523)
2024	(787,794)
2025	(782,173)
2026	(872,873)
2027	88,516
Thereafter	597,999
Total	<u>\$ (2,563,848)</u>

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

*Actuarial assumptions.* The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on actual experience including an adjustment for some anticipated improvement. The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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



	1% Decrease ( <u>5.75%</u> )	Current Discount Rate ( <u>6.75%</u> )	1% Increase ( <u>7.75%</u> )
Hamilton County Schools' proportionate share of the net pension liability (asset)	\$ 2,152,624	\$ (6,261,753)	\$ (12,467,660)

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

### **Payable to the Pension Plan**

At June 30, 2022, Hamilton County Schools reported a payable of \$151,391 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

## **Hamilton County Administered Plans**

### **Significant Accounting Policies**

#### **Basis of Accounting**

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

#### **Method Used to Value Investments**

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

#### **Actuarial Assumptions and Estimates**

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

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

### **Plan Description and Provisions**

#### **(1) EMPLOYEES' PENSION PLAN**

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

The plan is designed for either the County or each participant to contribute 6.4 percent of the first \$800 of monthly salary toward the cost of the plan. A participant whose service terminates prior to eligibility for normal retirement (and who is not disabled) is entitled only to a return of the employee contribution made by him or on his behalf.

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

percentage of their final average earnings, based on their years of credited service at the time of disability. Benefit provisions are established and amended by the Private Acts of Tennessee.

**(2) COMMISSIONERS' PENSION PLAN**

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

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

**(3) TEACHERS' PENSION PLAN**

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

**Employees Covered by Benefit Terms**

	<u>Employees' Pension Plan</u>	<u>Commissioners' Pension Plan</u>	<u>Teachers' Pension Plan</u>
Retirees and beneficiaries receiving benefits	7	11	1
Vested terminated employees	-	-	-
Active employees:			
Fully vested	-	4	-
Non-vested	-	5	-
Actuarial valuation date	June 30, 2021	June 30, 2021	June 30, 2021
Measurement date	June 30, 2021	June 30, 2021	June 30, 2021

**Investment Policy**

The Pension Board (the "Board") establishes (and may amend) the pension plan's policy regarding asset allocation. Plan assets are managed with a long-term objective of achieving a fully funded status for the benefit provided through the plan. The Board's asset allocation policy as of June 30, 2022, is shown below:



<u>Asset Class</u>	Employees' Pension Plan Target <u>Allocation</u>	Commissioners' Pension Plan Target <u>Allocation</u>
Equity	50.00%	50.00%
Fixed Income	49.00%	49.00%
Other	1.00%	1.00%
	<u>100.00%</u>	<u>100.00%</u>

### Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using the Black-Litterman Methodology. The Black-Litterman uses market implied (CAPM) returns as neutral starting points for estimating the set of expected returns, and then allows the practitioner to tilt the portfolio in the direction of his or her views. The practitioner can control how strongly a particular view influences portfolio weights, in accordance with the degree of confidence with which he or she holds the view. The Black-Litterman Model largely mitigates the problems of input-sensitivity and estimation error maximization that result in unintuitive, highly concentrated portfolios. Best estimates of forward-looking rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	Long-term Expected Real Rate of Return	<u>Asset Class</u>	Long-term Expected Real Rate of Return
Cash Equivalents	1.75%	Non U.S. Bond	1.35%
U.S. Stock	7.55%	U.S. Real Estate	6.75%
Developed Market Ex U.S.	7.70%	Global Real Estate	6.75%
Emerging Markets	9.20%	Commodities	4.75%
Global Stock	7.80%	Real Assets	6.95%
Core Bond	3.70%	Private Equity	12.10%
Long Term Bond	4.05%		
U.S. TIPS	3.10%		
High Yield	5.40%		

For the year ended June 30, 2022, employer contributions were made for the Commissioners' Pension Plan and Teachers' Pension Plan. The contributions were \$32,121 for the Commissioners' Pension Plan and \$236 for the Teachers' Pension Plan. No employer contributions were made for the Employees' Pension Plan. The annual money-weighted rate of return on investments, net of investment expense, for the Employees' and Commissioners' plans were 15.67 percent and 14.16 percent, respectively. The Teachers' Pension Plan had an annual money-weighted rate of return on investments of 0.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Funding Policy and Other Information

Hamilton County contributes to each plan at an actuarially determined rate. Administrative costs are financed through contributions and investment earnings. The annual required contributions, actual contributions, and other pertinent information for each plan for the year ending June 30, 2022, are shown in the following table:

	<u>County Administered Retirement Plans</u>		
	<u>Employees'</u>	<u>Commissioners'</u>	<u>Teachers'</u>
Contribution authorization:	Private Acts of TN	Private Acts of TN	Pension Board
How contributions are determined:	Actuarially	Actuarially	Actuarially
Required contribution rate:			
Active employees	6.4%	N/A	N/A
Employer	-	Actuarially Determined	-
Other contributing entities	N/A	N/A	-
Actual contributions:			
Employees	-	-	-
Employer	-	\$32,121	\$236
Other contributing entities	N/A	N/A	\$1,788
Date of last actuarial valuation	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial valuation date for current contributions	June 30, 2021	June 30, 2021	June 30, 2021

Actual assumptions:

Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Method for actuarial value of assets	Fair Value	Fair Value	Fair Value
Inflation rate	N/A	N/A	N/A
Investment return	7.5%	6.0%	5.0%
Projected salary increases	N/A	4.0%	N/A

Amortization:

Method	Level Dollar	Level Dollar	Level Dollar
Period	10 years open	10 years open	10 years open

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

Future Mortality Improvement:

All the Hamilton County Administered Plans follow current and future mortality improvement estimated by using Scale MP-2020.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate:**

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

	<u>Discount Rate</u>	<u>Net Pension Liability(Asset)</u>
<u>Employees' Pension Plan</u>		
Net Pension Liability, 1% Decrease	6.50%	\$(2,393,943)
Net Pension Liability, Current Rate	7.50%	\$(2,399,835)
Net Pension Liability, 1% Increase	8.50%	\$(2,405,268)
<u>Commissioners' Pension Plan</u>		
Net Pension Liability, 1% Decrease	5.00%	\$69,975
Net Pension Liability, Current Rate	6.00%	\$(2,956)
Net Pension Liability, 1% Increase	7.00%	\$(66,022)
<u>Teachers' Pension Plan</u>		
Net Pension Liability, 1% Decrease	4.00%	\$1,924
Net Pension Liability, Current Rate	5.00%	\$1,861
Net Pension Liability, 1% Increase	6.00%	\$1,801

**Components of Net Pension Liability (Asset)**

The components of the net pension liability at June 30, 2022, measurement date of June 30, 2021, were as follows:

	<u>Employees' Pension Plan</u>	<u>Commissioners' Pension Plan</u>	<u>Teachers' Pension Plan</u>
Total Pension Liability	\$ 151,372	\$ 892,719	\$ 3,776
Plan Fiduciary Net Position	(2,551,207)	(895,675)	(1,915)
Net Pension Liability (Asset)	<u>\$ (2,399,835)</u>	<u>\$ (2,956)</u>	<u>\$ 1,861</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	1685.39%	100.33%	50.72%



## Changes in Net Pension Liability (Asset)

### Employees' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2020	\$ 174,151	\$ 2,185,861	\$ (2,011,710)
Interest	11,765	-	11,765
Differences between expected and actual experience	10,483	-	10,483
Change of assumptions	(10,474)	-	(10,474)
Net investment income	-	420,807	(420,807)
Benefit payments, including refunds of employee contributions	(34,553)	(34,553)	-
Administrative expense	-	(20,908)	20,908
Other changes	-	-	-
Net changes	(22,779)	365,346	(388,125)
Balance at June 30, 2021	<u>\$ 151,372</u>	<u>\$ 2,551,207</u>	<u>\$ (2,399,835)</u>

### Commissioners' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2020	\$ 898,645	\$ 761,278	\$ 137,367
Service Cost	32,407	-	32,407
Interest	54,384	-	54,384
Differences between expected and actual experience	(1,491)	-	(1,491)
Changes of assumptions	(41,926)	-	(41,926)
Contributions - employer	-	56,867	(56,867)
Net investment income	-	129,324	(129,324)
Benefit payments, including refunds of employee contributions	(49,300)	(49,300)	-
Administrative expense	-	(2,494)	2,494
Other changes	-	-	-
Net changes	(5,926)	134,397	(140,323)
Balance at June 30, 2021	<u>\$ 892,719</u>	<u>\$ 895,675</u>	<u>\$ (2,956)</u>

Teachers' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2020	\$ 7,880	\$ 2,897	\$ 4,983
Interest	349	-	349
Differences between expected and actual experience	(1,108)	-	(1,108)
Changes of assumptions	(1,533)	-	(1,533)
Contributions - employer	-	830	(830)
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(1,812)	(1,812)	-
Other changes	-	-	-
Net changes	(4,104)	(982)	(3,122)
Balance at June 30, 2021	\$ 3,776	\$ 1,915	\$ 1,861

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

For the fiscal year ended June 30, 2022, the Teachers' Pension Plan recognized pension expense (income) will be \$(2,257), the Commissioners' Pension Plan recognized pension expense (income) will be \$(2,524), and the Employees' Pension Plan recognized pension expense (income) will be \$(164,392). This determination is based on a measurement date of June 30, 2021.

As of June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources in relation to pensions from the following sources:

	Employees' Pension Plan		Commissioners' Pension Plan		Teachers' Pension Plan	
	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources
Investment losses (gains)	\$ -	\$ 171,539	\$ -	\$ 57,744	\$ 304	\$ -
Experience losses (gains)	-	-	-	497	-	-
Change of assumptions	-	-	-	13,975	-	-
Post-measurement contributions	-	-	32,121	-	236	-
	\$ -	\$ 171,539	\$ 32,121	\$ 72,216	\$ 540	\$ -

The contributions made subsequent to the measurement date of June 30, 2021, will be recognized against the net pension liability (asset) in the June 30, 2023, fiscal year.



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

Years Ending June 30,	Employees' Pension Plan	Commissioners' Pension Plan	Teachers' Pension Plan
2023	\$ (34,944)	\$ (28,312)	\$ 132
2024	(41,474)	(13,323)	97
2025	(43,330)	(13,882)	51
2026	(51,791)	(16,699)	24
2027	-	-	-
Thereafter	-	-	-
Total	<u>\$ (171,539)</u>	<u>\$ (72,216)</u>	<u>\$ 304</u>

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

	Employees' Pension Plan	Commissioners' Pension Plan	Teachers' Pension Plan	Total Pension Trust Funds
<b>ASSETS</b>				
Cash	\$ (284)	\$ 84,922	\$ 339	\$ 84,977
Investments, at fair value:				
Mutual Funds	<u>2,155,430</u>	<u>660,172</u>	<u>-</u>	<u>2,815,602</u>
Total investments	<u>2,155,430</u>	<u>660,172</u>	<u>-</u>	<u>2,815,602</u>
Receivables:				
Interest	<u>2,421</u>	<u>437</u>	<u>-</u>	<u>2,858</u>
Total Assets	<u>2,157,567</u>	<u>745,531</u>	<u>339</u>	<u>2,903,437</u>
<b>NET POSITION</b>				
Assets held in trust for pension benefits	<u>\$ 2,157,567</u>	<u>\$ 745,531</u>	<u>\$ 339</u>	<u>\$ 2,903,437</u>
	Employees' Pension	Commissioners' Pension	Teachers' Pension	Total Pension Trust Funds
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ -	\$ 32,121	\$ 236	\$ 32,357
Other	-	-	1,788	1,788
Total contributions	<u>-</u>	<u>32,121</u>	<u>2,024</u>	<u>34,145</u>
Investment earnings				
Net change in fair value of investments	<u>(399,239)</u>	<u>(122,095)</u>	<u>-</u>	<u>(521,334)</u>
Interest and dividends	<u>68,482</u>	<u>20,843</u>	<u>-</u>	<u>89,325</u>
Net investment income	<u>(330,757)</u>	<u>(101,252)</u>	<u>-</u>	<u>(432,009)</u>
Total additions	<u>(330,757)</u>	<u>(69,131)</u>	<u>2,024</u>	<u>(397,864)</u>
<b>DEDUCTIONS</b>				
Benefits	34,533	48,001	3,600	86,134
Administrative expenses	<u>28,350</u>	<u>33,012</u>	<u>-</u>	<u>61,362</u>
Total deductions	<u>62,883</u>	<u>81,013</u>	<u>3,600</u>	<u>147,496</u>
Change in net position	(393,640)	(150,144)	(1,576)	(545,360)
Net position, beginning	<u>2,551,207</u>	<u>895,675</u>	<u>1,915</u>	<u>3,448,797</u>
Net position, ending	<u>\$ 2,157,567</u>	<u>\$ 745,531</u>	<u>\$ 339</u>	<u>\$ 2,903,437</u>

## NOTE K – DEFINED CONTRIBUTION PLANS

The County administers a defined contribution plan in the form of a 401(K) plan as part of the State of Tennessee Hybrid Pension Plan. The County contributes 5% of covered payroll for all eligible employees hired after October 1, 2015. During 2022, the amount of payroll covered by the plan was \$56,020,254. The covered payroll represents wages related to the hybrid employees only since employer contributions are not made for legacy employees. Participants are 100% vested in employer contributions when they are made. Eligible employees are also automatically enrolled in the plan when hired with an additional employee contribution rate of 2%, with the ability to opt out of the additional employee contribution portion. During 2022, the County contributed \$2,801,013 to the plan which represents 5% of the covered payroll and 100% of the required contribution for the year. All employees are able to make voluntary contributions to the 401(K) plan up to the Internal Revenue Service code annual maximum.

Hamilton County Schools administers a defined contribution plan in the form of a 401(K) plan as part of the State of Tennessee Teacher Retirement Plan available to all full-time hybrid certified teaching staff. This plan began on July 1, 2014. Hamilton County Schools contributes 5% of covered payroll for all full-time hybrid certified employees hired after July 1, 2014. During 2022, the amount of payroll covered by the plan was \$98,295,254. The covered payroll represents wages related to hybrid certified employees only since employer contributions are not made for legacy certified employees. Participants are 100% vested in employer contributions when they are made. Eligible employees are also automatically enrolled in the plan when hired with an additional employee contribution rate of 2%, with the ability to opt out of the additional employee contribution portion. During 2022, Hamilton County Schools contributed \$4,914,763 to the plan which represents 5% of the covered payroll and 100% of the required contribution for the year. All employees are able to make voluntary contributions to the 401(K) plan up to the Internal Revenue Service code annual maximum.

## NOTE L – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

### (1) PRIMARY GOVERNMENT

#### Plan Description

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

#### Plan Membership

At June 30, 2021, the date of the latest actuarial valuation, membership consisted of the following:

Active members (with medical coverage)	1,790
Retirees and beneficiaries (with medical coverage)	<u>185</u>
Total	<u>1,975</u>

#### Funding Policy

In fiscal year 2011, the County established an Other Postemployment Benefits Trust (OPEB Trust) which is used to pre-fund benefits. The County's General Fund contributes to the OPEB Trust to pre-fund benefits. The prefunded portion of the OPEB cost is included in the OPEB Trust. The pay-as-you-go component is funded and accounted for in the County's Governmental Activities. Eligible retirees pay a premium using a formula based on date of retirement, years of service, and the County's computed cost for active employees. Funding is established and amended by the County Commission, and no planned increases were approved for fiscal year 2022.



## Contributions

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

## Net OPEB Liability of Hamilton County

The County's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021, with the actuary using standard techniques to roll forward the liability to the measurement date. The components of the net OPEB liability at June 30, 2022, were as follows:

Total OPEB Liability	\$ 53,018,279
Plan Fiduciary Net Position	(41,511,338)
Net OPEB Liability	<u>\$ 11,506,941</u>

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	78.3%
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*Actuarial Assumptions.* The total OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	6.5 percent
Salary Increases	3.0 percent
Expected Long-Term Rate of Return on OPEB Investments	6.5 percent
Healthcare Cost Trend Rate	
Admin:	5.0 percent
Ultimate Medical Trend Rate:	6.25% graded uniformly to 5.75% over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04% in 2075

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

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

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

## Investments

The following was the County Commission's adopted asset allocation policy as of June 30, 2022:

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

*Rate of Return.* For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was 6.51% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Schedule of Changes in Net OPEB Liability

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (asset) (a) - (b)</u>
Balance at June 30, 2021	\$ 53,153,943	\$ 31,288,939	\$ 21,865,004
Service Cost	2,012,377	-	2,012,377
Interest	3,346,972	-	3,346,972
Differences between expected and actual experience	(365,712)	-	(365,712)
Change in assumptions	(1,454,860)	-	(1,454,860)
Contributions - employer	-	5,023,455	(5,023,455)
Contributions - employee	-	-	-
Net investment income	-	8,724,901	(8,724,901)
Benefit payments, including refunds of employee contributions	(3,423,455)	(3,423,455)	-
Administrative expense	-	(102,502)	102,502
Other changes	(250,986)	-	(250,986)
Net changes	<u>(135,664)</u>	<u>10,222,399</u>	<u>(10,358,063)</u>
Balance at June 30, 2022	<u>\$ 53,018,279</u>	<u>\$ 41,511,338</u>	<u>\$ 11,506,941</u>

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

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

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Net OPEB Liability	\$ 16,020,740	\$ 11,506,941	\$ 7,479,043



*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate.* The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower (6.25% to 5.75% over 2 years and following the Getzen model less 1% thereafter) or 1-percentage-point higher (5.25% to 7.25% over 2 years and following the Getzen model less 1% thereafter) than the current discount rate:

	1% Decrease (5.25% - 4.75%)	Current Discount Rate (6.25% - 5.75%)	1% Increase (7.25% - 6.75%)
Net OPEB Liability	\$ 6,429,015	\$ 11,506,941	\$ 17,459,940

#### **Actuarial Assumptions and Estimates**

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

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

Effective June 30, 2021 the following assumptions were changed: the assumed trend rate for the medical claims was changed to 6.25% grading uniformly to 5.75% over 2 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075 and mortality improvement was updated to Scale MP-2020.

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

	<u>OPEB Expense/(Income)</u>
Service Cost	\$ 2,012,377
Interest	3,346,972
Experience losses (gains)	(52,245)
Amortization of or change in beginning balances	320,430
Change in assumptions	(207,837)
Projected investment income	(4,251,139)
Administrative expense	102,502
OPEB Expense	<u>\$ 1,271,060</u>

For the year ended June 30, 2022, the recognized OPEB expense is \$1,271,060. At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings of OPEB plan investments	\$ -	\$ 4,898,711
Difference between expected and actual experience	-	678,430
Amortization of or change in beginning balances	-	-
Changes in assumptions	2,827,901	1,247,023
Contributions subsequent to the measurement date of June 30, 2021	5,237,421	-
Total	<u>\$ 8,065,322</u>	<u>\$ 6,824,164</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2021,” will be recognized as a reduction to net OPEB liability in the following measurement period.

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

Year ending June 30,

2023	\$ (912,515)
2024	(912,514)
2025	(825,533)
2026	(825,539)
2027	(260,082)
Thereafter	(260,080)
Total	<u>\$ (3,996,263)</u>

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

## (2) HAMILTON COUNTY SCHOOLS (HCS)

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

### Plan Membership

At June 30, 2021, membership consisted of the following:

Active members (with medical coverage)	4,354
Retirees (with medical coverage)	<u>371</u>
Total	<u>4,725</u>

### Funding Policy

Eligible retirees pay a premium using a formula based on date of retirement, years of service, and the HCS’s computed cost for active employees. During fiscal year 2022, the HCS contributed \$5,442,142 for these health care benefits. The HCS will make contributions in amounts sufficient to cover the pay-as-you-go component plus administrative costs. The HCS has no plans at this time to fund the remaining portion of the annual required contributions. Funding is established and amended by the Hamilton County School Board, and no planned increases were approved for fiscal year 2022.

### Total OPEB Liability of Hamilton County Schools

The Hamilton County Schools’ total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.



*Actuarial Assumptions.* The total OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.09 percent
Salary Increases	3.0 percent
Healthcare Cost Trend Rate	
Admin:	5.0 percent
Ultimate Medical Trend Rate:	6.25% graded uniformly to 5.75% over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04% in 2075

*Discount rate.* The discount rate used to measure the total OPEB liability was 2.18 percent. The projection of cash flows used to determine the discount rate assumed that the Hamilton County Schools will contribute the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the Hamilton County Schools. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### **Schedule of Changes in Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2021	\$ 102,722,681
Service Cost	6,834,702
Interest	2,269,712
Experience losses	-
Change in assumptions	(16,296,646)
Benefit payments, including refunds of employee contributions	(5,442,142)
Net changes	(12,634,374)
Balance at June 30, 2022	\$ 90,088,307

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18 percent) or 1-percentage-point higher (3.18 percent) than the current discount rate:

	1% Decrease (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
Total OPEB Liability	\$98,249,445	\$90,088,307	\$82,746,068

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate.* The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower (5.25 percent decreased to 4.75% over 2 years) or 1-percentage-point higher (7.25 percent decreasing to 6.75% over 2 years) than the current discount rate:

	1% Decrease (5.25% - 4.75%)	Current Discount Rate (6.25% - 5.75%)	1% Increase (7.25% - 6.75%)
Total OPEB Liability	\$79,396,696	\$90,088,307	\$102,909,086

## Actuarial Assumptions and Estimates

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

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

## OPEB Expense and Deferred Outflows/Inflows of Resources

	OPEB Expense
Service Cost	\$ 6,834,702
Interest	2,269,712
Amortization of or change in beginning balances	(2,956,147)
Change in assumptions	(1,629,665)
OPEB Expenses	<u>\$ 4,518,602</u>

For the year ended June 30, 2022, the recognized OPEB expense is \$4,518,602. At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to OPEB are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	\$ 13,168,872	\$ -
Changes in assumptions	-	53,144,978
Total	<u>\$ 13,168,872</u>	<u>\$ 53,144,978</u>

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

Year ending June 30,	
2023	\$ (4,585,812)
2024	(4,585,812)
2025	(4,585,812)
2026	(4,585,812)
2027	(4,585,812)
Thereafter	(17,047,046)
Total	<u>\$ (39,976,106)</u>

## NOTE M – LONG-TERM LIABILITIES

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

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



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

General obligation bonds are summarized by issue as follows:

Type of Issue	Interest Rates	Principal Amount	Amount Due Within One Year
General Improvement, Series 1998 B	5.10%	\$ 1,310,000	\$ 415,000
General Improvement, Series 2013 B	3.00 - 4.00%	909,732	909,732
School, Series 2013 B	3.00 - 4.00%	5,210,268	5,210,268
General Improvement, Series 2015 A	5.00%	6,102,400	762,800
School, Series 2015 A	5.00%	25,897,600	3,237,200
General Improvement, Series 2015 B	4.00 - 5.00%	4,326,071	1,544,684
School, Series 2015 B	4.00 - 5.00%	13,793,929	4,925,316
General Improvement, Series 2018 A	5.00%	33,258,969	3,026,008
School, Series 2018 A	5.00%	89,401,031	8,133,992
General Improvement, Series 2018 B	2.00 - 5.00%	2,255,000	975,000
General Improvement, Series 2020 A	4.00 - 5.00%	36,297,400	2,025,167
School, Series 2020 A	4.00 - 5.00%	7,982,600	59,833
WWTa, Series 2020 A	4.00 - 5.00%	17,455,000	590,000
General Improvement, Series 2020 B	5.00%	3,473,460	542,806
School, Series 2020 B	5.00%	17,451,540	2,727,194
General Improvement, Series 2021	3.00 - 5.00%	37,197,500	500,000
School, Series 2021	3.00 - 5.00%	37,197,500	500,000
Total payable from the Debt Service Fund		<u>\$ 339,520,000</u>	<u>\$ 36,085,000</u>

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

Year	Principal	Interest	Total
General Obligation Bonds:			
2023	\$ 36,085,000	\$ 15,782,890	\$ 51,867,890
2024	33,185,000	14,059,990	47,244,990
2025	31,280,000	12,487,805	43,767,805
2026	29,835,000	10,979,300	40,814,300
2027	30,485,000	9,482,175	39,967,175
2028 - 2032	113,080,000	27,596,800	140,676,800
2033 - 2037	56,900,000	6,240,800	63,140,800
2038 - 2042	2,565,000	1,537,000	4,102,000
2043 - 2047	3,125,000	981,000	4,106,000
2048 - 2051	2,980,000	304,000	3,284,000
	<u>\$ 339,520,000</u>	<u>\$ 99,451,760</u>	<u>\$ 438,971,760</u>

**County Lease Liabilities** – As of July 1, 2021, the County had 83 leases as lessee for the use of copiers with terms ranging from 13 months to 60 months. An initial lease liability was recorded in the amount of \$219,697. As of June 30, 2022, the value of the lease liability is \$137,013. The County is required to make monthly fixed payments ranging from \$22 to \$214. The leases have an interest rate ranging from 0.308% to 0.980%. The copiers' useful lives ranged from 13 months to 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$219,697 with accumulated amortization of \$83,155 is included with Equipment in the lease assets. One of the copiers has two extension options, each for 12 months.

As of July 1, 2021, the County had 185 leases as lessee for the use of vehicles with terms ranging from 16 months to 60 months. An initial lease liability was recorded in the amount of \$3,410,595. As of June 30, 2022, the value of the lease liability is \$2,414,142. The County is required to make monthly fixed payments ranging from \$312 to \$687. The leases have an interest rate ranging from 0.237% to 0.980%. The vehicles' useful lives ranged from 16 months to 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$3,410,895 with accumulated amortization of \$1,005,088 is included with Vehicles in the lease assets. The leases have guaranteed residual values ranging from \$4,875 to \$10,478.

As of July 1, 2021, the County had a 60 month lease as lessee for the use of the Society of Work-Mental Health building. An initial lease liability was recorded in the amount of \$134,988. As of June 30, 2022, the value of the lease liability is \$102,702. The County is required to make monthly fixed payments of \$2,565. The lease has an interest rate of 0.237%. The building's useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$134,988 with accumulated amortization of \$26,998 is included with Buildings in the lease assets. The lease has nine extension options, each for 6 months.

As of July 1, 2021, the County had an 18 month lease as lessee for the use of the 711 Building Office. An initial lease liability was recorded in the amount of \$14,133. As of June 30, 2022, the value of the lease liability is \$4,712. The County is required to make semi-annual fixed payments of \$4,723. The lease has an interest rate of 0.44%. The building's useful life was 18 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$14,133 with accumulated amortization of \$9,422 is included with Buildings in the lease assets. The lease has one extension option, for 12 months.

As of July 1, 2021, the County had 6 leases as lessee for the use of other equipment with terms ranging from 5 months to 51 months. An initial lease liability was recorded in the amount of \$143,499. As of June 30, 2022, the value of the lease liability is \$79,484. The County is required to make monthly/quarterly fixed payments ranging from \$98 to \$4,086. The leases have an interest rate ranging from 0.081% to 1.651%. The equipments' useful lives ranged from 5 months to 51 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$142,320 with accumulated amortization of \$63,911 is included with Equipment in the lease assets. One of the leases has one extension option.

As of July 1, 2021, the County had an 18 month lease as lessee for the use of Valuation Milepost R-3. An initial lease liability was recorded in the amount of \$115,961. As of June 30, 2022, the value of the lease liability is \$109,761. The County is required to make annual fixed payments of \$6,200. The lease has an interest rate of 2.30%. The building's useful life was 18 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$115,961 with accumulated amortization of \$4,935 is included with Land in the lease assets.

As of July 1, 2021, the County had a 96 month lease as lessee for the use of the White Oak Mtn Transmitter. An initial lease liability was recorded in the amount of \$17,582. As of June 30, 2022, the value of the lease liability is \$15,278. The County is required to make annual fixed payments of \$2,304. The lease has an interest rate of 1.372%. The transmitter's useful life was 96 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$17,582 with accumulated amortization of \$2,198 is included with Infrastructure in the lease assets.

As of July 1, 2021, the County had a 102 month lease as lessee for the use of the Sale Creek Mountain Transmitter site. An initial lease liability was recorded in the amount of \$18,828. As of June 30, 2022, the value of the lease liability is \$16,614. The County is required to make annual fixed payments of \$2,214. The lease has an interest rate of 1.448%. The transmitter's useful life was 102 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$18,828 with accumulated amortization of \$2,215 is included with Infrastructure in the lease assets.

As of July 1, 2021, the County had 4 leases as lessee for the use of printers with terms of 52 months. An initial lease liability was recorded in the amount of \$13,819. As of June 30, 2022, the value of the lease liability is \$10,666. The County is required to make monthly fixed payments ranging from \$24 to \$200. The leases have an interest rate of 0.814%. The printers' useful lives were 52 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$13,819 with accumulated amortization of \$3,189 is included with Equipment in the lease assets.

As of July 1, 2021, the County had a 24 month lease as lessee for the use of the Surplus Storage building. An initial lease liability was recorded in the amount of \$25,440. As of June 30, 2022, the value of the lease liability is \$13,483. The County is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 0.237%. The building's useful life was 24 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$25,440 with accumulated amortization of \$12,720 is included with Buildings in the lease assets. The lease has one extension option.

In July 2021, the County entered into 11 leases as lessee for the use of vehicles with terms of 60 months. An initial lease liability was recorded in the amount of \$318,872. As of June 30, 2022, the value of the lease liability is \$261,974. The County is required to make monthly fixed payments ranging from \$384 to \$554. The leases have an interest rate ranging from 0.822% to 1.098%. The copiers' useful lives was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$319,084 with accumulated amortization

of \$57,782 is included with Vehicles in the lease assets. The leases have guaranteed residual values ranging from \$6,922 to \$8,965.

In September 2021, the County entered into 12 leases as lessee for the use of copiers with terms of 60 months. An initial lease liability was recorded in the amount of \$50,078. As of June 30, 2022, the value of the lease liability is \$43,554. The County is required to make monthly fixed payments ranging from \$32 to \$84. The leases have an interest rate ranging from 0.893% to 1.225%. The copiers' useful lives was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$50,078 with accumulated amortization of \$6,644 is included with Equipment in the lease assets.

In January 2022, the County entered into 29 leases as lessee for the use of copiers with terms of 60 months. An initial lease liability was recorded in the amount of \$102,011. As of June 30, 2022, the value of the lease liability is \$96,477. The County is required to make monthly fixed payments ranging from \$46 to \$75. The leases have an interest rate ranging from 1.098% to 2.583%. The copiers' useful lives was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$102,011 with accumulated amortization of \$5,676 is included with Equipment in the lease assets. One of the copiers has two extension options, each for 12 months.

In February 2022, the County entered into a 36 month lease as lessee for the use of the Plotwave 345. An initial lease liability was recorded in the amount of \$7,038. As of June 30, 2022, the value of the lease liability is \$6,250. The County is required to make annual fixed payments of \$206. The lease has an interest rate of 1.62%. The equipment's useful life was 36 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$7,038 with accumulated amortization of \$837 is included with Equipment in the lease assets. The lease has one extension option, for 12 months.

**Schools Lease Liabilities** – As of July 1, 2021, the Schools had 3 leases as lessee for the use of computers with terms of 37 months. An initial lease liability was recorded in the amount of \$2,048,801. As of June 30, 2022, the value of the lease liability is \$1,532,455. The Schools is required to make annual fixed payments ranging from \$107,468 to \$208,675. The leases have an interest rate of 0.648%. The computers' useful lives was 37 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$2,048,801 with accumulated amortization of \$660,903 is included with Equipment in the lease assets.

As of July 1, 2021, the Schools had 9 leases as lessee for the use of equipment with terms ranging from 14 months to 59 months. An initial lease liability was recorded in the amount of \$1,621,844. As of June 30, 2022, the value of the lease liability is \$935,608. The Schools is required to make monthly, quarterly, or annual fixed payments ranging from \$75 to \$249,995. The leases have an interest rate ranging from 0.308% to 0.980%. The equipments' useful lives ranged from 14 months to 59 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$1,621,844 with accumulated amortization of \$783,864 is included with Equipment in the lease assets. The Beeler copiers' lease has 2 extension options, each for 12 months and a termination period of 1 month.

As of July 1, 2021, the Schools had a 15 month lease as lessee for the use of Brown Academy Land. An initial lease liability was recorded in the amount of \$14,364. As of June 30, 2022, the value of the lease liability is \$7,178. The Schools is required to make annual fixed payments of \$7,200. The lease has an interest rate of 0.308%. The land's useful life was 15 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$14,364 with accumulated amortization of \$10,887 is included with Land in the lease assets.

In July 2021, the Schools entered into 16 leases as lessee for the use of equipment (copiers and printers) with terms ranging from 18 months to 60 months. An initial lease liability was recorded in the amount of \$46,241. As of June 30, 2022, the value of the lease liability is \$28,358. The Schools is required to make monthly fixed payments ranging from \$24 to \$422. The leases have an interest rate ranging from 0.395% to 1.098%. The equipments' useful lives ranged from 18 months to 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$46,241 with accumulated amortization of \$18,254 is included with Equipment in the lease assets. The copiers have two extension options, each for 12 months and termination period of 1 month. The printers have an option to purchase for \$1.00.

In January 2022, the Schools entered into 7 leases as lessee for the use of copiers and printers with terms ranging from 14 months to 24 months. An initial lease liability was recorded in the amount of \$21,112. As of June 30, 2022, the value of the lease liability is \$16,082. The Schools is required to make monthly fixed payments ranging from \$31 to \$406. The leases have an interest rate ranging from 0.695% to 2.579%. The equipments' useful lives ranged from 14 months to 24 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$21,112 with accumulated amortization of \$5,078 is included with Equipment in the lease assets. The



copiers have two extension options, each for 12 months and termination period of 1 month. The printers have an option to purchase for \$1.00.

In March 2022, the Schools entered into a 48 month lease as lessee for the use of a vehicle. An initial lease liability was recorded in the amount of \$42,185. As of June 30, 2022, the value of the lease liability is \$38,741. The Schools is required to make monthly fixed payments of \$918. The lease has an interest rate of 2.263%. The vehicle's useful life was 48 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$42,185 with accumulated amortization of \$2,695 is included with Equipment in the lease assets. The lease has a guaranteed residual value of \$9,046.

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

Year	Principal	Interest	Total
Lease Obligations:			
2023	\$ 1,260,772	\$ 24,304	\$ 1,285,076
2024	979,741	15,532	995,273
2025	736,638	8,012	744,650
2026	197,330	3,895	201,225
2027	36,128	2,557	38,685
2028 - 2032	32,521	9,731	42,252
2033 - 2037	24,147	6,853	31,000
2038 - 2042	27,057	3,943	31,000
2043 - 2047	17,775	825	18,600
	<u>\$ 3,312,109</u>	<u>\$ 75,652</u>	<u>\$ 3,387,761</u>

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

Year	Principal	Interest	Total
Lease Obligations:			
2023	\$ 1,244,741	\$ 14,191	\$ 1,258,932
2024	775,636	8,358	783,994
2025	528,271	3,680	531,951
2026	9,463	78	9,541
2027	312	1	313
	<u>\$ 2,558,423</u>	<u>\$ 26,308</u>	<u>\$ 2,584,731</u>

Changes in Long-term Liabilities – During the year ended June 30, 2022, the following changes occurred in long-term liabilities:

	Restated Balance July 1	Additions	Reductions	Balance June 30	Due Within One Year
Primary Government:					
Governmental Activities:					
General obligation bonds	\$ 299,920,000	\$ 74,395,000	\$ 34,795,000	\$ 339,520,000	\$ 36,085,000
Net pension liability	4,983	349	3,471	1,861	-
Net OPEB liability	21,865,004	5,461,851	15,819,914	11,506,941	-
Leases	4,114,843	477,998	1,280,732	3,312,109	1,260,772
Landfill post closure costs	110,000	-	10,000	100,000	-
Compensated absences	16,133,899	8,405,581	6,370,516	18,168,964	4,469,408
	<u>342,148,729</u>	<u>88,740,779</u>	<u>58,279,633</u>	<u>372,609,875</u>	<u>\$ 41,815,180</u>
Unamortized premium	50,022,571	15,966,727	15,025,955	50,963,343	
	<u>\$ 392,171,300</u>	<u>\$ 104,707,506</u>	<u>\$ 73,305,588</u>	<u>\$ 423,573,218</u>	
Component Units:					
Hamilton County Schools:					
Claims payable	\$ 8,972,673	\$ 80,485,589	\$ 80,240,304	\$ 9,217,958	\$ 7,513,602
Net pension liability	4,648,449	-	4,648,449	-	-
Net OPEB liability	102,722,681	9,104,414	21,738,788	90,088,307	-
Leases	3,685,009	109,539	1,236,125	2,558,423	1,244,741
Compensated absences	10,925,164	4,786,846	308,959	15,403,051	3,076,747
	<u>130,953,976</u>	<u>94,486,388</u>	<u>108,172,625</u>	<u>117,267,739</u>	<u>11,835,090</u>
WWTA:					
Notes payable and other debt	22,672,876	1,315,090	2,954,981	21,032,985	2,084,982
Advance from primary government	24,515,000	-	560,000	23,955,000	-
Advance on premium from County	3,888,235	-	330,489	3,557,746	-
	<u>51,076,111</u>	<u>1,315,090</u>	<u>3,845,470</u>	<u>48,545,731</u>	<u>2,084,982</u>
911:					
Compensated absences	692,178	70,955	-	763,133	763,133
	<u>\$ 182,722,265</u>	<u>\$ 95,872,433</u>	<u>\$ 112,018,095</u>	<u>\$ 166,576,603</u>	<u>\$ 14,683,205</u>

The net pension liability beginning balance was adjusted by \$10,983,748 to remove the County's Legacy Plan and Commissioners' Pension Plan which are now net pension assets. Additionally with the implementation of GASB Statement No. 87, Leases, lease liabilities were reported as July 1, 2021.

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

Total additions in Long-term Liabilities of Governmental Activities above are different than total proceeds from bonds and notes in the accompanying financial statements. The differences are due to original issue discounts and premiums on bonds, the accrual of construction draws on certain projects in the Capital Projects Fund, OPEB obligations and compensated absences earned during the year.

Total reductions in Long-term Liabilities for Governmental Activities above exceed principal retirement expenditures in the Debt Service Fund by the amount of landfill post-closure care costs paid from the General Fund, OPEB funding accrued in the General Fund and transferred to the trust fund, and compensated absences used during the year.

## NOTE N – INTERFUND RECEIVABLES AND PAYABLES

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

### ***Due to/from other funds:***

<u>Receivable Primary Government</u>	<u>Payable Primary Government</u>	<u>Amount</u>
General Fund	Internal Service	\$ 1,143
Capital Projects	General Fund	3,225,316
Nonmajor Governmental Fund	General Fund	207,974
Internal Service	General Fund	3,010,003
		<u>\$ 6,444,436</u>
<u>Receivable Primary Government</u>	<u>Payable Component Units</u>	<u>Amount</u>
General Fund	"911" Emergency Communication	\$ 1,352,920
General Fund	Water & Wastewater Treatment	291,577
		<u>\$ 1,644,497</u>

## NOTE O – INTERFUND TRANSFERS

Transfers within the County are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. Interfund transfers are transactions between funds transferring funds out of one fund to support the operations of another fund. Interfund transfers in fiscal year 2022 that occurred within the primary government were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund		
Excess fees from special revenue funds	\$ 16,129,611	\$ -
Debt service fund	-	48,237,966
Capital projects fund	-	900,000
Internal service funds	-	272,250
Debt Service Fund		
General fund for debt service requirements	48,237,966	-
Capital Projects Fund		
General fund	900,000	-
Internal Service Fund		
General fund	272,250	-
Other Governmental Funds		
Excess fees	-	16,129,611
	<u>\$ 65,539,827</u>	<u>\$ 65,539,827</u>



## NOTE P – JOINT VENTURE

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

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

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

Condensed financial information for the Carter Street Corporation as of June 30, 2022, is as follows:

### STATEMENT OF NET POSITION

Assets	<u>\$ 16,714,346</u>
Liabilities and deferred inflows	<u>7,720,183</u>
Net position	<u>\$ 8,994,163</u>

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

Total operating revenues	\$ 2,641,869
Total operating expenses	<u>4,044,110</u>
Net operating loss	(1,402,241)
Non-operating revenues	918,243
Capital contributions	<u>200,000</u>
Change in net position	(283,998)
Net position at July 1, 2021	<u>9,278,161</u>
Net position at June 30, 2022	<u>\$ 8,994,163</u>

## NOTE Q – RISK MANAGEMENT

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

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

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

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

	Total Primary Government	Total Component Units
Unpaid claims, June 30, 2020	\$ 3,447,641	\$ 8,055,635
Incurred claims	33,759,223	81,373,893
Claims payments	<u>(33,720,982)</u>	<u>(80,456,855)</u>
Unpaid claims, June 30, 2021	3,485,882	8,972,673
Incurred claims	35,846,362	80,485,589
Claims payments	<u>(36,447,555)</u>	<u>(80,240,304)</u>
Unpaid claims, June 30, 2022	<u><u>\$ 2,884,689</u></u>	<u><u>\$ 9,217,958</u></u>

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

At June 30, 2022, the Hamilton County Internal Service Fund has net position of \$42,295,039 and the Hamilton County Schools Internal Service Fund has net position of \$25,175,484. These net position balances are designated for future catastrophic losses.

#### **NOTE R – TAX ABATEMENTS**

Hamilton County is authorized by Tennessee State law (Tennessee Code Annotated, Title 7, Chapter 53) to offer property tax abatements. The County currently offers three types of tax abatement programs: (1) Housing Development; (2) Commercial and Industrial Development; and (3) Tax Increment Financing. As allowed by State law, the County processes the tax abatement programs for Housing Development abatements through either the Chattanooga Health, Educational and Housing Facility Board (HEB) or the Chattanooga Housing Authority, and processes the tax abatement programs for Commercial and Industrial Development abatements through either the Industrial Development Board (IDB) of the City of Chattanooga or the Industrial Development Board (IDB) of Hamilton County. The HEB, Chattanooga Housing Authority, and the IDB's are authorized to own property associated with the tax abatement programs, lease the applicable property to companies approved for tax abatement, and accept payments in lieu of ad valorem taxes (PILOT) from the lessees.

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

#### **Housing Development**

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

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

## Economic Development

The County utilizes two tax abatement programs to promote economic development and growth.

### (1) Commercial and Industrial Development

This program offers tax abatements for a specified period in exchange for benefits received by the County resulting from an increase in real and personal property investments and/or the creation of jobs. Applications for tax abatements are made to the Chattanooga Chamber of Commerce, with approval by either the IDB of the City of Chattanooga or the IDB of Hamilton County, followed by approval from the Hamilton County Board of Commissioners. To be eligible for tax abatement, qualifying companies must either relocate into the County or expand business within the County. Qualified businesses are eligible for abatement of all or a portion of property taxes dependent on the dollar amount of the investment and the number and average wage of jobs created. There are provisions for recapturing abated taxes if certain terms of the agreement are not met. Other commitments made by the County may include roadway improvements, rail services, and sewer improvements.

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

Hamilton County, in conjunction with the City of Chattanooga, has adopted the Tax Increment Financing Program (TIF) established by the Industrial Development Board (IDB) of the City of Chattanooga. TIF is an economic development tool that allocates all or a portion of the new, additional taxes generated by a development over a limited period of time to pay for public infrastructure such as utilities and road and traffic improvements related to the development. Tax increment is the difference in tax revenues generated by the property in the development area after a project has been completed compared with the tax revenues generated by the property before the development plan was adopted. The difference in tax revenues is applied towards the cost of improvements to the public infrastructure serving the development area. The TIF program was adopted as a tool to help the City of Chattanooga and the County to cover the costs of public infrastructure and improvements in the applicable development area.

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

The County has entered into the following number of tax abatement agreements as of June 30, 2022:

	Number of Abatements as of the End of the Fiscal Year	Number of Future Abatements Approved	Total Tax Abatements during the Fiscal Year
Housing Development	13	3	\$ 605,126
Economic Development:			
Commercial and Industrial Development	18	3	9,160,703
Infrastructure (Tax Increment Financing)	3	-	377,110
Total	34	6	\$ 10,142,939







## REQUIRED SUPPLEMENTARY INFORMATION

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

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

**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2022**

Tennessee Consolidated Retirement System

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

\* for fiscal year ending June 30, 2022 (year shown is measurement date)

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

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



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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

Tennessee Consolidated Retirement System

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

\* for fiscal year ending June 30, 2022 (year shown is measurement date)

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

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

Tennessee Consolidated Retirement System

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

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

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

Tennessee Consolidated Retirement System

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

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

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

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

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



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

**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2022**

Hamilton County Administered Plans

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

\* for fiscal year ending June 30, 2022 (year shown is measurement date)

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

Hamilton County Administered Plans

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

\* for fiscal year ending June 30, 2022 (year shown is measurement date)

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

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

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

**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2022**

Hamilton County Administered Plans

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

\* for fiscal year ending June 30, 2022 (year shown is measurement date)

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

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







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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

Tennessee Consolidated Retirement System

Year Ended June 30	Hamilton County Legacy Plan				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2022	\$ 13,120,946	\$ 13,120,946	\$ -	\$ 89,258,138	14.70%
2021	\$ 13,606,943	\$ 13,606,943	\$ -	\$ 89,451,192	14.70%
2020	\$ 14,093,422	\$ 14,093,422	\$ -	\$ 93,955,776	14.70%
2019	\$ 13,959,290	\$ 13,959,290	\$ -	\$ 93,315,659	14.96%
2018	\$ 14,512,520	\$ 14,512,520	\$ -	\$ 103,659,712	14.24%
2017	\$ 15,152,942	\$ 15,152,942	\$ -	\$ 104,341,847	14.52%
2016	\$ 15,306,360	\$ 15,306,360	\$ -	\$ 105,764,830	14.47%
2015	\$ 14,991,472	\$ 14,991,472	\$ -	\$ 104,614,990	14.33%
2014	\$ 14,573,540	\$ 14,573,540	\$ -	\$ 103,506,102	14.08%

Year Ended June 30	Hamilton County Hybrid Plan*				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2022	\$ 1,219,997	\$ 1,219,997	\$ -	\$ 59,803,780	2.04% ***
2021	\$ 927,661	\$ 927,661	\$ -	\$ 47,320,223	2.00% ***
2020	\$ 768,226	\$ 768,226	\$ -	\$ 37,704,293	1.98% ***
2019	\$ 418,162	\$ 418,162	\$ -	\$ 26,822,028	1.56% ***
2018	\$ 733,975	\$ 733,975	\$ -	\$ 17,881,339	4.00%
2017	\$ 387,744	\$ 387,744	\$ -	\$ 9,673,783	4.00%
2016	\$ 58,414	\$ 58,414	\$ -	\$ 1,220,807	4.00%

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

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

Tennessee Consolidated Retirement System

Year Ended June 30	Teacher Legacy Plan				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2022	\$ 13,535,298	\$ 13,535,298	\$ -	\$ 131,410,659	10.30%
2021	\$ 14,253,975	\$ 14,253,975	\$ -	\$ 138,734,627	10.27%
2020	\$ 15,309,765	\$ 15,309,765	\$ -	\$ 144,023,834	10.63%
2019	\$ 14,866,942	\$ 14,866,942	\$ -	\$ 142,131,342	10.46%
2018	\$ 13,514,921	\$ 13,514,921	\$ -	\$ 148,842,742	9.08%
2017	\$ 13,777,809	\$ 13,777,809	\$ -	\$ 151,181,055	9.11%
2016	\$ 14,517,682	\$ 14,517,682	\$ -	\$ 160,595,801	9.04%
2015	\$ 14,190,695	\$ 14,190,695	\$ -	\$ 156,976,681	9.04%
2014	\$ 15,202,379	\$ 15,202,379	\$ -	\$ 171,197,958	8.88%

Year Ended June 30	Teacher Retirement Plan**				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2022	\$ 2,031,709	\$ 2,031,709	\$ -	\$ 101,080,035	2.01% ***
2021	\$ 1,685,149	\$ 1,685,149	\$ -	\$ 83,428,577	2.02% ***
2020	\$ 1,479,194	\$ 1,479,194	\$ -	\$ 72,866,725	2.03% ***
2019	\$ 1,139,054	\$ 1,139,054	\$ -	\$ 58,714,262	1.94% ***
2018	\$ 1,823,614	\$ 1,823,614	\$ -	\$ 45,590,350	4.00%
2017	\$ 1,373,064	\$ 1,373,064	\$ -	\$ 35,557,047	3.86%
2016	\$ 1,064,642	\$ 1,064,642	\$ -	\$ 26,616,062	4.00%
2015	\$ 258,165	\$ 413,068	\$ (154,903)	\$ 10,326,594	4.00%

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

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

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



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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

Hamilton County Administered Plans

Year Ended June 30	Employees' Pension Plan				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2022	\$ -	\$ -	\$ -	\$ -	N/A
2021	-	-	-	-	N/A
2020	-	-	-	-	N/A
2019	-	-	-	-	N/A
2018	-	-	-	-	N/A
2017	-	-	-	-	N/A
2016	-	-	-	-	N/A
2015	-	-	-	-	N/A
2014	-	-	-	-	N/A
2013	-	-	-	-	N/A

Year Ended June 30	Commissioners' Pension Plan				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2022	\$ 32,121	\$ 32,121	\$ -	\$ 228,546	14.1%
2021	56,867	56,867	-	214,398	26.5%
2020	56,867	107,646	(50,779.00)	214,398	50.2%
2019	50,779	-	50,779.00	212,787	0.0%
2018	50,779	96,687	(45,908.00)	212,787	45.4%
2017	45,908	-	45,908.00	200,070	0.0%
2016	45,908	45,908	-	200,070	22.9%
2015	51,769	55,000	(3,231.00)	186,705	29.5%
2014	51,769	65,888	(14,119.00)	186,705	35.3%
2013	50,074	67,418	(17,344.00)	186,705	36.1%

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

Hamilton County Administered Plans

Year Ended June 30	Teachers' Pension Plan				
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2022	\$ 236	\$ 236	\$ -	\$ -	N/A
2021	830	830	-	-	N/A
2020	830	2,000	(1,170)	-	N/A
2019	1,170	-	1,170	-	N/A
2018	1,170	9,254	(8,084)	-	N/A
2017	412	-	412	-	N/A
2016	412	412	-	-	N/A
2015	5,447	12,931	(7,484)	-	N/A
2014	1,393	-	1,393	-	N/A
2013	2,075	-	2,075	-	N/A

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

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

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



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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2022**

**Primary Government**

	2022	2021	2020	2019	2018
<b>Total OPEB Liability (Asset)</b>					
Service Cost	\$ 2,012,377	\$ 1,889,556	\$ 1,799,577	\$ 1,900,008	\$ 1,809,531
Interest	3,346,972	3,228,819	2,872,933	2,792,000	2,661,150
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(365,712)	-	(638,683)	-	-
Changes of assumptions	(1,454,860)	-	4,948,829	-	-
Other changes	(250,986)	-	-	-	-
Benefit Payments/Refunds	(3,423,455)	(3,346,473)	(3,346,473)	(2,548,068)	(2,359,321)
<b>Net Change in Total OPEB Liability (Asset)</b>	(135,664)	1,771,902	5,636,183	2,143,940	2,111,360
<b>Total OPEB Liability (Asset) - beginning</b>	53,153,943	51,382,041	45,745,858	43,601,918	41,490,558
<b>Total OPEB Liability (Asset) - ending (a)</b>	<u>\$ 53,018,279</u>	<u>\$ 53,153,943</u>	<u>\$ 51,382,041</u>	<u>\$ 45,745,858</u>	<u>\$ 43,601,918</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
Contributions - employer on pay as you go basis	3,423,455	3,346,473	3,346,473	2,548,068	2,359,321
Contributions - employee	-	-	-	-	-
Net investment income	8,724,901	1,266,049	1,830,516	1,937,951	2,263,871
Benefit Payments/Refunds	(3,423,455)	(3,346,473)	(3,346,473)	(2,548,068)	(2,359,321)
Administrative expenses	(102,502)	(128,717)	(119,139)	(130,753)	(93,252)
Other	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	10,222,399	2,737,332	3,311,377	3,407,198	3,770,619
<b>Plan Fiduciary Net Position - beginning</b>	31,288,939	28,551,607	25,240,230	21,833,032	18,062,413
<b>Plan Fiduciary Net Position - ending (b)</b>	<u>\$ 41,511,338</u>	<u>\$ 31,288,939</u>	<u>\$ 28,551,607</u>	<u>\$ 25,240,230</u>	<u>\$ 21,833,032</u>
<b>Net OPEB Liability (Asset) - ending (a) - (b)</b>	<u>\$ 11,506,941</u>	<u>\$ 21,865,004</u>	<u>\$ 22,830,434</u>	<u>\$ 20,505,628</u>	<u>\$ 21,768,886</u>
<b>Plan Fiduciary Net Position as a % of the Total OPEB Liability (Asset)</b>	78.3%	58.9%	55.6%	55.2%	50.1%
<b>Covered payroll</b>	\$ 88,471,774	\$ 84,370,423	\$ 81,913,032	\$ 76,872,177	\$ 74,633,182
<b>Net OPEB Liability (Asset) as a % of covered payroll</b>	13.0%	25.9%	27.9%	26.7%	29.2%

Note: Measurement period is as of June 30, 2021.

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

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

Years will be added to this schedule in future fiscal years until 10 years of information is available.

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

**Hamilton County Schools**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability (Asset)</b>					
Service Cost	\$ 6,834,702	\$ 7,320,275	\$ 7,121,583	\$ 6,782,460	\$ 7,953,820
Interest	2,269,712	3,477,286	3,323,236	3,406,804	3,657,851
Differences between expected and actual experience	-	3,657,192	-	15,991,840	-
Changes of assumptions	(16,296,646)	(29,045,695)	-	(23,120,958)	-
Benefit Payments/Refunds	<u>(5,442,142)</u>	<u>(5,122,016)</u>	<u>(6,394,544)</u>	<u>(5,948,413)</u>	<u>(6,033,842)</u>
<b>Net Change in Total OPEB Liability (Asset)</b>	(12,634,374)	(19,712,958)	4,050,275	(2,888,267)	5,577,829
<b>Total OPEB Liability - beginning</b>	<u>102,722,681</u>	<u>122,435,639</u>	<u>118,385,364</u>	<u>121,273,631</u>	<u>115,695,802</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 90,088,307</u>	<u>\$ 102,722,681</u>	<u>\$ 122,435,639</u>	<u>\$ 118,385,364</u>	<u>\$ 121,273,631</u>
 <b>Covered payroll</b>	 \$ 241,834,173	 \$ 234,790,459	 \$ 207,957,595	 \$ 201,900,578	 \$ 180,057,926
<b>Total OPEB Liability as a % of covered payroll</b>	44.0%	43.8%	58.9%	58.6%	67.4%

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

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

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

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

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



## NOTES TO SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

### HAMILTON COUNTY, TENNESSEE

June 30, 2022

#### PUBLIC EMPLOYEE RETIREMENT SYSTEMS

Actuarial information of the Tennessee Consolidated Retirement System Plans

Employer contributions for the year ended June 30, 2022 are based on the results of the June 30, 2021 actuarial valuation. Accordingly, governmental employers utilize the following notes to the schedule relating to the Actuarially Determined Contributions when presenting 2022.

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10-year smoothed within a 20 percent corridor to fair value
Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.25 percent, if provided

Actuarial Information of the County Administered Plans

The annual determined contribution for each of these plans was determined using the entry age normal funding method. The actuarial value of assets was determined at fair value. The assumption with respect to investment return was 7.5% for the Employees' Retirement Plan, 5.0% for the Teachers' Retirement Plan and 6.0% for the Commissioners' Retirement Plan. No explicit assumptions were made with regard to inflation. Salary increases were not considered for the Employees' and Teachers' Retirement Plans because the benefits are either capped or not based upon salary. The assumption with respect to salary increases was 4.0% for the Commissioners' Retirement Plan.

#### OTHER POST EMPLOYMENT BENEFITS

Actuarial Information of the County Employees Post Employment Medical Insurance Benefits

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Discount rate	6.5 percent
Salary increases	3.0 percent
Expected long-term rate of return	6.5 percent
Retirement age	Pattern of retirement determined by experience study
Healthcare cost trend rates	6.25% graded uniformly to 5.75% over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04% in 2075

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Discount rate	2.18 percent
Salary increases	3.0 percent
Expected long-term rate of return	N/A
Retirement age	Pattern of retirement determined by experience study
Healthcare cost trend rates	6.25% graded uniformly to 5.75% over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04% in 2075







## GENERAL FUND

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

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND DETAIL**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 181,082,700	\$ 181,082,700	\$ 174,498,222	\$ (6,584,478)
Local sales tax	7,400,000	7,400,000	9,863,308	2,463,308
Business taxes	11,063,000	11,063,000	11,253,585	190,585
Wholesale beer tax	1,240,000	1,240,000	1,048,363	(191,637)
Total taxes	200,785,700	200,785,700	196,663,478	(4,122,222)
Licenses and permits	1,480,000	1,480,000	1,567,804	87,804
Intergovernmental revenues:				
State of Tennessee	22,215,799	23,695,826	22,590,040	(1,105,786)
United States Government	10,332,075	23,044,243	14,024,179	(9,020,064)
Cities	3,122,289	4,825,289	3,395,713	(1,429,576)
Total intergovernmental revenues	35,670,163	51,565,358	40,009,932	(11,555,426)
Charges for services:				
Health department	3,646,100	3,646,100	1,474,090	(2,172,010)
Other	21,573,139	21,588,139	24,969,324	3,381,185
Total charges for services	25,219,239	25,234,239	26,443,414	1,209,175
Fines, forfeitures and penalties	1,864,450	1,864,450	1,338,760	(525,690)
Investment earnings	396,500	396,500	672,248	275,748
Miscellaneous	5,475,814	5,654,247	5,730,685	76,438
Total revenues	270,891,866	286,980,494	272,426,321	(14,554,173)
<b>EXPENDITURES</b>				
Current:				
General government:				
County Clerk	2,535,629	2,535,629	2,402,448	133,181
Register	623,225	623,225	542,943	80,282
County Trustee	1,359,629	1,359,629	1,140,928	218,701
Assessor of Property	3,804,443	3,819,443	3,714,465	104,978
Election Commission	2,206,865	2,380,865	2,441,667	(60,802)
Board of Equalization	5,000	5,000	1,035	3,965
Soil Conservation	138,353	138,353	138,682	(329)
Agricultural Department	268,717	268,717	266,038	2,679
County-City Planning Commission	830,790	830,790	-	830,790
Regional Council of Government & SETTDD	75,657	75,657	75,657	-

(continued)

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

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES--(continued):				
Current--(continued):				
General government--(continued):				
CARTA	\$ 105,200	\$ 105,200	\$ 105,200	\$ -
Thrive Regional Partnership	100,000	100,000	100,000	-
Economic Development	600,000	600,000	600,000	-
Representative-General Assembly	100,000	100,000	100,000	-
Enterprise Center	100,000	100,000	100,000	-
County Board of Commissioners	845,958	874,120	794,534	79,586
County Mayor	759,016	759,016	730,389	28,627
County Auditor	940,720	940,720	839,216	101,504
Chief of Staff	422,797	422,797	366,414	56,383
County Attorney	1,336,425	1,516,425	1,850,146	(333,721)
Employee Assistance Program	46,000	46,000	38,048	7,952
Benefits	668,487	673,916	617,374	56,542
Risk Management	436,464	436,464	359,426	77,038
Wellness & Fitness Programs	234,357	234,357	223,341	11,016
Mailroom	470,552	470,551	402,084	68,467
Drug & Alcohol Testing	15,000	15,000	11,922	3,078
American Disability Act	1,000	1,000	-	1,000
Veterans' Service Program	188,134	188,134	190,093	(1,959)
Human Resources Administrator	256,280	256,280	251,292	4,988
Insurance	390,000	390,000	364,283	25,717
Employee Benefits	2,640,646	2,640,646	2,175,004	465,642
Trustee's Commission	4,586,000	4,586,000	4,272,115	313,885
External Audits	144,770	144,770	170,455	(25,685)
TSCA Dues	9,937	9,937	9,937	-
NACO Dues	6,729	6,729	6,729	-
Equal Employment Opportunity	134,920	134,920	131,111	3,809
Finance Administrator	441,312	441,312	433,346	7,966
Accounting	2,086,315	2,148,412	2,156,848	(8,436)
Financial Management	360,808	360,808	241,708	119,100
Information Technology	3,636,290	3,651,290	3,475,339	175,951
Procurement & Fleet Management	880,247	895,732	758,240	137,492
Geographic Information System	1,049,577	1,054,160	945,833	108,327
Telecommunications	1,036,780	1,050,277	977,319	72,958
Records Management	558,399	558,399	482,070	76,329
Custodial Services	3,709,719	3,790,798	3,066,095	724,703
Real Property	415,947	415,947	307,058	108,889
Recycling	338,908	338,908	292,151	46,757
General Services Administrator	261,966	261,966	253,384	8,582
Economic and Community Development	444,566	444,566	392,363	52,203
Ground Maintenance	205,000	205,000	232,161	(27,161)
Facilities Maintenance	3,496,290	3,626,647	3,194,887	431,760
Utilities	2,788,568	2,788,568	2,179,296	609,272
Total general government	49,098,392	49,823,080	44,921,074	4,902,006

(continued)



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

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES--(continued):				
Current--(continued):				
Public safety:				
Recovery Court	\$ 857,154	\$ 991,849	\$ 630,290	\$ 361,559
Mental Health Court	535,380	538,380	425,607	112,773
Medical Examiner	1,727,075	1,733,273	1,721,087	12,186
Circuit Court Clerk	3,720,996	3,720,996	3,445,570	275,426
Criminal Court Clerk	4,481,752	4,481,752	4,347,457	134,295
District Attorney General	1,656,657	1,666,656	1,576,994	89,662
Public Defender	1,009,997	1,009,997	988,419	21,578
General Sessions Court	1,834,242	1,881,541	1,806,095	75,446
Juries	136,100	136,100	112,568	23,532
Court Judges	588,609	588,609	581,232	7,377
Judicial Commission Magistrates	588,857	588,857	554,761	34,096
Juvenile Court	8,021,308	8,021,308	7,612,718	408,590
Forest Fire Prevention	4,000	4,000	4,000	-
Humane Education Society	620,970	620,970	620,970	-
Certified Cost Reimbursement	781,600	781,600	411,490	370,110
Building Inspection	1,335,282	1,335,282	1,249,855	85,427
Office of Emergency Management	3,977,981	4,271,781	3,842,652	429,129
Corrections	1,444,359	1,444,359	1,248,802	195,557
Litter Grant	618,282	655,609	537,322	118,287
Homeland Security Grants	-	488,530	149,148	339,382
Security Services	1,245,024	1,245,024	1,133,172	111,852
Volunteer Emergency Services	2,268,590	2,316,901	2,313,221	3,680
Pretrial Diversion Program	986,508	986,508	825,294	161,214
Ambulance Services	14,945,279	16,279,279	16,353,124	(73,845)
Juvenile Court Clerk				
Administration and Courts	1,847,533	1,847,533	1,816,679	30,854
Sheriff				
Administration	2,913,666	2,917,247	2,575,089	342,158
Patrol	14,779,882	14,862,324	14,092,176	770,148
Jail	27,470,379	28,880,545	24,827,202	4,053,343
Courts	1,482,366	1,482,366	1,670,513	(188,147)
Records	729,878	729,878	641,751	88,127
Criminal Investigation	2,252,898	2,258,956	2,278,843	(19,887)
Fugitive	2,003,003	2,003,003	2,059,868	(56,865)
Civil Process	973,174	973,174	914,266	58,908
Community Oriented Policing Service	861	90,823	10,467	80,356
Maintenance Department	635,286	635,286	753,514	(118,228)
Legal & Accreditation	435,685	435,685	464,928	(29,243)
Special Operations	1,290,669	1,290,669	1,198,544	92,125
TN Office of Criminal Justice	-	70,455	6,398	64,057
Department of Justice Grants	-	41,244	31,327	9,917
IV-D Civil Process Grant	243,580	243,580	220,268	23,312
Information Systems	2,372,156	2,372,156	1,963,564	408,592
Training	1,141,263	1,242,377	892,450	349,927
Human Resources	541,178	541,178	522,549	18,629
Internal Affairs	537,676	537,676	441,405	96,271
Mental Health	702,834	2,034,934	557,784	1,477,150
Total public safety	115,739,969	121,280,250	110,431,433	10,848,817

(continued)

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

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES--(continued):				
Current--(continued):				
Highways and streets:				
Public Works Administrator	\$ 279,076	\$ 279,076	\$ 295,739	\$ (16,663)
Engineering Services	2,012,697	1,922,999	1,283,659	639,340
WWTA	3,585,070	3,585,070	2,864,801	720,269
Railroad Authority	156,097	156,097	515,408	(359,311)
Highway	14,374,267	14,379,364	14,338,265	41,099
Total highways and streets	20,407,207	20,322,606	19,297,872	1,024,734
Health:				
Air Pollution Control	188,540	188,540	188,540	-
Baroness Erlanger Hospital	1,500,000	1,500,000	1,500,000	-
Health Department	29,892,556	41,604,587	25,128,342	16,476,245
Total health	31,581,096	43,293,127	26,816,882	16,476,245
Social services:				
Clerk and Master	924,956	924,956	832,182	92,774
Chancery Court Judges	186,735	186,735	189,315	(2,580)
Juvenile Court Clerk:				
Child Support Division	1,156,507	1,156,507	1,073,886	82,621
Chief Reading Officer	333,666	333,666	272,518	61,148
Title XX	366,342	493,167	346,957	146,210
Urban League	50,000	50,000	50,000	-
Total social services	3,018,206	3,145,031	2,764,858	380,173
Culture and recreation:				
Armed Forces Day Parade	15,000	15,000	15,000	-
Interstate Beautification	62,500	62,500	-	62,500
Creative Discovery Museum	100,000	100,000	100,000	-
Bessie Smith Museum	76,985	76,985	76,985	-
Parks and Recreation Department	9,262,071	9,767,509	9,035,631	731,878
Total culture and recreation	9,516,556	10,021,994	9,227,616	794,378
Capital outlay	6,862,279	27,786,468	26,688,089	1,098,379
Debt service:				
Principal	-	-	1,280,732	(1,280,732)
Interest	-	-	26,223	(26,223)
Total debt service	-	-	1,306,955	(1,306,955)
Total budgetary expenditures	236,223,705	275,672,556	241,454,779	34,217,777
Excess of revenues over expenditures	34,668,161	11,307,938	30,971,542	19,663,604

(continued)

**BUDGETARY COMPARISON SCHEDULE--(continued)****GENERAL FUND DETAIL****HAMILTON COUNTY, TENNESSEE****Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 12,661,200	\$ 12,661,200	\$ 16,129,611	\$ 3,468,411
Transfers out	(47,949,361)	(49,410,216)	(49,410,216)	-
Issuance of lease payable	-	-	4,592,841	4,592,841
Sale of capital assets	<u>620,000</u>	<u>620,000</u>	<u>206,580</u>	<u>(413,420)</u>
Total other financing sources (uses)	<u>(34,668,161)</u>	<u>(36,129,016)</u>	<u>(28,481,184)</u>	<u>7,647,832</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (24,821,078)</u>	2,490,358	<u>\$ 27,311,436</u>
Fund balance at beginning of year			<u>144,434,269</u>	
Fund balance at end of year			<u>\$ 146,924,627</u>	



**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 2,258,335	\$ 2,258,335	\$ 2,228,884	\$ (29,451)
Investment earnings	<u>30,000</u>	<u>30,000</u>	<u>35,551</u>	<u>5,551</u>
Total revenues	<u>2,288,335</u>	<u>2,288,335</u>	<u>2,264,435</u>	<u>(23,900)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal retirement	34,795,000	34,795,000	34,795,000	-
Interest and fiscal charges	<u>14,270,445</u>	<u>15,731,301</u>	<u>15,721,456</u>	<u>9,845</u>
Total budgetary expenditures	<u>49,065,445</u>	<u>50,526,301</u>	<u>50,516,456</u>	<u>9,845</u>
Deficiency of revenues under budgetary expenditures	<u>(46,777,110)</u>	<u>(48,237,966)</u>	<u>(48,252,021)</u>	<u>(14,055)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>46,777,110</u>	<u>48,237,966</u>	<u>48,237,966</u>	<u>-</u>
Total other financing sources	<u>46,777,110</u>	<u>48,237,966</u>	<u>48,237,966</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(14,055)	<u>\$ (14,055)</u>
Fund balance at beginning of year			<u>9,807,882</u>	
Fund balance at end of year			<u>\$ 9,793,827</u>	

**BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	Hotel / Motel Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Hotel/Motel occupancy tax	\$ 7,353,000	\$ 7,353,000	\$ 10,857,607	\$ 3,504,607
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>1,219</u>	<u>(3,781)</u>
Total revenues	<u>7,358,000</u>	<u>7,358,000</u>	<u>10,858,826</u>	<u>3,500,826</u>
EXPENDITURES				
Hotel/Motel occupancy tax	<u>7,358,000</u>	<u>7,358,000</u>	<u>10,858,826</u>	<u>(3,500,826)</u>
Total budgetary expenditures	<u>7,358,000</u>	<u>7,358,000</u>	<u>10,858,826</u>	<u>(3,500,826)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance at beginning of year			-	
Fund balance at end of year			<u>\$ -</u>	

**BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	Sheriff Special Revenue Funds			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 61,600	\$ 61,600	\$ 37,816	\$ (23,784)
Fines, forfeitures and penalties	102,146	102,146	31,011	(71,135)
Investment earnings	3,700	3,700	3,924	224
Miscellaneous	316,245	316,245	369,107	52,862
Total revenues	483,691	483,691	441,858	(41,833)
EXPENDITURES				
Narcotics enforcement	411,345	414,190	64,988	349,202
TN State sexual offenders	72,346	75,641	5,158	70,483
Total budgetary expenditures	483,691	489,831	70,146	419,685
Excess (deficiency) of revenues over (under) budgetary expenditures	-	(6,140)	371,712	377,852
OTHER FINANCING SOURCES				
Sale of capital assets	-	-	85,670	85,670
Total other financing sources	-	-	85,670	85,670
Net change in fund balance	\$ -	\$ (6,140)	457,382	\$ 463,522
Fund balance at beginning of year			1,068,506	
Fund balance at end of year			\$ 1,525,888	







## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Constitutional Offices	Governmental Law Library	Hotel/ Motel	Economic Crimes	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,115,422	\$ 3,612	\$ 988,956	\$ 2,394	\$ 7,110,384
Investments	1,143,207	93,911	-	45,721	1,282,839
Receivables:					
Accounts	87,666	222	1,064,033	-	1,151,921
Due from other funds	207,974	-	-	-	207,974
Prepaid items	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,077</u>
Total assets	<u>\$ 7,556,346</u>	<u>\$ 97,745</u>	<u>\$ 2,052,989</u>	<u>\$ 48,115</u>	<u>\$ 9,755,195</u>
<b>LIABILITIES</b>					
Accrued items and other	<u>\$ 745,902</u>	<u>\$ 2,978</u>	<u>\$ 2,052,989</u>	<u>\$ -</u>	<u>\$ 2,801,869</u>
Total liabilities	<u>745,902</u>	<u>2,978</u>	<u>2,052,989</u>	<u>-</u>	<u>2,801,869</u>
<b>FUND BALANCES</b>					
Nonspendable for prepaid items	2,077	-	-	-	2,077
Restricted for general government	3,744,990	-	-	-	3,744,990
Restricted for public safety	1,525,888	-	-	-	1,525,888
Restricted for social services	1,537,489	-	-	-	1,537,489
Committed for public safety	<u>-</u>	<u>94,767</u>	<u>-</u>	<u>48,115</u>	<u>142,882</u>
Total fund balances	<u>6,810,444</u>	<u>94,767</u>	<u>-</u>	<u>48,115</u>	<u>6,953,326</u>
Total liabilities and fund balances	<u>\$ 7,556,346</u>	<u>\$ 97,745</u>	<u>\$ 2,052,989</u>	<u>\$ 48,115</u>	<u>\$ 9,755,195</u>



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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Constitutional Offices	Governmental Law Library	Hotel/ Motel	Economic Crimes	
REVENUES					
Taxes	\$ -	\$ 11,905	\$ 10,857,607	\$ -	\$ 10,869,512
Intergovernmental	37,816	-	-	-	37,816
Charges for services	22,619,065	-	-	-	22,619,065
Fines, forfeitures and penalties	31,011	-	-	9,321	40,332
Investment earnings	60,471	314	1,219	153	62,157
Miscellaneous	516,581	-	-	-	516,581
Total revenues	23,264,944	12,219	10,858,826	9,474	34,145,463
EXPENDITURES					
Current:					
General government	5,131,648	-	10,858,826	-	15,990,474
Public safety:					
Sheriff	70,146	-	-	-	70,146
Other	-	3,951	-	-	3,951
Social services	1,624,167	-	-	17,369	1,641,536
Total expenditures	6,825,961	3,951	10,858,826	17,369	17,706,107
Excess (deficiency) of revenues over (under) expenditures	16,438,983	8,268	-	(7,895)	16,439,356
OTHER FINANCING SOURCES (USES)					
Transfers out	(16,129,611)	-	-	-	(16,129,611)
Sale of capital assets	85,670	-	-	-	85,670
Total other financing sources (uses)	(16,043,941)	-	-	-	(16,043,941)
Net change in fund balances	395,042	8,268	-	(7,895)	395,415
Fund balances, beginning	6,415,402	86,499	-	56,010	6,557,911
Fund balances, ending	\$ 6,810,444	\$ 94,767	\$ -	\$ 48,115	\$ 6,953,326

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2022**

	Clerk and Master	County Clerk	Register	Trustee	Sheriff Drug Fund	Sheriff State Sex Offenders Fund	Total Constitutional Offices
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,976,720	\$ 2,333,732	\$ 723,022	\$ 920,954	\$ 36,095	\$ 124,899	\$ 6,115,422
Investments	-	-	-	-	1,143,207	-	1,143,207
Receivables:							
Accounts	-	-	-	69,791	17,875	-	87,666
Due from other funds	-	-	-	-	207,974	-	207,974
Prepaid items	<u>1,177</u>	<u>-</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>-</u>	<u>2,077</u>
Total assets	<u>\$ 1,977,897</u>	<u>\$ 2,333,732</u>	<u>\$ 723,022</u>	<u>\$ 991,645</u>	<u>\$ 1,405,151</u>	<u>\$ 124,899</u>	<u>\$ 7,556,346</u>
<b>LIABILITIES</b>							
Accrued items and other	<u>\$ 439,231</u>	<u>\$ 211,424</u>	<u>\$ 68,523</u>	<u>\$ 22,562</u>	<u>\$ 1,719</u>	<u>\$ 2,443</u>	<u>\$ 745,902</u>
Total liabilities	<u>439,231</u>	<u>211,424</u>	<u>68,523</u>	<u>22,562</u>	<u>1,719</u>	<u>2,443</u>	<u>745,902</u>
<b>FUND BALANCES</b>							
Nonspendable for prepaid items	1,177	-	-	900	-	-	2,077
Restricted for general government	-	2,122,308	654,499	968,183	-	-	3,744,990
Restricted for public safety	-	-	-	-	1,403,432	122,456	1,525,888
Restricted for social services	<u>1,537,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,537,489</u>
Total fund balances	<u>1,538,666</u>	<u>2,122,308</u>	<u>654,499</u>	<u>969,083</u>	<u>1,403,432</u>	<u>122,456</u>	<u>6,810,444</u>
Total liabilities and fund balances	<u>\$ 1,977,897</u>	<u>\$ 2,333,732</u>	<u>\$ 723,022</u>	<u>\$ 991,645</u>	<u>\$ 1,405,151</u>	<u>\$ 124,899</u>	<u>\$ 7,556,346</u>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	Clerk and Master	County Clerk	Register	Trustee	Sheriff Drug Fund	Sheriff State Sex Offenders Fund	Total Constitutional Offices
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 37,816	\$ -	\$ 37,816
Charges for services	2,324,280	5,964,063	3,428,857	10,901,865	-	-	22,619,065
Fines, forfeitures and penalties	-	-	-	-	9,968	21,043	31,011
Investment earnings	35,985	10,180	5,454	4,928	3,558	366	60,471
Miscellaneous	-	30,802	116,672	-	369,107	-	516,581
Total revenues	<u>2,360,265</u>	<u>6,005,045</u>	<u>3,550,983</u>	<u>10,906,793</u>	<u>420,449</u>	<u>21,409</u>	<u>23,264,944</u>
EXPENDITURES							
Current:							
General government	-	3,133,198	802,100	1,196,350	-	-	5,131,648
Public safety:							
Sheriff	-	-	-	-	64,988	5,158	70,146
Social services	<u>1,624,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,624,167</u>
Total expenditures	<u>1,624,167</u>	<u>3,133,198</u>	<u>802,100</u>	<u>1,196,350</u>	<u>64,988</u>	<u>5,158</u>	<u>6,825,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>736,098</u>	<u>2,871,847</u>	<u>2,748,883</u>	<u>9,710,443</u>	<u>355,461</u>	<u>16,251</u>	<u>16,438,983</u>
OTHER FINANCING SOURCES (USES)							
Transfers out	(1,055,828)	(2,370,000)	(2,838,112)	(9,865,671)	-	-	(16,129,611)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,670</u>	<u>-</u>	<u>85,670</u>
Total other financing sources (uses)	<u>(1,055,828)</u>	<u>(2,370,000)</u>	<u>(2,838,112)</u>	<u>(9,865,671)</u>	<u>85,670</u>	<u>-</u>	<u>(16,043,941)</u>
Net change in fund balances	(319,730)	501,847	(89,229)	(155,228)	441,131	16,251	395,042
Fund balances, beginning	<u>1,858,396</u>	<u>1,620,461</u>	<u>743,728</u>	<u>1,124,311</u>	<u>962,301</u>	<u>106,205</u>	<u>6,415,402</u>
Fund balances, ending	<u>\$ 1,538,666</u>	<u>\$ 2,122,308</u>	<u>\$ 654,499</u>	<u>\$ 969,083</u>	<u>\$ 1,403,432</u>	<u>\$ 122,456</u>	<u>\$ 6,810,444</u>







## **FIDUCIARY FUNDS**

### **TRUST FUNDS**

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

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

### **CUSTODIAL FUNDS**

These funds are used to account for assets held by the County in a custodial capacity as an agent on behalf of individuals and other government entities.

Constitutional Offices Funds account for various deposits, bail bonds and performance bonds held by the Constitutional Offices.

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

	OPEB Trust Fund	Pension Trust Funds	Total OPEB & Pension Trust Funds
ASSETS			
Cash	\$ 5,202	\$ 84,977	\$ 90,179
Investments, at fair value:			
US Government Securities	3,259,470	-	3,259,470
Municipal Bonds	2,286,064	-	2,286,064
Mutual Funds	6,681,889	2,815,602	9,497,491
Domestic Equity Securities	4,805,273	-	4,805,273
Domestic Corporate Bonds	4,577,539	-	4,577,539
Foreign Bonds / Notes	821,190	-	821,190
Foreign Equity Securities	2,714,646	-	2,714,646
Quality Income Fund	3,973,454	-	3,973,454
Money Market	673,520	-	673,520
Exchange-traded Funds	7,130,934	-	7,130,934
Real Estate Investment Trust	73,919	-	73,919
Total investments, at fair value	<u>36,997,898</u>	<u>2,815,602</u>	<u>39,813,500</u>
Receivables:			
Interest	<u>114,652</u>	<u>2,858</u>	<u>117,510</u>
Total receivables	<u>114,652</u>	<u>2,858</u>	<u>117,510</u>
Total assets	<u>37,117,752</u>	<u>2,903,437</u>	<u>40,021,189</u>
LIABILITIES			
Accrued items and other	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for pension benefits	-	2,903,437	2,903,437
Restricted for OPEB benefits	<u>37,117,752</u>	<u>-</u>	<u>37,117,752</u>
Total net position	<u>\$ 37,117,752</u>	<u>\$ 2,903,437</u>	<u>\$ 40,021,189</u>



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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	OPEB Trust Fund	Pension Trust Funds	Total OPEB & Pension Trust Funds
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 5,237,421	\$ 32,357	\$ 5,269,778
Other	<u>-</u>	<u>1,788</u>	<u>1,788</u>
Total contributions	<u>5,237,421</u>	<u>34,145</u>	<u>5,271,566</u>
Investment earnings:			
Net change in fair value of investments	(6,483,012)	(521,334)	(7,004,346)
Interest and dividends	<u>694,368</u>	<u>89,325</u>	<u>783,693</u>
Net investment earnings	<u>(5,788,644)</u>	<u>(432,009)</u>	<u>(6,220,653)</u>
Total additions	<u>(551,223)</u>	<u>(397,864)</u>	<u>(949,087)</u>
<b>DEDUCTIONS</b>			
Benefits	3,637,421	86,134	3,723,555
Administrative expense	<u>204,942</u>	<u>61,362</u>	<u>266,304</u>
Total deductions	<u>3,842,363</u>	<u>147,496</u>	<u>3,989,859</u>
Change in net position	(4,393,586)	(545,360)	(4,938,946)
Net position, beginning	<u>41,511,338</u>	<u>3,448,797</u>	<u>44,960,135</u>
Net position, ending	<u>\$ 37,117,752</u>	<u>\$ 2,903,437</u>	<u>\$ 40,021,189</u>

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2022**

	Circuit Court Clerk	Clerk & Master	Clerk	Criminal Court Clerk	Juvenile Court Clerk	Register	Sheriff	Trustee	Total Constitutional Offices Custodial Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 3,720,953	\$26,616,283	\$ 5,387,087	\$ 749,171	\$ 58,834	\$ 2,194,874	\$ 146,512	\$ 1,118,900	\$ 39,992,614
Investments	-	-	-	-	75,579	-	-	-	75,579
Investments on behalf of litigants and beneficiaries	2,492,551	8,226,293	-	-	460,448	-	-	-	11,179,292
Accounts receivable	-	-	3,624	-	-	1,081	-	-	4,705
Total assets	<u>6,213,504</u>	<u>34,842,576</u>	<u>5,390,711</u>	<u>749,171</u>	<u>594,861</u>	<u>2,195,955</u>	<u>146,512</u>	<u>1,118,900</u>	<u>51,252,190</u>
<b>LIABILITIES</b>									
Due to State of Tennessee	27,917	-	5,268,473	-	-	2,195,955	-	-	7,492,345
Due to municipalities	-	440,344	45,300	-	-	-	-	995,741	1,481,385
Due to others	77,043	8,090,761	-	3,213	66,625	-	-	-	8,237,642
Total liabilities	<u>104,960</u>	<u>8,531,105</u>	<u>5,313,773</u>	<u>3,213</u>	<u>66,625</u>	<u>2,195,955</u>	<u>-</u>	<u>995,741</u>	<u>17,211,372</u>
<b>NET POSITION</b>									
Restricted for individuals, organizations and others	<u>6,108,544</u>	<u>26,311,471</u>	<u>76,938</u>	<u>745,958</u>	<u>528,236</u>	<u>-</u>	<u>146,512</u>	<u>123,159</u>	<u>34,040,818</u>
Total net position	<u>\$ 6,108,544</u>	<u>\$26,311,471</u>	<u>\$ 76,938</u>	<u>\$ 745,958</u>	<u>\$ 528,236</u>	<u>\$ -</u>	<u>\$ 146,512</u>	<u>\$ 123,159</u>	<u>\$ 34,040,818</u>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	Circuit Court Clerk	Clerk & Master	County Clerk	Criminal Court Clerk	Juvenile Court Clerk	Register	Sheriff	Trustee	Total Constitutional Offices Custodial Funds
<b>ADDITIONS</b>									
Collections of taxes, fines and fees:									
State of Tennessee	\$ 265,963	\$ 46,198	\$ 43,784,775	\$ 765,297	\$ -	\$ 28,509,073	\$ -	\$ -	\$ 73,371,306
Municipalities	-	-	480,285	130,836	-	-	-	35,157,413	35,768,534
Judgments for litigants and beneficiaries	10,273,385	31,448,753	-	-	86,594	-	-	-	41,808,732
Miscellaneous	<u>468,307</u>	<u>18,271,270</u>	<u>611,267</u>	<u>1,564,228</u>	<u>629,836</u>	<u>-</u>	<u>319,229</u>	<u>6,185,227</u>	<u>28,049,364</u>
Total additions	<u>11,007,655</u>	<u>49,766,221</u>	<u>44,876,327</u>	<u>2,460,361</u>	<u>716,430</u>	<u>28,509,073</u>	<u>319,229</u>	<u>41,342,640</u>	<u>178,997,936</u>
<b>DEDUCTIONS</b>									
Payments of taxes, fines and fees:									
State of Tennessee	265,963	46,198	43,784,775	765,297	-	28,509,073	-	-	73,371,306
Municipalities	-	-	480,285	130,836	-	-	-	35,157,413	35,768,534
Payouts to litigants and beneficiaries	11,431,278	26,942,135	-	-	76,533	-	-	-	38,449,946
Miscellaneous	<u>468,307</u>	<u>18,271,270</u>	<u>642,857</u>	<u>1,395,641</u>	<u>629,836</u>	<u>-</u>	<u>336,205</u>	<u>6,181,501</u>	<u>27,925,617</u>
Total deductions	<u>12,165,548</u>	<u>45,259,603</u>	<u>44,907,917</u>	<u>2,291,774</u>	<u>706,369</u>	<u>28,509,073</u>	<u>336,205</u>	<u>41,338,914</u>	<u>175,515,403</u>
Change in net position	(1,157,893)	4,506,618	(31,590)	168,587	10,061	-	(16,976)	3,726	3,482,533
Net position, beginning	<u>7,266,437</u>	<u>21,804,853</u>	<u>108,528</u>	<u>577,371</u>	<u>518,175</u>	<u>-</u>	<u>163,488</u>	<u>119,433</u>	<u>30,558,285</u>
Net position, ending	<u>\$ 6,108,544</u>	<u>\$26,311,471</u>	<u>\$ 76,938</u>	<u>\$ 745,958</u>	<u>\$ 528,236</u>	<u>\$ -</u>	<u>\$ 146,512</u>	<u>\$ 123,159</u>	<u>\$ 34,040,818</u>







## **DISCRETELY PRESENTED COMPONENT UNIT HAMILTON COUNTY DEPARTMENT OF EDUCATION**

Discretely presented component units are entities that are legally separate from the County, but the County is considered to be financially accountable for these entities. The Hamilton County Department of Education provides public education for grades kindergarten through twelve.

### **GOVERNMENTAL FUND TYPES**

General Purpose School Fund accounts for the operations of the school system, including instructional programs, administration, transportation, and other educational expenditures for the individual schools.

Centralized Cafeteria Fund accounts for the food service operations at the schools.

Education Capital Projects Fund accounts for resources designated for major improvements to capital assets in the school system.

School Activity Fund accounts for extracurricular activities of the student bodies of the schools. The school principals and activity sponsors direct these activities.

### **PROPRIETARY FUND TYPES**

Hamilton County Department of Education Internal Service Fund accounts for the Hamilton County Department of Education self-insurance programs. The Department of Education is self-insured for on-the-job injury claims, non-tort liability claims, unemployment compensation, health insurance, and the dental reimbursement program.

**COMBINING BALANCE SHEET  
HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

	General Purpose School	Centralized Cafeteria	Education Capital Projects	School Activity	Total Hamilton County Schools Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 70,636,149	\$ 8,628,405	\$ 9,377,061	\$ 4,901,482	\$ 93,543,097
Investments	35,632,556	-	-	-	35,632,556
Receivables, net of allowance for uncollectible:					
Property taxes	134,781,341	-	-	-	134,781,341
Accounts	4,203,936	-	-	-	4,203,936
Leases	310,440	-	-	-	310,440
Intergovernmental	47,006,716	401,232	-	-	47,407,948
Due from other HCS funds	775,413	11,149	7,490,608	-	8,277,170
Inventories	28,974	1,207,586	-	-	1,236,560
Restricted Cash	-	-	-	5,200,747	5,200,747
Total assets	<u>\$ 293,375,525</u>	<u>\$ 10,248,372</u>	<u>\$ 16,867,669</u>	<u>\$ 10,102,229</u>	<u>\$ 330,593,795</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 6,154,585	\$ 48,141	\$ 970,945	\$ -	\$ 7,173,671
Accrued items and other	39,231,776	259,583	48,958	-	39,540,317
Intergovernmental payables	324,181	-	-	-	324,181
Due to other HSC funds	35,388,719	-	937,140	-	36,325,859
Total liabilities	<u>81,099,261</u>	<u>307,724</u>	<u>1,957,043</u>	<u>-</u>	<u>83,364,028</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	123,525,165	-	-	-	123,525,165
Unavailable intergovernmental	10,591,075	-	-	-	10,591,075
Unavailable property taxes	4,510,046	-	-	-	4,510,046
Deferred lease receivable	307,171	-	-	-	307,171
Total deferred inflows of resources	<u>138,933,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,933,457</u>
<b>FUND BALANCES</b>					
Nonspendable	28,974	1,207,586	-	-	1,236,560
Restricted for centralized cafeteria	-	8,733,062	-	-	8,733,062
Restricted for education	11,709,211	-	-	253,313	11,962,524
Restricted for stabilization reserve trust	7,842,967	-	-	-	7,842,967
Restricted for instruction	22,802	-	-	-	22,802
Committed for capital projects	-	-	14,910,626	-	14,910,626
Committed for instruction	7,450,000	-	-	-	7,450,000
Committed for education	1,560,000	-	-	-	1,560,000
Assigned for education	9,394,959	-	-	-	9,394,959
Assigned for school activity	-	-	-	9,848,916	9,848,916
Unassigned	35,333,894	-	-	-	35,333,894
Total fund balances	<u>73,342,807</u>	<u>9,940,648</u>	<u>14,910,626</u>	<u>10,102,229</u>	<u>108,296,310</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 293,375,525</u>	<u>\$ 10,248,372</u>	<u>\$ 16,867,669</u>	<u>\$ 10,102,229</u>	<u>\$ 330,593,795</u>



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

## **HAMILTON COUNTY, TENNESSEE**

**June 30, 2022**

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

Fund balances - total Hamilton County Schools governmental funds	\$ 108,296,310
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Amounts reported for Hamilton County Schools in the statement of net position are different because:

Capital assets used in Hamilton County Schools governmental activities are not financial resources and, therefore, are not reported in the funds.	422,542,607
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Other long-term assets are not available for current period expenditures and therefore are deferred in the governmental funds.

Property taxes	4,510,046
Intergovernmental	10,591,075

Internal service funds are used by management to charge the costs of self-insurance programs to individual funds. The assets and liabilities of the internal service funds are included in Hamilton County Schools in the statement of net position.

25,175,484

Long-term liabilities applicable to Hamilton County Schools governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

This item consists of the following:

Net pension asset	207,705,669
Deferred outflows from pension contributions	19,926,765
Deferred inflows from differences in pension investment earnings	(171,580,800)
Deferred outflows from pension experience	1,892,403
Deferred outflows from pension changes in assumptions	58,625,297
Deferred inflows from pension experience	(17,935,785)
Lease payable	(2,558,423)
Deferred inflows from OPEB changes in assumptions	(53,144,978)
Deferred changes in proportion of net pension liability	140,920
Deferred outflows from OPEB experience	13,168,872
Net OPEB liability	(90,088,307)
Compensated absences	<u>(15,403,051)</u>

Net position of Hamilton County Schools	\$ <u>521,864,104</u>
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**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	General Purpose School	Centralized Cafeteria	Education Capital Projects	School Activity	Total Hamilton County Schools Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 259,391,731	\$ -	\$ -	\$ -	\$ 259,391,731
Intergovernmental	271,922,196	27,196,962	-	-	299,119,158
Charges for services	5,007,432	638,465	-	-	5,645,897
Investment earnings	(74,538)	14,794	7,529	-	(52,215)
Miscellaneous	<u>4,733,124</u>	<u>6,500</u>	<u>88,319</u>	<u>11,347,709</u>	<u>16,175,652</u>
Total revenues	<u>540,979,945</u>	<u>27,856,721</u>	<u>95,848</u>	<u>11,347,709</u>	<u>580,280,223</u>
<b>EXPENDITURES</b>					
Current:					
Education	510,794,113	21,742,011	-	11,650,530	544,186,654
Capital outlay	3,792,972	-	14,798,125	-	18,591,097
Debt service:					
Principal	1,230,577	-	-	5,548	1,236,125
Interest	<u>4,346</u>	<u>-</u>	<u>-</u>	<u>117</u>	<u>4,463</u>
Total expenditures	<u>515,822,008</u>	<u>21,742,011</u>	<u>14,798,125</u>	<u>11,656,195</u>	<u>564,018,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,157,937</u>	<u>6,114,710</u>	<u>(14,702,277)</u>	<u>(308,486)</u>	<u>16,261,884</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	4,224,434	-	15,820,323	45,374	20,090,131
Transfers out	(20,017,607)	-	-	(72,524)	(20,090,131)
Leases issued	<u>3,773,797</u>	<u>-</u>	<u>-</u>	<u>20,751</u>	<u>3,794,548</u>
Total other funding sources (uses)	<u>(12,019,376)</u>	<u>-</u>	<u>15,820,323</u>	<u>(6,399)</u>	<u>3,794,548</u>
Net change in fund balances	13,138,561	6,114,710	1,118,046	(314,885)	20,056,432
Fund balances, beginning	<u>60,204,246</u>	<u>3,825,938</u>	<u>13,792,580</u>	<u>10,417,114</u>	<u>88,239,878</u>
Fund balances, ending	<u>\$ 73,342,807</u>	<u>\$ 9,940,648</u>	<u>\$ 14,910,626</u>	<u>\$ 10,102,229</u>	<u>\$ 108,296,310</u>

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

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2022**

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

Net change in fund balances - total Hamilton County Schools governmental funds	\$	20,056,432
Amounts reported for Hamilton County Schools in the statement of activities are different because:		
Depreciation expense on governmental capital assets is included in the governmental activities in the statement of activities.		
Purchases of capital assets		4,794,202
Acquisition of right-to-use assets		3,794,548
Depreciation and amortization expense		(18,100,587)
The net effect of capital asset transactions involving the primary government is to increase net position.		
Net book value of disposals		(729,548)
Other post employment benefits will not be funded therefore the expense is not recognized in the funds.		923,540
The net revenues of internal service funds are reported with governmental activities.		(13,403,450)
Long-term financing proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.		
Issuance of lease payable		(3,794,548)
Payment of principal		1,236,125
The net effect of the change in the net pension liability is included in the statement of activities.		49,070,698
Compensated absences are measured by the amounts earned during the year in the statement of activities. However, expenditures for these items are measured by the amount of financial resources used in the governmental funds. Compensated absences increased by this amount during the year.		(4,477,887)
Certain governmental revenues will not be collected for several months after the fiscal year and are deferred in the governmental funds.		
Property taxes		72,502
Intergovernmental		10,591,075
Change in net position of governmental activities	\$	<u>50,033,102</u>



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

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual (Non-GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property taxes	\$ 156,400,000	\$ 156,400,000	\$ 152,177,222	\$ (4,222,778)
Local sales tax	<u>89,000,000</u>	<u>89,000,000</u>	<u>107,214,509</u>	<u>18,214,509</u>
Total taxes	<u>245,400,000</u>	<u>245,400,000</u>	<u>259,391,731</u>	<u>13,991,731</u>
Intergovernmental revenues:				
State of Tennessee:				
Education	183,366,878	195,745,867	186,993,507	(8,752,360)
Food service	17,009,925	-	-	-
Federal funds received from State of Tennessee and other sources:				
Education	29,546,349	190,983,208	84,928,689	(106,054,519)
Food service	<u>1,108,546</u>	<u>22,490,633</u>	<u>27,196,962</u>	<u>4,706,329</u>
Total intergovernmental revenues	<u>231,031,698</u>	<u>409,219,708</u>	<u>299,119,158</u>	<u>(110,100,550)</u>
Charges for services:				
Education	4,490,958	4,599,785	5,007,432	407,647
Food service	<u>3,631,265</u>	<u>577,545</u>	<u>638,465</u>	<u>60,920</u>
Total charges for current services	<u>8,122,223</u>	<u>5,177,330</u>	<u>5,645,897</u>	<u>468,567</u>
Investment earnings:				
Education	300,065	300,065	(74,538)	(374,603)
Food service	<u>5,586</u>	<u>13,802</u>	<u>14,794</u>	<u>992</u>
Total investment earnings	<u>305,651</u>	<u>313,867</u>	<u>(59,744)</u>	<u>(373,611)</u>
Miscellaneous:				
Education	3,411,191	6,145,954	4,733,124	(1,412,830)
Food service	<u>3,000</u>	<u>4,852</u>	<u>6,500</u>	<u>1,648</u>
Total miscellaneous	<u>3,414,191</u>	<u>6,150,806</u>	<u>4,739,624</u>	<u>(1,411,182)</u>
Total revenues	<u>488,273,763</u>	<u>666,261,711</u>	<u>568,836,666</u>	<u>(97,425,045)</u>

(continued)

**BUDGETARY COMPARISON SCHEDULE--(continued)**  
**HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS**  
**GENERAL PURPOSE SCHOOL AND CENTRALIZED CAFETERIA**  
**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual (Non-GAAP Basis)	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Current:				
Education:				
Regular instruction program	\$ 216,688,988	\$ 222,224,329	\$ 207,085,766	\$ 15,138,563
Special education program	40,504,155	41,086,787	39,683,503	1,403,284
Vocational education program	9,241,261	8,871,224	8,581,864	289,360
Attendance	2,798,557	2,959,765	2,809,510	150,255
Health services	5,091,939	4,908,800	1,351,921	3,556,879
Other student support	12,856,141	13,242,281	12,849,903	392,378
Regular instruction support	12,639,292	18,569,049	19,089,590	(520,541)
Special education support	3,565,344	3,737,084	3,655,778	81,306
Vocational education support	254,677	337,044	456,446	(119,402)
Technology	5,749,457	6,367,587	7,896,482	(1,528,895)
Board of education	6,621,035	6,761,446	6,495,556	265,890
Office of superintendent	2,645,989	3,191,386	3,114,600	76,786
Office of principal	29,105,910	29,521,635	31,044,414	(1,522,779)
Fiscal services	3,412,069	3,678,474	3,538,550	139,924
Human resources	2,150,319	2,320,869	1,936,924	383,945
Operation of plant	25,882,636	23,372,597	22,029,025	1,343,572
Maintenance of plant	9,768,168	10,031,705	10,074,650	(42,945)
Transportation	20,333,227	22,425,325	22,027,492	397,833
Central and other	422,596	425,814	476,755	(50,941)
Food service	-	15,200	43,884	(28,684)
Community services	559,982	576,547	382,913	193,634
Early childhood	2,933,149	3,077,297	3,019,041	58,256
Federal programs	27,939,851	146,008,597	81,395,494	64,613,103
Other self-funded project	7,367,715	12,257,669	5,039,927	7,217,742
Charter schools	16,936,486	16,936,487	17,600,884	(664,397)
Food service program	<u>21,758,322</u>	<u>23,086,832</u>	<u>21,742,011</u>	<u>1,344,821</u>
Total education	487,227,265	625,991,830	533,422,883	92,568,947
Debt service:				
Principal	-	-	1,230,577	(1,230,577)
Interest	-	-	4,346	(4,346)
Capital outlay:				
Education	<u>200,000</u>	<u>38,991,963</u>	<u>2,906,213</u>	<u>36,085,750</u>
Total budgetary expenditures	<u>487,427,265</u>	<u>664,983,793</u>	<u>537,564,019</u>	<u>127,419,774</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from other School funds	3,685,000	3,685,000	4,224,434	539,434
Transfers out to other School funds	(4,531,498)	(24,144,244)	(20,017,607)	4,126,637
Leases issued	<u>-</u>	<u>-</u>	<u>3,773,797</u>	<u>3,773,797</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (19,181,326)</u>	19,253,271	<u>\$ 38,434,597</u>
Excess of nonbudgeted revenues and other financing sources over nonbudgeted expenditures and other financing uses (Education Capital Projects) (School Activity)			1,118,046 (314,885)	
Net change in fund balance--(GAAP Modified Accrual Basis)			20,056,432	
Fund balances at beginning of year--(GAAP Modified Accrual Basis)			<u>88,239,878</u>	
Fund balances at end of year--(GAAP Modified Accrual Basis)			<u>\$ 108,296,310</u>	

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

	Hamilton County Schools Internal Service Fund
<hr/>	
ASSETS	
Cash	\$ 5,651,150
Receivables	1,545,374
Due from other HCS funds	28,048,689
Prepaid items	<u>76,952</u>
Total current assets	<u>35,322,165</u>
LIABILITIES	
Current liabilities:	
Accounts payable	860,635
Accrued claims	7,513,602
Deferred revenue	<u>68,088</u>
Total current liabilities	<u>8,442,325</u>
Noncurrent liabilities:	
Accrued claims	<u>1,704,356</u>
NET POSITION	
Unrestricted	<u>\$ 25,175,484</u>



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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	Hamilton County Schools Internal Service Fund
	<hr/>
OPERATING REVENUES	
Charges for services	\$ 66,878,879
Other	<u>4,285</u>
Total operating revenues	<u>66,883,164</u>
OPERATING EXPENSES	
Unemployment compensation	48,732
Claims and premiums	<u>80,240,304</u>
Total operating expenses	<u>80,289,036</u>
Operating income (loss)	(13,405,872)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	<u>2,422</u>
Change in net position	(13,403,450)
Net position, beginning	<u>38,578,934</u>
Net position, ending	<u><u>\$ 25,175,484</u></u>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2022**

	Hamilton County Schools Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from insurance premiums	\$ 83,238,514
Cash paid for unemployment compensation	(48,732)
Cash paid for claims and premiums	<u>(79,709,494)</u>
Net cash provided by operating activities	<u>3,480,288</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Cash received from investment earnings	<u>2,422</u>
Net cash provided by investing activities	<u>2,422</u>
Net change in cash and cash equivalents	3,482,710
Beginning cash and cash equivalents	<u>2,168,440</u>
Ending cash and cash equivalents	<u>\$ 5,651,150</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	
Operating income (loss)	<u>\$ (13,405,872)</u>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	
Change in receivables	(85,138)
Change in due from other HCS funds	16,372,400
Change in prepaid items	(49,304)
Change in accounts payable	334,829
Change in accrued claims	245,285
Change in unearned revenue	<u>68,088</u>
Total adjustments	<u>16,886,160</u>
Net cash provided by operating activities	<u>\$ 3,480,288</u>

# SCHEDULE OF PROPERTY TAXES RECEIVABLE

## HAMILTON COUNTY, TENNESSEE

June 30, 2022

Year of Levy		Property Taxes Receivable	Allowance For Estimated Uncollectibles	Net Amount
2022	*	\$ 290,434,337	\$ 11,531,370	\$ 278,902,967
2021		14,279,221	327,045	13,952,176
2020		2,340,311	303,070	2,037,241
2019		1,537,653	358,888	1,178,765
2018		441,914	297,983	143,931
2017		351,520	286,067	65,453
2016		276,767	276,767	-
2015		<u>316,476</u>	<u>316,476</u>	<u>-</u>
		<u>\$ 309,978,199</u>	<u>\$ 13,697,666</u>	<u>\$ 296,280,533</u>

### DISTRIBUTION TO PRIMARY GOVERNMENT

County General	\$ 168,977,171	\$ 7,477,993	\$ 161,499,178
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### DISTRIBUTION TO COMPONENT UNIT

General Purpose School	<u>141,001,028</u>	<u>6,219,673</u>	<u>134,781,355</u>
	<u>\$ 309,978,199</u>	<u>\$ 13,697,666</u>	<u>\$ 296,280,533</u>

\* Accrual of the anticipated current year levy is required by GASB Statement No. 33.



## SCHEDULE OF CERTIFICATES OF DEPOSIT BY FUND

### HAMILTON COUNTY, TENNESSEE

June 30, 2022

	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
PRIMARY GOVERNMENT			
CUSTODIAL FUNDS			
Constitutional Offices:			
Circuit Court Clerk	Various	Various	\$ 2,492,551
Clerk and Master	Various	Various	8,226,293
Juvenile Court Clerk	Various	Various	<u>460,448</u>
			<u>11,179,292</u>
Total primary government			<u>11,179,292</u>
COMPONENT UNITS			
GOVERNMENTAL FUNDS			
General Purpose School:			
First Horizon	8/30/2022	0.20%	<u>47,127</u>
PROPRIETARY FUNDS			
"911" Emergency Communications District:			
Pinnacle Bank	5/17/2023	0.90%	9,250,303
Pinnacle Bank	3/24/2023	0.75%	<u>2,484,073</u>
			<u>11,734,376</u>
Total component units			<u>11,781,503</u>
Total certificates of deposit			<u>\$ 22,960,795</u>

## SCHEDULE OF INVESTMENTS BY FUND

### HAMILTON COUNTY, TENNESSEE

June 30, 2022

Hamilton County government utilizes a centralized investment pool for investing certain excess cash balances for its funds, including the Hamilton County Schools, a discretely presented component unit. The Hamilton County Finance Division is responsible for investing the excess cash balances for these funds. At June 30, 2022, the centralized investment pool held the following investments:

	MATURITY	INTEREST	FACE
	DATE	RATE	VALUE
Federal Farm Credit Banks Funding Corp.	08/10/2023	0.23%	\$ 5,000,000
Federal Farm Credit Banks Funding Corp.	09/27/2023	0.28%	5,000,000
Federal Farm Credit Banks Funding Corp.	01/18/2024	0.91%	5,000,000
Federal Farm Credit Banks Funding Corp.	01/25/2024	1.04%	5,000,000
Federal Farm Credit Banks Funding Corp.	03/08/2024	1.67%	5,000,000
Federal Home Loan Bank	09/09/2022	0.20%	1,000,000
Federal Home Loan Bank	12/09/2022	0.96%	5,000,000
Federal Home Loan Bank	06/02/2023	0.24%	5,000,000
Federal Home Loan Bank	08/18/2023	0.25%	10,000,000
Federal Home Loan Bank	11/17/2023	0.50%	5,000,000
Federal Home Loan Bank	11/22/2023	0.63%	5,000,000
Federal Home Loan Bank	12/28/2023	0.80%	2,000,000
Federal Home Loan Bank	12/28/2023	0.80%	3,000,000
Federal Home Loan Bank	12/29/2023	0.75%	5,000,000
Federal Home Loan Bank	02/07/2024	1.00%	5,000,000
Federal Home Loan Bank	02/28/2024	1.25%	5,000,000
Federal Home Loan Bank	03/14/2024	2.12%	3,250,000
Federal Home Loan Bank	03/14/2024	2.12%	900,000
Federal Home Loan Bank	03/15/2024	2.11%	5,000,000
Federal Home Loan Bank	03/28/2024	1.57%	5,000,000
Federal Home Loan Bank	03/28/2024	2.00%	3,000,000
Federal Home Loan Bank	04/12/2024	2.30%	5,000,000
Federal Home Loan Bank	04/25/2024	2.50%	5,000,000
Federal Home Loan Bank	04/26/2024	4.00%	3,275,000
Federal Home Loan Bank	06/21/2024	2.25%	5,000,000
Federal Home Loan Mortgage Corporation	07/25/2022	0.45%	500,000
Federal Home Loan Mortgage Corporation	04/20/2023	0.98%	5,365,000
Federal Home Loan Mortgage Corporation	06/19/2023	0.20%	5,000,000
Federal Home Loan Mortgage Corporation	09/08/2023	0.22%	5,000,000
Federal Home Loan Mortgage Corporation	10/17/2023	1.40%	5,000,000
Federal Home Loan Mortgage Corporation	05/17/2024	3.00%	4,000,000
Federal Home Loan Mortgage Corporation	05/23/2024	3.15%	5,000,000
Federal Home Loan Mortgage Corporation	06/07/2024	3.05%	5,000,000
Federal Home Loan Mortgage Corporation	06/28/2024	3.05%	3,808,000
Federal Home Loan Mortgage Corporation	06/28/2024	3.10%	3,000,000
Federal Home Loan Mortgage Corporation	06/28/2024	3.77%	5,000,000
Federal National Mortgage Association	07/10/2023	0.23%	5,000,000

(continued)

**SCHEDULE OF INVESTMENTS BY FUND--(continued)****HAMILTON COUNTY, TENNESSEE****June 30, 2022**

	MATURITY	INTEREST	FACE
	DATE	RATE	VALUE
Municipal Bonds	07/01/2022	0.20%	\$ 1,750,000
Municipal Bonds	07/01/2022	0.35%	700,000
Municipal Bonds	07/01/2022	0.37%	475,000
Municipal Bonds	07/01/2022	0.40%	500,000
Municipal Bonds	07/01/2022	0.50%	425,000
Municipal Bonds	07/01/2022	1.00%	910,000
Municipal Bonds	07/01/2022	1.81%	1,190,000
Municipal Bonds	08/01/2022	0.26%	500,000
Municipal Bonds	08/01/2022	1.00%	1,745,000
Municipal Bonds	08/15/2022	0.40%	2,475,000
Municipal Bonds	08/15/2022	1.80%	2,100,000
Municipal Bonds	09/01/2022	0.20%	600,000
Municipal Bonds	09/01/2022	0.25%	4,700,000
Municipal Bonds	09/01/2022	0.27%	500,000
Municipal Bonds	09/01/2022	1.40%	700,000
Municipal Bonds	09/29/2022	0.78%	515,000
Municipal Bonds	10/01/2022	0.26%	500,000
Municipal Bonds	10/01/2022	0.26%	705,000
Municipal Bonds	10/01/2022	0.30%	975,000
Municipal Bonds	10/01/2022	0.85%	1,450,000
Municipal Bonds	10/01/2022	1.96%	915,000
Municipal Bonds	10/15/2022	0.25%	430,000
Municipal Bonds	11/01/2022	0.25%	2,665,000
Municipal Bonds	11/01/2022	0.90%	800,000
Municipal Bonds	11/30/2022	0.93%	5,000,000
Municipal Bonds	12/01/2022	0.20%	415,000
Municipal Bonds	12/01/2022	0.22%	200,000
Municipal Bonds	12/01/2022	0.25%	1,000,000
Municipal Bonds	12/01/2022	0.30%	750,000
Municipal Bonds	12/01/2022	0.73%	710,000
Municipal Bonds	12/15/2022	0.25%	490,000
Municipal Bonds	12/30/2022	0.35%	460,000
Municipal Bonds	01/01/2023	0.22%	2,555,000
Municipal Bonds	01/01/2023	0.25%	1,000,000
Municipal Bonds	01/01/2023	0.26%	900,000
Municipal Bonds	01/01/2023	0.35%	2,790,000
Municipal Bonds	01/01/2023	0.40%	450,000
Municipal Bonds	01/01/2023	0.95%	300,000
Municipal Bonds	02/01/2023	0.25%	250,000
Municipal Bonds	02/01/2023	0.30%	485,000
Municipal Bonds	02/01/2023	0.31%	460,000
Municipal Bonds	02/01/2023	0.35%	700,000

(continued)



**SCHEDULE OF INVESTMENTS BY FUND--(continued)****HAMILTON COUNTY, TENNESSEE****June 30, 2022**

	MATURITY	INTEREST	FACE
	DATE	RATE	VALUE
Municipal Bonds	02/01/2023	0.70%	\$ 875,000
Municipal Bonds	02/15/2023	0.25%	785,000
Municipal Bonds	03/01/2023	0.25%	500,000
Municipal Bonds	03/01/2023	0.25%	500,000
Municipal Bonds	03/01/2023	0.30%	980,000
Municipal Bonds	03/01/2023	0.31%	510,000
Municipal Bonds	03/01/2023	0.45%	2,850,000
Municipal Bonds	04/01/2023	0.31%	1,785,000
Municipal Bonds	04/01/2023	0.45%	770,000
Municipal Bonds	04/01/2023	2.25%	750,000
Municipal Bonds	05/01/2023	0.25%	6,530,000
Municipal Bonds	05/01/2023	0.28%	500,000
Municipal Bonds	05/01/2023	0.29%	8,875,000
Municipal Bonds	05/01/2023	0.33%	760,000
Municipal Bonds	06/01/2023	0.20%	340,000
Municipal Bonds	06/01/2023	0.25%	1,170,000
Municipal Bonds	06/01/2023	0.30%	3,375,000
Municipal Bonds	06/01/2023	0.35%	2,170,000
Municipal Bonds	06/01/2023	0.50%	1,650,000
Municipal Bonds	06/15/2023	0.26%	680,000
Municipal Bonds	06/15/2023	0.31%	1,205,000
Municipal Bonds	06/15/2023	0.38%	2,090,000
Municipal Bonds	06/15/2023	0.45%	400,000
Municipal Bonds	07/01/2023	0.30%	2,750,000
Municipal Bonds	07/01/2023	0.31%	530,000
Municipal Bonds	07/01/2023	0.32%	1,750,000
Municipal Bonds	07/01/2023	0.35%	970,000
Municipal Bonds	07/15/2023	0.28%	540,000
Municipal Bonds	07/15/2023	0.30%	925,000
Municipal Bonds	07/15/2023	0.32%	1,000,000
Municipal Bonds	07/15/2023	0.40%	375,000
Municipal Bonds	08/01/2023	1.05%	220,000
Municipal Bonds	08/15/2023	0.26%	700,000
Municipal Bonds	09/01/2023	0.25%	750,000
Municipal Bonds	09/01/2023	0.28%	790,000
Municipal Bonds	09/01/2023	0.40%	2,500,000
Municipal Bonds	09/15/2023	0.35%	1,975,000
Municipal Bonds	10/01/2023	0.35%	1,090,000
Municipal Bonds	10/01/2023	1.48%	650,000
Municipal Bonds	10/15/2023	0.40%	4,970,000
Municipal Bonds	11/01/2023	1.05%	1,030,000
Municipal Bonds	11/15/2023	0.40%	730,000
Municipal Bonds	11/15/2023	3.15%	4,190,000
Municipal Bonds	12/01/2023	0.61%	690,000
Municipal Bonds	12/31/2023	0.80%	5,000,000
Municipal Bonds	02/01/2024	2.68%	5,000,000

Total investments in centralized investment pool

\$ 289,413,000

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

### HAMILTON COUNTY, TENNESSEE

June 30, 2022

Hamilton County government utilizes a centralized investment pool for investing certain excess cash balances for its funds, including the Hamilton County Schools, a discretely presented component unit. The Hamilton County Finance Division is responsible for investing the excess cash balances for these funds. At June 30, 2022, the centralized investment pool held the following investments:

The investments in the centralized investment pool were held on behalf of the following funds:

	<u>AMOUNT</u>
PRIMARY GOVERNMENT	
GOVERNMENTAL FUNDS	
General Fund	\$ 136,422,847
Debt Service	9,553,810
Capital Projects	78,746,673
Constitutional Offices	1,143,207
Governmental Law Library	93,911
Economic Crimes	<u>45,721</u>
	<u>226,006,169</u>
PROPRIETARY FUNDS	
Internal Service	<u>35,588,790</u>
	<u>35,588,790</u>
FIDUCIARY FUNDS	
Constitutional Offices Custodial Funds	<u>75,579</u>
	<u>75,579</u>
Total primary government	<u>261,670,538</u>
COMPONENT UNITS	
General Purpose School	<u>27,742,462</u>
Total component units	<u>27,742,462</u>
Total investments in investment pool	<u>\$ 289,413,000</u>

(continued)

# SCHEDULE OF INVESTMENTS BY FUND--(continued)

## HAMILTON COUNTY, TENNESSEE

June 30, 2022

	MATURITY DATE	INTEREST RATE	FACE VALUE
PRIMARY GOVERNMENT			
GOVERNMENTAL FUNDS			
Capital Projects			
Federal Farm Credit Banks Funding Corp.	02/22/2023	1.19%	\$ 5,000,000
Federal Farm Credit Banks Funding Corp.	12/15/2022	0.60%	1,000,000
Federal Home Loan Bank	11/27/2023	1.30%	5,000,000
Federal Home Loan Bank	02/23/2024	1.60%	5,000,000
Federal Home Loan Bank	02/27/2024	1.45%	5,000,000
Federal National Mortgage Association	10/05/2022	0.86%	5,000,000
Federal National Mortgage Association	01/19/2023	1.10%	5,000,000
Municipal Bonds	07/31/2022	0.66%	5,000,000
Municipal Bonds	08/31/2022	0.75%	5,000,000
Municipal Bonds	07/01/2022	0.25%	250,000
Municipal Bonds	09/15/2022	0.25%	2,050,000
Municipal Bonds	10/01/2022	0.20%	500,000
Municipal Bonds	10/31/2022	0.80%	5,000,000
Municipal Bonds	11/01/2022	0.30%	500,000
Municipal Bonds	11/15/2022	0.25%	1,205,000
Municipal Bonds	01/01/2023	0.50%	400,000
Municipal Bonds	06/01/2023	0.40%	1,000,000
Municipal Bonds	10/01/2023	0.55%	810,000
Municipal Bonds	12/31/2023	0.80%	5,000,000
Total investments in Capital Project Funds			<u>\$ 57,715,000</u>

(continued)



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

### HAMILTON COUNTY, TENNESSEE

June 30, 2022

As discussed in Note C of the financial statements, Hamilton County and Hamilton County Schools have each placed certain funds in the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust (SRT). Investments in the SRT irrevocable trust consist of the following:

	<u>AMOUNT</u>
GOVERNMENTAL FUNDS	
PRIMARY GOVERNMENT	
General Fund	\$ 2,224,249
COMPONENT UNITS	
General Purpose School	<u>7,842,967</u>
Total investments in TCRS SRT	<u>\$ 10,067,216</u>

The County additionally holds investments in its pension trust fund and its OPEB trust fund. Such investments at June 30, 2022, consist of:

	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>MARKET VALUE</u>
FIDUCIARY FUNDS			
PENSION TRUST FUND			
Mutual Funds	Various	Various	\$ 2,815,602
OPEB TRUST FUND			
US Government Securities	Various	Various	3,259,470
Municipal Bonds	Various	Various	2,286,064
Mutual Funds	Various	Various	6,681,889
Domestic Equity Securities	Various	Various	4,805,273
Domestic Corporate Bonds	Various	Various	4,577,539
Foreign Bonds/Notes	Various	Various	821,190
Foreign Equity Securities	Various	Various	2,714,646
Quality Income Fund	Various	Various	3,973,454
Money Market	Various	Various	673,520
Exchange-traded Funds	Various	Various	7,130,934
Real Estate Investment Trust	Various	Various	<u>73,919</u>
			<u>36,997,898</u>
Total fiduciary funds' investments			<u>39,813,500</u>
Total investments			<u>\$ 397,008,716</u>

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2022		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
BONDED DEBT								
General Improvement	3/01/1998 B	\$ 6,100,000	Aug/Feb	5.100	2023	\$ 415,000	\$ 56,228	\$ 471,228
				5.100	2024	435,000	34,552	469,552
				5.100	2025	460,000	11,730	471,730
						<u>1,310,000</u>	<u>102,510</u>	<u>1,412,510</u>
General Improvement	4/10/2013 B	6,701,100	Sept/Mar	3.000	2023	<u>909,732</u>	<u>27,292</u>	<u>937,024</u>
						<u>909,732</u>	<u>27,292</u>	<u>937,024</u>
School	4/10/2013 B	38,378,900	Sept/Mar	3.000	2023	<u>5,210,268</u>	<u>156,308</u>	<u>5,366,576</u>
						<u>5,210,268</u>	<u>156,308</u>	<u>5,366,576</u>
General Improvement	5/07/2015 A	11,442,000	Nov/May	5.000	2023	762,800	305,120	1,067,920
				5.000	2024	762,800	266,980	1,029,780
				5.000	2025	762,800	228,840	991,640
				5.000	2026	762,800	190,700	953,500
				5.000	2027	762,800	152,560	915,360
				5.000	2028	762,800	114,420	877,220
				5.000	2029	762,800	76,280	839,080
				5.000	2030	762,800	38,140	800,940
						<u>6,102,400</u>	<u>1,373,040</u>	<u>7,475,440</u>
School	5/07/2015 A	48,558,000	Nov/May	5.000	2023	3,237,200	1,294,880	4,532,080
				5.000	2024	3,237,200	1,133,020	4,370,220
				5.000	2025	3,237,200	971,160	4,208,360
				5.000	2026	3,237,200	809,300	4,046,500
				5.000	2027	3,237,200	647,440	3,884,640
				5.000	2028	3,237,200	485,580	3,722,780
				5.000	2029	3,237,200	323,720	3,560,920
				5.000	2030	3,237,200	161,860	3,399,060
						<u>25,897,600</u>	<u>5,826,960</u>	<u>31,724,560</u>
General Improvement	5/07/2015 B	7,194,600	Sept/Mar	5.000	2023	1,544,684	188,490	1,733,174
				4.000	2024	1,603,177	111,255	1,714,432
				4.000	2025	1,178,210	47,128	1,225,338
						<u>4,326,071</u>	<u>346,873</u>	<u>4,672,944</u>
School	5/07/2015 B	22,940,400	Sept/Mar	5.000	2023	4,925,316	601,010	5,526,326
				4.000	2024	5,111,823	354,745	5,466,568
				4.000	2025	3,756,790	150,272	3,907,062
						<u>13,793,929</u>	<u>1,106,027</u>	<u>14,899,956</u>

(continued)

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST DATES	INTEREST RATES	FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2022		
						PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
General Improvement	3/29/2018 A	\$ 45,363,000	Oct/April	5.000	2023	\$ 3,026,008	\$ 1,662,948	\$ 4,688,956
				5.000	2024	3,026,008	1,511,648	4,537,656
				5.000	2025	3,026,008	1,360,348	4,386,356
				5.000	2026	3,024,652	1,209,047	4,233,699
				5.000	2027	3,023,296	1,057,815	4,081,111
				5.000	2028	3,023,296	906,650	3,929,946
				5.000	2029	3,023,296	755,485	3,778,781
				5.000	2030	3,021,940	604,320	3,626,260
				5.000	2031	3,021,940	453,223	3,475,163
				5.000	2032	3,021,940	302,126	3,324,066
				5.000	2033	3,020,585	151,029	3,171,614
						<u>33,258,969</u>	<u>9,974,639</u>	<u>43,233,608</u>
School	3/29/2018 A	121,937,000	Oct/April	5.000	2023	8,133,992	4,470,052	12,604,044
				5.000	2024	8,133,992	4,063,352	12,197,344
				5.000	2025	8,133,992	3,656,652	11,790,644
				5.000	2026	8,130,348	3,249,953	11,380,301
				5.000	2027	8,126,704	2,843,435	10,970,139
				5.000	2028	8,126,704	2,437,100	10,563,804
				5.000	2029	8,126,704	2,030,765	10,157,469
				5.000	2030	8,123,060	1,624,430	9,747,490
				5.000	2031	8,123,060	1,218,277	9,341,337
				5.000	2032	8,123,060	812,124	8,935,184
				5.000	2033	8,119,415	405,971	8,525,386
						<u>89,401,031</u>	<u>26,812,111</u>	<u>116,213,142</u>
General Improvement	3/29/2018 B	4,295,000	Sept/Mar	2.000	2023	975,000	57,513	1,032,513
				2.250	2024	945,000	38,012	983,012
				5.000	2025	335,000	16,750	351,750
						<u>2,255,000</u>	<u>112,275</u>	<u>2,367,275</u>
General Improvement	9/24/2020 A	38,235,400	July/Jan	5.000	2023	2,025,167	1,644,979	3,670,146
				5.000	2024	2,122,167	1,543,720	3,665,887
				5.000	2025	2,254,000	1,437,612	3,691,612
				5.000	2026	2,890,983	1,324,912	4,215,895
				5.000	2027	3,036,583	1,180,363	4,216,946
				5.000	2028	2,213,667	1,028,534	3,242,201
				5.000	2029	2,324,833	917,850	3,242,683
				5.000	2030	2,440,833	801,609	3,242,442
				4.000	2031	2,561,667	679,567	3,241,234
				4.000	2032	2,663,167	577,100	3,240,267
				4.000	2033	2,769,500	470,573	3,240,073
				4.000	2034	2,880,667	359,793	3,240,460
				4.000	2035	2,996,666	244,567	3,241,233
				4.000	2036	3,117,500	124,700	3,242,200
						<u>36,297,400</u>	<u>12,335,879</u>	<u>48,633,279</u>

(continued)



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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2022		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
Water & Wastewater Treatment Authority	9/24/2020 A	\$ 18,015,000	July/Jan	5.000	2023	\$ 590,000	\$ 754,400	\$ 1,344,400
				5.000	2024	615,000	724,900	1,339,900
				5.000	2025	650,000	694,150	1,344,150
				5.000	2026	680,000	661,650	1,341,650
				5.000	2027	715,000	627,650	1,342,650
				5.000	2028	755,000	591,900	1,346,900
				5.000	2029	785,000	554,150	1,339,150
				5.000	2030	830,000	514,900	1,344,900
				4.000	2031	680,000	473,400	1,153,400
				4.000	2032	375,000	446,200	821,200
				4.000	2033	390,000	431,200	821,200
				4.000	2034	405,000	415,600	820,600
				4.000	2035	420,000	399,400	819,400
				4.000	2036	440,000	382,600	822,600
				4.000	2037	455,000	365,000	820,000
				4.000	2038	475,000	346,800	821,800
				4.000	2039	490,000	327,800	817,800
				4.000	2040	510,000	308,200	818,200
				4.000	2041	535,000	287,800	822,800
				4.000	2042	555,000	266,400	821,400
				4.000	2043	575,000	244,200	819,200
				4.000	2044	600,000	221,200	821,200
				4.000	2045	625,000	197,200	822,200
				4.000	2046	650,000	172,200	822,200
				4.000	2047	675,000	146,200	821,200
				4.000	2048	700,000	119,200	819,200
				4.000	2049	730,000	91,200	821,200
				4.000	2050	760,000	62,000	822,000
				4.000	2051	790,000	31,600	821,600
						<u>17,455,000</u>	<u>10,859,100</u>	<u>28,314,100</u>

(continued)

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2022		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
School	9/24/2020 A	\$ 8,039,600	July/Jun	5.000	2023	\$ 59,833	\$ 393,271	\$ 453,104
				5.000	2024	62,833	390,280	453,113
				5.000	2025	66,000	387,138	453,138
				5.000	2026	3,399,017	383,838	3,782,855
				5.000	2027	3,568,417	213,887	3,782,304
				5.000	2028	76,333	35,466	111,799
				5.000	2029	80,167	31,650	111,817
				5.000	2030	84,167	27,641	111,808
				4.000	2031	88,333	23,433	111,766
				4.000	2032	91,833	19,900	111,733
				4.000	2033	95,500	16,227	111,727
				4.000	2034	99,333	12,407	111,740
				4.000	2035	103,334	8,433	111,767
				4.000	2036	107,500	4,300	111,800
						<u>7,982,600</u>	<u>1,947,871</u>	<u>9,930,471</u>
General Improvement	12/1/2020 B	4,013,776	Sept/Mar	5.000	2023	542,806	173,673	716,479
				5.000	2024	556,916	146,533	703,449
				5.000	2025	571,855	118,687	690,542
				5.000	2026	585,965	90,094	676,059
				5.000	2027	600,904	60,796	661,700
				5.000	2028	615,014	30,751	645,765
						<u>3,473,460</u>	<u>620,534</u>	<u>4,093,994</u>
School	12/1/2020 B	20,166,224	Sept/Mar	5.000	2023	2,727,194	872,577	3,599,771
				5.000	2024	2,798,084	736,217	3,534,301
				5.000	2025	2,873,145	596,313	3,469,458
				5.000	2026	2,944,035	452,656	3,396,691
				5.000	2027	3,019,096	305,454	3,324,550
				5.000	2028	3,089,986	154,499	3,244,485
						<u>17,451,540</u>	<u>3,117,716</u>	<u>20,569,256</u>

(continued)

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2022**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2022		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
General Improvement	12/14/2021	\$ 37,197,500	June/Dec	5.000	2023	\$ 500,000	\$ 1,562,075	\$ 2,062,075
				5.000	2024	1,887,500	1,502,388	3,389,888
				5.000	2025	1,987,500	1,405,513	3,393,013
				5.000	2026	2,090,000	1,303,575	3,393,575
				5.000	2027	2,197,500	1,196,388	3,393,888
				5.000	2028	2,310,000	1,083,700	3,393,700
				5.000	2029	2,427,500	965,263	3,392,763
				5.000	2030	2,552,500	840,763	3,393,263
				5.000	2031	2,682,500	709,888	3,392,388
				5.000	2032	2,822,500	572,263	3,394,763
				4.000	2033	2,950,000	442,700	3,392,700
				3.000	2034	3,055,000	337,875	3,392,875
				3.000	2035	3,147,500	244,838	3,392,338
				3.000	2036	3,245,000	148,950	3,393,950
				3.000	2037	3,342,500	50,138	3,392,638
						<u>37,197,500</u>	<u>12,366,317</u>	<u>49,563,817</u>
School	12/14/2021	37,197,500	June/Dec	5.000	2023	500,000	\$ 1,562,075	\$ 2,062,075
				5.000	2024	1,887,500	1,502,387	3,389,887
				5.000	2025	1,987,500	1,405,512	3,393,012
				5.000	2026	2,090,000	1,303,575	3,393,575
				5.000	2027	2,197,500	1,196,387	3,393,887
				5.000	2028	2,310,000	1,083,700	3,393,700
				5.000	2029	2,427,500	965,262	3,392,762
				5.000	2030	2,552,500	840,762	3,393,262
				5.000	2031	2,682,500	709,887	3,392,387
				5.000	2032	2,822,500	572,262	3,394,762
				4.000	2033	2,950,000	442,700	3,392,700
				3.000	2034	3,055,000	337,875	3,392,875
				3.000	2035	3,147,500	244,837	3,392,337
				3.000	2036	3,245,000	148,950	3,393,950
				3.000	2037	3,342,500	50,137	3,392,637
						<u>37,197,500</u>	<u>12,366,308</u>	<u>49,563,808</u>
TOTAL BONDED DEBT						\$ 339,520,000	\$ 99,451,760	\$ 438,971,760



## DEBT SERVICE REQUIREMENTS TO MATURITY

### HAMILTON COUNTY, TENNESSEE

June 30, 2022

Year Ended June 30	GENERAL OBLIGATION BONDS		
	Bond Principal	Interest	Total
2023	\$ 36,085,000	\$ 15,782,890	\$ 51,867,890
2024	33,185,000	14,059,990	47,244,990
2025	31,280,000	12,487,805	43,767,805
2026	29,835,000	10,979,300	40,814,300
2027	30,485,000	9,482,175	39,967,175
2028	26,520,000	7,952,300	34,472,300
2029	23,195,000	6,620,425	29,815,425
2030	23,605,000	5,454,425	29,059,425
2031	19,840,000	4,267,675	24,107,675
2032	19,920,000	3,301,975	23,221,975
2033	20,295,000	2,360,400	22,655,400
2034	9,495,000	1,463,550	10,958,550
2035	9,815,000	1,142,075	10,957,075
2036	10,155,000	809,500	10,964,500
2037	7,140,000	465,275	7,605,275
2038	475,000	346,800	821,800
2039	490,000	327,800	817,800
2040	510,000	308,200	818,200
2041	535,000	287,800	822,800
2042	555,000	266,400	821,400
2043	575,000	244,200	819,200
2044	600,000	221,200	821,200
2045	625,000	197,200	822,200
2046	650,000	172,200	822,200
2047	675,000	146,200	821,200
2048	700,000	119,200	819,200
2049	730,000	91,200	821,200
2050	760,000	62,000	822,000
2051	790,000	31,600	821,600
	<u>\$ 339,520,000</u>	<u>\$ 99,451,760</u>	<u>\$ 438,971,760</u>

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

## HAMILTON COUNTY, TENNESSEE

June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 7/1/2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2022
GOVERNMENTAL ACTIVITIES									
BONDS PAYABLE									
Payable through Debt Service Fund									
General Obligation, Series 1998 B	\$ 6,100,000	5.10	3/1/1998	8/1/2024	\$ 1,705,000	\$ -	\$ 395,000	\$ -	\$ 1,310,000
General Obligation, Series 2013 B	6,701,100	3.00 to 4.00	4/10/2013	3/1/2023	1,829,870	-	920,138	-	909,732
School, Series 2013 B	38,378,900	3.00 to 4.00	4/10/2013	3/1/2023	10,480,130	-	5,269,862	-	5,210,268
General Obligation, Series 2015 A	11,442,000	5.00	5/7/2015	5/1/2030	6,865,200	-	762,800	-	6,102,400
School, Series 2015 A	48,558,000	5.00	5/7/2015	5/1/2030	29,134,800	-	3,237,200	-	25,897,600
General Obligation, Series 2015 B	7,194,600	4.00 to 5.00	5/7/2015	3/1/2025	5,814,650	-	1,488,579	-	4,326,071
School, Series 2015 B	22,940,400	4.00 to 5.00	5/7/2015	3/1/2025	18,540,350	-	4,746,421	-	13,793,929
General Obligation, Series 2018 A	45,363,000	5.00	3/29/2018	4/1/2033	36,284,976	-	3,026,008	-	33,258,968
School, Series 2018 A	121,937,000	5.00	3/29/2018	4/1/2033	97,535,024	-	8,133,992	-	89,401,032
General Obligation, Series 2018 B	4,295,000	2.00 to 5.00	3/29/2018	3/1/2025	3,260,000	-	1,005,000	-	2,255,000
General Obligation, Series 2020 A	38,235,400	4.00 to 5.00	9/24/2020	1/1/2036	38,235,400	-	1,938,000	-	36,297,400
School, Series 2020 A	8,039,600	4.00 to 5.00	9/24/2020	1/1/2036	8,039,600	-	57,000	-	7,982,600
WWTa, Series 2020 A	18,015,000	4.00 to 5.00	9/24/2020	1/1/2051	18,015,000	-	560,000	-	17,455,000
General Obligation, Series 2020 B	4,013,776	5.00	12/1/2020	3/1/2028	4,013,776	-	540,316	-	3,473,460
School, Series 2020 B	20,166,224	5.00	12/1/2020	3/1/2028	20,166,224	-	2,714,684	-	17,451,540
General Obligation, Series 2021	37,197,500	3.00 to 5.00	12/14/2021	12/1/2036	-	37,197,500	-	-	37,197,500
School, Series 2021	37,197,500	3.00 to 5.00	12/14/2021	12/1/2036	-	37,197,500	-	-	37,197,500
Total Bonds Payable - Debt Service Fund	<u>\$ 475,775,000</u>				<u>\$ 299,920,000</u>	<u>\$ 74,395,000</u>	<u>\$ 34,795,000</u>	<u>\$ -</u>	<u>\$ 339,520,000</u>

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

**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2022**

Description of Indebtedness	Original Amount of Issue	Lease Terms in months	Interest Rate	Number of Leases	Lease Initiated Date	Restated Outstanding 7/1/2021	Additions	Payments	Lease Outstanding 6/30/2022
GOVERNMENTAL ACTIVITIES									
LEASES PAYABLE									
Land	\$ 115,961	18	2.300%	1	July 2021	\$ 115,961	\$ -	\$ 6,200	\$ 109,761
Infrastructure	17,582	96	1.372%	1	July 2021	17,582	-	2,304	15,278
Infrastructure	18,828	102	1.448%	1	July 2021	18,828	-	2,214	16,614
Building	134,988	60	0.237%	1	July 2021	134,988	-	32,286	102,702
Building	14,134	18	0.440%	1	July 2021	14,134	-	9,421	4,713
Building	25,440	24	0.237%	1	July 2021	25,440	-	11,958	13,482
Vehicles	3,410,895	16 - 60	0.237 - 0.980%	185	July 2021	3,410,895	-	996,753	2,414,142
Vehicles	-	60	0.822 - 1.098%	11	July 2021	-	318,872	56,898	261,974
Machinery and equipment	143,499	5 - 51	0.081 - 1.651%	6	July 2021	143,499	-	64,015	79,484
Machinery and equipment	219,697	13 - 60	0.308 - 0.980%	83	July 2021	219,697	-	82,684	137,013
Machinery and equipment	13,819	52	0.814%	4	July 2021	13,819	-	3,153	10,666
Machinery and equipment	-	36	1.620%	1	February 2022	-	7,038	788	6,250
Machinery and equipment	-	60	0.893 - 1.225%	12	September 2021	-	50,078	6,524	43,554
Machinery and equipment	-	60	1.098 - 2.583%	29	January 2022	-	102,010	5,534	96,476
Total Leases Payable	<u>\$ 4,114,843</u>					<u>\$ 4,114,843</u>	<u>\$ 477,998</u>	<u>\$ 1,280,732</u>	<u>\$ 3,312,109</u>



**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2022**

**Statistical Section**

This part of the County annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

**Contents**

**Page**

**Financial Trends**

**F-1**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

**Revenue Capacity**

**F-6**

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

**Debt Capacity**

**F-10**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

**Demographic and Economic Information**

**F-13**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

**Operating Information**

**F-15**

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Schedule I**  
**Hamilton County, Tennessee**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities										
Net investment in capital assets	\$ 283,298,874	\$ 269,446,387	\$ 348,398,317	\$ 255,057,959	\$ 182,639,417	\$ 221,544,634	\$ 243,547,592	\$ 244,360,829	\$ 238,660,378	\$ 282,129,410
Restricted	12,686,479	9,421,442	76,679,946	6,081,371	5,056,603	4,252,078	-	-	52,298	541,385
Unrestricted	<u>28,300,882</u>	<u>(33,029,662)</u>	<u>(143,499,147)</u>	<u>(20,227,136)</u>	<u>(17,431,115)</u>	<u>(100,258,326)</u>	<u>(86,040,888)</u>	<u>(94,151,918)</u>	<u>(89,414,839)</u>	<u>(102,953,837)</u>
Total governmental activities net position	<u>\$ 324,286,235</u>	<u>\$ 245,838,167</u>	<u>\$ 281,579,116</u>	<u>\$ 240,912,194</u>	<u>\$ 170,264,905</u>	<u>\$ 125,538,386</u>	<u>\$ 157,506,704</u>	<u>\$ 150,208,911</u>	<u>\$ 149,297,837</u>	<u>\$ 179,716,958</u>
Primary government										
Net investment in capital assets	\$ 283,298,874	\$ 269,446,387	\$ 348,398,317	\$ 255,057,959	\$ 182,639,417	\$ 221,544,634	\$ 243,547,592	\$ 244,360,829	\$ 238,660,378	\$ 282,129,410
Restricted	12,686,479	9,421,442	76,679,946	6,081,371	5,056,603	4,252,078	-	-	52,298	541,385
Unrestricted	<u>28,300,882</u>	<u>(33,029,662)</u>	<u>(143,499,147)</u>	<u>(20,227,136)</u>	<u>(17,431,115)</u>	<u>(100,258,326)</u>	<u>(86,040,888)</u>	<u>(94,151,918)</u>	<u>(89,414,839)</u>	<u>(102,953,837)</u>
Total primary government net position	<u>\$ 324,286,235</u>	<u>\$ 245,838,167</u>	<u>\$ 281,579,116</u>	<u>\$ 240,912,194</u>	<u>\$ 170,264,905</u>	<u>\$ 125,538,386</u>	<u>\$ 157,506,704</u>	<u>\$ 150,208,911</u>	<u>\$ 149,297,837</u>	<u>\$ 179,716,958</u>







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

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 65,412,880	\$ 67,872,358	\$ 60,474,380	\$ 55,767,524	\$ 62,215,233	\$ 57,560,303	\$ 66,599,969	\$ 61,957,402	\$ 54,450,998	\$ 55,107,145
Public Safety:										
Sheriff	55,152,917	58,308,937	57,187,864	51,891,687	52,234,591	32,646,937	31,342,346	30,250,034	29,934,441	28,915,718
Criminal Court	4,386,440	4,581,124	4,195,556	4,188,380	4,522,390	4,114,771	4,048,753	2,724,085	4,181,671	4,185,439
Juvenile Court	1,929,795	2,230,129	1,816,779	1,780,985	1,638,962	1,526,597	1,633,352	1,495,996	8,112,975	8,022,995
Ambulance Services	16,592,588	13,907,097	12,462,477	10,871,091	10,102,862	9,960,981	9,966,416	9,514,960	9,513,721	28,986,494
Other	32,451,942	34,903,987	29,194,359	25,589,271	24,675,914	36,820,123	37,949,711	37,115,919	30,292,964	41,630,920
Highways and streets	22,446,784	22,147,101	21,160,560	10,352,115	15,064,154	10,469,195	11,666,094	12,396,414	8,542,153	14,995,362
Health	25,252,993	30,824,790	25,449,929	21,778,306	22,331,435	21,162,827	21,983,102	21,133,493	21,478,078	20,031,449
Social Services	4,095,899	4,226,229	6,236,091	6,123,386	6,623,453	6,223,637	6,914,723	6,274,516	6,624,641	7,145,934
Culture and recreation	10,998,375	9,964,719	9,741,420	9,926,545	9,841,274	8,751,277	8,898,519	7,921,387	7,018,607	8,069,498
Education	414,975	83,847,934	3,756,723	89,917	9,602,529	47,868,365	24,300,782	28,300,691	32,510,412	2,452,772
Interest on long-term debt	1,127,577	10,019,688	10,165,860	11,656,830	8,370,300	7,725,168	8,264,495	7,232,360	7,770,919	8,558,921
Total governmental activities expenses	<u>240,263,165</u>	<u>342,834,093</u>	<u>241,841,998</u>	<u>210,016,037</u>	<u>227,223,097</u>	<u>244,830,181</u>	<u>233,568,262</u>	<u>226,317,257</u>	<u>220,431,580</u>	<u>228,102,647</u>
Total primary government expenses	<u>240,263,165</u>	<u>342,834,093</u>	<u>241,841,998</u>	<u>210,016,037</u>	<u>227,223,097</u>	<u>244,830,181</u>	<u>233,568,262</u>	<u>226,317,257</u>	<u>220,431,580</u>	<u>228,102,647</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General Government	23,187,758	20,005,467	20,557,816	21,848,910	22,655,115	20,689,500	20,749,436	20,414,588	19,044,471	19,360,899
Public Safety:										
Sheriff	1,739,416	996,039	1,333,248	776,116	663,063	668,901	550,006	785,553	1,234,909	1,045,569
Criminal Court	1,317,353	874,275	1,405,774	2,024,378	2,351,890	2,484,895	1,759,490	2,578,618	2,715,418	2,463,580
Juvenile Court	320,595	312,627	379,796	469,720	432,503	472,625	436,100	389,769	381,798	420,352
Ambulance Services	17,050,364	12,914,511	11,988,529	10,458,877	11,629,623	6,565,594	7,956,293	7,440,280	7,059,718	29,900,324
Other	4,773,875	5,477,673	2,738,167	2,787,558	2,528,809	2,584,732	3,182,933	2,272,222	2,278,610	9,455,129
Highways and streets	3,924,120	3,690,350	3,731,308	3,876,585	3,191,092	3,153,073	2,966,389	2,719,713	2,803,123	2,789,369
Health	1,517,680	1,260,772	2,540,245	2,448,781	3,525,835	2,264,843	2,311,092	1,915,656	1,806,662	1,825,028
Social Services	2,333,601	2,861,229	4,499,835	4,787,417	4,577,597	4,306,940	4,373,514	4,397,525	4,322,084	4,310,818
Culture and recreation	1,326,127	1,362,067	838,467	945,477	812,386	867,973	659,701	538,507	697,461	600,408
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	42,276,632	49,047,926	30,900,412	32,061,112	27,654,388	27,259,713	28,271,264	28,079,517	27,009,289	25,125,782
Capital grants and contributions	9,982,093	2,928,950	815,075	119,836	3,392,780	1,629,141	14,573,339	6,678,478	3,340,173	3,506,316
Total governmental activities program revenues	<u>109,749,614</u>	<u>101,731,886</u>	<u>81,728,672</u>	<u>82,604,767</u>	<u>83,415,081</u>	<u>72,947,930</u>	<u>87,789,557</u>	<u>78,210,426</u>	<u>72,693,716</u>	<u>100,803,574</u>
Total primary government program revenues	<u>109,749,614</u>	<u>101,731,886</u>	<u>81,728,672</u>	<u>82,604,767</u>	<u>83,415,081</u>	<u>72,947,930</u>	<u>87,789,557</u>	<u>78,210,426</u>	<u>72,693,716</u>	<u>100,803,574</u>
Net (Expenses) Revenues										
Governmental activities	<u>(130,513,551)</u>	<u>(241,102,207)</u>	<u>(160,113,326)</u>	<u>(127,411,270)</u>	<u>(143,808,016)</u>	<u>(171,882,251)</u>	<u>(145,778,705)</u>	<u>(148,106,831)</u>	<u>(147,737,864)</u>	<u>(127,299,073)</u>
Total primary government net expense	<u>(130,513,551)</u>	<u>(241,102,207)</u>	<u>(160,113,326)</u>	<u>(127,411,270)</u>	<u>(143,808,016)</u>	<u>(171,882,251)</u>	<u>(145,778,705)</u>	<u>(148,106,831)</u>	<u>(147,737,864)</u>	<u>(127,299,073)</u>

(continued on next page)

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

(continued from previous page)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 174,498,222	\$ 175,889,440	\$ 170,552,654	\$ 167,941,970	\$ 164,229,212	\$ 139,114,401	\$ 133,609,320	\$ 131,896,902	\$ 131,026,476	\$ 127,585,203
Sales taxes	9,863,308	8,706,398	6,417,109	4,614,304	4,468,331	3,213,807	3,221,704	2,710,878	3,011,186	2,992,738
Business taxes	11,253,585	11,046,058	10,157,568	8,578,121	8,199,195	8,327,648	7,227,282	6,273,817	6,338,605	6,284,366
Hotel/Motel taxes	10,857,607	7,810,625	7,296,070	8,507,507	7,927,669	7,638,833	7,304,030	6,498,427	5,823,474	5,469,608
Other taxes	1,060,268	1,152,209	1,230,072	1,159,602	916,809	835,238	1,031,115	975,611	971,162	947,753
Gain/Loss on joint venture	-	-	-	-	-	-	(9,262)	11,842	32,625	-
Unrestricted investment earnings	1,428,629	756,528	5,126,775	7,114,253	2,793,319	1,073,293	899,950	551,529	525,199	593,559
Gain/Loss on disposal of property	-	-	-	142,802	-	163,425	(207,641)	98,899	1,659,848	-
Total general revenues	<u>208,961,619</u>	<u>205,361,258</u>	<u>200,780,248</u>	<u>198,058,559</u>	<u>188,534,535</u>	<u>160,366,645</u>	<u>153,076,498</u>	<u>149,017,905</u>	<u>149,388,575</u>	<u>143,873,227</u>
Total primary government	<u>208,961,619</u>	<u>205,361,258</u>	<u>200,780,248</u>	<u>198,058,559</u>	<u>188,534,535</u>	<u>160,366,645</u>	<u>153,076,498</u>	<u>149,017,905</u>	<u>149,388,575</u>	<u>143,873,227</u>
<b>Change in Net Position</b>										
Governmental activities	<u>78,448,068</u>	<u>(35,740,949)</u>	<u>40,666,922</u>	<u>70,647,289</u>	<u>44,726,519</u>	<u>(11,515,606)</u>	<u>7,297,793</u>	<u>911,074</u>	<u>1,650,711</u>	<u>16,574,154</u>
Total primary government	<u>\$ 78,448,068</u>	<u>\$ (35,740,949)</u>	<u>\$ 40,666,922</u>	<u>\$ 70,647,289</u>	<u>\$ 44,726,519</u>	<u>\$ (11,515,606)</u>	<u>\$ 7,297,793</u>	<u>\$ 911,074</u>	<u>\$ 1,650,711</u>	<u>\$ 16,574,154</u>

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

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund										
Nonspendable	\$ 1,440,367	\$ 1,652,375	\$ 1,480,757	\$ 1,193,320	\$ 1,156,307	\$ 1,025,249	\$ 1,390,633	\$ 1,807,295	\$ 1,461,681	\$ 1,827,632
Restricted	3,287,462	21,951	21,907	11,540	649	10,488	14,461	12,835	676,543	-
Committed	117,435	1,539,359	154,368	13,947	18,303	21,524	-	51,669	635,790	-
Assigned	7,069,156	7,585,603	9,494,566	10,067,230	3,926,251	4,564,021	4,644,426	4,703,014	4,388,787	3,691,467
Unassigned	<u>135,010,207</u>	<u>133,634,981</u>	<u>109,922,651</u>	<u>100,348,835</u>	<u>95,233,742</u>	<u>88,557,749</u>	<u>86,345,767</u>	<u>84,819,249</u>	<u>104,942,810</u>	<u>105,650,072</u>
Total general fund	<u>\$ 146,924,627</u>	<u>\$ 144,434,269</u>	<u>\$ 121,074,249</u>	<u>\$ 111,634,872</u>	<u>\$ 100,335,252</u>	<u>\$ 94,179,031</u>	<u>\$ 92,395,287</u>	<u>\$ 91,394,062</u>	<u>\$ 112,105,611</u>	<u>\$ 111,169,171</u>
All Other Governmental Funds										
Nonspendable	\$ 2,077	\$ 6,200	\$ -	\$ -	\$ 193	\$ 750	\$ -	\$ -	\$ -	\$ -
Restricted	131,771,375	90,389,934	76,658,039	139,227,107	153,720,514	4,241,590	3,896,918	3,326,363	3,699,234	541,385
Committed	12,885,565	9,694,535	147,516	167,325	175,842	208,494	25,174,169	53,325,270	22,323,862	12,509,279
Assigned	19,662,915	16,088,873	28,531,545	34,071,718	34,240,382	33,505,600	23,180,634	14,206,721	923,069	17,771,050
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(432,212)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 164,321,932</u>	<u>\$ 116,179,542</u>	<u>\$ 105,337,100</u>	<u>\$ 173,466,150</u>	<u>\$ 188,136,931</u>	<u>\$ 37,956,434</u>	<u>\$ 52,251,721</u>	<u>\$ 70,858,354</u>	<u>\$ 26,513,953</u>	<u>\$ 30,821,714</u>



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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues</b>										
Taxes	\$ 207,532,990	\$ 204,604,730	\$ 195,653,473	\$ 190,523,948	\$ 185,713,226	\$ 160,837,882	\$ 153,813,194	\$ 150,086,536	\$ 147,308,652	\$ 143,132,173
Licenses, fees, and permits	1,567,804	2,182,815	1,494,414	1,274,647	965,887	850,809	841,036	683,952	776,100	793,667
Intergovernmental	52,258,725	51,155,126	31,687,237	31,787,504	31,177,283	27,854,854	40,583,287	33,995,494	30,757,104	29,029,942
Charges for services	49,250,017	43,805,445	42,668,514	41,883,954	43,573,738	35,889,597	37,065,288	35,182,223	63,906,651	64,816,716
Fines and penalties	1,379,092	1,882,804	1,446,484	1,805,720	1,930,412	1,979,801	1,833,329	1,860,362	1,921,990	1,476,871
Investment earnings	1,272,998	666,389	4,397,928	6,311,981	2,423,220	900,151	773,982	486,521	461,792	521,109
Miscellaneous	6,247,266	5,953,457	5,266,107	5,294,891	5,946,121	5,641,605	6,849,982	5,725,894	4,651,714	4,869,399
Total revenues	<u>319,508,892</u>	<u>310,250,766</u>	<u>282,614,157</u>	<u>278,882,645</u>	<u>271,729,887</u>	<u>233,954,699</u>	<u>241,760,098</u>	<u>228,020,982</u>	<u>249,784,003</u>	<u>244,639,877</u>
<b>Expenditures</b>										
General government	60,911,548	57,577,461	54,274,772	55,059,696	57,591,395	55,057,500	50,521,960	50,747,842	50,362,251	47,663,878
Public Safety:										
Sheriff	56,193,052	57,602,950	55,932,285	53,804,915	52,658,652	34,632,708	32,324,992	31,559,793	29,259,072	27,896,776
Criminal Court	4,347,457	4,329,895	4,224,953	4,230,803	4,160,125	4,241,548	4,116,558	2,834,843	4,068,093	4,122,911
Juvenile Court	1,816,679	1,648,854	1,660,883	1,615,587	1,583,178	1,578,937	1,467,125	1,407,321	8,217,867	7,902,056
Ambulance Services	16,353,124	13,218,534	10,750,075	10,750,075	10,225,294	10,282,834	9,829,870	9,277,506	29,926,931	28,412,229
Other	31,795,218	30,623,344	28,988,859	25,907,228	24,572,054	39,361,851	38,965,775	38,997,956	37,731,583	34,370,090
Highways and streets	19,297,872	19,299,045	23,412,725	16,458,784	12,208,999	11,832,004	10,968,407	11,075,618	10,287,522	12,569,217
Health	26,816,882	31,015,135	25,086,402	22,905,037	22,968,081	23,126,860	22,688,745	22,437,799	21,540,074	20,020,045
Social Services	4,406,394	4,280,226	6,220,743	6,551,731	6,854,449	6,822,417	6,581,931	6,729,372	6,714,942	7,100,228
Culture and recreation	9,227,616	8,124,569	8,054,872	8,519,429	8,055,565	8,080,138	7,343,145	7,589,563	7,358,539	7,348,349
Debt service:										
Principal	36,075,732	33,700,000	20,331,388	35,755,000	82,702,308	24,501,928	28,477,143	59,324,643	26,665,621	22,149,648
Interest	15,747,679	13,419,547	55,276,933	16,230,992	9,624,254	10,548,716	11,176,478	9,551,882	9,748,185	9,687,025
Capital Outlay:										
General government	59,701,328	45,235,780	14,575,902	9,495,987	14,428,486	12,684,474	38,401,652	32,471,558	11,510,232	19,944,142
Education	24,380,299	19,252,532	34,080,000	14,887,777	2,729,611	19,175,930	36,577,612	21,901,273	7,514,503	32,030,140
Total expenditures	<u>367,070,880</u>	<u>339,327,872</u>	<u>342,870,792</u>	<u>282,173,041</u>	<u>310,362,451</u>	<u>261,927,845</u>	<u>299,441,393</u>	<u>305,906,969</u>	<u>260,905,415</u>	<u>281,216,734</u>
Excess of revenues over/(under) expenditures	<u>(47,561,988)</u>	<u>(29,077,106)</u>	<u>(60,256,635)</u>	<u>(3,290,396)</u>	<u>(38,632,564)</u>	<u>(27,973,146)</u>	<u>(57,681,295)</u>	<u>(77,885,987)</u>	<u>(11,121,412)</u>	<u>(36,576,857)</u>
<b>Other Financing Sources (Uses)</b>										
Transfers in	65,267,577	106,669,875	62,143,221	6,355,286	123,177,102	49,613,268	53,458,157	76,042,323	47,201,886	67,988,512
Transfers out	(65,539,827)	(106,848,140)	(62,324,402)	(63,578,853)	(123,258,459)	(49,613,268)	(53,458,157)	(76,042,323)	(47,201,886)	(67,988,512)
Issuance of lease payable	4,592,841	-	-	-	-	-	-	-	-	-
Sale of capital assets	3,512,418	879,862	-	142,802	140,526	461,602	75,888	802,199	2,750,091	244,508
Issuance of debt	74,395,000	50,490,000	-	-	167,300,000	-	-	60,000,000	-	60,610,000
Proceeds from line of credit	-	-	-	-	-	15,000,000	40,000,000	30,000,000	5,000,000	-
Proceeds from sale of refunding bonds	-	37,980,000	-	-	4,295,000	-	-	30,135,000	-	45,080,000
Premium from bonds	15,966,727	11,825,054	-	-	27,593,678	-	-	10,716,640	-	4,632,435
Premium on refunding bonds	-	8,012,572	-	-	89,178	-	-	5,725,718	-	6,519,742
Payment to refunded bonds escrow agent	-	(45,729,655)	1,748,143	-	(4,367,743)	-	-	(35,860,718)	-	(51,163,429)
Total other financing sources (uses)	<u>98,194,736</u>	<u>63,279,568</u>	<u>1,566,962</u>	<u>(57,080,765)</u>	<u>194,969,282</u>	<u>15,461,602</u>	<u>40,075,888</u>	<u>101,518,839</u>	<u>7,750,091</u>	<u>65,923,256</u>
Net change in fund balances	<u>\$ 50,632,748</u>	<u>\$ 34,202,462</u>	<u>\$ (58,689,673)</u>	<u>\$ (60,371,161)</u>	<u>\$ 156,336,718</u>	<u>\$ (12,511,544)</u>	<u>\$ (17,605,407)</u>	<u>\$ 23,632,852</u>	<u>\$ (3,371,321)</u>	<u>\$ 29,346,399</u>
Debt service as a percentage of noncapital expenditures	<u>17.8%</u>	<u>15.8%</u>	<u>29.8%</u>	<u>20.8%</u>	<u>31.8%</u>	<u>15.5%</u>	<u>16.9%</u>	<u>26.1%</u>	<u>15.1%</u>	<u>13.9%</u>

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

Fiscal Year Ended June 30	Levy Year	Real Property			Personalty Property	Public Utilities Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
		Residential Property	Commercial Property	Other Multi-Use Property					
2014	2013	\$ 4,702,746,714	\$ 2,800,636,391	\$ 134,546,620	\$ 628,761,261	\$ 317,189,690	\$ 8,583,880,676	2.7652	\$ 28,930,431,362
2015	2014	4,769,391,038	2,828,250,473	134,609,987	635,961,929	332,475,202	8,700,688,629	2.7652	29,321,263,755
2016	2015	4,840,478,821	2,898,914,219	134,968,174	632,734,311	330,679,765	8,837,775,290	2.7652	29,769,445,051
2017	2016	4,923,156,375	2,981,616,796	120,392,604	661,655,590	330,127,803	9,016,949,168	2.7652	30,353,494,803
2018	2017	5,437,069,856	3,476,977,280	132,251,360	710,444,679	329,778,563	10,086,521,738	2.7652	33,849,306,808
2019	2018	5,548,564,040	3,523,545,716	154,071,082	727,453,646	332,821,896	10,286,456,380	2.7652	34,546,666,930
2020	2019	5,679,302,175	3,626,917,105	144,615,444	808,087,480	311,265,206	10,570,187,410	2.7652	35,526,114,614
2021	2020	5,777,305,600	3,692,822,719	154,360,944	824,839,660	322,961,036	10,772,289,959	2.7652	36,192,483,095
2022	2021	7,323,586,300	4,593,445,687	158,439,245	857,745,728	371,497,253	13,304,714,213	2.2373	44,840,692,212
2023	2022	7,529,786,359	4,671,714,882	155,618,396	913,665,390	371,000,000	13,641,785,027	2.2373	46,037,711,928

Source: Hamilton County Assessor of Property

Notes: Property in Hamilton County is reassessed once every four years. The County assesses property at 25% of actual value for residential property, 40% of actual value for commercial property and 30% of actual value for other multi-use property and personalty property. The public utilities assessments are made by the State of Tennessee for all counties and cities in the state. The Electric Power Board (EPB) is not included in these totals. The assessed and estimated values for the EPB for fiscal year 2022 are \$455,473,188 and \$828,133,069 respectively. Assessments for tax exempt properties are excluded from total taxable assessed value.

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

Fiscal Year Ended June 30	County Direct Rates				Overlapping Rates									
	General Government	Department of Education	District Road	Total Direct Rate	Chattanooga	East Ridge	Red Bank	Lookout Mountain	Signal Mountain	Collegedale	Soddy- Daisy	Lakesite	Ridgeside	Walden
2013	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3500	1.6200	1.6634	1.3400	1.0000	0.2400	1.9000	0.4400
2014	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3561	1.6200	1.5684	1.3713	1.3524	0.2352	1.9063	0.4290
2015	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3500	1.6600	1.5684	1.3713	1.3524	0.2350	2.0100	0.4290
2016	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3500	1.7430	1.5684	1.3713	1.3524	0.2350	2.0100	0.4290
2017	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3500	1.8300	1.5684	1.3713	1.3524	0.2350	2.0100	0.4290
2018	1.5050	1.2503	0.0099	2.7652	2.2770	1.3381	1.1826	1.8300	1.5665	1.2594	1.3524	0.2150	2.7310	0.3853
2019	1.5050	1.2503	0.0099	2.7652	2.2770	1.3381	1.3900	1.8900	1.5665	1.2594	1.3524	0.2350	2.7310	0.4053
2020	1.5050	1.2503	0.0099	2.7652	2.2770	1.3381	1.3900	1.9900	1.8866	1.6500	1.3524	0.2350	2.7310	0.5053
2021	1.2177	1.0116	0.0080	2.2373	2.2500	1.2500	1.1000	1.8800	1.7012	1.3897	1.1159	0.2000	2.5500	0.5315
2022	1.2177	1.0116	0.0080	2.2373	2.2500	1.2500	1.1000	2.0200	1.7012	1.3897	1.1159	0.2000	2.5500	0.5315

Source: Hamilton County Trustee's Office



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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	% of Total Assessed Valuation	Taxable Assessed Value	Rank	% of Total Assessed Valuation
Electric Power Board	\$ 523,505,589	1	3.94%	\$ 386,535,645	1	4.68%
Volkswagen Chattanooga	478,715,824	2	3.61%	103,678,100	3	1.25%
Tennessee Valley Authority	172,536,813	3	1.30%	136,316,034	2	1.65%
Blue Cross Blue Shield of Tennessee	121,663,787	4	0.92%	55,621,570	7	0.67%
McKee Foods Corporation	82,031,755	5	0.62%	63,708,548	6	0.77%
Tennessee-American Water Co.	71,725,519	6	0.54%	53,202,327	8	0.64%
UnumProvident Corporation	52,876,179	7	0.40%	-		-
Walmart	49,308,551	8	0.37%	37,777,868	9	0.46%
Chattanooga Gas Company	48,672,279	9	0.37%	-		-
Vision Hospitality	47,373,679	10	0.36%	-		-
CBL Properties	-		-	91,198,740	4	1.10%
Bellsouth Telecommunications	-		-	72,435,111	5	0.88%
Norfolk Southern	-		-	37,032,979	10	0.45%
	<u>\$ 1,648,409,975</u>		<u>12.43%</u>	<u>\$ 1,037,506,922</u>		<u>12.55%</u>

Source: Hamilton County Trustee & Hamilton County Assessor of Property

Note: This schedule serves a dual purpose of providing basic information about Hamilton County's most significant revenue payers and highlighting the degree to which the county depends on a small number of payers.

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

Fiscal Year Ended June 30	Original Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 225,823,440	\$ 213,711,111	94.636%	\$ 10,976,253	\$ 224,687,364	99.497%
2014	228,590,172	217,614,995	95.199%	10,126,714	227,741,709	99.629%
2015	231,397,863	221,090,224	95.545%	9,767,918	230,858,142	99.767%
2016	235,238,229	224,830,856	95.576%	9,760,683	234,591,539	99.725%
2017	240,208,002	231,560,395	96.400%	7,880,845	239,441,240	99.681%
2018	269,793,372	260,026,061	96.380%	7,278,938	267,304,999	99.078%
2019	275,238,833	264,579,713	96.127%	6,223,116	270,802,829	98.388%
2020	281,352,215	270,718,929	96.221%	7,295,878	278,014,807	98.814%
2021	286,650,272	278,636,909	97.204%	5,404,175	284,041,084	99.090%
2022	289,354,846	280,854,205	97.062%	-	280,854,205	97.062%

Source: Hamilton County Trustee

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Total Debt Per Capita
	General Obligation Bonds	Notes Payable	Net Unamortized Premium	Leases			
2013	\$ 263,545,000	\$ 2,614,726	\$ 20,111,397	\$ -	\$ 286,271,123	1.97%	828
2014	238,300,000	6,193,607	18,050,485	-	262,544,092	1.78%	753
2015	272,965,000	669,043	29,918,021	-	303,552,064	1.92%	864
2016	245,030,000	40,126,979	26,759,635	-	311,916,614	1.86%	881
2017	220,635,000	55,020,051	23,664,248	-	299,319,299	1.74%	837
2018	360,180,000	-	47,790,972	-	407,970,972	2.26%	1,128
2019	324,425,000	-	43,090,341	-	367,515,341	1.95%	1,009
2020	290,345,000	-	38,495,450	-	328,840,450	1.68%	894
2021	299,920,000	-	50,022,571	4,114,843	354,057,414	1.68%	967
2022	339,520,000	-	50,963,343	3,312,109	393,795,452	1.70%	1,067



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

Fiscal Year	General Obligation Bonds including Net Deferred Premium	Notes Payable	Leases	Percentage of Actual Taxable Value of Property	Bonded Debt Per Capita
2013	\$ 283,656,397	\$ 2,614,727	\$ -	0.99%	828
2014	256,350,485	6,193,607	-	0.90%	753
2015	302,883,021	669,043	-	1.02%	864
2016	271,789,635	40,126,979	-	1.03%	881
2017	244,299,248	55,020,051	-	0.88%	837
2018	407,970,972	-	-	1.18%	1,128
2019	367,515,340	-	-	1.03%	1,009
2020	328,840,450	-	-	0.91%	894
2021	349,942,574	-	4,114,843	0.79%	956
2022	390,483,343	-	3,312,109	0.86%	1,058

**Schedule XI**  
**Hamilton County, TN**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Chattanooga	\$ 103,425,716	100.0%	\$ 103,425,716
East Ridge	11,551,404	100.0%	11,551,404
Red Bank	1,340,795	100.0%	1,340,795
Lookout Mountain	-	100.0%	-
Signal Mountain	4,551,000	100.0%	4,551,000
Collegedale	3,638,000	100.0%	3,638,000
Soddy Daisy	875,000,000	100.0%	875,000,000
Lakesite	-	100.0%	-
Ridgeside	594,000	100.0%	594,000
Walden	-	100.0%	-
Other debt			
Chattanooga	244,447,569	100.0%	244,447,569
East Ridge	-	100.0%	-
Red Bank	241,244	100.0%	241,244
Lookout Mountain	-	100.0%	-
Signal Mountain	-	100.0%	-
Collegedale	2,356,000	100.0%	2,356,000
Soddy Daisy	168,045	100.0%	168,045
Lakesite	-	100.0%	-
Ridgeside	-	100.0%	-
Walden	-	100.0%	-
Subtotal, overlapping debt			1,247,313,773
Hamilton County direct debt			393,795,452
Total direct and overlapping debt			<u>\$ 1,641,109,225</u>

Sources: Debt outstanding data provided by each municipality.

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the respective government's boundaries and dividing it by each unit's total assessed value.

Note: Overlapping governments are those that coincide with the geographic boundaries of Hamilton County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses in Hamilton County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying debt of each overlapping government.

**Schedule XII**  
**Hamilton County, Tennessee**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (000's)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2012	345,545	\$ 15,301,630	41,974	8.5%
2013	348,673	15,403,291	44,177	7.2%
2014	351,220	15,850,749	45,131	6.1%
2015	354,098	16,755,431	47,319	4.9%
2016	357,738	17,200,658	48,082	4.1%
2017	361,613	17,990,850	49,752	4.0%
2018	364,286	18,893,164	51,864	3.0%
2019	367,804	19,519,758	53,071	3.6%
2020	366,207	20,779,836	56,743	5.1%
2021	369,135	23,108,330	62,601	3.9%

Sources: Personal income and per capita income information was provided by the Chamber of Commerce - Bureau of Economic Analysis (BEA). For 2021, personal income and per capita income were interpolated based on percentage increases reported by metropolitan areas in the BEA. Personal income and per capita income were updated to actuals as reported by BEA for 2016-2020. Population estimates were found at the U.S. Census Bureau. Unemployment information was provided by State Department of Employment Security.

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

Employer	2022			2013		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Hamilton County Schools	5,325	1	2.62%	4,480	1	2.40%
Erlanger Health System	4,929	2	2.42%	3,176	4	1.70%
Blue Cross Blue Shield of Tennessee	4,462	3	2.19%	4,282	2	2.29%
Memorial Health Care System	3,601	4	1.77%	3,171	5	1.70%
Tennessee Valley Authority	3,566	5	1.75%	4,180	3	2.24%
Volkswagen Chattanooga	3,230	6	1.59%	2,459	8	1.32%
McKee Foods Corporation	3,009	7	1.48%	2,650	7	1.42%
UnumProvident Corporation	2,812	8	1.38%	2,800	6	1.50%
Amazon.com Services LLC	2,616	9	1.29%	1,879	10	1.01%
City of Chattanooga	2,202	10	1.08%	2,251	9	1.21%
Total	<u>35,752</u>		<u>17.57%</u>	<u>31,328</u>		<u>16.79%</u>

Source: Chattanooga Area Chamber of Commerce



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

<b><u>Positions By Division</u></b>	<b><u>Authorized Positions</u></b>									
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Constitutional Offices	423.05	431.07	427.80	427.62	425	419.37	422.32	437.37	431.27	462.52
Support Agencies	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Unassigned Departments	102.96	101.50	99.50	84.50	83.00	80.00	97.50	105.00	74.50	74.50
Finance Division	97.50	96.50	96.50	96.50	96.50	96.50	78.00	81.00	81.00	80.00
Public Works Division	214.50	214.50	215.50	211.50	208.13	209.63	175.63	173.63	206.13	207.13
General Services Division	289.26	278.26	276.89	252.89	240.26	251.76	292.13	286.53	288.76	294.89
Health Services Division	321.63	272.76	275.94	275.65	274.23	268.14	266.78	266.78	270.49	264.53
Human Resources Division	23.50	21.50	21.50	21.50	21.50	21.50	13.00	-	-	-
Juvenile Court Clerk	36.00	36.00	36.00	36.00	36.00	37.00	37.00	37.00	37.00	37.00
Sheriff's Office	532.00	440.00	440.00	434.00	423.50	391.00	381.00	380.00	373.13	371.63
<b>Total</b>	<b>2,042.40</b>	<b>1,894.09</b>	<b>1,891.63</b>	<b>1,842.16</b>	<b>1,810.40</b>	<b>1,776.90</b>	<b>1,765.36</b>	<b>1,769.31</b>	<b>1,764.28</b>	<b>1,794.20</b>

Source: Comprehensive Annual Budget Report

Notes: Full time equivalents (FTE)

Full time - 1 full time equivalent - these are permanent employees who earn pension and leave time  
Skimp - .63 full time equivalent - these are permanent employees who do not work more than 1,300 hours a year, earn leave time but do not participate in pension  
Part time - .5 full time equivalent - these are permanent employees who do not work more than 1,040 hours a year and do not participate in pension nor earn leave time  
Temporary - .5 full time equivalent - these employees do not have permanent status, do not work more than 1,040 hours a year and do not participate in pension nor earn leave time

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

<b>Function/Program</b>	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Government										
County Clerk (DMV) - transactions processed <sup>1</sup>	402,852	405,773	409,051	482,738	392,156	384,941	395,979	361,666	400,000	411,547
Register - documents recorded	81,283	71,961	62,259	68,326	68,016	69,783	67,189	66,254	69,147	65,559
Recycling - tons collected	1,671	2,014	1,979	1,938	2,050	2,171	2,099	2,104	2,239	2,189
Election Commission - registered voters	232,752	235,939	214,837	206,945	196,864	197,224	186,384	207,044	206,444	220,480
Election Commission - votes cast in last county-wide election <sup>2</sup>	48,860	172,363	62,475	134,494	57,120	21,517	29,100	83,193	53,685	142,161
Purchasing - bids posted	125	203	139	137	153	121	184	137	132	168
Public Safety										
Building Inspections - permits issued	1,884	1,927	1,378	1,550	1,444	1,306	1,193	1,069	1,149	1,424
Building Inspections - inspections and investigations	20,592	18,322	15,802	16,727	14,612	14,405	12,020	12,684	12,540	12,216
Building Inspections - applications for new/existing septic system	1,229	1,026	821	874	731	624	593	438	378	351
County correctional facilities - avg. no. of inmates housed daily	1,066	1,169	1,427	1,568	1,497	1,526	1,554	1,486	1,415	1,352
Sheriff's Dept. - physical arrests	7,013	6,188	7,059	9,234	8,543	7,522	7,895	6,872	6,175	8,080
Juvenile Court Judge - cases heard	4,729	4,479	4,611	5,713	5,217	5,552	5,625	5,385	5,346	5,522
Criminal Court Judge - cases heard	2,193	1,669	2,028	2,770	2,956	3,313	3,389	3,512	3,522	4,137
Ambulance Services - responded calls	37,010	30,422	27,517	26,477	25,634	24,417	23,257	22,632	21,462	22,278
Police Protection (sworn, correctional, civilian and others)	528	532	440	440	433	413	390	387	387	373
Highways and Streets										
Engineering Services - projects administered	27	49	47	45	43	34	31	58	73	77
Highways & Streets - bridges maintained	67	67	67	67	67	67	67	67	67	67
Health										
Health Dept. - patients seen <sup>3</sup>	21,179	41,932	29,212	30,883	24,640	25,397	29,995	31,490	33,004	34,892
Community Services (formerly Social Services)										
Emergency Assistance Program - households served	76	263	252	357	377	314	371	370	351	319
Emergency Assistance Program - number of services	74	296	279	364	406	473	512	446	443	403
Chancery Court Judge - cases heard	2,197	1,904	2,151	2,361	2,404	2,581	2,489	2,073	2,330	2,430
Circuit Court Judge - cases heard	4,576	4,613	4,703	5,025	5,541	5,343	5,077	5,471	5,514	3,578
Culture & Recreation										
Number of facilities maintained	28	27	26	26	26	32	32	32	32	32
Number of programs offered <sup>4</sup>	3	-	28	34	28	26	34	22	14	14
Education										
Public school enrollment	45,121	44,285	44,122	44,059	44,028	43,669	43,319	43,511	42,141	42,525
Private school enrollment	11,756	11,217	10,945	10,726	10,411	10,335	10,241	10,474	10,372	10,456

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

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

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

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

<sup>4</sup> Note on Culture & Recreation - No programs were offered in 2021 due to the Coronavirus (COVID - 19).

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

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Function/Program</u>										
General Government										
Libraries	9	9	9	9	9	9	9	9	9	9
Recycling Stations	5	5	5	5	5	5	5	5	5	5
Election Commission										
ballot boxes	130	130	130	130	130	127	127	127	127	127
Telecommunications										
locations supported <sup>1</sup>	118	118	122	121	120	119	212	212	212	224
Public Safety										
Volunteer Fire Stations	18	18	18	18	18	18	18	18	18	18
Ambulance Stations	15	15	15	15	15	15	15	15	15	15
Sheriff patrol vehicles	274	310	285	282	274	276	285	260	262	241
Highways and Streets										
Miles of paved streets	2,691	2,690	2,690	2,672	2,637	2,631	2,665	2,665	2,665	2,665
Health										
Healthcare Systems	5	5	5	5	5	4	4	4	5	5
Culture & Recreation										
Number of Parks	95	95	94	94	92	90	90	90	90	90
Golf Courses	20	20	20	20	21	21	21	21	21	21
Recreation Centers	18	18	18	18	16	16	16	16	16	16
Theaters	17	17	18	18	17	17	17	17	17	17
Bowling Alleys	4	4	4	4	4	4	4	3	3	3

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

<sup>1</sup> The County Telecommunications Department discontinued servicing the Hamilton County Department of Education in January 2017.

**Schedule XVII**  
**Hamilton County, TN**  
**Salaries and Surety Bonds of Principal Officers**  
**Fiscal Year ended June 30, 2022**

Official Title	Salary	Bond
County Mayor	\$ 179,460	\$ 100,000
Superintendent of Schools	225,000	400,000
Medical Examiner	207,482	N/A
County Attorney	175,165	N/A
Finance Administrator	152,869	N/A
County Auditor	129,142	N/A
County Commissioners:		
D.C. (Chip) Baker	25,394	N/A
Tim Boyd, Chairman Pro Tempore	27,894	N/A
Randy Fairbanks	25,394	N/A
Katherlyn Geter	25,394	N/A
Dr. Steve Highlander	25,394	N/A
Warren Mackey	25,394	N/A
David Sharpe	25,394	N/A
Sabrena Smedley, Chairman	30,394	N/A
Ken Smith	25,394	N/A
Constitutional Offices		
Assessor of Property	\$ 141,517	\$ 50,000
Circuit Court Clerk	135,517	100,000
Clerk and Master	135,517	100,000
County Clerk	135,517	100,000
Criminal Court Clerk	135,517	100,000
Juvenile Court Judge	186,058	100,000
Juvenile Court Clerk	135,517	100,000
Register	135,517	100,000
Sheriff	149,068	100,000
Trustee	135,517	14,522,336



**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>AL Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
2018 Justice Assistance Grant Program	16.738	2018-MU-BX-0122	\$ -	\$ 72,873
2018 Justice Assistance Grant Program	16.738	2018-DJ-BX-0332	-	43,148
Total JAG Program and Community Crime Prevention			-	116,021
2020 Bulletproof Vest Partnership Grant	16.607	N/A	-	4,916
2021 Bulletproof Vest Partnership Grant	16.607	N/A	-	75
Total Bulletproof Vest Partnership Grant			-	4,991
2017 State Criminal Alien Assistance Program	16.606	2019-AP-BX-0892	-	1,295
Drug Court Enhancement Project	16.585	2018-DC-BX-0016	-	135,035
Equitable Sharing Program	16.922	TN0330000	-	44,634
State Criminal Alien Assistance Program	16.606	2020-AP-BX-1137	-	25,112
Total Office of Justice Assistance Programs			-	206,076
2020 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0778	-	14,836
Law Enforcement Mental Health and Wellness Act	16.710	2020MHWXK033	-	10,467
Passed through the Tennessee Dept. of Finance and Administration: Victims of Crime Act (VOCA) Grant Program	16.575	35417	-	126,592
Total U.S. Department of Justice			-	478,983
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through the Tennessee Commission on Children and Youth: Supplemental Nutrition program for Women, Infants and Children	10.557	GG-19-60590-03	30,918	1,022,002
Supplemental Nutrition program for Women, Infants and Children	10.557	GG-22-72193-00	-	64,288
Total U.S. Department of Agriculture			30,918	1,086,290
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through the Tennessee Emergency Management Agency: Emergency Management Performance Grants	97.042	60323-29845	-	151,440
Homeland Security Grant Program	97.067	EMW-2019-SS-00029-S01	-	130,518
Homeland Security Grant Program	97.067	EMW-2021-SS-00058-S01	-	11,337
Total Homeland Security Grant Program			-	141,855
Public Assistance Disaster Grant	97.036	45521	-	49,350
Public Assistance Disaster Grant	97.036	45521	-	32,956
Public Assistance Disaster Grant	97.036	4541DR-TN	-	6,365,865
Total Public Assistance Disaster Grant			-	6,448,171
Emergency Protective Measure	97.029	FMA-PJ-04TN-2019-003	-	700
Total U.S. Department of Homeland Security			-	6,742,166

(continued)

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**  
**Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>AL Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
FUSE THDA Grant	14.231	E-20-DW-47-0001	\$ -	\$ 128,794
Total U.S. Department of Housing and Urban Development			-	128,794
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Substance Abuse & Mental Health Services Administration	93.243	1 H79 SM080906-01	-	185,979
Passed through the Tennessee Department of Human Services:				
Child Support Program Title IV-D	93.563	53811	-	236,684
Child Support Program Title IV-D	93.563	34513-83519	-	220,268
Total Child Support			-	456,952
Passed through the Tennessee Department of Health:				
Social Services Block Grant	93.667	Z-21-49307		
		Z-20-49306	277,351	277,351
Social Services Block Grant	93.667	Z22-49357	3,403	3,403
Social Services Block Grant	93.667	Z22-49356	4,476	6,055
Total Social Services Block Grant			285,230	286,809
Maternal, Infant and Early Childhood Home Visiting Program	93.870	GG-22-72440-00	-	412,045
Project Grant & Cooperative Agreement for Tuberculosis Control	93.116	GG-21-67375-01	-	90,495
Public Health Emergency Preparedness	93.074	GG-18-54274-03		
		GG-18-54274-02	-	573,323
Centers for Disease Control & Prevention: Injury Prevention and Control Research and State and Community-Based Programs	93.136	GG-19-61339-04	-	18,872
High Impact Area Substance Misuse Epidemic Response	93.136	GG-21-69086-00		
		GG-22-7243-00	-	40,232
Total Injury Prevention Cooperative Agreements			-	59,104
Chronic Disease Prevention	93.426	GG-20-63228-03	-	17,406
Child Care and Development Fund Cluster:				
Immunization Cooperative Audits	93.575	63184	-	70,649
School Aged Child Care Stabilization - HCS	93.575	N/A	-	2,210,896
Total Child Care and Development Fund Cluster			-	2,281,545
Immunization Cooperative Grant	93.268	GG-20-64684-02	-	217,140
COVID-19 Immunization	93.268	GG-20-64684	-	187,220
Total Immunization Cooperative Agreements			-	404,360
U.S. Department of Health and Human Services, page total			285,230	4,768,018

(continued)

# HAMILTON COUNTY, TENNESSEE

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES--continued</b>				
Passed through the Tennessee Department of Health:				
Centers for Disease Control and Prevention, Investigations and Technical Assistance	93.305	GG-20-65379-01	\$ -	\$ 50,171
Preventive Health and Health Services Block Grant	93.991	GG-21-165267-01	-	128,017
HIV Care Formula Grants	93.917	GG-20-67279-01	-	135,204
HIV Prevention Activities: Health Department Based	93.940 / 93.977	GG-20-65114-00 GG-20-67693-00 GG-21-69109-00 GG-21-69109-00	-  - -	116,398  180,422
Total HIV Prevention Grants			-	296,820
Maternal and Child Health Services:				
Maternal and Child Health Services Block Grant - State and Local	93.994 / 93.898	GG-21-65382-00	-	67,024
CHANT Grant	93.994	GG-22-70745-01	-	199,620
Family Planning Services and Maternal & Child Health Services Block Grant to the State	93.217 / 93.994	GG-18-54245-00	-	171,262
Total Maternal and Child Health Services			-	437,906
COVID-19 Detection Expansion Funds	93.323	34349-97520	-	4,103,216
COVID-19 Detection Expansion Funds - HCS	93.323	None	-	11,291,648
Total Epidemiology and Laboratory Capacity for Infectious Diseases			-	15,394,864
Maternal and Child Health Services Block Grant	93.197	GU-19-58119-06	-	62,255
Health Center Program Cluster:				
COVID-19 Coronavirus Homeless Health Grant	93.224	H8CCS35315 H8DCS36216 H8ECS38998	-  -	562,806
Grant to Health Center Program	93.527	H80CS0023-19-03	-	1,959,836
Supplemental Coronavirus Funding	93.224	1 H8FCS41181-01-00	-	126,553
Total Health Center Program Cluster			-	2,649,195
Total U. S. Department of Health and Human Services			285,230	23,922,450
<b>U.S. DEPARTMENT OF TREASURY</b>				
Passed through the Tennessee Department of Health:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		-	3,427,070
Total U. S. Department of Treasury			-	3,427,070
Total Expenditures of Federal Awards-Primary Government			\$ 316,148	\$ 35,785,753

(continued)

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**  
**Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>AL Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>COMPONENT UNITS</b>				
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Child Nutrition Cluster:				
Passed through Tennessee Department of Agriculture:				
Food Donation (Noncash - Food Commodities)	10.555	None	\$ -	\$ 1,677,215
Passed through Tennessee Department of Education:				
After School Snack Program	10.555	None	-	264,591
Seamless Summer Program	10.555	None	-	25,437,337
Emergency Operational Cost Reimbursement Program Grant	10.555	None	-	1,036,306
Rebate of Cost Paid State Contracted Warehouse	10.555	None	-	50,090
Fresh Fruit and Vegetable Program	10.582	None	-	218,265
Total Child Nutrition Cluster			-	28,683,804
Pandemic-EBT Administrative Cost Grant	10.649	None	-	5,814
Total U.S. Department of Agriculture			-	28,689,618
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Impact Aid - Public Law 874	84.041	None	-	17,829
Passed through Tennessee Department of Education:				
Title I Grant to Local Educational Agencies	84.010	None	-	14,717,300
Title II Part A Teacher and Principal Training and Recruiting	84.367	None	-	1,357,732
English Language Acquisition Grants	84.365	None	-	535,553
Career and Technical Education- Basic Grants to States	84.048	None	-	875,835
Homeless McKinney-Vento	84.196A	None	-	129,759
Twenty-First Century Community Learning Centers	84.287	None	-	1,024,720
Special Education Cluster:				
Special Education- Grants to States	84.027	None	-	11,310,828
Special Education- Preschool Grants	84.173	None	-	319,412
Total Special Education Cluster			-	11,630,240
Title IV, Part A, Student Support and Academic Enrichment	84.424	None	-	953,005
Transition School to Work	84.126	None	-	59,832
HQIM Literacy Implementation Networks	84.371	None	-	72,800
Elementary & Secondary School Emergency Relief (ESSR) Cluster:				
COVID-19 Elementary & Secondary School Emergency Relief	84.425D / 84.425W	None	-	5,273,406
COVID-19 Elementary & Secondary School Emergency Relief 2.0	84.425D	None	-	19,292,544
COVID-19 Elementary & Secondary School Emergency Relief 3.0	84.425D	None	-	18,998,593
Total Elementary & Secondary School Emergency Relief Cluster			-	43,564,543
Total U.S. Department of Education			-	74,939,148

(continued)



**HAMILTON COUNTY, TENNESSEE****SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**  
**Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>AL Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>COMPONENT UNITS</b>				
<b>U.S. DEPARTMENT OF TREASURY</b>				
COVID-19: Coronavirus Relief Fund	21.019	None	\$ -	\$ 103,000
Total U.S. Department of Treasury			-	103,000
<b>U.S. DEPARTMENT OF FEDERAL COMMUNICATIONS COMMISSION</b>				
Emergency Connectivity Fund - ARPA	32.009	None	-	116,266
Total U.S. Department of Federal Communications Commission			-	116,266
Total Expenditures of Federal Awards-Component Units			-	103,848,032
Total Expenditures of Federal Awards- Reporting Entity			\$ 316,148	\$ 139,633,785

**HAMILTON COUNTY, TENNESSEE**

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

**Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>STATE GRANTS</b>				
Board of Probation and Payroll	N/A	67271	\$ -	\$ 293,988
Juvenile Detention Unit	N/A	39565	-	9,000
Governor's Highway Child Safety Program	N/A	N/A	-	2,583
Child Welfare Research and Demonstration - CASA Program	N/A	31601-2021-21	-	22,000
TN Dept. of Mental Health and Substance Abuse	N/A	63299	-	327,849
TN Dept. of Economic & Community Development	N/A	N/A	-	1,125,000
TN Dept. of Economic & Community Development	N/A	N/A	-	3,000,000
TN Dept. of Economic & Community Development	N/A	N/A	-	750,000
TN Dept. of Economic & Community Development	N/A	N/A	-	1,222,433
TN Dept. of Health - Child Support Program Title IV-D	93.563	53811	-	121,928
TN Dept. of Health - Safety Net Dental Services	N/A	DG63296	-	196,056
TN Dept. of Health - Safety Net Primary Care Services	N/A	N/A	-	11,213
TN Dept. of Health - Grant in Aid	N/A	GG-20-62935-00	-	672,728
		GG-22-71447-00		
TN Dept. of Health - Environmental Health Programs	N/A	GU-18-54030	-	13,581
TN Dept. of Health - CHANT Grant	93.994	GG-22-70745-01	-	834,681
TN Dept. of Health - Dental Prevention	N/A	GG-21-67670-00	-	367,255
TN Dept. of Health - Fetal Infant Mortality Review	N/A	GG-21-65384-01	-	185,237
TN Dept. of Health - Childhood Lead Poisoning	93.197	GU-19-58119-06	-	18,595
TN Dept. of Health - Tobacco Prevention & Education Program	N/A	GG-19-59338-06	-	76,147
TN Dept. of Health - Projects Grants and Cooperative Agreements for Tuberculosis Control Program	93.116	GG-21-67375-01	-	257,562
TN Dept. of Health - Audit Grant	93.575	63184	-	6,716
TN Dept. of Health - Family Planning	93.994 / 93.217	GG-18-54245-00	-	54,083
TN Dept. of Health - HIV Prevention Activities: Health Dept. Based	93.940	GG-20-67693-00	-	13,580
	93.977	GG-21-69109-00		
TN Dept. of Health - Preventive Health Services: Sexually Transmitted Diseases Control Grants	93.977	GG-20-65114-00	-	52,426
	93.940	GG-21-69109-00		
		GG-22-72603-00		
TN Dept. of Health - Maternal & Child Health Services Block Grant to States	93.994	GG-21-65382-00	-	27,376
	93.898			
TN Dept. of Transportation	N/A	CMA 2246	-	30,169
TN Dept. of Transportation	N/A	CMA 2246	-	18,985
TN Dept. of Transportation	N/A	Z22LIT033	-	127,100
TN Dept. of Finance and Administration	N/A	4208	-	6,398
TN Dept. of Education - Family Resource Centers	N/A	N/A	-	59,223
TN Dept. of Education - Safe Schools	N/A	N/A	-	980,975
TN Dept. of Education - Competitive Priority School	N/A	N/A	-	88,307
TN Dept. of Education - Priority School State Grant	N/A	N/A	-	22,721
TN Dept. of Education - Middle School STEM Start-Up Grant	N/A	N/A	-	9,883
TN Dept. of Education - Pre-K Pilot and Expansion	N/A	N/A	-	2,934,577
TN Dept. of Education - Learning Camps	N/A	N/A	-	5,842,868
TN Dept. of Education - Coordinated School Health	N/A	N/A	-	180,000
Total Expenditures of State Awards			-	19,963,223
Total Expenditures of Federal and State Awards			\$ 316,148	\$ 159,597,008

## HAMILTON COUNTY, TENNESSEE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2022

#### NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the general-purpose financial statements.

#### NOTE B. SUBRECIPIENTS

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided to Subrecipient</b>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	\$ 30,918
Social Services Block Grant	93.667	277,351
Title XX - Partnership COVID Program	93.747	3,403
Title XX - Signal COVID Program	93.747	4,476



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Hamilton County, Tennessee** (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 24, 2023. Our report includes a reference to other auditors who audited the financial statements of the Hamilton County "911" Emergency Communications District as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. In addition, our report includes an emphasis of matter as the County implemented GASB Statement No. 87, *Leases*.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



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### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
January 24, 2023



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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited **Hamilton County, Tennessee's** (the "County's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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## Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
January 24, 2023







HAMILTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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SECTION I  
SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of report the auditor issued on whether the financial  
Statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?

\_\_\_ yes X no

Significant deficiency(ies) identified?

\_\_\_ yes X none reported

Noncompliance material to financial statements noted?

\_\_\_ yes X no

**Federal Awards**

Internal Control over major programs:  
Material weakness(es) identified?

\_\_\_ yes X no

Significant deficiency(ies) identified?

\_\_\_ yes X none reported

Type of auditor's report issued on compliance for  
major programs

Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with 2 CFR 200.516(a)?

\_\_\_ yes X no

Identification of major programs:

AL Number

97.036

21.027

84.010

84.425D, 84.425U

Name of Federal Program or Cluster

Disaster Grant

Coronavirus State and Local Fiscal  
Recovery Funds

Title I Grants to Local Educational  
Agencies

Elementary and Secondary School  
Emergency Relief (ESSER)

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

X yes \_\_\_ no

**HAMILTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS**

**None noted**

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**None noted**

**HAMILTON COUNTY, TENNESSEE**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**None**







## **COVER PHOTO (FRONT & BACK)**

American Countess Riverboat, pulling away from the pier after an overnight stop in Chattanooga

## **INSIDE FRONT & BACK COVERS:**

Rainbow over the Tennessee River where the work on the new Chickamauga Lock continues

PAGE 2 — Harvest Barn at McDonald Farm Park, the County's newest park. Once renovations are complete, the Harvest Barn will become a premier event venue

PAGE 3 — Wheland Foundry Trailhead, looking toward Lookout Mountain

PAGE 4 — Sunset at Chester Frost Park Beach during 2022 Water Lantern Festival

PAGE 7 — Part of the newly renovated Tennessee Riverplay exhibit at the Creative Discovery Museum

PAGE 8 — Looking toward the Gold Dome Building with the County Courthouse Christmas tree in the foreground. This is the first year that a Christmas tree has been displayed on the Courthouse yard.

PAGE 9 — Buddy Bench on the playground at the new Chattanooga School for the Liberal Arts

PAGE 11 — Colton Dixon on stage during JFest 2022 at the Tennessee Riverpark

PAGE 14 — One of EPB's 2021 Christmas windows

PAGE 15 — Cooper Caldwell (193) & Chase Dutton (9), blast off from the start line for their race at the Chattanooga Watercross Premier held at Chester Frost Park

PAGE 17 — Flower vendor at the 2022 Chattanooga Market at the First Horizon Pavilion

PAGES 18 & 19 — Evening shot of the Walnut Street Bridge

PAGE 20 — Athletes competing in the 2022 USA Cycling Para-cycling Road National Championships were held at Enterprise South Nature Park. Several of the athletes who competed here were named to the Road World Championship roster and competed in the World Championships in Quebec, Canada

PAGE VII — Water lanterns set adrift at Chester Frost Park Beach during the 2022 Water Lantern Festival

PAGE IX — Part of the Guatemala Family Traditions section of the new ArtSpace at the Creative Discovery Museum

PAGE XIV — One of the members of the 3rd Infantry Division Band performs during Military Appreciation Night at the 2022 Riverbend Festival

PAGE XV — A young participant carries her lantern toward the water at the 2022 Water Lantern Festival

PAGE XVI — Pairs competition at the Skyhoundz World Championships

PAGE XVII — Fireworks over the Tennessee River and Southern Belle Riverboat during Christmas on the River

PAGE XIX — High-flying antics during the Skaters River Launch event, which was part of the 1st Annual Paddlefest Chattanooga

PAGE XXI — Riverfront activity during 2021 Head of the Hooch

PAGE XXII — Hunter Museum lit up at night

Special thanks to Shelia Cannon of the Hamilton County Finance Division for her photo contributions to the 2022 ACFR.

## **HAMILTON COUNTY FINANCE DIVISION**

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