

# Hamilton County Tennessee

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

*for year ended June 30, 2025*





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

*for the year ended June 30, 2025*

*prepared by the Finance Division*

*Lee H. Brouner, Chief Financial Officer*

*Vonda M. Patrick, Deputy Chief Financial Officer*





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# HAMILTON COUNTY, TENNESSEE

OFFICE OF THE COUNTY MAYOR  
WESTON WAMP

February 28, 2026

To the County Board of Commissioners  
And Citizens of Hamilton County

Hamilton County continues to stand apart as a place where strong fiscal stewardship, bold investments, and a commitment to our people are shaping a brighter future. At a time when communities across the country are challenged by economic uncertainty, Hamilton County is thriving—strengthening our financial position, modernizing core services, and laying the groundwork for generational progress.



This year, we maintained our Triple-AAA bond rating while undertaking a historic \$250 million bond issue to modernize school facilities across our district. This achievement is a testament to conservative fiscal management and the confidence placed in Hamilton County leadership over the years. We have kept our promise to taxpayers—holding the line on property taxes and lowering the rate to \$1.51 per \$100 of assessed value, the lowest it has been since 1941. In addition, nearly 4,000 low-income seniors, disabled veterans, and surviving spouses received a combined \$1.8 million in property tax relief—helping ease the financial burden for residents who are most vulnerable to rising costs.

Our commitment to protect taxpayers also extends to internal operations. Through the County Efficiency Task Force, we identified \$3.7 million in annual taxpayer savings and \$50.5 million over ten years by modernizing and streamlining county government. These savings ensure Hamilton County remains both efficient and accountable. We continue to make unprecedented investments in public education—because the future of Hamilton County depends on the opportunities we create for our students. Design work is underway on the Franklin-Roberts Future Ready Center, a new downtown vocational education school serving students from Chattanooga’s urban core and beyond. Volkswagen is the Center’s first corporate partner, offering an engineering pathway that will prepare students for high-demand careers.

Across the county, school design and construction projects are advancing rapidly. Design work is nearly complete on the new North River Elementary School—the county’s first YMCA school—where students and families will benefit from shared facilities, swim lessons, after-school programs, and year-round engagement. Additional design efforts are moving forward at the new Soddy-Daisy Middle School and the combined Brainerd High and Dalewood Middle campus.

We have committed more than \$56 million in deferred maintenance to upgrade school facilities, while also investing more than \$15 million to enhance athletic facilities countywide. This includes new turf fields at six high schools and an upcoming indoor facility at The Howard School, which will serve as an indoor arena supporting athletics and performing arts. This year, we also launched the Mayor’s Council on Career and Technical Education, bringing together industry leaders to ensure our students graduate with the skills and pathways needed to enter the workforce prepared and confident.

Infrastructure remains a foundational priority. We doubled down on the County Roads Improvement Fund, backed by a \$19.4 million investment to improve critical roadways. Since 2022, Hamilton County has paved 220 lane miles, improving connectivity, safety, and quality of life in every corner of our county.

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

*- continued from page one*

Hamilton County continues to lead the state in addressing the opioid epidemic with urgency and innovation. We launched Tennessee's first Overdose Prevention Team (OPT) through EMS—a coordinated effort to bring life-saving medications for opioid use disorder directly into the community and connect individuals to critical recovery services. We also allocated opioid settlement funds to respected recovery organizations with significant capital needs through our Renewal Project, ensuring these entities have the necessary resources to combat addiction. Within our jail, we expanded re-entry programming with electrical and cosmetology training and are preparing to launch welding and carpentry programs. We are also building a Medication-Assisted Treatment program to support inmates struggling with opioid use disorder.

Supporting those who have served our country remains a top priority. Hamilton County's Veterans Service Office has tripled its size since 2022—expanding to three officers and broadened its presence to East Ridge, Collegedale, Harrison, and downtown to meet the needs of more than 22,000 local veterans and their widows. We also launched the county's third recovery court, Veterans Treatment Court, an innovative approach tailored to the unique challenges facing veterans involved in the criminal justice system.

Hamilton County took a major step toward reimagining the iconic Chattanooga waterfront, securing a \$15 million commitment from the State of Tennessee to reinvest in one of our community's most cherished public assets.

This year also marked an important milestone for county leadership as we named Janie Parks Varnell as Hamilton County's new County Attorney, the first transition in this role since 1993. Her leadership represents a new chapter built on professionalism, integrity, and commitment to public service.

We also opened the county's downtown parking garage free on weekends and weeknights—removing barriers for families, local businesses, and residents who want to enjoy the heart of our city. And in a celebration of heritage and craftsmanship, we restored the historic Fireman's Fountain to its original glory, ensuring future generations can enjoy this iconic piece of Hamilton County's story.

As we look forward, I am confident in the direction we are heading. Our county is growing, our people are thriving, and our shared commitment to service is building a stronger, more unified Hamilton County. Together, we will continue to champion innovation, preserve what makes our community special, and create opportunity for every citizen—today and for generations to come.

Sincerely,

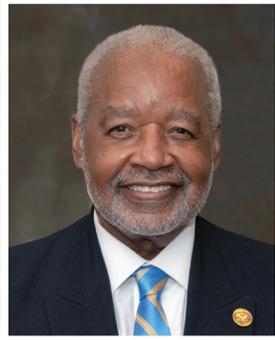
A handwritten signature in black ink, appearing to read "Weston Wamp". The signature is fluid and cursive, with the first name "Weston" and the last name "Wamp" clearly distinguishable.

**Weston Wamp**  
*Hamilton County Mayor*

**BOARD OF COMMISSIONERS** - *As of June 30, 2025*



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



**Greg Beck**  
*Commissioner*



**Mike Chauncey**  
*Commissioner*



**Jeff Eversole**  
*Chairman*



**Joe Graham**  
*Commissioner*



**Lee Helton**  
*Commissioner*



**Dr. Steve Highlander**  
*Commissioner*



**Warren Mackey**  
*Commissioner*



**David Sharpe**  
*Commissioner*



**Gene-o Shipley**  
*Commissioner*



**Ken Smith**  
*Chairman, Pro Tempore*





**HAMILTON COUNTY, TENNESSEE**

**Lee H. Brouner**

*Chief Financial Officer*

February 28, 2026

**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, 2025. 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, 2025, are fairly presented in conformity with GAAP, and thus rendered an unmodified opinion. The report of the independent auditor is presented in the financial section of this report, pages i-iv of the Financial Section.

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

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

## PROFILE OF HAMILTON COUNTY, TENNESSEE

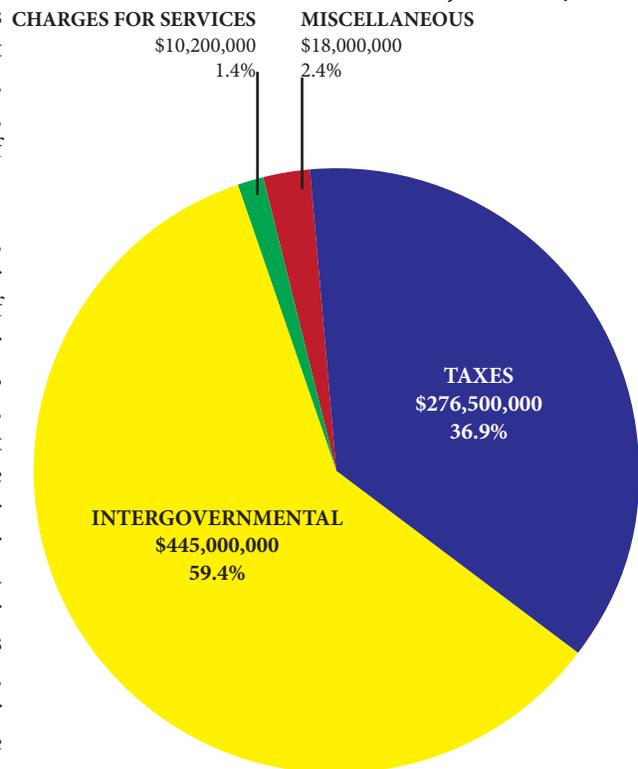
Hamilton County is located in the southeast region of the State of Tennessee, with the City of Chattanooga as its largest city. It is approximately 120 miles southwest of Knoxville, Tennessee; 360 miles east of Memphis, Tennessee; 120 miles southeast of Nashville, Tennessee, which is the State capital;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

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

The County 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 legal entity separate from Hamilton County government, it constitutes a major portion of the funding requirements for the County. HCS has approximately 6,000 employees and serves a total student population of over 45,000. The total HCS operating expenditures budget for fiscal year 2025 was \$785.7 million. Hamilton County provided funding for 35.2%, or \$276.5 million of this operating budget through property taxes and sales taxes. State and federal appropriations and grants provided \$445.0 million; charges for services provided \$10.2 million; investments, miscellaneous items and transfers in from other funds provided \$18.8 million; and HCS used \$35.2 million in fund balance.

## HAMILTON COUNTY SCHOOLS REVENUE BUDGET BY SOURCE FOR FISCAL YEAR ENDING JUNE 30, 2025



The Board of Commissioners adopted the fiscal year 2025 annual operating budget for the County on July 3, 2024, via Resolution 724-1. 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. The General Fund is organized into nine separate divisions by function (Independent Offices, Supported Agencies, Unassigned, Finance, Public Works, Health Services, Human Resources, Public Safety and Sheriff), and it is at this level that expenditures may not legally exceed appropriations. In addition, funds that have a legally adopted budget may not exceed appropriations. Funds with a legally adopted budget are the General Fund, Debt Service Fund, Hotel Motel Fund, and Sheriff Special Revenue Fund.

Independent offices, County departments and supported agencies requesting funding by the Board of Commissioners must submit their budget requests during January of each year. The County Mayor reviews and edits these requests and publicly submits a budget each year to the Board of Commissioners for approval prior to June 30. After the budget is formally



adopted, any changes within a division that do not require additional resources must be approved by the County Mayor; the Commission must approve all other changes.

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

## LOCAL ECONOMIC OUTLOOK

The economy for Hamilton County continues to be steady, strong and healthy. Unemployment rates have remained relatively low over the previous few years, and according to the Bureau of Labor Statistics, the unemployment rate for Hamilton County as of June 30, 2025, was 3.3%, as compared to the state’s rate of 3.5% and the national rate of 4.1%. With the County’s continued emphasis on economic development, we continue to foresee plenty of opportunities for employment growth on the horizon.

## FUND BALANCE

Hamilton County’s fund balances continue to remain healthy. At year end June 30, 2025, the fund balance for the General Fund was \$140.8 million, and total fund balances for Hamilton County Schools ended the year at \$118.1 million.

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>
2016	92,395	4,119	1,849
2017	94,179	4,451	2,163
2018	100,335	5,232	10,256
2019	111,635	6,237	10,401
2020	121,074	4,930	10,401
2021	144,434	6,558	9,808
2022	146,925	6,953	9,794
2023	152,221	7,629	7,952
2024	143,363	7,851	8,061
2025	140,761	9,136	8,655

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

## LONG-TERM FINANCIAL PLANNING

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

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

The County’s long-term capital needs have historically been financed using fifteen-year general obligation bond debt. This rapid, fifteen-year debt amortization has proven effective in keeping the County’s total debt load at a manageable level. In order to make a meaningful impact in addressing the significant needs of the school facilities, Hamilton County issued \$270 million of general obligation bonds in September 2024, with the majority being repaid in twenty years. This bond issue is discussed in more detail later in this document.

## RELEVANT FINANCIAL POLICIES

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

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



## MAJOR INITIATIVES

Hamilton County’s commitment to its mission of meeting the needs of people where they live, work and play guides our plans for the future and directs us toward delivering quality services to our citizens. Hamilton County issued general obligation bonds in September 2024 that will primarily fund a capital improvements plan for Hamilton County Schools, which include new school buildings, existing school improvements and additions, and school deferred maintenance. There are also some general government projects included in this bond issue, which include a replacement Health Department facility and various parks and recreation projects, and other essential governmental capital needs, and the bond issue includes \$10 million that will be used by the Water and Wastewater Treatment Authority (WWTA) to manage wet weather capacity issues. Several of the new school projects are in the design phase with construction to begin during fiscal year 2026.

## 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.

The Board of Commissioners approved Plan Hamilton which marks a major step in shaping future growth within the County. This plan was approved by the Chattanooga-Hamilton County Regional Planning Agency. This plan included various revisions to expand housing options and boost county revenues

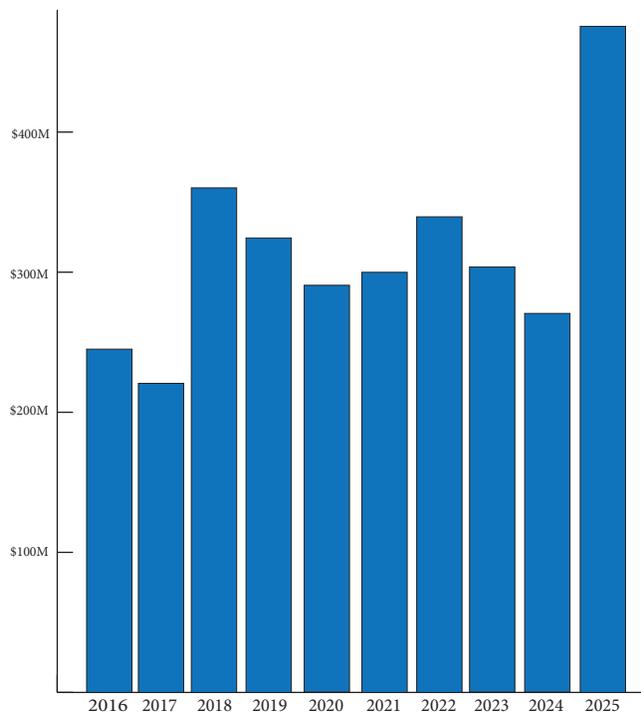
## ECONOMIC DEVELOPMENT

Our economic development initiatives reflect 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.

### General Obligation Bond Debt Outstanding

Fiscal Year Ended June 30	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2016	245,030,000	0.94%	805
2017	220,635,000	0.81%	771
2018	360,180,000	1.04%	996
2019	324,425,000	0.91%	891
2020	290,345,000	0.80%	789
2021	299,920,000	0.67%	819
2022	339,520,000	0.74%	920
2023	303,435,000	0.64%	810
2024	270,250,000	0.57%	721
2025	475,500,000	0.71%	1,323

General Obligation Bonds by Year





RONALD  
ANTHONY  
PIMENTEL  
355  
10 20/64  
VIETNAM  
SEP 19/64 -  
MAY 4/68  
E-4  
BELOVED HUSBAND  
AND FATHER

**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.

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:

- Novonix, a facility that uses synthetic graphite to make batteries used in electric vehicles and other goods, anticipates a billion-dollar expansion of its Chattanooga manufacturing operation with the expectation of creating 500 new jobs in Hamilton County.
- Avail Enclosure System invested \$10 million in its operations, which created approximately 82 new jobs. Avail is a provider of application critical equipment, highly engineered technologies, and specialized services to power industrial markets.

**Business Development Center** – The Hamilton County Business Development Center (BDC) is a 127,000 square-foot former manufacturing facility that has been renovated into a highly successful business incubator owned by the County and managed by the Chattanooga Area Chamber of Commerce. The BDC offers start-up businesses office and manufacturing space at highly competitive lease rates for up to 3 years. Tenants have access to clerical support, manufacturing and office space, training workshops, conference centers, and free onsite business counseling from the Tennessee Small Business Development Center (TSBDC). The BDC is currently home to various startup businesses and has graduated in excess of 600 small businesses.

The INCubator, a program of the Chattanooga Area Chamber of Commerce that is housed in the BDC, is accredited by the International Business Innovation Association.

**McDonald Farm** – The County purchased McDonald Farm in December 2021. This property consists of a 2,100-acre site in the northwestern section of the County with plans for a mix of industrial development and land conservation. The best use of this land continues to be studied for all options, including industrial, agriculture and recreational potential. All of these options will take time to evaluate, and the study for optimum use of the property is projected to be a long-term project that we, in conjunction with the state of Tennessee, will be developing over the next several years. The County will continue to use this land resource for community and recreational events until plans and funding are finalized for the future industrial park. Preserving the charm of rural landscapes and community engagement, the homestead portion of the farm features barns and green spaces and is used to host the Hamilton County Fair along with many other events such as school field trips, special events, weddings, corporate events and wildlife/agriculture classes.

**Planned Development at The Bend and The South Broad District** – Hamilton County and the city of Chattanooga have partnered with the private sector on the redevelopment of two major areas near downtown Chattanooga. In July 2022, the County, the city of Chattanooga, and the industrial development board of the city of Chattanooga each approved an economic impact plan with the private sector for the construction of a new minor league baseball and multi-use stadium and the private development of the area adjacent to the new stadium (South Broad Street District). The area encompassed within the economic impact area is just south of downtown Chattanooga and includes more than 400 acres. Construction is underway and on track for completion by the April 2026 opening game. The facility was designed to host a variety of community events in addition to baseball.

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

## PUBLIC EDUCATION IMPROVEMENT

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

The County also assists the school system through the issuance of debt and general obligation bonds to build, renovate and expand its school facilities. The County expended \$20.1 million in debt service payments for principal and interest due in FY 2025 from bonds outstanding for Hamilton County Schools' capital projects.

In September 2024, the County issued general obligation bonds, with \$241 million of the proceeds allocated toward new construction of several schools, significant improvements/additions to existing schools, and school deferred maintenance.

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

**Career and Technical Education** – The Hamilton County Mayor's Office and Hamilton County Schools have made intentional efforts during recent years to expand career and technical education opportunities for enrolled students. These efforts began with the opening of the Construction Career Center in October 2022. This priority has continued with several other initiatives, including the purchase of the Gateway property in 2024 and the planned renovations which will become the home of a new downtown technical school; additional funding to support career paths in welding, EMS training, architecture and construction; and funding for hiring bonuses for HCS certified technical educators.

## QUALITY OF LIFE ISSUES

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

- **Step ONE** – This County-wide initiative addresses the problem of obesity in our community by promoting physical fitness, nutrition, and healthy lifestyles. This effort is guided by the County Mayor and the Hamilton County Regional Health Council.
- **IRIS Project – Increasing the Rate of Infant Survival** – This project works to initiate new, creative and innovative programs that have a positive impact on infant mortality rates, which are thought to be one of the best predictors of a community's overall health status.
- **Hamilton Shines** – Designed to reduce the act 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 litter collection and public education to reduce unsightly and environmentally harmful litter from public right-of-ways. The program utilizes non-violent offenders to relieve overcrowding in the corrections system by offering alternative sentencing in lieu of incarceration.
- **Opioid Abatement and Remediation** – Hamilton County joined many governmental entities across the nation as a participant in opioid lawsuit settlements. We received our first opioid settlement distributions in September 2022 and will continue to receive distributor settlements and Tennessee Opioid Abatement Council allocations through fiscal year 2038. The County Mayor has formed a committee consisting of representatives from within Hamilton County government and from nongovernment persons to make recommendations to the County legislative body so these funds can most effectively be used to address the opioid epidemic crisis. We have funded a variety of initiatives to address the impacts of opioid and related addictions that have



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affected our community. Our most significant project has been to create an Overdose Prevention Team consisting of an eight-member team, including EMS paramedics, EMS support specialists and Health Department navigators to directly assist individuals experiencing issues with addiction along with their families.

## 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.

- Managed in partnership with the city of Chattanooga, the Tennessee RiverPark is a 16-mile paved, landscaped and lighted scenic urban greenway anchored along the southern bank of the Tennessee River. The family friendly route begins at the Chickamauga Dam and stretches to the heart of the downtown business and tourism district to Lookout Mountain and the hundreds of miles of trails extending into Alabama and Georgia. The RiverPark is an acknowledged catalyst for billions of dollars of downtown redevelopment and a connector for neighborhoods and business districts.
- Chester Frost Park – Located on the shores of Lake Chickamauga, Chester Frost Park has long been a favorite destination for those who enjoy camping, fishing, swimming and other outdoor activities. The park is situated on 198 acres and is well known among outdoor enthusiasts as a clean, safe and beautiful place to camp. The park hosts numerous fishing tournaments as Lake Chickamauga is a favorite among bass fishermen. The fishing pier and docks were renovated over the last two years. Chickamauga Lake is now one of 18 lakes across Tennessee designated as a Bill Dance Signature Lake with Chester Frost as the official boat ramp.
- Enterprise South Nature Park – The city of Chattanooga and Hamilton County elected to set aside 2,800 rolling,

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

- McDonald Farm Park – Hamilton County purchased the former McDonald Farm property in December 2021. The best use of this land continues to be studied for all options, including industrial, agriculture and recreational. The County has held its annual County Fair at the site since 2023, where thousands of County residents and visitors are able to enjoy the natural beauty of the site.



## AWARDS AND ACKNOWLEDGMENTS

### AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hamilton County, Tennessee for its Annual Comprehensive Financial Report for the year ended June 30, 2024. Hamilton County has received this award for 44 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 30, 2026. This is the 24th consecutive year Hamilton County has received this award for the CABR. In order to be awarded a Distinguished Budget Presentation Award, a governmental unit must publish an easily readable and efficiently organized annual budget report, which must conform to program standards and satisfy both generally accepted accounting principles and applicable legal requirements. Like the Certificate of Achievement for Financial Reporting, this award is valid for a period of one year only.

### ACKNOWLEDGMENTS

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

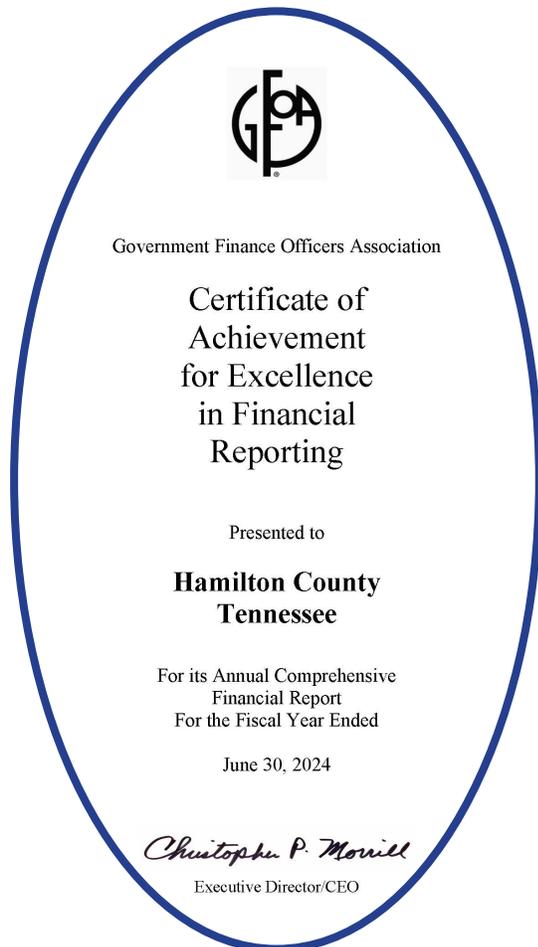
Respectfully submitted,



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



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





**HAMILTON COUNTY  
GENERAL GOVERNMENT OFFICIALS**

*(as of June 30, 2025)*

Weston Wamp, *County Mayor*  
Cory Gearrin, *Deputy Mayor, Economic & Community Development*  
Tucker McClendon, *Deputy Mayor, Education & Workforce Development*  
Claire McVay, *Chief of Staff*  
David Roddy, *Chief Operating Officer*

**Board of Commissioners**

Chip Baker  
Greg Beck  
Mike Chauncey  
Jeff Eversole, *Chairman*  
Joe Graham  
Lee Helton  
Dr. Steve Highlander  
Warren Mackey  
David Sharpe  
Gene-o Shipley  
Ken Smith, *Chairman Pro Tempore*

**Legislative**

Patricia Moore, *Legislative Administrator*

**Constitutional Officers**

Michael S. Allen, *Administrator of Elections*  
Marty Haynes, *Assessor of Property*  
Larry Henry, *Circuit Court Clerk*  
Robin Miller, *Clerk & Master*  
William F. Knowles, *County Clerk*  
Vince Dean, *Criminal Court Clerk*  
Coty Wamp, *District Attorney General*  
Steve Smith, *District Public Defender*  
Gary Behler, *Juvenile Court Clerk*  
Robert D. Philyaw, *Juvenile Court Judge*  
Dr. Steven Cogswell, *Medical Examiner*  
Marc Gravitt, *Register of Deeds*  
Austin Garrett, *Sheriff*  
Bill Hullander, *Trustee*

**Division & Department Heads**

**AUDITING**

Chris McCollough, *County Auditor*

**ECONOMIC & COMMUNITY DEVELOPMENT**

Alexa LeBoeuf, *Executive Director, Economic & Community Development*  
Rebekah Bohannon, *Director, Intergovernmental Affairs*  
Ladarius Price, *Deputy Director, Community Development*  
Daniel Bewley, *Deputy Director, Outreach & Economic Initiatives*  
Sarah Spencer, *Deputy Director, ECD Administration*

**OFFICE OF EMERGENCY MANAGEMENT / HOMELAND SECURITY**

Chris Adams, *Director of Emergency Management / Homeland Security*  
Winston Shields, *Deputy Director Emergency Services*

**FINANCE**

Lee H. Brouner, *Chief Financial Officer*  
Vonda Patrick, *Deputy Chief Financial Officer*  
Jerald Carpenter, *Director of Procurement & Fleet Management*  
Greg Jackson, *Director of Information Technology*  
Holly Wormsley, *Director of Accounting*

**HEALTH & SOCIAL SERVICES**

Sonia Calvin, *Interim Administrator*  
Wendy Shepherd, *Director of Clinical Services*  
Angela Easter-Gonzales, *Director of Case Management Services*  
Ryan Brown, *Director of Environmental Health Services*  
Martishia Smith, *Interim Director of Administrative Services*  
Crystal Howard, *Director of Community Health Services*  
Karen Guinn, *Director of Homeless Healthcare - Primary Care*

**HUMAN RESOURCES**

Sandra Ellis, *Administrator*  
Jenny Godwin, *Director of Human Resources*  
Charlotte Randolph-Parker, *Assistant Director of Human Resources*  
Charles Alsbrook, *Veterans Service Officer*

**LEGAL**

Rheubin M. Taylor, *County Attorney*  
Bill Stoll, *Risk Manager*

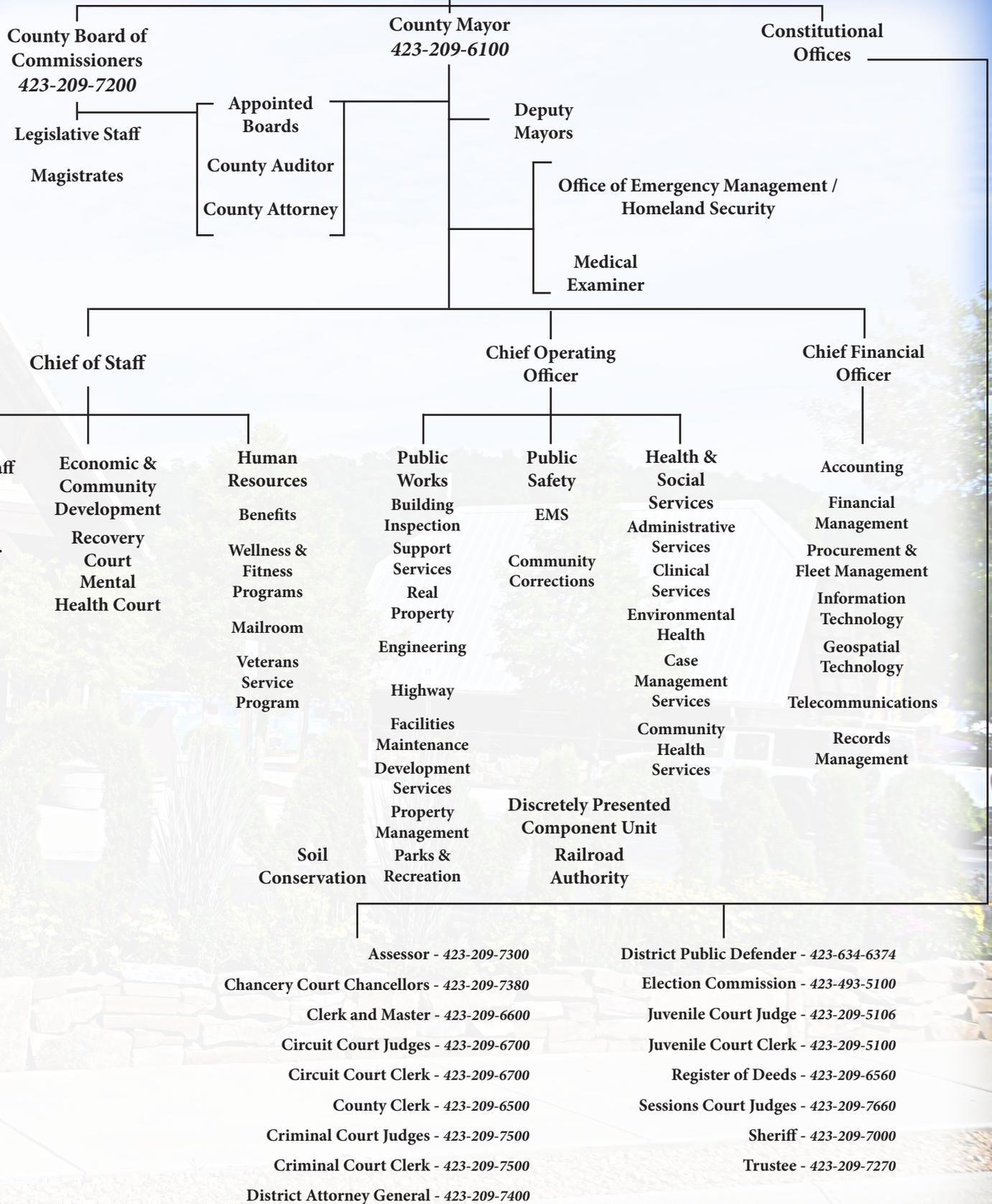
**PUBLIC WORKS**

Todd Leamon, *Administrator and County Engineer*  
Brandon Mauracher, *Director of Highway Department*  
Billy Joe Fairbanks, *Deputy Director of Highway Department*  
John Agan, *Director of Engineering and Facilities Maintenance*  
Ronnie Blaylock, *Director of Building Inspection*  
Nathan Janeway, *Director of Development Services*  
Autumn Friday, *Deputy Director of Development Services*  
Matt Folz, *Director of Parks & Recreation*  
Karen Shostak, *Deputy Director of Parks & Recreation*  
Mike Kirk, *Director of Property Management*

**PUBLIC SAFETY**

Christina Cooper, *Administrator*  
Chris Jackson, *Director of Corrections*  
Justin Strand, *Deputy Director of Corrections*  
Wade Batson, *Director of Emergency Medical Services*  
Dale Head, *Deputy Director of Emergency Medical Services*

# CITIZENS





## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Hamilton County, Tennessee** (the County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position, and, where applicable cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

#### ***Basis for Opinions***

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

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

As discussed in Note S, the County and its component units implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of July 1, 2024. This standard significantly changed the reporting of the County’s and its component units’ compensated absences liability. Our opinions are not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- 
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County’s ability to continue as a going concern for a reasonable period of time.

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hamilton County, Tennessee’s basic financial statements. The combining and individual nonmajor fund financial statements for the governmental funds, fiduciary funds, discretely presented component unit – Hamilton County Schools, discretely presented component unit – Railroad Authority, the budgetary comparison schedules, the financial schedules, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS.

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

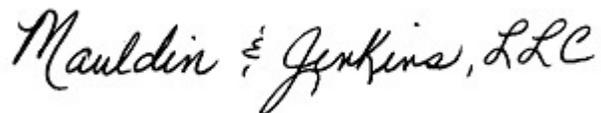
***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026, on our consideration of Hamilton County, Tennessee’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



Chattanooga, Tennessee  
February 27, 2026



# MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025. 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 2025 were \$1.3 billion, an increase of \$265.9 million (26.6%) from the prior year.
- The government-wide liabilities of Hamilton County at the close of fiscal year 2025 were \$665.2 million, an increase of \$211.2 million (46.5%) from the prior year.
- Government-wide revenues totaled \$388.3 million, an increase of \$23.2 million (6.4%) over the prior year.
- Government-wide expenses were \$346.8 million, an increase of \$6.7 million over the prior year.
- Total bonded debt at June 30, 2025 for the County was \$475.5 million, of which \$334.1 million (70.3%) was assigned to the Hamilton County Schools for capital additions and improvements.

### Fund Financial Statements

- Revenues for governmental funds totaled \$383.7 million, an increase of \$21.4 million (5.9%) over last year.
- Expenditures for governmental funds were \$437.3 million, an increase over the prior year of \$53.0 million (13.8%).
- Capital project expenditures were \$106.6 million, with \$46.6 million spent for general government construction projects and \$60.0 million spent for school construction projects.
- Fund balances for governmental funds at the close of fiscal year 2025 totaled \$507.7 million, a increase from the prior year of \$217.0 million.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

The County’s net position at the end of fiscal year 2025 of \$448.1 million increased \$41.5 million (10.2%) from the balance at the prior year end.

The Statement of Activities presents information showing how the government’s net position changed during the fiscal year 2025. Program revenues, which directly offset costs of specific functions, are allocated to those functions, resulting in the net expenses for governmental activities. General revenues, such as taxes, fines and interest earnings, offset the remaining costs, resulting in an annual increase or decrease in

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

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

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

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

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



# MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

## 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 non-major governmental funds is provided in the form of combining statements on pages C-9 to C-16 of this report.

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

### PROPRIETARY FUNDS

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

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

### FIDUCIARY FUNDS

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

### NOTES TO BASIC FINANCIAL STATEMENTS

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



## OTHER INFORMATION

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

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

# GOVERNMENT-WIDE FINANCIAL ANALYSIS

## NET POSITION

Primary Government  
(Rounded to the thousands)

	Governmental Activities	
	2025	2024
<b>ASSETS</b>		
Current and Other Assets	\$ 803,488,000	\$ 592,175,000
Capital Assets	461,578,000	408,045,000
<b>TOTAL ASSETS</b>	<b>1,265,066,000</b>	<b>1,000,220,000</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows from pensions and OPEB	28,186,000	36,233,000
<b>LIABILITIES</b>		
Long-term Liabilities	578,908,000	366,832,000
Other Liabilities	86,288,000	87,191,000
<b>TOTAL LIABILITIES</b>	<b>665,196,000</b>	<b>454,023,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unearned property tax revenue	165,082,000	166,216,000
Deferred inflows from leases	4,242,000	4,773,000
Deferred inflows from pensions and OPEB	8,280,000	3,701,000
Deferred gain on refunding	2,341,000	1,122,000
	<b>179,945,000</b>	<b>175,812,000</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	372,021,000	332,624,000
Restricted	18,499,000	17,392,000
Unrestricted	57,591,000	56,602,000
<b>TOTAL NET POSITION</b>	<b>\$ 448,111,000</b>	<b>\$ 406,618,000</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 \$448.1 million at the close of the fiscal year ended June 30, 2025, an increase of \$41.5 million over the prior year.

Net position is comprised of three elements:

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

## CHANGES IN NET POSITION

Primary Government

(Rounded to the thousands)

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
<b>REVENUES</b>		
Program Revenues:		
Charges for Services	\$ 62,903,000	\$ 61,742,000
Operating Grants and Contributions	40,366,000	44,757,000
Capital Grants and Contributions	36,005,000	20,335,000
Total Program Revenues	<u>139,274,000</u>	<u>126,834,000</u>
General Revenues:		
Property Taxes	187,604,000	184,505,000
Other Taxes	37,043,000	35,622,000
Other	24,377,000	18,181,000
Total General Revenues	<u>249,024,000</u>	<u>238,308,000</u>
<b>TOTAL REVENUES</b>	<u><b>388,298,000</b></u>	<u><b>365,142,000</b></u>
<b>EXPENSES</b>		
General Government	93,875,000	82,737,000
Public Safety	157,869,000	138,822,000
Highways and Streets	24,628,000	27,447,000
Health	27,519,000	25,374,000
Social Services	5,229,000	5,709,000
Culture and Recreation	13,815,000	13,383,000
Education	11,293,000	40,195,000
Interest on Long-Term Debt	12,577,000	6,452,000
<b>TOTAL EXPENSES</b>	<u><b>346,805,000</b></u>	<u><b>340,119,000</b></u>
<b>CHANGE IN NET POSITION</b>	<u><b>41,493,000</b></u>	<u><b>25,023,000</b></u>
<b>Net Position, beginning</b>	<u><b>406,618,000</b></u>	<u><b>381,595,000</b></u>
<b>Net Position, ending</b>	<u><u><b>\$ 448,111,000</b></u></u>	<u><u><b>\$ 406,618,000</b></u></u>

The County's revenues increased by \$23.2 million over revenues for the prior fiscal year. Capital grants increased \$15.7 million while operating grant revenues decreased \$4.4 million. The increase in capital grants was related to funding related to the forensic center renovation, electric vehicles and the parks and recreation grants to renovate a senior community center. Revenues also saw an increase of \$6.2 million in investment earnings resulting from improved returns from the County's investments.

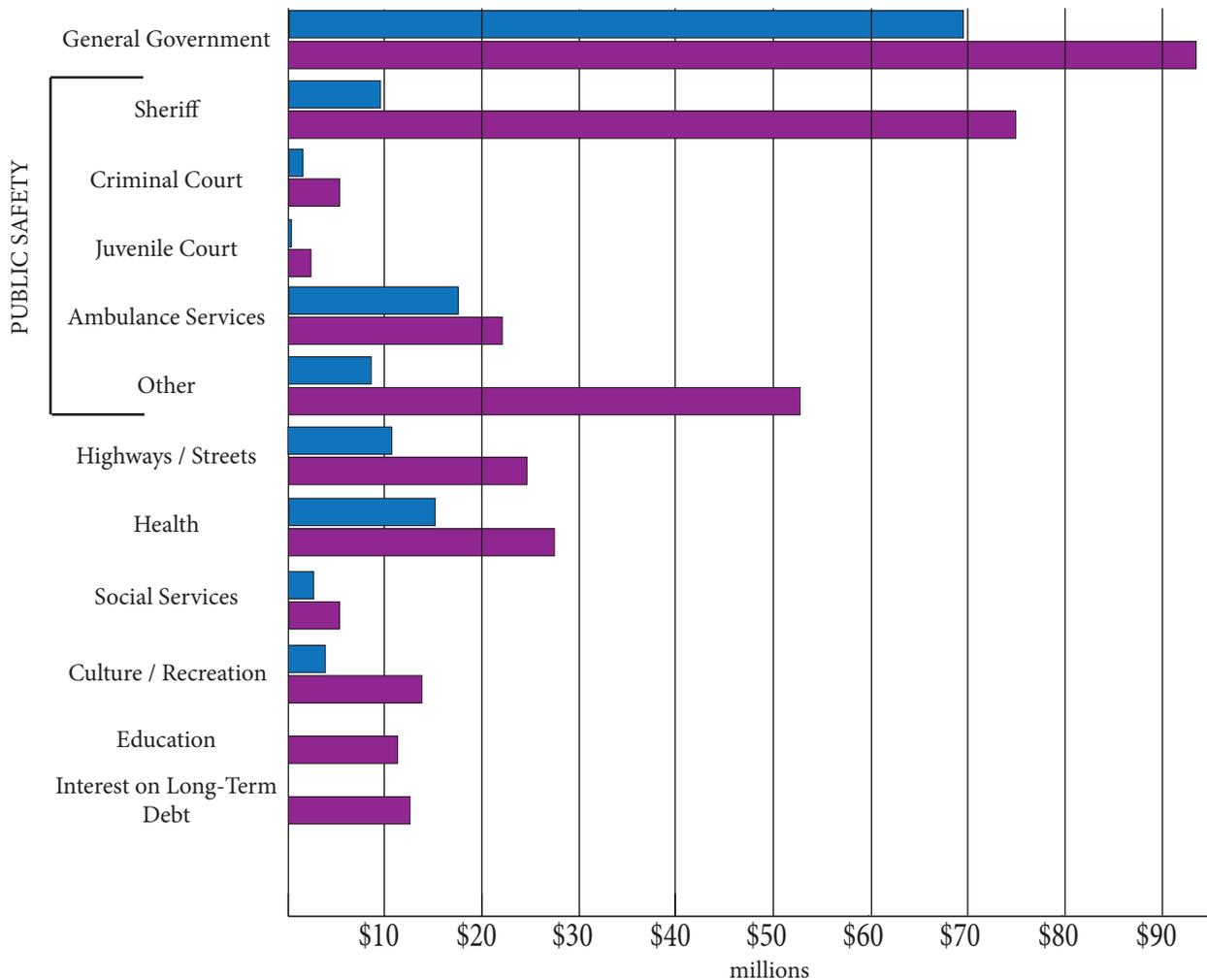
Total expenses for fiscal year 2025 remained steady at \$346.8 million increasing by \$6.7 million (2.0%) over the prior year's expenses.

# GOVERNMENT-WIDE FINANCIAL ANALYSIS - continued

## EXPENSES AND PROGRAM REVENUES

**Primary Government**  
*for fiscal year ending June 30, 2025*  
 (Rounded to the thousands)

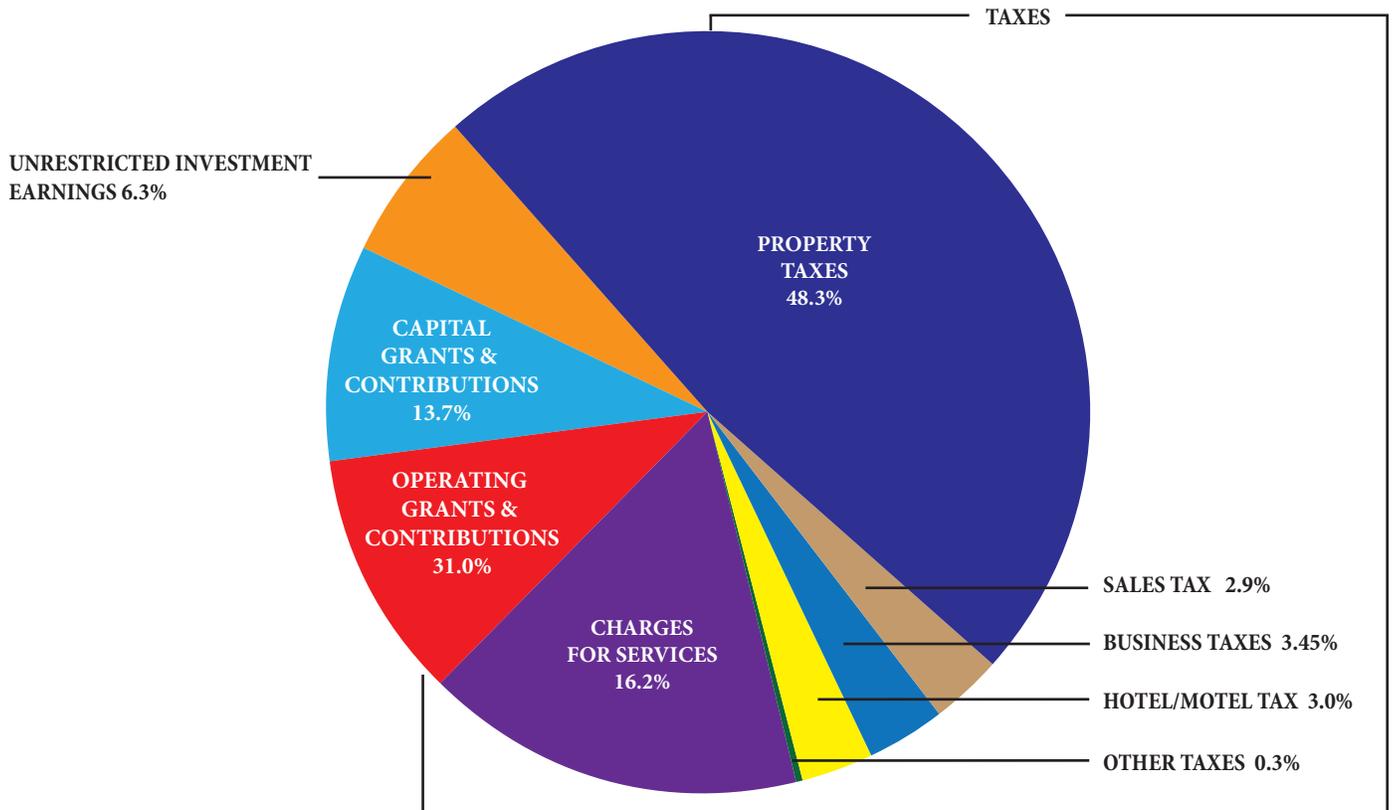
	PROGRAM REVENUES	EXPENSES
General Government	\$ 69,704,000	\$ 93,875,000
Public Safety		
Sheriff	9,481,000	75,229,000
Criminal Court	1,417,000	5,259,000
Juvenile Court	302,000	2,343,000
Ambulance Services	17,501,000	22,124,000
Other	8,570,000	52,914,000
Highways and Streets	10,749,000	24,628,000
Health	15,110,000	27,519,000
Social Services	2,612,000	5,229,000
Culture and Recreation	3,828,000	13,815,000
Education	-	11,293,000
Interest on long-term debt	-	12,577,000
<b>TOTAL</b>	<b>\$ 139,274,000</b>	<b>\$ 346,805,000</b>



## REVENUES BY SOURCE

Primary Government  
for fiscal year ending June 30, 2025  
(Rounded to the thousands)

	2025	PERCENTAGE	2024	PERCENTAGE
Taxes				
Property Taxes	\$ 187,604,000	48.3%	\$ 184,505,000	50.5%
Sales Tax	11,254,000	2.9%	10,375,000	2.8%
Business Taxes	13,121,000	3.4%	12,687,000	3.5%
Hotel/Motel Taxes	11,637,000	3.0%	11,459,000	3.1%
Other Taxes	1,031,000	0.3%	1,101,000	0.3%
Charges for Services	62,903,000	16.2%	61,742,000	16.9%
Operating Grants and Contributions	40,366,000	10.4%	44,757,000	12.3%
Capital Grants and Contributions	36,005,000	9.3%	20,335,000	5.6%
Unrestricted Investment Earnings	24,377,000	6.3%	18,181,000	5.0%
<b>TOTAL</b>	<b>\$ 388,298,000</b>	<b>100%</b>	<b>\$ 365,142,000</b>	<b>100%</b>





# MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

## FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

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

### GOVERNMENTAL FUNDS

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

As of the end of fiscal year 2025, the County’s governmental funds reported combined ending fund balances of \$507.7 million, an increase of \$217.0 million. This increase in total governmental fund balances is primarily due to the increase of \$217.7 million in the Capital Projects Fund, which is a direct result of the \$238.3 million bond issue in September 2024. This bond issue will primarily be used for the construction and renovation of school facilities.

The fund balance of the governmental funds consists of a restricted portion of \$338.7 million (consisting primarily of restricted for Capital Projects), an assigned portion of \$35.6 million, a committed portion of \$20.6 million, and an unassigned portion of \$111.5 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, 2025, was \$140.8 million, consisting of a restricted or committed portion of \$7.3 million; non-spendable portion of \$1.4 million; assigned fund balance of \$20.6 million; and an unassigned fund balance of \$111.5 million.

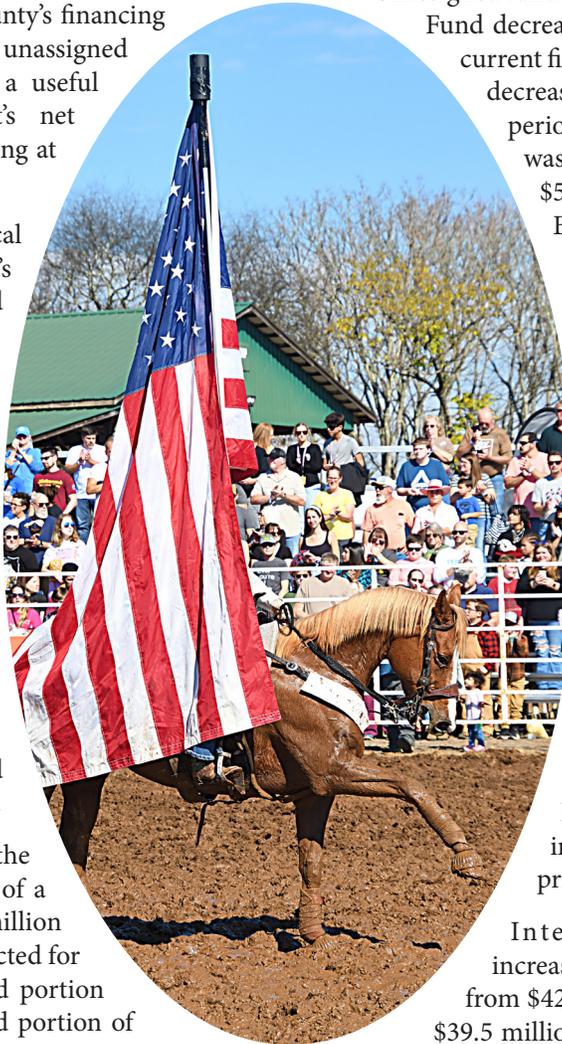
As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 35.3% of the total General Fund expenditures and transfers out, while total fund balance represents 44.5% of that same amount.

Unassigned fund balance of the County’s General Fund decreased by \$8.8 million during the current fiscal year, and total fund balance decreased \$2.6 million during this time period. The decrease in unassigned was largely a result of committing \$5.8 million by the County Board of Commissioners in May 2025 toward addressing infrastructure improvements in unincorporated areas of Hamilton County.

General Fund revenues totaled \$296.7 million which was consistent with the prior year, decreasing by \$1.4 million (0.4%). Property taxes historically are the largest source of revenue for the General Fund and represented 63.2% of General Fund revenues in fiscal year 2025. Property tax revenues for the General Fund were \$187.6 million, an increase of \$3.1 million over the prior year.

Intergovernmental revenues increased compared to the prior year, from \$42.6 million in fiscal year 2024 to \$39.5 million in fiscal year 2025. Funding from the State of Tennessee was lower than the prior year as a result of certain funding in the prior year that did not reoccur, such as grants for voting equipment.

Investment earnings totaled \$9.0 million which was consistent with the prior year. Rates earned on the County’s investments and surplus cash balances remained generally stable throughout fiscal year 2025.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

General Fund expenditures held steady at \$262.5 million, decreasing from the prior year's expenditures by \$4.7 million (1.8%).

Transfers out from the General Fund were \$53.8 million in fiscal year 2025, a decrease from the prior year by \$5.4 million (9.1%). Transfers out were higher in the previous fiscal year as a result of the \$5.8 million transfer from the General Fund into a new capital projects account dedicated toward road improvements in the unincorporated areas of Hamilton County. This transfer did not recur in fiscal year 2025.

The Debt Service Fund has a fund balance at June 30, 2025 of \$8.7 million, which is consistent with the balance at prior year end.

The Capital Projects Fund is used to account for revenues and expenditures for large capital projects. The majority of the funding for these capital projects is derived from issuances of general obligation bonds and from investment earnings from the unspent bond proceeds. The fund balance of the Capital Projects Fund increased by \$217.7 million from the prior year and closed the current year with a balance of \$349.2 million. This increase was primarily a result of the new bond issue in September 2024. Expenditures for capital additions completed in fiscal year 2025 totaled \$106.6 million.

### PROPRIETARY FUNDS

The County's proprietary fund is used to account for the County's self-insurance programs. The County is self-insured for health, unemployment compensation, on-the-job injury claims, property, automobile and liability claims, and losses due to liabilities arising under the laws of the state and federal governments. The cost for these programs is funded through premiums paid by the departments and agencies of Hamilton County Government. Unrestricted net position for the proprietary fund decreased \$5.0 million in fiscal year 2025 and totaled \$28.8 million at the end of the fiscal year.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Hamilton County Board of Commissioners approved and adopted its fiscal year 2025 annual operating budget on June 3, 2024. The original General Fund operating budget was balanced without requiring use of fund balance.

The Board of Commissioners approved a total of \$11.9 million in amendments to General Fund operating expenditures and transfers out during fiscal year 2025 and total amendments of \$5.7 million to the General Fund revenue budget. The amendments to the General Fund revenue and expenditure budgets were primarily for:



- Increases to expenditures budgets for purchases that were initiated in the prior fiscal year, encumbered against the prior fiscal year budget, but were completed and the goods received in the current fiscal year (\$6.7 million);
- Increases to revenue and expenditures budgets for grant-related items that were not expended during the prior fiscal year and were carried over into the current fiscal year (revenues - \$4.7 million; expenditures - \$4.1 million);
- New grants received from various state and federal agencies (revenues - \$4.2 million; expenditures - \$4.2 million);
- Increase to expenditures budget for allocations of opioid settlement funds (\$2.1 million);and
- Decrease to revenues and expenditures related to the termination of certain federal grants passed through the Tennessee Department of Health (\$5.7 million).

Actual revenues for the General Fund were below budgeted revenues by \$18.8 million (6.0%). This variance is largely due to lower than budgeted property tax revenues (\$9.0 million) and intergovernmental revenues related to grants from the State of Tennessee (\$9.1 million).

Total expenditures were less than budgeted expenditures by \$22.7 million (7.9%). 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, 2025

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### CAPITAL ASSETS

The County's investment in capital assets as of June 30, 2025, amounts to \$461.6 million (net of accumulated depreciation of \$361.6 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 \$83.2 million for new and replacement capital assets and improvements to capital assets. Additional information on the County's capital assets can be found in the Notes to the Basic Financial Statements – Note H.

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

- Tyner Middle/High School - \$41.8 million
- Hamilton County Jail & Detention Center - \$31.0 million
- Various School Capital Projects and Deferred Maintenance - \$7.4 million
- Forensic Center Renovation - \$2.7 million
- Shackelford Ridge Tennis Courts - \$1.2 million

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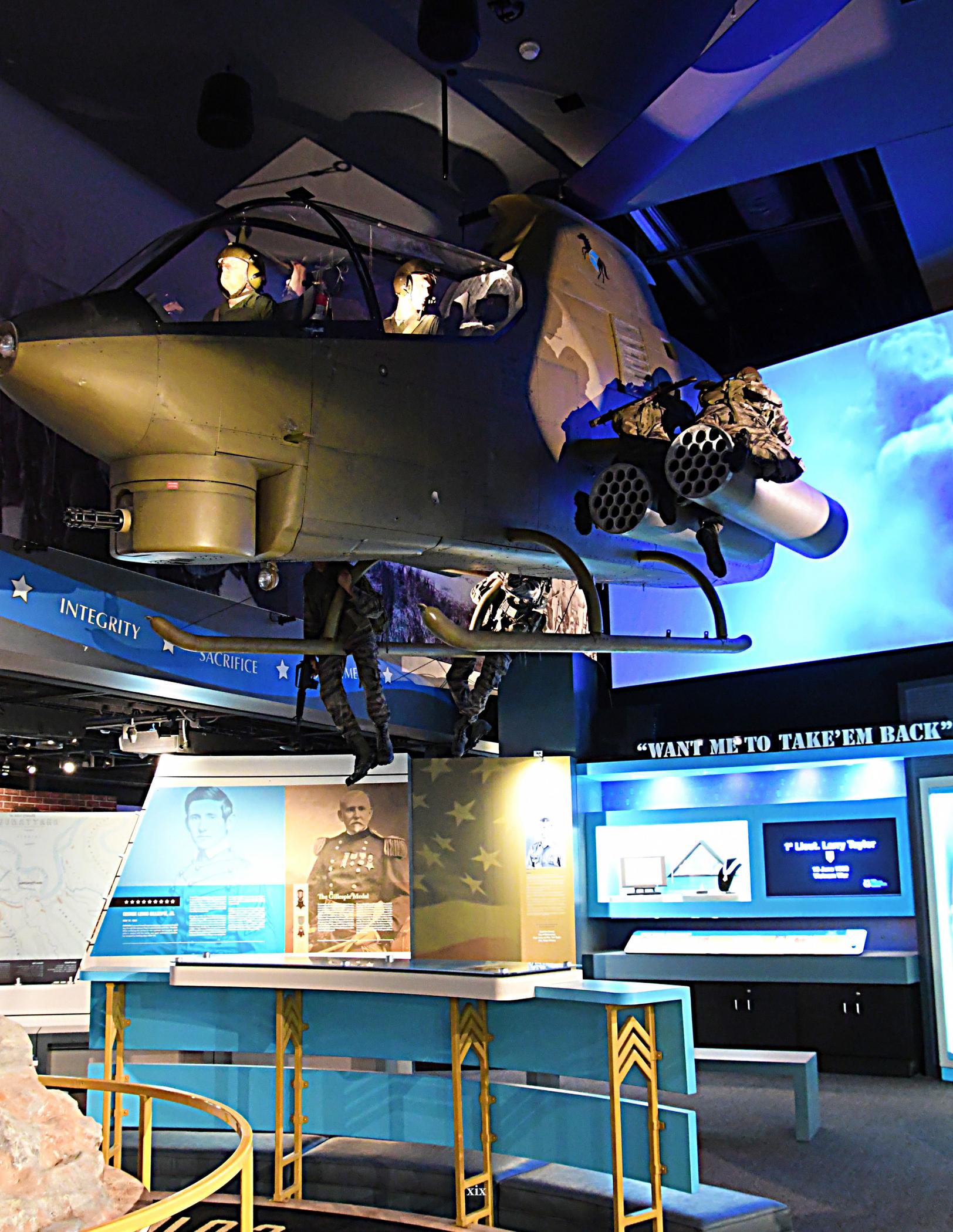
### CAPITAL ASSET ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2025

#### NET OF DEPRECIATION

(Rounded to the thousands)

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Ending Balance</b>
Land	\$ 97,769,000	\$ 1,009,000	\$ —	\$ —	\$ 98,778,000
Construction in progress	49,629,000	60,322,000	(11,294,000)	(32,956,000)	65,701,000
Buildings	204,069,000	1,108,000	(57,000)	31,232,000	236,352,000
Improvements other than buildings	47,818,000	2,808,000	—	1,050,000	51,676,000
Machinery and equipment	64,983,000	8,060,000	(3,570,000)	582,000	70,055,000
Infrastructure	268,974,000	9,767,000	—	—	278,741,000
Intangibles	7,591,000	158,000	—	92,000	7,841,000
Right-to-use leased assets	7,740,000	133,000	(2,476,000)	—	5,397,000
Right-to-use technology agreements	8,827,000	—	(213,000)	—	8,614,000
Depreciation and amortization	(349,355,000)	(18,054,000)	5,832,000	—	(361,577,000)
	<u>\$ 408,045,000</u>	<u>\$ 65,311,000</u>	<u>\$ (11,778,000)</u>	<u>\$ —</u>	<u>\$ 461,578,000</u>



★ INTEGRITY

★ SACRIFICE

“WANT ME TO TAKE 'EM BACK”



1st Lieut. Larry Taylor  
19 June 1968  
1968

# MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

## LONG-TERM DEBT

At the end of fiscal year 2025, the County had general obligation bonds outstanding of \$475.5 million, with \$36.5 million of such debt due in fiscal year 2026. Of the bonded debt, \$334.1 million (70.3%) was issued for capital improvements for the Hamilton County Schools.

In September 2024, the County issued its 2024A bond issue of \$238.3 million, which generated \$271.0 million in proceeds including the premium earned on the bonds of \$32.7 million. In addition, in September 2024, the County issued refunding bonds (2024B bond issue) of \$22.3 million, which were used to pay off \$24.0 million of bonds originally issued in 2015.

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

## OVERALL FINANCIAL HEALTH

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

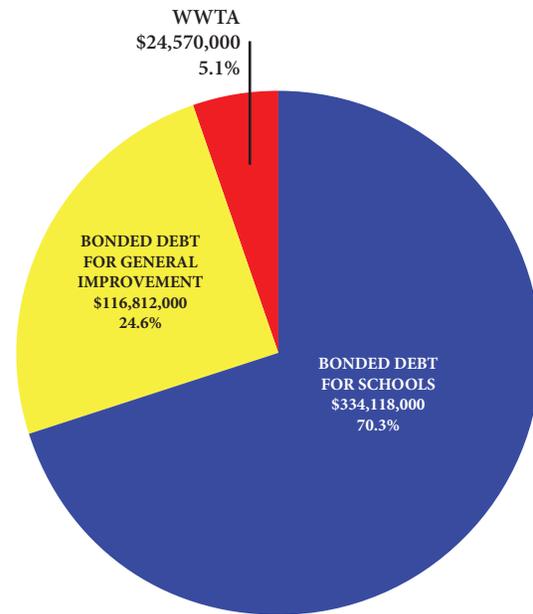
The County’s excellent bond ratings (AAA by S&P Global Ratings and Fitch Ratings and Aaa by Moody’s Investors Service) are further evidence of our financial strength. These ratings indicate that the County’s bonds are considered to be very high investment quality, which translates to lower interest rates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

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

The Hamilton County Commission approved the fiscal year 2026 budget on June 18, 2025. Some of the key factors considered in developing the fiscal year 2026 budget are noted below:

## General Obligation Bonds Outstanding

General Improvement	\$	116,812,000	24.6%
Schools		334,118,000	70.3%
WWTA		24,570,000	5.1%
<b>Total General Obligation Bond Debt</b>	<b>\$</b>	<b>475,500,000</b>	



- The primary source of revenue for the County comes from property taxes. Property tax revenues for FY 2026 of \$348.5 million were budgeted to be relatively flat in comparison to the prior year.
- Sales tax revenues for fiscal year 2026 of \$135.8 are budgeted to grow 2.4% over the prior year budget. The vast majority of these revenues (\$124.7 million) are budgeted by the Hamilton County Schools, with the remainder going to the General Fund.
- Intergovernmental revenues account for 39.6% of the County’s total revenue. The intergovernmental revenues consist primarily of funding received from the State of Tennessee and from the Federal government. 90.6% 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 \$31.3 million (7.8%) in fiscal year 2026, primarily due to increased funding from the Tennessee Investment in Student Achievement (TISA) program to Hamilton County Schools of \$20.1

million (7.7%).

- 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 2026 budget were \$76.7 million, which increased \$9.9 million from the FY 2025 budgeted amount. This increase was a result of the increase in debt service from the 2024 bond issue.
- As is common for most governmental entities, the majority (61.3%) of the County's expenditures are personnel related (salaries and employee benefits). In the FY 2026 budget, raises were granted to County employees. The adopted budget for HCS did not include employee raises but did include one-time bonuses for teachers. Total expenses for salaries decreased from the prior year by \$3.8 million (0.8%). Salaries increased in the County General Fund \$1.9 million (1.6%) and decreased for the Hamilton County Schools \$5.8 million (1.6%) as a result of staff position reductions which consisted of eliminations of .5 positions in the staffing model at each school and a reduction in vacant positions at the administrative offices.
- Total costs budgeted for employee benefits increased from the FY 2025 budget by \$12.6 million (18.0%) as a result of increased healthcare costs. In addition to budgeting for increased premiums, the County and Hamilton County Schools implemented plan and employee premium changes to manage the anticipated medical cost increases.
- Expenditures for Debt Service principal and

interest payments of \$59.1 million increased over the prior year by \$11.8 million as a result of the new bond issue in September 2024. The County is scheduled to repay \$36.5 million of debt principal in fiscal year 2026, which is \$5.2 million higher than the principal repaid in fiscal year 2025.

- The Hamilton County Schools (HCS), a discretely presented component unit of Hamilton County, adopted a fiscal year 2026 budget of \$692.2 million (63.2% 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 2025 budget by \$29.2 million (4.4%). The majority of the increase in the fiscal year 2026 budget was in salaries and benefits, which increased over the prior year budget by \$3.6 million (0.8%); in purchased services, which increased over the prior year budget by \$13.9 million (11.7%); and in capital expenditures \$9.6 million (52.9%). The majority of the increased expenditures were funded from an increase in intergovernmental revenues of \$34.8 million (9.8%) received primarily from the State of Tennessee.
- Increases in the HCS expenditure budget were aligned with the school district's strategic plan, Opportunity 2030 which is based on five key commitments: Every Student Learns, Every Student Belongs, Every School Equipped, Every Employee Valued, and Every Community Served. With over 70% of school district funds being spent on personnel; the District closely aligns its staffing levels with the State's TISA Program and class size mandates.

# REQUESTS FOR INFORMATION

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

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

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



**STATEMENT OF NET POSITION**  
**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2025**

	Primary Government Governmental Activities	Component Units
<b>ASSETS</b>		
Cash and cash equivalents	\$ 341,265,731	\$ 136,885,830
Investments	211,205,316	56,048,038
Receivables, net of allowance for uncollectibles	212,743,802	224,160,381
Receivables, restricted	-	666,894
Due from component units	1,168,851	-
Due from primary government	-	20,044,668
Inventories	1,371,937	1,059,188
Prepaid items	655,577	445,683
Advance to component units, net of allowance for uncollectibles	24,570,000	-
Net pension asset	2,739,437	75,661,094
Cash and cash equivalents - restricted	-	9,663,949
Investment in joint venture	7,767,542	-
Land and other nondepreciable assets	164,479,328	101,882,520
Other capital assets, net of accumulated depreciation and amortization	297,098,306	596,674,853
Total assets	<u>1,265,065,827</u>	<u>1,223,193,098</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension contributions subsequent to measurement date	10,280,798	19,032,950
Pension experience differences	7,969,644	24,755,448
Pension changes in assumptions	279,906	2,719,079
Pension investment differences	122,315	-
Deferred changes in proportion to the net pension liability	-	1,350,067
OPEB changes in assumptions	706,973	-
OPEB contributions subsequent to measurement date	5,426,099	-
OPEB investment differences	3,400,734	-
OPEB experience differences	-	39,926,505
Total deferred outflows of resources	<u>28,186,469</u>	<u>87,784,049</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	52,655,429	72,714,364
Due to component unit	20,044,668	-
Due to primary government	-	1,168,851
Unearned revenue	13,588,630	-
Long-term liabilities:		
Due within one year	42,447,637	21,671,225
Due in more than one year	522,315,750	58,659,870
Net pension liability, due in more than one year	6,967,078	4,346,468
Net OPEB liability, due in more than one year	7,177,295	-
Total OPEB liability, due in more than one year	-	111,218,888
Advance from primary government	-	30,260,000
Total liabilities	<u>665,196,487</u>	<u>300,039,666</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred property tax revenue	165,082,194	125,301,007
Deferred lease receivable	4,241,624	1,625,202
Pension investment earnings	-	17,027,585
Pension experience differences	9,822	1,543,093
Pension investment difference	5,355,876	172,102
OPEB changes in assumptions	697,734	35,438,049
OPEB experience differences	2,216,582	-
Deferred changes in proportion to the net pension liability	-	623,937
Deferred gain on refunding	2,340,648	-
Total deferred inflows of resources	<u>179,944,480</u>	<u>181,730,975</u>
<b>NET POSITION</b>		
Net investment in capital assets	372,021,226	653,881,592
Restricted for:		
General government	5,951,134	-
Public safety	2,658,208	-
Social services	1,977,657	-
Stabilization reserve trust	5,172,920	16,104,107
Centralized cafeteria	-	13,815,932
Education	-	13,016,656
Local School Activities	-	10,616,653
Instruction	-	17,118
Net pension asset	2,739,437	71,716,264
WWTA PSLP program	-	5,000,000
Debt service	-	3,460,609
Unrestricted	<u>57,590,747</u>	<u>41,577,575</u>
Total net position	<u>\$ 448,111,329</u>	<u>\$ 829,206,506</u>

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

**STATEMENT OF ACTIVITIES**

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2025**

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 Governmental Activities	Components Units
<b>PRIMARY GOVERNMENT</b>						
Government activities:						
General government	\$ 93,874,663	\$ 29,048,844	\$ 4,649,976	\$ 36,004,756	\$ (24,171,087)	
Public safety:						
Sheriff	75,229,023	1,783,589	7,696,946	-	(65,748,488)	
Criminal Court	5,258,676	1,417,211	-	-	(3,841,465)	
Juvenile Court	2,343,513	302,218	-	-	(2,041,295)	
Ambulance Services	22,123,975	17,501,328	-	-	(4,622,647)	
Other	52,914,173	4,939,441	3,630,691	-	(44,344,041)	
Highways and streets	24,627,657	1,564,350	9,184,642	-	(13,878,665)	
Health	27,519,466	2,238,586	12,871,431	-	(12,409,449)	
Social services	5,229,561	2,611,776	-	-	(2,617,785)	
Culture and recreation	13,814,779	1,495,518	2,332,709	-	(9,986,552)	
Education	11,292,768	-	-	-	(11,292,768)	
Interest on long-term debt	12,576,724	-	-	-	(12,576,724)	
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 346,804,978</b>	<b>\$ 62,902,861</b>	<b>\$ 40,366,395</b>	<b>\$ 36,004,756</b>	<b>(207,530,966)</b>	
<b>COMPONENT UNITS</b>						
Department of Education	\$ 702,872,886	\$ 9,889,787	\$ 111,605,807	\$ 8,314,546		\$ (573,062,746)
"911" Emergency Communications	17,682,340	-	18,824,977	-		1,142,637
Water & Wastewater Treatment Authority	27,577,969	36,138,741	24,643,165	6,571,746		39,775,683
Railroad Authority	166,442	166,409	-	-		(33)
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 748,299,637</b>	<b>\$ 46,194,937</b>	<b>\$ 155,073,949</b>	<b>\$ 14,886,292</b>		<b>(532,144,459)</b>
General revenues:						
Property taxes					187,603,524	147,418,821
Sales taxes					11,253,757	122,862,713
Business taxes					13,121,180	-
Hotel/Motel taxes					11,637,370	-
Other taxes					1,031,228	-
Unrestricted investment earnings					24,376,819	9,274,184
Grants and contributions not restricted to specific programs					-	291,383,509
<b>Total general revenues</b>					<b>249,023,878</b>	<b>570,939,227</b>
<b>Change in net position</b>					<b>41,492,912</b>	<b>38,794,768</b>
<b>Net position, July 1</b>					<b>406,618,417</b>	<b>802,727,281</b>
<b>Adjustment - change in accounting principle</b>					<b>-</b>	<b>(12,315,543)</b>
<b>Net position, July 1, as adjusted</b>					<b>406,618,417</b>	<b>790,411,738</b>
<b>Net position, ending</b>					<b>\$ 448,111,329</b>	<b>\$ 829,206,506</b>

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 56,961,225	\$ 3,263,802	\$ 258,890,483	\$ 9,246,440	\$ 328,361,950
Investments	82,131,409	4,410,446	109,467,788	541,951	196,551,594
Receivables, net of allowance for uncollectible	203,676,645	-	7,165,467	1,817,671	212,659,783
Due from other funds	2,121,914	980,825	360,696	79,813	3,543,248
Due from component units	1,168,851	-	-	-	1,168,851
Inventories	1,035,415	-	-	-	1,035,415
Prepaid items	348,391	-	-	3,732	352,123
Advance to component units	-	-	24,570,000	-	24,570,000
<b>Total assets</b>	<b>\$ 347,443,850</b>	<b>\$ 8,655,073</b>	<b>\$ 400,454,434</b>	<b>\$ 11,689,607</b>	<b>\$ 768,242,964</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,455,858	\$ -	\$ 14,579,387	\$ -	\$ 19,035,245
Accrued items and other	18,237,135	-	-	2,547,385	20,784,520
Intergovernmental payables	636,220	-	-	-	636,220
Due to other funds	6,525,991	-	3,061,255	6,296	9,593,542
Due to component units	-	-	20,044,668	-	20,044,668
Other unearned revenue	-	-	13,588,181	-	13,588,181
<b>Total liabilities</b>	<b>29,855,204</b>	<b>-</b>	<b>51,273,491</b>	<b>2,553,681</b>	<b>83,682,376</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax revenue	165,082,194	-	-	-	165,082,194
Unavailable property taxes	6,573,056	-	-	-	6,573,056
Leases	4,241,624	-	-	-	4,241,624
Other unavailable revenue	930,947	-	-	-	930,947
<b>Total deferred inflows of resources</b>	<b>176,827,821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,827,821</b>
<b>FUND BALANCES</b>					
Nonspendable for inventories	1,035,415	-	-	-	1,035,415
Nonspendable for prepaid items	348,391	-	-	3,732	352,123
Restricted for stabilization reserve trust	5,172,920	-	-	-	5,172,920
Restricted for general government	-	-	-	5,951,134	5,951,134
Restricted for public safety	1,574,970	-	-	1,083,238	2,658,208
Restricted for social services	-	-	-	1,977,657	1,977,657
Restricted for capital projects	-	-	298,333,365	-	298,333,365
Restricted for debt service	-	-	24,570,000	-	24,570,000
Committed for public safety	553,841	-	-	120,165	674,006
Committed for capital projects	-	-	19,893,185	-	19,893,185
Assigned for general government	2,073,799	-	-	-	2,073,799
Assigned for public safety	5,784,604	-	-	-	5,784,604
Assigned for debt service	-	8,655,073	-	-	8,655,073
Assigned for highways and streets	12,153,721	-	-	-	12,153,721
Assigned for health	104,533	-	-	-	104,533
Assigned for culture and recreation	413,717	-	-	-	413,717
Assigned for capital projects	-	-	6,384,393	-	6,384,393
Unassigned	111,544,914	-	-	-	111,544,914
<b>Total fund balances</b>	<b>140,760,825</b>	<b>8,655,073</b>	<b>349,180,943</b>	<b>9,135,926</b>	<b>507,732,767</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 347,443,850</b>	<b>\$ 8,655,073</b>	<b>\$ 400,454,434</b>	<b>\$ 11,689,607</b>	<b>\$ 768,242,964</b>

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, 2025**

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

Fund balances - total governmental funds \$ 507,732,767

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. 461,577,634

Certain revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 7,504,003

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. 28,809,261

The County entered into a joint venture with the City of Chattanooga and the Sports Authority for the planning, financing, and constructing of a multi-use stadium. This asset is not a currently available financial resource and is not reported in the funds. 3,161,079

The County entered into a joint venture with the City of Chattanooga and the Carter Street Corporation for the development and management of the Convention and Visitor's Trade Center. This asset is not a currently available financial resource and is not reported in the funds. 4,606,463

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	\$ (475,500,000)	
Original issue premiums	(60,849,895)	
Deferred gain on refunding	(2,340,648)	
Leases	(3,072,680)	
SBITAs	(6,197,252)	
Net pension asset	2,739,437	
Net pension liability	(6,967,078)	
Deferred outflows from pension contributions	10,280,798	
Deferred outflows from differences in pension investment earnings	122,315	
Deferred outflows from pension experiences	7,969,644	
Deferred outflows from pension changes in assumptions	279,906	
Deferred inflows from difference in pension investment earnings	(5,355,876)	
Deferred inflows from pension experiences	(9,822)	
Net OPEB liability	(7,177,295)	
Deferred outflows from OPEB contributions	5,426,099	
Deferred outflows from OPEB changes in assumptions	706,973	
Deferred outflows from differences in OPEB investment earnings	3,400,734	
Deferred inflows from OPEB experience	(2,216,582)	
Deferred inflows from OPEB changes in assumptions	(697,734)	
Landfill post closure costs	(70,000)	
Compensated absences	(19,073,560)	
Accrued interest payable	<u>(6,677,362)</u>	
		<u>(565,279,878)</u>

Net position of governmental activities \$ 448,111,329

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, 2025**

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 212,999,193	\$ -	\$ -	\$ 11,647,866	\$ 224,647,059
Licenses and permits	1,835,928	-	-	-	1,835,928
Intergovernmental	39,477,339	830,042	35,691,200	59,014	76,057,595
Charges for services	26,035,465	-	201,518	23,742,681	49,979,664
Fines, forfeitures and penalties	1,527,775	-	-	42,885	1,570,660
Investment earnings	8,982,447	158,343	12,566,113	1,349,151	23,056,054
Miscellaneous	5,853,048	-	313,556	362,820	6,529,424
Total revenues	<u>296,711,195</u>	<u>988,385</u>	<u>48,772,387</u>	<u>37,204,417</u>	<u>383,676,384</u>
<b>EXPENDITURES</b>					
Current:					
General government	56,852,388	-	-	17,344,781	74,197,169
Public safety:					
Sheriff	69,043,613	-	-	442,898	69,486,511
Criminal Court	4,790,099	-	-	-	4,790,099
Juvenile Court	2,067,440	-	-	-	2,067,440
Ambulance Services	20,195,880	-	-	-	20,195,880
Other	37,603,087	-	-	19,289	37,622,376
Highways and streets	19,130,974	-	-	-	19,130,974
Health	26,582,565	-	-	-	26,582,565
Social services	3,372,862	-	-	1,827,104	5,199,966
Culture and recreation	11,289,722	-	-	-	11,289,722
Debt service:					
Principal	2,331,957	31,320,000	3,844	-	33,655,801
Interest and fiscal charges	330,626	17,212,308	2,356	-	17,545,290
Capital outlay:					
General government	8,916,647	-	46,587,634	-	55,504,281
Education	-	-	60,050,065	-	60,050,065
Total expenditures	<u>262,507,860</u>	<u>48,532,308</u>	<u>106,643,899</u>	<u>19,634,072</u>	<u>437,318,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,203,335</u>	<u>(47,543,923)</u>	<u>(57,871,512)</u>	<u>17,570,345</u>	<u>(53,641,755)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	16,320,278	71,954,295	6,222,516	-	94,497,089
Transfers out	(53,820,129)	-	(25,491,682)	(16,285,090)	(95,596,901)
Issuance of leases payable	132,662	-	-	-	132,662
Sale of capital assets	561,864	-	-	-	561,864
Issuance of debt	-	-	238,280,000	-	238,280,000
Issuance of refunding bonds	-	-	22,290,000	-	22,290,000
Premium from bonds	-	-	32,702,761	-	32,702,761
Premium on refunding bonds	-	-	1,591,108	-	1,591,108
Payment to escrow agent	-	(23,816,707)	-	-	(23,816,707)
Total other financing sources (uses)	<u>(36,805,325)</u>	<u>48,137,588</u>	<u>275,594,703</u>	<u>(16,285,090)</u>	<u>270,641,876</u>
Net change in fund balances	(2,601,990)	593,665	217,723,191	1,285,255	217,000,121
Fund balances, beginning	<u>143,362,815</u>	<u>8,061,408</u>	<u>131,457,752</u>	<u>7,850,671</u>	<u>290,732,646</u>
Fund balances, ending	<u>\$ 140,760,825</u>	<u>\$ 8,655,073</u>	<u>\$ 349,180,943</u>	<u>\$ 9,135,926</u>	<u>\$ 507,732,767</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, 2025**

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

Net change in fund balances - total governmental funds	\$ 217,000,121
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.	71,868,123
Depreciation and amortization expense on governmental capital assets is included in the governmental activities in the statement of activities.	(18,053,937)
The payment of the principal of long-term debt consumes the current financial resources of governmental funds:	
Payment on general obligation bonds	31,320,000
Payment to escrow agent	23,816,707
Payment on SBITAs	909,396
Payment on leases	1,426,405
The issuance of the principal of long-term debt relieves the current financial resources of governmental funds:	
Issuance of general obligation bonds	(260,570,000)
Issuance of bond premium	(34,293,869)
Initiation of lease liability	(132,662)
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 decreased by this amount during the year.	378,497
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Landfill post closure costs	10,000
Amortization of bond issuance premium	8,054,178
Net book value of right-to-use asset returned to lessor	(305,430)
Lease liability remeasured	312,162
Change in accrued interest payable	(1,896,132)
The net loss of internal service funds are reported with governmental activities.	(5,034,728)
The net effect of various transactions involving capital assets is to increase net position.	
Disposal of capital assets	(179,824)
Donated capital assets	11,496,912
Capital assets transferred to component units	(11,292,768)
The net effect of the change in the net OPEB obligation is included in the governmental activities in the statement of activities.	4,505,842
The net effect of the change in the net pension liability is included in the governmental activities in the statement of activities.	(1,146,822)
Certain governmental revenues will not be collected for several months after the fiscal year and are reported as deferred inflows in the governmental funds.	(465,040)
The net effect of the change in the County's joint ventures is included in the governmental activities in the statement of activities.	<u>3,765,781</u>
Change in net position of governmental activities	<u>\$ 41,492,912</u>

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

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

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 222,100,300	\$ 222,100,300	\$ 212,999,193	\$ (9,101,107)
Licenses and permits	1,782,500	1,782,500	1,835,928	53,428
Intergovernmental revenues	44,260,649	49,447,806	39,477,339	(9,970,467)
Charges for services	29,356,839	29,356,839	26,035,465	(3,321,374)
Fines, forfeitures and penalties	1,888,850	1,888,850	1,527,775	(361,075)
Investment earnings	4,546,000	4,546,000	8,982,447	4,436,447
Miscellaneous	5,871,205	6,366,012	5,853,048	(512,964)
Total revenues	<u>309,806,343</u>	<u>315,488,307</u>	<u>296,711,195</u>	<u>(18,777,112)</u>
<b>EXPENDITURES</b>				
Current:				
General government	59,329,711	61,666,877	56,852,388	4,814,489
Public safety	132,613,186	139,574,559	133,700,119	5,874,440
Highways and streets	20,222,828	21,518,771	19,130,974	2,387,797
Health	32,381,877	31,766,829	26,582,565	5,184,264
Social services	3,479,076	3,527,259	3,372,862	154,397
Culture and recreation	11,691,971	13,562,453	11,289,722	2,272,731
Capital outlay	13,561,784	10,727,913	8,916,647	1,811,266
Debt service:				
Principal	-	2,564,960	2,331,957	233,003
Interest	-	256,916	330,626	(73,710)
Total budgetary expenditures	<u>273,280,433</u>	<u>285,166,537</u>	<u>262,507,860</u>	<u>22,658,677</u>
Excess of revenues over expenditures	<u>36,525,910</u>	<u>30,321,770</u>	<u>34,203,335</u>	<u>3,881,565</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	18,617,588	18,667,588	16,320,278	(2,347,310)
Transfers out	(55,593,498)	(55,793,498)	(53,820,129)	1,973,369
Issuance of SBITA payable	100,000	100,000	-	(100,000)
Issuance of lease payable	100,000	100,000	132,662	32,662
Sale of capital assets	250,000	250,000	561,864	311,864
Total other financing sources (uses)	<u>(36,525,910)</u>	<u>(36,675,910)</u>	<u>(36,805,325)</u>	<u>(129,415)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6,354,140)</u>	<u>(2,601,990)</u>	<u>\$ 3,752,150</u>
Fund balance at beginning of year			<u>143,362,815</u>	
Fund balance at end of year			<u>\$ 140,760,825</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, 2025**

	Governmental Activities - Internal Service Fund
<b>ASSETS</b>	
Current assets	
Cash	\$ 12,903,781
Investments	14,653,722
Accounts receivable	84,019
Due from other funds	6,085,482
Inventory	336,522
Prepaid items	<u>303,454</u>
Total current assets	<u>34,366,980</u>
Total assets	<u>34,366,980</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	179,157
Accrued claims	4,722,925
Due to other funds	35,188
Unearned revenue	<u>449</u>
Total current liabilities	<u>4,937,719</u>
Noncurrent liabilities	
Accrued claims	<u>620,000</u>
Total liabilities	<u>5,557,719</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 28,809,261</u>

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

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

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2025**

	Governmental Activities - Internal Service Fund
	<u>                    </u>
OPERATING REVENUES	
Charges for services	\$ 52,206,153
Other	<u>3,073,529</u>
Total operating revenues	<u>55,279,682</u>
OPERATING EXPENSES	
Unemployment compensation	21,454
Claims and premiums	51,099,080
Pharmacy	8,913,696
Clinic	1,451,730
Administration	<u>1,249,027</u>
Total operating expenses	<u>62,734,987</u>
Operating loss	(7,455,305)
NONOPERATING REVENUES	
Investment earnings	1,320,765
Net Operating Loss Before Transfers	(6,134,540)
Transfers in	1,135,000
Transfers out	<u>(35,188)</u>
Total Transfers	<u>1,099,812</u>
Change in net position	(5,034,728)
Net position, beginning	<u>33,843,989</u>
Net position, ending	<u>\$ 28,809,261</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, 2025**

	Governmental Activities - Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from insurance premiums	\$ 44,770,781
Cash received from unemployment compensation	762,623
Cash received from pharmacy	8,847,037
Cash paid for claims and premiums	(50,879,703)
Cash paid for administration	(1,249,027)
Cash paid for clinic	(1,451,730)
Cash paid for pharmacy	<u>(8,913,696)</u>
Net cash used in operating activities	<u>(8,113,715)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of investments	17,603,231
Purchase of investments	(14,653,722)
Interest on investments	<u>1,320,765</u>
Net cash provided by investing activities	<u>4,270,274</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers in	1,135,000
Transfers out	<u>(35,188)</u>
Net cash provided by non-capital financing activities	<u>1,099,812</u>
Net change in cash and cash equivalents	(2,743,629)
Beginning cash and cash equivalents	<u>15,647,410</u>
Ending cash and cash equivalents	<u>\$ 12,903,781</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating loss	<u>\$ (7,455,305)</u>
<b>ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Change in accounts receivable	(50,406)
Change in due from other funds	(2,098,478)
Change in inventory	(14,015)
Change in prepaid items	(35,735)
Change in accounts payable	73,040
Change in due to other funds	35,187
Change in liabilities	(119)
Change in accrued claims	<u>1,432,116</u>
Total adjustments	<u>(658,410)</u>
Net cash used in operating activities	<u>\$ (8,113,715)</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, 2025**

	OPEB & Pension Trust Funds	Constitutional Offices Custodial Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash	\$ 61,645	\$ 36,404,110
Investments	-	77,963
Investments on behalf of litigants and beneficiaries	-	20,893,997
Investments, at fair value:		
US Government Securities	7,402,694	-
Municipal Bonds	2,012,774	-
Mutual Funds	17,293,427	-
Domestic Equity Securities	9,316,558	-
Domestic Corporate Bonds	5,147,434	-
Foreign Equity Securities	3,978,715	-
Money Market	1,260,394	-
Exchange-traded Funds	13,360,278	-
Real Estate Investment Trust	51,383	-
	<u>59,823,657</u>	<u>-</u>
Total investments, at fair value		
Receivables:		
Interest	178,629	-
Accounts	-	10,665
	<u>178,629</u>	<u>10,665</u>
Total receivables		
	<u>60,063,931</u>	<u>57,386,735</u>
Total assets		
<b>LIABILITIES</b>		
Accrued items and other	-	7,531,975
Intergovernmental payables	-	7,671,117
	<u>-</u>	<u>15,203,092</u>
Total liabilities		
<b>NET POSITION</b>		
Restricted for pension benefits	3,683,970	-
Restricted for OPEB benefits	56,379,961	-
Restricted for individuals, organizations and others	-	42,183,643
	<u>\$ 60,063,931</u>	<u>\$ 42,183,643</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, 2025**

	OPEB & Pension Trust Funds	Constitutional Offices Custodial Funds
	<u>                    </u>	<u>                    </u>
ADDITIONS		
Contributions:		
Employer	\$ 5,504,661	\$ -
Other	<u>1,788</u>	<u>-</u>
Total contributions	<u>5,506,449</u>	<u>-</u>
Collections of taxes, fines and fees:		
State of Tennessee	-	72,745,046
Municipalities	<u>-</u>	<u>16,720,267</u>
Total collections of taxes, fines and fees	<u>-</u>	<u>89,465,313</u>
Judgments for litigants and beneficiaries	-	76,195,971
Miscellaneous	-	43,163,616
Investment earnings:		
Net change in fair value of investments	4,940,192	-
Interest and dividends	<u>1,421,815</u>	<u>-</u>
Net investment earnings	<u>6,362,007</u>	<u>-</u>
Total additions	<u>11,868,456</u>	<u>208,824,900</u>
DEDUCTIONS		
Benefits	4,109,623	-
Payments of taxes, fines and fees:		
State of Tennessee	-	72,745,046
Municipalities	-	16,720,267
Payouts to litigants and beneficiaries	-	80,016,392
Administrative expense	77,986	-
Miscellaneous	<u>-</u>	<u>43,046,676</u>
Total deductions	<u>4,187,609</u>	<u>212,528,381</u>
Change in net position	7,680,847	(3,703,481)
Net position, beginning	<u>52,383,084</u>	<u>45,887,124</u>
Net position, ending	<u>\$ 60,063,931</u>	<u>\$ 42,183,643</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, 2025**

	Hamilton County Schools	"911" Emergency Communications District	Water & Wastewater Treatment Authority (WWTA)	Railroad Authority	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 73,049,424	\$ 13,400,753	\$ 50,426,661	\$ 8,992	\$ 136,885,830
Investments	40,719,106	15,328,932	-	-	56,048,038
Receivables, net of allowance for uncollectible	197,099,935	102,604	26,957,842	-	224,160,381
Receivables, restricted	-	-	666,894	-	666,894
Due from primary government	-	-	20,044,668	-	20,044,668
Inventories	1,002,194	-	56,994	-	1,059,188
Prepaid items	425,268	-	20,415	-	445,683
Net pension asset	75,661,094	-	-	-	75,661,094
Cash and cash equivalents - restricted	5,330,843	-	4,333,106	-	9,663,949
Land and other nondepreciable assets	60,031,807	1,230,148	40,620,565	-	101,882,520
Capital assets, net of accumulated depreciation	418,678,826	4,583,804	173,412,223	-	596,674,853
<b>Total assets</b>	<b>871,998,497</b>	<b>34,646,241</b>	<b>316,539,368</b>	<b>8,992</b>	<b>1,223,193,098</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension contributions subsequent to measurement date	17,917,555	1,115,395	-	-	19,032,950
Pension experience differences	23,449,323	1,306,125	-	-	24,755,448
Pension changes in assumptions	1,898,663	820,416	-	-	2,719,079
Deferred changes in proportion to the net pension liability	1,350,067	-	-	1,350,067	1,350,067
OPEB experience differences	39,926,505	-	-	-	39,926,505
<b>Total deferred outflows of resources</b>	<b>84,542,113</b>	<b>3,241,936</b>	<b>-</b>	<b>-</b>	<b>87,784,049</b>
<b>LIABILITIES</b>					
Accounts payable and other current liabilities	55,192,834	166,081	17,355,449	-	72,714,364
Due to primary government	-	736,938	431,913	-	1,168,851
Noncurrent liabilities:					
Due within one year	17,866,525	795,116	3,009,584	-	21,671,225
Due in more than one year	32,550,947	7,175	26,101,748	-	58,659,870
Net pension liability, due in more than one year	3,068,843	1,277,625	-	-	4,346,468
Total OPEB liability, due in more than one year	111,218,888	-	-	-	111,218,888
Advance from primary government	-	-	30,260,000	-	30,260,000
<b>Total liabilities</b>	<b>219,898,037</b>	<b>2,982,935</b>	<b>77,158,694</b>	<b>-</b>	<b>300,039,666</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax revenue	125,301,007	-	-	-	125,301,007
Deferred lease receivable	1,625,202	-	-	-	1,625,202
Pension investment differences	-	172,102	-	-	172,102
Pension experience differences	1,324,362	218,731	-	-	1,543,093
OPEB changes in assumptions	35,438,049	-	-	-	35,438,049
Deferred inflows pension investment earnings	17,027,585	-	-	-	17,027,585
Deferred changes in proportion to the net pension liability	623,937	-	-	-	623,937
<b>Total deferred inflows of resources</b>	<b>181,340,142</b>	<b>390,833</b>	<b>-</b>	<b>-</b>	<b>181,730,975</b>
<b>NET POSITION</b>					
Net investment in capital assets	473,361,516	5,813,952	174,706,124	-	653,881,592
Restricted for:					
Centralized cafeteria	13,815,932	-	-	-	13,815,932
Education	13,016,656	-	-	-	13,016,656
Local School Activities	10,616,653	-	-	-	10,616,653
Stabilization reserve trust	16,104,107	-	-	-	16,104,107
Instruction	17,118	-	-	-	17,118
Net pension asset	71,716,264	-	-	-	71,716,264
WWTA PSLP program	-	-	5,000,000	-	5,000,000
Debt service	-	-	3,460,609	-	3,460,609
Unrestricted	(43,345,815)	28,700,457	56,213,941	8,992	41,577,575
<b>Total net position</b>	<b>\$ 555,302,431</b>	<b>\$ 34,514,409</b>	<b>\$ 239,380,674</b>	<b>\$ 8,992</b>	<b>\$ 829,206,506</b>

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, 2025**

<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	\$ 321,641,270	\$ 6,246,288	\$ 45,967,801	\$ -
Exceptional instruction	59,820,690	-	-	-
Vocational instruction	21,603,596	-	-	-
Support services:				
Pupil services	57,026,147	-	7,694,447	-
Instructional staff	61,442,100	-	14,747,220	-
Technology	13,165,932	-	-	-
Board of education	7,744,004	-	-	-
Administration	45,809,463	-	799,949	-
Business and fiscal services	5,248,076	-	68,447	-
Human resources	7,677,179	-	668,903	-
Plant operation and maintenance	63,192,945	-	6,851,481	16,398,941
Pupil transportation	32,662,245	-	1,852,371	-
Central and other	1,347,177	-	-	-
Operation of noninstructional services:				
Community services	5,795,446	-	4,339,919	-
Early childhood education	5,947,601	-	-	-
Child Nutrition	714,282	3,643,499	28,615,269	-
Interest and fiscal charges	119,128	-	-	-
<b>TOTAL HAMILTON COUNTY SCHOOLS</b>	<u>710,957,281</u>	<u>9,889,787</u>	<u>111,605,807</u>	<u>16,398,941</u>
<b>"911" EMERGENCY COMMUNICATIONS DISTRICT</b>				
Emergency communications operations	<u>17,682,340</u>	-	<u>18,824,977</u>	-
<b>WATER &amp; WASTEWATER TREATMENT AUTHORITY</b>				
Water & wastewater treatment operations	<u>27,577,969</u>	<u>36,138,741</u>	<u>24,643,165</u>	<u>6,571,746</u>
<b>RAILROAD AUTHORITY</b>				
Railroad authority operations	<u>166,442</u>	<u>166,409</u>	-	-
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 756,384,032</u>	<u>\$ 46,194,937</u>	<u>\$155,073,949</u>	<u>\$ 22,970,687</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, July 1

Adjustment - change in accounting principle

Net position, July 1, as adjusted

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
\$ (269,427,181)				\$ (269,427,181)
(59,820,690)				(59,820,690)
(21,603,596)				(21,603,596)
(49,331,700)				(49,331,700)
(46,694,880)				(46,694,880)
(13,165,932)				(13,165,932)
(7,744,004)				(7,744,004)
(45,009,514)				(45,009,514)
(5,179,629)				(5,179,629)
(7,008,276)				(7,008,276)
(39,942,523)				(39,942,523)
(30,809,874)				(30,809,874)
(1,347,177)				(1,347,177)
(1,455,527)				(1,455,527)
(5,947,601)				(5,947,601)
31,544,486				31,544,486
<u>(119,128)</u>				<u>(119,128)</u>
<u>(573,062,746)</u>				<u>(573,062,746)</u>
	\$ 1,142,637			1,142,637
		\$ 39,775,683		39,775,683
			\$ (33)	<u>(33)</u>
				<u>(532,144,459)</u>
147,418,821	-	-	-	147,418,821
122,862,713	-	-	-	122,862,713
291,383,509	-	-	-	291,383,509
<u>5,574,745</u>	<u>1,254,293</u>	<u>2,445,146</u>	<u>-</u>	<u>9,274,184</u>
<u>567,239,788</u>	<u>1,254,293</u>	<u>2,445,146</u>	<u>-</u>	<u>570,939,227</u>
(5,822,958)	2,396,930	42,220,829	(33)	38,794,768
573,440,932	32,117,479	197,159,845	9,025	802,727,281
(12,315,543)	-	-	-	(12,315,543)
<u>561,125,389</u>	<u>32,117,479</u>	<u>197,159,845</u>	<u>9,025</u>	<u>790,411,738</u>
<u>\$ 555,302,431</u>	<u>\$ 34,514,409</u>	<u>\$ 239,380,674</u>	<u>\$ 8,992</u>	<u>\$ 829,206,506</u>



## NOTES TO BASIC FINANCIAL STATEMENTS

### HAMILTON COUNTY, TENNESSEE

June 30, 2025

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## NOTES TO BASIC FINANCIAL STATEMENTS

HAMILTON COUNTY, TENNESSEE  
JUNE 30, 2025

### 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, issues debt for all significant capital projects and approves the Schools’ budget, 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; however, the potential for financial benefit to or burden on the local government exists. Complete financial statements may be obtained from: Water & Wastewater Treatment Authority, P.O. Box 8856, Chattanooga, TN 37414.

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

(2) **JOINT VENTURES**

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

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

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

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

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

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

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

### (3) BASIC FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements, focusing on either the County as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. At June 30, 2025, the County has no business-type activities in the primary government. In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis in a single column and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations and deferred inflows and outflows of resources.

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

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

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

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

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

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

**(4) BASIS OF PRESENTATION**

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

**a) Major Funds**

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

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

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

**b) Other Fund Types**

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

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

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

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

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

**(5) BASIS OF ACCOUNTING**

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

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

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

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

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

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

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

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

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

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

Public hearings are conducted which allow for taxpayer comments.

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

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

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

The budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP). Appropriations, except remaining project appropriations and unexpended grant appropriations, lapse at the end of the fiscal year. For budgeting purposes, the Sheriff Narcotics Enforcement Fund and the Sheriff State Sexual Offenders Fund are combined and presented as the Sheriff Special Revenue Fund, whereas they are reported as separate funds under constitutional offices’ special revenue funds for GAAP reporting.

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, 2025, 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, 2025, the amount of encumbrances of the General Fund expected to be reappropriated in the next year was \$2,361,040.

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				
Independent Offices	\$ 29,996,386	\$ 30,347,319	\$ 29,114,452	\$ 1,232,867
Supported Agencies	4,591,665	4,905,586	4,830,543	75,043
Unassigned	99,046,969	102,767,255	95,554,682	7,212,573
Finance	11,895,986	12,071,324	11,153,051	918,273
Public Works	45,729,284	48,099,098	43,724,611	4,374,487
Public Safety	31,372,829	34,310,151	31,215,131	3,095,020
Human Resources	2,335,344	2,324,675	2,073,007	251,668
Health	32,153,764	31,538,865	26,354,451	5,184,414
Sheriff	68,393,286	71,240,957	69,043,612	2,197,345
Juvenile Court Clerk	3,358,418	3,354,805	3,264,449	90,356
Total General Fund	<u>328,873,931</u>	<u>340,960,035</u>	<u>316,327,989</u>	<u>24,632,046</u>
Debt Service	<u>47,286,805</u>	<u>48,535,879</u>	<u>48,532,308</u>	<u>3,571</u>
Hotel Motel	<u>11,777,200</u>	<u>11,777,200</u>	<u>11,055,229</u>	<u>721,971</u>
Sheriff Special Revenue	<u>483,691</u>	<u>631,552</u>	<u>442,898</u>	<u>188,654</u>
Primary Government	<u>\$ 388,421,627</u>	<u>\$ 401,904,666</u>	<u>\$ 376,358,424</u>	<u>\$ 25,546,242</u>

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

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

**a) Cash and Cash Equivalents**

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

**b) Investments**

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

**c) Receivables**

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

**d) Inventories and Prepaid Items**

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

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

**e) Capital Assets**

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

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

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

**f) Leases**

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

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

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

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

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

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

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

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

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

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

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

### **g) Subscription-Based Information Technology Arrangements**

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

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

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

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

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

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

#### **h) Fund Balance**

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

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

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

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

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

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

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

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

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

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

#### **j) Pension Plans**

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

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

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

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

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

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

**a) Property Taxes**

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

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

Lien date	January 1, 2024
Levy date	October 1, 2024
Tax bills mailed	October 1, 2024
Delinquency date	March 1, 2025
Tax sale – 2021 delinquent property taxes	June 5, 2025

**b) Grant Revenue**

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

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

**c) Investment Income**

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

**d) Interfund Transactions**

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

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

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

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

#### **f) Estimates**

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

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

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

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

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

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

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

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

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

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

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

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

At June 30, 2025, the County has \$57,590,747 in unrestricted net position in the government-wide statement of net position for governmental activities. Historically, significant portions of the County’s general obligation bonds are issued to acquire, construct, and develop facilities for Hamilton County Schools. These facilities are not recorded as capital assets of the County’s governmental activities but are recorded as capital assets of the Hamilton County Schools, which is a discretely presented component unit. At June 30, 2025, the County’s long-term liabilities include general obligation bonds of \$334,118,332 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, 2025, 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, 2025:

	<u>Investment Pool</u>	<u>SRT</u>	<u>Other</u>	<u>Total</u>
<b>Primary Government</b>				
General	\$ 76,958,489	\$ 5,172,920	\$ -	\$ 82,131,409
Debt Service	4,410,446	-	-	4,410,446
Capital Projects	18,947,788	-	90,520,000	109,467,788
Other Government	541,951	-	-	541,951
Internal Service	14,653,722	-	-	14,653,722
Custodial Funds	77,963	-	20,893,997	20,971,960
	<u>115,590,359</u>	<u>5,172,920</u>	<u>111,413,997</u>	<u>232,177,276</u>
<b>Hamilton County Schools</b>	24,569,641	16,104,107	45,358	40,719,106
	<u><u>\$ 140,160,000</u></u>	<u><u>\$ 21,277,027</u></u>	<u><u>\$ 111,459,355</u></u>	<u><u>\$ 272,896,382</u></u>

Individual investments held in the Investment Pool at June 30, 2025, consists of:

Investment	Maturity Date	Interest Rate	Credit Rating	Level 2	Fair Value
Federal Farm Credit Bank	03/13/2026	4.50%	AA+	\$ 5,000,000	\$ 5,000,000
Federal Farm Credit Bank	08/12/2026	4.52%	AA+	5,000,000	5,000,000
Federal Farm Credit Bank	10/15/2026	4.29%	AA+	5,000,000	5,000,000
Federal Farm Credit Bank	12/19/2025	4.25%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	09/17/2026	4.50%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	11/20/2026	4.50%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	12/10/2026	4.50%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	12/16/2026	4.34%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	01/28/2027	4.67%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	02/11/2027	4.53%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	02/19/2027	4.63%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	03/01/2027	4.65%	AA+	1,565,000	1,565,000
Federal Home Loan Bank	03/12/2027	4.40%	AA+	4,895,000	4,895,000
Federal Home Loan Bank	04/02/2027	4.22%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	03/25/2027	4.50%	AA+	3,700,000	3,700,000
Federal Home Loan Bank	04/23/2027	4.50%	AA+	5,000,000	5,000,000
Federal Home Loan Bank	05/20/2027	4.25%	AA+	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	01/07/2027	4.63%	AA+	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	01/15/2027	4.55%	AA+	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	05/19/2027	4.50%	AA+	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	06/10/2027	4.55%	AA+	5,000,000	5,000,000
Federal Home Loan Mortgage Corporation	06/23/2027	4.30%	AA+	5,000,000	5,000,000
U.S. Treasury Note	06/15/2026	4.13%	AA+	5,000,000	5,000,000
U.S. Treasury Note	08/19/2025	4.20%	AA+	30,000,000	30,000,000
Total				<u>\$ 140,160,000</u>	<u>\$ 140,160,000</u>

Individual investments held in the Capital Projects fund at June 30, 2025, consists of:

Investment	Maturity Date	Interest Rate	Credit Rating	Level 2	Fair Value
Federal Farm Credit Bank	08/27/2025	4.38%	AA+	\$ 5,520,000	\$ 5,520,000
Federal Farm Credit Bank	09/23/2026	4.02%	AA+	25,000,000	25,000,000
Federal Farm Credit Bank	10/27/2026	5.42%	AA+	10,000,000	10,000,000
Federal Home Loan Bank	02/18/2027	4.50%	AA+	10,000,000	10,000,000
Federal Home Loan Bank	07/01/2025	4.15%	AA+	15,000,000	15,000,000
Federal National Mortgage Association	08/25/2025	0.38%	AA+	25,000,000	25,000,000
				<u>\$ 90,520,000</u>	<u>\$ 90,520,000</u>

As of June 30, 2025, total investments for the primary government (excluding Pension Trust Funds and OPEB Trust Fund) were \$211,205,316 and investments for Hamilton County Schools, a discretely presented component unit, were \$40,719,106. In addition to the investments listed in the previous table, the County holds \$20,893,997 in custodial funds, on the behalf of court litigants and beneficiaries.

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

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

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

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

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

Pension Trust Funds:

Investment	Interest Rate	Credit Rating	Level 1	Level 2	Level 3	Fair Value
Mutual Funds	0.00 - 5.21%	Not rated	\$ 3,625,558	\$ -	\$ -	\$ 3,625,558
Total			\$ 3,625,558	\$ -	\$ -	\$ 3,625,558

OPEB Trust Fund:

Investment	Interest Rate	Credit Rating	Level			Fair Value
			Level 1	Level 2	Level 3	
U.S. Treasury Note	1.375 - 5.00%	Aaa	\$ 4,004,552	\$ -	\$ -	\$ 4,004,552
Federal National Mortgage Association	3.50 - 5.95%	Not rated	-	1,663,304	-	1,663,304
Federal Home Loan Mortgage Corporation	4.889 - 5.50%	Not rated	-	1,389,342	-	1,389,342
Government National Mortgage Association	4.50%	Not rated	-	345,496	-	345,496
Municipal Bonds	1.72 - 2.529%	Aaa	150,840	-	-	150,840
Municipal Bonds	1.609 - 5.552%	Aa1	363,820	-	-	363,820
Municipal Bonds	1.316 - 5.00%	Aa2	1,061,802	-	-	1,061,802
Municipal Bonds	5.295 - 6.04%	Aa3	163,512	-	-	163,512
Municipal Bonds	1.934 - 3.107%	Not rated	272,800	-	-	272,800
Domestic Corporate Bonds	2.70 - 5.60%	A1	491,379	-	-	491,379
Domestic Corporate Bonds	3.90%	A2	297,753	-	-	297,753
Domestic Corporate Bonds	4.88%	A3	352,287	-	-	352,287
Domestic Corporate Bonds	4.95%	Aa3	196,875	-	-	196,875
Domestic Corporate Bonds	1.80 - 6.421%	Baa1	1,096,977	-	-	1,096,977
Domestic Corporate Bonds	2.55 - 6.10%	Baa2	1,660,671	-	-	1,660,671
Domestic Corporate Bonds	3.40 - 5.15%	Baa3	397,249	-	-	397,249
Domestic Corporate Bonds	5.00%	Not rated	98,557	-	-	98,557
Foreign Bonds / Notes	4.93%	Aaa	202,940	-	-	202,940
Foreign Bonds / Notes	4.48%	A3	195,702	-	-	195,702
Foreign Bonds / Notes	6.20%	Baa2	157,044	-	-	157,044
Mutual Funds	0.00 - 2.08%	Not rated	13,667,869	-	-	13,667,869
Money Market	Various	Not rated	1,260,394	-	-	1,260,394
Exchange-traded funds	Various	Not rated	13,360,278	-	-	13,360,278
Domestic Equity Securities	Various	Not rated	9,316,558	-	-	9,316,558
Foreign Equity Securities	Various	Not rated	3,978,715	-	-	3,978,715
Real Estate Investment Trust	Various	Not rated	51,383	-	-	51,383
<b>Total</b>			<b>\$ 52,799,957</b>	<b>\$ 3,398,142</b>	<b>\$ -</b>	<b>\$ 56,198,099</b>

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

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

**Tennessee Consolidated Retirement System Stabilization Trust**

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

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

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

Investments are reported at fair value or amortized which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2025, 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, 2025, the County and the Hamilton County Schools had the following investments held by the trust on its behalf.

<b>Primary Government</b>					
Investment by Fair Value Level	Fair Value 06/30/2025	Fair Value Measurements Using			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Equity	\$ 1,603,605	\$ 1,603,605	\$ -	\$ -	\$ -
Developed Market					
International Equity	724,209	724,209	-	-	-
Emerging Market					
International Equity	206,917	206,917	-	-	-
U.S. Fixed Income	1,034,584	-	1,034,584	-	-
Real Estate	517,292	-	-	517,292	-
Short-term Securities	51,729	-	51,729	-	-
Private Equity and Strategic Lending	1,034,584	-	-	-	1,034,584
Total	<u>\$ 5,172,920</u>	<u>\$ 2,534,731</u>	<u>\$ 1,086,313</u>	<u>\$ 517,292</u>	<u>\$ 1,034,584</u>

<b>Component Unit - Hamilton County Schools</b>					
Investment by Fair Value Level	Fair Value 06/30/2025	Fair Value Measurements Using			Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Equity	\$ 4,992,273	\$ 4,992,273	\$ -	\$ -	\$ -
Developed Market					
International Equity	2,254,575	2,254,575	-	-	-
Emerging Market					
International Equity	644,164	644,164	-	-	-
U.S. Fixed Income	3,220,821	-	3,220,821	-	-
Real Estate	1,610,411	-	-	1,610,411	-
Short-term Securities	161,041	-	161,041	-	-
Private Equity and Strategic Lending	3,220,822	-	-	-	3,220,822
Total	<u>\$ 16,104,107</u>	<u>\$ 7,891,012</u>	<u>\$ 3,381,862</u>	<u>\$ 1,610,411</u>	<u>\$ 3,220,822</u>

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

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

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

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

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

For further information concerning the investments of the County and the Hamilton County Schools with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

**NOTE D – RECEIVABLES**

Receivables at June 30, 2025, consist of the following:

Funds	Property Taxes	Patients	Accounts	Leases	Inter-Governmental	Allowance for Uncollectibles	Net
Primary Government:							
General	\$ 187,461,466	\$ 16,282,115	\$ 3,899,972	\$ 4,351,881	\$ 9,659,248	\$ (17,978,037)	\$ 203,676,645
Capital Projects	-	-	3,524,831	-	3,640,636	-	7,165,467
Nonmajor	-	-	1,817,671	-	-	-	1,817,671
Internal Service	-	-	84,019	-	-	-	84,019
	<u>\$ 187,461,466</u>	<u>\$ 16,282,115</u>	<u>\$ 9,326,493</u>	<u>\$ 4,351,881</u>	<u>\$ 13,299,884</u>	<u>\$ (17,978,037)</u>	<u>\$ 212,743,802</u>

Funds	Property Taxes	Accounts	Leases	Inter-Governmental	Allowance for Uncollectibles	Net
Component Units:						
Hamilton County Schools	\$ 144,066,324	\$ 5,150,986	\$ 1,700,722	\$ 53,840,349	\$ (7,658,446)	\$ 197,099,935
"911" Emergency Communication	-	102,604	-	-	-	102,604
WWTA	-	27,676,501	-	-	(51,765)	27,624,736
	<u>\$ 144,066,324</u>	<u>\$ 32,930,091</u>	<u>\$ 1,700,722</u>	<u>\$ 53,840,349</u>	<u>\$ (7,710,211)</u>	<u>\$ 224,827,275</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, 2025.

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 \$70,000 at June 30, 2025, is based on the use of 100% of capacity of both landfill areas. The estimated total current cost of the post closure care of \$70,000 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, 2025. 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, 2025. The total contractual commitments outstanding as of June 30, 2025, aggregated approximately \$29,306,000. 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, signed a consent decree with the Environmental Protection Agency (EPA) on July 15, 2024 which will obligate the Authority to make improvements to the wastewater system to ensure compliance with the Clean Water Act. The Authority's estimated outlays for these projects were estimated to be approximately \$270,000,000 as of June 30, 2025.

Tax Increment Financing – Hamilton County, in conjunction with the city of Chattanooga, has adopted the Tax Increment Financing Program (TIF) established by the Industrial Development Board (IDB) of the city of Chattanooga. TIF is an economic development tool that allocates all or a portion of the new additional taxes generated by a development over a limited period of time to pay for public infrastructure such as utilities and road and traffic improvements related to the development. Tax increment is the difference in tax revenues generated by the property in the development area after a project has been completed compared to the tax revenues generated by a property before the development plan was adopted. The difference in tax revenues is applied towards the cost of improvements to the public infrastructure serving the development area. The TIF program was adopted as a tool to help the city of Chattanooga and the County to cover the costs of public infrastructure and improvements in the applicable development area. The County's TIF program is primarily for economic development projects that provide improvements in blighted and under-utilized areas in the County and in other projects designated by the Hamilton County Commission. This program is discretionary and normally applies to projects initiated by a private developer. As of June 30, 2025, Hamilton County is a party to six separate TIF agreements, and during fiscal year 2025, the County committed \$872,784 of its property tax revenues toward these TIF agreements.

## **NOTE G – CONDUIT DEBT OBLIGATION**

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

As of June 30, 2025, there is one Industrial Revenue Bond outstanding. The aggregate principal amount payable for the Industrial Revenue Bond series issued at June 30, 2025, is \$11,207,394.

## NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, is as follows:

### Primary Government

	Beginning Balance	Current Year Additions	Current Year Retirements	Transfers	Ending Balance
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 97,769,293	\$ 1,008,672	\$ -	\$ -	\$ 98,777,965
Construction in progress	49,628,696	60,321,551	(11,292,768)	(32,956,116)	65,701,363
Total non-depreciable assets	<u>147,397,989</u>	<u>61,330,223</u>	<u>(11,292,768)</u>	<u>(32,956,116)</u>	<u>164,479,328</u>
Depreciable and Amortizable Assets:					
Buildings	204,069,402	1,107,904	(57,238)	31,232,291	236,352,359
Improvements other than buildings	47,817,776	2,808,590	-	1,049,872	51,676,238
Machinery and equipment	64,982,232	8,060,544	(3,570,316)	582,043	70,054,503
Infrastructure	268,974,206	9,766,800	-	-	278,741,006
Intangibles	7,590,703	158,312	-	91,910	7,840,925
Right-to-use leased assets	7,740,013	132,662	(2,476,439)	-	5,396,236
Right-to-use technology agreements	8,827,365	-	(213,319)	-	8,614,046
Total depreciable and amortizable assets	<u>610,001,697</u>	<u>22,034,812</u>	<u>(6,317,312)</u>	<u>32,956,116</u>	<u>658,675,313</u>
Less Accumulated Depreciation and Amortization for:					
Buildings	(97,157,667)	(4,684,280)	53,303	-	(101,788,644)
Improvements other than buildings	(31,449,581)	(1,395,687)	-	-	(32,845,268)
Machinery and equipment	(41,283,465)	(5,812,008)	3,394,427	-	(43,701,046)
Infrastructure	(169,401,714)	(3,584,335)	-	-	(172,986,049)
Intangibles	(5,403,197)	(184,097)	-	-	(5,587,294)
Right-to-use leased assets	(3,079,488)	(1,460,156)	2,171,009	-	(2,368,635)
Right-to-use technology agreements	(1,580,016)	(933,374)	213,319	-	(2,300,071)
Total accumulated depreciation and amortization	<u>(349,355,128)</u>	<u>(18,053,937)</u>	<u>5,832,058</u>	<u>-</u>	<u>(361,577,007)</u>
Depreciable and Amortizable Assets, net	<u>260,646,569</u>	<u>3,980,875</u>	<u>(485,254)</u>	<u>32,956,116</u>	<u>297,098,306</u>
Governmental activities capital assets, net	<u>\$ 408,044,558</u>	<u>\$ 65,311,098</u>	<u>\$ (11,778,022)</u>	<u>\$ -</u>	<u>461,577,634</u>
Total Capital Assets, net as reported in the Statement of Net Position					<u>\$ 461,577,634</u>

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

Discretely Presented Component Units

	Beginning Balance	Current Year Additions	Current Year Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land	\$ 21,589,627	\$ 24,500	\$ -	\$ -	\$ 21,614,127
Construction in progress	67,798,903	35,889,361	(29,505)	(23,390,366)	80,268,393
Total non-depreciable assets	<u>89,388,530</u>	<u>35,913,861</u>	<u>(29,505)</u>	<u>(23,390,366)</u>	<u>101,882,520</u>
Depreciable and Amortizable Assets:					
Buildings	720,753,425	3,358,765	(4,099,584)	3,228,647	723,241,253
Improvements other than buildings	50,872,015	7,942,690	(184,621)	-	58,630,084
Machinery and equipment	53,982,548	4,227,610	(3,277,252)	-	54,932,906
Right-to-use leased assets	3,348,391	3,623,429	(4,734,008)	-	2,237,812
Right-to-use technology agreements	7,069,328	2,135,486	(1,746,827)	-	7,457,987
Utility plant	220,817,902	8,767,500	-	20,161,719	249,747,121
Total depreciable and amortizable assets	<u>1,056,843,609</u>	<u>30,055,480</u>	<u>(14,042,292)</u>	<u>23,390,366</u>	<u>1,096,247,163</u>
Less Accumulated Depreciation and Amortization for:					
Buildings	(334,481,936)	(16,101,362)	4,001,024	-	(346,582,274)
Improvements other than buildings	(30,029,837)	(1,745,897)	123,949	-	(31,651,785)
Machinery and equipment	(38,960,783)	(3,760,879)	3,164,553	-	(39,557,109)
Right-to-use leased assets	(2,542,891)	(1,862,389)	3,403,199	-	(1,002,081)
Right-to-use technology agreements	(1,546,421)	(1,607,949)	474,311	-	(2,680,059)
Utility plant	(72,355,380)	(5,743,622)	-	-	(78,099,002)
Total accumulated depreciation and amortization	<u>(479,917,248)</u>	<u>(30,822,098)</u>	<u>11,167,036</u>	<u>-</u>	<u>(499,572,310)</u>
Depreciable and Amortizable Assets, net	<u>576,926,361</u>	<u>(766,618)</u>	<u>(2,875,256)</u>	<u>23,390,366</u>	<u>596,674,853</u>
Component units capital assets, net	<u>\$ 666,314,891</u>	<u>\$ 35,147,243</u>	<u>\$ (2,904,761)</u>	<u>\$ -</u>	
Total Capital Assets, net as reported in the Statement of Net Position					<u>\$ 698,557,373</u>

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

Depreciation/Amortization expense is charged to functions as follows:

	<u>Depreciation/Amortization</u>
Primary Government:	
Governmental Activities	
Ambulance Services	\$ 1,584,753
Criminal Court	388,695
General Government	3,576,760
Health	478,657
Highway and Streets	4,772,221
Juvenile Court	173,959
Other Public Safety	1,347,748
Culture and Recreation	1,635,991
Social Services	22,438
Sheriff	4,072,715
Total	<u>\$ 18,053,937</u>
Discretely Presented Component Units:	
Hamilton County Schools	\$ 23,366,018
Water & Wastewater Treatment Authority	6,338,967
"911" Emergency Communications	1,117,113
Total	<u>\$ 30,822,098</u>

Hamilton County donated \$11,292,768 in assets transferred from construction in progress to Hamilton County Schools, a component unit of Hamilton County.

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

	<u>Governmental Activities</u>
Capital assets, non-depreciable	\$ 164,479,328
Capital assets, depreciable	297,098,306
	<u>461,577,634</u>
Less:	
Bonds payable	(475,500,000)
Premium on bonds	(60,849,895)
Deferred gain on refunding	(2,340,648)
Lease liability	(3,072,680)
SBITA liability	(6,197,252)
	<u>(547,960,475)</u>
Add:	
Bonds for component unit assets	358,688,333
Premium on component unit bonds	45,042,191
Unspent proceeds	54,673,543
	<u>372,021,226</u>
Net Investment	<u>\$ 372,021,226</u>

## NOTE I – LEASE ASSETS

Lease activity for the year ended June 30, 2025, 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	606,523	50,510	-	657,033
Vehicles	5,868,558	82,152	(1,975,365)	3,975,345
Machinery and equipment	1,112,561	-	(501,074)	611,487
Total lease assets	<u>7,740,013</u>	<u>132,662</u>	<u>(2,476,439)</u>	<u>5,396,236</u>
Less accumulated amortization for:				
Land	(14,804)	(4,935)	-	(19,739)
Infrastructure	(13,239)	(4,413)	-	(17,652)
Buildings	(69,601)	(141,541)	-	(211,142)
Vehicles	(2,643,531)	(1,195,970)	1,920,036	(1,919,465)
Machinery and equipment	(338,313)	(113,297)	250,973	(200,637)
Total accumulated amortization	<u>(3,079,488)</u>	<u>(1,460,156)</u>	<u>2,171,009</u>	<u>(2,368,635)</u>
Governmental activities lease assets, net	<u>\$ 4,660,525</u>	<u>\$ (1,327,494)</u>	<u>\$ (305,430)</u>	<u>\$ 3,027,601</u>

### Discretely Presented Component Units

	Beginning Balance	Current Year Additions	Current Year Retirements	Ending Balance
Governmental Activities:				
Lease Assets:				
Vehicles	\$ 1,276,757	\$ 954,896	\$ (23,693)	\$ 2,207,960
Machinery and equipment	2,071,634	2,668,533	(4,710,315)	29,852
Total lease assets	<u>3,348,391</u>	<u>3,623,429</u>	<u>(4,734,008)</u>	<u>2,237,812</u>
Less accumulated amortization for:				
Vehicles	(548,502)	(460,487)	23,702	(985,287)
Machinery and equipment	(1,994,389)	(1,401,902)	3,379,497	(16,794)
Total accumulated amortization	<u>(2,542,891)</u>	<u>(1,862,389)</u>	<u>3,403,199</u>	<u>(1,002,081)</u>
Governmental activities lease assets, net	<u>\$ 805,500</u>	<u>\$ 1,761,040</u>	<u>\$ (1,330,809)</u>	<u>\$ 1,235,731</u>

## NOTE J – EMPLOYEE RETIREMENT SYSTEMS

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

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

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

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

	Primary Government					Total
	Hamilton County Legacy Plan	Hamilton County Hybrid Plan	Employees' Pension Plan	Commissioners' Pension Plan	Teachers' Pension Plan	
Net pension asset	\$ -	\$ 373,236	\$ 2,366,201	\$ -	\$ -	\$ 2,739,437
Net pension liability	6,830,652	-	-	136,220	206	6,967,078
Deferred outflows - pension contributions subsequent to measurement date	8,578,157	1,624,079	-	76,832	1,730	10,280,798
Deferred outflows - pension experience difference	5,728,572	2,241,072	-	-	-	7,969,644
Deferred outflows - changes in assumptions	-	279,906	-	-	-	279,906
Deferred outflows - pension investment returns	-	-	96,227	25,953	135	122,315
Total deferred outflows	14,306,729	4,145,057	96,227	102,785	1,865	18,652,663
Deferred inflows - pension investment returns	5,160,663	195,213	-	-	-	5,355,876
Deferred inflows - pension experience differences	-	9,822	-	-	-	9,822
Total deferred inflows	5,160,663	205,035	-	-	-	5,365,698
Pension expense	10,484,053	932,332	-	67,459	132	11,483,976
Pension income	-	-	68,197	-	-	68,197

**Hamilton County Schools**

	Non-Teacher Legacy Plan	Non-Teacher Hybrid Plan	Teacher Legacy Pension Plan	Teacher Retirement Plan	Total
Net pension asset	\$ -	\$ 259,368	\$ 71,113,262	\$ 4,288,464	\$ 75,661,094
Net pension liability	3,068,843	-	-	-	3,068,843
Deferred outflows - pension contributions subsequent to measurement date	3,767,719	1,135,740	8,364,553	4,649,543	17,917,555
Deferred outflows - pension experience difference	2,573,706	1,557,355	18,964,020	354,242	23,449,323
Deferred outflows - changes in assumptions	-	194,511	-	1,704,152	1,898,663
Deferred outflows - changes in proportion to the net pension liability (asset)	-	-	1,254,614	95,453	1,350,067
Total deferred outflows	6,341,425	2,887,606	28,583,187	6,803,390	44,615,608
Deferred inflows - pension investment returns	2,318,559	135,656	13,849,972	723,398	17,027,585
Deferred inflows - pension experience differences	-	6,826	-	1,317,536	1,324,362
Deferred inflows - changes in proportion to the net pension liability (asset)	-	-	262,450	361,487	623,937
Total deferred inflows	2,318,559	142,482	14,112,422	2,402,421	18,975,884
Pension expense	4,710,226	647,892	16,026,971	3,549,959	24,935,048

**Tennessee Consolidated Retirement Systems**

**(1) HAMILTON COUNTY LEGACY PLAN**

**Plan Description**

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

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

	Hamilton County - Legacy Plan	Hamilton County Schools - Legacy Plan	Total
Net pension liability	\$ 6,830,652	\$ 3,068,843	\$ 9,899,495
Deferred outflows - pension contributions subsequent to measurement date	8,578,157	3,767,719	12,345,876
Deferred outflows - pension experience difference	5,728,572	2,573,706	8,302,278
Deferred inflows - pension investment returns	5,160,663	2,318,559	7,479,222
Pension expense	10,484,053	4,710,226	15,194,279

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, 2025, 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, 2025, employer contributions for the County were \$12,345,876. 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, 2024, 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, 2024 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, 2025
Measurement Date	June 30, 2024
Actuarial Valuation Date	June 30, 2024
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Asset valuation method	10-year smoothed within a 20 percent corridor to fair value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2021 (generational projection)
Cost of living adjustments	2.125 percent, if provided

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

The actuarial assumptions used in the June 30, 2024, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

**Employees Covered by Benefit Terms at June 30, 2024**

Inactive employees or beneficiaries currently receiving benefits	3,054
Inactive employees entitled to but not yet receiving benefits	2,132
Active employees	<u>1,319</u>
Total	<u>6,505</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)**

<u>Hamilton County - Legacy Plan</u>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2023	\$ 484,779,237	\$ 467,036,893	\$ 17,742,344
Service Cost	4,755,750	-	4,755,750
Interest	31,787,762	-	31,787,762
Differences between expected and actual experience	5,409,148	-	5,409,148
Contributions - employer	-	8,888,684	(8,888,684)
Contributions - employees	-	202	(202)
Net investment income	-	44,200,398	(44,200,398)
Benefit payments, including refunds of employee contributions	(23,866,462)	(23,866,462)	-
Administrative expense	-	(224,932)	224,932
Net changes	<u>18,086,198</u>	<u>28,997,890</u>	<u>(10,911,692)</u>
Balance at June 30, 2024	<u>\$ 502,865,435</u>	<u>\$ 496,034,783</u>	<u>\$ 6,830,652</u>

<b><u>Hamilton County Schools - Legacy Plan</u></b>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2023	\$ 207,762,531	\$ 200,158,670	\$ 7,603,861
Service Cost	2,503,978	-	2,503,978
Interest	14,281,458	-	14,281,458
Differences between expected and actual experience	2,430,197	-	2,430,197
Contributions - employer	-	3,993,467	(3,993,467)
Contributions - employees	-	91	(91)
Net investment income	-	19,858,150	(19,858,150)
Benefit payments, including refunds of employee contributions	(10,722,614)	(10,722,614)	-
Administrative expense	-	(101,057)	101,057
Net changes	<u>8,493,019</u>	<u>13,028,037</u>	<u>(4,535,018)</u>
Balance at June 30, 2024	<u>\$ 216,255,550</u>	<u>\$ 213,186,707</u>	<u>\$ 3,068,843</u>

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

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

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

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

<b><u>Hamilton County - Legacy Plan</u></b>	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	\$ 68,664,642	\$ 6,830,652	\$ (44,696,506)
<b><u>Hamilton County Schools - Legacy Plan</u></b>	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	\$ 29,427,704	\$ 3,068,843	\$ (19,155,646)

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

For the year ended June 30, 2025, the County recognized pension expense (income) is \$15,194,279. At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

<u>Hamilton County - Legacy Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,728,572	\$ -
Net difference between projected and actual earnings of pension plan investments	-	5,160,663
County's contributions subsequent to the measurement date of June 30, 2024	8,578,157	-
Total	<u>\$ 14,306,729</u>	<u>\$ 5,160,663</u>

<u>Hamilton County Schools - Legacy Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,573,706	\$ -
Net difference between projected and actual earnings of pension plan investments	-	2,318,559
County's contributions subsequent to the measurement date of June 30, 2024	3,767,719	-
Total	<u>\$ 6,341,425</u>	<u>\$ 2,318,559</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2024,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Hamilton County - Legacy Plan</u>		<u>Hamilton County Schools - Legacy Plan</u>	
Year ending June 30,		Year ending June 30,	
2026	\$ (1,228,254)	2026	\$ (514,637)
2027	7,305,786	2027	3,131,051
2028	(2,742,320)	2028	(1,175,280)
2029	(2,767,303)	2029	(1,185,987)
2030	-	2030	-
Thereafter	-	Thereafter	-
Total	<u>\$ 567,909</u>	Total	<u>\$ 255,147</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, 2025, the County reported a payable of \$910,481 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2025.

(2) HAMILTON COUNTY HYBRID PLAN

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

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

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

	Hamilton County - Hybrid Plan	Hamilton County Schools - Hybrid Plan	Total
Net pension asset	\$ 373,236	\$ 259,368	\$ 632,604
Deferred outflows - pension contributions subsequent to measurement date	1,624,079	1,135,740	2,759,819
Deferred outflows - pension experience difference	2,241,072	1,557,355	3,798,427
Deferred outflows - changes in assumptions	279,906	194,511	474,417
Deferred inflows - pension investment returns	195,213	135,656	330,869
Deferred inflows - pension experience differences	9,822	6,826	16,648
Pension expense	932,332	647,892	1,580,224

*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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	1,741
Active employees	<u>2,040</u>
Total	<u>3,803</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 2025, the participants contributed \$4,843,779 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, 2025 to the Public Employee Retirement Plan were \$2,759,819 which is 2.63 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, 2025 was \$1,189,941, which represents 1.37% 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, 2024, 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, 2024 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, 2024 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

<u>Asset Class</u>	Long-Term 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)
<b><u>Hamilton County - Hybrid Plan</u></b>			
Balance at June 30, 2023	\$ 13,213,389	\$ 13,247,796	\$ (34,407)
Service Cost	3,064,485	-	3,064,485
Interest	1,093,081	-	1,093,081
Differences between expected and actual experience	1,021,702	-	1,021,702
Contributions - employer	-	1,451,255	(1,451,255)
Contributions - employees	-	2,670,410	(2,670,410)
Net investment income	-	1,482,093	(1,482,093)
Benefit payments, including refunds of employee contributions	(168,164)	(168,164)	-
Administrative expense	-	(85,661)	85,661
Net changes	<u>5,011,104</u>	<u>5,349,933</u>	<u>(338,828)</u>
Balance at June 30, 2024	<u>\$ 18,224,493</u>	<u>\$ 18,597,729</u>	<u>\$ (373,236)</u>
<b><u>Hamilton County Schools - Hybrid Plan</u></b>			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2023	\$ 9,182,185	\$ 9,206,095	\$ (23,910)
Service Cost	2,129,557	-	2,129,557
Interest	759,599	-	759,599
Differences between expected and actual experience	709,996	-	709,996
Contributions - employer	-	1,008,499	(1,008,499)
Contributions - employees	-	1,855,708	(1,855,708)
Net investment income	-	1,029,930	(1,029,930)
Benefit payments, including refunds of employee contributions	(116,859)	(116,859)	-
Administrative expense	-	(59,527)	59,527
Net changes	<u>3,482,293</u>	<u>3,717,751</u>	<u>(235,459)</u>
Balance at June 30, 2024	<u>\$ 12,664,478</u>	<u>\$ 12,923,846</u>	<u>\$ (259,368)</u>

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

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

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

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

<u>Hamilton County - Hybrid Plan</u>	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net Pension Liability (Asset)	\$ 3,127,676	\$ (373,236)	\$ (3,011,012)

<u>Hamilton County Schools - Hybrid Plan</u>	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net Pension Liability (Asset)	\$ 2,173,470	\$ (259,368)	\$ (2,092,398)

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

*Pension expense.* For the year ended June 30, 2025, Hamilton County Hybrid Plan recognized pension expense (negative pension expense) of \$1,580,224.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2025, Hamilton County Hybrid Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Hamilton County - Hybrid Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,241,072	\$ 9,822
Net difference between projected and actual earnings of pension plan investments	-	195,213
Changes in assumptions	279,906	-
County's contributions subsequent to the measurement date of June 30, 2024	1,624,079	-
Total	<u>\$ 4,145,057</u>	<u>\$ 205,035</u>

<u>Hamilton County Schools - Hybrid Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,557,355	\$ 6,826
Net difference between projected and actual earnings of pension plan investments	-	135,656
Changes in assumptions	194,511	-
County's contributions subsequent to the measurement date of June 30, 2024	1,135,740	-
Total	<u>\$ 2,887,606</u>	<u>\$ 142,482</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2024,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

<u>Hamilton County - Hybrid Plan</u>		<u>Hamilton County Schools - Hybrid Plan</u>	
Year ending June 30,		Year ending June 30,	
2026	\$ 371,079	2026	\$ 257,869
2027	566,604	2027	393,741
2028	384,441	2028	267,154
2029	298,138	2029	207,180
2030	339,778	2030	236,117
Thereafter	<u>355,903</u>	Thereafter	<u>247,323</u>
Total	<u><u>\$ 2,315,943</u></u>	Total	<u><u>\$ 1,609,384</u></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, 2025, Hamilton County Hybrid Plan reported a payable of \$204,197 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2025.

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

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

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

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

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

*Benefits provided.* Tennessee Code Annotated Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is

based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Hamilton County Schools for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were \$8,364,553, which is 6.36 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension liabilities (assets).* At June 30, 2025, the Hamilton County Schools reported an asset of \$71,113,262 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2024, 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, 2024, Hamilton County Schools’ proportion was 4.127625 percent. The proportion measured as of June 30, 2023, was 4.109744 percent.

*Pension expense.* For the year ended June 30, 2025, Hamilton County Schools recognized a pension expense of \$16,026,971.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2025, 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	\$ 18,964,020	\$ -
Net difference between projected and actual earnings of pension plan investments	-	13,849,972
Changes in proportion of Net Pension Liability (Asset)	1,254,614	262,450
Changes in assumptions	-	-
LEA's contributions subsequent to the measurement date of June 30, 2024	8,364,553	-
Total	<u>\$ 28,583,187</u>	<u>\$ 14,112,422</u>

Hamilton County Schools employer contributions of \$8,364,553, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability (asset) in the year ending June 30, 2026. 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,	
2026	\$ (7,470,362)
2027	28,094,623
2028	(7,225,954)
2029	(7,292,095)
2030	-
Thereafter	-
Total	<u>\$ 6,106,212</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, 2024, 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, 2024 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)	\$ 90,338,485	\$ (71,113,262)	\$ (205,015,456)

*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, 2025, Hamilton County Schools reported a payable of \$694,606 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2025.

**(4) TEACHER RETIREMENT PLAN**

**Summary of Significant Accounting Policies**

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

**General Information About the Pension Plan**

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

*Benefits provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member’s age and service credit total 90. Benefits are determined by a formula using the

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of their salary to this plan. During 2025, the participants contributed \$7,738,481 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, 2025 to the Teacher Retirement Plan were \$4,649,543, which is 3.00 percent of covered payroll and is 100% of the required ADC for the year. The amount placed in the Stabilization Reserve Trust for the year ended June 30, 2025, was \$1,497,064, which represents 1.00% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension liabilities (assets).* At June 30, 2025, Hamilton County Schools reported an asset of \$4,288,464 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, 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, 2024, Hamilton County Schools' proportion was 6.017990 percent. At the measurement date of June 30, 2023, Hamilton County Schools' proportion was 5.718089 percent.

*Pension Expense.* For the year ended June 30, 2025, Hamilton County Schools recognized pension expense of \$3,549,959.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2025, 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	\$ 354,242	\$ 1,317,536
Net difference between projected and actual earnings of pension plan investments	-	723,398
Changes in proportion of Net Pension Liability (Asset)	95,453	361,487
Changes in assumptions	1,704,152	-
LEA's contributions subsequent to the measurement date of June 30, 2024	4,649,543	-
Total	<u>\$ 6,803,390</u>	<u>\$ 2,402,421</u>

Hamilton County Schools' employer contributions of \$4,649,543, 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, 2026. 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,	
2026	\$ (452,409)
2027	548,442
2028	(300,100)
2029	(296,142)
2030	58,427
Thereafter	193,208
Total	<u>\$ (248,574)</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, 2024 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, 2024 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)	\$ 11,310,058	\$ (4,288,464)	\$ (15,897,028)

*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, 2025, Hamilton County Schools reported a payable of \$389,738 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2025.

## **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	6	14	1
Vested terminated employees	-	-	-
Active employees:			
Fully vested	-	3	-
Non-vested	-	8	-
Actuarial valuation date	June 30, 2023	June 30, 2023	June 30, 2023
Measurement date	June 30, 2024	June 30, 2024	June 30, 2024

**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, 2025, is shown below:

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

**Investment Rate of Return**

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

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

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

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

Other subjective considerations.

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

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

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

The current maturity profile of fixed income asset classes

Current credit spread levels across asset classes

Long-run expected mean credit spread levels across asset classes

Expected credit losses in credit risky asset classes

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

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

For the year ended June 30, 2025, employer contributions were made for the Commissioners' Pension Plan and Teachers' Pension Plan. The contributions were \$76,832 for the Commissioners' Pension Plan and \$1,730 for the Teachers' Pension Plan. No contributions were made for the Employees' Pension Plan for the year ended June 30, 2025. The annual money-weighted rate of return on investments, net of investment expense, for the Employees' and Commissioners' plans were 7.23 percent and 7.29 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, 2025, are shown in the following table:

	<u>County Administered Retirement Plans</u>		
	<u>Employees'</u>	<u>Commissioners'</u>	<u>Teachers'</u>
	Private Acts of TN	Private Acts of TN	Pension Board
Contribution authorization:	Private Acts of TN	Private Acts of TN	Pension Board
How contributions are determined:	Actuarially	Actuarially	Actuarially
Required contribution rate:			
Active employees	6.4%	N/A	N/A
Employer	-	Actuarially Determined	-
Other contributing entities	N/A	N/A	-
Actual contributions:			
Employees	-	-	-
Employer	\$0	\$76,832	\$1,730
Other contributing entities	N/A	N/A	\$1,788
Date of last actuarial valuation	June 30, 2025	June 30, 2025	June 30, 2025
Actuarial valuation date for current contributions	June 30, 2025	June 30, 2025	June 30, 2025
Actual assumptions:			
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Method for actuarial value of assets	Fair Value	Fair Value	Fair Value
Inflation rate	N/A	N/A	N/A
Investment return	6.75%	6.0%	5.0%
Projected salary increases	N/A	4.0%	N/A
Amortization:			
Method	Level Dollar	Level Dollar	Level Dollar
Period	Closed, not to exceed 20 years	Closed, not to exceed 20 years	Closed, not to exceed 20 years

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

**Future Mortality Improvement:**

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

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

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

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

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
<u>Employees' Pension Plan</u>		
Net Pension Asset, 1% Decrease	5.75%	\$(2,361,946)
Net Pension Asset, Current Rate	6.75%	\$(2,366,201)
Net Pension Asset, 1% Increase	7.75%	\$(2,370,139)
<u>Commissioners' Pension Plan</u>		
Net Pension Liability, 1% Decrease	5.00%	\$213,214
Net Pension Liability, Current Rate	6.00%	\$136,220
Net Pension Liability, 1% Increase	7.00%	\$69,449
<u>Teachers' Pension Plan</u>		
Net Pension Liability, 1% Decrease	4.00%	\$233
Net Pension Liability, Current Rate	5.00%	\$206
Net Pension Liability, 1% Increase	6.00%	\$182

### Components of Net Pension Liability (Asset)

The components of the net pension liability at June 30, 2025, measurement date of June 30, 2024, were as follows:

	<u>Employees' Pension Plan</u>	<u>Commissioners' Pension Plan</u>	<u>Teachers' Pension Plan</u>
Total Pension Liability	\$ 116,251	\$ 996,502	\$ 1,651
Plan Fiduciary Net Position	(2,482,452)	(860,282)	(1,445)
Net Pension Liability (Asset)	<u>\$ (2,366,201)</u>	<u>\$ 136,220</u>	<u>\$ 206</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	2135.4%	86.3%	87.5%

### Changes in Net Pension Liability (Asset)

#### Employees' Pension Plan

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (asset) (a) - (b)</u>
Balance at June 30, 2023	\$ 140,899	\$ 2,336,090	\$ (2,195,191)
Interest	8,396	-	8,396
Net investment income	-	213,684	(213,684)
Benefit payments, including refunds of employee contributions	(33,044)	(33,044)	-
Administrative expense	(34,278)	(34,278)	34,278
Net changes	<u>(24,648)</u>	<u>146,362</u>	<u>(171,010)</u>
Balance at June 30, 2024	<u>\$ 116,251</u>	<u>\$ 2,482,452</u>	<u>\$ (2,366,201)</u>

Commissioners' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2023	\$ 936,801	\$ 772,446	\$ 164,355
Service Cost	53,527	-	53,527
Interest	57,869	-	57,869
Contributions - employer	-	76,832	(76,832)
Net investment income	-	65,234	(65,234)
Benefit payments, including refunds of employee contributions	(51,695)	(51,695)	-
Administrative expense	-	(2,535)	2,535
Net changes	<u>59,701</u>	<u>87,836</u>	<u>(28,135)</u>
Balance at June 30, 2024	<u>\$ 996,502</u>	<u>\$ 860,282</u>	<u>\$ 136,220</u>

Teachers' Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balance at June 30, 2023	\$ 3,341	\$ 1,527	\$ 1,814
Interest	122	-	122
Contributions - employer	-	1,730	(1,730)
Benefit payments, including refunds of employee contributions	(1,812)	(1,812)	-
Net changes	<u>(1,690)</u>	<u>(82)</u>	<u>(1,608)</u>
Balance at June 30, 2024	<u>\$ 1,651</u>	<u>\$ 1,445</u>	<u>\$ 206</u>

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

For the fiscal year ended June 30, 2025, the Teachers' Pension Plan recognized pension expense (income) will be \$132, the Commissioners' Pension Plan recognized pension expense (income) will be \$67,459, and the Employees' Pension Plan recognized pension expense (income) will be \$(68,197). This determination is based on a measurement date of June 30, 2024.

As of June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources in relation to pensions from the following sources:

	<u>Employees' Pension Plan</u>		<u>Commissioners' Pension Plan</u>		<u>Teachers' Pension Plan</u>	
	Collective 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)	\$ 96,227	\$ -	\$ 25,953	\$ -	\$ 135	\$ -
Post-measurement contributions	-	-	76,832	-	1,730	-
	<u>\$ 96,227</u>	<u>\$ -</u>	<u>\$ 102,785</u>	<u>\$ -</u>	<u>\$ 1,865</u>	<u>\$ -</u>

The contributions made subsequent to the measurement date of June 30, 2025, will be recognized against the net pension liability (asset) in the June 30, 2026, fiscal year.

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

	<u>Employees' Pension Plan</u>	<u>Commissioners' Pension Plan</u>	<u>Teachers' Pension Plan</u>
Years Ending June 30,			
2026	\$ 36,082	\$ 8,966	\$ 59
2027	87,872	25,666	36
2028	(16,073)	(5,038)	26
2029	(11,654)	(3,641)	14
2030	-	-	-
Thereafter	-	-	-
Total	<u>\$ 96,227</u>	<u>\$ 25,953</u>	<u>\$ 135</u>

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

	Employees' Retirement	Commissioners' Retirement	Teachers' Retirement	Total
<b>ASSETS</b>				
Cash	\$ -	\$ 54,429	\$ 1,363	\$ 55,792
Investments, at fair value:				
Mutual Funds	2,776,178	849,380	-	3,625,558
Total investments	2,776,178	849,380	-	3,625,558
Receivables:				
Interest	2,007	613	-	2,620
Total Assets	2,778,185	904,422	1,363	3,683,970
<b>LIABILITIES</b>				
Accrued items and other	65,524	(65,524)	-	-
Total Assets	65,524	(65,524)	-	-
<b>NET POSITION</b>				
Assets held in trust for pension benefits	\$ 2,712,661	\$ 969,946	\$ 1,363	\$ 3,683,970
	Employees' Retirement	Commissioners' Retirement	Teachers' Retirement	Total
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ -	\$ 76,832	\$ 1,730	\$ 78,562
Other	-	-	1,788	1,788
Total Contributions	-	76,832	3,518	80,350
Investment Earnings:				
Net change in fair value of investments	183,561	56,037	-	239,598
Miscellaneous	220	-	-	220
Interest	86,897	26,603	-	113,500
Net investment income	270,678	82,640	-	353,318
Total Additions	270,678	159,472	3,518	433,668
<b>DEDUCTIONS</b>				
Benefits	23,255	46,084	3,600	72,939
Administrative expense	17,214	3,724	-	20,938
Total Deductions	40,469	49,808	3,600	93,877
Change in net position	230,209	109,664	(82)	339,791
Net position, beginning	\$ 2,482,452	\$ 860,282	\$ 1,445	\$ 3,344,179
Net position, ending	\$ 2,712,661	\$ 969,946	\$ 1,363	\$ 3,683,970

**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 2025, the amount of payroll covered by the plan was \$96,875,582. 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 2025, the County contributed \$4,843,779 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 2025, the amount of payroll covered by the plan was \$154,769,616. 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 2025, Hamilton County Schools contributed \$7,738,481 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, 2025, the date of the latest actuarial valuation, membership consisted of the following:

Active members (with medical coverage)	1,942
Retirees and beneficiaries (with medical coverage)	<u>158</u>
Total	<u>2,100</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 2025.

## 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, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023, with the actuary using standard techniques to roll forward the liability to the measurement date. The components of the net OPEB liability at June 30, 2025, were as follows:

Total OPEB Liability	\$	56,216,200
Plan Fiduciary Net Position		(49,038,905)
Net OPEB Liability	\$	<u>7,177,295</u>

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	87.2%
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*Actuarial Assumptions.* The total OPEB liability as of June 30, 2025, was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

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

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

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

**Investments**

The following was the County Commission’s adopted asset allocation policy as of June 30, 2025:

<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, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 12.11% 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, 2024	\$ 54,294,537	\$ 42,583,353	\$ 11,711,184
Service Cost	2,051,565	-	2,051,565
Interest	3,431,036	-	3,431,036
Contributions - employer	-	5,160,938	(5,160,938)
Net investment income	-	4,951,564	(4,951,564)
Benefit payments, including refunds of employee contributions	(3,560,938)	(3,560,938)	-
Administrative expense	-	(96,012)	96,012
Other changes	-	-	-
Net changes	<u>1,921,663</u>	<u>6,455,552</u>	<u>(4,533,889)</u>
Balance at June 30, 2025	<u>\$ 56,216,200</u>	<u>\$ 49,038,905</u>	<u>\$ 7,177,295</u>

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

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

	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Net OPEB Liability	\$ 12,006,798	\$ 7,177,295	\$ 2,896,981

*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 or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(5.25% - 4.20%)</u>	Current Healthcare Cost Trend Rate <u>(6.25% - 5.20%)</u>	1% Increase <u>(7.25% - 6.20%)</u>
Net OPEB Liability	\$ 1,344,536	\$ 7,177,295	\$ 14,042,598

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

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

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

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

	<u>OPEB Expense/(Income)</u>
Service Cost	\$ 2,051,565
Interest	3,431,036
Amortization of or change in beginning balances	293,208
Projected investment income	(4,951,564)
Administrative expense	96,012
OPEB Expense	<u>\$ 920,257</u>

For the year ended June 30, 2025, the recognized OPEB expense is \$920,257. At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings of OPEB plan investments	\$ 3,400,734	\$ -
Difference between expected and actual experience	-	2,216,582
Changes in assumptions	706,973	697,734
Contributions subsequent to the measurement date of June 30, 2025	<u>5,426,099</u>	<u>-</u>
Total	<u>\$ 9,533,806</u>	<u>\$ 2,914,316</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2025,” 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,	
2026	\$ 293,202
2027	858,659
2028	858,661
2029	(408,566)
2030	(408,565)
Thereafter	<u>-</u>
Total	<u>\$ 1,193,391</u>

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

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

	OPEB Trust Fund
	<u>                    </u>
<b>ASSETS</b>	
Cash	\$ 5,853
Investments, at fair value:	
US Government Securities	7,402,694
Municipal Bonds	2,012,774
Mutual Funds	13,667,869
Domestic Equity Securities	9,316,558
Domestic Corporate Bonds	5,147,434
Foreign Equity Securities	3,978,715
Money Market	1,260,394
Exchange Traded Funds	13,360,278
Real Estate Investment Trust	<u>51,383</u>
Total investments, at fair value	<u>56,198,099</u>
Receivables:	
Interest	<u>176,009</u>
Total receivables	<u>176,009</u>
Due from other funds	
Total assets	<u>56,379,961</u>
<b>NET POSITION</b>	
Restricted for OPEB benefits	<u>56,379,961</u>
Total net position	<u><u>\$ 56,379,961</u></u>
<b>ADDITIONS</b>	
Contributions:	
Employer	<u>\$ 5,426,099</u>
Total contributions	<u>5,426,099</u>
Investment earnings:	
Net change in fair value of investments	4,700,374
Interest and dividends	<u>1,308,315</u>
Net investment earnings	<u>6,008,689</u>
Total additions	<u>11,434,788</u>
<b>DEDUCTIONS</b>	
Benefits	4,036,684
Administrative expense	<u>57,048</u>
Total deductions	<u>4,093,732</u>
Change in net position	7,341,056
Net position, beginning	<u>49,038,905</u>
Net position, ending	<u><u>\$ 56,379,961</u></u>

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

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

**Plan Membership**

At July 1, 2025, membership consisted of the following:

Active members (with medical coverage)	6,452
Retirees (with medical coverage)	<u>361</u>
Total	<u><u>6,813</u></u>

**Funding Policy**

Eligible retirees pay a premium using a formula based on date of retirement, years of service, and the HCS's computed cost for active employees. During fiscal year 2025, the HCS contributed \$6,678,623 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 2025.

**Total OPEB Liability of Hamilton County Schools**

The Hamilton County Schools' total OPEB liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2025.

*Actuarial Assumptions.* The total OPEB liability as of June 30, 2025, was determined by an actuarial valuation as of July 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.81 percent
Salary Increases	3.0 percent
Healthcare Cost Trend Rate	
Admin:	5.0 percent
Ultimate Medical Trend Rate:	7.50% graded uniformly to 6.60% 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 4.81 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, 2024	\$ 97,220,942
Service Cost	5,783,822
Interest	3,978,270
Benefit changes	(23,120,902)
Experience losses	21,987,699
Change in assumptions	12,047,680
Benefit payments, including refunds of employee contributions	<u>(6,678,623)</u>
Net changes	13,997,946
Balance at June 30, 2025	<u>\$ 111,218,888</u>

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.81 percent) or 1-percentage-point higher (5.81 percent) than the current discount rate:

	1% Decrease <u>(3.81%)</u>	Current Discount Rate <u>(4.81%)</u>	1% Increase <u>(5.81%)</u>
Total OPEB Liability	\$100,007,791	\$111,218,888	\$124,535,425

*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 or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(6.50% - 5.60%)</u>	Current Healthcare Cost Trend Rate <u>(7.50% - 6.60%)</u>	1% Increase <u>(8.50% - 7.60%)</u>
Total OPEB Liability	\$120,149,662	\$111,218,888	\$103,120,817

### Actuarial Assumptions and Estimates

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

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

**OPEB Expense and Deferred Outflows/Inflows of Resources**

	<u>OPEB Expense</u>
Service Cost	\$ 5,783,822
Interest	3,978,270
Benefit changes	(23,120,902)
Experience losses	2,198,770
Amortization of or change in beginning balances	(4,575,056)
Change in assumptions	<u>1,204,768</u>
OPEB Expenses	<u><u>\$ (14,530,328)</u></u>

For the year ended June 30, 2025, the recognized OPEB expense is \$14,530,328. At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to OPEB are from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience losses	\$ 39,926,505	\$ -
Changes in assumptions	-	35,438,049
Total	<u><u>\$ 39,926,505</u></u>	<u><u>\$ 35,438,049</u></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,	
2026	\$ (1,171,518)
2027	(1,171,518)
2028	(1,171,518)
2029	(1,171,525)
2030	(523,417)
Thereafter	<u>9,697,952</u>
Total	<u><u>\$ 4,488,456</u></u>

**NOTE M – LONG-TERM LIABILITIES**

Long-term liabilities, which consist of serially maturing general obligation bonds, lease liabilities, compensated absences, and SBITAs 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.

Hamilton County issued two series of general obligation bonds on September 12, 2024, the 2024A bond issue with a total par value of \$238,280,000 and the 2024B bond issue with a total par value of \$22,290,000. The County received total proceeds from the bond issue of \$270,982,761. The majority of the 2024A bonds will be repaid over the next twenty years, with a smaller portion of the bond issue (\$8,970,000) payable over thirty years. The bonds were issued at a premium of \$32,702,761.

Proceeds from the 2024A bond issue were assigned to construct multiple schools for the Hamilton County Schools and to fund various capital improvements for general government and construction projects for the Water and Wastewater Treatment Authority (WWTA) totaling \$8,970,000.

Proceeds from the 2024B bond issue were used to refinance \$24,000,000 of previously issued general obligation bonds. The advanced refunding reduced total debt service payments by \$1,591,108 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,095,919. The defeased debt of \$24,000,000 was called and paid in full on November 1, 2024 so there was not an outstanding defeased debt balance as of June 30, 2025.

General obligation bonds are summarized by issue as follows:

Type of Issue	Interest Rates	Principal Amount	Amount Due Within One Year
General Improvement, Series 2018 A School, Series 2018 A	5.00%	\$ 24,180,945	\$ 3,024,652
General Improvement, Series 2020 A School, Series 2020 A	4.00 - 5.00%	29,896,066	2,890,983
WWTA, Series 2020 A	4.00 - 5.00%	7,793,934	3,399,017
General Improvement, Series 2020 B School, Series 2020 B	4.00 - 5.00%	15,600,000	680,000
General Improvement, Series 2021 School, Series 2021	5.00%	1,801,883	585,965
General Improvement, Series 2021 School, Series 2021	5.00%	9,053,117	2,944,035
General Improvement, Series 2024 A School, Series 2024 A	3.00 - 5.00%	32,822,500	2,090,000
General Improvement, Series 2024 A School, Series 2024 A	3.00 - 5.00%	32,822,500	2,090,000
General Improvement, Series 2024 B School, Series 2024 B	5.00%	24,630,000	734,679
General Improvement, Series 2024 B School, Series 2024 B	5.00%	204,680,000	6,105,321
WWTA, Series 2024 A	5.00%	8,970,000	130,000
General Improvement, Series 2024 B School, Series 2024 B	5.00%	3,480,273	696,055
General Improvement, Series 2024 B School, Series 2024 B	5.00%	14,769,727	2,953,945
Total payable from the Debt Service Fund		\$ 475,500,000	\$ 36,455,000

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

Year	Principal	Interest	Total
General Obligation Bonds:			
2026	\$ 36,455,000	\$ 22,631,550	\$ 59,086,550
2027	37,470,000	20,794,300	58,264,300
2028	33,875,000	18,905,925	52,780,925
2029	30,950,000	17,196,300	48,146,300
2030	31,770,000	15,632,300	47,402,300
2031 - 2035	128,970,000	56,494,800	185,464,800
2036 - 2040	82,475,000	32,123,700	114,598,700
2041 - 2045	84,690,000	12,985,300	97,675,300
2046 - 2050	5,500,000	1,487,675	6,987,675
2051 - 2055	3,345,000	363,975	3,708,975
	\$ 475,500,000	\$ 198,615,825	\$ 674,115,825

**County Lease Liabilities** – As of June 30, 2025, the County had 232 active leases. The leases have payments that range from \$0 to \$125,505 and interest rates that range from 0.0814% to 3.6510%. As of June 30, 2025, the total combined value of the lease liability is \$3,072,680, and the total combined value of the short-term lease liability is \$932,790. The combined value of the right to use asset, as of June 30, 2025, is \$5,396,236 with accumulated amortization of \$2,368,635. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

**County Lease Receivables** – As of June 30, 2025, the County had 8 active leases. The leases have receipts that range from \$4,800 to \$189,756 and interest rates that range from 0.6480% to 2.6950%. As of June 30, 2025, the total combined value of the lease receivable is \$4,351,881, the total combined value of the short-term lease receivable is \$508,221, and the combined value of the deferred inflow of resources is \$4,241,624. The leases had \$0 of Variable Receipts and \$0 of Other Receipts, not included in the Lease Receivable, within the Fiscal Year.

**County SBITA Liabilities** – As of June 30, 2025, the County had 3 active subscriptions. The subscriptions have payments that range from \$2,575 to \$1,075,000 and interest rates that range from 2.0380% to 3.3090%. As of June 30, 2025, the total combined value of the subscription liability is \$6,197,252, and the total combined value of the short-term subscription liability is \$872,557. The combined value of the right to use asset, as of June 30, 2025, is \$8,614,046 with accumulated amortization of \$2,300,071. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

**Schools Lease Liabilities** – As of June 30, 2025, the Schools had 106 active leases. The leases have payments that range from \$250 to \$753,000 and interest rates that range from 0.6480% to 3.5910%. As of June 30, 2025, the total combined value of the lease liability is \$1,126,411, the total combined value of the short-term lease liability is \$460,904. The combined value of the right to use asset, as of June 30, 2025 of \$2,230,792 with accumulated amortization of \$1,001,730 is included within the lease assets within capital assets.

**Schools Lease Receivables** – As of June 30, 2025, the Schools had 6 active leases. The leases have receipts that range from \$13,200 to \$21,301 and interest rates that range from 0.4350% to 1.5940%. As of June 30, 2025, the total combined value of the lease receivable is \$1,700,722, the total combined value of the short-term lease receivable is \$101,746, and the combined value of the deferred inflow of resources is \$1,625,502. The leases had \$0 of Variable Receipts and \$0 of Other Receipts, not included in the Lease Receivable, within the Fiscal Year.

**Schools SBITA Liabilities** – As of June 30, 2025, the Schools had 35 active subscriptions. The subscriptions have payments that range from \$0 to \$309,878 and interest rates that range from 2.4300% to 3.1770%. As of June 30, 2025, the total combined value of the subscription liability is \$4,222,706, and the total combined value of the short-term subscription liability is \$1,470,573. The combined value of the right to use asset, as of June 30, 2025 of \$7,372,326 with accumulated amortization of \$2,644,367 is included within the right-to-use subscription asset within capital assets.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Lease Obligations:			
2026	\$ 932,790	\$ 73,318	\$ 1,006,108
2027	825,149	49,235	874,384
2028	740,772	26,263	767,035
2029	441,254	6,894	448,148
2030	54,811	2,005	56,816
2031 - 2035	23,072	7,928	31,000
2036 - 2040	25,853	5,147	31,000
2041 - 2045	28,979	2,031	31,010
	<u>\$ 3,072,680</u>	<u>\$ 172,821</u>	<u>\$ 3,245,501</u>

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Lease Receivables:			
2026	\$ 508,221	\$ 86,716	\$ 594,937
2027	348,675	78,762	427,437
2028	301,181	73,356	374,537
2029	301,920	68,217	370,137
2030	244,924	63,079	308,003
2031 - 2035	806,558	256,887	1,063,445
2036 - 2040	778,607	170,173	948,780
2041 - 2045	874,406	74,374	948,780
2046	187,389	2,366	189,755
	<u>\$ 4,351,881</u>	<u>\$ 873,930</u>	<u>\$ 5,225,811</u>

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
SBITA Obligations:			
2026	\$ 872,557	\$ 205,018	\$ 1,077,575
2027	901,406	176,169	1,077,575
2028	928,633	146,367	1,075,000
2029	959,362	115,638	1,075,000
2030	991,107	83,893	1,075,000
2031 - 2033	1,544,187	68,313	1,612,500
	<u>\$ 6,197,252</u>	<u>\$ 795,398</u>	<u>\$ 6,992,650</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Lease Obligations:			
2026	\$ 460,904	\$ 23,284	\$ 484,188
2027	316,175	13,324	329,499
2028	247,576	6,030	253,606
2029	101,756	1,053	102,809
	<u>\$ 1,126,411</u>	<u>\$ 43,691</u>	<u>\$ 1,170,102</u>

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Lease Receivables:			
2026	\$ 101,746	\$ 10,924	\$ 112,670
2027	92,174	10,122	102,296
2028	93,579	9,377	102,956
2029	96,140	8,611	104,751
2030	98,759	7,823	106,582
2031 - 2035	454,892	28,372	483,264
2036 - 2040	460,179	15,266	475,445
2041 - 2044	303,253	2,652	305,905
	<u>\$ 1,700,722</u>	<u>\$ 93,147</u>	<u>\$ 1,793,869</u>

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
SBITA Obligations:			
2026	\$ 1,470,573	\$ 118,189	\$ 1,588,762
2027	956,277	76,216	1,032,493
2028	944,866	49,385	994,251
2029	487,232	22,971	510,203
2030	296,356	9,529	305,885
2031	67,402	1,988	69,390
	<u>\$ 4,222,706</u>	<u>\$ 278,278</u>	<u>\$ 4,500,984</u>

Changes in Long-term Liabilities – During the year ended June 30, 2025, the following changes occurred in long-term liabilities:

	Balance July 1	Additions	Reductions	Refundings / Remeasurements	Balance June 30	Due Within One Year
Primary Government:						
Governmental Activities:						
General obligation bonds	\$ 270,250,000	\$ 260,570,000	\$ 31,320,000	\$ 24,000,000	\$ 475,500,000	\$ 36,455,000
Net pension liability	17,908,513	42,291,646	53,233,080	-	6,967,078	-
Net OPEB liability	11,711,184	4,396,288	8,930,177	-	7,177,295	-
Leases	4,678,585	132,662	1,426,405	312,162	3,072,680	932,790
SBITAs	7,106,648	-	909,396	-	6,197,252	872,557
Landfill post closure costs	80,000	-	10,000	-	70,000	-
Compensated absences	19,452,057	7,423,135	7,801,632	-	19,073,560	4,187,290
	<u>331,186,987</u>	<u>314,813,731</u>	<u>103,630,690</u>	<u>24,312,162</u>	<u>518,057,865</u>	<u>\$ 42,447,637</u>
Unamortized premium	35,645,312	34,293,869	9,089,286	-	60,849,895	
	<u>\$ 366,832,299</u>	<u>\$ 349,107,600</u>	<u>\$ 112,719,976</u>	<u>\$ 24,312,162</u>	<u>\$ 578,907,760</u>	
Component Units:						
Hamilton County Schools:						
Claims payable	\$ 11,096,460	\$ 104,825,798	\$ 103,973,192	\$ -	\$ 11,949,066	\$ 9,319,516
Net pension liability	7,603,861	19,316,690	23,851,708	-	3,068,843	-
Net OPEB liability	97,220,942	43,797,471	29,799,525	-	111,218,888	-
Leases	1,248,771	3,493,943	2,315,007	1,301,296	1,126,411	460,904
SBITAs	5,066,596	2,123,486	1,769,453	1,197,923	4,222,706	1,470,573
Compensated absences*	29,361,003	3,758,286	-	-	33,119,289	6,615,532
	<u>151,597,633</u>	<u>177,315,674</u>	<u>161,708,885</u>	<u>2,499,219</u>	<u>164,705,203</u>	<u>17,866,525</u>
WWTA:						
Notes payable and other debt	24,688,916	1,971,014	2,119,043	-	24,540,887	2,169,623
SBITAs	56,534	7,020	28,150	-	35,404	29,961
Advance from primary government	22,750,000	8,970,000	650,000	-	31,070,000	810,000
Advance on premium from County	2,953,491	1,067,781	296,231	-	3,725,041	-
	<u>50,448,941</u>	<u>12,015,815</u>	<u>3,093,424</u>	<u>-</u>	<u>59,371,332</u>	<u>3,009,584</u>
911:						
Net pension liability	1,586,173	2,050,755	2,359,303	-	1,277,625	-
Compensated absences	795,861	6,430	-	-	802,291	795,116
	<u>\$ 204,428,608</u>	<u>\$ 191,388,674</u>	<u>\$ 167,161,612</u>	<u>\$ 2,499,219</u>	<u>\$ 226,156,451</u>	<u>\$ 21,671,225</u>

\*The change in compensated absences liability is presented as a net change.

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.

Total reductions in Long-term Liabilities for Governmental Activities above exceed principal retirement expenditures in the Debt Service Fund by the amount of landfill post-closure care costs paid from the General Fund, OPEB funding accrued in the General Fund and transferred to the trust fund, the change in net pension liability, and compensated absences used during the year. Additionally, leased assets were remeasured for trade-ins resulting in reductions of the lease liability of \$312,162.

**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	\$ 35,188
General Fund	Capital Projects	2,080,430
General Fund	Nonmajor Governmental Fund - Hotel/Motel	6,296
Capital Projects	General Fund	360,696
Internal Service	General Fund	6,085,482
Debt Service Fund	Capital Projects	980,825
Nonmajor Governmental Fund - Constitutional Offices	General Fund	79,813
		<u>\$ 9,628,730</u>

<u>Receivable Primary Government</u>	<u>Payable Component Units</u>	<u>Amount</u>
General Fund	"911" Emergency Communication	\$ 736,938
General Fund	Water & Wastewater Treatment	431,913
		<u>\$ 1,168,851</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 2025 that occurred within the primary government were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund		
Nonmajor Governmental Funds -		
Constitutional Offices	\$ 16,278,794	\$ -
Debt service fund	-	46,462,613
Capital projects fund	-	6,222,516
Internal service funds	35,188	1,135,000
Nonmajor Governmental Funds -		
Hotel/Motel	6,296	-
Debt Service Fund		
General fund for debt service requirements	46,462,613	-
Capital projects fund	25,491,682	-
Capital Projects Fund		
General fund	6,222,516	-
Debt service fund	-	25,491,682
Internal Service Fund		
General fund	1,135,000	35,188
Nonmajor Governmental Funds - Hotel/Motel		
General fund	-	6,296
Nonmajor Governmental Funds - Constitutional Offices		
Excess fees	-	16,278,794
	<u>\$ 95,632,089</u>	<u>\$ 95,632,089</u>

**NOTE P – JOINT VENTURES**

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

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

Condensed financial information for the Sports Authority as of June 30, 2025, is as follows:

STATEMENT OF NET POSITION

Assets	<u>\$ 112,124,500</u>
Liabilities and deferred inflows	<u>105,802,342</u>
Net position	<u>\$ 6,322,158</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total operating revenues	\$ 506,299
Total operating expenses	<u>50,856</u>
Net operating income	455,443
Non-operating revenues (expenses)	(1,624,041)
Capital contributions	<u>7,700,000</u>
Change in net position	6,531,402
Net position at July 1, 2024	<u>(209,244)</u>
Net position at June 30, 2025	<u>\$ 6,322,158</u>

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

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

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

Condensed financial information for the Carter Street Corporation as of June 30, 2025, is as follows:

STATEMENT OF NET POSITION

Assets	\$ 21,107,628
Liabilities and deferred inflows	<u>7,288,239</u>
Net position	<u><u>\$ 13,819,389</u></u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total operating revenues	\$ 5,978,713
Total operating expenses	<u>4,923,967</u>
Net operating income	1,054,746
Non-operating revenues	659,361
Capital contributions	<u>100,000</u>
Change in net position	1,814,107
Net position at July 1, 2024	<u>12,005,282</u>
Net position at June 30, 2025	<u><u>\$ 13,819,389</u></u>

**NOTE Q – RISK MANAGEMENT**

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

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

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

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

	<u>Total Primary Government</u>	<u>Total Component Units</u>
Unpaid claims, June 30, 2023	\$ 4,835,861	\$ 9,565,195
Incurred claims	44,647,612	97,763,665
Claims payments	<u>(45,572,664)</u>	<u>(96,232,400)</u>
Unpaid claims, June 30, 2024	3,910,809	11,096,460
Incurred claims	51,721,966	104,825,798
Claims payments	<u>(50,289,850)</u>	<u>(103,973,192)</u>
Unpaid claims, June 30, 2025	<u>\$ 5,342,925</u>	<u>\$ 11,949,066</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, 2025, the Hamilton County Internal Service Fund has net position of \$28,809,261 and the Hamilton County Schools Internal Service Fund has net position of \$375,377. These net position balances are designated for future catastrophic losses.

#### **NOTE R – TAX ABATEMENTS**

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

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

#### **Housing Development**

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

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

#### **Economic Development**

The County promotes economic development and growth through commercial and industrial PILOT projects that involve a significant capital investment and the generation of new jobs with wages in excess of the annual average wage in the County. The PILOT program offers tax abatements for a specified period in exchange for benefits received by the County resulting from an increase in real and personal property investments and/or the create of jobs. Applications for tax abatements are made to the Chattanooga Chamber of Commerce, with approval by either the IDB of the city of Chattanooga or the IDB of Hamilton County, followed by approval from the Hamilton County Board of Commissioners. To be eligible for tax abatement, qualifying companies must either relocate into the County or expand business within the County. Qualified businesses are eligible for abatement of all or a portion of property taxes dependent on the dollar amount of the investment and the number and average wage of jobs created. There are

provisions for recapturing abated taxes if certain terms of the agreement are not met. Other commitments made by the County may include roadway improvements, railway services, and sewer improvements.

The County has entered into the following number of tax abatement agreements as of June 30, 2025:

	Number of Abatements as of the End of the Fiscal Year	Number of Future Abatements Approved	Total Tax Abatements during the Fiscal Year
	<u>Year</u>	<u>Approved</u>	<u>the Fiscal Year</u>
Housing Development	13	2	\$ 673,678
Commercial and Industrial Development	16	2	10,070,844
Total	<u>29</u>	<u>4</u>	<u>\$ 10,744,522</u>

**NOTE S – RESTATEMENT OF NET POSITION**

During the current year, the Hamilton County Schools implemented GASB Statement No. 101, Compensated Absences. In addition to the value of unused vacation time owed to employees upon separation of employment, the Schools now recognize an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized in the table below.

	Hamilton County Schools	Total Component Units
	<u>Schools</u>	<u>Units</u>
Net position, July 1	\$ 573,440,932	\$ 802,727,281
Restatement - GASB 101 implementation	<u>(12,315,543)</u>	<u>(12,315,543)</u>
Net position, July 1, as adjusted	<u>\$ 561,125,389</u>	<u>\$ 790,411,738</u>

**NOTE T – SUBSEQUENT EVENTS**

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

## 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, 2025**

Tennessee Consolidated Retirement System

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability (Asset)</b>										
Service Cost (normal cost adjusted to end of year)	\$ 7,259,728	\$ 7,583,374	\$ 7,934,094	\$ 7,164,441	\$ 7,180,861	\$ 7,559,725	\$ 8,172,477	\$ 8,120,884	\$ 8,006,025	\$ 7,976,094
Interest	46,069,220	43,977,592	41,718,960	41,186,834	39,595,855	37,925,851	36,779,742	35,305,203	33,698,932	32,589,903
Changes in benefit terms	-	-	-	-	-	-	-	4,920,068	-	-
Differences between expected and actual experience	7,839,345	13,147,816	15,312,678	(8,077,825)	2,877,273	4,306,369	(4,072,716)	(840,493)	1,010,114	(5,829,667)
Changes of assumptions	-	-	-	38,109,696	-	-	-	11,678,524	-	-
Benefit Payments/Refunds	(34,589,076)	(32,207,053)	(30,100,545)	(28,276,233)	(27,109,825)	(25,647,262)	(23,269,432)	(22,060,655)	(20,765,309)	(19,193,091)
<b>Net Change in Total Pension Liability (Asset)</b>	<u>26,579,217</u>	<u>32,501,729</u>	<u>34,865,187</u>	<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>
<b>Total Pension Liability (Asset) - beginning</b>	<u>692,541,768</u>	<u>660,040,039</u>	<u>625,174,852</u>	<u>575,067,939</u>	<u>552,523,775</u>	<u>528,379,092</u>	<u>510,769,021</u>	<u>473,645,490</u>	<u>451,695,728</u>	<u>436,152,489</u>
<b>Total Pension Liability (Asset) - ending (a)</b>	<u>\$ 719,120,985</u>	<u>\$ 692,541,768</u>	<u>\$ 660,040,039</u>	<u>\$ 625,174,852</u>	<u>\$ 575,067,939</u>	<u>\$ 552,523,775</u>	<u>\$ 528,379,092</u>	<u>\$ 510,769,021</u>	<u>\$ 473,645,490</u>	<u>\$ 451,695,728</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 12,882,151	\$ 12,887,670	\$ 13,110,907	\$ 13,606,943	\$ 14,093,422	\$ 13,959,290	\$ 14,512,520	\$ 15,152,942	\$ 15,306,360	\$ 14,991,472
Contributions - employee	293	403	50,904	4,434	-	-	796	9,814	213	8,026
Net investment income	64,058,548	42,640,201	(25,962,834)	142,442,258	26,755,242	38,249,039	40,169,578	50,073,673	11,582,710	13,197,032
Benefit Payments/Refunds	(34,589,076)	(32,207,053)	(30,100,545)	(28,276,233)	(27,109,825)	(25,647,262)	(23,269,432)	(22,060,655)	(20,765,309)	(19,193,091)
Administrative expenses	(325,989)	(271,093)	(158,832)	(144,676)	(168,794)	(180,197)	(211,661)	(202,759)	(202,445)	(141,919)
Other	-	-	-	-	-	-	-	10,192	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>42,025,927</u>	<u>23,050,128</u>	<u>(43,060,400)</u>	<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>
<b>Plan Fiduciary Net Position - beginning</b>	<u>667,195,563</u>	<u>644,145,435</u>	<u>687,205,835</u>	<u>559,573,109</u>	<u>546,003,064</u>	<u>519,622,194</u>	<u>488,420,393</u>	<u>445,437,186</u>	<u>439,515,657</u>	<u>430,654,137</u>
<b>Plan Fiduciary Net Position - ending (b)</b>	<u>\$ 709,221,490</u>	<u>\$ 667,195,563</u>	<u>\$ 644,145,435</u>	<u>\$ 687,205,835</u>	<u>\$ 559,573,109</u>	<u>\$ 546,003,064</u>	<u>\$ 519,622,194</u>	<u>\$ 488,420,393</u>	<u>\$ 445,437,186</u>	<u>\$ 439,515,657</u>
<b>Net Pension Liability (Asset) - ending (a) - (b)</b>	<u>\$ 9,899,495</u>	<u>\$ 25,346,205</u>	<u>\$ 15,894,604</u>	<u>\$ (62,030,983)</u>	<u>\$ 15,494,830</u>	<u>\$ 6,520,711</u>	<u>\$ 8,756,898</u>	<u>\$ 22,348,628</u>	<u>\$ 28,208,304</u>	<u>\$ 12,180,071</u>
<b>Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)</b>	98.62%	96.34%	97.59%	109.92%	97.31%	98.82%	98.34%	95.62%	94.04%	97.30%
<b>Covered payroll</b>	\$ 85,209,187	\$ 87,733,536	\$ 87,089,911	\$ 89,451,192	\$ 93,955,776	\$ 93,315,659	\$ 103,659,712	\$ 104,341,847	\$ 105,764,830	\$ 104,614,990
<b>Net Pension Liability (Asset) as a % of covered payroll</b>	11.62%	28.89%	18.25%	-69.35%	16.49%	6.99%	8.45%	21.42%	26.67%	11.64%

\* for fiscal year ending June 30, 2025 (year shown is measurement date)

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

Tennessee Consolidated Retirement System

	2024*	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability (Asset)</b>									
Service Cost (normal cost adjusted to end of year)	\$ 5,194,042	\$ 4,158,698	\$ 3,458,793	\$ 2,586,745	\$ 1,805,659	\$ 1,291,887	\$ 733,149	\$ 201,820	\$ 101,927
Interest	1,852,680	1,336,893	955,708	682,485	417,553	236,455	104,085	20,170	7,645
Changes in benefit terms	-	-	-	-	-	-	-	1,715	-
Differences between expected and actual experience	1,731,698	1,362,413	790,291	(29,964)	760,038	536,047	471,763	401,300	(41,111)
Changes of assumptions	-	-	-	843,070	-	-	-	22,155	-
Benefit Payments/Refunds	(285,023)	(219,108)	(295,926)	(122,738)	(97,461)	(63,049)	(20,832)	(2,701)	-
<b>Net Change in Total Pension Liability (Asset)</b>	<b>8,493,397</b>	<b>6,638,896</b>	<b>4,908,866</b>	<b>3,959,598</b>	<b>2,885,789</b>	<b>2,001,340</b>	<b>1,288,165</b>	<b>644,459</b>	<b>68,461</b>
<b>Total Pension Liability (Asset) - beginning</b>	<b>22,395,574</b>	<b>15,756,678</b>	<b>10,847,812</b>	<b>6,888,214</b>	<b>4,002,425</b>	<b>2,001,085</b>	<b>712,920</b>	<b>68,461</b>	<b>-</b>
<b>Total Pension Liability (Asset) - ending (a)</b>	<b>\$ 30,888,971</b>	<b>\$ 22,395,574</b>	<b>\$ 15,756,678</b>	<b>\$ 10,847,812</b>	<b>\$ 6,888,214</b>	<b>\$ 4,002,425</b>	<b>\$ 2,001,085</b>	<b>\$ 712,920</b>	<b>\$ 68,461</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	\$ 2,459,754	\$ 1,944,294	\$ 1,218,317	\$ 927,661	\$ 768,226	\$ 418,162	\$ 733,975	\$ 387,744	\$ 58,414
Contributions - employee	4,526,118	3,694,741	2,932,917	2,311,533	1,937,778	1,343,829	911,918	483,672	73,015
Net investment income	2,512,023	1,246,895	(558,436)	2,304,683	291,745	264,329	149,792	61,675	1,691
Benefit Payments/Refunds	(285,023)	(219,108)	(295,926)	(122,738)	(97,461)	(63,049)	(20,832)	(2,701)	-
Administrative expenses	(145,188)	(105,595)	(147,619)	(106,917)	(97,399)	(74,923)	(57,949)	(35,748)	(7,835)
Other	-	-	-	-	-	-	-	1,121	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>9,067,684</b>	<b>6,561,227</b>	<b>3,149,253</b>	<b>5,314,222</b>	<b>2,802,889</b>	<b>1,888,348</b>	<b>1,716,904</b>	<b>895,763</b>	<b>125,285</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>22,453,891</b>	<b>15,892,664</b>	<b>12,743,411</b>	<b>7,429,189</b>	<b>4,626,300</b>	<b>2,737,952</b>	<b>1,021,048</b>	<b>125,285</b>	<b>-</b>
<b>Plan Fiduciary Net Position - ending (b)</b>	<b>\$ 31,521,575</b>	<b>\$ 22,453,891</b>	<b>\$ 15,892,664</b>	<b>\$ 12,743,411</b>	<b>\$ 7,429,189</b>	<b>\$ 4,626,300</b>	<b>\$ 2,737,952</b>	<b>\$ 1,021,048</b>	<b>\$ 125,285</b>
<b>Net Pension Liability (Asset) - ending (a) - (b)</b>	<b>\$ (632,604)</b>	<b>\$ (58,317)</b>	<b>\$ (135,986)</b>	<b>\$ (1,895,599)</b>	<b>\$ (540,975)</b>	<b>\$ (623,875)</b>	<b>\$ (736,867)</b>	<b>\$ (308,128)</b>	<b>\$ (56,824)</b>
<b>Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)</b>	<b>102.05%</b>	<b>100.26%</b>	<b>100.86%</b>	<b>117.47%</b>	<b>107.85%</b>	<b>115.59%</b>	<b>136.82%</b>	<b>143.22%</b>	<b>183.00%</b>
<b>Covered payroll</b>	<b>\$ 90,753,390</b>	<b>\$ 79,169,638</b>	<b>\$ 58,709,695</b>	<b>\$ 47,320,223</b>	<b>\$ 37,704,293</b>	<b>\$ 26,822,028</b>	<b>\$ 17,881,339</b>	<b>\$ 9,673,783</b>	<b>\$ 1,220,807</b>
<b>Net Pension Liability (Asset) as a % of covered payroll</b>	<b>-0.70%</b>	<b>-0.07%</b>	<b>-0.23%</b>	<b>-4.01%</b>	<b>-1.43%</b>	<b>-2.33%</b>	<b>-4.12%</b>	<b>-3.19%</b>	<b>-4.65%</b>

\* for fiscal year ending June 30, 2025 (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, 2025**

Tennessee Consolidated Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	4.127625%	4.109744%	4.234570%	4.228676%	4.327313%	4.238750%	4.249443%	4.311500%	4.479913%	4.193311%
Proportionate share of the net pension liability (asset)	\$ (71,113,262)	\$ (48,452,809)	\$ (51,932,995)	\$ (182,392,944)	\$ (32,998,948)	\$ (43,581,981)	\$ (14,953,429)	\$ (1,410,652)	\$ 27,996,973	\$ 1,717,724
Covered payroll	\$ 135,589,562	\$ 133,264,019	\$ 139,357,081	\$ 138,734,627	\$144,023,834	\$142,131,342	\$148,842,742	\$ 151,181,055	\$160,595,801	\$156,976,681
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-52.447446%	-36.358508%	-37.266133%	-131.468940%	-22.912144%	-30.663174%	-10.046462%	-0.933088%	17.433191%	1.094254%
Plan fiduciary net position as a percentage of the total pension liability (asset)	105.76%	104.11%	104.42%	116.13%	103.09%	104.28%	101.49%	100.14%	97.14%	99.81%

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

Tennessee Consolidated Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	6.017990%	5.718089%	5.802579%	5.780728%	5.774267%	5.548473%	5.121912%	5.230015%	5.794097%	4.970172%
Proportionate share of the net pension liability (asset)	\$ (4,288,464)	\$ (2,424,663)	\$ (1,757,747)	\$ (6,261,753)	\$ (3,283,489)	\$ (3,132,037)	\$ (2,322,930)	\$ (1,379,858)	\$ (603,184)	\$ (199,948)
Covered payroll	\$ 141,377,477	\$ 100,302,987	\$ 99,090,617	\$ 83,428,577	\$ 72,866,725	\$ 58,714,262	\$ 45,590,350	\$ 35,557,047	\$ 26,616,062	\$ 10,326,594
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-3.03%	-2.42%	-1.77%	-7.51%	-4.51%	-5.33%	-5.10%	-3.88%	-2.27%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability (asset)	106.49%	104.97%	104.55%	121.53%	116.52%	123.07%	126.97%	126.81%	121.88%	127.46%

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

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

Hamilton County Administered Plans

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability (Asset)</b>										
Service Cost (normal cost adjusted to end of year)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	122	60	144	349	419	246	407	289	447	670
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	2,975	-	(1,108)	-	5,913	-	5,677	-	(1,517)
Changes of assumptions	-	10	-	(1,533)	-	-	-	-	-	-
Benefit Payments/Refunds	(1,812)	(1,812)	(1,812)	(1,812)	(1,812)	(3,612)	(3,612)	(3,612)	(3,612)	(3,612)
<b>Net Change in Total Pension Liability (Asset)</b>	(1,690)	1,233	(1,668)	(4,104)	(1,393)	2,547	(3,205)	2,354	(3,165)	(4,459)
<b>Total Pension Liability (Asset) - beginning</b>	3,341	2,108	3,776	7,880	9,273	6,726	9,931	7,577	10,742	15,201
<b>Total Pension Liability (Asset) - ending (a)</b>	\$ 1,651	\$ 3,341	\$ 2,108	\$ 3,776	\$ 7,880	\$ 9,273	\$ 6,726	\$ 9,931	\$ 7,577	\$ 10,742
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 1,730	\$ 3,000	\$ 236	\$ 830	\$ 2,000	\$ -	\$ 9,254	\$ -	\$ 412	\$ 12,931
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	1	1	-	1	2	2
Benefit Payments/Refunds	(1,812)	(1,812)	(1,812)	(1,812)	(1,812)	(3,612)	(3,612)	(3,612)	(3,612)	(3,612)
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	(82)	1,188	(1,576)	(982)	189	(3,611)	5,642	(3,611)	(3,198)	9,321
<b>Plan Fiduciary Net Position - beginning</b>	1,527	339	1,915	2,897	2,708	6,319	677	4,288	7,486	(1,835)
<b>Plan Fiduciary Net Position - ending (b)</b>	\$ 1,445	\$ 1,527	\$ 339	\$ 1,915	\$ 2,897	\$ 2,708	\$ 6,319	\$ 677	\$ 4,288	\$ 7,486
<b>Net Pension Liability (Asset) - ending (a) - (b)</b>	\$ 206	\$ 1,814	\$ 1,769	\$ 1,861	\$ 4,983	\$ 6,565	\$ 407	\$ 9,254	\$ 3,289	\$ 3,256
<b>Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)</b>	87.5%	45.7%	16.1%	50.7%	36.8%	29.2%	93.9%	6.8%	56.6%	69.7%
<b>Covered payroll</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability (Asset) as a % of covered payroll</b>	N/A									

\* for fiscal year ending June 30, 2025 (year shown is measurement date)

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

Hamilton County Administered Plans

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability (Asset)</b>										
Service Cost (normal cost adjusted to end of year)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	8,396	8,220	10,057	11,765	13,567	19,619	21,831	28,741	31,659	36,314
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	36,245	-	10,483	-	(56,402)	-	(60,418)	-	(17,798)
Changes of assumptions	-	4,111	-	(10,474)	-	-	-	-	-	-
Benefit Payments/Refunds	(33,044)	(34,553)	(34,553)	(34,553)	(40,610)	(47,211)	(55,458)	(65,447)	(75,680)	(85,477)
<b>Net Change in Total Pension Liability (Asset)</b>	(24,648)	14,023	(24,496)	(22,779)	(27,043)	(83,994)	(33,627)	(97,124)	(44,021)	(66,961)
<b>Total Pension Liability (Asset) - beginning</b>	140,899	126,876	151,372	174,151	201,194	285,188	318,815	415,939	459,960	526,921
<b>Total Pension Liability (Asset) - ending (a)</b>	<u>\$ 116,251</u>	<u>\$ 140,899</u>	<u>\$ 126,876</u>	<u>\$ 151,372</u>	<u>\$ 174,151</u>	<u>\$ 201,194</u>	<u>\$ 285,188</u>	<u>\$ 318,815</u>	<u>\$ 415,939</u>	<u>\$ 459,960</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	213,684	168,090	(330,757)	420,807	115,714	143,028	116,159	145,167	50,026	60,128
Benefit Payments/Refunds	(33,044)	(34,553)	(34,553)	(34,553)	(40,610)	(47,211)	(55,458)	(65,447)	(75,680)	(85,477)
Administrative expenses	(34,278)	(14,994)	(28,350)	(20,908)	(32,778)	(13,200)	(23,269)	(13,027)	(16,804)	(13,940)
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	146,362	178,543	(393,660)	365,346	42,326	82,617	37,432	66,693	(42,458)	(39,289)
<b>Plan Fiduciary Net Position - beginning</b>	2,336,090	2,157,547	2,551,207	2,185,861	2,143,535	2,060,918	2,023,486	1,956,793	1,999,251	2,038,540
<b>Plan Fiduciary Net Position - ending (b)</b>	<u>\$ 2,482,452</u>	<u>\$ 2,336,090</u>	<u>\$ 2,157,547</u>	<u>\$ 2,551,207</u>	<u>\$ 2,185,861</u>	<u>\$ 2,143,535</u>	<u>\$ 2,060,918</u>	<u>\$ 2,023,486</u>	<u>\$ 1,956,793</u>	<u>\$ 1,999,251</u>
<b>Net Pension Liability (Asset) - ending (a) - (b)</b>	<u>\$ (2,366,201)</u>	<u>\$ (2,195,191)</u>	<u>\$ (2,030,671)</u>	<u>\$ (2,399,835)</u>	<u>\$ (2,011,710)</u>	<u>\$ (1,942,341)</u>	<u>\$ (1,775,730)</u>	<u>\$ (1,704,671)</u>	<u>\$ (1,540,854)</u>	<u>\$ (1,539,291)</u>
<b>Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)</b>	2135.4%	1658.0%	1700.5%	1685.4%	1255.2%	1065.4%	722.7%	634.7%	470.5%	434.7%
<b>Covered payroll</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability (Asset) as a % of covered payroll</b>	N/A									

\* for fiscal year ending June 30, 2025 (year shown is measurement date)

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

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

Hamilton County Administered Plans

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability (Asset)</b>										
Service Cost (normal cost adjusted to end of year)	\$ 53,527	\$ 32,432	\$ 31,185	\$ 32,407	\$ 31,161	\$ 24,980	\$ 24,019	\$ 25,386	\$ 24,410	\$ 27,680
Interest	57,869	56,296	53,994	54,384	52,104	49,814	48,586	48,322	47,014	46,656
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(35,875)	-	(1,491)	-	6,940	-	(17,238)	-	(13,771)
Changes of assumptions	-	2,183	-	(41,926)	-	-	-	-	-	-
Benefit Payments/Refunds	(51,695)	(48,132)	(48,001)	(49,300)	(43,708)	(55,798)	(50,403)	(50,986)	(50,227)	(52,430)
<b>Net Change in Total Pension Liability (Asset)</b>	<b>59,701</b>	<b>6,904</b>	<b>37,178</b>	<b>(5,926)</b>	<b>39,557</b>	<b>25,936</b>	<b>22,202</b>	<b>5,484</b>	<b>21,197</b>	<b>8,135</b>
<b>Total Pension Liability (Asset) - beginning</b>	<b>936,801</b>	<b>929,897</b>	<b>892,719</b>	<b>898,645</b>	<b>859,088</b>	<b>833,152</b>	<b>810,950</b>	<b>805,466</b>	<b>784,269</b>	<b>776,134</b>
<b>Total Pension Liability (Asset) - ending (a)</b>	<b>\$ 996,502</b>	<b>\$ 936,801</b>	<b>\$ 929,897</b>	<b>\$ 892,719</b>	<b>\$ 898,645</b>	<b>\$ 859,088</b>	<b>\$ 833,152</b>	<b>\$ 810,950</b>	<b>\$ 805,466</b>	<b>\$ 784,269</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 76,832	\$ 32,121	\$ 32,121	\$ 56,867	\$ 107,646	\$ -	\$ 96,687	\$ -	\$ 45,908	\$ 55,000
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	65,234	50,997	(101,252)	129,324	28,051	37,055	40,609	51,357	1	3,327
Benefit Payments/Refunds	(51,695)	(48,132)	(48,001)	(49,300)	(43,708)	(55,798)	(50,403)	(50,986)	(50,227)	(52,430)
Administrative expenses	(2,535)	(8,071)	(33,012)	(2,494)	(2,167)	(3,828)	(6,584)	(3,560)	(5,754)	(3,975)
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>87,836</b>	<b>26,915</b>	<b>(150,144)</b>	<b>134,397</b>	<b>89,822</b>	<b>(22,571)</b>	<b>80,309</b>	<b>(3,189)</b>	<b>(10,072)</b>	<b>1,922</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>772,446</b>	<b>745,531</b>	<b>895,675</b>	<b>761,278</b>	<b>671,456</b>	<b>694,027</b>	<b>613,718</b>	<b>616,907</b>	<b>626,979</b>	<b>625,057</b>
<b>Plan Fiduciary Net Position - ending (b)</b>	<b>\$ 860,282</b>	<b>\$ 772,446</b>	<b>\$ 745,531</b>	<b>\$ 895,675</b>	<b>\$ 761,278</b>	<b>\$ 671,456</b>	<b>\$ 694,027</b>	<b>\$ 613,718</b>	<b>\$ 616,907</b>	<b>\$ 626,979</b>
<b>Net Pension Liability (Asset) - ending (a) - (b)</b>	<b>\$ 136,220</b>	<b>\$ 164,355</b>	<b>\$ 184,366</b>	<b>\$ (2,956)</b>	<b>\$ 137,367</b>	<b>\$ 187,632</b>	<b>\$ 139,125</b>	<b>\$ 197,232</b>	<b>\$ 188,559</b>	<b>\$ 157,290</b>
<b>Plan Fiduciary Net Position as a % of the Total Pension Liability (Asset)</b>	<b>86.3%</b>	<b>82.5%</b>	<b>80.2%</b>	<b>100.3%</b>	<b>84.7%</b>	<b>78.2%</b>	<b>83.3%</b>	<b>75.7%</b>	<b>76.6%</b>	<b>79.9%</b>
<b>Covered payroll</b>	<b>\$ 299,222</b>	<b>\$ 228,546</b>	<b>\$ 228,546</b>	<b>\$ 214,398</b>	<b>\$ 214,398</b>	<b>\$ 212,787</b>	<b>\$ 212,787</b>	<b>\$ 200,070</b>	<b>\$ 200,070</b>	<b>\$ 186,705</b>
<b>Net Pension Liability (Asset) as a % of covered payroll</b>	<b>45.5%</b>	<b>71.9%</b>	<b>80.7%</b>	<b>-1.4%</b>	<b>64.1%</b>	<b>88.2%</b>	<b>65.4%</b>	<b>98.6%</b>	<b>94.2%</b>	<b>84.2%</b>

\* for fiscal year ending June 30, 2025 (year shown is measurement date)

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



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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

Tennessee Consolidated Retirement System

Year Ended June 30	Hamilton County Legacy Plan				Contribution as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	
2025	\$ 12,345,876	\$ 12,345,876	\$ -	\$ 83,985,551	14.70%
2024	\$ 12,882,151	\$ 12,882,151	\$ -	\$ 85,209,187	14.70%
2023	\$ 12,887,670	\$ 12,887,670	\$ -	\$ 87,733,536	14.70%
2022	\$ 13,110,907	\$ 13,110,907	\$ -	\$ 87,089,911	15.05%
2021	\$ 13,606,943	\$ 13,606,943	\$ -	\$ 89,451,192	14.70%
2020	\$ 14,093,422	\$ 14,093,422	\$ -	\$ 93,955,776	14.70%
2019	\$ 13,959,290	\$ 13,959,290	\$ -	\$ 93,315,659	14.96%
2018	\$ 14,512,520	\$ 14,512,520	\$ -	\$ 103,659,712	14.24%
2017	\$ 15,152,942	\$ 15,152,942	\$ -	\$ 104,341,847	14.52%
2016	\$ 15,306,360	\$ 15,306,360	\$ -	\$ 105,764,830	14.47%

Year Ended June 30	Hamilton County Hybrid Plan*				Contribution as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	
2025	\$ 2,759,819	\$ 2,759,819	\$ -	\$ 104,936,073	2.63% ***
2024	\$ 2,459,754	\$ 2,459,754	\$ -	\$ 90,753,390	2.67% ***
2023	\$ 1,944,294	\$ 1,944,294	\$ -	\$ 79,169,638	2.59% ***
2022	\$ 1,218,317	\$ 1,218,317	\$ -	\$ 58,709,695	2.08% ***
2021	\$ 927,661	\$ 927,661	\$ -	\$ 47,320,223	2.00% ***
2020	\$ 768,226	\$ 768,226	\$ -	\$ 37,704,293	1.98% ***
2019	\$ 418,162	\$ 418,162	\$ -	\$ 26,822,028	1.56% ***
2018	\$ 733,975	\$ 733,975	\$ -	\$ 17,881,339	4.00%
2017	\$ 387,744	\$ 387,744	\$ -	\$ 9,673,783	4.00%
2016	\$ 58,414	\$ 58,414	\$ -	\$ 1,220,807	4.00%

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

Tennessee Consolidated Retirement System

Year Ended June 30	Teacher Legacy Plan				Contribution as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	
2025	\$ 8,364,553	\$ 8,364,553	\$ -	\$ 131,518,126	6.36%
2024	\$ 9,233,385	\$ 9,233,385	\$ -	\$ 135,589,562	6.36%
2023	\$ 11,580,643	\$ 11,580,643	\$ -	\$ 133,264,019	8.69%
2022	\$ 14,353,778	\$ 14,353,778	\$ -	\$ 139,357,081	10.30%
2021	\$ 14,253,975	\$ 14,253,975	\$ -	\$ 138,734,627	10.27%
2020	\$ 15,309,765	\$ 15,309,765	\$ -	\$ 144,023,834	10.63%
2019	\$ 14,866,942	\$ 14,866,942	\$ -	\$ 142,131,342	10.46%
2018	\$ 13,514,921	\$ 13,514,921	\$ -	\$ 148,842,742	9.08%
2017	\$ 13,777,809	\$ 13,777,809	\$ -	\$ 151,181,055	9.11%
2016	\$ 14,517,682	\$ 14,517,682	\$ -	\$ 160,595,801	9.04%

Year Ended June 30	Teacher Retirement Plan**				Contribution as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	
2025	\$ 4,649,543	\$ 4,649,543	\$ -	\$ 154,984,764	3.00% ***
2024	\$ 4,170,464	\$ 4,170,464	\$ -	\$ 141,377,477	3.00% ***
2023	\$ 3,023,586	\$ 3,023,586	\$ -	\$ 100,302,987	2.87% ***
2022	\$ 1,991,724	\$ 1,991,724	\$ -	\$ 99,090,617	2.01% ***
2021	\$ 1,685,149	\$ 1,685,149	\$ -	\$ 83,428,577	2.02% ***
2020	\$ 1,479,194	\$ 1,479,194	\$ -	\$ 72,866,725	2.03% ***
2019	\$ 1,139,054	\$ 1,139,054	\$ -	\$ 58,714,262	1.94% ***
2018	\$ 1,823,614	\$ 1,823,614	\$ -	\$ 45,590,350	4.00%
2017	\$ 1,373,064	\$ 1,373,064	\$ -	\$ 35,557,047	3.86%
2016	\$ 1,064,642	\$ 1,064,642	\$ -	\$ 26,616,062	4.00%

\*\*\*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.

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

Hamilton County Administered Plans

Employees' Pension Plan

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2025	\$ -	\$ -	\$ -	\$ -	N/A
2024	-	-	-	-	N/A
2023	-	60,000	(60,000)	-	N/A
2022	-	-	-	-	N/A
2021	-	-	-	-	N/A
2020	-	-	-	-	N/A
2019	-	-	-	-	N/A
2018	-	-	-	-	N/A
2017	-	-	-	-	N/A
2016	-	-	-	-	N/A

Commissioners' Pension Plan

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2025	\$ 76,832	\$ 76,832	\$ -	\$ 299,222	25.7%
2024	76,832	76,832	-	299,222	25.7%
2023	32,121	32,121	-	228,546	14.1%
2022	32,121	32,121	-	228,546	14.1%
2021	56,867	56,867	-	214,398	26.5%
2020	56,867	107,646	(50,779)	214,398	50.2%
2019	50,779	-	50,779	212,787	0.0%
2018	50,779	96,687	(45,908)	212,787	45.4%
2017	45,908	-	45,908	200,070	0.0%
2016	45,908	45,908	-	200,070	22.9%

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

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
2025	\$ 230	\$ 1,730	\$ (1,500)	\$ -	N/A
2024	230	1,730	(1,500)	-	N/A
2023	236	3,000	(2,764)	-	N/A
2022	236	236	-	-	N/A
2021	830	830	-	-	N/A
2020	830	2,000	(1,170)	-	N/A
2019	1,170	-	1,170	-	N/A
2018	1,170	9,254	(8,084)	-	N/A
2017	412	-	412	-	N/A
2016	412	412	-	-	N/A

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<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%	0.00%	0.00%	0.00%	0.02%	0.04%	0.00%	0.00%	3.01%
<b><u>Employees' Pension Plan</u></b>										
Annual money-weighted rate of return, net of investment expenses for the County's Employees' Pension Plan	7.23%	6.55%	-16.64%	15.67%	2.46%	6.80%	6.06%	4.51%	6.53%	2.97%
<b><u>Commissioners' Pension Plan</u></b>										
Annual money-weighted rate of return, net of investment expenses for the County's Commissioners' Pension Plan	7.29%	5.56%	-18.01%	14.16%	2.86%	5.43%	4.95%	4.90%	7.79%	1.70%

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

**Primary Government**

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability (Asset)</b>								
Service Cost	\$ 2,051,565	\$ 2,213,526	\$ 2,078,428	\$ 2,012,377	\$ 1,889,556	\$ 1,799,577	\$ 1,900,008	\$ 1,809,531
Interest	3,431,036	3,488,303	3,344,854	3,346,972	3,228,819	2,872,933	2,792,000	2,661,150
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(2,756,049)	-	(365,712)	-	(638,683)	-	-
Changes of assumptions	-	(103,912)	-	(1,454,860)	-	4,948,829	-	-
Other changes	-	-	-	(250,986)	-	-	-	-
Benefit Payments/Refunds	(3,560,938)	(3,351,471)	(3,637,421)	(3,423,455)	(3,346,473)	(3,346,473)	(2,548,068)	(2,359,321)
<b>Net Change in Total OPEB Liability (Asset)</b>	<b>1,921,663</b>	<b>(509,603)</b>	<b>1,785,861</b>	<b>(135,664)</b>	<b>1,771,902</b>	<b>5,636,183</b>	<b>2,143,940</b>	<b>2,111,360</b>
<b>Total OPEB Liability (Asset) - beginning</b>	<b>54,294,537</b>	<b>54,804,140</b>	<b>53,018,279</b>	<b>53,153,943</b>	<b>51,382,041</b>	<b>45,745,858</b>	<b>43,601,918</b>	<b>41,490,558</b>
<b>Total OPEB Liability (Asset) - ending (a)</b>	<b>\$ 56,216,200</b>	<b>\$ 54,294,537</b>	<b>\$ 54,804,140</b>	<b>\$ 53,018,279</b>	<b>\$ 53,153,943</b>	<b>\$ 51,382,041</b>	<b>\$ 45,745,858</b>	<b>\$ 43,601,918</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
Contributions - employer on pay as you go basis	3,560,938	3,351,471	3,637,421	3,423,455	3,346,473	3,346,473	2,548,068	2,359,321
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	4,951,564	4,068,335	(5,788,644)	8,724,901	1,266,049	1,830,516	1,937,951	2,263,871
Benefit Payments/Refunds	(3,560,938)	(3,351,471)	(3,637,421)	(3,423,455)	(3,346,473)	(3,346,473)	(2,548,068)	(2,359,321)
Administrative expenses	(96,012)	(202,734)	(204,942)	(102,502)	(128,717)	(119,139)	(130,753)	(93,252)
Other	-	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>6,455,552</b>	<b>5,465,601</b>	<b>(4,393,586)</b>	<b>10,222,399</b>	<b>2,737,332</b>	<b>3,311,377</b>	<b>3,407,198</b>	<b>3,770,619</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>42,583,353</b>	<b>37,117,752</b>	<b>41,511,338</b>	<b>31,288,939</b>	<b>28,551,607</b>	<b>25,240,230</b>	<b>21,833,032</b>	<b>18,062,413</b>
<b>Plan Fiduciary Net Position - ending (b)</b>	<b>\$ 49,038,905</b>	<b>\$ 42,583,353</b>	<b>\$ 37,117,752</b>	<b>\$ 41,511,338</b>	<b>\$ 31,288,939</b>	<b>\$ 28,551,607</b>	<b>\$ 25,240,230</b>	<b>\$ 21,833,032</b>
<b>Net OPEB Liability (Asset) - ending (a) - (b)</b>	<b>\$ 7,177,295</b>	<b>\$ 11,711,184</b>	<b>\$ 17,686,388</b>	<b>\$ 11,506,941</b>	<b>\$ 21,865,004</b>	<b>\$ 22,830,434</b>	<b>\$ 20,505,628</b>	<b>\$ 21,768,886</b>
<b>Plan Fiduciary Net Position as a % of the Total OPEB Liability (Asset)</b>	<b>87.2%</b>	<b>78.4%</b>	<b>67.7%</b>	<b>78.3%</b>	<b>58.9%</b>	<b>55.6%</b>	<b>55.2%</b>	<b>50.1%</b>
<b>Covered-employee payroll</b>	<b>\$ 100,581,965</b>	<b>\$ 97,652,393</b>	<b>\$ 91,125,927</b>	<b>\$ 88,471,774</b>	<b>\$ 84,370,423</b>	<b>\$ 81,913,032</b>	<b>\$ 76,872,177</b>	<b>\$ 74,633,182</b>
<b>Net OPEB Liability (Asset) as a % of covered-employee payroll</b>	<b>7.1%</b>	<b>12.0%</b>	<b>19.4%</b>	<b>13.0%</b>	<b>25.9%</b>	<b>27.9%</b>	<b>26.7%</b>	<b>29.2%</b>

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

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

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

**Hamilton County Schools**

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability (Asset)</b>								
Service Cost	\$ 5,783,822	\$ 5,554,424	\$ 7,176,437	\$ 6,834,702	\$ 7,320,275	\$ 7,121,583	\$ 6,782,460	\$ 7,953,820
Interest	3,978,270	3,855,973	3,714,849	2,269,712	3,477,286	3,323,236	3,406,804	3,657,851
Changes of benefit terms	(23,120,902)							
Differences between expected and actual experience	21,987,699	-	2,120,887	-	3,657,192	-	15,991,840	-
Changes of assumptions	12,047,680	-	(2,013,334)	(16,296,646)	(29,045,695)	-	(23,120,958)	-
Benefit Payments/Refunds	(6,678,623)	(6,839,461)	(6,437,140)	(5,442,142)	(5,122,016)	(6,394,544)	(5,948,413)	(6,033,842)
<b>Net Change in Total OPEB Liability (Asset)</b>	<b>13,997,946</b>	<b>2,570,936</b>	<b>4,561,699</b>	<b>(12,634,374)</b>	<b>(19,712,958)</b>	<b>4,050,275</b>	<b>(2,888,267)</b>	<b>5,577,829</b>
<b>Total OPEB Liability - beginning</b>	<b>97,220,942</b>	<b>94,650,006</b>	<b>90,088,307</b>	<b>102,722,681</b>	<b>122,435,639</b>	<b>118,385,364</b>	<b>121,273,631</b>	<b>115,695,802</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 111,218,888</b>	<b>\$ 97,220,942</b>	<b>\$ 94,650,006</b>	<b>\$ 90,088,307</b>	<b>\$ 102,722,681</b>	<b>\$ 122,435,639</b>	<b>\$ 118,385,364</b>	<b>\$ 121,273,631</b>
<b>Covered-employee payroll</b>	<b>\$ 358,597,842</b>	<b>\$ 284,433,760</b>	<b>\$ 276,149,282</b>	<b>\$ 241,834,173</b>	<b>\$ 234,790,459</b>	<b>\$ 207,957,595</b>	<b>\$ 201,900,578</b>	<b>\$ 180,057,926</b>
<b>Total OPEB Liability as a % of covered-employee payroll</b>	<b>31.0%</b>	<b>34.2%</b>	<b>34.3%</b>	<b>37.3%</b>	<b>43.8%</b>	<b>58.9%</b>	<b>58.6%</b>	<b>67.4%</b>

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

Note: *Changes of assumptions.* Effective July 1, 2025, the following assumptions were changed: the discount rate is 4.81% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2025; the assumed trend rate for medical claims was changed to 7.50% grading to 6.60% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in year 2075; the mortality, disability, and termination rates were updated to match the State of Tennessee retirement plan experience study; and for anyone retiring on or after July 1, 2026, the eligibility criteria to receive retiree medical benefits was updated.

Effective July 1, 2023, the following assumptions were changed: the discount rate is 4.13% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 20, 2023; the assumed trend rate for medical claims was changed to 6.25% grading to 5.20% over 2 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in year 2075; and the mortality and termination rates were updated to match the State of Tennessee retirement plan experience study.

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

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

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

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

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

**Primary Government**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Schedule of Contributions</b>									
Actuarially determined contribution	\$ 3,373,630	\$ 3,436,785	\$ 3,256,856	\$ 3,330,774	\$ 4,156,878	\$ 4,138,081	\$ 4,137,683	\$ 3,875,212	\$ 3,927,762
Contributions in relation to the actuarially determined contribution	<u>5,426,099</u>	<u>5,160,938</u>	<u>4,951,471</u>	<u>5,237,421</u>	<u>5,023,455</u>	<u>4,946,473</u>	<u>4,946,473</u>	<u>4,148,068</u>	<u>3,959,321</u>
Contribution deficiency (excess)	\$ <u>(2,052,469)</u>	\$ <u>(1,724,153)</u>	\$ <u>(1,694,615)</u>	\$ <u>(1,906,647)</u>	\$ <u>(866,577)</u>	\$ <u>(808,392)</u>	\$ <u>(808,790)</u>	\$ <u>(272,856)</u>	\$ <u>(31,559)</u>
Covered-employee payroll	\$ 109,887,421	\$ 100,581,965	\$ 97,652,393	\$ 91,125,927	\$ 88,471,774	\$ 84,370,423	\$ 81,913,032	\$ 76,872,177	\$ 74,633,182
Contributions as a percentage of covered-employee payroll	4.94%	5.13%	5.07%	5.75%	5.68%	5.86%	6.04%	5.40%	5.30%
<b>Schedule of Investment Returns</b>									
Annual money-weighted rate of return, net of investment expense	12.11%	6.51%	10.78%	6.51%	27.31%	6.51%	7.20%	6.52%	12.08%

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

## NOTES TO SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

### HAMILTON COUNTY, TENNESSEE June 30, 2025

#### PUBLIC EMPLOYEE RETIREMENT SYSTEMS

Actuarial information of the Tennessee Consolidated Retirement System Plans

Employer contributions for the year ended June 30, 2025 are based on the results of the June 30, 2024 actuarial valuation. Accordingly, governmental employers utilize the following notes to the schedule relating to the Actuarially Determined Contributions when presenting 2025.

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

Actuarial Information of the County Administered Plans

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

#### OTHER POST EMPLOYMENT BENEFITS

Actuarial Information of the County Employees Post Employment Medical Insurance Benefits

Methods and assumptions used to determine contribution rates:

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Discount rate	4.81 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	7.50% graded uniformly to 6.60% 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, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 196,639,300	\$ 196,639,300	\$ 187,603,524	\$ (9,035,776)
Local sales tax	11,000,000	11,000,000	11,253,757	253,757
Business taxes	13,261,000	13,261,000	13,121,180	(139,820)
Wholesale beer tax	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,020,732</u>	<u>(179,268)</u>
Total taxes	<u>222,100,300</u>	<u>222,100,300</u>	<u>212,999,193</u>	<u>(9,101,107)</u>
Licenses and permits	<u>1,782,500</u>	<u>1,782,500</u>	<u>1,835,928</u>	<u>53,428</u>
Intergovernmental revenues:				
State of Tennessee	30,426,242	38,257,000	29,126,107	(9,130,893)
United States Government	10,236,141	7,552,540	7,171,675	(380,865)
Cities	<u>3,598,266</u>	<u>3,638,266</u>	<u>3,179,557</u>	<u>(458,709)</u>
Total intergovernmental revenues	<u>44,260,649</u>	<u>49,447,806</u>	<u>39,477,339</u>	<u>(9,970,467)</u>
Charges for services:				
Health department	3,622,600	3,622,600	2,182,705	(1,439,895)
Other	<u>25,734,239</u>	<u>25,734,239</u>	<u>23,852,760</u>	<u>(1,881,479)</u>
Total charges for services	<u>29,356,839</u>	<u>29,356,839</u>	<u>26,035,465</u>	<u>(3,321,374)</u>
Fines, forfeitures and penalties	<u>1,888,850</u>	<u>1,888,850</u>	<u>1,527,775</u>	<u>(361,075)</u>
Investment earnings	<u>4,546,000</u>	<u>4,546,000</u>	<u>8,982,447</u>	<u>4,436,447</u>
Miscellaneous	<u>5,871,205</u>	<u>6,366,012</u>	<u>5,853,048</u>	<u>(512,964)</u>
Total revenues	<u>309,806,343</u>	<u>315,488,307</u>	<u>296,711,195</u>	<u>(18,777,112)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
County Clerk	2,641,722	2,666,497	2,573,819	92,678
Register	716,595	713,830	618,927	94,903
County Trustee	1,798,051	1,798,051	1,733,614	64,437
Assessor of Property	4,487,195	4,617,487	4,224,065	393,422
Election Commission	3,110,387	3,103,933	3,100,552	3,381
Board of Equalization	7,700	7,700	7,580	120
Soil Conservation	153,975	153,975	146,243	7,732
Agricultural Department	327,611	327,611	322,799	4,812
County-City Planning Commission	881,641	881,641	881,641	-
Regional Council of Government & SETTDD	81,903	81,903	81,903	-

(continued)

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

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES--(continued):				
Current--(continued):				
General government--(continued):				
Thrive Regional Partnership	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Economic Development	600,000	600,000	600,000	-
Representative-General Assembly	100,000	100,000	80,150	19,850
Enterprise Center	-	-	-	-
County Board of Commissioners	1,063,926	1,015,600	998,504	17,096
County Mayor	874,020	873,336	918,446	(45,110)
County Auditor	1,104,009	1,104,009	1,003,322	100,687
Chief of Staff	547,457	547,457	535,692	11,765
Chief Operating Officer	204,798	204,798	171,724	33,074
County Attorney	1,606,683	1,606,683	1,668,647	(61,964)
Employee Assistance Program	58,500	58,500	39,327	19,173
Benefits	944,717	943,404	787,775	155,629
Risk Management	587,075	685,791	494,348	191,443
Wellness & Fitness Programs	263,761	263,761	172,969	90,792
Mailroom	472,556	463,835	470,376	(6,541)
Drug & Alcohol Testing	19,799	19,799	23,059	(3,260)
American Disability Act	1,000	1,000	-	1,000
Veterans' Service Program	264,181	263,546	255,199	8,347
Human Resources Administrator	310,831	310,831	324,302	(13,471)
Employee Benefits	2,514,437	2,514,437	1,983,948	530,489
Trustee's Commission	5,121,100	5,121,100	4,576,573	544,527
External Audits	196,750	196,750	219,830	(23,080)
Equal Employment Opportunity	144,664	144,664	145,494	(830)
Chief Financial Officer	543,342	552,042	496,849	55,193
Accounting	2,657,823	2,677,563	2,521,868	155,695
Financial Management	373,572	373,572	294,559	79,013
Technology Services	4,396,832	4,417,578	4,170,723	246,855
Procurement & Fleet Management	1,173,597	1,187,270	1,042,014	145,256
Geospatial Technology	1,070,831	1,070,831	1,020,525	50,306
Telecommunications	1,029,589	1,029,589	952,070	77,519
Records Management	650,401	653,666	557,794	95,872
Mental Health	180,224	1,251,668	855,622	396,046
Recovery Court	1,052,729	1,172,369	927,815	244,554
Special Advisor	-	-	112,098	(112,098)
Mental Health Court	521,168	521,509	497,872	23,637
United Way 211	170,000	170,000	170,000	-
Custodial Services	4,359,981	4,366,749	4,423,903	(57,154)
Real Property	444,164	439,199	339,875	99,324
Recycling	474,330	474,330	397,244	77,086
Public Safety Administrator	280,494	280,494	277,002	3,492
Economic and Community Development	1,730,256	2,473,689	1,513,268	960,421
Ground Maintenance	315,000	315,000	409,335	(94,335)
Facilities Maintenance	3,881,049	3,768,266	3,839,486	(71,220)
Property Management	267,285	529,564	309,851	219,713
Utilities	2,500,000	2,500,000	2,511,787	(11,787)
Total general government	59,329,711	61,666,877	56,852,388	4,814,489

(continued)

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

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES--(continued):				
Current--(continued):				
Public safety:				
Medical Examiner	\$ 1,986,867	\$ 1,985,004	\$ 1,702,656	\$ 282,348
Circuit Court Clerk	3,974,782	3,971,689	3,688,607	283,082
Criminal Court Clerk	4,916,685	4,912,641	4,790,099	122,542
District Attorney General	1,947,163	1,943,255	1,831,785	111,470
Public Defender	1,259,580	1,259,580	1,206,841	52,739
General Sessions Court	2,032,887	2,162,377	1,998,334	164,043
Juries	141,349	230,841	193,243	37,598
Court Judges	704,196	703,615	627,734	75,881
Judicial Commission Magistrates	710,653	710,229	735,229	(25,000)
Juvenile Court	9,296,876	9,289,710	9,115,488	174,222
Forest Fire Prevention	4,000	4,000	4,000	-
Humane Education Society	842,974	1,106,896	1,106,896	-
Opioid Settlement	-	2,000,000	2,265,839	(265,839)
Certified Cost Reimbursement	483,600	483,600	440,849	42,751
Building Inspection	1,254,693	1,253,874	1,202,113	51,761
Office of Emergency Management	4,886,863	5,094,076	4,778,558	315,518
Corrections	1,867,620	2,149,769	1,577,945	571,824
Litter Grant	732,006	751,665	613,480	138,185
Homeland Security Grants	-	458,458	122,611	335,847
Security Services	893,067	892,783	837,042	55,741
Volunteer Emergency Services	2,599,677	2,603,896	2,599,675	4,221
Pretrial Diversion Program	1,029,648	1,528,868	954,162	574,706
Ambulance Services	20,682,633	20,764,689	20,195,880	568,809
Juvenile Court Clerk				
Administration and Courts	2,072,087	2,072,087	2,067,440	4,647
Sheriff				
Administration Services	3,543,753	3,400,010	3,049,046	350,964
Law Enforcement Services	17,953,573	20,894,562	19,205,053	1,689,509
Corrections Services	29,069,490	29,727,261	29,509,775	217,486
Judicial Services	2,918,276	2,919,452	3,003,793	(84,341)
Records Services	605,421	604,668	973,349	(368,681)
Criminal Investigation Services	2,858,730	2,875,531	2,892,617	(17,086)
Fugitive Services	2,243,115	2,251,915	2,065,662	186,253
Civil Process Services	1,104,793	1,107,194	1,027,525	79,669
Various Grants	-	255,594	-	255,594
Governor's Highway Safety Grant	-	120,000	85,524	34,476
Maintenance Services	1,130,972	1,130,972	1,525,983	(395,011)
Legal & Accreditation Services	447,159	447,159	457,908	(10,749)
Special Operations Services	1,439,189	1,447,989	1,614,259	(166,270)
TN Office of Criminal Justice	-	65,392	56,230	9,162
Department of Justice Grants	-	28,002	29,857	(1,855)
IV-D Civil Process Grant	307,192	307,192	288,313	18,879
Information Systems Services	2,294,709	1,262,458	1,205,119	57,339
Training Services	1,269,361	1,282,317	1,024,875	257,442
Human Resources Services	534,861	538,202	483,443	54,759
Internal Affairs Services	572,686	575,087	545,282	29,805
Total public safety	<u>132,613,186</u>	<u>139,574,559</u>	<u>133,700,119</u>	<u>5,874,440</u>

(continued)

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

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES--(continued):				
Current--(continued):				
Highways and streets:				
Public Works Administrator	\$ 327,304	\$ 384,222	\$ 365,564	\$ 18,658
Engineering Services	1,887,046	2,803,434	2,179,959	623,475
Development Services	946,440	953,590	990,026	(36,436)
Railroad Authority	171,466	171,466	166,409	5,057
Highway	<u>16,890,572</u>	<u>17,206,059</u>	<u>15,429,016</u>	<u>1,777,043</u>
Total highways and streets	<u>20,222,828</u>	<u>21,518,771</u>	<u>19,130,974</u>	<u>2,387,797</u>
Health:				
Air Pollution Control	228,113	228,113	228,113	-
Health Department	<u>32,153,764</u>	<u>31,538,716</u>	<u>26,354,452</u>	<u>5,184,264</u>
Total health	<u>32,381,877</u>	<u>31,766,829</u>	<u>26,582,565</u>	<u>5,184,264</u>
Social services:				
Clerk and Master	934,541	933,273	933,029	244
Chancery Court Judges	207,492	206,943	212,126	(5,183)
Juvenile Court Clerk:				
Child Support Division	1,286,330	1,286,330	1,197,011	89,319
Center for Thriving Families	344,713	344,713	274,696	70,017
Junior Achievement of Chattanooga	30,000	30,000	30,000	-
Chattanooga Food Bank	50,000	100,000	100,000	-
Imagination Library-Signal Center	50,000	50,000	50,000	-
LaPaz Chattanooga	100,000	100,000	100,000	-
Boys & Girls Club	50,000	50,000	50,000	-
Partnership for Families, Children & Adult	250,000	250,000	250,000	-
Signal Center	21,000	21,000	21,000	-
Collegedale Public Library	30,000	30,000	30,000	-
Children's Advocacy Center	75,000	75,000	75,000	-
Young Life	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total social services	<u>3,479,076</u>	<u>3,527,259</u>	<u>3,372,862</u>	<u>154,397</u>
Culture and recreation:				
Armed Forces Day Parade	25,000	25,000	25,000	-
Family Justice Center	150,000	150,000	150,000	-
Hamilton County Fair	150,000	150,000	150,000	-
Interstate Beautification	62,500	62,500	-	62,500
Creative Discovery Museum	50,000	50,000	50,000	-
Bessie Smith Museum	107,947	107,947	107,947	-
Parks and Recreation Department	<u>11,146,524</u>	<u>13,017,006</u>	<u>10,806,775</u>	<u>2,210,231</u>
Total culture and recreation	<u>11,691,971</u>	<u>13,562,453</u>	<u>11,289,722</u>	<u>2,272,731</u>
Capital outlay	<u>13,561,784</u>	<u>10,727,913</u>	<u>8,916,647</u>	<u>1,811,266</u>
Debt service:				
Principal	-	2,564,960	2,331,957	233,003
Interest	<u>-</u>	<u>256,916</u>	<u>330,626</u>	<u>(73,710)</u>
Total debt service	<u>-</u>	<u>2,821,876</u>	<u>2,662,583</u>	<u>159,293</u>
Total budgetary expenditures	<u>273,280,433</u>	<u>285,166,537</u>	<u>262,507,860</u>	<u>22,658,677</u>
Excess of revenues over expenditures	<u>36,525,910</u>	<u>30,321,770</u>	<u>34,203,335</u>	<u>3,881,565</u>

(continued)

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

**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 18,617,588	\$ 18,667,588	\$ 16,320,278	\$ (2,347,310)
Transfers out	(55,593,498)	(55,793,498)	(53,820,129)	1,973,369
Issuance of SBITA payable	100,000	100,000	-	(100,000)
Issuance of lease payable	100,000	100,000	132,662	32,662
Sale of capital assets	<u>250,000</u>	<u>250,000</u>	<u>561,864</u>	<u>311,864</u>
Total other financing sources (uses)	<u>(36,525,910)</u>	<u>(36,675,910)</u>	<u>(36,805,325)</u>	<u>(129,415)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6,354,140)</u>	(2,601,990)	<u>\$ 3,752,150</u>
Fund balance at beginning of year			<u>143,362,815</u>	
Fund balance at end of year			<u>\$ 140,760,825</u>	

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 2,174,192	\$ 2,347,363	\$ 830,042	\$ (1,517,321)
Investment earnings	<u>200,000</u>	<u>200,000</u>	<u>158,343</u>	<u>(41,657)</u>
Total revenues	<u>2,374,192</u>	<u>2,547,363</u>	<u>988,385</u>	<u>(1,558,978)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal retirement	31,280,000	31,280,000	31,320,000	(40,000)
Interest and fiscal charges	<u>16,006,805</u>	<u>17,255,879</u>	<u>17,212,308</u>	<u>43,571</u>
Total budgetary expenditures	<u>47,286,805</u>	<u>48,535,879</u>	<u>48,532,308</u>	<u>3,571</u>
Deficiency of revenues under budgetary expenditures	<u>(44,912,613)</u>	<u>(45,988,516)</u>	<u>(47,543,923)</u>	<u>(1,555,407)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Payment to escrow agent	-	(23,816,707)	(23,816,707)	-
Transfers in	<u>44,912,613</u>	<u>70,279,320</u>	<u>71,954,295</u>	<u>1,674,975</u>
Total other financing sources (uses)	<u>44,912,613</u>	<u>46,462,613</u>	<u>48,137,588</u>	<u>1,674,975</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 474,097</u>	593,665	<u>\$ 119,568</u>
Fund balance at beginning of year			<u>8,061,408</u>	
Fund balance at end of year			<u>\$ 8,655,073</u>	

**BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	Hotel / Motel Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Hotel/Motel occupancy tax	\$ 11,762,200	\$ 11,762,200	\$ 11,637,370	\$ (124,830)
Investment earnings	15,000	15,000	35,777	20,777
Total revenues	<u>11,777,200</u>	<u>11,777,200</u>	<u>11,673,147</u>	<u>(104,053)</u>
<b>EXPENDITURES</b>				
Hotel/Motel occupancy tax	10,851,900	10,851,900	11,048,933	(197,033)
Total budgetary expenditures	<u>10,851,900</u>	<u>10,851,900</u>	<u>11,048,933</u>	<u>(197,033)</u>
Excess (deficiency) of revenues over (under) budgetary expenditures	<u>925,300</u>	<u>925,300</u>	<u>624,214</u>	<u>(301,086)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(925,300)	(925,300)	(6,296)	919,004
Total other financing sources (uses)	<u>(925,300)</u>	<u>(925,300)</u>	<u>(6,296)</u>	<u>919,004</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	617,918	<u>\$ 617,918</u>
Fund balance at beginning of year			<u>192,781</u>	
Fund balance at end of year			<u>\$ 810,699</u>	

**BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUND**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	Sheriff Special Revenue Funds			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 61,600	\$ 61,600	\$ 59,014	\$ (2,586)
Fines, forfeitures and penalties	102,146	102,146	34,438	(67,708)
Investment earnings	3,700	3,700	49,016	45,316
Miscellaneous	<u>316,245</u>	<u>316,245</u>	<u>248,454</u>	<u>(67,791)</u>
Total revenues	<u>483,691</u>	<u>483,691</u>	<u>390,922</u>	<u>(92,769)</u>
<b>EXPENDITURES</b>				
Narcotics enforcement	411,345	558,278	442,657	115,621
TN State sexual offenders	72,346	72,346	241	72,105
Debt Service:				
Principal	-	899	-	899
Interest	<u>-</u>	<u>29</u>	<u>-</u>	<u>29</u>
Total budgetary expenditures	<u>483,691</u>	<u>631,552</u>	<u>442,898</u>	<u>188,654</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (147,861)</u>	(51,976)	<u>\$ 95,885</u>
Fund balance at beginning of year			<u>1,135,214</u>	
Fund balance at end of year			<u>\$ 1,083,238</u>	



## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

- Clerk and Master – serve as the clerical and support staff for the various courts for both civil and criminal proceedings.
- County Clerk – serves as the Clerk of the County Commission. Principally engaged in the sale of Vehicle Title and Registration, Beer Tax, Boat Registration, Marriage License, Business License, Driver License, Notary and Pawnbroker applications, and Fish and Game permits.
- Register – collects various fees for the recording of conveyances, trust deeds, chattels, charters, plats and other legal instruments.
- Trustee – serves as the treasurer and primary investment manager of the County's funds and manages property tax collection efforts.
- Sheriff Narcotics Enforcement Fund – serves to account for collections of forfeited assets from joint investigations.
- Sheriff State Sexual Offenders Fund – Tennessee Code Annotated requires separate reporting for the collection of sexual offender fees as well as expenditures.

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, 2025**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Constitutional Offices	Governmental Law Library	Hotel/ Motel	Economic Crimes	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,448,618	\$ 37,205	\$ 1,745,324	\$ 15,293	\$ 9,246,440
Investments	472,310	49,641	-	20,000	541,951
Receivables:					
Accounts	628,217	367	1,188,171	916	1,817,671
Due from other funds	79,813	-	-	-	79,813
Prepaid items	<u>3,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,732</u>
Total assets	<u>\$ 8,632,690</u>	<u>\$ 87,213</u>	<u>\$ 2,933,495</u>	<u>\$ 36,209</u>	<u>\$ 11,689,607</u>
<b>LIABILITIES</b>					
Accrued items and other	\$ 427,628	\$ 3,257	\$ 2,116,500	\$ -	\$ 2,547,385
Due to other funds	<u>-</u>	<u>-</u>	<u>6,296</u>	<u>-</u>	<u>6,296</u>
Total liabilities	<u>427,628</u>	<u>3,257</u>	<u>2,122,796</u>	<u>-</u>	<u>2,553,681</u>
<b>FUND BALANCES</b>					
Nonspendable for prepaid items	3,732	-	-	-	3,732
Restricted for general government	5,140,435	-	810,699	-	5,951,134
Restricted for public safety	1,083,238	-	-	-	1,083,238
Restricted for social services	1,977,657	-	-	-	1,977,657
Committed for public safety	<u>-</u>	<u>83,956</u>	<u>-</u>	<u>36,209</u>	<u>120,165</u>
Total fund balances	<u>8,205,062</u>	<u>83,956</u>	<u>810,699</u>	<u>36,209</u>	<u>9,135,926</u>
Total liabilities and fund balances	<u>\$ 8,632,690</u>	<u>\$ 87,213</u>	<u>\$ 2,933,495</u>	<u>\$ 36,209</u>	<u>\$ 11,689,607</u>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Constitutional Offices	Governmental Law Library	Hotel/ Motel	Economic Crimes	
<b>REVENUES</b>					
Taxes	\$ -	\$ 10,496	\$ 11,637,370	\$ -	\$ 11,647,866
Intergovernmental	59,014	-	-	-	59,014
Charges for services	23,742,681	-	-	-	23,742,681
Fines, forfeitures and penalties	34,438	-	-	8,447	42,885
Investment earnings	1,306,749	4,372	35,777	2,253	1,349,151
Miscellaneous	362,820	-	-	-	362,820
<b>Total revenues</b>	<b>25,505,702</b>	<b>14,868</b>	<b>11,673,147</b>	<b>10,700</b>	<b>37,204,417</b>
<b>EXPENDITURES</b>					
Current:					
General government	6,295,848	-	11,048,933	-	17,344,781
Public safety:					
Sheriff	442,898	-	-	-	442,898
Other	-	19,289	-	-	19,289
Social services	1,802,446	-	-	24,658	1,827,104
<b>Total expenditures</b>	<b>8,541,192</b>	<b>19,289</b>	<b>11,048,933</b>	<b>24,658</b>	<b>19,634,072</b>
Excess (deficiency) of revenues over (under) expenditures	16,964,510	(4,421)	624,214	(13,958)	17,570,345
<b>OTHER FINANCING USES</b>					
Transfers out	(16,278,794)	-	(6,296)	-	(16,285,090)
<b>Total other financing uses</b>	<b>(16,278,794)</b>	<b>-</b>	<b>(6,296)</b>	<b>-</b>	<b>(16,285,090)</b>
Net change in fund balances	685,716	(4,421)	617,918	(13,958)	1,285,255
Fund balances, beginning	7,519,346	88,377	192,781	50,167	7,850,671
Fund balances, ending	\$ 8,205,062	\$ 83,956	\$ 810,699	\$ 36,209	\$ 9,135,926

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

	Clerk and Master	County Clerk	Register	Trustee	Sheriff Narcotics Enforcement	Sheriff State Sexual Offenders	Total Constitutional Offices
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,688,214	\$ 3,744,890	\$ 589,908	\$ 893,968	\$ 359,311	\$ 172,327	\$ 7,448,618
Investments	-	-	-	-	472,310	-	472,310
Receivables:							
Accounts	295,107	-	-	332,583	527	-	628,217
Due from other funds	-	-	-	-	79,813	-	79,813
Prepaid items	-	3,732	-	-	-	-	3,732
Total assets	<u>\$ 1,983,321</u>	<u>\$ 3,748,622</u>	<u>\$ 589,908</u>	<u>\$ 1,226,551</u>	<u>\$ 911,961</u>	<u>\$ 172,327</u>	<u>\$ 8,632,690</u>
<b>LIABILITIES</b>							
Accrued items and other	\$ 5,664	\$ 338,056	\$ 48,579	\$ 34,279	\$ -	\$ 1,050	\$ 427,628
Total liabilities	<u>5,664</u>	<u>338,056</u>	<u>48,579</u>	<u>34,279</u>	<u>-</u>	<u>1,050</u>	<u>427,628</u>
<b>FUND BALANCES</b>							
Nonspendable for prepaid items	-	3,732	-	-	-	-	3,732
Restricted for general government	-	3,406,834	541,329	1,192,272	-	-	5,140,435
Restricted for public safety	-	-	-	-	911,961	171,277	1,083,238
Restricted for social services	1,977,657	-	-	-	-	-	1,977,657
Total fund balances	<u>1,977,657</u>	<u>3,410,566</u>	<u>541,329</u>	<u>1,192,272</u>	<u>911,961</u>	<u>171,277</u>	<u>8,205,062</u>
Total liabilities and fund balances	<u>\$ 1,983,321</u>	<u>\$ 3,748,622</u>	<u>\$ 589,908</u>	<u>\$ 1,226,551</u>	<u>\$ 911,961</u>	<u>\$ 172,327</u>	<u>\$ 8,632,690</u>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	Clerk and Master	County Clerk	Register	Trustee	Sheriff Narcotics Enforcement	Sheriff State Sexual Offenders	Total Constitutional Offices
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 59,014	\$ -	\$ 59,014
Charges for services	2,601,130	7,032,490	2,472,407	11,636,654	-	-	23,742,681
Fines, forfeitures and penalties	-	-	-	-	10,352	24,086	34,438
Investment earnings	801,423	272,679	65,846	117,785	41,861	7,155	1,306,749
Miscellaneous	-	37,976	76,390	-	248,454	-	362,820
Total revenues	<u>3,402,553</u>	<u>7,343,145</u>	<u>2,614,643</u>	<u>11,754,439</u>	<u>359,681</u>	<u>31,241</u>	<u>25,505,702</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	4,045,156	942,360	1,308,332	-	-	6,295,848
Public safety:							
Sheriff	-	-	-	-	442,657	241	442,898
Social services	<u>1,802,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,802,446</u>
Total expenditures	<u>1,802,446</u>	<u>4,045,156</u>	<u>942,360</u>	<u>1,308,332</u>	<u>442,657</u>	<u>241</u>	<u>8,541,192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,600,107</u>	<u>3,297,989</u>	<u>1,672,283</u>	<u>10,446,107</u>	<u>(82,976)</u>	<u>31,000</u>	<u>16,964,510</u>
<b>OTHER FINANCING USES</b>							
Transfers out	<u>(1,545,857)</u>	<u>(2,685,000)</u>	<u>(1,660,573)</u>	<u>(10,387,364)</u>	<u>-</u>	<u>-</u>	<u>(16,278,794)</u>
Total other financing uses	<u>(1,545,857)</u>	<u>(2,685,000)</u>	<u>(1,660,573)</u>	<u>(10,387,364)</u>	<u>-</u>	<u>-</u>	<u>(16,278,794)</u>
Net change in fund balances	54,250	612,989	11,710	58,743	(82,976)	31,000	685,716
Fund balances, beginning	<u>1,923,407</u>	<u>2,797,577</u>	<u>529,619</u>	<u>1,133,529</u>	<u>994,937</u>	<u>140,277</u>	<u>7,519,346</u>
Fund balances, ending	<u>\$ 1,977,657</u>	<u>\$ 3,410,566</u>	<u>\$ 541,329</u>	<u>\$ 1,192,272</u>	<u>\$ 911,961</u>	<u>\$ 171,277</u>	<u>\$ 8,205,062</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, 2025**

	OPEB Trust Fund	Pension Trust Funds	Total OPEB & Pension Trust Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash	\$ 5,853	\$ 55,792	\$ 61,645
Investments, at fair value:			
US Government Securities	7,402,694	-	7,402,694
Municipal Bonds	2,012,774	-	2,012,774
Mutual Funds	13,667,869	3,625,558	17,293,427
Domestic Equity Securities	9,316,558	-	9,316,558
Domestic Corporate Bonds	5,147,434	-	5,147,434
Foreign Equity Securities	3,978,715	-	3,978,715
Money Market	1,260,394	-	1,260,394
Exchange Traded Funds	13,360,278	-	13,360,278
Real Estate Investment Trust	51,383	-	51,383
	<u>56,198,099</u>	<u>3,625,558</u>	<u>59,823,657</u>
Total investments, at fair value			
Receivables:			
Interest	176,009	2,620	178,629
Total receivables	<u>176,009</u>	<u>2,620</u>	<u>178,629</u>
Total assets	<u>56,379,961</u>	<u>3,683,970</u>	<u>60,063,931</u>
<b>LIABILITIES</b>			
Accrued items and other	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Restricted for pension benefits	-	3,683,970	3,683,970
Restricted for OPEB benefits	<u>56,379,961</u>	<u>-</u>	<u>56,379,961</u>
Total net position	<u>\$ 56,379,961</u>	<u>\$ 3,683,970</u>	<u>\$ 60,063,931</u>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	OPEB Trust Fund	Pension Trust Funds	Total OPEB & Pension Trust Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
ADDITIONS			
Contributions:			
Employer	\$ 5,426,099	\$ 78,562	\$ 5,504,661
Other	<u>                    -</u>	<u>                    1,788</u>	<u>                    1,788</u>
Total contributions	<u>                    5,426,099</u>	<u>                    80,350</u>	<u>                    5,506,449</u>
Investment earnings:			
Net change in fair value of investments	4,700,374	239,598	4,939,972
Miscellaneous	-	220	220
Interest and dividends	<u>                  1,308,315</u>	<u>                  113,500</u>	<u>                  1,421,815</u>
Net investment earnings	<u>                  6,008,689</u>	<u>                  353,318</u>	<u>                  6,362,007</u>
Total additions	<u>                  11,434,788</u>	<u>                  433,668</u>	<u>                  11,868,456</u>
DEDUCTIONS			
Benefits	4,036,684	72,939	4,109,623
Administrative expense	<u>                  57,048</u>	<u>                  20,938</u>	<u>                  77,986</u>
Total deductions	<u>                  4,093,732</u>	<u>                  93,877</u>	<u>                  4,187,609</u>
Change in net position	7,341,056	339,791	7,680,847
Net position, beginning	<u>                  49,038,905</u>	<u>                  3,344,179</u>	<u>                  52,383,084</u>
Net position, ending	<u>                  \$ 56,379,961</u>	<u>                  \$ 3,683,970</u>	<u>                  \$ 60,063,931</u>

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

	Circuit Court Clerk	Clerk & Master	County Clerk	Criminal Court Clerk	Juvenile Court Clerk	Register	Sheriff	Trustee	Total Constitutional Offices Custodial Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 4,751,821	\$23,014,502	\$ 4,690,337	\$ 659,432	\$ 64,998	\$ 1,815,326	\$ 153,630	\$ 1,254,064	\$ 36,404,110
Investments	-	-	-	-	77,963	-	-	-	77,963
Investments on behalf of litigants and beneficiaries	4,160,514	16,346,046	-	-	387,437	-	-	-	20,893,997
Accounts receivable	-	-	4,642	-	-	2,926	-	3,097	10,665
<b>Total assets</b>	<b>8,912,335</b>	<b>39,360,548</b>	<b>4,694,979</b>	<b>659,432</b>	<b>530,398</b>	<b>1,818,252</b>	<b>153,630</b>	<b>1,257,161</b>	<b>57,386,735</b>
<b>LIABILITIES</b>									
Due to State of Tennessee	32,424	-	4,604,888	-	-	1,818,252	-	-	6,455,564
Due to municipalities	-	-	35,960	-	-	-	-	1,179,593	1,215,553
Due to others	69,467	7,385,251	-	851	76,406	-	-	-	7,531,975
<b>Total liabilities</b>	<b>101,891</b>	<b>7,385,251</b>	<b>4,640,848</b>	<b>851</b>	<b>76,406</b>	<b>1,818,252</b>	<b>-</b>	<b>1,179,593</b>	<b>15,203,092</b>
<b>NET POSITION</b>									
Restricted for individuals, organizations and others	8,810,444	31,975,297	54,131	658,581	453,992	-	153,630	77,568	42,183,643
<b>Total net position</b>	<b>\$ 8,810,444</b>	<b>\$31,975,297</b>	<b>\$ 54,131</b>	<b>\$ 658,581</b>	<b>\$ 453,992</b>	<b>\$ -</b>	<b>\$ 153,630</b>	<b>\$ 77,568</b>	<b>\$ 42,183,643</b>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	<u>Circuit Court Clerk</u>	<u>Clerk &amp; Master</u>	<u>County Clerk</u>	<u>Criminal Court Clerk</u>	<u>Juvenile Court Clerk</u>	<u>Register</u>	<u>Sheriff</u>	<u>Trustee</u>	<u>Total Constitutional Offices Custodial Funds</u>
<b>ADDITIONS</b>									
Collections of taxes, fines and fees:									
State of Tennessee	\$ 291,225	\$ 44,009	\$ 51,483,099	\$ 975,666	\$ -	\$ 19,951,047	\$ -	\$ -	\$ 72,745,046
Municipalities	-	-	418,831	134,199	-	-	-	16,167,237	16,720,267
Judgments for litigants and beneficiaries	16,582,553	59,552,936	-	-	60,482	-	-	-	76,195,971
Miscellaneous	<u>511,722</u>	<u>17,242,475</u>	<u>833,876</u>	<u>1,399,652</u>	<u>515,037</u>	<u>-</u>	<u>174,606</u>	<u>22,486,248</u>	<u>43,163,616</u>
Total additions	<u>17,385,500</u>	<u>76,839,420</u>	<u>52,735,806</u>	<u>2,509,517</u>	<u>575,519</u>	<u>19,951,047</u>	<u>174,606</u>	<u>38,653,485</u>	<u>208,824,900</u>
<b>DEDUCTIONS</b>									
Payments of taxes, fines and fees:									
State of Tennessee	291,225	44,009	51,483,099	975,666	-	19,951,047	-	-	72,745,046
Municipalities	-	-	418,831	134,199	-	-	-	16,167,237	16,720,267
Payouts to litigants and beneficiaries	15,897,459	64,072,662	-	-	46,271	-	-	-	80,016,392
Miscellaneous	<u>511,722</u>	<u>17,242,475</u>	<u>860,673</u>	<u>1,211,104</u>	<u>515,037</u>	<u>-</u>	<u>170,219</u>	<u>22,535,446</u>	<u>43,046,676</u>
Total deductions	<u>16,700,406</u>	<u>81,359,146</u>	<u>52,762,603</u>	<u>2,320,969</u>	<u>561,308</u>	<u>19,951,047</u>	<u>170,219</u>	<u>38,702,683</u>	<u>212,528,381</u>
Change in net position	685,094	(4,519,726)	(26,797)	188,548	14,211	-	4,387	(49,198)	(3,703,481)
Net position, beginning	<u>8,125,350</u>	<u>36,495,023</u>	<u>80,928</u>	<u>470,033</u>	<u>439,781</u>	<u>-</u>	<u>149,243</u>	<u>126,766</u>	<u>45,887,124</u>
Net position, ending	<u>\$ 8,810,444</u>	<u>\$31,975,297</u>	<u>\$ 54,131</u>	<u>\$ 658,581</u>	<u>\$ 453,992</u>	<u>\$ -</u>	<u>\$ 153,630</u>	<u>\$ 77,568</u>	<u>\$ 42,183,643</u>



## **DISCRETELY PRESENTED COMPONENT UNITS**

Discretely presented component units are entities that are legally separate from the County, but the County is considered to be financially accountable for these entities.

### **HAMILTON COUNTY SCHOOLS**

Hamilton County Schools provides public education for grades kindergarten through twelve.

#### **GOVERNMENTAL FUND TYPES**

General Purpose School Fund accounts for the operations of the school system, including instructional programs, administration, transportation, and other educational expenditures for the individual schools.

Centralized Cafeteria Fund accounts for the food service operations at the schools.

Education Capital Projects Fund accounts for resources designated for major improvements to capital assets in the school system.

School Activity Fund accounts for extracurricular activities of the student bodies of the schools. The school principals and activity sponsors direct these activities.

#### **PROPRIETARY FUND TYPES**

Hamilton County Schools Internal Service Fund accounts for the Hamilton County Schools self-insurance programs. Hamilton County Schools is self-insured for on-the-job injury claims, non-tort liability claims, unemployment compensation, health insurance, and the dental reimbursement program.

### **RAILROAD AUTHORITY**

#### **PROPRIETARY FUND TYPES**

Railroad Authority provides direct oversight of the jointly owned (with the City of Chattanooga) railroad network at Enterprise South Industrial Park. This twenty-mile network, with access to two major railroad carriers, is an important factor in attracting major manufacturers to the Park.

**COMBINING BALANCE SHEET  
HAMILTON COUNTY SCHOOLS GOVERNMENTAL FUNDS**

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

	General Purpose School	Centralized Cafeteria	Education Capital Projects	School Activity	Total Hamilton County Schools Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 45,222,315	\$ 12,269,196	\$ 2,440,265	\$ 5,285,810	\$ 65,217,586
Investments	40,719,106	-	-	-	40,719,106
Receivables, net of allowance for uncollectible:					
Property taxes	136,407,878	-	-	-	136,407,878
Accounts	5,006,372	42,004	-	-	5,048,376
Leases	1,700,722	-	-	-	1,700,722
Intergovernmental	51,727,778	2,112,571	-	-	53,840,349
Due from other HCS funds	4,614,024	2,906	11,661,742	-	16,278,672
Inventories	32,789	969,405	-	-	1,002,194
Restricted Cash	-	-	-	5,330,843	5,330,843
<b>Total assets</b>	<b>\$ 285,430,984</b>	<b>\$ 15,396,082</b>	<b>\$ 14,102,007</b>	<b>\$ 10,616,653</b>	<b>\$ 325,545,726</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 11,026,945	\$ 89,677	\$ 849,316	\$ -	\$ 11,965,938
Accrued items and other	42,345,315	260,490	77,563	-	42,683,368
Intergovernmental payables	332,000	-	-	-	332,000
Due to other HSC funds	20,188,978	-	265,949	-	20,454,927
<b>Total liabilities</b>	<b>73,893,238</b>	<b>350,167</b>	<b>1,192,828</b>	<b>-</b>	<b>75,436,233</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	125,301,007	-	-	-	125,301,007
Unavailable intergovernmental	169,010	-	-	-	169,010
Unavailable property taxes	4,955,108	-	-	-	4,955,108
Deferred lease receivable	1,625,202	-	-	-	1,625,202
<b>Total deferred inflows of resources</b>	<b>132,050,327</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,050,327</b>
<b>FUND BALANCES</b>					
Nonspendable	32,789	969,405	-	-	1,002,194
Restricted for centralized cafeteria	-	13,815,933	-	-	13,815,933
Restricted for education	13,016,656	-	-	-	13,016,656
Restricted for stabilization reserve trust	16,104,107	-	-	-	16,104,107
Restricted for instruction	17,118	-	-	-	17,118
Restricted for local school activity	-	-	-	10,616,653	10,616,653
Committed for capital projects	-	-	12,909,179	-	12,909,179
Committed for instruction	3,500,000	-	-	-	3,500,000
Committed for noninstructional	-	260,577	-	-	260,577
Assigned for education	23,918,068	-	-	-	23,918,068
Unassigned	22,898,681	-	-	-	22,898,681
<b>Total fund balances</b>	<b>79,487,419</b>	<b>15,045,915</b>	<b>12,909,179</b>	<b>10,616,653</b>	<b>118,059,166</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 285,430,984</b>	<b>\$ 15,396,082</b>	<b>\$ 14,102,007</b>	<b>\$ 10,616,653</b>	<b>\$ 325,545,726</b>

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

**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2025**

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

Fund balances - total Hamilton County Schools governmental funds	\$ 118,059,166
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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.	478,710,633
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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	4,955,108
Intergovernmental	169,010

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.	375,377
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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	75,661,094
Deferred outflows from pension contributions	17,917,555
Deferred inflows from differences in pension investment earnings	(17,027,585)
Deferred outflows from pension experience	23,449,323
Deferred outflows from pension changes in assumptions	1,898,663
Deferred inflows from pension experience	(1,324,362)
Lease payable	(1,126,411)
SBITA payable	(4,222,706)
Deferred inflows from OPEB changes in assumptions	(35,438,049)
Deferred changes in proportion of net pension liability	726,130
Deferred outflows from OPEB experience	39,926,505
Net pension liability	(3,068,843)
Net OPEB liability	(111,218,888)
Compensated absences	<u>(33,119,289)</u>

Net position of Hamilton County Schools	\$ <u>555,302,431</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, 2025**

	General Purpose School	Centralized Cafeteria	Education Capital Projects	School Activity	Total Hamilton County Schools Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 271,017,300	\$ -	\$ -	\$ -	\$ 271,017,300
Intergovernmental	360,661,095	24,898,478	-	-	385,559,573
Charges for services	6,246,288	3,643,499	-	-	9,889,787
Investment earnings	4,926,403	537,319	111,023	-	5,574,745
Miscellaneous	<u>10,536,072</u>	<u>7,353</u>	<u>355,856</u>	<u>14,727,488</u>	<u>25,626,769</u>
Total revenues	<u>653,387,158</u>	<u>29,086,649</u>	<u>466,879</u>	<u>14,727,488</u>	<u>697,668,174</u>
<b>EXPENDITURES</b>					
Current:					
Education	654,416,367	28,545,878	-	14,316,954	697,279,199
Capital outlay	12,217,191	-	7,721,704	-	19,938,895
Debt service:					
Principal	4,010,415	69,391	-	4,654	4,084,460
Interest	<u>119,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,128</u>
Total expenditures	<u>670,763,101</u>	<u>28,615,269</u>	<u>7,721,704</u>	<u>14,321,608</u>	<u>721,421,682</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,375,943)</u>	<u>471,380</u>	<u>(7,254,825)</u>	<u>405,880</u>	<u>(23,753,508)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	516,118	-	8,698,400	-	9,214,518
Transfers out	(9,214,518)	-	-	-	(9,214,518)
SBITA issued	1,677,558	445,928	-	-	2,123,486
Leases issued	<u>3,493,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,493,943</u>
Total other funding sources (uses)	<u>(3,526,899)</u>	<u>445,928</u>	<u>8,698,400</u>	<u>-</u>	<u>5,617,429</u>
Net change in fund balances	(20,902,842)	917,308	1,443,575	405,880	(18,136,079)
Fund balances, beginning	<u>100,390,261</u>	<u>14,128,607</u>	<u>11,465,604</u>	<u>10,210,773</u>	<u>136,195,245</u>
Fund balances, ending	<u>\$ 79,487,419</u>	<u>\$ 15,045,915</u>	<u>\$ 12,909,179</u>	<u>\$ 10,616,653</u>	<u>\$ 118,059,166</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, 2025**

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

Net change in fund balances - total Hamilton County Schools governmental funds \$ (18,136,079)

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	13,723,370
Acquisition of right-to-use assets	3,616,409
Acquisition of right-to-use technology agreements	2,135,486
Depreciation and amortization expense	(23,366,018)

The net effect of capital asset transactions involving the primary government is to increase net position.

Donated assets from primary government	8,084,395
Net book value of disposals	(2,843,926)

Other post employment benefits will not be funded therefore the expense is not recognized in the funds.

21,208,951

The net revenues of internal service funds are reported with governmental activities.

167,461

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	(3,493,943)
Issuance of SBITA payable	(2,123,486)
Payment of principal	4,084,460

The remeasurements of SBITAs and leases do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

2,499,219

The net effect of the change in the net pension liability is included in the statement of activities.

(7,002,726)

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.

(3,758,286)

Certain governmental revenues will not be collected for several months after the fiscal year and are deferred in the governmental funds.

Property taxes	(735,766)
Intergovernmental	<u>117,521</u>

Change in net position of governmental activities \$ (5,822,958)

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 151,793,866	\$ 151,793,866	\$ 148,154,587	\$ (3,639,279)
Local sales tax	<u>124,736,724</u>	<u>124,736,724</u>	<u>122,862,713</u>	<u>(1,874,011)</u>
Total taxes	<u>276,530,590</u>	<u>276,530,590</u>	<u>271,017,300</u>	<u>(5,513,290)</u>
Intergovernmental revenues:				
State of Tennessee:				
Education	298,177,627	309,464,507	298,811,695	(10,652,812)
Federal funds received from State of Tennessee and other sources:				
Education	37,379,106	110,568,150	61,849,400	(48,718,750)
Food service	<u>23,052,263</u>	<u>24,929,727</u>	<u>24,898,478</u>	<u>(31,249)</u>
Total intergovernmental revenues	<u>358,608,996</u>	<u>444,962,384</u>	<u>385,559,573</u>	<u>(59,402,811)</u>
Charges for services:				
Education	6,109,904	6,630,285	6,246,288	(383,997)
Food service	<u>4,184,752</u>	<u>3,567,803</u>	<u>3,643,499</u>	<u>75,696</u>
Total charges for current services	<u>10,294,656</u>	<u>10,198,088</u>	<u>9,889,787</u>	<u>(308,301)</u>
Investment earnings:				
Education	3,166,042	3,166,042	4,926,403	1,760,361
Food service	<u>496,392</u>	<u>559,228</u>	<u>537,319</u>	<u>(21,909)</u>
Total investment earnings	<u>3,662,434</u>	<u>3,725,270</u>	<u>5,463,722</u>	<u>1,738,452</u>
Miscellaneous:				
Education	11,933,351	14,236,265	10,536,072	(3,700,193)
Food service	<u>3,500</u>	<u>3,500</u>	<u>7,353</u>	<u>3,853</u>
Total miscellaneous	<u>11,936,851</u>	<u>14,239,765</u>	<u>10,543,425</u>	<u>(3,696,340)</u>
Total revenues	<u>661,033,527</u>	<u>749,656,097</u>	<u>682,473,807</u>	<u>(67,182,290)</u>

(continued)

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

**HAMILTON COUNTY, TENNESSEE**

**Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Current:				
Education:				
Regular instruction program	\$ 249,604,878	\$ 278,524,349	\$ 276,515,018	\$ 2,009,331
Special education program	51,166,891	56,369,375	54,471,377	1,897,998
Vocational education program	19,786,519	21,809,583	18,879,947	2,929,636
Student Body Education	4,639,460	4,626,734	420,504	4,206,230
Attendance	7,096,541	7,650,745	8,522,920	(872,175)
Health services	7,338,595	8,029,593	7,299,149	730,444
Other student support	33,193,842	41,093,033	35,447,234	5,645,799
Regular instruction support	43,639,121	48,144,432	42,460,952	5,683,480
Special education support	13,416,806	14,864,099	11,676,039	3,188,060
Vocational education support	1,797,474	1,642,106	1,139,895	502,211
Technology	17,787,911	16,224,123	10,815,420	5,408,703
Board of education	6,296,693	7,063,787	7,103,987	(40,200)
Office of superintendent	3,243,368	3,430,499	3,048,732	381,767
Office of principal	39,111,607	40,316,962	38,328,406	1,988,556
Fiscal services	4,317,188	5,533,264	4,687,971	845,293
Human resources	5,076,398	6,186,857	5,067,555	1,119,302
Operation of plant	33,843,545	36,734,659	34,369,217	2,365,442
Maintenance of plant	12,845,912	19,646,767	17,583,382	2,063,385
Transportation	27,768,136	31,507,799	29,707,969	1,799,830
Central and other	552,602	1,214,981	654,988	559,993
Food service	2,600	2,600	37,941	(35,341)
Community services	5,469,768	5,621,467	5,011,276	610,191
Early childhood	5,234,696	5,354,444	5,411,432	(56,988)
Charter schools	38,653,022	38,653,022	35,755,056	2,897,966
Food service program	<u>27,736,907</u>	<u>29,598,789</u>	<u>28,545,878</u>	<u>1,052,911</u>
Total education	659,620,480	729,844,069	682,962,245	46,881,824
Debt service:				
Principal	-	-	4,079,806	(4,079,806)
Interest	-	-	119,128	(119,128)
Capital outlay:				
Education	<u>3,409,583</u>	<u>55,825,804</u>	<u>12,217,191</u>	<u>43,608,613</u>
Total budgetary expenditures	<u>663,030,063</u>	<u>785,669,873</u>	<u>699,378,370</u>	<u>86,291,503</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from other School funds	824,978	824,978	516,118	(308,860)
Transfers out to other School funds	-	-	(9,214,518)	(9,214,518)
SBITAs issued	-	-	2,123,486	2,123,486
Leases issued	<u>-</u>	<u>-</u>	<u>3,493,943</u>	<u>3,493,943</u>
Net change in fund balance	<u>\$ (1,171,558)</u>	<u>\$ (35,188,798)</u>	(19,985,534)	<u>\$ 15,203,264</u>
Excess of nonbudgeted revenues and other financing sources over nonbudgeted expenditures and other financing uses (Education Capital Projects)			1,443,575	
(School Activity)			<u>405,880</u>	
Net change in fund balance--(GAAP Modified Accrual Basis)			(18,136,079)	
Fund balances at beginning of year--(GAAP Modified Accrual Basis)			<u>136,195,245</u>	
Fund balances at end of year--(GAAP Modified Accrual Basis)			<u>\$ 118,059,166</u>	

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

	Hamilton County Schools Internal Service Fund
	<u>Fund</u>
<b>ASSETS</b>	
Cash	\$ 7,831,838
Receivables	102,610
Due from other HCS funds	8,524,330
Prepaid items	<u>425,268</u>
Total current assets	<u>16,884,046</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	211,528
Accrued claims	9,319,516
Due to other HCS funds	<u>4,348,075</u>
Total current liabilities	<u>13,879,119</u>
Noncurrent liabilities:	
Accrued claims	<u>2,629,550</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 375,377</u>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	Hamilton County Schools Internal Service Fund
	<u>Fund</u>
OPERATING REVENUES	
Charges for services	\$ 114,630,660
Other	<u>84,844</u>
Total operating revenues	<u>114,715,504</u>
OPERATING EXPENSES	
Unemployment compensation	58,810
Claims and premiums	<u>114,650,554</u>
Total operating expenses	<u>114,709,364</u>
Operating income (loss)	6,140
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	<u>161,321</u>
Change in net position	167,461
Net position, beginning	<u>207,916</u>
Net position, ending	<u>\$ 375,377</u>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

Hamilton County  
Schools  
Internal Service  
Fund

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CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from insurance premiums	\$ 117,131,868
Cash paid for unemployment compensation	(58,810)
Cash paid for claims and premiums	<u>(111,901,232)</u>
Net cash provided by operating activities	<u>5,171,826</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Cash received from investment earnings	<u>161,321</u>
Net cash provided by investing activities	<u>161,321</u>

Net change in cash and cash equivalents	5,333,147
Beginning cash and cash equivalents	<u>2,498,691</u>
Ending cash and cash equivalents	<u>\$ 7,831,838</u>

RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	<u>\$ 6,140</u>
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ADJUSTMENTS TO RECONCILE OPERATING INCOME  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Change in receivables	288,575
Change in due from other HCS funds	2,127,789
Change in prepaid items	(225,268)
Change in accounts payable	(2,226,091)
Change in accrued claims	852,606
Change in due to other HCS funds	<u>4,348,075</u>
Total adjustments	<u>5,165,686</u>

Net cash provided by operating activities	<u>\$ 5,171,826</u>
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**STATEMENT OF NET POSITION  
RAILROAD AUTHORITY**

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	<u>Railroad Authority</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 8,992</u>
Total assets	<u>8,992</u>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	<u>-</u>
Total liabilities	<u>-</u>
<b>NET POSITION</b>	
Unrestricted	<u>8,992</u>
Total net position	<u><u>\$ 8,992</u></u>

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

**HAMILTON COUNTY, TENNESSEE  
Year Ended June 30, 2025**

	<u>Railroad Authority</u>
OPERATING REVENUES	
Charges for services	<u>\$ 166,409</u>
Total operating revenues	<u>166,409</u>
OPERATING EXPENSES	
Salaries and benefits	154,963
Other	<u>11,479</u>
Total operating expenses	<u>166,442</u>
Change in net position	(33)
Net position, beginning	<u>9,025</u>
Net position, ending	<u><u>\$ 8,992</u></u>

**STATEMENT OF CASH FLOWS**  
**RAILROAD AUTHORITY**  
**HAMILTON COUNTY, TENNESSEE**  
**Year Ended June 30, 2025**

	<u>Railroad Authority</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received for services	\$ 166,376
Cash paid for railroad repairs	<u>(166,409)</u>
Net cash used in operating activities	<u>(33)</u>
Net change in cash and cash equivalents	(33)
Beginning cash and cash equivalents	<u>9,025</u>
Ending cash and cash equivalents	<u>\$ 8,992</u>

**SCHEDULE OF PROPERTY TAXES RECEIVABLE**

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

Year of Levy	Property Taxes Receivable	Allowance For Estimated Uncollectibles	Net Amount
2025	* \$ 308,924,392	\$ 13,523,864	\$ 295,400,528
2024	15,530,176	835,218	14,694,958
2023	3,438,223	786,322	2,651,901
2022	1,710,022	648,611	1,061,411
2021	537,935	464,668	73,267
2020	481,638	465,358	16,280
2019	559,704	559,704	-
2018	<u>345,702</u>	<u>345,702</u>	<u>-</u>
	<u>\$ 331,527,792</u>	<u>\$ 17,629,447</u>	<u>\$ 313,898,345</u>

**DISTRIBUTION TO PRIMARY GOVERNMENT**

County General	\$ 187,461,467	\$ 9,971,001	\$ 177,490,466
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**DISTRIBUTION TO COMPONENT UNIT**

General Purpose School	<u>144,066,325</u>	<u>7,658,446</u>	<u>136,407,879</u>
	<u>\$ 331,527,792</u>	<u>\$ 17,629,447</u>	<u>\$ 313,898,345</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, 2025**

	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
PRIMARY GOVERNMENT			
CUSTODIAL FUNDS			
Constitutional Offices:			
Circuit Court Clerk	Various	Various	\$ 4,160,514
Clerk and Master	Various	Various	16,346,046
Juvenile Court Clerk	Various	Various	<u>387,437</u>
			<u>20,893,997</u>
Total primary government			<u>20,893,997</u>
COMPONENT UNITS			
GOVERNMENTAL FUNDS			
General Purpose School:			
First Horizon	6/2/2026	4.11%	<u>45,358</u>
PROPRIETARY FUNDS			
"911" Emergency Communications District:			
Pinnacle Bank	5/17/2026	4.30%	<u>15,328,932</u>
			<u>15,328,932</u>
Total component units			<u>15,374,290</u>
Total certificates of deposit			<u>\$ 36,268,287</u>

## SCHEDULE OF INVESTMENTS BY FUND

### HAMILTON COUNTY, TENNESSEE

June 30, 2025

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, 2025, the centralized investment pool held the following investments:

	MATURITY DATE	INTEREST RATE	FACE VALUE
Federal Farm Credit Bank	03/13/2026	4.50%	\$ 5,000,000
Federal Farm Credit Bank	08/12/2026	4.52%	5,000,000
Federal Farm Credit Bank	10/15/2026	4.29%	5,000,000
Federal Farm Credit Bank	12/19/2025	4.25%	5,000,000
Federal Home Loan Bank	09/17/2026	4.50%	5,000,000
Federal Home Loan Bank	11/20/2026	4.50%	5,000,000
Federal Home Loan Bank	12/10/2026	4.50%	5,000,000
Federal Home Loan Bank	12/16/2026	4.34%	5,000,000
Federal Home Loan Bank	01/28/2027	4.67%	5,000,000
Federal Home Loan Bank	02/11/2027	4.53%	5,000,000
Federal Home Loan Bank	02/19/2027	4.63%	5,000,000
Federal Home Loan Bank	03/01/2027	4.65%	1,565,000
Federal Home Loan Bank	03/12/2027	4.40%	4,895,000
Federal Home Loan Bank	04/02/2027	4.22%	5,000,000
Federal Home Loan Bank	03/25/2027	4.50%	3,700,000
Federal Home Loan Bank	04/23/2027	4.50%	5,000,000
Federal Home Loan Bank	05/20/2027	4.25%	5,000,000
Federal Home Loan Mortgage Corporation	01/07/2027	4.63%	5,000,000
Federal Home Loan Mortgage Corporation	01/15/2027	4.55%	5,000,000
Federal Home Loan Mortgage Corporation	05/19/2027	4.50%	5,000,000
Federal Home Loan Mortgage Corporation	06/10/2027	4.55%	5,000,000
Federal Home Loan Mortgage Corporation	06/23/2027	4.30%	5,000,000
U.S. Treasury Note	06/15/2026	4.13%	5,000,000
U.S. Treasury Note	08/19/2025	4.20%	30,000,000
Total investments in centralized investment pool			<u>\$ 140,160,000</u>

(continued)

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

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, 2025, the centralized investment pool held the following investments:

The investments in the centralized investment pool were held on behalf of the following funds:

	<u>AMOUNT</u>
<b>PRIMARY GOVERNMENT</b>	
<b>GOVERNMENTAL FUNDS</b>	
General Fund	\$ 76,958,489
Debt Service	4,410,446
Capital Projects	18,947,788
Constitutional Offices	472,310
Governmental Law Library	49,641
Economic Crimes	<u>20,000</u>
	<u>100,858,674</u>
 <b>PROPRIETARY FUNDS</b>	
Internal Service	<u>14,653,722</u>
	<u>14,653,722</u>
 <b>FIDUCIARY FUNDS</b>	
Constitutional Offices Custodial Funds	<u>77,963</u>
	<u>77,963</u>
 Total primary government	 <u>115,590,359</u>
 <b>COMPONENT UNITS</b>	
General Purpose School	<u>24,569,641</u>
Total component units	<u>24,569,641</u>
 Total investments in investment pool	 <u><u>\$ 140,160,000</u></u>

(continued)

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

	Maturity Date	Interest Rate	Face Value
PRIMARY GOVERNMENT			
GOVERNMENTAL FUNDS			
Capital Projects			
Federal National Mortgage Association	08/25/2025	0.38%	\$ 25,000,000
Federal Farm Credit Bank	08/27/2025	4.38%	5,520,000
Federal Farm Credit Bank	09/23/2026	4.02%	25,000,000
Federal Farm Credit Bank	10/27/2026	5.42%	10,000,000
Federal Home Loan Bank	02/18/2027	4.50%	10,000,000
Federal Home Loan Bank	07/01/2025	4.15%	<u>15,000,000</u>
Total investments in Capital Project Funds			<u>\$ 90,520,000</u>

As discussed in Note C of the financial statements, Hamilton County and Hamilton County Schools have each placed certain funds in the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust (SRT). Investments in the SRT irrevocable trust consist of the following:

	Amount
GOVERNMENTAL FUNDS	
PRIMARY GOVERNMENT	
General Fund	<u>\$ 5,172,920</u>
COMPONENT UNITS	
General Purpose School	<u>16,104,107</u>
Total investments in TCRS SRT	<u>\$ 21,277,027</u>

(continued)

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

The County additionally holds investments in its pension trust fund and its OPEB trust fund. Such investments at June 30, 2025, consist of:

	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>MARKET VALUE</u>
<b>FIDUCIARY FUNDS</b>			
<b>PENSION TRUST FUND</b>			
Mutual Funds	Various	Various	\$ 3,625,558
<b>OPEB TRUST FUND</b>			
US Government Securities	Various	Various	7,402,694
Municipal Bonds	Various	Various	2,012,774
Mutual Funds	Various	Various	13,667,869
Domestic Equity Securities	Various	Various	9,316,558
Domestic Corporate Bonds	Various	Various	5,147,434
Foreign Equity Securities	Various	Various	3,978,715
Money Market	Various	Various	1,260,394
Exchange Traded Funds	Various	Various	13,360,278
Real Estate Investment Trust	Various	Various	<u>51,383</u>
			<u>56,198,099</u>
 Total fiduciary funds' investments			<u>59,823,657</u>
 Total investments			<u>\$ 290,503,657</u>

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2025		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
General Improvement	3/29/2018 A	\$ 45,363,000	Oct/April	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>24,180,945</u>
School	3/29/2018 A	\$ 121,937,000	Oct/April	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>64,999,055</u>
General Improvement	9/24/2020 A	\$ 38,235,400	July/Jan	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>29,896,066</u>	<u>7,709,568</u>	<u>37,605,634</u>		

(continued)

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2025		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
Water & Wastewater Treatment Authority	9/24/2020 A	\$ 18,015,000	July/Jan	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>15,600,000</u>	<u>8,685,650</u>	<u>24,285,650</u>	

(continued)

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2025		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
School	9/24/2020 A	\$ 8,039,600	July/Jan	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
General Improvement	12/1/2020 B	\$ 4,013,776	Sept/Mar	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>1,801,883</u>	<u>181,641</u>	<u>1,983,524</u>
School	12/1/2020 B	\$ 20,166,224	Sept/Mar	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>9,053,117</u>	<u>912,609</u>	<u>9,965,726</u>
General Improvement	12/14/2021	\$ 37,197,500	June/Dec	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>32,822,500</u>	<u>7,896,341</u>	<u>40,718,841</u>	

(continued)

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2025		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
School	12/14/2021	\$ 37,197,500	June/Dec	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
General Improvement	9/12/2024 A	\$ 24,630,000	Aug/Feb	5.000	2026	734,679	1,213,133	1,947,812
				5.000	2027	772,809	1,175,446	1,948,255
				5.000	2028	812,013	1,135,825	1,947,838
				5.000	2029	853,903	1,094,177	1,948,080
				5.000	2030	897,404	1,050,395	1,947,799
				5.000	2031	943,590	1,004,370	1,947,960
				5.000	2032	991,924	955,982	1,947,906
				5.000	2033	1,042,943	905,110	1,948,053
				5.000	2034	1,096,111	851,634	1,947,745
				5.000	2035	1,152,501	795,419	1,947,920
				5.000	2036	1,211,576	736,317	1,947,893
				5.000	2037	1,273,873	674,181	1,948,054
				5.000	2038	1,339,393	608,849	1,948,242
				5.000	2039	1,407,597	540,174	1,947,771
				5.000	2040	1,480,099	467,982	1,948,081
				5.000	2041	1,555,822	392,084	1,947,906
				5.000	2042	1,635,842	312,292	1,948,134
5.000	2043	1,719,621	228,406	1,948,027				
5.000	2044	1,807,697	140,223	1,947,920				
5.000	2045	1,900,603	47,515	1,948,118				
					<u>24,630,000</u>	<u>14,329,514</u>	<u>38,959,514</u>	
General Improvement	9/12/2024 B	\$ 4,250,700	Nov/May	5.000	2026	696,055	174,014	870,069
				5.000	2027	696,055	139,211	835,266
				5.000	2028	696,055	104,408	800,463
				5.000	2029	696,055	69,605	765,660
				5.000	2030	696,053	34,803	730,856
					<u>3,480,273</u>	<u>522,041</u>	<u>4,002,314</u>	

(continued)

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2025		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
BONDED DEBT								
Water & Wastewater Treatment Authority	9/12/2024 A	\$ 8,970,000	Aug/Feb	5.000	2026	\$ 130,000	\$ 445,250	\$ 575,250
				5.000	2027	140,000	438,500	578,500
				5.000	2028	145,000	431,375	576,375
				5.000	2029	155,000	423,875	578,875
				5.000	2030	160,000	416,000	576,000
				5.000	2031	170,000	407,750	577,750
				5.000	2032	180,000	399,000	579,000
				5.000	2033	190,000	389,750	579,750
				5.000	2034	195,000	380,125	575,125
				5.000	2035	205,000	370,125	575,125
				5.000	2036	220,000	359,500	579,500
				5.000	2037	230,000	348,250	578,250
				5.000	2038	240,000	336,500	576,500
				5.000	2039	255,000	324,125	579,125
				5.000	2040	265,000	311,125	576,125
				5.000	2041	280,000	297,500	577,500
				5.000	2042	295,000	283,125	578,125
				5.000	2043	310,000	268,000	578,000
				5.000	2044	325,000	252,125	577,125
				5.000	2045	340,000	235,500	575,500
5.000	2046	360,000	218,000	578,000				
5.000	2047	375,000	199,625	574,625				
5.000	2048	395,000	180,375	575,375				
5.000	2049	415,000	160,125	575,125				
5.000	2050	440,000	138,750	578,750				
5.000	2051	460,000	116,250	576,250				
5.000	2052	485,000	92,625	577,625				
5.000	2053	510,000	67,750	577,750				
5.000	2054	535,000	41,625	576,625				
5.000	2055	565,000	14,125	579,125				
					<u>8,970,000</u>	<u>8,346,750</u>	<u>17,316,750</u>	

(continued)

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

**HAMILTON COUNTY, TENNESSEE  
June 30, 2025**

TYPE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST		FISCAL YEAR	DEBT REMAINING AT JUNE 30, 2025		
			DATES	RATES		PRINCIPAL	INTEREST	PRINCIPAL and INTEREST
<b>BONDED DEBT</b>								
School	9/12/2024 A	\$ 204,680,000	Aug/Feb	5.000	2026	\$ 6,105,321	\$ 10,081,367	\$ 16,186,688
				5.000	2027	6,422,191	9,768,179	16,190,370
				5.000	2028	6,747,987	9,438,925	16,186,912
				5.000	2029	7,096,097	9,092,823	16,188,920
				5.000	2030	7,457,596	8,728,980	16,186,576
				5.000	2031	7,841,410	8,346,505	16,187,915
				5.000	2032	8,243,076	7,944,393	16,187,469
				5.000	2033	8,667,057	7,521,640	16,188,697
				5.000	2034	9,108,889	7,077,241	16,186,130
				5.000	2035	9,577,499	6,610,081	16,187,580
				5.000	2036	10,068,424	6,118,933	16,187,357
				5.000	2037	10,586,127	5,602,569	16,188,696
				5.000	2038	11,130,607	5,059,651	16,190,258
				5.000	2039	11,697,403	4,488,951	16,186,354
				5.000	2040	12,299,901	3,889,018	16,188,919
				5.000	2041	12,929,178	3,258,291	16,187,469
				5.000	2042	13,594,158	2,595,208	16,189,366
				5.000	2043	14,290,379	1,898,094	16,188,473
				5.000	2044	15,022,303	1,165,277	16,187,580
5.000	2045	15,794,397	394,860	16,189,257				
					<u>204,680,000</u>	<u>119,080,986</u>	<u>323,760,986</u>	
School	9/12/2024 B	\$ 18,039,300	Nov/May	5.000	2026	2,953,945	738,486	3,692,431
				5.000	2027	2,953,945	590,789	3,544,734
				5.000	2028	2,953,945	443,092	3,397,037
				5.000	2029	2,953,945	295,395	3,249,340
				5.000	2030	2,953,947	147,697	3,101,644
						<u>14,769,727</u>	<u>2,215,459</u>	<u>16,985,186</u>
<b>TOTAL BONDED DEBT</b>						<u><b>\$475,500,000</b></u>	<u><b>\$198,615,825</b></u>	<u><b>\$674,115,825</b></u>

# DEBT SERVICE REQUIREMENTS TO MATURITY

## HAMILTON COUNTY, TENNESSEE

June 30, 2025

Year Ended June 30	GENERAL OBLIGATION BONDS		
	Bond Principal	Interest	Total
2026	\$ 36,455,000	\$ 22,631,550	\$ 59,086,550
2027	37,470,000	20,794,300	58,264,300
2028	33,875,000	18,905,925	52,780,925
2029	30,950,000	17,196,300	48,146,300
2030	31,770,000	15,632,300	47,402,300
2031	28,795,000	14,026,300	42,821,300
2032	29,335,000	12,601,350	41,936,350
2033	30,195,000	11,176,900	41,371,900
2034	19,895,000	9,772,550	29,667,550
2035	20,750,000	8,917,700	29,667,700
2036	21,655,000	8,024,250	29,679,250
2037	19,230,000	7,090,275	26,320,275
2038	13,185,000	6,351,800	19,536,800
2039	13,850,000	5,681,050	19,531,050
2040	14,555,000	4,976,325	19,531,325
2041	15,300,000	4,235,675	19,535,675
2042	16,080,000	3,457,025	19,537,025
2043	16,895,000	2,638,700	19,533,700
2044	17,755,000	1,778,825	19,533,825
2045	18,660,000	875,075	19,535,075
2046	1,010,000	390,200	1,400,200
2047	1,050,000	345,825	1,395,825
2048	1,095,000	299,575	1,394,575
2049	1,145,000	251,325	1,396,325
2050	1,200,000	200,750	1,400,750
2051	1,250,000	147,850	1,397,850
2052	485,000	92,625	577,625
2053	510,000	67,750	577,750
2054	535,000	41,625	576,625
2055	565,000	14,125	579,125
	<u>\$ 475,500,000</u>	<u>\$ 198,615,825</u>	<u>\$ 674,115,825</u>

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 7/1/2024	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2025
<b>GOVERNMENTAL ACTIVITIES</b>									
<b>BONDS PAYABLE</b>									
Payable through Debt Service Fund									
General Obligation, Series 1998 B	\$ 6,100,000	5.10	3/1/1998	8/1/2024	\$ 460,000	\$ -	\$ 460,000	\$ -	\$ -
General Obligation, Series 2015 A School, Series 2015 A	11,442,000	5.00	5/7/2015	5/1/2030	4,576,800	-	-	4,576,800	-
General Obligation, Series 2015 B School, Series 2015 B	48,558,000	5.00	5/7/2015	5/1/2030	19,423,200	-	-	19,423,200	-
General Obligation, Series 2018 A School, Series 2018 A	7,194,600	4.00 to 5.00	5/7/2015	3/1/2025	1,178,210	-	1,178,210	-	-
General Obligation, Series 2018 B School, Series 2018 B	22,940,400	4.00 to 5.00	5/7/2015	3/1/2025	3,756,790	-	3,756,790	-	-
General Obligation, Series 2020 A School, Series 2020 A	45,363,000	5.00	3/29/2018	4/1/2033	27,206,953	-	3,026,008	-	24,180,945
General Obligation, Series 2020 B School, Series 2020 B	121,937,000	5.00	3/29/2018	4/1/2033	73,133,047	-	8,133,992	-	64,999,055
General Obligation, Series 2021 School, Series 2021	4,295,000	2.00 to 5.00	3/29/2018	3/1/2025	335,000	-	335,000	-	-
General Obligation, Series 2024 A School, Series 2024 A	38,235,400	4.00 to 5.00	9/24/2020	1/1/2036	32,150,066	-	2,254,000	-	29,896,066
General Obligation, Series 2024 B School, Series 2024 B	8,039,600	4.00 to 5.00	9/24/2020	1/1/2036	7,859,934	-	66,000	-	7,793,934
General Obligation, Series 2024 C School, Series 2024 C	18,015,000	4.00 to 5.00	9/24/2020	1/1/2051	16,250,000	-	650,000	-	15,600,000
General Obligation, Series 2024 D School, Series 2024 D	4,013,776	5.00	12/1/2020	3/1/2028	2,373,738	-	571,855	-	1,801,883
General Obligation, Series 2024 E School, Series 2024 E	20,166,224	5.00	12/1/2020	3/1/2028	11,926,262	-	2,873,145	-	9,053,117
General Obligation, Series 2024 F School, Series 2024 F	37,197,500	3.00 to 5.00	12/14/2021	12/1/2036	34,810,000	-	1,987,500	-	32,822,500
General Obligation, Series 2024 G School, Series 2024 G	37,197,500	3.00 to 5.00	12/14/2021	12/1/2036	34,810,000	-	1,987,500	-	32,822,500
General Improvement, Series 2024 A School, Series 2024 A	24,630,000	5.00	9/12/2024	8/1/2044	-	24,630,000	-	-	24,630,000
General Improvement, Series 2024 B School, Series 2024 B	204,680,000	5.00	9/12/2024	8/1/2044	-	204,680,000	-	-	204,680,000
General Improvement, Series 2024 C School, Series 2024 C	8,970,000	5.00	9/12/2024	8/1/2054	-	8,970,000	-	-	8,970,000
General Improvement, Series 2024 D School, Series 2024 D	4,250,700	5.00	9/12/2024	5/1/2030	-	4,250,700	770,427	-	3,480,273
General Improvement, Series 2024 E School, Series 2024 E	18,039,300	5.00	9/12/2024	5/1/2030	-	18,039,300	3,269,573	-	14,769,727
<b>Total Bonds Payable - Debt Service Fund</b>	<b>\$ 691,265,000</b>				<b>\$ 270,250,000</b>	<b>\$ 260,570,000</b>	<b>\$ 31,320,000</b>	<b>\$24,000,000</b>	<b>\$ 475,500,000</b>



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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

Description of Indebtedness	Original Amount of Issue	Lease Terms in months	Interest Rate	Number of Leases	Lease Initiated Date	Maturity Date	Lease Outstanding 7/1/2024	Additions	Reductions	Refundings\ Remeasurements	Lease Outstanding 6/30/2025
GOVERNMENTAL ACTIVITIES											
LEASES PAYABLE											
Land	\$ 115,961	281	2.302%	1	July 2021	December 2044	\$ 102,330	\$ -	\$ 3,844	\$ -	\$ 98,486
Infrastructure	17,582	95	1.372%	1	July 2021	June 2029	11,061	-	2,152	-	8,909
Infrastructure	18,828	101	1.448%	1	July 2021	December 2029	12,638	-	2,031	-	10,607
Building	50,511	24	3.177%	1	August 2024	August 2026	-	50,511	20,658	-	29,853
Building	606,522	60	3.651%	1	December 2023	December 2028	546,144	-	107,325	-	438,819
Vehicles	40,640	37	0.648%	2	July 2021	July 2024	1,110	-	1,110	-	-
Vehicles	36,986	39	0.648%	2	July 2021	September 2024	2,871	-	2,871	-	-
Vehicles	44,225	40	0.648%	2	July 2021	October 2024	4,465	-	4,465	-	-
Vehicles	44,225	43	0.814%	2	July 2021	January 2025	7,287	-	7,287	-	-
Vehicles	623,428	44	0.814%	29	July 2021	February 2025	114,685	-	114,685	-	-
Vehicles	344,061	45	0.814%	17	July 2021	March 2025	69,619	-	69,619	-	-
Vehicles	303,445	46	0.814%	14	July 2021	April 2025	66,748	-	66,748	-	-
Vehicles	38,027	47	0.814%	2	July 2021	May 2025	9,004	-	9,004	-	-
Vehicles	444,832	48	0.814%	23	July 2021	June 2025	112,516	-	112,516	-	-
Vehicles	195,884	49	0.814%	9	July 2021	July 2025	52,584	-	48,524	-	4,060
Vehicles	187,437	50	0.814%	8	July 2021	August 2025	53,104	-	45,485	-	7,619
Vehicles	229,208	51	0.814%	9	July 2021	September 2025	68,225	-	54,526	-	13,699
Vehicles	130,886	59	0.980%	6	July 2021	May 2026	51,730	-	26,868	-	24,862
Vehicles	22,137	60	0.980%	1	July 2021	June 2026	8,978	-	4,467	-	4,511
Vehicles	230,689	60	0.822 - 0.909%	8	July 2021	July 2026	96,271	-	45,988	-	50,283
Vehicles	32,902	60	0.901%	1	August 2021	August 2026	14,205	-	6,522	-	7,683
Vehicles	32,649	60	0.940%	1	September 2021	September 2026	14,790	-	6,535	-	8,255
Vehicles	22,633	60	1.098%	1	December 2021	December 2026	11,352	-	4,504	-	6,848
Vehicles	86,450	60	2.366%	4	July 2022	July 2027	54,009	-	-	17,087	36,922
Vehicles	28,718	60	2.366%	1	July 2022	July 2027	18,006	-	-	5,697	12,309
Vehicles	273,598	60	2.366%	11	August 2022	August 2027	174,801	-	53,271	518	121,012
Vehicles	63,500	60	3.305%	1	October 2022	October 2027	43,359	-	12,511	-	30,848
Vehicles	74,974	60	3.305%	3	December 2022	December 2027	53,361	-	-	14,622	38,739
Vehicles	37,487	60	3.305%	1	December 2022	December 2027	26,680	-	-	7,311	19,369
Vehicles	25,319	60	2.682%	1	January 2023	January 2028	18,391	-	4,956	-	13,435
Vehicles	132,381	60	2.876%	3	August 2023	July 2028	109,449	-	25,629	-	83,820
Vehicles	31,376	60	2.876%	1	September 2023	September 2028	27,355	-	6,139	-	21,216
Vehicles	722,847	60	3.651%	16	October 2023	October 2028	625,899	-	135,785	-	490,114
Vehicles	40,896	60	2.312%	1	February 2024	February 2029	37,739	-	7,748	-	29,991
Vehicles	172,972	60	2.312%	6	March 2024	March 2029	163,004	-	32,848	-	130,156
Vehicles	98,805	60	2.432%	2	March 2024	March 2029	93,680	-	18,833	-	74,847
Vehicles	333,272	60	2.616%	6	June 2024	June 2029	332,190	-	107,875	-	224,315
Vehicles	483,076	60	2.766%	14	May 2024	April 2029	464,036	-	90,991	-	373,045
Vehicles	231,301	60	2.766%	8	May 2024	May 2029	224,874	-	43,295	-	181,579

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

Description of Indebtedness	Original Amount of Issue	Lease Terms in months	Interest Rate	Number of Leases	Lease Initiated Date	Maturity Date	Lease Outstanding 7/1/2024	Additions	Reductions	Refundings\ Remeasurements	Lease Outstanding 6/30/2025
GOVERNMENTAL ACTIVITIES											
LEASES PAYABLE											
Vehicles	27,082	60	2.766%	1	June 2024	June 2029	27,082	-	5,099	-	21,983
Vehicles	82,151	60	2.999%	2	August 2024	August 2029	-	82,151	13,489	-	68,662
Machinery and equipment	1,426	42	1.651%	1	July 2021	January 2025	291	-	-	291	-
Machinery and equipment	43,049	45	0.569%	1	July 2021	March 2025	8,671	-	-	8,671	-
Machinery and equipment	6,823	51	0.081%	1	July 2021	October 2025	2,009	-	1,043	-	966
Machinery and equipment	15,812	37	0.648%	8	July 2021	July 2024	432	-	-	432	-
Machinery and equipment	1,518	40	0.648%	1	July 2021	October 2024	152	-	-	152	-
Machinery and equipment	2,120	42	0.814%	1	July 2021	December 2024	307	-	-	307	-
Machinery and equipment	5,323	44	0.814%	2	July 2021	Feb-25	979	-	-	979	-
Machinery and equipment	12,171	45	0.814%	4	July 2021	March 2025	2,463	-	-	2,463	-
Machinery and equipment	6,864	46	0.814%	2	July 2021	April 2025	1,509	-	-	1,509	-
Machinery and equipment	1,003	47	0.814%	1	July 2021	May 2025	242	-	-	242	-
Machinery and equipment	3,273	49	0.814%	1	July 2021	July 2025	879	-	-	879	-
Machinery and equipment	29,350	52	0.814%	10	July 2021	October 2025	9,134	-	3,988	3,945	1,201
Machinery and equipment	3,653	55	0.980%	1	July 2021	January 2026	1,279	-	-	1,279	-
Machinery and equipment	11,542	58	0.980%	3	July 2021	April 2026	4,438	-	-	4,438	-
Machinery and equipment	27,789	59	0.980%	8	July 2021	May 2026	11,404	-	-	11,404	-
Machinery and equipment	5,703	60	0.980%	1	July 2021	June 2026	2,313	-	1,151	-	1,162
Machinery and equipment	7,277	60	0.980%	2	July 2021	June 2026	2,951	-	-	2,951	-
Machinery and equipment	7,038	36	1.620%	1	February 2022	February 2025	1,435	-	-	1,435	-
Machinery and equipment	6,817	60	0.893%	2	September 2021	August 2026	2,989	-	-	2,989	-
Machinery and equipment	27,673	60	1.225%	7	November 2021	October 2026	13,108	-	-	13,108	-
Machinery and equipment	16,866	60	1.098%	5	December 2021	November 2026	7,633	-	-	7,633	-
Machinery and equipment	3,284	60	1.098%	1	January 2022	December 2026	1,514	-	-	1,514	-
Machinery and equipment	28,984	60	1.564%	7	February 2022	January 2027	13,687	-	-	13,687	-
Machinery and equipment	46,439	60	2.291%	13	April 2022	March 2027	26,145	-	-	26,145	-
Machinery and equipment	23,060	60	2.583%	7	May 2022	April 2027	13,435	-	-	13,435	-
Machinery and equipment	32,557	60	2.157%	6	July 2022	June 2027	20,274	-	4,232	7,298	8,744
Machinery and equipment	22,196	60	2.366%	7	October 2022	September 2027	14,958	-	-	14,958	-
Machinery and equipment	17,144	60	3.305%	6	November 2022	October 2027	11,923	-	-	11,923	-
Machinery and equipment	36,907	60	3.305%	14	December 2022	November 2027	26,464	-	-	26,464	-
Machinery and equipment	2,720	60	2.682%	1	March 2023	February 2028	2,062	-	-	2,062	-
Machinery and equipment	5,901	60	2.310%	3	April 2023	March 2028	4,562	-	-	4,562	-
Machinery and equipment	17,859	60	2.310%	5	May 2023	April 2028	14,098	-	-	14,098	-
Machinery and equipment	5,030	60	2.310%	2	June 2023	May 2028	4,053	-	-	4,053	-
Machinery and equipment	887	60	2.682%	1	February 2023	January 2028	658	-	-	658	-
Machinery and equipment	3,485	60	2.258%	1	May 2022	April 2027	2,020	-	-	2,020	-
Machinery and equipment	343,581	84	0.308%	1	June 2023	June 2030	290,836	-	48,784	-	242,052
Machinery and equipment	4,955	59	2.312%	2	January 2024	December 2028	4,558	-	-	4,558	-

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

**HAMILTON COUNTY, TENNESSEE**

**June 30, 2025**

Description of Indebtedness	Original Amount of Issue	Lease Terms in months	Interest Rate	Number of Leases	Lease Initiated Date	Maturity Date	Lease Outstanding 7/1/2024	Additions	Reductions	Refundings\ Remeasurements	Lease Outstanding 6/30/2025
GOVERNMENTAL ACTIVITIES											
LEASES PAYABLE											
Machinery and equipment	10,228	59	2.432%	3	February 2024	January 2029	9,570	-	-	9,570	-
Machinery and equipment	5,141	59	2.616%	2	June 2024	May 2029	5,142	-	-	5,142	-
Machinery and equipment	8,069	59	2.715%	3	February 2024	January 2029	7,554	-	-	7,554	-
Machinery and equipment	3,382	60	2.766%	1	April 2024	March 2029	3,275	-	-	3,275	-
Machinery and equipment	1,762	60	2.876%	1	September 2023	August 2028	1,509	-	-	1,509	-
Machinery and equipment	30,108	58	3.511%	11	January 2024	November 2028	27,335	-	-	27,335	-
Machinery and equipment	<u>219,246</u>	60	3.451%	1	January 2024	January 2029	<u>172,703</u>	-	<u>41,004</u>	-	<u>131,699</u>
Total Leases Payable	<u>\$ 6,944,599</u>						<u>\$ 4,678,585</u>	<u>\$ 132,662</u>	<u>\$ 1,426,405</u>	<u>\$ 312,162</u>	<u>\$ 3,072,680</u>

## DEBT SERVICE REQUIREMENTS TO MATURITY

### HAMILTON COUNTY, TENNESSEE

June 30, 2025

Year Ended June 30	LEASES		
	Principal	Interest	Total
2026	\$ 932,790	\$ 73,318	\$ 1,006,108
2027	825,149	49,235	874,384
2028	740,772	26,263	767,035
2029	441,254	6,894	448,148
2030	54,811	2,005	56,816
2031	4,407	1,793	6,200
2032	4,508	1,692	6,200
2033	4,612	1,588	6,200
2034	4,719	1,481	6,200
2035	4,827	1,373	6,200
2036	4,938	1,262	6,200
2037	5,052	1,148	6,200
2038	5,168	1,032	6,200
2039	5,286	914	6,200
2040	5,409	791	6,200
2041	5,533	667	6,200
2042	5,661	539	6,200
2043	5,790	409	6,199
2044	5,924	277	6,201
2045	<u>6,070</u>	<u>140</u>	<u>6,210</u>
	<u>\$ 3,072,680</u>	<u>\$ 172,821</u>	<u>\$ 3,245,501</u>



**HAMILTON COUNTY, TENNESSEE**  
**June 30, 2025**

**Statistical Section**

The Statistical Section of the Annual Comprehensive Financial Report presents detailed trends and other information to assist the reader in gaining a better understanding of 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 reported in these schedules is derived from the respective annual comprehensive financial reports for the relevant year.



**Schedule I**  
**Hamilton County, Tennessee**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	\$ 372,021,226	\$ 332,623,539	\$ 321,791,912	\$ 283,298,874	\$ 269,446,387	\$ 348,398,317	\$ 255,057,959	\$ 182,639,417	\$ 221,544,634	\$ 243,547,592
Restricted	18,499,356	17,392,439	13,622,328	12,686,479	9,421,442	76,679,946	6,081,371	5,056,603	4,252,078	-
Unrestricted	57,590,747	56,602,439	46,180,459	28,300,882	(33,029,662)	(143,499,147)	(20,227,136)	(17,431,115)	(100,258,326)	(86,040,888)
Total governmental activities net position	<u>\$ 448,111,329</u>	<u>\$ 406,618,417</u>	<u>\$ 381,594,699</u>	<u>\$ 324,286,235</u>	<u>\$ 245,838,167</u>	<u>\$ 281,579,116</u>	<u>\$ 240,912,194</u>	<u>\$ 170,264,905</u>	<u>\$ 125,538,386</u>	<u>\$ 157,506,704</u>
Primary government										
Net investment in capital assets	\$ 372,021,226	\$ 332,623,539	\$ 321,791,912	\$ 283,298,874	\$ 269,446,387	\$ 348,398,317	\$ 255,057,959	\$ 182,639,417	\$ 221,544,634	\$ 243,547,592
Restricted	18,499,356	17,392,439	13,622,328	12,686,479	9,421,442	76,679,946	6,081,371	5,056,603	4,252,078	-
Unrestricted	57,590,747	56,602,439	46,180,459	28,300,882	(33,029,662)	(143,499,147)	(20,227,136)	(17,431,115)	(100,258,326)	(86,040,888)
Total primary government net position	<u>\$ 448,111,329</u>	<u>\$ 406,618,417</u>	<u>\$ 381,594,699</u>	<u>\$ 324,286,235</u>	<u>\$ 245,838,167</u>	<u>\$ 281,579,116</u>	<u>\$ 240,912,194</u>	<u>\$ 170,264,905</u>	<u>\$ 125,538,386</u>	<u>\$ 157,506,704</u>

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 93,874,663	\$ 82,737,063	\$ 75,132,483	\$ 65,412,880	\$ 67,872,358	\$ 60,474,380	\$ 55,767,524	\$ 62,215,233	\$ 57,560,303	\$ 66,599,969
Public Safety:										
Sheriff	75,229,023	74,243,521	67,399,830	55,152,917	58,308,937	57,187,864	51,891,687	52,234,591	32,646,937	31,342,346
Criminal Court	5,258,676	4,949,635	4,904,063	4,386,440	4,581,124	4,195,556	4,188,380	4,522,390	4,114,771	4,048,753
Juvenile Court	2,343,513	2,561,823	2,193,007	1,929,795	2,230,129	1,816,779	1,780,985	1,638,962	1,526,597	1,633,352
Ambulance Services	22,123,975	21,154,616	19,950,683	16,592,588	13,907,097	12,462,477	10,871,091	10,102,862	9,960,981	9,966,416
Other	52,914,173	35,912,685	37,423,898	32,451,942	34,903,987	29,194,359	25,589,271	24,675,914	36,820,123	37,949,711
Highways and streets	24,627,657	27,446,516	22,932,949	22,446,784	22,147,101	21,160,560	10,352,115	15,064,154	10,469,195	11,666,094
Health	27,519,466	25,374,387	28,130,398	25,252,993	30,824,790	25,449,929	21,778,306	22,331,435	21,162,827	21,983,102
Social Services	5,229,561	5,708,647	4,954,867	4,095,899	4,226,229	6,236,091	6,123,386	6,623,453	6,223,637	6,914,723
Culture and recreation	13,814,779	13,383,050	11,501,826	10,998,375	9,964,719	9,741,420	9,926,545	9,841,274	8,751,277	8,898,519
Education	11,292,768	40,195,141	142	414,975	83,847,934	3,756,723	89,917	9,602,529	47,868,365	24,300,782
Interest on long-term debt	12,576,724	6,451,501	8,285,026	1,127,577	10,019,688	10,165,860	11,656,830	8,370,300	7,725,168	8,264,495
Total governmental activities expenses	346,804,978	340,118,585	282,809,172	240,263,165	342,834,093	241,841,998	210,016,037	227,223,097	244,830,181	233,568,262
Total primary government expenses	346,804,978	340,118,585	282,809,172	240,263,165	342,834,093	241,841,998	210,016,037	227,223,097	244,830,181	233,568,262
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General Government	29,048,844	24,453,007	26,929,577	23,187,758	20,005,467	20,557,816	21,848,910	22,655,115	20,689,500	20,749,436
Public Safety:										
Sheriff	1,783,589	1,915,196	1,868,340	1,739,416	996,039	1,333,248	776,116	663,063	668,901	550,006
Criminal Court	1,417,211	1,450,086	1,480,716	1,317,353	874,275	1,405,774	2,024,378	2,351,890	2,484,895	1,759,490
Juvenile Court	302,218	310,925	335,913	320,595	312,627	379,796	469,720	432,503	472,625	436,100
Ambulance Services	17,501,328	17,414,722	15,526,476	17,050,364	12,914,511	11,988,529	10,458,877	11,629,623	6,565,594	7,956,293
Other	4,939,441	4,844,465	4,790,096	4,773,875	5,477,673	2,738,167	2,787,558	2,528,809	2,584,732	3,182,933
Highways and streets	1,564,350	5,141,083	4,180,767	3,924,120	3,690,350	3,731,308	3,876,585	3,191,092	3,153,073	2,966,389
Health	2,238,586	2,071,610	1,981,764	1,517,680	1,260,772	2,540,245	2,448,781	3,525,835	2,264,843	2,311,092
Social Services	2,611,776	2,654,174	2,249,276	2,333,601	2,861,229	4,499,835	4,787,417	4,577,597	4,306,940	4,373,514
Culture and recreation	1,495,518	1,486,970	1,405,121	1,326,127	1,362,067	838,467	945,477	812,386	867,973	659,701
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	40,366,395	44,757,020	33,000,295	42,276,632	49,047,926	30,900,412	32,061,112	27,654,388	27,259,713	28,271,264
Capital grants and contributions	36,004,756	20,335,156	21,757,912	9,982,093	2,928,950	815,075	119,836	3,392,780	1,629,141	14,573,339
Total governmental activities program revenues	139,274,012	126,834,414	115,506,253	109,749,614	101,731,886	81,728,672	82,604,767	83,415,081	72,947,930	87,789,557
Total primary government program revenues	139,274,012	126,834,414	115,506,253	109,749,614	101,731,886	81,728,672	82,604,767	83,415,081	72,947,930	87,789,557
Net (Expenses) Revenues										
Governmental activities	(207,530,966)	(213,284,171)	(167,302,919)	(130,513,551)	(241,102,207)	(160,113,326)	(127,411,270)	(143,808,016)	(171,882,251)	(145,778,705)
Total primary government net expense	(207,530,966)	(213,284,171)	(167,302,919)	(130,513,551)	(241,102,207)	(160,113,326)	(127,411,270)	(143,808,016)	(171,882,251)	(145,778,705)

(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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 187,603,524	\$ 184,505,181	\$ 179,095,997	\$ 174,498,222	\$ 175,889,440	\$ 170,552,654	\$ 167,941,970	\$ 164,229,212	\$ 139,114,401	\$ 133,609,320
Sales taxes	11,253,757	10,374,909	10,595,498	9,863,308	8,706,398	6,417,109	4,614,304	4,468,331	3,213,807	3,221,704
Business taxes	13,121,180	12,686,659	12,539,131	11,253,585	11,046,058	10,157,568	8,578,121	8,199,195	8,327,648	7,227,282
Hotel/Motel taxes	11,637,370	11,458,701	11,363,925	10,857,607	7,810,625	7,296,070	8,507,507	7,927,669	7,638,833	7,304,030
Other taxes	1,031,228	1,101,643	1,099,117	1,060,268	1,152,209	1,230,072	1,159,602	916,809	835,238	1,031,115
Gain/Loss on joint venture	-	-	-	-	-	-	-	-	-	(9,262)
Unrestricted investment earnings	24,376,819	18,180,796	9,917,715	1,428,629	756,528	5,126,775	7,114,253	2,793,319	1,073,293	899,950
Gain/Loss on disposal of property	-	-	-	-	-	-	142,802	-	163,425	(207,641)
Total general revenues	<u>249,023,878</u>	<u>238,307,889</u>	<u>224,611,383</u>	<u>208,961,619</u>	<u>205,361,258</u>	<u>200,780,248</u>	<u>198,058,559</u>	<u>188,534,535</u>	<u>160,366,645</u>	<u>153,076,498</u>
Total primary government	<u>249,023,878</u>	<u>238,307,889</u>	<u>224,611,383</u>	<u>208,961,619</u>	<u>205,361,258</u>	<u>200,780,248</u>	<u>198,058,559</u>	<u>188,534,535</u>	<u>160,366,645</u>	<u>153,076,498</u>
<b>Change in Net Position</b>										
Governmental activities	<u>41,492,912</u>	<u>25,023,718</u>	<u>57,308,464</u>	<u>78,448,068</u>	<u>(35,740,949)</u>	<u>40,666,922</u>	<u>70,647,289</u>	<u>44,726,519</u>	<u>(11,515,606)</u>	<u>7,297,793</u>
Total primary government	<u>\$ 41,492,912</u>	<u>\$ 25,023,718</u>	<u>\$ 57,308,464</u>	<u>\$ 78,448,068</u>	<u>\$ (35,740,949)</u>	<u>\$ 40,666,922</u>	<u>\$ 70,647,289</u>	<u>\$ 44,726,519</u>	<u>\$ (11,515,606)</u>	<u>\$ 7,297,793</u>

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

	Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund										
Nonspendable	\$ 1,383,806	\$ 1,224,401	\$ 1,897,708	\$ 1,440,367	\$ 1,652,375	\$ 1,480,757	\$ 1,193,320	\$ 1,156,307	\$ 1,025,249	\$ 1,390,633
Restricted	6,747,890	7,469,608	4,030,303	3,287,462	21,951	21,907	11,540	649	10,488	14,461
Committed	553,841	1,521,633	898,085	117,435	1,539,359	154,368	13,947	18,303	21,524	-
Assigned	20,530,374	12,820,609	9,384,666	7,069,156	7,585,603	9,494,566	10,067,230	3,926,251	4,564,021	4,644,426
Unassigned	<u>111,544,914</u>	<u>120,326,564</u>	<u>136,010,255</u>	<u>135,010,207</u>	<u>133,634,981</u>	<u>109,922,651</u>	<u>100,348,835</u>	<u>95,233,742</u>	<u>88,557,749</u>	<u>86,345,767</u>
Total general fund	<u>\$ 140,760,825</u>	<u>\$ 143,362,815</u>	<u>\$ 152,221,017</u>	<u>\$ 146,924,627</u>	<u>\$ 144,434,269</u>	<u>\$ 121,074,249</u>	<u>\$ 111,634,872</u>	<u>\$ 100,335,252</u>	<u>\$ 94,179,031</u>	<u>\$ 92,395,287</u>
All Other Governmental Funds										
Nonspendable	\$ 3,732	\$ 4,413	\$ 5,253	\$ 2,077	\$ 6,200	\$ -	\$ -	\$ 193	\$ 750	\$ -
Restricted	331,915,394	114,170,296	112,300,333	131,771,375	90,389,934	76,658,039	139,227,107	153,720,514	4,241,590	3,896,918
Committed	20,013,350	13,159,845	10,402,580	12,885,565	9,694,535	147,516	167,325	175,842	208,494	25,174,169
Assigned	15,039,466	20,035,277	17,901,083	19,662,915	16,088,873	28,531,545	34,071,718	34,240,382	33,505,600	23,180,634
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>							
Total all other governmental funds	<u>\$ 366,971,942</u>	<u>\$ 147,369,831</u>	<u>\$ 140,609,249</u>	<u>\$ 164,321,932</u>	<u>\$ 116,179,542</u>	<u>\$ 105,337,100</u>	<u>\$ 173,466,150</u>	<u>\$ 188,136,931</u>	<u>\$ 37,956,434</u>	<u>\$ 52,251,721</u>

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Revenues</b>										
Taxes	\$ 224,647,059	\$ 220,127,093	\$ 214,693,668	\$ 207,532,990	\$ 204,604,730	\$ 195,653,473	\$ 190,523,948	\$ 185,713,226	\$ 160,837,882	\$ 153,813,194
Licenses, fees, and permits	1,835,928	2,004,067	1,816,592	1,567,804	2,182,815	1,494,414	1,274,647	965,887	850,809	841,036
Intergovernmental	76,057,595	64,477,176	54,758,207	52,258,725	51,155,126	31,687,237	31,787,504	31,177,283	27,854,854	40,583,287
Charges for services	49,979,664	51,362,838	49,194,499	49,250,017	43,805,445	42,668,514	41,883,954	43,573,738	35,889,597	37,065,288
Fines and penalties	1,570,660	1,535,173	1,530,383	1,379,092	1,882,804	1,446,484	1,805,720	1,930,412	1,979,801	1,833,329
Investment earnings	23,056,054	16,943,248	9,108,292	1,272,998	666,389	4,397,928	6,311,981	2,423,220	900,151	773,982
Miscellaneous	6,529,424	5,881,192	6,961,265	6,247,266	5,953,457	5,266,107	5,294,891	5,946,121	5,641,605	6,849,982
<b>Total revenues</b>	<b>383,676,384</b>	<b>362,330,787</b>	<b>338,062,906</b>	<b>319,508,892</b>	<b>310,250,766</b>	<b>282,614,157</b>	<b>278,882,645</b>	<b>271,729,887</b>	<b>233,954,699</b>	<b>241,760,098</b>
<b>Expenditures</b>										
General government	74,197,169	70,324,792	65,676,447	60,911,548	57,577,461	54,274,772	55,059,696	57,591,395	55,057,500	50,521,960
Public Safety:										
Sheriff	69,486,511	68,905,352	69,599,158	56,193,052	57,602,950	55,932,285	53,804,915	52,658,652	34,632,708	32,324,992
Criminal Court	4,790,099	4,435,502	4,314,844	4,347,457	4,329,895	4,224,953	4,230,803	4,160,125	4,241,548	4,116,558
Juvenile Court	2,067,440	1,967,891	1,877,946	1,816,679	1,648,854	1,660,883	1,615,587	1,583,178	1,578,937	1,467,125
Ambulance Services	20,195,880	19,184,379	17,649,645	16,353,124	13,218,534	10,750,075	10,750,075	10,225,294	10,282,834	9,829,870
Other	37,622,376	33,423,457	32,842,481	31,795,218	30,623,344	28,988,859	25,907,228	24,572,054	39,361,851	38,965,775
Highways and streets	19,130,974	22,237,239	17,472,125	19,297,872	19,299,045	23,412,725	16,458,784	12,208,999	11,832,004	10,968,407
Health	26,582,565	24,414,375	26,483,748	26,816,882	31,015,135	25,086,402	22,905,037	22,968,081	23,126,860	22,688,745
Social Services	5,199,966	5,673,592	4,767,224	4,406,394	4,280,226	6,220,743	6,551,731	6,854,449	6,822,417	6,581,931
Culture and recreation	11,289,722	10,560,147	9,133,428	9,227,616	8,124,569	8,054,872	8,519,429	8,055,565	8,080,138	7,343,145
Debt service:										
Principal	33,655,801	35,557,598	38,433,974	36,075,732	33,700,000	20,331,388	35,755,000	82,702,308	24,501,928	28,477,143
Interest	17,545,290	14,404,100	15,981,733	15,747,679	13,419,547	55,276,933	16,230,992	9,624,254	10,548,716	11,176,478
Capital Outlay:										
General government	55,504,281	52,435,099	47,427,949	59,701,328	45,235,780	14,575,902	9,495,987	14,428,486	12,684,474	38,401,652
Education	60,050,065	20,780,208	15,918,247	24,380,299	19,252,532	34,080,000	14,887,777	2,729,611	19,175,930	36,577,612
<b>Total expenditures</b>	<b>437,318,139</b>	<b>384,303,731</b>	<b>367,578,949</b>	<b>367,070,880</b>	<b>339,327,872</b>	<b>342,870,792</b>	<b>282,173,041</b>	<b>310,362,451</b>	<b>261,927,845</b>	<b>299,441,393</b>
Excess of revenues over/(under) expenditures	(53,641,755)	(21,972,944)	(29,516,043)	(47,561,988)	(29,077,106)	(60,256,635)	(3,290,396)	(38,632,564)	(27,973,146)	(57,681,295)
<b>Other Financing Sources (Uses)</b>										
Transfers in	94,497,089	75,633,973	64,010,145	65,267,577	106,669,875	62,143,221	6,355,286	123,177,102	49,613,268	53,458,157
Transfers out	(95,596,901)	(76,341,008)	(64,112,921)	(65,539,827)	(106,848,140)	(62,324,402)	(63,578,853)	(123,258,459)	(49,613,268)	(53,458,157)
Issuance of leases payable	132,662	3,163,421	1,084,410	4,592,841	-	-	-	-	-	-
Issuance of SBITA payable	-	-	8,601,975	-	-	-	-	-	-	-
Sale of capital assets	561,864	553,938	1,516,141	3,512,418	879,862	-	142,802	140,526	461,602	75,888
Issuance of debt	238,280,000	-	-	74,395,000	50,490,000	-	-	167,300,000	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	15,000,000	40,000,000
Proceeds from sale of refunding bonds	22,290,000	-	-	-	37,980,000	-	-	4,295,000	-	-
Premium from bonds	32,702,761	-	-	15,966,727	11,825,054	-	-	27,593,678	-	-
Premium on refunding bonds	1,591,108	-	-	-	8,012,572	-	-	89,178	-	-
Payment to refunded bonds escrow agent	(23,816,707)	-	-	-	(45,729,655)	1,748,143	-	(4,367,743)	-	-
<b>Total other financing sources (uses)</b>	<b>270,641,876</b>	<b>3,010,324</b>	<b>11,099,750</b>	<b>98,194,736</b>	<b>63,279,568</b>	<b>1,566,962</b>	<b>(57,080,765)</b>	<b>194,969,282</b>	<b>15,461,602</b>	<b>40,075,888</b>
<b>Net change in fund balances</b>	<b>\$ 217,000,121</b>	<b>\$ (18,962,620)</b>	<b>\$ (18,416,293)</b>	<b>\$ 50,632,748</b>	<b>\$ 34,202,462</b>	<b>\$ (58,689,673)</b>	<b>\$ (60,371,161)</b>	<b>\$ 156,336,718</b>	<b>\$ (12,511,544)</b>	<b>\$ (17,605,407)</b>
Debt service as a percentage of noncapital expenditures	<u>14.5%</u>	<u>15.8%</u>	<u>18.2%</u>	<u>17.8%</u>	<u>15.8%</u>	<u>29.8%</u>	<u>20.8%</u>	<u>31.8%</u>	<u>15.5%</u>	<u>16.9%</u>

**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					
2017	2016	\$ 4,923,156,375	\$ 2,981,616,796	\$ 120,392,604	\$ 661,655,590	\$ 330,127,803	\$ 9,016,949,168	2.7652	\$ 30,353,494,803
2018	2017	5,437,069,856	3,476,977,280	132,251,360	710,444,679	329,778,563	10,086,521,738	2.7652	33,849,306,808
2019	2018	5,548,564,040	3,523,545,716	154,071,082	727,453,646	332,821,896	10,286,456,380	2.7652	34,546,666,930
2020	2019	5,679,302,175	3,626,917,105	144,615,444	808,087,480	311,265,206	10,570,187,410	2.7652	35,526,114,614
2021	2020	5,777,305,600	3,692,822,719	154,360,944	824,839,660	322,961,036	10,772,289,959	2.7652	36,192,483,095
2022	2021	7,323,586,300	4,593,445,687	158,439,245	857,745,728	371,497,253	13,304,714,213	2.2373	44,840,692,212
2023	2022	7,529,786,359	4,671,714,882	155,618,396	913,665,390	371,000,000	13,641,785,027	2.2373	46,037,711,928
2024	2023	7,752,640,774	4,802,124,355	157,119,979	1,005,607,692	290,947,706	14,008,440,506	2.2373	47,420,628,716
2025	2024	7,916,506,335	4,859,402,458	166,343,393	1,039,186,268	302,045,010	14,283,483,464	2.2373	44,896,009,462
2026	2025	12,319,578,418	7,006,576,025	222,832,407	1,057,535,265	435,438,962	21,041,961,077	1.5157	71,854,353,178

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 the above totals. The assessed and estimated values for the EPB for tax levy year 2024 are \$460,355,723 and \$837,010,405, 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)**

Property Tax Levy Year	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
2016	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3500	1.7430	1.5684	1.3713	1.3524	0.2350	2.0100	0.4290
2017	1.3816	1.3726	0.0110	2.7652	2.3090	1.4227	1.3500	1.8300	1.5684	1.3713	1.3524	0.2350	2.0100	0.4290
2018	1.5050	1.2503	0.0099	2.7652	2.2770	1.3381	1.1826	1.8300	1.5665	1.2594	1.3524	0.2150	2.7310	0.3853
2019	1.5050	1.2503	0.0099	2.7652	2.2770	1.3381	1.3900	1.8900	1.5665	1.2594	1.3524	0.2350	2.7310	0.4053
2020	1.5050	1.2503	0.0099	2.7652	2.2770	1.3381	1.3900	1.9900	1.8866	1.6500	1.3524	0.2350	2.7310	0.5053
2021	1.2177	1.0116	0.0080	2.2373	2.2500	1.2500	1.1000	1.8800	1.7012	1.3897	1.1159	0.2000	2.5500	0.5315
2022	1.2177	1.0116	0.0080	2.2373	2.2500	1.2500	1.1000	2.0200	1.7012	1.3897	1.1159	0.2000	2.5500	0.5315
2023	1.2639	0.9654	0.0080	2.2373	2.2500	1.2500	1.6700	2.1500	1.7012	1.5500	1.1159	0.2000	2.5500	0.5315
2024	1.2639	0.9654	0.0080	2.2373	2.2500	1.2500	1.6700	2.2600	1.7012	1.5500	1.3200	0.2000	2.5500	0.5315
2025	0.8563	0.6540	0.0054	1.5157	1.9300	0.7993	0.9800	1.6300	1.1002	1.0690	1.1000	0.1336	2.1860	0.3589

Source: Hamilton County Trustee's Office

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

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	% of Total Assessed Valuation	Taxable Assessed Value	Rank	% of Total Assessed Valuation
Volkswagen Chattanooga	\$ 627,624,415	1	4.49%	\$ 209,259,292	2	2.41%
Electric Power Board	460,355,723	2	3.29%	412,985,301	1	4.75%
Tennessee Valley Authority	228,611,347	3	1.64%	170,868,684	3	1.97%
Blue Cross Blue Shield of Tennessee	113,409,700	4	0.81%	93,590,627	4	1.08%
Gestamp Chattanooga LLC	65,099,943	5	0.47%			
McKee Foods Corporation	64,080,182	6	0.46%	64,580,141	8	0.74%
Tennessee-American Water Co.	58,439,498	7	0.42%	61,107,205	9	0.70%
Vision Chattanooga	50,448,100	8	0.36%			
Hamilton Place CMBS LLC	49,704,720	9	0.36%			
UnumProvident Corporation	49,330,876	10	0.35%			
CBL Properties	-		-	92,320,793	5	1.06%
Bellsouth Telecommunications	-		-	68,224,783	6	0.79%
Norfolk Southern	-		-	40,450,794	7	0.47%
Walmart				45,207,476	10	0.52%
	<u>\$ 1,767,104,504</u>		<u>12.64%</u>	<u>\$ 1,258,595,096</u>		<u>14.49%</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
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%	8,299,514	239,859,909	99.855%
2018	269,793,372	260,026,061	96.380%	8,579,327	268,605,388	99.560%
2019	275,238,833	264,579,713	96.127%	8,878,102	273,457,815	99.353%
2020	281,352,215	270,718,929	96.221%	9,483,501	280,202,430	99.591%
2021	286,650,272	278,636,909	97.204%	7,159,370	285,796,279	99.702%
2022	289,354,846	280,854,205	97.062%	6,944,849	287,799,054	99.462%
2023	296,906,906	288,616,651	97.208%	6,095,639	294,712,290	99.261%
2024	301,750,002	290,660,651	96.325%	5,123,823	295,784,474	98.023%
2025	307,123,822	295,827,322	96.322%	-	295,827,322	96.322%

Source: Hamilton County Trustee

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Total Debt Per Capita
	General Obligation Bonds	Notes Payable	Net Unamortized Premium	Leases & Subscriptions			
2016	\$ 245,030,000	\$ 40,126,979	\$ 26,759,635	\$ -	\$ 311,916,614	1.86%	881
2017	220,635,000	55,020,051	23,664,248	-	299,319,299	1.74%	837
2018	360,180,000	-	47,790,972	-	407,970,972	2.26%	1,128
2019	324,425,000	-	43,090,341	-	367,515,341	1.95%	1,009
2020	290,345,000	-	38,495,450	-	328,840,450	1.68%	894
2021	299,920,000	-	50,022,571	4,114,843	354,057,414	1.68%	967
2022	339,520,000	-	50,963,343	3,772,465	394,255,808	1.71%	1,068
2023	303,435,000	-	42,852,353	11,088,565	357,375,918	1.46%	954
2024	270,250,000	-	35,645,312	11,785,233	317,680,545	1.25%	836
2025	475,500,000	-	60,849,895	9,269,932	545,619,827	2.14%	1,413

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

Fiscal Year	General Obligation Bonds including Net Deferred Premium	Notes Payable	Percentage of Actual Taxable Value of Property	Bonded Debt Per Capita
2016	\$ 271,789,635	\$ 40,126,979	1.03%	881
2017	244,299,248	55,020,051	0.88%	837
2018	407,970,972	-	1.18%	1,128
2019	367,515,340	-	1.03%	1,009
2020	328,840,450	-	0.91%	894
2021	349,942,574	-	0.78%	956
2022	390,483,343	-	0.85%	1,058
2023	346,287,353	-	0.73%	924
2024	305,895,312	-	0.68%	805
2025	536,349,895	-	0.75%	1,389

**Schedule XI**  
**Hamilton County, TN**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2025**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Chattanooga	\$ 103,325,784	100.0%	\$ 103,325,784
East Ridge	34,014,573	100.0%	34,014,573
Red Bank	1,639,654	100.0%	1,639,654
Lookout Mountain	-	100.0%	-
Signal Mountain	3,723,392	100.0%	3,723,392
Collegedale	2,492,000	100.0%	2,492,000
Soddy Daisy	197,376	100.0%	197,376
Lakesite	-	100.0%	-
Ridgeside	354,000	100.0%	354,000
Walden	-	100.0%	-
Other debt			
Chattanooga	207,984,395	100.0%	207,984,395
East Ridge	-	100.0%	-
Red Bank	-	100.0%	-
Lookout Mountain	-	100.0%	-
Signal Mountain	-	100.0%	-
Collegedale	1,618,000	100.0%	1,618,000
Soddy Daisy	-	100.0%	-
Lakesite	-	100.0%	-
Ridgeside	-	100.0%	-
Walden	-	100.0%	-
Subtotal, overlapping debt			355,349,174
Hamilton County direct debt			545,619,827
Total direct and overlapping debt			\$ 900,969,001

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>
2015	354,098	\$ 16,755,431	47,319	4.9%
2016	357,738	17,200,658	48,082	4.1%
2017	361,613	17,990,850	49,752	4.0%
2018	364,286	18,620,955	51,116	3.0%
2019	367,804	19,537,328	53,119	3.6%
2020	366,207	20,635,821	56,350	5.1%
2021	369,135	21,906,252	59,345	3.9%
2022	374,682	22,739,854	60,691	3.4%
2023	379,864	25,395,390	66,854	2.7%
2024	386,256	25,437,823	65,857	3.3%

Sources: Personal income and per capita income information was provided by the Chamber of Commerce - Bureau of Economic Analysis (BEA). Population estimates were obtained from the U.S. Census Bureau. Unemployment information was provided by Tennessee Department of Employment Security.

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

<u>Employer</u>	<u>2025</u>			<u>2016</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Erlanger Health System	5,994	1	3.11%	4,384	3	2.51%
Hamilton County Schools	5,781	2	3.00%	4,508	2	2.58%
Volkswagen Chattanooga	5,239	3	2.72%	2,177	10	1.25%
Blue Cross Blue Shield of Tennessee	4,145	4	2.15%	4,899	1	2.81%
Tennessee Valley Authority	3,857	5	2.00%	3,786	4	2.17%
CHI Memorial Health Care System	3,722	6	1.93%	2,602	8	1.49%
McKee Foods Corporation	3,171	7	1.64%	2,700	7	1.55%
Unum Group	3,082	8	1.60%	2,800	6	1.60%
Roper	2,541	9	1.32%	-		0.00%
City of Chattanooga	2,372	10	1.23%	2,250	9	1.29%
Amazon.com Services LLC	<u>-</u>		<u>-</u>	<u>3,312</u>	5	<u>1.90%</u>
Total	<u>39,904</u>		<u>19.07%</u>	<u>33,418</u>		<u>19.14%</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**

	Authorized Positions									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Positions By Division</u></b>										
Independent Offices	445.6	448.0	442.1	448.8	447.1	444.3	444.1	444.8	446.4	449.3
Support Agencies	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Unassigned Departments	91.0	127.0	118.0	114.3	113.0	110.5	106.0	102.5	93.0	99.0
Finance Division	100.0	100.0	99.5	97.5	96.5	96.5	96.5	96.5	96.5	96.5
Public Works Division	302.3	302.8	308.8	306.8	306.8	307.4	303.4	300.4	302.9	302.3
Public Safety Division	227.5	217.5	215.5	199.5	198.0	197.0	162.0	148.0	158.5	157.5
Health Services Division	296.8	304.1	298.3	321.6	272.8	275.9	275.7	274.2	267.1	266.8
Human Resources Division	22.0	22.0	20.0	20.0	18.0	18.0	18.5	18.5	18.5	11.0
Office of the Sheriff	499.0	491.0	530.0	532.0	440.0	440.0	434.0	423.5	391.0	381.0
<b>Total</b>	<b>1,986.1</b>	<b>2,014.4</b>	<b>2,034.1</b>	<b>2,042.4</b>	<b>1,894.1</b>	<b>1,891.6</b>	<b>1,842.2</b>	<b>1,810.4</b>	<b>1,775.9</b>	<b>1,765.4</b>

Source: Comprehensive Annual Budget Report

Notes: Full time equivalents (FTE)  
 Full time - 1 full time equivalent - these are permanent employees who earn pension and leave time  
 Skimp - .63 full time equivalent - these are permanent employees who do not work more than 1,300 hours a year, earn leave time but do not participate in pension  
 Part time - .5 full time equivalent - these are permanent employees who do not work more than 1,040 hours a year and do not participate in pension nor earn leave time  
 Temporary - .5 full time equivalent - these employees do not have permanent status, do not work more than 1,040 hours a year and do not participate in pension nor earn leave time

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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General Government</b>										
County Clerk (DMV) - transactions processed <sup>1</sup>	497,977	481,191	523,679	402,852	405,773	409,051	482,738	392,156	384,941	395,979
Register - documents recorded	52,285	51,747	67,135	81,283	71,961	62,259	68,326	68,016	69,783	67,189
Recycling - tons collected	1,649	1,638	1,677	1,671	2,014	1,979	1,938	2,050	2,171	2,099
Election Commission - registered voters	242,795	226,112	239,868	232,752	235,939	214,837	206,945	196,864	197,224	186,384
Election Commission - votes cast in last county-wide election <sup>2</sup>	176,634	41,437	101,838	48,860	172,363	62,475	134,494	57,120	21,517	29,100
Purchasing - bids posted	63	79	107	125	203	139	137	153	121	184
<b>Public Safety</b>										
Building Inspections - permits issued	1,672	1,689	1,496	1,884	1,927	1,378	1,550	1,444	1,306	1,193
Building Inspections - inspections and investigations	20,916	19,522	21,257	20,592	18,322	15,802	16,727	14,612	14,405	12,020
Building Inspections - applications for new/existing septic system	1,338	1,469	1,495	1,229	1,026	821	874	731	624	593
County correctional facilities - avg. no. of inmates housed daily	1,063	1,089	1,066	1,066	1,169	1,427	1,568	1,497	1,526	1,554
Sheriff's Dept. - physical arrests	6,307	7,276	7,004	7,013	6,188	7,059	9,234	8,543	7,522	7,895
Juvenile Court Judge - cases heard	4,866	4,999	5,077	4,729	4,479	4,611	5,713	5,217	5,552	5,625
Criminal Court Judge - cases heard	2,704	2,102	1,706	2,193	1,669	2,028	2,770	2,956	3,313	3,389
Ambulance Services - responded calls	37,554	38,322	38,627	37,010	30,422	27,517	26,477	25,634	24,417	23,257
Police Protection (sworn, correctional, civilian and others)	500	499	542	528	532	440	440	433	413	390
<b>Highways and Streets</b>										
Highways & Streets - miles of roadway maintained	880	878	875	872	868	864	860	855	853	850
Highways & Streets - bridges maintained	57	57	57	57	57	57	57	57	57	57
<b>Health</b>										
Health Dept. - patients seen <sup>3</sup>	29,827	28,119	26,334	21,179	41,932	29,212	30,883	24,640	25,397	29,995
<b>Community Services (formerly Social Services)</b>										
Emergency Assistance Program - households served	139	152	143	76	263	252	357	377	314	371
Emergency Assistance Program - number of services	149	162	150	74	296	279	364	406	473	512
Chancery Court Judge - cases heard	2,152	2,192	2,764	2,197	1,904	2,151	2,361	2,404	2,581	2,489
Circuit Court Judge - cases heard	3,946	4,112	4,353	4,576	4,613	4,703	5,025	5,541	5,343	5,077
<b>Culture &amp; Recreation</b>										
Number of facilities maintained	32	32	29	28	27	26	26	26	32	32
Number of programs offered <sup>4</sup>	49	24	18	3	-	28	34	28	26	34
<b>Education</b>										
Public school enrollment	45,328	45,438	44,987	45,121	44,285	44,122	44,059	44,028	43,669	43,319
Private school enrollment	11,880	11,535	11,234	11,756	11,217	10,945	10,726	10,411	10,335	10,241

**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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Function/Program</u>										
General Government										
Libraries	9	9	9	9	9	9	9	9	9	9
County-operated recycling centers	5	5	5	5	5	5	5	5	5	5
Telecommunications locations supported <sup>1</sup>	125	125	121	118	118	122	121	120	119	212
Public Safety										
Volunteer Fire Stations	17	17	18	18	18	18	18	18	18	18
Ambulance Stations	16	16	16	15	15	15	15	15	15	15
Sheriff patrol vehicles	332	318	284	274	310	285	282	274	276	285
Highways and Streets										
Miles of paved streets	2,743	2,743	2,723	2,691	2,690	2,690	2,672	2,637	2,631	2,665
Health										
Healthcare Systems	5	5	5	5	5	5	5	5	4	4
Culture & Recreation										
Number of Parks	95	95	95	95	95	94	94	92	90	90
Golf Courses	20	20	20	20	20	20	20	21	21	21
Recreation Centers	18	18	18	18	18	18	18	16	16	16
Theaters	17	17	17	17	17	18	18	17	17	17
Bowling Alleys	4	4	4	4	4	4	4	4	4	4

**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, 2025**

Official Title	<u>Salary</u>	<u>Bond</u>
County Mayor	\$ 196,083	\$ 100,000
Superintendent of Schools	255,000	500,000
Medical Examiner	265,200	N/A
County Attorney	191,390	N/A
Chief Financial Officer	168,685	N/A
County Auditor	139,230	N/A
County Commissioners:		
Jeff Eversole, Chairman	32,746	N/A
Ken Smith, Chairman Pro Tempore	30,246	N/A
D.C. (Chip) Baker	27,746	N/A
Greg Beck	27,746	N/A
Mike Chauncey	27,746	N/A
Joe Graham	27,746	N/A
Lee Helton	27,746	N/A
Steve Highlander	27,746	N/A
Warren Mackey	27,746	N/A
Gene-O Shipley	27,746	N/A
David Sharpe	27,746	N/A
Constitutional Offices		
Assessor of Property	\$ 159,862	\$ 50,000
Circuit Court Clerk	153,862	100,000
Clerk and Master	153,862	100,000
County Clerk	153,862	100,000
Criminal Court Clerk	153,862	100,000
Juvenile Court Judge	212,929	100,000
Juvenile Court Clerk	153,862	100,000
Register	153,862	100,000
Sheriff	186,279	100,000
Trustee	153,862	18,087,546

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>				
2023 Justice Assistance Grant Program	16.738	15PBJA-23-GG-03795-JAGX	\$ -	\$ 57,634
Total JAG Program and Community Crime Prevention			-	57,634
2023 Bulletproof Vest Partnership Grant	16.607	N/A	-	2,207
Total Bulletproof Vest Partnership Grant			-	2,207
2020 State Criminal Alien Assistance Program	16.606	2020-AP-BX-0892	-	1,194
2023 State Criminal Alien Assistance Program	16.606	15PBJA-23-RR-05894-SCAA	-	13,259
2024 State Criminal Alien Assistance Program	16.606	15PBJA-24-RR-05903-SCAA	-	13,550
Total State Criminal Alien Assistance Program			-	28,003
Drug Recovery Court Program	16.585	15PBJA-22-GG-03886-DGCT	-	96,859
Total Recovery Court			-	96,859
Passed through the Tennessee Office of Criminal Justice Programs:				
Safe Neighborhood Grant	16.609	15PJBA21GG03063GUNP	-	15,558
Total Safe Neighborhood Grant			-	15,558
Second Chance Act Smart Supervision Grant	16.812	15PBJA-24-GG-02393-SMTP	-	64,547
Second Chance Act Pay for Success Initiative	16.812	2020-PU-BX-0001	-	66,540
Total Office of Justice Assistance Programs			-	131,087
Comprehensive Opioid, Stimulant, and Substance Use Program	16.838	15PBJA-21-GK-01074-MUMU	-	64,658
Comprehensive Opioid, Stimulant, and Substance Use Site-Based Program	16.838	15PBJA-24-GG-04523-COAP	-	9,824
Total Comprehensive Opioid, Stimulant, and Substance Use Programs			-	74,482
Total U.S. Department of Justice			-	405,830
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through the Tennessee Commission on Children and Youth:				
Supplemental Nutrition program for Women, Infants and Children	10.557	GG-22-72193-00	-	1,573,616
Supplemental Nutrition program for Women, Infants and Children	10.557	GG-22-72193-00	-	86,343
Total U.S. Department of Agriculture			-	1,659,959
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through the Tennessee Emergency Management Agency:				
Emergency Management Performance Grants	97.042	60323-29845	-	940
Homeland Security Grant Program	97.067	EMW-2022-SS-00053-S01	-	93,778
Homeland Security Grant Program	97.067	EMW-2024-SS-05042	-	28,854
Total Homeland Security Grant Program			-	122,632
Public Assistance Disaster Grant	97.036	45521	-	83,663
Public Assistance Disaster Grant	97.036	45521	-	24,702
Total Public Assistance Disaster Grant			-	108,365
Port Security Grant Program	97.056	WX04585N2022T	-	262,499
Total U.S. Department of Homeland Security			-	494,436

(continued)

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**  
**Year Ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed through the Tennessee Department of Transportation:				
State and Community Highway Safety	20.607	Z25THS127	\$ -	\$ 85,524
Total U.S. Department of Transportation			-	85,524
<b>U.S. DEPARTMENT OF ENERGY</b>				
Energy Efficiency & Conservation Block Grant Program	81.128	IA-0000000979	-	38,763
Total U.S. Department of Energy			-	38,763
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Substance Abuse & Mental Health Services Administration	93.243	1 H79 SM080906-01	-	772,936
Passed through the Tennessee Department of Health and Human Services:				
Child Support Program Title IV-D	93.563	74015	-	437,114
Child Support Program Title IV-D	93.563	34513-835249	-	288,299
Total Child Support			-	725,413
Maternal, Infant and Early Childhood Home Visiting Program	93.870	GG-24-78959-01	-	446,117
Parents As Teachers (PAT) - Temporary Assistance for Needy Families (TANF)	98.870	GG-24-78959-01	-	353,543
Parents As Teachers Model's	93.870	GG-23-76302-00	-	1,744
Total Parents As Teachers			-	801,404
Project Grant & Cooperative Agreement for Tuberculosis Control	93.116	GG-24-79400-00	-	242,600
Public Health Emergency Preparedness	93.074 / 93.069 <sup>D</sup>	GG-23-75491-00	-	548,390
Centers for Disease Control & Prevention: Injury Prevention and Control Research and State and Community-Based Programs	93.136	GG-24-82727-01	-	42,486
High Impact Area Substance Misuse Epidemic Response	93.136	GG-24-81001-00 GG-23-75646-00	-	142,322
Total Injury Prevention Cooperative Agreements			-	184,808
Homeless Health Capital Infrastructure Grant	93.526	1 CBECS43676-01-00	-	1,357
Child Care and Development Fund Cluster:				
Immunization Cooperative Audits	93.575	71565	-	81,567
Child Development Block Grant (Component Unit)	93.575	None	-	1,208,983
Total Child Care and Development Fund Cluster			-	1,290,550
Immunization Cooperative Grant	93.268	GG-22-76029-01	-	226,600
COVID-19 Immunization	93.268	GG-22-76029	-	113,113
Total Immunization Cooperative Agreements			-	339,713
U.S. Department of Health and Human Services, page total			-	4,907,171

(continued)

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**  
**Year Ended June 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<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	\$ -	\$ 27,095
Preventive Health and Health Services Block Grant	93.991	GG-21-165267-02	-	176,496
HIV Care Formula Grants	93.917	GG-24-83837-00 GG-23-78697-00	-	134,216
HIV Prevention Activities: Health Department Based	93.977	GG-23-81773-00	-	262,587
Maternal and Child Health Services:				
Maternal and Child Health Services Block Grant - State and Local	93.994 / 93.898 <sup>D</sup>	GG-24-77647-00	-	165,256
CHANT Grant	93.994	GG-25-83394-00	-	198,733
Family Planning Services and Maternal & Child Health Services Block Grant to the State	93.217 / 93.994 <sup>D</sup>	GG-23-74288-01	-	386,248
Total Maternal and Child Health Services			-	750,237
COVID-19 Detection Expansion Funds	93.323	GG-23-76988-00	-	1,026,632
Total Epidemiology and Laboratory Capacity for Infectious Diseases			-	1,026,632
Maternal and Child Health Services Block Grant	93.197	GU-24-77361-01	-	78,480
Health Center Program Cluster:				
Grants for New and Expanded Services under the Health Center Program	93.527	H8LCS51914-01-00	-	38,716
Grant to Health Center Program	93.527	H80CS00023	-	1,912,287
Total Health Center Program			-	1,951,003
Supplemental Coronavirus Funding	93.224	1 H8FCS41181-01-00	-	168,145
Total Health Center Program Cluster			-	2,119,148
Total U.S. Department of Health and Human Services			-	8,273,079
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed through the Tennessee Department of Economic & Community Development:				
Connected Communities Facilities Grant	21.029	SLFRP5534	-	148,964
Total U. S. Department of Housing and Urban Development			-	148,964
<b>U.S. DEPARTMENT OF TREASURY</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	24,281,239	26,170,641
Passed through the Tennessee Department of Environment & Conservation:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	850,000
Total U. S. Department of Treasury			24,281,239	27,020,641
Total Expenditures of Federal Awards-Primary Government			\$ 24,281,239	\$ 38,127,196

(continued)

**HAMILTON COUNTY, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - continued**  
**Year Ended June 30, 2025**

<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>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	\$ -	\$ 2,066,665
Passed through Tennessee Department of Education:				
After School Snack Program	10.555	None	-	218,760
Seamless Summer Program	10.555	None	-	21,953,576
Rebate of Cost Paid State Contracted Warehouse	10.555	None	-	208,984
Total Child Nutrition Cluster			-	24,447,985
Local Food for Schools Cooperative Grant	10.185	None	-	56,177
Total U.S. Department of Agriculture			-	24,504,162
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Impact Aid - Public Law 874	84.041	None	-	38,244
Passed through Tennessee Department of Education:				
School Based Mental Health	84.184H	None	-	575,440
Title I Grant to Local Educational Agencies	84.010	None	-	18,037,255
Title II Part A Teacher and Principal Training and Recruiting	84.367	None	-	1,809,630
English Language Acquisition Grants	84.365	None	-	508,901
Career and Technical Education- Basic Grants to States	84.048	None	-	777,765
Homeless McKinney-Vento	84.196A	None	-	226,269
Twenty-First Century Community Learning Centers	84.287	None	-	306,095
Mental Health Service Professionals	81.184X	None	-	28,899
Special Education Cluster:				
Special Education- Grants to States	84.027	None	-	12,340,400
IDEA Discretionary	84.027	None	-	5,360
Total Special Education			-	12,345,760
Special Education- Preschool Grants	84.173	None	-	328,693
Total Special Education Cluster			-	12,674,453
Title IV, Part A, Student Support and Academic Enrichment	84.424	None	-	1,378,764
Transition School to Work	84.126	None	-	107,609
HQIM Literacy Implementation Networks	84.371	None	-	364,096
Elementary & Secondary School Emergency Relief (ESSR):				
COVID-19 Elementary & Secondary School Emergency Relief	84.425D / 84.425W / 84.425U	None	-	66,640
COVID-19 Elementary & Secondary School Emergency Relief 2.0	84.425D / 84.425W	None	-	98,441
COVID-19 Elementary & Secondary School Emergency Relief 3.0	84.425D / 84.425W	None	-	2,993,132
Total Elementary & Secondary School Emergency Relief			-	3,158,213
Total U.S. Department of Education			-	39,991,633

(continued)

**HAMILTON COUNTY, TENNESSEE**

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

**Year Ended June 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<b>COMPONENT UNITS</b>				
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through the Tennessee Department of Health and Human Services:				
Passed through the Tennessee Department of Education:				
Summer Learning Camps	93.558	None	\$ -	\$ 605,566
Total U.S. Department of Health and Human Services			-	605,566
<b>U.S. DEPARTMENT OF JUSTICE</b>				
STOP School Violence	16.839	None	-	457,289
Total U.S. Department of Justice			-	457,289
Total Expenditures of Federal Awards-Component Units			-	66,767,633
Total Expenditures of Federal Awards- Reporting Entity			\$ 24,281,239	\$ 104,894,829

HAMILTON COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
STATE GRANTS				
Board of Probation and Payroll	N/A	67271	\$ -	\$ 360,618
Juvenile Detention Unit	N/A	39565	-	9,000
Governor's Highway Child Safety Program	N/A	N/A	-	4,336
Child Welfare Research and Demonstration - CASA Program	N/A	31601-2021-21	-	40,000
State Justice Institute	N/A	SJI-23-T-029	-	6,673
TN Corrections Institute	N/A	31809-0076	-	14,485
TN Dept. of Mental Health and Substance Abuse	N/A	74673	-	501,899
TN Dept. of Mental Health - Safe Baby Court	N/A	DGA 74161_2022-2023_018	-	190,610
TN Dept. of Economic & Community Development	N/A	N/A	-	818,402
TN Dept. of Environment & Conservation - Wetland Restoration Grant	N/A	N/A	-	13,901
TN Dept. of Safety & Homeland Security - School Resource Deputies Grant	N/A	N/A	-	2,850,000
TN Dept. of Health - Safety Net Dental Services	N/A	DG63296	-	239,771
TN Dept. of Health - Safety Net Primary Care Services	N/A	N/A	-	33,666
TN Dept. of Health - Grant in Aid	N/A	GG-24-80342-00	-	903,035
TN Dept. of Health - Environmental Health Programs	N/A	GU-23-74474	-	17,942
TN Dept. of Health - CHANT Grant	N/A	GG-24-76938-00	-	905,340
TN Dept. of Health - Dental Prevention	N/A	GG-23-76049-00	-	383,870
TN Dept. of Health - Fetal Infant Mortality Review	N/A	GG-21-65384-02	-	210,160
TN Dept. of Health - Recovery Courts - Adult Mental Health	N/A	78199	-	161,132
TN Dept. of Health - Childhood Lead Poisoning	N/A	GU-24-77361-01	-	19,620
TN Dept. of Health - Tobacco Prevention & Education Program	N/A	GG-24-77300-00	-	59,564
TN Dept. of Health - PAFT - Home Visiting Program	N/A	GG-25-83838-00	-	25,608
TN Dept. of Health - Projects Grants and Cooperative Agreements for Tuberculosis Control Program	N/A	GG-25-82754-00	-	96,000
TN Dept. of Health - Medical Center	N/A	N/A	-	2,677,463
TN Dept. of Health - Family Planning	N/A	GG-23-74288-01	-	79,111
TN Dept. of Health - HIV Prevention Activities: Health Dept. Based	N/A	GG-21-69109-00	-	
	N/A	GG-22-76737-00	-	219,200
TN Dept. of Health - Preventive Health Services: Sexually Transmitted Diseases Control Grants	N/A	GG-23-81773-00	-	46,339
TN Dept. of Health - Maternal & Child Health Services Block Grant to States	N/A	GG-24-77647-00	-	55,085
TN Dept. of Labor and Workforce Development	N/A	N/A	-	212,172
TN Dept. of Transportation	N/A	CMA 2375	-	206,150
TN Dept. of Transportation	N/A	Z24LIT033	-	127,400
TN Dept. of Finance and Administration	N/A	4208	-	56,230
TN Dept. of Finance and Administration	N/A	N/A	-	447,366
TN Dept. of Finance and Administration	N/A	77241-VCIF	-	432,353
TN Emergency Management Agency	N/A	N/A	-	906,051
TN Dept. of Education - Public School Security Grant	N/A	N/A	-	94,699
TN Dept. of Education - School Uplift	N/A	N/A	-	354,010
TN Dept. of Education - Aviation Education	N/A	N/A	-	33,500
TN Dept. of Education - State School Improvement Grant	N/A	N/A	-	7,897,808
TN Dept. of Education - Arts360	N/A	N/A	-	6,517
TN Dept. of Education - Supporting Postsecondary Access in Rural Communities (SPARC)	N/A	N/A	-	6,882
TN Dept. of Education - Innovative School Models (ISM)	N/A	N/A	-	6,937,214
TN Dept. of Education - Voluntary Pre-K	N/A	N/A	-	2,773,695
TN Dept. of Education - Learning Camps	N/A	N/A	-	3,431,839
TN Dept. of Education - State Special Ed Preschool	N/A	N/A	-	1,428,763
Total Expenditures of State Awards			-	36,295,479
Total Expenditures of Federal and State Awards			\$ 24,281,239	\$ 141,190,308

**HAMILTON COUNTY, TENNESSEE**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

**Year Ended June 30, 2025**

**NOTE A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the general-purpose financial statements.

**NOTE B. SUBRECIPIENTS**

<u>Program Title</u>	<u>Federal AL Number</u>	<u>Amount Provided to Subrecipient</u>
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 24,281,239

**NOTE C. INDIRECT COST**

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

**NOTE D. COMMINGLED ASSISTANCE**

These noted funds were awarded to the County as commingled assistance and are not separately identifiable in the award documents.



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

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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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 27, 2026. Our report includes a reference to other auditors who audited the financial statements of the Hamilton County "911" Emergency Communications District as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*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.

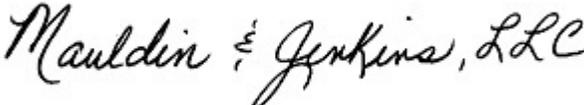
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### Report on Compliance and Other Matters

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.



Chattanooga, Tennessee  
February 27, 2026



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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Programs***

We have audited **Hamilton County, Tennessee's** (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2025. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

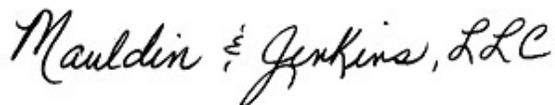
### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Chattanooga, Tennessee  
February 27, 2026

**HAMILTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**SECTION I**  
**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the  
 Financial statements audited were prepared in  
 accordance with GAAP

Unmodified

Internal control over financial reporting:  
 Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified?

yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Awards**

Internal Control over major programs:  
 Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified?

yes  none reported

Type of auditor's report issued on compliance for  
 major programs

Unmodified

Any audit findings disclosed that are required to  
 be reported in accordance with 2 CFR 200.516(a)?

yes  no

Identification of major programs:

AL Number  
 21.027

Name of Federal Program or Cluster  
 COVID-19: Coronavirus State and Local Fiscal  
 Recovery Funds

84.010A

Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between  
 Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

yes  no

HAMILTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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SECTION II  
FINANCIAL STATEMENT FINDINGS

None noted

**HAMILTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**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, 2025**

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**2024-001 Investigative Report – State of Tennessee Comptroller of the Treasury – Released April 23, 2024**

**Criteria:** The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to Hamilton County Schools Department of School Nutrition (HCSN). The investigation was initiated after Hamilton County Schools officials reported allegations that an employee misappropriated school nutrition assets and abused his position for personal gain.

**Condition:** An investigation was limited to selected records for the period October 18, 2021 through April 29, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 11th Judicial District.

**Status:** Resolved

**2024-002 Investigative Report – State of Tennessee Comptroller of the Treasury – Released May 10, 2024**

**Criteria:** The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Hamilton County Schools Department of Transportation. The investigation was initiated after Hamilton County Schools officials reported that the former Department of Transportation manager used his work-assigned vehicle to work for a commercial food delivery service.

**Condition:** The investigation was limited to selected records for the period March 20, 2017, through June 30, 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 11th Judicial District.

**Status:** Resolved

**2024-003 Restatement of Fund Balance**

**Criteria:** Generally accepted accounting principles require revenues to be recognized in the accounting period in which they are earned for exchange transactions and when the eligibility requirements of non-exchange transactions have been met, and funds are measurable and available. When loans are made between the County and its component units, those transactions should not generate expenditures or revenues for the County.

**Condition:** In the year ended June 30, 2021, the County provide a portion of the Series 2020A bond proceeds to the component unit and the disbursement was incorrectly reported as an expenditure in the governmental funds and was captured as a receivable in the full accrual Statement of Net Position. As this was an intra-entity loan of bond proceeds, there should have been no expenditure recognition, but a receivable reported in both the fund balance sheet and the statement of net position.

**Status:** Resolved



**FRONT & BACK COVER PHOTOS — Sunset at the new George Wright Memorial Fishing Pier at Chester Frost Park**

**INSIDE FRONT & BACK COVERS — One of the displays at the Chattanooga Zoo's Asian Lantern Festival: Forest of Fantasy**

**SLIPSHEET — Freshly refurbished Fireman atop the Fireman's Fountain which sits across from the County Courthouse**

**PAGE 3 — One of the lanterns at the 2025 Sea Light Festival, which was held at Sculpture Fields**

**PAGE 4 — Christian music artist, Anne Wilson, performs on the Lee University stage during the 25th Annual JFest music festival, which is held at the Tennessee RiverPark**

**PAGE 7 — One of the lanterns at the 2025 Asian Lantern Festival: Forest of Fantasy at the Chattanooga Zoo**

**PAGE 9 — One of the refurbished military service stars at Veterans' Park in Collegedale during their Veterans' Day program**

**PAGE 11 — Young Marine honoring a service member during 2025 Wreath Placement at Chattanooga National Cemetery**

**PAGE 14 — One of EPB's 2025 Christmas windows**

**PAGE 15 — 2025 County Christmas tree and Courthouse lit up during the annual Christmas tree lighting**

**PAGE 17 — Montage of scenes from Signal Mountain Playhouse 2025 summer production of "The Wizard of Oz"**

**PAGES 18 & 19 — The Commons in Collegedale**

**PAGE 20 — Part of the new playground at the Birchwood Community Center**

**PAGE V — Deputy Mayor Tucker McClendon with his four-legged friends at the Grand Opening of Dog Paddle Park**

**PAGE VII — Michael Dell, from Pittsburgh, PA and Matthew Dell, from Fort Oglethorpe, GA coming into the finish line at the 2025 IronMan 70.3 Chattanooga**

**PAGE IX — Pig races at the 2025 Little Debbie Hamilton County Fair**

**PAGE XIV — Members of the Reviewing Stand at the 2025 Armed Forces Day Parade, which highlighted the United States Space Force for the first time this year**

**PAGE XV — Presentation of the Flag during the Outlaw Rodeo at the 2025 Little Debbie Hamilton County Fair**

**PAGE XVI — Members of the Sons of the American Revolution during the reenactment of the battle of Lexington & Concord on the 250th Anniversary of "The Shot Heard 'Round the World" as part of events leading up to America 250 celebrations in 2026**

**PAGE XVII — Employees, commissioners, members of the media and local business leaders, all taking part in the cornhole tournament at the 2025 Little Debbie Hamilton County Fair**

**PAGE XIX — Larry Taylor exhibit, which opened in March 2025, at the Coolidge Medal of Honor Heritage Center. Captain Taylor was awarded the Medal of Honor in July 2023 and passed away in January 2024.**

**PAGE XXI — Amnicola Marsh along the Tennessee Riverwalk**

**PAGE XXII — July 4th Fireworks illuminate Veterans' Park in Collegedale**

**Special thanks to Shelia Cannon of the Hamilton County Finance Division for her photo contributions to the 2025 ACFR.**

**HAMILTON COUNTY FINANCE DIVISION**

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