

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



**CLEVELAND**  
TENNESSEE

EST. 1842



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CITY OF CLEVELAND, TENNESSEE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended June 30, 2022

Prepared by:  
Department of Finance

CITY OF CLEVELAND, TENNESSEE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022

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## **INTRODUCTORY SECTION**

# City of Cleveland

*Shawn McKay*  
Assistant City Manager/CFO  
[smckay@clevelandtn.gov](mailto:smckay@clevelandtn.gov)  
Phone (423) 472.4551  
Fax (423) 559.3302



Municipal Building  
190 Church Street, N.E.  
P.O. Box 1519  
Cleveland, Tennessee 37364-1519

January 27, 2023

Honorable Mayor,  
Members of the City Council and  
Citizens of the City of Cleveland, Tennessee

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audit in accordance with generally accepted auditing standards by a firm licensed certified public accountant. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Cleveland for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the City of Cleveland. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Cleveland has established a comprehensive internal control framework that is designed both to protect the city's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Cleveland's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh its benefits, the City of Cleveland's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Cleveland's financial statements have been audited by Wedgewood Accounting, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Cleveland, for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Cleveland's financial statements, for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Cleveland was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City of Cleveland’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are located in the Single Audit Section at the end of this Comprehensive Annual Financial Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Cleveland’s MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE CITY OF CLEVELAND**

The City of Cleveland, incorporated in 1903, is located in the southeastern corner of the state. Cleveland has a highly diversified economy, being the fifth largest industrial city in the state with fourteen Fortune 500 manufacturers and being a regional shopping destination and health care provider for surrounding counties. Its proximity to the mountains, whitewater rafting, and Cherokee Indian heritage is increasing the tourism component of the economy.

The City of Cleveland operates under the council-manager form of government, established by an amended Private Act Charter in 1993, following a referendum. Five council-members are elected from districts, and the mayor and two council members are elected at large. All elections are non-partisan, and the terms are for four years, with half the members elected every two years. Policy-making and legislative authority are vested in the council. The council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, hiring the city manager, and appointing the city attorney and city judge. The city manager is responsible for carrying out the policies and ordinances of the city council, overseeing the city’s day-to-day operations, and appointing the heads of the various departments.

The city provides a full range of services which include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. In addition to general government activities, the governing body exercises, or has the authority to exercise, oversight of the Utilities Department and the Cleveland City Schools; therefore, these activities are included in the financial statements. However, the Cleveland Housing Authority, the Bradley/Cleveland Industrial Development Board and the Health and Educational Facilities Board have not met the established criteria for inclusion; and, accordingly, are excluded from this report.

The annual budget serves as the foundation for the City of Cleveland's financial planning and control. All departments of the city are required to submit capital requests by December 31<sup>st</sup> and operating budget requests to the chief financial officer by March 1<sup>st</sup> each year. The chief financial officer makes revenue estimates for the upcoming fiscal year. A budget work session is held in late March or early April, at which time department heads and the city manager make presentations to the council. The chief financial officer and city manager provide projections for the current fiscal year's budget and the coming year's proposed operating budget for council review. In addition, the city manager presents the council with his recommendation for a six-year capital improvements program based upon the strategic planning session in January held by the city council, city manager, and department heads. After much review and debate among the council, the budget is revised to include any recommendations of the city council. A proposed budget is submitted to the city council by the second council meeting in May. The council is required to hold public hearings on the proposed budget and to adopt a final budget and tax rate by June 30<sup>th</sup> each year, which is the close of the city's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Departmental budget officers, with approval of the department head and finance director, may make transfers of appropriations within a department. However, transfers of appropriations between funds require approval of the city council. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 24-46 as part of the basic financial statements for the governmental funds. The school fund comparison is presented on pages 47-56. For nonmajor governmental funds, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 137.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Cleveland operates.

**Local economy.** The local economy has shown signs of sustaining economic growth for the current year. The economic decline in previous years was not as drastic as many other locations in the state or nation because of the diverse economy and the proximity to several large industrial construction projects.

In its 2022 edition of Best Places to Work in Manufacturing, Smart Asset ranked Cleveland sixth out of 378 metropolitan areas, based on a series of metrics including job growth, income growth, percentage of manufacturing jobs and housing affordability.

In Best Performing Cities 2022 issued by the Milken Institute, Cleveland, Tennessee, was ranked 82 of 201 metro areas and raised in the ranks of job growth and wage growth compared to the prior year study.

The Chattanooga Times Free Press reported that Cleveland is the sixth highest metro area of Tennessee cities for influx of residential growth with 148 moving in to every 100 moving out during a study during the first four months of 2022. A strong job market and low cost of living retain the allure of the area that drives the population growth.

Data from the US Bureau of Labor Statistics reported that Cleveland has the highest job growth percentage in Tennessee of 5.3% compared with 389 metropolitan areas while the population size is ranked 318 of the 389 metro areas.

Cleveland's strong economy is evidenced by the following:

- A Knoxville developer is building a 100,000 sq. ft. industrial building in the Spring Branch Industrial Park. This is the second site following the completion of Cannon Automotive Solutions' manufacturing plant which began production this year. The new site hopes to attract a tenant by the end of the year to expand area manufacturing jobs.
- Bradley County Schools repurposed the former American Uniform Building into the Partnerships in Industry and Education (PIE) Center. The 271,000 sq. ft. center offers Bradley County high school junior and seniors work study programs through partnership with local business, industry, and community partners. STEM program curriculum and on-site training will offer students instruction and skill development in fields such as mechanics, culinary, and healthcare.
- Federal, state, and local officials attended a ribbon cutting to commemorate the improvements on Parker Street. This area has brought together the City, Bradley County, and Lee University with redesigns to the road lanes, sidewalks, and pedestrian areas as well as the opening of the PIE Center and the Lee University Ray Conn Multi Sports Complex.
- Annexations were approved including a large 238-acre tract near Exit 20 off Interstate 75 for potential residential development.
- Numerous restaurants were completed or are in the development process including Cheddar's, Popeyes, and Champy's.
- Various commercial developments valued at \$107.1 million have begun during FY2022. This compares to \$49.6 million in FY2021. New residential development totaled \$92.4 million compared to \$45.0 million for FY2021.

**Long-term financial planning.** On March 10, 2009, the voters approved an increase in the local option sales tax rate from 2.25% to 2.75%, the highest rate allowed by state law. The funds generated from the additional half cent rate increase, which became effective on May 1<sup>st</sup>, would be used for capital needs of the City and the City Schools. This additional revenue has provided much needed funds to purchase equipment and provide paving in the city. It has also funded improvements to the schools including repaying debt incurred for constructing a science wing at Cleveland High School.

In cooperation with Bradley County, the City is funding the infrastructure development of Spring Branch Industrial Park. Located at Exit 20 on Interstate 75, this 350-acre site will accommodate approximately two million square feet of manufacturing/distribution facilities. At full occupancy, the park is expected to generate approximately 5,500 direct and indirect jobs with a payroll exceeding \$190 million.

The Mayor Tom Rowland Interchange connected Cherokee Gateway to APD 40 and Interstate 75. Retail development is expected on approximately 370 acres along this corridor. The City anticipates 2,200 jobs will be created by this development with a payroll of \$59.6 million. The City is developing preliminary plans to connect the interchange with state route 312.

## **Financial Policies**

**Revenue policies.** The City will budget revenues conservatively so that the chance of a revenue shortage during the year is remote. This also will help finance contingencies and budget amendments that were unforeseen when the Budget was first adopted. The City will review annually all fees and charges to assure that they maintain their inflation-adjusted purchasing power. Since different revenue sources impact classes of taxpayers differently, the City Council recognizes that the only way to minimize these different impacts is to have a diversified revenue system. These impacts will be considered in making any needed adjustments to the various sources of revenue. The City will make every effort to avoid becoming too dependent on one source of revenue in order to minimize serious fluctuations in any year. The City will consider market rates and rates of comparable cities in the region when changing tax rates, fees, and charges. In this regard, the City will make every effort to maintain its favorable comparative position with other Tennessee cities which has contributed to our economic development success.

**Reserve fund policy.** It is the policy of the City Council to maintain a reserve in the various operating funds for the City. The reserves are maintained at a level that is sufficient for temporary financing of unforeseen emergency needs and to continue orderly operations during the months of July through December when cash inflows are less, because the majority of property tax collections occur in January and February. The percentage is calculated by taking fund balance or working capital as a percentage of expenditures or operating expenses and transfers to other funds. These reserves are reviewed annually by the city manager and chief financial officer with the city council.

These policies along with Cleveland's budgetary flexibility and strong liquidity help maintain a Standard and Poor's credit rating of AA and Moody's Investor Service credit rating of Aa3 on issued debt.

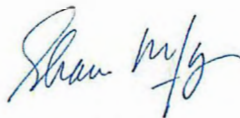
### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the thirty-seventh year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the city published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this ACFR on a timely basis was made possible by the dedicated service of the employees of the finance department. We would like to express our appreciation to all staff members who have assisted and contributed to this report, in addition to the City's independent certified public accountants. Credit must also be given to the mayor and city council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Cleveland's finances.

Respectfully submitted,



Shawn McKay  
Assistant City Manager/Chief Financial Officer



Joe Fivas  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cleveland  
Tennessee**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

CITY OF CLEVELAND, TENNESSEE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
CITY OFFICIALS  
June 30, 2022

Kevin Brooks  
Mayor

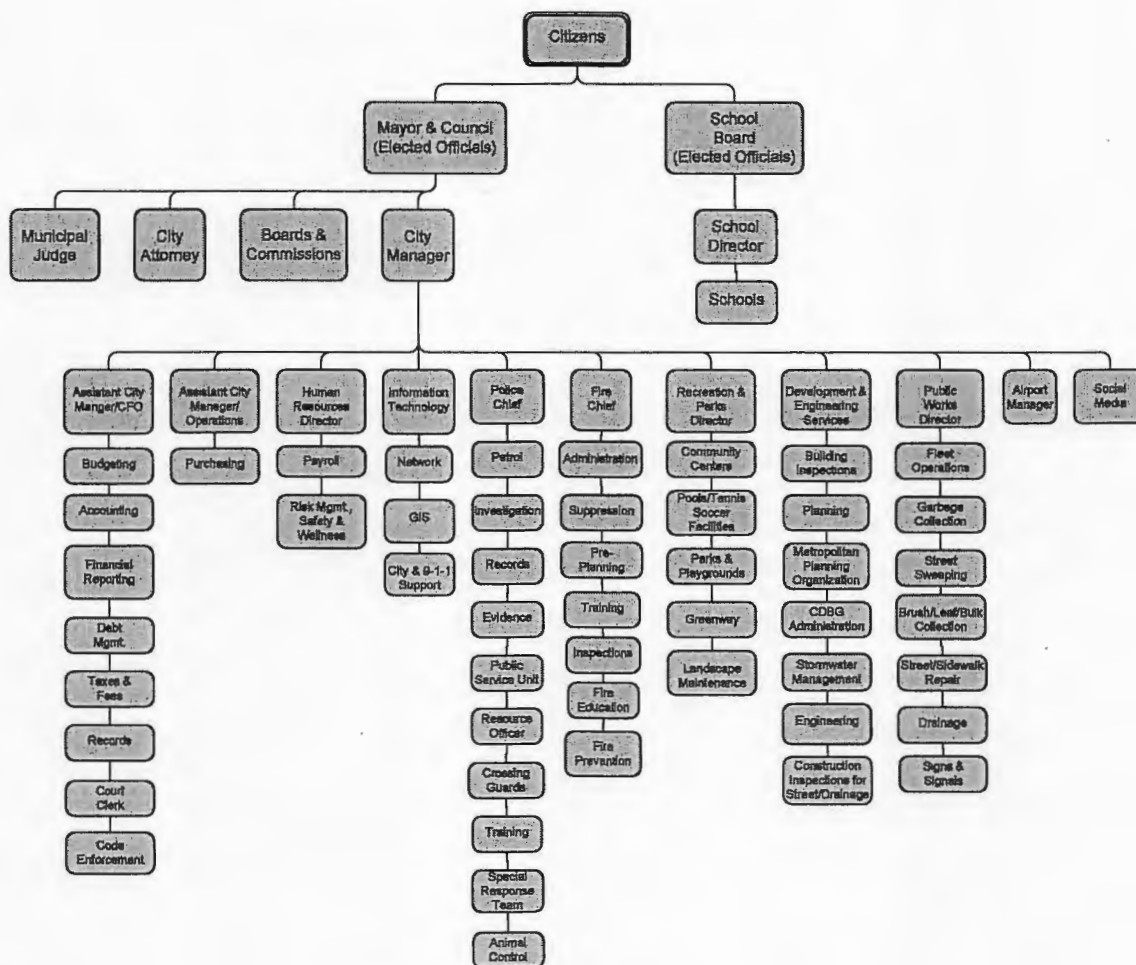
Tom Cassada	Councilman
William Estes	Councilman
Dale Hughes	Councilman
Avery Johnson, Sr.	Councilman
David May, Jr.	Councilman
Marsha McKenzie	Councilwoman
Ken Webb	Councilman

Joe Fivas	City Manager
Shawn McKay, CMFO	Assistant City Manager/Chief Financial Officer

Department Heads

Richard Banks	City Judge
Russell Dyer, Ed.D.	Director of Schools
Mark Fidler	Jetport Manager
Robert Gaylor	Fire Chief
Mark Gibson	Chief of Police
Tim Henderson	General Manager, Cleveland Utilities
Andrew Hunt	Library Director
Jonathan Jobe	Director of Development & Engineering Services
John Kimball	City Attorney
Kim Miller	Human Resources
Kris Miller	Information Technology
Tommy Myers	Public Works Director
Patti Pettitt	Parks and Recreation Director

## City of Cleveland Organizational Chart



## **FINANCIAL SECTION**



**WEDGEWOOD ACCOUNTING, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

WEDGEWOOD OFFICE PARK  
4395 NORTH OCOEE STREET  
CLEVELAND, TENNESSEE 37312

MARK A. LAY, CPA  
SCOTT D. HALL, CPA  
ANGELA K. RITCHEY, CPA  
BRANDON H. BARNES, CPA

PHONE 423.476.5581  
FAX 423.472.9893  
wedgewoodaccounting.com

MEMBERS OF  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF CERTIFIED  
PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Council  
of the City of Cleveland  
Cleveland, Tennessee

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Cleveland, Tennessee's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland, Tennessee, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and School fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**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 City of Cleveland, Tennessee, 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.

**Change in Accounting Principle**

As described in the notes to the financial statements, the Board has adopted the provision of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 establishes a single approach to accounting for and reporting leases by state and local governments. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 City of Cleveland, Tennessee'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.

### **Auditor's 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 City of Cleveland, Tennessee'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 City of Cleveland, Tennessee's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the required supplementary information related to post-employment benefits and pension liability as reported on pages 110 through 128 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 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 the City of Cleveland, Cleveland, Tennessee's basic financial statements. The combining and individual nonmajor fund financial statements, the budgetary comparison for the Capital Improvement Program fund, and the capital assets schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison for the Capital Improvement Program fund, and the capital assets schedules 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, statistical sections and other section, 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 Requirements by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2023, on our consideration of the City of Cleveland, 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 City of Cleveland, Tennessee'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 City of Cleveland, Tennessee's internal control over financial reporting and compliance

*Wedgewood Accounting, PLLC*  
Wedgewood Accounting, PLLC  
Certified Public Accountants

January 20, 2023

## Management's Discussion and Analysis

As management of the City of Cleveland, we offer readers of the city's financial statements this narrative overview and analysis of the financial activities of the City of Cleveland for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in pages i–vi of this report.

### Financial Highlights

- The assets and deferred outflows of the City of Cleveland exceeded its liabilities and deferred inflows at June 30, 2022 by \$394,964,393 (net position).
- Net position (defined as the difference in revenues and expenses) increased by \$54,772,100. The City of Cleveland's changes in net position is detailed in the chart on page eight of this report. Total revenues increased \$18,540,800 which included increases in operating grants for education and service charges for public works. Expenses increased \$4,318,267 from last fiscal year primarily in development and engineering and public works.
- The city's property tax rate remained at \$1.713 per hundred dollars of assessment. This maintains the current level of services for city residents.
- The city's residential sanitation fee increased to \$8.95 per month.
- As of the close of the current fiscal year, the City of Cleveland's governmental funds reported combined ending fund balances of \$98,949,616.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$33,397,184. Expenditures do not include transfers to other funds, which totaled \$15,987,497 in the city's general fund.
- Long-term debt increased approximately \$18,236,456.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the City of Cleveland's basic financial statements. The City of Cleveland's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Cleveland's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Cleveland's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the City of Cleveland is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Cleveland that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Cleveland include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the City of Cleveland include Cleveland Utilities Electric and Water Systems.

The government-wide financial statements include not only the City of Cleveland itself (which is the primary government), but also the operations of the Cleveland City Schools, Cleveland Public Library and Cleveland Utilities which are not considered legally separate. However, the Cleveland Housing Authority, the Bradley/Cleveland Industrial Development Board, and the Health and Educational Facilities Board are not legal entities of the City of Cleveland, and accordingly are excluded from this report.

The government-wide financial statements can be found on pages 17-19 of this report.

**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 City of Cleveland, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Cleveland can be divided into two categories: governmental funds and proprietary 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 may be 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 fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Cleveland maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, school fund and capital improvement fund, which are considered to be major funds. Data from the remaining governmental funds are 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 later in this report beginning on page 129.

The City of Cleveland adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the major governmental funds including the general fund and school fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-56 of this report.

**Proprietary funds.** The City of Cleveland maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Cleveland uses enterprise funds to account for its Cleveland Utilities Electric and Water operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Cleveland's various functions. The City of Cleveland uses an internal service fund to account for servicing its fleet of vehicles. Because this service predominantly benefits governmental rather than business-type functions, it has 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. The proprietary funds financial statements provide separate information for the Cleveland Utilities Electric and Water operations, both of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 57-60 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for the resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City of Cleveland's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Cleveland maintains one type of fiduciary fund. The Other Post-Employee Benefits Trust Fund – Cleveland Utilities is used to report resources held in trust for retirees.

The fiduciary fund financial statements can be found on pages 61-62 of this report.

**Notes to the 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 financial statements can be found on pages 63-109 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Cleveland's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 110-128 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds, as well as the data for the internal service fund, are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 129-160 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cleveland, assets and deferred outflows exceeded liabilities and deferred inflows by \$394,964,393 at the close of this fiscal year.

The largest portion of the City of Cleveland's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any debt used to acquire those assets that is still outstanding. The City of Cleveland uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Cleveland's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Cleveland's Net Position

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Current assets	\$145,157,298	\$109,415,384	\$65,617,044	\$60,801,322	\$210,774,342	\$170,216,706
Receivables and other noncurrent assets	29,537,749	5,557,089	3,306,979	2,885,432	32,844,728	8,442,521
Deferred charges	0	0	0	0	0	0
Capital assets	236,513,879	230,606,000	239,173,219	227,951,856	475,687,098	458,557,856
Total assets	411,208,926	345,578,473	308,097,242	291,638,610	719,306,168	637,217,083
Total deferred outflows of Resources	34,605,323	19,612,994	7,335,687	8,874,819	41,941,010	28,487,813
Long-term liabilities Outstanding	132,668,494	145,320,190	83,845,403	96,961,568	216,513,897	242,281,758
Other liabilities	14,030,624	14,088,801	26,117,081	25,118,184	40,147,705	39,206,985
Total liabilities	146,699,118	159,408,991	109,962,484	122,079,752	256,661,602	281,488,743
Total deferred inflows of Resources	95,573,611	41,539,953	14,047,572	2,483,907	109,621,183	44,023,860
Net position:						
Net Investment in capital assets	160,882,458	150,289,044	164,321,524	155,930,891	325,203,982	306,219,936
Restricted	53,566,478	26,089,661	0	0	53,566,478	26,089,661
Unrestricted	(10,907,416)	(12,609,818)	27,101,349	20,018,879	16,193,933	7,409,061
Total net position	\$203,541,520	\$164,242,523	\$191,422,873	\$175,949,770	\$394,964,393	\$340,192,293

13.6 percent of the City of Cleveland's net position represents resources that are subject to external restrictions on how they may be used.

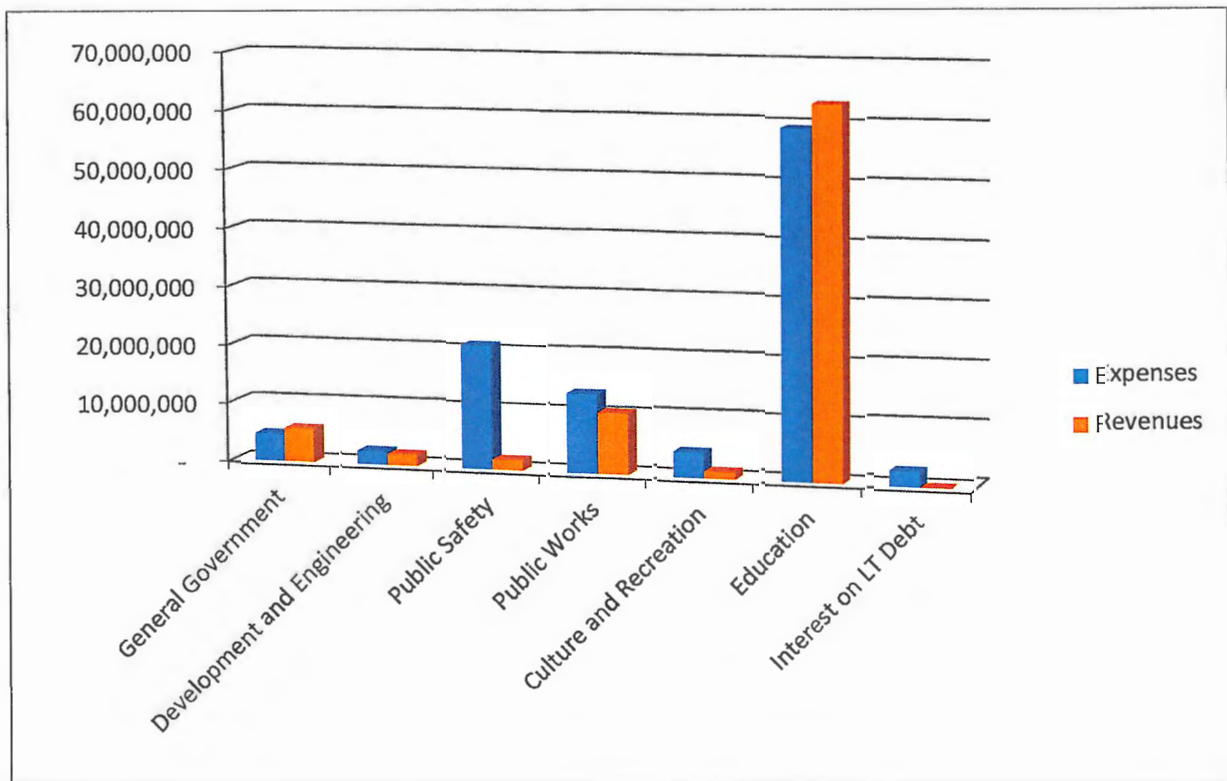
## City of Cleveland's Changes in Net Position

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$8,402,525	\$6,343,633	\$144,330,445	\$134,929,104	\$152,732,970	\$141,272,737
Operating grants and Contributions	68,531,470	63,396,173	308,074	276,966	68,839,544	63,673,139
Capital grants and contributions	7,120,650	8,863,133	1,123,570	1,735,300	8,244,220	10,598,433
<b>General revenues:</b>						
Property taxes	27,205,753	26,167,522	0	0	27,205,753	26,167,522
Other taxes	31,547,928	28,643,990	0	0	31,547,928	28,643,990
Grants and contributions not restricted to specific programs	731,695	808,113	0	0	731,695	808,113
Other	245,974	147,581	361,520	57,289	607,494	204,870
<b>Total revenues</b>	<b>143,785,995</b>	<b>134,370,145</b>	<b>146,123,609</b>	<b>136,998,659</b>	<b>289,909,604</b>	<b>271,368,804</b>
<b>Expenses:</b>						
General government	4,570,431	4,475,964	0	0	4,570,431	4,475,964
Development and engineering	2,218,756	2,055,406	0	0	2,218,756	2,055,406
Public safety	21,099,938	24,382,352	0	0	21,099,938	24,382,352
Public works	13,409,381	11,760,654	0	0	13,409,381	11,760,654
Health and welfare	0	716,655	0	0	0	716,655
Culture and recreation	4,281,085	5,246,725	0	0	4,281,085	5,246,725
Education	59,226,357	60,039,485	0	0	59,226,357	60,039,485
Interest on long-term debt	2,585,183	3,029,596	0	0	2,585,183	3,029,596
Water and sewer	0	0	30,035,698	28,485,251	30,035,698	28,485,251
Electric	0	0	96,702,765	90,020,984	96,702,765	90,020,984
Stormwater	0	0	1,007,910	606,165	1,007,910	606,165
<b>Total expenses</b>	<b>107,391,131</b>	<b>111,706,837</b>	<b>127,746,373</b>	<b>119,112,400</b>	<b>235,137,504</b>	<b>230,819,237</b>
Increase (decrease) in net position before transfers	36,394,864	22,663,308	18,772,236	17,886,259	54,772,100	40,549,567
Transfers	2,904,133	2,973,022	(2,904,133)	(2,973,022)	0	0
Increase (decrease) in net position	39,298,997	25,636,330	15,473,103	14,913,237	54,773,100	40,549,567
Net position – beginning	164,242,523	133,298,430	175,949,770	161,036,533	340,192,293	294,334,963
Prior period adjustment	0	5,307,763	0	0	0	5,307,763
Net position – restated	164,242,523	138,606,193	175,949,770	161,036,533	340,192,293	299,642,726
Net position – ending	<b>\$203,541,520</b>	<b>\$164,242,523</b>	<b>\$191,422,873</b>	<b>\$175,949,770</b>	<b>\$394,964,393</b>	<b>\$340,192,293</b>

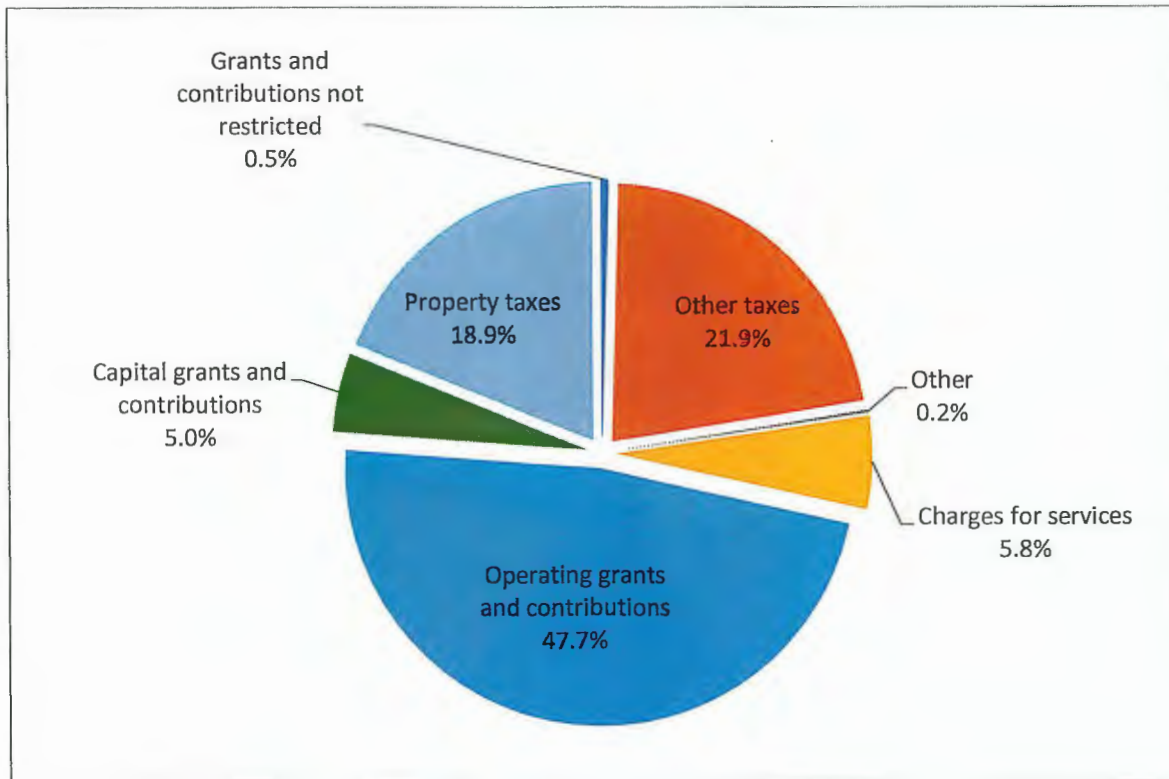
**Governmental activities.** Governmental activities increased the City of Cleveland’s net position by \$39,298,997.

- The city’s property tax rate decreased from \$2.060 to \$1.713 per \$100 of assessed value in fiscal year 2022. Tax revenues increased \$3,942,169 from FY2021.
- Operating grants and contributions increased \$5,166,405 due to a combination of increases in federal, state and local funds received for general government and education.
- Capital grants and contributions decreased \$2,354,213 relating to general government and education projects.
- Cleveland’s second largest revenue source is local sales tax which increased \$1,871,956. In Tennessee, the first half of local sales tax goes to education based upon average daily attendance. The second half is generally distributed between cities and counties based upon whether the sale occurred in the city or the county; however, Cleveland and Bradley County’s local sales tax (second half) is distributed according to a local agreement, instead of the state’s situs-based formula. However, the 2010 half cent increase is outside this agreement and follows the state formula.
- Expenses increased \$4,315,706 primarily for development and engineering and public works.

**Expenses and Program Revenues – Governmental Activities**



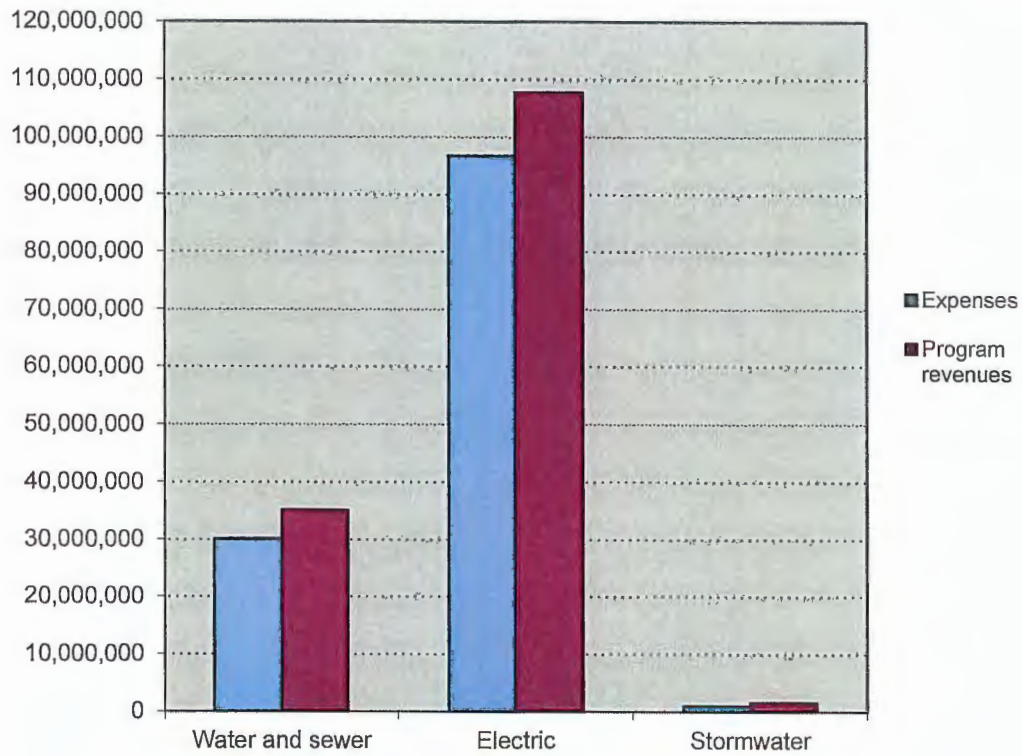
### Revenues by Source – Governmental Activities



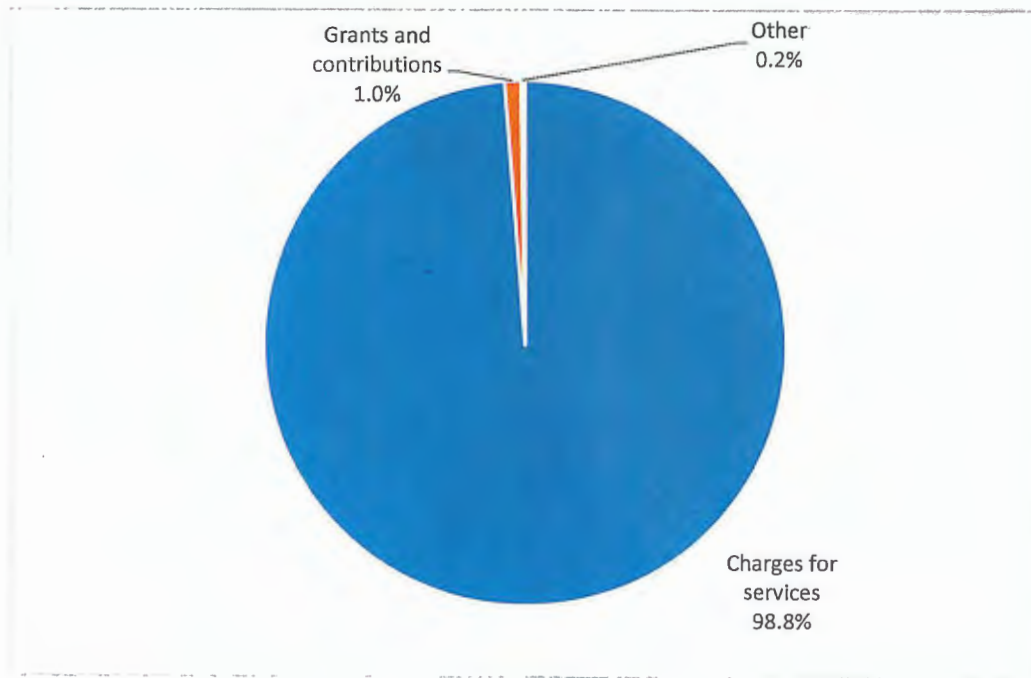
**Business-type activities.** Business-type activities increased the City of Cleveland’s net position by \$15,473,103.

- Charges for services increased \$9,401,341. This increase is attributed primarily to the electric division of Cleveland Utilities.
- Capital grants and contributions decreased \$611,730 primarily from water, sewer and electric projects.
- Expenses for business-type activities increased \$8,633,973. The most significant changes in expenses were in the electric division of Cleveland Utilities.

### Expenses and Program Revenues – Business-type Activities



### Revenues by Source – Business-type Activities



## **Financial Analysis of the City's Funds**

As noted earlier, the City of Cleveland uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City of Cleveland's governmental funds reported combined ending fund balances of \$98,949,616, an increase of \$33,419,046. The combined fund balance is broken down as follows:

- \$922,848 is non-spendable consisting of inventories and permanent fund principal
- \$44,243,213 is restricted for limited use in law enforcement, community development, street improvements, capital outlay, education and retirement funds
- \$1,813,943 is committed by the City Council for use by Solid Waste Management
- \$18,572,428 is assigned for designated use for education, the library, debt service and capital outlay
- \$33,397,184 is unassigned.

The general fund is the chief operating fund of the City of Cleveland. At the end of the current fiscal year, unassigned fund balance was \$33,397,184. Unassigned fund balance represents 84.2% of general fund expenditures. However, the unassigned fund balance only represents 60% when compared to general fund expenditures and transfers to other funds (e.g., debt service and schools).

The fund balance of the City of Cleveland's general fund increased \$6,326,580 during the current fiscal year. City revenues were \$2,381,781 higher than final budgeted amounts. City departments kept expenditures under budget by \$2,506,357. The fund balance of the School Fund increased \$1,375,187.

The debt service fund has a total fund balance of \$6,659,597. The net increase in fund balance during the current year was \$672,718.

**Proprietary funds.** The City of Cleveland's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year amounted to \$5,040,617 for the Cleveland Utilities Water Division, \$19,684,702 for Cleveland Utilities Electric Division, \$2,376,030 for Stormwater Management and \$2,516,624 for the Health Insurance Trust Fund.

## **General Fund Budgetary Highlights**

General fund revenues were amended during the year to increase \$4,236,037. General fund expenditures were amended to increase \$2,176,002 distributed among several departments. Departmental budget officers closely monitored expenditures during the fiscal year to minimize budget amendments.

Actual revenues exceeded the final amended budget by \$2,381,781. This was primarily due to higher tax collections and intergovernmental revenues.

Differences between the final amended budget and actual expenditures were \$2,506,357. Vacancies in some departments and reductions in spending throughout all departments accounted for this.

## **Capital Asset and Debt Administration**

**Capital assets.** The City of Cleveland's investment in capital assets for its governmental and business type activities as of June 30, 2022 amounts to \$475,687,098 (net of accumulated depreciation), which is a \$17,129,242 increase over last fiscal year. This investment in capital assets includes land, buildings, other improvements, equipment, and infrastructure.

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

- General government added \$1,944,372 in equipment and improvements.
- Public Safety added \$1,597,779 in police patrol units and equipment for the fire department.
- Public Works added \$2,578,749 primarily in road and sidewalk infrastructure and other improvements.
- Parks and Recreation added \$1,622,021 in parks, equipment, and recreation center improvements.
- Cleveland City Schools added \$3,486,253 in building improvements and equipment.

**City of Cleveland's Capital Assets**  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Land	\$ 38,073,782	\$ 38,073,782	\$ 3,302,702	\$ 3,302,702	\$ 41,376,484	\$ 41,376,484
Buildings and Systems	106,447,140	107,096,420	215,556,755	203,408,450	322,003,895	310,504,870
Improvements other than buildings	19,151,647	18,428,178	0	0	19,151,647	18,428,178
Furniture, fixtures, equipment & vehicles	13,004,711	12,059,694	0	0	13,004,711	12,059,694
Infrastructure	47,347,308	47,017,145	0	0	47,347,308	47,017,145
Leases – right to use assets	1,166,637	0	31,302	0	1,197,939	0
Construction in Progress	11,322,654	7,930,781	20,282,460	21,240,704	31,605,114	29,171,485
<b>Total</b>	<b>\$236,513,879</b>	<b>\$230,606,000</b>	<b>\$239,173,219</b>	<b>\$227,951,856</b>	<b>\$475,687,098</b>	<b>\$458,557,856</b>

Additional information on the City of Cleveland's capital assets can be found in Note 4 on pages 75-76 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Cleveland had total debt outstanding of \$171,082,200. Of this amount, \$83,099,000 comprises bonds backed solely by the full faith and credit of the city. The city also issues bonds secured by specified revenue sources (i.e., revenue bonds); however, in the event of default, the full faith and credit of the city are irrevocably pledged. The city had \$40,885,000 in revenue bonds outstanding at the end of the fiscal year. The city also finances capital projects through loans from bond proceeds issued by various agencies in Tennessee, including \$2,513,913 for city general projects and \$29,226,717 for Cleveland Utilities. The City had \$1,138,691 in leases outstanding at the end of the year for office and computer equipment.

## City of Cleveland's Outstanding Debt

(General Obligation Bonds, Revenue Bonds, Loans through Bond Proceeds issued by the Public Building Authorities of Sevier and Blount Counties, Tennessee, and other long-term notes)

	Governmental activities		Business-type Activities		Total	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
General obligation bonds	83,099,000	68,677,000	0	0	83,099,000	68,677,000
Long-term notes issued through various agencies in TN	2,513,913	3,018,878	29,226,717	24,747,236	31,740,630	27,766,114
Leases	1,106,605	0	32,086	0	1,138,691	0
Revenue bonds	0	0	40,885,000	42,300,000	40,885,000	42,300,000
Less bond discount/ Premiums	9,383,680	8,989,151	4,835,199	5,113,479	14,218,879	14,102,630
<b>Total</b>	<b>96,103,198</b>	<b>80,685,029</b>	<b>74,979,002</b>	<b>72,160,715</b>	<b>171,082,200</b>	<b>152,845,744</b>

In May 2022, the City of Cleveland on behalf of Cleveland Utilities entered into a \$10,000,000 revolving loan agreement to finance the wastewater rehabilitation plan. The loan is to be paid back over a 20-year period with a fixed interest rate.

Also in May 2022, the City of Cleveland issued \$19,220,000 in bonds to fund various capital improvement projects. The bonds are to be paid back over a 25-year period with a fixed interest rate and will mature June 1, 2043.

Further details about the city's long-term debt are included in Note 6 on pages 77-81.

The City of Cleveland maintains an "AA" rating from Standard & Poor's and an "Aa3" rating from Moody's Investor Service for general obligation debt. The revenue bonds of Cleveland Utilities carry the same ratings.

State statutes do not limit the amount of general obligation debt a governmental entity may issue; however, the city has adopted a financial policy which limits long-term debt to 10 percent of its total assessed valuation. This calculation does not include revenue bonds issued for improvements in the electric and water systems. The city's legal debt margin at June 30, 2022 is \$76,629,364 and is calculated on page 193 of this report.

## **Economic Factors and Next Year's Budget and Rates**

- The June 2022 unemployment rate for Cleveland was 4.4 percent, which is a decrease of 0.8 percent from June 2021. Bradley County's unemployment rate decreased to 4.4 percent from 5.3 percent the previous year. Tennessee's average unemployment rate was 3.3 percent, and the national average rate was 3.6 percent.
- The city qualifies as an Entitlement Community for the CDBG program due to designation as a principal city in a Metropolitan Statistical Area (MSA).
- State sales tax revenue increased 2.2 percent over FY2021. This combined with strong demand for housing and increased retail development continues to strengthen the local economy.

All of these factors were considered in preparing the city's budget for the 2023 fiscal year. Management has again been conservative in estimating revenues for 2023.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Cleveland's finances for all those with an interest in the city's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the City of Cleveland, Office of the Assistant City Manager/Chief Financial Officer, Post Office Box 1519, Cleveland, Tennessee 37364-1519.

## **BASIC FINANCIAL STATEMENTS**

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF NET POSITION  
June 30, 2022

	Primary Government		
	Governmental Activities	Business- type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 83,813,765	\$ 41,402,194	\$ 125,215,959
Cash and cash equivalents - restricted	209,353	0	209,353
Investments	10,213,054	0	10,213,054
Investments - restricted	250,583	0	250,583
Accounts receivable - net	1,279,577	20,621,701	21,901,278
Property taxes receivable - net	28,363,170	0	28,363,170
Sales tax receivable	5,591,151	0	5,591,151
Due from other government agencies	14,159,100	0	14,159,100
Internal balances	828,333	(828,333)	0
Inventories	342,431	4,109,729	4,452,160
Prepays	106,781	311,753	418,534
Total current assets	<u>\$ 145,157,298</u>	<u>\$ 65,617,044</u>	<u>\$ 210,774,342</u>
<b>Noncurrent assets:</b>			
Receivable from customers for conservation loans	\$ 0	\$ 1,326,585	\$ 1,326,585
Other noncurrent assets	0	1,447,798	1,447,798
Net pension asset - restricted	29,001,463	532,596	29,534,059
<b>Restricted assets:</b>			
Amounts accumulated for pension benefits	536,286	0	536,286
<b>Capital assets:</b>			
Land and construction in progress	49,396,436	23,585,162	72,981,598
Other capital assets, net of accumulated depreciation	187,117,443	215,588,057	402,705,500
Total noncurrent assets	<u>\$ 266,051,628</u>	<u>\$ 242,480,198</u>	<u>\$ 508,531,826</u>
Total Assets	<u>\$ 411,208,926</u>	<u>\$ 308,097,242</u>	<u>\$ 719,306,168</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	\$ 363,964	\$ 370,373	\$ 734,337
Deferred outflows - pensions	26,329,081	6,027,057	32,356,138
Deferred outflows - opeb	7,912,278	938,257	8,850,535
Total Deferred Outflows of Resources	<u>\$ 34,605,323</u>	<u>\$ 7,335,687</u>	<u>\$ 41,941,010</u>

	Primary Government		
	Governmental Activities	Business- type Activities	Total
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accrued liabilities	\$ 5,359,583	\$ 3,637,343	\$ 8,996,926
Accounts payable	2,461,362	12,115,757	14,577,119
Customer deposits	0	4,062,704	4,062,704
Bonds, notes and leases - current	5,953,375	6,301,277	12,254,652
Compensated absences payable - current	256,304	0	256,304
<b>Total current liabilities</b>	<b>\$ 14,030,624</b>	<b>\$ 26,117,081</b>	<b>\$ 40,147,705</b>
<b>Long-term liabilities:</b>			
Conservation advances from TVA	\$ 0	\$ 1,375,170	\$ 1,375,170
Other noncurrent liabilities	0	0	0
Bonds, notes and leases payable	90,149,823	68,677,725	158,827,548
Compensated absences payable	2,306,738	0	2,306,738
Post-employment benefits payable	40,211,933	12,299,421	52,511,354
Net pension liability	0	1,493,087	1,493,087
<b>Total long-term liabilities</b>	<b>\$ 132,668,494</b>	<b>\$ 83,845,403</b>	<b>\$ 216,513,897</b>
<b>Total Liabilities</b>	<b>\$ 146,699,118</b>	<b>\$ 109,962,484</b>	<b>\$ 256,661,602</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	\$ 34,002,003	\$ 0	\$ 34,002,003
Deferred revenue - other	14,627	0	14,627
Deferred charge on refunding	44,015	253,233	297,248
Deferred inflows - pensions	38,885,169	10,476,034	49,361,203
Deferred inflows - opeb	22,627,797	3,318,305	25,946,102
<b>Total Deferred Inflows of Resources</b>	<b>\$ 95,573,611</b>	<b>\$ 14,047,572</b>	<b>\$ 109,621,183</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 160,882,458	\$ 164,321,524	\$ 325,203,982
Restricted for:			
Law enforcement	256,973	0	256,973
Community development - federal grants	155,840	0	155,840
Street improvements	2,785,792	0	2,785,792
Capital outlay	20,336,388	0	20,336,388
Education	20,106	0	20,106
Pension	29,537,743	0	29,537,743
Perpetual care:			
Nonexpendable	473,636	0	473,636
Unrestricted	(10,907,416)	27,101,349	16,193,933
<b>Total Net Position</b>	<b>\$ 203,541,520</b>	<b>\$ 191,422,873</b>	<b>\$ 394,964,393</b>

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2022

Functions/Programs Primary government:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Gov- ern- men- tal Acti- vities	Primary Government		Total
				Busi- ness- type Acti- vities			
General government activities:							
General government	\$ 4,570,431	\$ 812,552	\$ 2,461,430	\$ 1,048,801	\$ 0	\$ 0	\$ 1,048,801
Development and engineering	2,218,756	901,743	284,011	(393,555)	0	0	(393,555)
Public safety	21,099,938	1,066,648	206,864	(19,360,605)	0	0	(19,360,605)
Public works	13,409,381	5,208,155	1,639,631	(3,082,938)	0	0	(3,082,938)
Culture and recreation	4,281,085	221,173	769,832	(3,098,605)	0	0	(3,098,605)
Education	59,226,357	192,254	63,169,702	4,135,599	0	0	4,135,599
Interest on long-term debt	2,585,183	0	0	(2,585,183)	0	0	(2,585,183)
Total governmental activities	\$ 107,391,131	\$ 8,402,525	\$ 68,531,470	\$ (23,336,486)	\$ 0	\$ 0	\$ (23,336,486)
Business-type activities:							
Water and sewer	\$ 30,035,698	\$ 35,046,595	\$ 961,596	\$ 0	\$ 5,972,493	\$ 0	\$ 5,972,493
Electric	96,702,765	107,708,738	161,974	0	11,476,021	0	11,476,021
Stormwater management	1,007,910	1,575,112	0	0	567,202	0	567,202
Total business-type activities	\$ 127,746,373	\$ 144,330,445	\$ 308,074	\$ 0	\$ 18,015,716	\$ 0	\$ 18,015,716
Total primary government	\$ 235,137,504	\$ 152,732,970	\$ 68,839,544	\$ (23,336,486)	\$ 18,015,716	\$ 0	\$ (5,320,770)
General revenues:							
Property taxes				\$ 27,205,753	\$ 0	\$ 0	\$ 27,205,753
Interest and penalty on taxes				215,814	0	0	215,814
In lieu of taxes				927,129	0	0	927,129
Local sales tax				19,320,174	0	0	19,320,174
Wholesale beer tax				1,539,026	0	0	1,539,026
Gross receipts tax				1,811,164	0	0	1,811,164
Franchise tax				1,038,768	0	0	1,038,768
State sales tax - unrestricted				5,407,704	0	0	5,407,704
Other state taxes - unrestricted				1,288,149	0	0	1,288,149
Grants and contributions not restricted to specific programs				731,695	0	0	731,695
Unrestricted investment earnings				245,974	129,376	0	375,350
Gain on disposal of capital assets				0	232,144	0	232,144
Transfers				2,904,133	(2,904,133)	0	0
Total general revenues and transfers				\$ 62,635,483	\$ (2,542,613)	\$ 0	\$ 60,092,870
Change in net position				\$ 39,298,997	\$ 15,473,103	\$ 0	\$ 54,772,100
Net position - beginning				164,242,523	175,949,770	0	340,192,293
Net position - ending				\$ 203,541,520	\$ 191,422,873	\$ 0	\$ 394,964,393

The accompanying notes are an integral part of these financial statements.

CITY OF CLEVELAND, TENNESSEE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022

	General Fund	School Fund	Capital Improvement Program Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 20,228,952	\$ 8,979,730	\$ 26,432,445	\$ 25,338,645	\$ 80,979,772
Cash and cash equivalents - restricted	0	0	0	209,353	209,353
Investments	9,989,660	0	4,140	219,254	10,213,054
Investments - restricted	0	0	0	250,583	250,583
Accounts receivable - net	961,904	0	0	295,084	1,256,988
Property taxes receivable - net	28,363,170	0	0	0	28,363,170
Sales tax receivable	3,476,496	2,114,655	0	0	5,591,151
Due from other government agencies	252,184	8,972,766	1,241,740	3,692,410	14,159,100
Due from other funds	106,622	1,449,609	0	828,333	2,384,564
Inventories	342,431	0	0	0	342,431
Prepays	66,759	0	39,822	200	106,781
Restricted assets	0	536,286	0	0	536,286
<b>Total Assets</b>	<b>\$ 63,788,178</b>	<b>\$ 22,053,046</b>	<b>\$ 27,718,147</b>	<b>\$ 30,833,862</b>	<b>\$ 144,393,233</b>
<b>LIABILITIES</b>					
Accrued liabilities	\$ 1,114,816	\$ 3,622,506	\$ 0	\$ 412,872	\$ 5,150,194
Accounts payable	382,594	534,480	737,980	466,345	2,121,399
Due to other funds	0	0	0	1,556,231	1,556,231
Unearned revenue	0	0	0	14,627	14,627
<b>Total Liabilities</b>	<b>\$ 1,497,410</b>	<b>\$ 4,156,986</b>	<b>\$ 737,980</b>	<b>\$ 2,450,075</b>	<b>\$ 8,842,451</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - current property taxes	\$ 26,735,554	\$ 7,266,449	\$ 0	\$ 0	\$ 34,002,003
Unavailable revenue - delinquent property taxes	1,611,564	11,663	0	0	1,623,227
Unavailable revenue - other	127,801	723,721	0	124,414	975,936
<b>Total Deferred Inflows of Resources</b>	<b>\$ 28,474,919</b>	<b>\$ 8,001,833</b>	<b>\$ 0</b>	<b>\$ 124,414</b>	<b>\$ 36,601,166</b>
<b>FUND BALANCES</b>					
<b>Nonspendable:</b>					
Inventory	\$ 342,431	\$ 0	\$ 0	\$ 0	\$ 342,431
Prepaid items	66,759	0	39,822	200	106,781
Permanent fund principal	0	0	0	473,636	473,636
<b>Restricted for:</b>					
Law enforcement	0	0	0	256,973	256,973
Community development - federal grants	0	0	0	155,840	155,840
Street improvements	0	0	0	2,785,792	2,785,792
Capital outlay	9,475	0	26,940,345	13,538,396	40,488,216
Education	0	11,865	0	8,241	20,106
Hybrid retirement stabilization funds	0	536,286	0	0	536,286
<b>Committed to:</b>					
Solid Waste	0	0	0	1,813,943	1,813,943
<b>Assigned to:</b>					
Education	0	9,346,076	0	1,983,837	11,329,913
Library	0	0	0	539,656	539,656
Debt service	0	0	0	6,659,597	6,659,597
Capital outlay	0	0	0	43,262	43,262
Unassigned	33,397,184	0	0	0	33,397,184
<b>Total Fund Balances</b>	<b>\$ 33,815,849</b>	<b>\$ 9,894,227</b>	<b>\$ 26,980,167</b>	<b>\$ 28,259,373</b>	<b>\$ 98,949,616</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 63,788,178</b>	<b>\$ 22,053,046</b>	<b>\$ 27,718,147</b>	<b>\$ 30,833,862</b>	<b>\$ 144,393,233</b>

The accompanying notes are an integral part of these financial statements.

CITY OF CLEVELAND, TENNESSEE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2022

Total fund balances per governmental funds balance sheet	\$	98,949,616
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		236,513,879
Long-term liabilities, including bonds, notes payable, compensated absences, post-employment benefits, pension liability and interest payable are not due and payable in the current period and, therefore, are not reported in the funds.		(110,086,104)
Internal service funds are used by management to charge the costs of health insurance through the health insurance trust to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		2,516,624
The net difference on debt refunding is deferred and expensed over the life of the refunding debt issue.		319,949
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as a component of pension expense in future years.		(12,556,088)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to opeb will be amortized and recognized as a component of opeb expense in future years.		(14,715,519)
Some of the City's 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.		2,599,163
Net position of governmental activities	<u>\$</u>	<u>203,541,520</u>

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2022

	General Fund	School Fund	Capital Improvement Program Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 46,824,125	\$ 0	\$ 0	\$ 5,243,770	\$ 52,067,895
Licenses and permits	1,634,572	0	0	0	1,634,572
Intergovernmental	6,944,817	48,022,336	3,948,657	22,392,580	81,308,390
Fines and forfeitures	460,023	0	0	37,401	497,424
Charges for services	2,538,758	102,486	0	3,617,427	6,258,671
Interest	83,262	6,777	53,380	102,556	245,975
Miscellaneous	134,761	237,168	423,428	49,161	844,518
<b>Total revenues</b>	<b>\$ 58,620,318</b>	<b>\$ 48,368,767</b>	<b>\$ 4,425,465</b>	<b>\$ 31,442,895</b>	<b>\$ 142,857,445</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	\$ 3,554,433	\$ 0	\$ 0	\$ 997,355	\$ 4,551,788
Development and engineering	1,924,011	0	0	450,067	2,374,078
Public safety	23,555,147	0	0	31,271	23,586,418
Public works	6,932,911	0	0	4,503,467	11,436,378
Culture and recreation	2,322,040	0	0	1,456,609	3,778,649
Education	0	50,962,832	0	11,502,743	62,465,575
Appropriations	1,377,407	0	0	0	1,377,407
Capital outlay	0	264,706	6,221,189	7,639,925	14,125,820
<b>Debt service:</b>					
Principal retirement	0	538,560	466,457	5,263,607	6,268,624
Interest and fiscal charges	0	51,840	190,079	2,868,759	3,110,678
<b>Total expenditures</b>	<b>\$ 39,665,949</b>	<b>\$ 51,817,938</b>	<b>\$ 6,877,725</b>	<b>\$ 34,713,803</b>	<b>\$ 133,075,415</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 18,954,369</b>	<b>\$ (3,449,171)</b>	<b>\$ (2,452,260)</b>	<b>\$ (3,270,908)</b>	<b>\$ 9,782,030</b>
<b>Other financing sources (uses):</b>					
Transfers in	\$ 2,904,133	\$ 5,609,037	\$ 2,004,718	\$ 9,642,228	\$ 20,160,116
Transfers out	(15,987,497)	(816,913)	0	(451,573)	(17,255,983)
Notes issued	455,575	0	0	0	455,575
Bonds issued	0	0	19,220,000	0	19,220,000
Premiums on bonds issues	0	0	1,025,074	0	1,025,074
Lease financing	0	32,234	0	0	32,234
<b>Total other financing sources (uses)</b>	<b>\$ (12,627,789)</b>	<b>\$ 4,824,358</b>	<b>\$ 22,249,792</b>	<b>\$ 9,190,655</b>	<b>\$ 23,637,016</b>
<b>Net change in fund balances</b>	<b>\$ 6,326,580</b>	<b>\$ 1,375,187</b>	<b>\$ 19,797,532</b>	<b>\$ 5,919,747</b>	<b>\$ 33,419,046</b>
<b>Fund balance at beginning of year</b>	<b>27,489,269</b>	<b>8,519,040</b>	<b>7,182,635</b>	<b>22,339,626</b>	<b>65,530,570</b>
<b>Fund balance at end of year</b>	<b>\$ 33,815,849</b>	<b>\$ 9,894,227</b>	<b>\$ 26,980,167</b>	<b>\$ 28,259,373</b>	<b>\$ 98,949,616</b>

CITY OF CLEVELAND, TENNESSEE  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2022

Net change in fund balances for total governmental funds \$ 33,419,046

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 4,547,480

Governmental funds report only the proceeds from the sale of assets and do not take into effect the cost of capital assets sold. (224,056)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 678,681

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 6,268,624

Debt issued is reported as a financial resource in the governmental funds. However, this is reported as an increase in long-term liabilities in the statement of net assets. (20,732,883)

Internal service funds are used by management to charge the costs of health insurance premiums to individual funds. The net activity of the internal service fund is reported with governmental activities. 1,602,765

Some items 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. These activities consist of:

Net change in accrued interest	\$	(56,927)	
Amortization of deferred outflows		(48,124)	
Amortization of bond premiums		630,546	
Change in compensated absences		(30,363)	
Change in net pension asset		35,942,446	
Change in opeb liability		15,218,902	
Change in deferred outflows related to pensions		14,602,207	
Change in deferred outflows related to opeb		441,914	
Change in deferred inflows related to pensions		(36,434,027)	
Change in deferred inflows related to opeb		(16,527,234)	
Total additional expenditures		13,739,340	

Change in net position of governmental activities \$ 39,298,997

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
<b>Taxes:</b>				
Property taxes - real estate	\$ 26,500,000	\$ 26,854,000	\$ 26,802,730	\$ (51,270)
Property taxes - utility	425,000	413,088	413,088	0
Interest and penalty on taxes	230,000	230,000	215,814	(14,186)
In lieu of taxes	1,100,000	927,128	927,129	1
Local sales tax	11,200,000	12,900,000	14,076,404	1,176,404
Wholesale beer tax	1,550,000	1,550,000	1,539,027	(10,973)
Gross receipts tax	1,425,000	1,425,000	1,811,165	386,165
Franchise taxes - gas	425,000	425,000	573,803	148,803
Franchise taxes - charter	525,000	525,000	464,965	(60,035)
Total taxes	<u>\$ 43,380,000</u>	<u>\$ 45,249,216</u>	<u>\$ 46,824,125</u>	<u>\$ 1,574,909</u>
<b>Licenses and permits:</b>				
Beer licenses	\$ 4,000	\$ 4,000	\$ 1,167	\$ (2,833)
Beer renewal fee	15,500	15,500	14,825	(675)
Liquor renewal license	40,000	40,000	34,275	(5,725)
Alcohol inspection fee	650,000	650,000	618,442	(31,558)
Building permits	425,000	438,238	629,778	191,540
Electrical permits	25,000	113,375	97,102	(16,273)
Electricians' licenses	18,000	18,000	13,800	(4,200)
Mechanical permits	23,000	23,000	24,906	1,906
Mechanical licenses	9,000	9,000	4,650	(4,350)
Plumbing permits	49,000	58,157	75,233	17,076
Plumbing licenses	10,000	10,000	7,300	(2,700)
Natural gas permits	5,000	5,000	7,525	2,525
Street cut permits	75,000	75,000	54,956	(20,044)
Rezoning fee	0	1,500	2,400	900
Pud rezoning fee	8,000	8,000	13,100	5,100
Zoning appeal fee	3,000	3,000	1,050	(1,950)
Zoning letter fee	1,200	1,200	150	(1,050)
Minor encroachment fee	500	500	0	(500)
Certificate of appropriateness	1,000	1,000	800	(200)
Recreation permits and maintenance fee	9,000	9,000	9,165	165
Plat review fee	4,500	4,500	5,342	842
Plans review fee	40,000	40,000	0	(40,000)
Certificate of occupancy	12,000	12,000	16,575	4,575
Alley or street abandonment fee	300	300	0	(300)
Miscellaneous fees	0	0	131	131
Wrecker permit fees	1,500	1,500	1,900	400
Taxicab driver fees	500	500	0	(500)
Total licenses and permits	<u>\$ 1,430,000</u>	<u>\$ 1,542,270</u>	<u>\$ 1,634,572</u>	<u>\$ 92,302</u>
<b>Intergovernmental revenues:</b>				
Federal grant - protective vest	\$ 0	\$ 0	\$ 2,936	\$ 2,936
Police training supplement	84,000	75,200	75,200	0
Fire training supplement	60,000	78,400	78,400	0

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Intergovernmental revenues - (Continued):				
State - Highway Safety Grant	\$ 0	\$ 61,663	\$ 45,936	\$ (15,727)
State - Child Safety Grant	0	4,392	4,392	0
State sales tax	3,950,000	4,250,000	5,407,704	1,157,704
State income tax	0	0	10,411	10,411
State beer tax	20,000	20,000	21,631	1,631
State mixed drink tax	145,000	145,000	184,522	39,522
State gas inspection tax	91,500	91,500	86,406	(5,094)
State sports gaming	10,000	21,289	47,621	26,332
State highway maintenance tax	175,000	175,000	171,816	(3,184)
TVA - In lieu of taxes	500,000	500,000	492,447	(7,553)
Excise tax	200,000	315,395	315,395	0
Total intergovernmental revenues	<u>\$ 5,235,500</u>	<u>\$ 5,737,839</u>	<u>\$ 6,944,817</u>	<u>\$ 1,206,978</u>
Fines and forfeitures:				
Traffic tickets	\$ 300,000	\$ 150,000	\$ 41,722	\$ (108,278)
Parking tickets	10,000	10,000	3,965	(6,035)
Animal Control tickets	1,500	1,500	641	(859)
Code enforcement fines	2,500	2,500	1,500	(1,000)
Beer fines	0	0	1,099	1,099
Fines and costs partial payments	0	0	1,669	1,669
Court clerk fees	7,000	168,459	201,877	33,418
Drug fines	21,000	21,000	23,417	2,417
Sessions court	55,000	55,000	70,484	15,484
Circuit court	15,000	15,000	9,491	(5,509)
Officers - sessions court	84,000	84,000	81,511	(2,489)
Officers - circuit court	7,500	7,500	9,821	2,321
State refunds	6,000	6,000	2,475	(3,525)
Sex offender registry	10,000	10,000	10,351	351
Total fines and forfeitures	<u>\$ 519,500</u>	<u>\$ 530,959</u>	<u>\$ 460,023</u>	<u>\$ (70,936)</u>
Charges for services:				
Police protection	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
Fire inspection fees	2,000	2,000	1,950	(50)
Police accidents report	8,500	8,500	0	(8,500)
Police department contracted services	0	76,560	90,795	14,235
Contracted services E911	150,100	150,100	142,343	(7,757)
Jetport maintenance	0	15,000	15,000	0
Fleet Management - city services	110,000	110,000	30,739	(79,261)
Fleet Management - outside services	75,000	75,000	2,496	(72,504)
Stormwater fees	105,000	105,000	105,000	0
GIS services stormwater	30,000	30,000	30,000	0
GIS services 911 center	6,000	6,000	6,000	0
Animal Control - boarding fees	45,000	45,000	38,860	(6,140)
Tinsley pool gate	12,000	12,000	5,387	(6,613)
Tinsley pool concessions	5,000	5,000	0	(5,000)
Tinsley pool rental	2,500	2,500	0	(2,500)

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Charges for services - (Continued):				
Tinsley Park concessions	\$ 5,000	\$ 7,461	\$ 11,884	\$ 4,423
Tinsley Park rental	500	500	150	(350)
Cleveland Community Center	15,000	15,000	781	(14,219)
College Hill concessions	10,000	10,000	9,361	(639)
College Hill cheerleading	3,000	3,000	0	(3,000)
Recreational program fees	25,000	103,757	109,375	5,618
College Hill program fees	4,000	4,000	6,098	2,098
Community Center program fees	0	0	10,392	10,392
Park and recreation miscellaneous	0	9,683	9,684	1
SRO - schools	350,000	350,000	381,077	31,077
Jetport - Jet fuel	0	1,334,000	1,093,287	(240,713)
Jetport-ground/land lease	153,000	148,000	131,111	(16,889)
Jetport T/hangar rent	35,000	136,500	138,581	2,081
Jetport terminal bldg rental	7,000	9,154	11,074	1,920
Jetport - tie downs	0	2,520	3,055	535
Jetport community hangars	24,000	30,000	30,000	0
Jetport donations	17,500	0	0	0
Jetport video adv	5,000	5,000	0	(5,000)
Jetport flight rental	0	3,300	0	(3,300)
Jetport special events	0	4,000	0	(4,000)
Jetport incidentals	0	10,940	17,330	6,390
Fuel flowage fee (.12 cents)	35,000	24,442	32,820	8,378
Variable rent - CFM (.10 cents)	27,000	0	0	0
Jetport - community hangars N14	0	30,000	24,128	(5,872)
Total charges for services	<u>\$ 1,317,100</u>	<u>\$ 2,933,917</u>	<u>\$ 2,538,758</u>	<u>\$ (395,159)</u>
Interest:				
Interest - checking	\$ 0	\$ 45,000	\$ 83,262	\$ 38,262
Total interest	<u>\$ 0</u>	<u>\$ 45,000</u>	<u>\$ 83,262</u>	<u>\$ 38,262</u>
Miscellaneous revenues:				
Sale of plans	\$ 0	\$ 0	\$ 250	\$ 250
Sale of scrap metal	0	0	5,806	5,806
Sale of vehicles	0	0	26,150	26,150
Waterville lease	0	0	100	100
Donations - memorial tree fund	0	8,734	9,335	601
Old timers banquet	3,000	3,000	0	(3,000)
Sign and decal reimbursement	2,500	2,500	3,694	1,194
Donations - Cleveland fire department	0	1,250	1,250	0
Donations - Cleveland police department	0	0	144	144
TML safety grant matching	4,000	3,852	3,852	0
TML package bonus	5,000	5,000	5,000	0
TML driver safety grant	5,000	4,800	4,801	1
TML property conservation grant	0	3,925	3,925	0
Greenway Pavilion rental	5,000	7,340	9,815	2,475
Greenway benches donations	0	9,475	9,475	0
Miscellaneous insurance	0	11,580	11,805	225

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Miscellaneous revenues - (Continued):				
Animal Control donations	\$ 0	\$ 0	\$ 111	\$ 111
Animal Control pet adoptions	0	1,467	2,042	575
TML reimbursement for police vehicles	0	0	770	770
Fire miscellaneous reports	0	0	95	95
TML reimbursement for property damage	0	9,963	16,073	6,110
TML salary reimbursement	0	0	7,617	7,617
Miscellaneous income	79,900	79,900	1,022	(78,878)
Sundry income - clerk and master	16,000	16,000	9,825	(6,175)
Other sundry	0	30,550	1,804	(28,746)
	<u>\$ 120,400</u>	<u>\$ 199,336</u>	<u>\$ 134,761</u>	<u>\$ (64,575)</u>
Total miscellaneous revenues				
	<u>\$ 52,002,500</u>	<u>\$ 56,238,537</u>	<u>\$ 58,620,318</u>	<u>\$ 2,381,781</u>
Expenditures:				
Current :				
General government:				
Legislative and judicial:				
Salaries - administrative	\$ 209,700	\$ 209,700	\$ 194,452	\$ 15,248
Service awards	900	900	825	75
Longevity	4,300	4,300	5,963	(1,663)
Sold vacations	3,800	3,800	3,768	32
Christmas bonus	500	500	325	175
Sick pay incentive	300	300	275	25
Dental insurance	6,800	6,800	6,044	756
Social security	17,000	17,000	14,442	2,558
Health insurance	103,200	103,200	91,563	11,637
Retirement	37,900	37,900	24,037	13,863
Life and disability insurance	2,500	2,500	1,465	1,035
Vision insurance	1,600	1,600	671	929
Election	15,000	9,722	0	9,722
Postage	500	500	112	388
Subscriptions and memberships	2,500	2,500	2,161	339
Advertising	2,000	2,000	1,283	717
Telephone and pager	20,000	20,000	19,421	579
Contracted services	2,500	2,500	174	2,326
Professional services	0	14,778	11,658	3,120
Equipment maintenance	1,000	900	0	900
Building and grounds maintenance	2,000	2,000	1,027	973
Emergency repairs	2,500	2,500	0	2,500
Professional development	2,500	3,000	2,904	96
Departmental work sessions	4,000	1,000	197	803
Office	8,000	6,000	5,196	804
Insurance - general liability	2,500	981	981	0
Insurance - worker's compensation	800	306	306	0
Employee appreciation	2,000	922	0	922

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Legislative and judicial - (Continued):				
Miscellaneous	\$ 500	\$ 500	\$ 0	\$ 500
Equipment	1,000	1,000	570	430
Hardware	1,000	1,100	1,100	0
Total legislative and judicial	<u>\$ 458,800</u>	<u>\$ 460,709</u>	<u>\$ 390,920</u>	<u>\$ 69,789</u>
Administration:				
Salaries	\$ 321,650	\$ 321,650	\$ 326,073	\$ (4,423)
Overtime wages	1,000	1,000	0	1,000
Part time wages	3,500	3,500	0	3,500
Service awards	75	75	75	0
Longevity	3,000	3,000	2,775	225
Sold vacations	9,500	9,500	6,988	2,512
Christmas bonus	400	400	351	49
College pay	500	500	0	500
Sick pay incentive	900	900	975	(75)
Dental insurance	3,200	3,200	3,575	(375)
Social security	26,420	26,420	23,592	2,828
Health insurance	52,700	52,700	63,516	(10,816)
Retirement	60,220	60,220	58,971	1,249
Life and disability insurance	5,900	5,900	3,015	2,885
Vision insurance	500	500	418	82
Employee assistance program	9,500	9,500	0	9,500
Laundry and dry cleaning	2,600	2,600	167	2,433
Postage	2,000	2,000	1,090	910
GPS service	200	200	119	81
Public education programs	8,000	6,000	807	5,193
Subscriptions and memberships	5,000	5,000	3,255	1,745
Advertising	6,000	6,000	706	5,294
Utilities	20,000	20,000	10,579	9,421
Telephone	13,000	8,000	3,591	4,409
Professional services	30,000	35,000	3,891	31,109
Vehicle maintenance	1,000	1,000	130	870
Building and grounds maintenance	13,100	17,500	13,011	4,489
Car allowance	4,200	4,200	4,450	(250)
Professional development	4,000	9,000	7,127	1,873
Department work sessions	1,000	3,000	1,596	1,404
Office supplies	14,500	14,780	3,721	11,059
Uniforms	150	150	555	(405)
Gasoline	1,500	500	533	(33)
Insurance - buildings and contents	7,000	7,000	7,894	(894)
Insurance - vehicles	500	239	239	0
Insurance - general liability	5,500	1,486	1,486	0
Insurance - worker's compensation	2,500	636	523	113

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Administration - (Continued);				
Insurance - professional liability	\$ 38,000	\$ 33,623	\$ 33,623	\$ 0
Security	1,000	1,000	0	1,000
Building	12,500	12,500	0	12,500
Equipment	0	12,300	10,200	2,100
Hardware	3,000	23,000	20,143	2,857
Total administration	<u>\$ 695,215</u>	<u>\$ 725,679</u>	<u>\$ 619,760</u>	<u>\$ 105,919</u>
Finance:				
Salaries	\$ 508,080	\$ 506,336	\$ 490,985	\$ 15,351
Overtime wages	20,000	20,000	8,445	11,555
Service awards	300	275	275	0
Longevity	7,500	7,844	7,844	0
Sold vacations	8,600	8,600	5,215	3,385
Christmas bonus	1,000	975	975	0
Sick pay incentive	2,100	2,060	1,775	285
Dental insurance	5,700	5,700	4,668	1,032
Social security	40,780	40,780	38,556	2,224
Health insurance	106,800	106,800	108,773	(1,973)
Retirement	91,500	91,500	89,207	2,293
Life and disability insurance	6,200	6,200	5,568	632
Vision insurance	1,500	1,500	971	529
Pre-employment	0	90	90	0
Laundry and dry cleaning	600	600	6	594
Postage	9,000	9,000	5,089	3,911
GPS service	200	200	24	176
Subscriptions and memberships	2,000	2,000	2,092	(92)
Advertising	4,500	4,500	1,453	3,047
Utilities	12,000	12,000	8,506	3,494
Telephone	10,500	10,500	9,225	1,275
Legal fees	91,000	91,000	61,437	29,563
Audit fees	49,000	49,000	51,000	(2,000)
Reappraisal fee	55,000	55,000	58,109	(3,109)
Professional services	20,000	20,000	7,500	12,500
Vehicle maintenance	500	500	0	500
Building and grounds maintenance	12,500	9,900	3,890	6,010
Car allowance	4,200	4,200	4,450	(250)
Professional development	7,000	7,000	3,446	3,554
Department work sessions	1,000	1,000	110	890
Credit card fees	55,000	55,000	41,926	13,074
Office	35,500	35,500	30,546	4,954
OSHA supplies	100	100	5	95
Uniforms	0	1,400	1,400	0
Gasoline and oil	300	300	385	(85)

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Finance - (Continued):				
Insurance - buildings and contents	\$ 800	\$ 800	\$ 785	\$ 15
Insurance - vehicles	300	239	239	0
Insurance - general liability	3,300	2,919	2,919	0
Insurance - worker's compensation	700	365	253	112
Insurance - professional liability	34,200	33,623	33,623	0
Insurance - employee bonds	200	200	50	150
Miscellaneous	500	500	0	500
Bad debt	45,000	45,000	15,561	29,439
Equipment	5,000	5,000	819	4,181
Hardware	7,000	7,836	3,289	4,547
Software	98,400	98,400	0	98,400
Total finance	\$ 1,365,360	\$ 1,362,242	\$ 1,111,484	\$ 250,758
Human Resources:				
Salaries	\$ 221,250	\$ 221,250	\$ 231,120	\$ (9,870)
Overtime	1,000	1,000	0	1,000
Part time employees	10,500	10,500	10,400	100
Longevity	2,900	2,900	2,850	50
Sold vacation	6,300	6,300	4,014	2,286
Christmas bonus	500	500	433	67
College pay	300	300	280	20
Sick pay incentive	900	900	575	325
Dental insurance	1,100	1,100	923	177
Social security	18,850	18,850	19,029	(179)
Health insurance	25,500	25,500	26,657	(1,157)
Retirement	39,480	39,480	42,315	(2,835)
Life and disability insurance	3,500	3,500	2,465	1,035
Vision insurance	300	300	194	106
Employee assistance	19,200	19,200	17,600	1,600
Flex spending-City wide	15,000	15,000	11,654	3,346
Laundry and dry cleaning	300	300	126	174
Drug and alcohol testing	8,000	8,000	2,215	5,785
Telephone	3,000	3,000	3,331	(331)
Professional services	5,000	5,000	8,234	(3,234)
Equipment maintenance	12,000	10,550	10,503	47
Building and grounds maintenance	4,500	3,500	2,975	525
Car allowance	4,200	4,200	4,450	(250)
Professional development	2,000	4,260	4,247	13
Recruitment and training	3,000	1,140	1,278	(138)
Office supplies	3,000	5,350	5,400	(50)
OSHA supplies	100	105	5	100
Uniforms	700	700	700	0
Gasoline and oil	300	0	0	0
Grants	21,000	24,577	25,410	(833)

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Human Resources - (Continued):				
Insurance - general liability	\$ 1,000	\$ 978	\$ 978	\$ 0
Insurance - workers comp	1,000	215	103	112
Employee appreciation	18,000	19,213	19,129	84
Equipment	1,000	1,000	0	1,000
Hardware	3,000	3,000	65	2,935
Total human resources	<u>\$ 457,680</u>	<u>\$ 461,668</u>	<u>\$ 459,658</u>	<u>\$ 2,010</u>
Information Technology:				
Salaries	\$ 355,100	\$ 355,100	\$ 372,636	\$ (17,536)
Overtime wages	16,000	16,000	16,999	(999)
Part-time wages	10,400	10,400	8,004	2,396
Service awards	200	200	150	50
Longevity wages	4,800	4,800	4,800	0
Sold vacation pay	11,000	11,000	4,018	6,982
Christmas bonus	600	600	541	59
Sick pay incentive	1,200	1,200	950	250
Dental insurance	2,900	2,900	2,532	368
Social security taxes	29,920	29,920	29,805	115
Health insurance	67,200	67,200	68,672	(1,472)
Retirement	67,000	67,000	70,829	(3,829)
Life/disability insurance	4,600	4,600	4,102	498
Vision insurance	800	800	523	277
Laundry and dry cleaning	1,200	5	5	0
GPS service	300	300	144	156
Subscriptions and memberships	1,000	0	0	0
Telephone	8,000	8,000	13,165	(5,165)
GIS Services	71,600	62,530	61,741	789
Vehicle maintenance	500	500	16	484
Car allowance	4,200	4,200	4,450	(250)
Professional development	4,000	0	0	0
Dept work sessions	500	300	299	1
Office supplies	500	700	682	18
Uniforms	1,800	1,800	1,750	50
Gasoline	1,000	500	210	290
Insurance - vehicles	500	441	441	0
Insurance - general liability	3,800	2,743	2,743	0
Insurance - workers compensation	500	3,535	3,422	113
Miscellaneous	500	1,122	0	1,122
Hardware	10,000	16,073	15,183	890
Software	259,000	284,000	283,799	201
Total information technology	<u>\$ 940,620</u>	<u>\$ 958,469</u>	<u>\$ 972,611</u>	<u>\$ (14,142)</u>
Total general government	<u>\$ 3,917,675</u>	<u>\$ 3,968,767</u>	<u>\$ 3,554,433</u>	<u>\$ 414,334</u>

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Development and engineering:				
Development and engineering operations:				
Salaries	\$ 948,100	\$ 948,100	\$ 893,557	\$ 54,543
Overtime wages	500	500	0	500
Service awards	100	425	425	0
Longevity	14,900	16,050	16,041	9
Sold vacations	20,000	20,000	14,953	5,047
Christmas bonus	1,800	1,800	1,446	354
College pay	700	700	625	75
Sick pay incentive	4,000	2,525	2,525	0
Dental insurance	13,700	13,700	12,110	1,590
Social security	74,600	74,600	66,838	7,762
Health insurance	255,500	251,300	216,612	34,688
Retirement	167,750	170,550	163,533	7,017
Life and disability insurance	12,500	12,500	10,750	1,750
Vision insurance	3,400	3,400	1,517	1,883
Education reimbursement	2,500	2,500	0	2,500
Worker's compensation claims	1,000	1,000	240	760
Laundry and dry cleaning	2,800	2,800	1,446	1,354
Postage	1,200	1,200	221	979
GPS services	2,500	2,500	1,362	1,138
Public education programs	1,000	1,000	1,000	0
Subscriptions and memberships	5,000	5,000	2,748	2,252
Advertising	3,000	8,000	7,589	411
Utilities	17,000	17,000	17,062	(62)
Telephone	22,000	24,000	24,100	(100)
Professional services	23,400	8,000	5,864	2,136
Permits & fees	3,000	2,000	1,326	674
Vehicle maintenance	6,000	5,000	2,598	2,402
Office equipment maintenance	7,000	7,000	5,520	1,480
Building and grounds maintenance	19,800	15,800	14,540	1,260
Car allowance	4,200	4,200	4,005	195
Professional development	4,000	3,900	2,146	1,754
Departmental work session	4,000	6,000	4,174	1,826
Credit card fees	12,700	18,200	18,171	29
Landfill	30,000	28,900	28,893	7
Office supplies	13,000	15,000	14,500	500
Operating	3,000	1,000	959	41
OSHA first aid kits	300	300	76	224
Uniforms	2,000	6,000	5,723	277
Gasoline and oil	5,000	6,000	6,020	(20)
Insurance - buildings and contents	2,100	3,800	3,789	11
Insurance - vehicles and equipment	2,600	2,686	2,686	0
Insurance - general liability	4,100	3,811	3,811	0
Insurance - worker's compensation	5,800	1,142	1,003	139
Insurance - employee bonds	100	50	50	0

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Development and engineering - (Continued):				
Development and engineering operations - (Continued):				
Miscellaneous	\$ 0	\$ 1,450	\$ 1,423	\$ 27
Vehicles	0	0	30,525	(30,525)
Furniture	0	1,400	1,332	68
Equipment	2,000	7,400	7,357	43
Hardware	3,000	6,600	6,653	(53)
Software	50,000	41,000	4,851	36,149
Total development and engineering operations:	<u>\$ 1,782,650</u>	<u>\$ 1,777,789</u>	<u>\$ 1,634,695</u>	<u>\$ 143,094</u>
Codes Enforcement Division:				
Salaries	\$ 147,300	\$ 150,500	\$ 147,471	\$ 3,029
Overtime wages	1,000	50	20	30
Service awards	300	0	0	0
Longevity pay	3,600	3,600	3,600	0
Sold vacation	1,600	1,600	0	1,600
Christmas bonus	400	400	325	75
Sick pay incentive	900	200	200	0
Dental insurance	1,100	1,350	1,238	112
Social security tax	12,100	11,500	11,412	88
Health insurance	36,000	34,150	34,121	29
Retirement	27,130	27,255	27,250	5
Life and disability insurance	1,700	1,900	1,837	63
Vision insurance	400	400	267	133
Laundry and dry cleaning	1,000	900	890	10
Postage	1,000	500	496	4
GPS services	600	600	526	74
Advertising	1,000	0	0	0
Telephone	4,500	5,698	5,638	60
Vehicle maintenance	3,000	5,088	5,080	8
Small equipment repairs/replacement	500	500	482	18
Professional development	2,000	725	708	17
Office supplies	2,000	1,350	1,184	166
Uniforms	1,500	3,006	3,006	0
Gasoline	2,000	2,800	2,788	12
Insurance - vehicles	700	660	660	0
Insurance - worker's compensation	6,100	3,404	3,165	239
Vehicles	0	0	33,881	(33,881)
Furniture	0	1,343	1,343	0
Hardware	2,000	1,728	1,728	0
Total codes enforcement division	<u>\$ 261,430</u>	<u>\$ 261,207</u>	<u>\$ 289,316</u>	<u>\$ (28,109)</u>
Total Development and Engineering	<u>\$ 2,044,080</u>	<u>\$ 2,038,996</u>	<u>\$ 1,924,011</u>	<u>\$ 114,985</u>

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety:				
Police department:				
Salaries	\$ 6,054,120	\$ 6,092,620	\$ 5,811,875	\$ 280,745
Overtime wages	300,000	300,000	257,326	42,674
Part time wages	123,900	123,900	120,835	3,065
Supplemental pay	1,800	800	602	198
State grant - in service training	84,000	75,200	75,200	0
Extra duty pay	0	76,560	67,598	8,962
Service awards	2,450	2,600	2,600	0
Longevity	82,350	83,900	83,888	12
Sold vacations	80,000	84,075	84,024	51
Christmas bonus	14,100	14,100	13,752	348
College pay	1,030	1,030	1,030	0
Sick pay incentive	30,000	26,775	26,775	0
Dental insurance	73,000	73,000	69,332	3,668
Social security	518,220	518,220	476,707	41,513
Health insurance	1,618,800	1,618,800	1,575,513	43,287
Retirement	1,357,150	1,357,150	1,284,967	72,183
Life and disability insurance	63,000	65,800	65,800	0
Vision insurance	17,900	15,100	12,059	3,041
Unemployment compensation	500	500	0	500
Education reimbursement	14,500	12,950	7,632	5,318
Worker's compensation claims	9,000	9,000	7,203	1,797
Laundry and dry cleaning	18,000	18,000	16,968	1,032
Employee physicals	12,000	12,000	8,266	3,734
Pre-employment tests	3,500	3,500	2,098	1,402
Postage	1,200	1,200	999	201
GPS service	20,000	20,000	17,705	2,295
Radio communications	7,500	2,890	2,868	22
Public education programs	3,000	3,500	3,457	43
Subscriptions and memberships	3,000	3,000	1,684	1,316
Accreditation	11,000	8,100	2,866	5,234
Investigative funds	1,500	1,500	0	1,500
Advertising	500	500	0	500
Utilities	71,400	66,400	65,121	1,279
Telephone	124,000	124,000	124,079	(79)
Contracted services	2,000	2,000	2,000	0
Vehicle maintenance	155,000	143,000	144,351	(1,351)
Equipment maintenance	2,000	2,000	349	1,651
Specialized equipment maintenance	70,000	65,000	59,754	5,246
Professional development	65,000	65,000	54,480	10,520
Recruiting	9,000	7,700	7,208	492
Department work sessions	3,000	3,000	2,992	8
Protective vests	26,000	18,500	18,001	499
Crime scene unit supplies	7,000	6,000	5,931	69

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Police department - (Continued):				
SRT supplies	\$ 12,000	\$ 12,000	\$ 11,587	\$ 413
Office	31,000	36,000	34,012	1,988
Operating supplies	15,000	36,092	34,020	2,072
OSHA safety supplies	2,000	1,000	546	454
Uniforms	68,500	66,500	64,950	1,550
Ammunition	38,000	42,560	25,658	16,902
Gasoline and oil	185,000	241,000	251,893	(10,893)
Sex offender registry	0	7,879	4,941	2,938
Canine fees	6,000	6,000	4,836	1,164
Volunteer services	2,500	2,360	1,878	482
Insurance - buildings and contents	18,000	18,972	18,972	0
Insurance - vehicles and equipment	103,000	108,122	108,122	0
Insurance - general liability	83,000	86,776	86,776	0
Insurance - worker's compensation	200,000	219,773	210,525	9,248
Insurance - employee bonds	500	500	300	200
Equipment	70,000	515,855	487,532	28,323
Hardware	35,000	42,500	42,441	59
Software	76,600	85,870	81,570	4,300
Total police department	<u>\$ 12,007,520</u>	<u>\$ 12,658,629</u>	<u>\$ 12,056,454</u>	<u>\$ 602,175</u>
Fire department:				
Salaries	\$ 5,877,460	\$ 5,867,460	\$ 5,724,209	\$ 143,251
Overtime wages	258,000	287,500	361,942	(74,442)
Fire runs	4,140	140	0	140
Supplemental pay	81,700	81,700	77,278	4,422
State grant - in service training	82,400	76,800	76,800	0
Service awards	3,560	3,560	3,325	235
Longevity	85,650	80,150	80,145	5
Sold vacations	65,000	43,955	23,244	20,711
Christmas bonus	11,700	10,600	10,503	97
College pay	200	200	125	75
Sick pay incentive	25,200	25,200	21,200	4,000
Dental insurance	81,500	81,500	72,741	8,759
Social security	498,570	498,570	461,200	37,370
Health insurance	1,539,540	1,539,540	1,639,735	(100,195)
Retirement	1,429,920	1,429,920	1,319,365	110,555
Life and disability insurance	74,600	74,600	63,560	11,040
Vision insurance	18,000	18,000	11,636	6,364
Education reimbursement	14,400	15,445	15,444	1
Worker's compensation claims	7,800	7,800	2,473	5,327
Laundry and dry cleaning	27,000	27,000	13,243	13,757

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Fire department - (Continued):				
Immunization and physicals	\$ 50,000	\$ 50,000	\$ 42,241	\$ 7,759
Pre-employment testing	38,800	23,350	8,868	14,482
Postage	500	500	330	170
Radio communications	7,000	7,000	3,149	3,851
Public education programs	4,200	2,200	1,981	219
Subscriptions and memberships	4,200	2,200	2,092	108
Accreditation	4,000	4,000	4,087	(87)
Advertising	600	600	212	388
Utilities	123,800	123,800	125,698	(1,898)
Telephone	63,140	63,140	49,950	13,190
Apparatus equipment testing	5,000	5,000	4,957	43
Vehicle maintenance	100,000	104,093	82,409	21,684
Equipment maintenance	6,000	6,000	5,119	881
Specialized equipment maintenance	4,400	400	282	118
Building and grounds maintenance	70,000	94,700	93,188	1,512
Professional development	15,000	15,000	14,648	352
Training/education material	7,000	7,000	4,010	2,990
Department work sessions	2,000	2,000	1,725	275
Office supplies	9,000	10,600	10,310	290
Operating supplies	15,000	15,000	9,677	5,323
OSHA supplies	3,200	3,200	738	2,462
Medical supplies/equipment	18,000	18,000	11,743	6,257
Uniforms	35,000	30,000	26,634	3,366
Gasoline	48,000	48,000	64,301	(16,301)
PPE equipment gear	100,000	76,690	71,305	5,385
Hazmat supplies	6,000	6,000	1,883	4,117
Honor guard	2,000	1,250	879	371
Insurance - building and contents	16,800	16,800	18,849	(2,049)
Insurance - vehicles and equipment	55,561	58,512	58,512	0
Insurance - general liability	50,228	31,411	31,411	0
Insurance - worker's compensation	140,895	123,579	117,692	5,887
Equipment	60,000	60,497	30,629	29,868
Hardware	16,000	16,000	15,610	390
Software	32,360	30,360	30,325	35
Total fire department	<u>\$ 11,300,024</u>	<u>\$ 11,226,522</u>	<u>\$ 10,923,612</u>	<u>\$ 302,910</u>
Animal Control:				
Salaries	\$ 258,650	\$ 275,650	\$ 272,909	\$ 2,741
Overtime wages	16,300	16,300	7,629	8,671
Service awards	75	75	75	0

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Animal Control - (Continued):				
Longevity	\$ 3,900	\$ 3,975	\$ 3,975	\$ 0
Sold vacations	4,500	4,500	3,266	1,234
Christmas bonus	650	650	650	0
Sick pay incentive	1,625	1,550	1,375	175
Dental insurance	4,200	4,200	3,203	997
Social security	21,540	21,540	21,730	(190)
Health insurance	77,000	72,500	65,154	7,346
Retirement	43,540	48,040	47,533	507
Life and disability insurance	3,200	3,200	2,907	293
Vision insurance	1,000	1,000	574	426
Worker's compensation claims	1,500	1,500	104	1,396
Laundry and dry cleaning	2,000	2,000	314	1,686
Employee physicals	1,150	1,150	95	1,055
Postage	200	200	120	80
GPS services	1,900	1,900	860	1,040
Radio communications	500	500	0	500
Subscriptions and memberships	750	750	170	580
Advertising	300	300	0	300
Utilities and pager	9,700	9,700	7,204	2,496
Telephone	9,000	9,000	8,084	916
Spay and neuter	45,000	45,000	46,848	(1,848)
Veterinary	30,000	13,000	9,941	3,059
Vehicle maintenance	7,000	7,000	6,096	904
Building and grounds maintenance	17,000	17,100	16,271	829
Professional development	1,500	1,500	860	640
Credit card fees	1,000	1,000	783	217
Landfill	800	800	716	84
Office	4,050	4,050	2,902	1,148
OSHA safety supplies	500	500	0	500
Uniforms	3,500	3,500	2,997	503
Ammunition	250	250	0	250
Gasoline and oil	7,200	9,100	9,118	(18)
Animal supplies	5,800	7,267	3,976	3,291
Volunteer services	500	500	0	500
Insurance - building and contents	800	800	712	88
Insurance - vehicles and equipment	1,600	1,596	1,596	0
Insurance - general liability	1,500	1,281	1,281	0
Insurance - worker's compensation	4,900	3,243	3,021	222
Equipment	2,000	2,000	1,694	306
Hardware	1,000	1,000	0	1,000
Total animal control	<u>\$ 599,080</u>	<u>\$ 600,667</u>	<u>\$ 556,743</u>	<u>\$ 43,924</u>
Total public safety	<u>\$ 23,906,624</u>	<u>\$ 24,485,818</u>	<u>\$ 23,536,809</u>	<u>\$ 949,009</u>

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Public works:				
Operations division:				
Salaries	\$ 997,070	\$ 950,687	\$ 889,736	\$ 60,951
Overtime wages	21,000	22,550	22,526	24
Seasonal leaf employees	25,000	25,000	20,395	4,605
Part time wages	9,200	9,200	9,152	48
Supplemental pay	700	700	600	100
Service awards	0	250	250	0
Longevity	16,425	16,425	18,130	(1,705)
Sold vacations	12,000	12,000	10,351	1,649
Christmas bonus	2,800	2,383	2,382	1
College pay	200	200	125	75
Sick pay incentive	3,700	2,550	2,550	0
Dental insurance	16,000	16,000	12,044	3,956
Social security	82,350	82,350	71,707	10,643
Health insurance	303,000	303,000	234,804	68,196
Retirement	183,690	183,690	155,172	28,518
Life and disability insurance	13,100	13,100	10,013	3,087
Vision insurance	2,900	2,900	1,958	942
Worker's compensation claims	2,000	2,000	982	1,018
Laundry and dry cleaning	600	600	0	600
Pre-employment drug testing	1,600	1,600	621	979
Safety shoes	3,500	2,455	2,455	0
Postage	200	200	43	157
GPS services	6,300	6,300	2,803	3,497
Radio communications	3,000	3,000	2,000	1,000
Subscriptions and memberships	500	500	241	259
Advertising	300	300	152	148
Utilities	40,000	40,000	40,665	(665)
Telephone	21,000	21,000	15,889	5,111
Professional services	3,000	55	0	55
Building and grounds maintenance	13,700	16,640	13,789	2,851
Car allowance	4,200	4,200	4,450	(250)
Professional development	1,500	500	180	320
Departmental work sessions	200	200	0	200
Office	5,200	5,200	5,025	175
Operating supplies	7,000	10,200	8,657	1,543
OSHA supplies	4,000	4,000	2,977	1,023
Uniforms	8,700	8,700	8,398	302
Gasoline and oil	91,000	91,000	87,869	3,131
Repairs and parts	100,000	145,000	139,615	5,385
Sign shop supplies	44,500	49,545	22,784	26,761
Major safety markings	65,000	65,000	65,000	0

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Operations division - (Continued)				
Thermoplastic contract	\$ 30,000	\$ 30,000	\$ 29,999	\$ 1
Paving and materials	310,000	341,650	329,479	12,171
Insurance - building and contents	9,000	9,000	8,489	511
Insurance - vehicle and equipment	18,100	17,879	17,879	0
Insurance - general liability	10,600	9,018	9,018	0
Insurance - worker's compensation	45,000	37,961	35,849	2,112
Employee appreciation	3,000	3,000	2,596	404
Miscellaneous	800	800	480	320
Equipment	3,000	22,500	22,334	166
Hardware	3,000	3,000	2,886	114
Software	2,500	2,500	0	2,500
Total operations division	<u>\$ 2,551,135</u>	<u>\$ 2,598,488</u>	<u>\$ 2,345,499</u>	<u>\$ 252,989</u>
Street lighting and signals:				
Utilities	\$ 950,000	\$ 920,456	\$ 796,744	\$ 123,712
Traffic light utility service	25,000	25,000	14,769	10,231
Pole attachments	9,000	10,200	10,118	82
ITS maintenance services	50,000	49,350	44,552	4,798
Traffic light repair maintenance	721,000	721,000	699,943	21,057
Equipment	10,000	69,544	69,505	39
Total street lighting and signals	<u>\$ 1,765,000</u>	<u>\$ 1,795,550</u>	<u>\$ 1,635,631</u>	<u>\$ 159,919</u>
Cleveland Regional Jetport Operations:				
Salaries	\$ 98,030	\$ 98,030	\$ 90,295	\$ 7,735
Part time salaries	7,500	7,500	5,715	1,785
Service awards	100	0	0	0
Longevity pay	675	675	675	0
Sold vacations	1,800	0	0	0
Christmas bonus	200	109	108	1
Sick pay incentive	300	250	250	0
Dental insurance	800	800	649	151
Social security tax	8,740	8,740	7,549	1,191
Health insurance	17,000	17,530	17,529	1
Retirement	18,180	18,180	16,859	1,321
Life and disability insurance	1,200	1,200	898	302
Vision insurance	200	200	129	71
Worker's compensation claims	250	254	253	1
Laundry and dry cleaning	250	150	0	150
Postage	300	300	73	227
Subscriptions and memberships	1,500	1,230	1,229	1

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Cleveland Regional Jetport Operations - (Continued):				
Advertising	\$ 3,000	\$ 2,070	\$ 2,025	\$ 45
Utilities	43,400	43,400	36,586	6,814
Telephone	11,800	16,300	15,057	1,243
Contracted services	36,000	333,900	271,300	62,600
Professional services	20,000	880	866	14
Building and grounds maintenance	20,000	35,534	34,004	1,530
Car allowance	4,200	4,500	4,450	50
Professional development	1,500	50	50	0
Department work sessions	500	0	0	0
Credit card fees	400	400	332	68
Office	1,000	1,000	546	454
Operating supplies	500	513	512	1
Uniforms	350	350	350	0
Gasoline	1,000	4,500	3,961	539
Repairs and parts	7,500	11,150	9,784	1,366
Avgas and jet fuel purchases	0	1,037,000	873,141	163,859
Insurance - building and contents	14,000	16,960	16,958	2
Insurance - vehicles and equipment	300	300	0	300
Insurance - worker's compensation	2,500	1,582	1,582	0
Equipment	1,700	5,620	5,620	0
Hardware	3,000	3,000	1,842	1,158
Software	200	200	0	200
Total Cleveland regional jetport	<u>\$ 329,875</u>	<u>\$ 1,674,357</u>	<u>\$ 1,421,177</u>	<u>\$ 253,180</u>
Fleet management:				
Salaries	\$ 374,360	\$ 374,360	\$ 366,774	\$ 7,586
Overtime wages	6,000	6,000	4,033	1,967
Service awards	300	300	300	
Longevity wages	7,800	7,800	7,725	75
Sold vacation pay	8,600	8,600	9,565	(965)
Christmas bonus	700	700	650	50
Sick pay incentive	800	800	775	25
Dental insurance	3,600	3,600	3,181	419
Social security taxes	30,550	30,550	28,159	2,391
Health insurance	70,000	70,000	76,985	(6,985)
Retirement	68,500	68,500	67,390	1,110
Life/disability insurance	4,600	4,600	4,089	511
Vision insurance	900	900	652	248
Worker's compensation claims	500	500	0	500
Postage	200	200	113	87
Subscriptions and memberships	4,200	371	216	155
Advertising	200	0	0	0

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Fleet management - (Continued):				
Utilities	\$ 23,500	\$ 23,500	\$ 21,370	\$ 2,130
Telephone	8,200	8,200	6,909	1,291
Contracted services	30,000	17,434	0	17,434
Vehicle maintenance	500	500	583	(83)
Equipment maintenance	4,000	5,800	5,259	541
Building and grounds maintenance	7,000	11,220	11,120	100
Professional development	500	0	0	0
Office supplies	2,000	2,000	1,647	353
OSHA supplies	2,500	1,112	1,069	43
Uniform	2,500	2,205	2,204	1
Gasoline	3,000	2,500	2,413	87
Repairs and parts	2,500	0	0	0
Insurance - building and contents	3,700	4,054	4,053	1
Insurance - vehicles and equipment	1,300	1,481	1,481	0
Insurance - general liability	1,900	1,490	1,490	0
Insurance - worker's compensation	7,300	6,795	6,461	334
Equipment	1,000	8,400	8,190	210
Hardware	1,000	1,838	1,838	0
Software	12,800	19,966	19,909	57
Total fleet management	\$ 697,010	\$ 696,276	\$ 666,603	\$ 29,673
Landscaping maintenance:				
Salaries	\$ 434,310	\$ 434,310	\$ 445,022	\$ (10,712)
Overtime wages	4,500	2,000	2,261	(261)
Part time	20,000	3,000	1,982	1,018
Service awards	250	250	250	0
Longevity	9,200	9,000	9,000	0
Sold vacations	3,400	3,850	3,848	2
Christmas bonus	1,000	975	975	0
Sick pay incentive	2,700	1,750	1,750	0
Dental insurance	5,900	5,900	4,422	1,478
Social security	36,010	36,010	34,516	1,494
Health Insurance	117,500	117,500	95,329	22,171
Retirement	78,280	78,280	80,492	(2,212)
Life and disability insurance	5,600	5,600	4,888	712
Vision insurance	1,500	1,500	859	641
Worker's compensation claims	1,000	2,725	2,723	2
Pre-employment testing	200	0	0	0
Postage	50	50	22	28
GPS Services	4,700	4,700	2,529	2,171
Subscriptions and memberships	500	0	0	0
Utilities	4,000	4,000	4,111	(111)
Telephone	6,400	6,400	4,141	2,259

The accompanying notes are an integral part of these financial statements.

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Landscaping maintenance - (Continued):				
Contracted mowing	\$ 25,000	\$ 29,150	\$ 31,000	\$ (1,850)
Vehicle maintenance	33,000	48,000	47,818	182
Equipment maintenance	1,300	1,300	1,028	272
Car allowance	4,200	4,200	4,450	(250)
Professional development	2,000	600	570	30
Department work sessions	500	800	868	(68)
Office	500	500	440	60
Operating supplies	9,000	9,000	7,867	1,133
Uniforms	4,100	3,979	3,776	203
Trees	7,000	2,965	2,963	2
Gasoline	14,500	16,875	21,618	(4,743)
Donation	0	23,576	18,421	5,155
Insurance - vehicle and equipment	8,000	8,471	8,471	0
Insurance - general liability	2,000	1,823	1,823	0
Insurance - worker's compensation	2,700	12,756	12,756	0
Equipment	1,000	475	474	1
Hardware	1,000	550	538	12
Total landscaping maintenance	<u>\$ 852,800</u>	<u>\$ 882,820</u>	<u>\$ 864,001</u>	<u>\$ 18,819</u>
Total public works	<u>\$ 6,195,820</u>	<u>\$ 7,647,491</u>	<u>\$ 6,932,911</u>	<u>\$ 714,580</u>
Culture and recreation:				
College Hill Recreation Center:				
Salaries	\$ 141,380	\$ 141,380	\$ 130,305	\$ 11,075
Overtime wages	6,000	6,000	6,863	(863)
Part time wages	35,000	35,000	6,995	28,005
Longevity	2,100	2,100	2,100	0
Sold vacations	1,500	2,371	2,370	1
Christmas bonus	500	325	325	0
Sick pay incentive	1,000	425	425	0
Dental insurance	1,900	1,900	1,891	9
Social security	15,230	15,230	10,906	4,324
Health insurance	34,500	41,700	41,437	263
Retirement	33,510	25,510	19,407	6,103
Life and disability insurance	1,800	1,800	1,469	331
Vision insurance	500	500	325	175
Unemployment compensation	1,000	56	55	1
Worker's compensation claims	200	200	0	200
Advertising	100	100	100	0
Utilities	62,000	52,000	54,470	(2,470)
Telephone	9,000	9,000	7,711	1,289
Vehicle maintenance	100	0	0	0
Equipment maintenance	1,000	1,000	857	143

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
College Hill Recreation - (Continued):				
Building and grounds maintenance	\$ 35,000	\$ 38,440	\$ 30,259	\$ 8,181
Professional development	2,000	1,125	1,123	2
Office	1,800	1,800	1,750	50
Gasoline	400	0	0	0
Pool	15,000	22,619	12,564	10,055
Concession supplies	1,500	0	0	0
Insurance - building and contents	8,100	8,803	8,802	1
Insurance - general liability	4,300	2,476	2,476	0
Insurance - worker's compensation	5,600	497	385	112
Security	1,600	1,600	1,600	0
Program development	20,000	20,000	13,188	6,812
Equipment	0	1,736	1,692	44
Total College Hill Recreation Center	<u>\$ 443,620</u>	<u>\$ 435,693</u>	<u>\$ 361,850</u>	<u>\$ 73,843</u>
Parks and recreation:				
Salaries	\$ 609,050	\$ 609,050	\$ 584,898	\$ 24,152
Overtime wages	6,000	6,000	17,668	(11,668)
Part time wages	11,000	11,000	3,511	7,489
Service awards	800	800	800	
Longevity	9,900	10,013	10,013	0
Sold vacation	7,600	8,167	8,441	(274)
Christmas bonus	1,500	1,408	1,408	0
College pay	125	125	125	0
Sick pay incentive	3,900	3,125	3,125	0
Dental insurance	6,800	6,800	6,209	591
Social security	46,460	46,460	45,634	826
Health insurance	158,100	159,600	163,858	(4,258)
Retirement	105,270	105,270	110,074	(4,804)
Life and disability insurance	6,100	6,100	6,505	(405)
Vision insurance	1,800	1,800	1,170	630
Unemployment compensation	500	0	0	0
Worker's compensation claims	2,000	500	236	264
Laundry and dry cleaning	800	300	94	206
Pre-employment testing	200	200	110	90
Postage	200	40	8	32
GPS services	4,000	4,000	3,504	496
Subscriptions and memberships	800	800	799	1
Advertising	300	300	298	2
Utilities	102,000	102,000	97,819	4,181
Telephone	11,900	11,900	9,680	2,220
Vehicle maintenance	20,000	19,436	15,241	4,195
Equipment maintenance	3,500	3,500	3,500	0
Building and grounds maintenance	100,000	104,750	87,106	17,644
Car allowance	4,200	4,200	4,450	(250)

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Parks and recreation - (Continued):				
Professional development	\$ 3,000	\$ 3,580	\$ 2,748	\$ 832
Credit card fees	800	700	369	331
Office	1,000	1,000	991	9
Operating supplies	9,000	9,000	9,000	0
Uniforms	4,900	4,770	4,770	0
Gasoline and oil	21,000	21,000	28,325	(7,325)
Donation	0	14,477	9,697	4,780
Insurance - building and contents	12,500	15,729	15,729	0
Insurance - vehicles and equipment	1,800	1,886	1,886	0
Insurance - general liability	10,600	7,443	7,443	0
Insurance - worker's compensation	3,900	7,214	6,441	773
Security	4,500	4,500	4,500	0
Program development	33,000	111,757	111,286	471
Hardware	3,000	5,000	4,577	423
Total parks and recreation	\$ 1,333,805	\$ 1,435,700	\$ 1,394,046	\$ 41,654
Cleveland Community Center:				
Salaries	\$ 127,250	\$ 116,250	\$ 90,722	\$ 25,528
Overtime wages	6,000	6,000	744	5,256
Part time wages	35,000	35,000	17,933	17,067
Longevity	450	450	450	0
Sold vacations	1,000	0	0	0
Christmas bonus	500	325	325	0
Sick pay incentive	1,000	100	100	0
Dental insurance	3,000	3,000	1,961	1,039
Social security	10,900	10,900	7,810	3,090
Health insurance	61,600	61,600	40,740	20,860
Retirement	24,680	24,680	11,013	13,667
Life and disability insurance	1,600	1,600	1,017	583
Vision insurance	700	700	295	405
Unemployment compensation	2,000	2,000	0	2,000
Worker's compensation claims	200	200	0	200
Advertising	100	100	35	65
Utilities	34,000	34,000	36,412	(2,412)
Telephone	6,700	6,700	4,571	2,129
Vehicle maintenance	100	0	0	0
Equipment repairs	1,000	700	700	0
Building and grounds maintenance	35,000	35,021	31,900	3,121
Professional development	2,000	900	538	362
Office	1,500	1,500	1,500	0
Gasoline	400	300	0	300
Pool	12,000	26,071	23,350	2,721
Insurance - building and contents	5,400	5,762	5,761	1

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Cleveland Community Center - (Continued):				
Insurance - general liability	\$ 3,900	\$ 2,251	\$ 2,251	\$ 0
Insurance - workers compensation	4,100	1,218	1,106	112
Security	1,300	1,242	1,242	0
Program development	20,000	20,000	11,049	8,951
Miscellaneous	0	0	80	(80)
Equipment	0	2,264	2,194	70
Total Cleveland Community Center	<u>\$ 403,380</u>	<u>\$ 400,834</u>	<u>\$ 295,799</u>	<u>\$ 105,035</u>
Tinsley Park:				
Salaries	\$ 170,000	\$ 0	\$ 0	\$ 0
Overtime	10,000	10,000	14,768	(4,768)
Part-time wages	0	170,000	107,611	62,389
Social security	15,600	15,600	9,362	6,238
Unemployment compensation	2,000	2,000	7	1,993
Utilities	85,000	85,000	68,115	16,885
Telephone	1,000	1,000	165	835
Building and grounds maintenance	46,500	46,500	36,439	10,061
Professional development	2,000	0	0	0
Pool	25,000	26,866	19,292	7,574
Concession supplies	3,000	5,000	4,840	160
Insurance - building and contents	7,300	5,632	5,631	1
Insurance - general liability	3,400	2,144	2,144	0
Insurance - worker's compensation	11,300	65	65	0
Program development	2,000	2,000	1,906	94
Total Tinsley Park	<u>\$ 384,100</u>	<u>\$ 371,807</u>	<u>\$ 270,345</u>	<u>\$ 101,462</u>
Total culture and recreation	<u>\$ 2,564,905</u>	<u>\$ 2,644,034</u>	<u>\$ 2,322,040</u>	<u>\$ 321,994</u>
Appropriations:				
Jointly funded agencies	\$ 15,000	\$ 10,468	\$ 10,000	\$ 468
Regional Museum	42,300	42,300	42,300	0
Municipal League dues	10,200	10,404	10,404	0
Economic Development	45,000	45,000	45,000	0
Southeast Tennessee Development	9,000	9,945	9,945	0
Mainstreet Cleveland	25,000	25,000	25,000	0
Cemetery Association	10,000	10,000	10,000	0
Court's Community Services	60,000	60,000	59,318	682
Keep America Beautiful	28,200	28,200	28,200	0
Juvenile Court match	1,100	1,100	1,100	0
United Way supporters	1,000	1,000	0	1,000
SETHRA transit	135,000	135,000	135,000	0
Communications Center	650,000	650,000	650,000	0
Emergency Management	108,000	108,383	108,382	1

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Appropriations - (Continued):				
Mainstreet projects	\$ 4,000	\$ 4,000	\$ 4,000	\$ 0
SETDD legal fees	1,000	1,000	0	1,000
Veterans Affairs Office	31,500	31,500	28,858	2,642
Behavioral Research	2,000	2,000	0	2,000
HVAC at Museum Center	0	20,000	20,000	0
Life Bridges	6,200	6,200	6,200	0
Community Services Agency	97,000	97,000	97,000	0
Cleveland Youth Football	8,000	8,000	8,000	0
Aqua Tigers equipment	2,000	2,000	2,000	0
Boys and Girls Club	13,000	16,000	14,000	2,000
Waterdogs	2,000	2,000	2,000	0
Greater Cleveland Soccer Association	5,000	5,000	5,000	0
Soccer Association - land	5,000	5,000	5,000	0
Community Services Agency	15,000	15,000	15,000	0
Independence Day celebration	5,000	5,000	5,000	0
Vocational School	30,700	30,700	30,700	0
Total appropriations	<u>\$ 1,367,200</u>	<u>\$ 1,387,200</u>	<u>\$ 1,377,407</u>	<u>\$ 9,793</u>
Debt service:				
Interest and fiscal charges	\$ 0	\$ 0	\$ 18,338	\$ (18,338)
Total Debt Service	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,338</u>	<u>\$ (18,338)</u>
Total expenditures	<u>\$ 39,996,304</u>	<u>\$ 42,172,306</u>	<u>\$ 39,665,949</u>	<u>\$ 2,506,357</u>
Excess of revenues over expenditures	<u>\$ 12,006,196</u>	<u>\$ 14,066,231</u>	<u>\$ 18,954,369</u>	<u>\$ 4,888,138</u>
Other financing sources (uses):				
Transfers in	\$ 3,034,767	\$ 2,904,233	\$ 2,904,133	\$ (100)
Transfers out	(14,519,700)	(15,987,497)	(15,987,497)	0
Notes issued	<u>0</u>	<u>455,575</u>	<u>455,575</u>	<u>0</u>
Total other financing sources (uses)	<u>\$ (11,484,933)</u>	<u>\$ (12,627,689)</u>	<u>\$ (12,627,789)</u>	<u>\$ (100)</u>
Net change in fund balances	\$ 521,263	\$ 1,438,542	\$ 6,326,580	\$ 4,888,038
Fund balance at beginning of year	<u>27,489,269</u>	<u>27,489,269</u>	<u>27,489,269</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 28,010,532</u></u>	<u><u>\$ 28,927,811</u></u>	<u><u>\$ 33,815,849</u></u>	<u><u>\$ 4,888,038</u></u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government:				
Education of the handicapped	\$ 30,000	\$ 77,729	\$ 77,729	\$ 0
Other federal through state	0	0	215,652	215,652
<b>Total federal government</b>	<b>\$ 30,000</b>	<b>\$ 77,729</b>	<b>\$ 293,381</b>	<b>\$ 215,652</b>
State of Tennessee:				
Basic education program	\$ 31,332,000	\$ 31,137,000	\$ 31,096,001	\$ (40,999)
School food service	27,453	27,453	31,397	3,944
Other state education funds	125,000	1,073,606	720,244	(353,362)
Career ladder program	61,991	50,129	50,552	423
Other state grants	910,957	924,887	934,871	9,984
State mixed drink tax	118,990	145,000	160,725	15,725
State income tax	0	58,474	27,562	(30,912)
On-behalf contributions for opeb	0	0	148,463	148,463
<b>Total State of Tennessee</b>	<b>\$ 32,576,391</b>	<b>\$ 33,416,549</b>	<b>\$ 33,169,815</b>	<b>\$ (246,734)</b>
Bradley County:				
Property taxes - current	\$ 6,350,000	\$ 6,647,043	\$ 6,654,519	\$ 7,476
Property taxes - prior	182,061	182,061	109,755	(72,306)
Clerk and master	116,000	116,000	91,501	(24,499)
Interest and penalty	31,369	31,369	21,630	(9,739)
In lieu of taxes - local utilities	3,805	3,805	2,545	(1,260)
In lieu of taxes - other utilities	487,000	487,000	382,688	(104,312)
Marriage license	2,825	2,825	2,857	32
Bank excise tax	28,376	28,376	41,855	13,479
Interstate telecommunications tax	0	0	200	200
Local sales tax	6,523,352	6,896,758	7,251,590	354,832
<b>Total Bradley County</b>	<b>\$ 13,724,788</b>	<b>\$ 14,395,237</b>	<b>\$ 14,559,140</b>	<b>\$ 163,903</b>
<b>Total Intergovernmental</b>	<b>\$ 46,331,179</b>	<b>\$ 47,889,515</b>	<b>\$ 48,022,336</b>	<b>\$ 132,821</b>
Charges for services:				
Tuition	\$ 101,935	\$ 101,935	\$ 101,286	\$ (649)
Criminal background fee	4,800	4,800	1,200	(3,600)
<b>Total charges for services</b>	<b>\$ 106,735</b>	<b>\$ 106,735</b>	<b>\$ 102,486</b>	<b>\$ (4,249)</b>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued)				
Interest	\$ 13,250	\$ 13,250	\$ 6,777	\$ (6,473)
Miscellaneous:				
Miscellaneous refunds	\$ 98,841	\$ 98,841	\$ 56,429	\$ (42,412)
Sale of equipment	6,900	6,900	19,455	12,555
Damages recovered	1,800	1,800	350	(1,450)
Contributions	112,896	136,107	157,384	21,277
Other	7,461	7,461	3,550	(3,911)
Total miscellaneous	\$ 227,898	\$ 251,109	\$ 237,168	\$ (13,941)
Total revenues	\$ 46,679,062	\$ 48,260,609	\$ 48,368,767	\$ 108,158
Expenditures:				
Current:				
Education:				
Regular instruction:				
Teachers	\$ 18,501,478	\$ 19,429,188	\$ 18,622,292	\$ 806,896
Career ladder program	25,500	21,500	22,500	(1,000)
Homebound teachers	71,512	74,180	73,623	557
Assistants	1,265,298	1,228,635	1,245,926	(17,291)
Other salaries and wages	160,520	160,520	151,304	9,216
Certified substitute teachers	119,875	36,035	36,035	0
Non-certified substitute teachers	118,405	62,405	54,526	7,879
Social security	1,242,024	1,253,807	1,162,691	91,116
State retirement	2,149,922	1,928,447	1,873,705	54,742
Life insurance	24,818	25,768	30,829	(5,061)
Medical insurance	2,787,893	2,845,938	2,850,647	(4,709)
Unemployment compensation	8,000	8,000	496	7,504
Employer medicare	290,473	293,229	272,786	20,443
Retirement - hybrid stabilization	116,242	142,014	0	142,014
Other fringe benefits	89,285	89,285	72,979	16,306
Operating lease payments	448,589	448,589	0	448,589
Maintenance and repair	13,700	13,700	0	13,700
Other contracted services	227,970	367,810	207,986	159,824
Instructional supplies	176,775	176,775	292,637	(115,862)
Electronic textbooks	73,964	73,964	50,230	23,734
Textbooks	157,650	157,650	191,302	(33,652)
Other supplies and materials	17,975	16,380	14,076	2,304
Other charges	4,550	6,145	7,398	(1,253)
Regular instruction equipment	48,870	48,870	68,399	(19,529)
Total regular instruction	\$ 28,141,288	\$ 28,908,834	\$ 27,302,367	\$ 1,606,467
Special education:				
Teachers	\$ 2,153,069	\$ 2,177,037	\$ 2,175,299	\$ 1,738
Career ladder program	7,000	6,000	5,500	500
Homebound teachers	1,000	10,750	10,350	400
Assistants	445,854	427,594	427,707	(113)
Speech pathologist	294,948	319,939	319,939	0

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Special education - (Continued):				
Other salaries and wages	\$ 45,447	\$ 0	\$ 0	\$ 0
Certified substitute teachers	9,000	9,000	880	8,120
Non-certified substitute teachers	8,000	8,000	1,985	6,015
Social security	182,355	184,119	168,871	15,248
State retirement	337,375	340,591	305,425	35,166
Life insurance	4,523	4,559	5,453	(894)
Medical insurance	437,490	425,287	422,876	2,411
Employer medicare	42,647	43,060	39,566	3,494
Contracts with private agencies	22,102	22,102	11,006	11,096
Maintenance and other repair services	1,200	1,200	1,475	(275)
Other contracted services	0	11,170	11,170	0
Instructional supplies	26,750	26,750	20,228	6,522
Other supplies and materials	7,950	7,950	4,884	3,066
Special education equipment	4,400	4,400	8,234	(3,834)
Total special education	<u>\$ 4,031,110</u>	<u>\$ 4,029,508</u>	<u>\$ 3,940,848</u>	<u>\$ 88,660</u>
Vocational education:				
Teachers	\$ 1,043,368	\$ 1,065,303	\$ 1,062,621	\$ 2,682
Certified substitute teachers	4,000	4,000	240	3,760
Non-certified substitute teachers	2,500	2,500	1,340	1,160
Social security	64,691	65,321	60,155	5,166
State retirement	107,467	108,512	103,993	4,519
Life insurance	1,187	1,215	1,465	(250)
Medical insurance	156,880	167,511	167,525	(14)
Employer medicare	15,129	15,277	14,069	1,208
Maintenance and repair services	8,500	8,500	881	7,619
Tuition	375	375	0	375
Other contracted services	4,500	4,500	15,221	(10,721)
Instructional supplies	32,700	32,700	42,456	(9,756)
Other supplies and materials	2,300	2,300	55,242	(52,942)
Vocational instruction equipment	66,667	121,643	57,517	64,126
Total vocational education	<u>\$ 1,510,264</u>	<u>\$ 1,599,657</u>	<u>\$ 1,582,725</u>	<u>\$ 16,932</u>
Students:				
Attendance:				
Supervisor	\$ 51,500	\$ 51,993	\$ 51,993	\$ 0
Other salaries and wages	36,564	36,920	36,920	0
Social security	5,460	5,176	5,185	(9)
State retirement	11,586	11,698	11,707	(9)
Life insurance	119	122	122	0
Medical insurance	7,903	15,017	15,017	0
Employer medicare	1,277	1,210	1,213	(3)
Other supplies and materials	7,500	7,500	5,018	2,482
Total attendance	<u>\$ 121,909</u>	<u>\$ 129,636</u>	<u>\$ 127,175</u>	<u>\$ 2,461</u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Students - (Continued):				
Health services:				
Supervisor/Director	\$ 72,189	\$ 72,189	\$ 72,189	\$ 0
Medical personnel	278,759	281,490	293,798	(12,308)
Other salaries and wages	1,500	1,500	1,500	0
Certified substitute teachers	2,500	1,120	465	655
Social security	21,852	21,389	20,490	899
State retirement	55,584	56,053	47,468	8,585
Life insurance	794	797	814	(17)
Medical insurance	63,836	63,519	61,878	1,641
Employer medicare	5,111	4,992	4,792	200
Postal charges	0	22	22	0
Travel	6,000	7,638	7,592	46
Other contracted services	0	500	500	0
Drugs and medical supplies	2,000	2,000	3,449	(1,449)
Other supplies and materials	12,973	19,323	18,649	674
In service staff development	6,000	275	275	0
Other equipment	500	200	0	200
Total health services	<u>\$ 529,598</u>	<u>\$ 533,007</u>	<u>\$ 533,881</u>	<u>\$ (874)</u>
Other student support:				
Career ladder program	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0
Guidance personnel	965,485	968,547	969,747	(1,200)
Psychological personnel	128,612	129,867	129,867	0
Attendants	162,000	162,000	121,180	40,820
Other salaries and wages	64,629	65,259	65,259	0
Social security	81,774	82,475	75,063	7,412
State retirement	124,104	125,312	124,005	1,307
Life insurance	1,206	1,168	1,491	(323)
Medical insurance	143,079	134,563	134,620	(57)
Employer medicare	19,194	19,357	17,555	1,802
Evaluation and testing	90,870	90,870	40,948	49,922
Maintenance and repair services	100	100	0	100
Postal charges	1,000	1,000	0	1,000
Other contracted services	428,167	486,667	479,933	6,734
Other supplies and materials	6,100	7,418	5,221	2,197
Total other student support	<u>\$ 2,219,320</u>	<u>\$ 2,277,603</u>	<u>\$ 2,167,889</u>	<u>\$ 109,714</u>
Total students	<u>\$ 2,870,827</u>	<u>\$ 2,940,246</u>	<u>\$ 2,828,945</u>	<u>\$ 111,301</u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Instructional staff:				
Regular instruction program:				
Supervisor	\$ 349,301	\$ 452,670	\$ 352,670	\$ 100,000
Career ladder program	6,000	6,000	6,000	0
Librarians	643,659	649,926	649,676	250
Materials supervisor	52,036	52,544	52,534	10
Secretaries	151,673	154,199	154,199	0
Other salaries and wages	85,138	85,969	85,969	0
Social security	79,001	79,747	75,685	4,062
State retirement	154,583	155,954	148,961	6,993
Life insurance	1,442	1,476	1,625	(149)
Medical insurance	143,612	140,790	140,596	194
Employer medicare	18,476	18,650	17,701	949
Dues and subscriptions	4,000	4,000	610	3,390
Travel	32,000	32,000	6,947	25,053
Other contracted services	8,500	8,500	3,760	4,740
Library books	41,000	41,000	37,149	3,851
Other supplies and materials	19,975	19,975	13,800	6,175
In-service staff development	76,000	80,615	62,532	18,083
Other equipment	3,500	3,500	10,002	(6,502)
Total regular instruction program	<u>\$ 1,869,896</u>	<u>\$ 1,987,515</u>	<u>\$ 1,820,416</u>	<u>\$ 167,099</u>
Special education:				
Supervisor	\$ 101,991	\$ 103,871	\$ 103,871	\$ 0
Bonus payments	0	302	302	0
Social security	6,323	6,131	6,131	0
State retirement	10,505	10,725	10,725	0
Life insurance	79	81	81	0
Medical insurance	15,806	16,104	16,104	0
Employer medicare	1,468	1,433	1,434	(1)
Consultants	500	500	0	500
Travel	1,500	1,500	1,437	63
Total special education	<u>\$ 138,172</u>	<u>\$ 140,647</u>	<u>\$ 140,085</u>	<u>\$ 562</u>
Vocational education:				
Supervisor	\$ 94,236	\$ 95,156	\$ 95,156	\$ 0
Secretaries	24,640	24,880	23,696	1,184
Social security	7,370	7,576	7,250	326
State retirement	13,939	14,075	13,867	208
Life insurance	146	149	143	6
Medical insurance	13,606	13,943	13,357	586

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Instructional staff - (Continued):				
Vocational education - (Continued):				
Employer medicare	\$ 1,724	\$ 1,709	\$ 1,696	\$ 13
Travel	2,500	2,500	298	2,202
Total vocational education	<u>\$ 158,161</u>	<u>\$ 159,988</u>	<u>\$ 155,463</u>	<u>\$ 4,525</u>
Total instructional staff	<u>\$ 2,166,229</u>	<u>\$ 2,288,150</u>	<u>\$ 2,115,964</u>	<u>\$ 172,186</u>
General administration:				
Technology:				
Supervisor	\$ 97,349	\$ 98,279	\$ 98,279	\$ 0
Other salaries and wages	200,140	202,035	215,152	(13,117)
Social security	18,444	18,619	18,065	554
Retirement	44,411	44,737	44,489	248
Life insurance	477	477	481	(4)
Health insurance	51,160	51,160	52,796	(1,636)
Employer medicare	4,314	4,355	4,225	130
Internet connectivity	25,406	25,406	36,878	(11,472)
Travel	4,000	4,000	2,303	1,697
Other contracted services	123,149	123,149	116,889	6,260
Cabling	3,563	3,563	1,614	1,949
Software	127,282	127,282	92,780	34,502
Other supplies and materials	2,000	2,000	5,635	(3,635)
Other charges	5,000	5,000	3,138	1,862
Other equipment	11,761	11,761	23,953	(12,192)
Total technology	<u>\$ 718,456</u>	<u>\$ 721,823</u>	<u>\$ 716,677</u>	<u>\$ 5,146</u>
Board of education:				
Board and committee members' fees	\$ 52,800	\$ 52,800	\$ 52,800	\$ 0
Social security	3,274	3,274	3,274	0
Employer medicare	766	766	766	0
Other fringe benefits	757	757	750	7
Audit services	14,150	14,500	14,500	0
Dues and membership	7,106	7,158	7,158	0
Legal services	20,000	20,000	24,076	(4,076)
Liability insurance	62,407	67,647	67,647	0
Premiums on corporate surety bonds	40,327	43,231	43,231	0
Trustee's commission	118,520	152,150	144,555	7,595
Worker's compensation insurance	169,211	155,502	155,502	0
Criminal investigation	8,000	9,590	11,143	(1,553)
Refund for criminal investigation	2,000	2,000	1,696	304
Other charges	32,000	49,000	51,744	(2,744)
Total board of education	<u>\$ 531,318</u>	<u>\$ 578,375</u>	<u>\$ 578,842</u>	<u>\$ (467)</u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
General administration - (Continued):				
Office of the superintendent:				
Administrative officer	\$ 161,287	\$ 166,000	\$ 172,142	\$ (6,142)
Assistants	113,457	116,101	116,101	0
Career ladder program	1,000	2,000	2,000	0
Secretaries	74,180	74,903	74,351	552
Bonus payments	0	1,174	1,174	0
Other salaries and wages	9,600	9,600	9,600	0
Social security	22,104	19,603	19,959	(356)
State retirement	42,134	43,265	42,717	548
Life insurance	314	284	288	(4)
Medical insurance	38,996	40,755	40,597	158
Employer medicare	5,169	5,139	5,223	(84)
Communication	127,000	178,268	147,616	30,652
Dues and memberships	7,964	10,705	10,705	0
Postal charges	6,500	6,500	2,402	4,098
Travel	13,000	13,000	10,195	2,805
Other contracted services	33,191	30,691	54,360	(23,669)
Office supplies	16,500	16,500	15,168	1,332
Other charges	16,900	19,400	20,144	(744)
Administrative equipment	5,000	5,000	4,939	61
Total office of superintendent	<u>\$ 694,296</u>	<u>\$ 758,888</u>	<u>\$ 749,681</u>	<u>\$ 9,207</u>
Total general administration	<u>\$ 1,944,070</u>	<u>\$ 2,059,086</u>	<u>\$ 2,045,200</u>	<u>\$ 13,886</u>
Office of the Principal:				
Principals	\$ 923,440	\$ 928,814	\$ 852,571	\$ 76,243
Career ladder program	6,000	5,000	5,000	0
Assistant principals	1,073,836	1,084,953	1,146,465	(61,512)
Secretaries	423,848	447,674	448,614	(940)
Social security	149,240	139,891	141,272	(1,381)
State retirement	279,154	281,937	280,543	1,394
Life insurance	2,674	2,753	3,082	(329)
Medical insurance	289,588	324,006	322,447	1,559
Employer medicare	34,903	35,254	33,039	2,215
Dues and memberships	700	700	1,394	(694)
Maintenance and repair services	5,525	5,525	4,317	1,208
Postal charges	5,050	5,050	4,079	971
Travel	5,100	5,100	61	5,039
Other contracted services	19,975	19,975	15,608	4,367
Office supplies	11,225	11,225	11,862	(637)
Administrative equipment	16,990	16,990	6,622	10,368
Total office of the principal	<u>\$ 3,247,248</u>	<u>\$ 3,314,847</u>	<u>\$ 3,276,976</u>	<u>\$ 37,871</u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Business administration:				
Bookkeepers	\$ 250,226	\$ 255,726	\$ 255,726	\$ 0
Bonus payments	0	1,140	1,140	0
Social security	13,823	14,164	14,164	0
State retirement	42,989	44,009	44,009	0
Life insurance	300	325	325	0
Medical insurance	42,160	43,210	43,210	0
Employer medicare	3,628	3,313	3,313	0
Data processing services	47,219	51,355	51,355	0
Travel	1,000	1,000	385	615
Total business administration	<u>\$ 401,345</u>	<u>\$ 414,242</u>	<u>\$ 413,627</u>	<u>\$ 615</u>
Operation of plant:				
Operation of plant:				
Bonus payments	\$ 0	\$ 151	\$ 151	\$ 0
Other salaries and wages	42,200	42,612	42,612	0
Social security	2,616	2,651	2,584	67
State retirement	4,347	4,405	4,399	6
Life insurance	40	40	41	(1)
Medical insurance	7,903	7,176	7,176	0
Employer medicare	612	623	604	19
Janitorial services	1,461,492	1,571,377	1,571,377	0
Other contracted services	136,547	136,547	145,518	(8,971)
Electricity	1,116,428	1,116,428	1,110,332	6,096
Natural gas	115,395	115,395	96,544	18,851
Water and sewer	198,695	229,785	234,898	(5,113)
Other supplies and materials	25,000	0	0	0
Boiler insurance	6,432	7,384	7,384	0
Building and contents insurance	241,963	259,385	259,385	0
Total operation of plant	<u>\$ 3,359,670</u>	<u>\$ 3,493,959</u>	<u>\$ 3,483,005</u>	<u>\$ 10,954</u>
Maintenance of plant:				
Supervisor	\$ 92,002	\$ 92,880	\$ 89,100	\$ 3,780
Maintenance personnel	527,214	531,656	536,321	(4,665)
Bonus payments	0	3,705	3,705	0
Other salaries and wages	35,000	35,000	1,596	33,404
Social security	40,259	40,819	35,471	5,348
State retirement	106,381	107,883	104,938	2,945
Life insurance	1,022	1,038	1,038	0
Medical insurance	109,163	109,457	109,471	(14)
Employer medicare liability	9,486	9,618	8,296	1,322
Maintenance and repair services - building	90,140	90,140	51,790	38,350
Maintenance and repair services - equipment	2,000	2,000	66,594	(64,594)
Other contracted services	101,000	101,000	204,292	(103,292)
Equipment and machinery parts	5,200	5,200	16,994	(11,794)

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Maintenance of plant - (Continued):				
Other supplies and materials	\$ 190,000	\$ 190,000	\$ 65,448	\$ 124,552
Other charges	5,000	5,000	4,495	505
Administration equipment	0	94,000	92,618	1,382
Maintenance equipment	2,500	12,500	1,883	10,617
Total maintenance of plant	<u>\$ 1,316,367</u>	<u>\$ 1,431,896</u>	<u>\$ 1,394,050</u>	<u>\$ 37,846</u>
Total operation and maintenance	<u>\$ 4,676,037</u>	<u>\$ 4,925,855</u>	<u>\$ 4,877,055</u>	<u>\$ 48,800</u>
Transportation:				
Supervisor	\$ 43,676	\$ 0	\$ 0	\$ 0
Mechanics	94,409	95,288	106,331	(11,043)
Bus drivers	606,183	679,175	565,933	113,242
Other salaries and wages	0	44,102	63,693	(19,591)
Social security	46,145	46,592	45,527	1,065
State retirement	23,723	18,489	31,732	(13,243)
Life insurance	238	253	254	(1)
Medical insurance	26,240	26,125	26,153	(28)
Employer medicare	10,792	10,167	10,647	(480)
Contracts with parents	1,000	1,000	0	1,000
Medical and dental services	3,500	3,500	4,605	(1,105)
Travel	1,100	1,100	0	1,100
Other contracted services	22,500	57,500	78,607	(21,107)
Diesel fuel	189,088	189,088	160,450	28,638
Gasoline	20,000	20,000	21,622	(1,622)
Lubricants	2,000	2,000	5,161	(3,161)
Tires and tubes	17,290	17,290	21,159	(3,869)
Vehicle parts	79,440	79,440	66,814	12,626
Other supplies and materials	2,000	2,000	31,471	(29,471)
Vehicle and equipment insurance	60,491	65,340	65,340	0
Other charges	15,550	15,550	63,814	(48,264)
Total transportation	<u>\$ 1,265,365</u>	<u>\$ 1,373,999</u>	<u>\$ 1,369,313</u>	<u>\$ 4,686</u>
Food service:				
Bonus payments	\$ 0	\$ 11,749	\$ 8,616	\$ 3,133
Other salaries and wages	63,844	66,442	66,442	0
Social security	3,958	4,045	4,579	(534)
State retirement	10,968	5,707	7,617	(1,910)
Life insurance	80	81	81	0
Medical insurance	9,633	5,978	5,978	0
Employer medicare	926	946	1,070	(124)
Food supplies	0	0	2,079	(2,079)
Total food service	<u>\$ 89,409</u>	<u>\$ 94,948</u>	<u>\$ 96,462</u>	<u>\$ (1,514)</u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Community services:				
Other contracted services	\$ 40,000	\$ 40,000	\$ 40,000	\$ 0
Total community services	\$ 40,000	\$ 40,000	\$ 40,000	\$ 0
Early Childhood Education:				
Contracts with other public agencies	\$ 910,957	\$ 924,887	\$ 924,887	\$ 0
Total early childhood education	\$ 910,957	\$ 924,887	\$ 924,887	\$ 0
Other Programs				
On-behalf payments of opeb	\$ 0	\$ 0	\$ 148,463	\$ (148,463)
Total other programs	\$ 0	\$ 0	\$ 148,463	\$ (148,463)
Total education	\$ 51,294,149	\$ 52,914,259	\$ 50,962,832	\$ 1,951,427
Capital Outlay				
Building improvements	\$ 105,416	\$ 105,416	\$ 232,472	\$ (127,056)
Lease right-to-use asset	0	0	32,234	(32,234)
Total capital outlay	\$ 105,416	\$ 105,416	\$ 264,706	\$ (159,290)
Debt Service				
Principal on bonds	\$ 415,000	\$ 443,476	\$ 28,476	\$ 415,000
Principal on leases	0	0	510,084	(510,084)
Interest on bonds	207,213	212,673	5,460	207,213
Interest on notes	194,700	194,700	0	194,700
Interest on leases	0	0	46,380	(46,380)
Total debt service	\$ 816,913	\$ 850,849	\$ 590,400	\$ 260,449
Total expenditures	\$ 52,111,062	\$ 53,870,524	\$ 51,817,938	\$ 2,052,586
Excess (deficiency) of revenues over expenditures	\$ (5,432,000)	\$ (5,609,915)	\$ (3,449,171)	\$ 2,160,744
Other Financing Sources (Uses)				
Transfers in	\$ 5,432,000	\$ 5,609,915	\$ 5,609,037	\$ (878)
Transfers out	0	0	(816,913)	(816,913)
Lease financing	0	0	32,234	32,234
Total other financing sources(uses)	\$ 5,432,000	\$ 5,609,915	\$ 4,824,358	\$ (785,557)
Net change in fund balances	\$ 0	\$ 0	\$ 1,375,187	\$ 1,375,187
Fund balance at beginning of year	8,519,040	8,519,040	8,519,040	\$ 0
Fund balance at end of year	\$ 8,519,040	\$ 8,519,040	\$ 9,894,227	\$ 1,375,187

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2022

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 14,356,499	\$ 24,283,849	\$ 2,761,846	\$ 41,402,194	\$ 2,833,998
Accounts receivable - net	3,250,029	17,234,013	137,659	20,621,701	22,589
Inventories	1,213,965	2,895,764	0	4,109,729	0
Prepays	154,771	156,982	0	311,753	0
Total current assets	<u>\$ 18,975,264</u>	<u>\$ 44,570,608</u>	<u>\$ 2,899,505</u>	<u>\$ 66,445,377</u>	<u>\$ 2,856,587</u>
Noncurrent assets:					
Receivable - conservation loans	\$ 0	\$ 1,326,585	\$ 0	\$ 1,326,585	\$ 0
Other assets	0	1,447,798	0	1,447,798	0
Net pension asset - restricted	321,938	205,829	4,829	532,596	0
Capital assets:					
Land and construction in progress	19,337,297	3,197,933	1,049,932	23,585,162	0
Other capital assets, net of depreciation	130,426,769	82,825,877	2,335,411	215,588,057	0
Total noncurrent assets	<u>\$ 150,086,004</u>	<u>\$ 89,004,022</u>	<u>\$ 3,390,172</u>	<u>\$ 242,480,198</u>	<u>\$ 0</u>
Total assets	<u>\$ 169,061,268</u>	<u>\$ 133,574,630</u>	<u>\$ 6,289,677</u>	<u>\$ 308,925,575</u>	<u>\$ 2,856,587</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	\$ 348,362	\$ 22,011	\$ 0	\$ 370,373	\$ 0
Deferred outflows - pensions	2,588,045	3,375,527	63,485	6,027,057	0
Deferred outflows - opeb	500,132	372,344	65,781	938,257	0
Total deferred outflows of resources	<u>\$ 3,436,539</u>	<u>\$ 3,769,882</u>	<u>\$ 129,266</u>	<u>\$ 7,335,687</u>	<u>\$ 0</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 114,093	\$ 12,000,106	\$ 1,558	\$ 12,115,757	\$ 339,963
Customer deposits	0	4,062,704	0	4,062,704	0
Due to other funds	0	115,000	0	115,000	0
Current maturities of long-term debt	5,003,537	1,297,740	0	6,301,277	0
Other current liabilities	2,297,976	1,329,649	9,718	3,637,343	0
Total current liabilities	<u>\$ 7,415,606</u>	<u>\$ 18,805,199</u>	<u>\$ 11,276</u>	<u>\$ 26,232,081</u>	<u>\$ 339,963</u>
Noncurrent liabilities:					
Post-employment benefits payable	\$ 6,937,585	\$ 5,008,302	\$ 353,534	\$ 12,299,421	\$ 0
Pension benefits payable	507,645	985,442	0	1,493,087	0
Conservation advances from TVA	0	1,375,170	0	1,375,170	0
Due to other funds	0	713,333	0	713,333	0
Leases payable	0	13,037	0	13,037	0
Notes payable	25,503,335	1,626,154	0	27,129,489	0
Revenue bonds payable net of discount	29,137,836	12,397,363	0	41,535,199	0
Total noncurrent liabilities	<u>\$ 62,086,401</u>	<u>\$ 22,118,801</u>	<u>\$ 353,534</u>	<u>\$ 84,558,736</u>	<u>\$ 0</u>
Total liabilities	<u>\$ 69,502,007</u>	<u>\$ 40,924,000</u>	<u>\$ 364,810</u>	<u>\$ 110,790,817</u>	<u>\$ 339,963</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred charge on refunding	\$ 94,436	\$ 158,797	\$ 0	\$ 253,233	\$ 0
Deferred inflows - pensions	5,670,161	4,735,547	70,326	10,476,034	0
Deferred inflows - opeb	1,812,043	1,283,828	222,434	3,318,305	0
Total deferred inflows of resources	<u>\$ 7,576,640</u>	<u>\$ 6,178,172</u>	<u>\$ 292,760</u>	<u>\$ 14,047,572</u>	<u>\$ 0</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 90,378,543	\$ 70,557,638	\$ 3,385,343	\$ 164,321,524	\$ 0
Unrestricted	5,040,617	19,684,702	2,376,030	27,101,349	2,516,624
Total net position	<u>\$ 95,419,160</u>	<u>\$ 90,242,340</u>	<u>\$ 5,761,373</u>	<u>\$ 191,422,873</u>	<u>\$ 2,516,624</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2022

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
Operating Revenues:					
Charges for services	\$ 31,811,082	\$ 105,956,378	\$ 1,575,112	\$ 139,342,572	\$ 5,575,118
Other operating revenues	3,235,513	1,752,360	0	4,987,873	0
<b>Total operating revenues</b>	<b>\$ 35,046,595</b>	<b>\$ 107,708,738</b>	<b>\$ 1,575,112</b>	<b>\$ 144,330,445</b>	<b>\$ 5,575,118</b>
Operating Expenses:					
Power purchased	\$ 0	\$ 78,293,429	\$ 0	\$ 78,293,429	\$ 0
Operation expenses	18,113,206	8,055,096	946,828	27,115,130	3,978,705
Maintenance expense	3,515,145	4,830,682	0	8,345,827	0
Depreciation and amortization	7,156,227	4,957,556	61,082	12,174,865	0
<b>Total operating expenses</b>	<b>\$ 28,784,578</b>	<b>\$ 96,136,763</b>	<b>\$ 1,007,910</b>	<b>\$ 125,929,251</b>	<b>\$ 3,978,705</b>
<b>Operating income (loss)</b>	<b>\$ 6,262,017</b>	<b>\$ 11,571,975</b>	<b>\$ 567,202</b>	<b>\$ 18,401,194</b>	<b>\$ 1,596,413</b>
Non Operating Revenues (Expenses):					
Interest income	\$ 40,242	\$ 80,787	\$ 8,347	\$ 129,376	\$ 6,352
Interest expense	(1,240,874)	(404,028)	0	(1,644,902)	0
Plant cost recovered through contributions	0	(161,974)	0	(161,974)	0
Gain on disposal of assets	0	0	232,144	232,144	0
Other income (expense)	(10,246)	308,074	0	297,828	0
<b>Total nonoperating revenues (expenses)</b>	<b>\$ (1,210,878)</b>	<b>\$ (177,141)</b>	<b>\$ 240,491</b>	<b>\$ (1,147,528)</b>	<b>\$ 6,352</b>
Income before contributions and transfers	\$ 5,051,139	\$ 11,394,834	\$ 807,693	\$ 17,253,666	\$ 1,602,765
Capital contributions	961,596	161,974	0	1,123,570	0
Transfers out	(486,260)	(2,417,873)	0	(2,904,133)	0
<b>Change in net position</b>	<b>\$ 5,526,475</b>	<b>\$ 9,138,935</b>	<b>\$ 807,693</b>	<b>\$ 15,473,103</b>	<b>\$ 1,602,765</b>
<b>Total net position - beginning</b>	<b>89,892,685</b>	<b>81,103,405</b>	<b>4,953,680</b>	<b>175,949,770</b>	<b>913,859</b>
<b>Total net position - ending</b>	<b>\$ 95,419,160</b>	<b>\$ 90,242,340</b>	<b>\$ 5,761,373</b>	<b>\$ 191,422,873</b>	<b>\$ 2,516,624</b>

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2022

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 35,635,130	\$ 106,105,185	\$ 1,570,991	\$ 143,311,306	\$ 0
Receipts from interfund charges	0	0	0	0	5,561,356
Payments to suppliers	(15,853,305)	(82,060,484)	(791,223)	(98,705,012)	(3,970,704)
Payments to employees for services	(6,204,486)	(10,329,463)	(201,758)	(16,735,707)	0
Net cash provided by (used in) operating activities	<u>\$ 13,577,339</u>	<u>\$ 13,715,238</u>	<u>\$ 578,010</u>	<u>\$ 27,870,587</u>	<u>\$ 1,590,652</u>
Cash flows from noncapital financing activities:					
Transfers out	\$ (486,260)	\$ (2,417,873)	\$ 0	\$ (2,904,133)	\$ 0
Net cash provided by (used in) financing activities	<u>\$ (486,260)</u>	<u>\$ (2,417,873)</u>	<u>\$ 0</u>	<u>\$ (2,904,133)</u>	<u>\$ 0</u>
Cash flows from capital and related financing activities:					
Additions to plants	\$ (14,567,505)	\$ (8,941,397)	\$ (266,836)	\$ (23,775,738)	\$ 0
Proceeds received for contributions in aid of construction	961,596	161,974	0	1,123,570	0
Removal cost	0	(416,286)	0	(416,286)	0
Salvage	5,567	165,581	0	171,148	0
Proceeds from sale of assets	0	0	232,144	232,144	0
Proceeds from issuance of debt	6,712,163	0	0	6,712,163	0
Payment of principal on long-term debt	(4,244,455)	(1,295,403)	0	(5,539,858)	0
Payment of interest on long-term debt	(1,525,684)	(574,640)	0	(2,100,324)	0
Net cash provided by (used in) capital and related financing activities	<u>\$ (12,658,318)</u>	<u>\$ (10,900,171)</u>	<u>\$ (34,692)</u>	<u>\$ (23,593,181)</u>	<u>\$ 0</u>
Cash flows from investing activities:					
Interest received	\$ 40,242	\$ 80,787	\$ 8,347	\$ 129,376	\$ 6,352
Net cash provided by investing activities	<u>\$ 40,242</u>	<u>\$ 80,787</u>	<u>\$ 8,347</u>	<u>\$ 129,376</u>	<u>\$ 6,352</u>
Net increase (decrease) in cash and cash equivalents	\$ 473,003	\$ 477,981	\$ 551,665	\$ 1,502,649	\$ 1,597,004
Cash and cash equivalents, beginning of year	13,883,496	23,805,868	2,210,181	39,899,545	1,236,994
Cash and cash equivalents, end of year	<u>\$ 14,356,499</u>	<u>\$ 24,283,849</u>	<u>\$ 2,761,846</u>	<u>\$ 41,402,194</u>	<u>\$ 2,833,998</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 6,262,017	\$ 11,571,975	\$ 567,202	\$ 18,401,194	\$ 1,596,413
revenues to net cash provided by operating activities:					
Depreciation	7,410,491	5,215,427	61,082	12,687,000	0
Other revenue (expense)	(10,247)	308,601	0	298,354	
Changes in operating assets and liabilities					
Accounts receivable	588,535	(2,193,155)	(4,121)	(1,608,741)	(13,761)
Allowance for doubtful accounts	0	13,132	0	13,132	0
Inventories	(803,054)	(803,302)	0	(1,606,356)	0
Receivable from customers for conservation loans	0	88,527	0	88,527	0
Prepays	(32,698)	17,648	0	(15,050)	0
Other assets	0	33,131	0	33,131	0
Accounts payable	40,902	1,220,643	(9,827)	1,251,718	8,000
Customer deposits	0	192,474	0	192,474	0
Other current liabilities	254,832	(1,097,478)	(7,625)	(850,271)	0
Pension benefits payable	302,662	(403,919)	(34,944)	(136,201)	0
Post-employment benefits payable	(436,101)	(346,975)	6,243	(776,833)	0
Conservation loans	0	(101,491)	0	(101,491)	0
Net cash provided by operating activities	\$ 13,577,339	\$ 13,715,238	\$ 578,010	\$ 27,870,587	\$ 1,590,652

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF NET POSITION - FIDUCIARY FUND  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND - CLEVELAND UTILITIES  
June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 168,260
Interest receivable	2,209
Investments, at fair value:	
Equity mutual funds	<u>3,150,915</u>
Total current assets	<u>\$ 3,321,384</u>
 Total assets	 <u><u>\$ 3,321,384</u></u>

NET POSITION

Net position restricted for other post-employment benefits	<u><u>\$ 3,321,384</u></u>
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CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND - CLEVELAND UTILITIES  
For the Fiscal Year Ended June 30, 2022

ADDITIONS

Employer contributions	\$ 1,440,742
Net investment income:	
Interest and dividend income	186,266
Net change in the fair value of assets	<u>(709,938)</u>
Total Additions	<u>\$ 917,070</u>

DEDUCTIONS

Benefits paid	<u>\$ 728,585</u>
Total Deductions	<u>\$ 728,585</u>
Change in Net Position Held in Trust for Other Post-Employment Benefits	\$ 188,485
Net position, held in trust beginning of year	<u>3,132,899</u>
Net position, held in trust end of year	<u><u>\$ 3,321,384</u></u>

## **NOTES**

CITY OF CLEVELAND, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cleveland, Tennessee, ("the City") was incorporated in 1903 under the provisions of Chapter 307 of The Acts of 1903. The City operates under the Council-Manager form of government as authorized under Chapter 78 of the Private Acts of 1993 and amended by Chapter 165 of the Private Acts of 1994 as it relates to the operation of the school system. The City provides the following services as authorized by its charter: health, public safety, welfare and general government services.

The following is a summary of significant policies:

A. Reporting Entity

The financial statements of the City of Cleveland include those of separately administered organizations that have a significant operational or financial relationship with the City.

Based on the foregoing criteria, the financial statements of the following organizations are included in the accompanying financial statements as part of the primary government:

Cleveland Board of Education

The Board of Education consists of seven members. Members are elected to four-year terms. The Council levies taxes for the Board's operations and issues debt for its capital projects. The financial position and results of operations of the Board of Education are reported in the School Fund, School Federal Projects Fund, and School Food Services Fund as governmental fund types, and included as part of the primary government due to the fact that it is not considered to be legally separate.

Cleveland Board of Public Utilities

The Board of Public Utilities consists of five members appointed by the City Council. The City Council has authority over the Board, prescribes the rules and regulations to which the Board must comply, and must approve their budget and proposed changes in rates. The financial position and results of operations of the Board of Public Utilities are presented in the Cleveland Utilities Water Division and Cleveland Utilities Electric Division in the enterprise fund section. The activities of the Board of Public Utilities are includable as part of the primary government due to the fact that it is not considered to be legally separate.

Cleveland Public Library Board

The Board of Cleveland Public Library consists of seven members appointed by the City Council and the County Commission. The Board is fiscally dependent upon the City because the City Council approves the Library's budget and issues debt for its capital projects. The financial position and results of operations of the Cleveland Public Library Board are reported in the Library Fund as a governmental fund type and includable as part of the primary government due to the fact that it is not considered to be legally separate.

B. Government-wide and Fund Financial Statements

Government-wide Statements - The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

B. Government-wide and Fund Financial Statements - (Cont.)

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenue, including all taxes, are presented as general revenue.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including its governmental funds, proprietary funds and fiduciary funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

School Fund. This fund is used to account for the revenues and expenditures of the City of Cleveland public school system. Funding for the school system is provided by federal and state grants as well as state and county taxes.

The City reports the following major enterprise funds:

Cleveland Utilities Water Division. This fund is used to account for the provision of water and wastewater services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing and collection and some service areas outside the corporate boundaries.

Cleveland Utilities Electric Division. This fund is used to account for the provision of electric service to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing, billing and collection and some service areas outside the corporate boundaries.

Stormwater Management Fund - This fund is used to account for fees collected for stormwater maintenance to residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operation, maintenance, financing, billing and collection.

Additionally, the government reports the following fund types:

Fiduciary Funds. The City has one fiduciary fund. The Other Post-Employment Benefits Trust Fund holds assets that have been set aside to fund the opeb liability of Cleveland Utilities. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and employs accounting principles similar to proprietary funds. The City's fiduciary fund is presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Internal Service Funds. The City has one internal service fund. The Health Insurance Trust Fund was established to pay employee medical benefits under a partially self-insured plan.

B. Government-wide and Fund Financial Statements - (Cont.)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water, wastewater and electric functions. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Measurement focus, Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, gasoline taxes, wholesale beer taxes, income taxes, mixed drink taxes, gross receipts taxes and in-lieu of taxes are susceptible to accrual. Licenses and permits, fines and forfeitures, gross receipts taxes and excise taxes are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds and internal service fund are charges to customers for sales and services. Cleveland Utilities - Water Division also recognizes as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The effect of interfund activity has been eliminated from the government-wide financial statements.

D. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and certificates of deposit with original maturities of three months or less, primarily with local financial institutions.

E. Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the City's own legally issued bonds or notes.

E. Investments - (Cont.)

The City's investments in certificates of deposit are reported at cost. Investments in the State Local Government Investment Pool (LGIP) are reported at amortized cost using a Stable Net Asset Value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. The regulatory oversight for the LGIP is the State Funding Board. The City's net position in the pool is the same as the pool shares.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

The City's property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real and personal property located in the City. City property tax revenues are recognized when levied to the extent they result in current receivables. Taxes not collected as of March 1 of the following year are considered delinquent and are subject to lien on April 1 of the succeeding year.

G. Inventories and Prepaid Items

Inventories are valued at cost, using the first-in, first-out method. The costs of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

H. Restricted Assets

Certain proceeds of the Cleveland Utilities - Water Division revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. They are represented mostly by cash and certificates of deposit. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Restricted assets also consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the Cleveland City School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Cleveland City School System to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Cleveland City School System has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., primary roads, secondary roads, drainage), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if

I. Capital Assets - (Cont.)

purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Infrastructure - Roads	50
Infrastructure - Drainage	20
Infrastructure - Detention Ponds	40
Buildings	20-50
Vehicles	5
Equipment	5-10
Other Improvements	25

Cleveland Utilities

Electric Division		Water Division	
Class	Years	Class	Years
Structures, transmission and distribution systems	33-50	Structures, transmission and distribution systems	25-50
Equipment	10-20	Equipment	10-20
Transportation equipment	5	Transportation equipment	5

Cleveland Utilities uses a composite straight-line rate expressed as a percentage of average depreciable plant. The 2022 rates for the Electric Division and Water Divisions were 3.1% and 2.8% respectively. When property subject to depreciation is retired or otherwise disposed of in the normal course of business, its costs, together with the cost of removal less salvage, is charged to the reserve for depreciation. Replacements of property (exclusive of minor items of property) for Cleveland Utilities are charged to utility plant accounts.

Cleveland Utilities Electric and Water Divisions charge a portion of depreciation on certain transportation equipment to other expense classifications based on relative usage. Depreciation charged to other accounts was \$257,871, and \$254,264, for Cleveland Utilities Electric Division and Water Division, respectively. The following schedule reconciles this allocation of depreciation expense:

	Reconciliation
Depreciation and amortization per statement of revenues, expenses and changes in net position	\$ 12,174,865
Depreciation charged to clearing account	512,135
Depreciation and amortization per statement of cash flows	<u>\$ 12,687,000</u>

J. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualifies for reporting in this category. The first one is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding (loss) results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item relates to pension contributions made after the measurement date of the pension liability.

J. Deferred outflows/inflows of resources - (Cont.)

These amounts will be recognized as a reduction (increase) in the following measurement period. The third item relates to pension plans and other post employment benefits and results from differences between actual and expected experience and earnings on both plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. Unavailable revenue is reported in the governmental funds balance sheet and also the government-wide statement of net position as deferred revenue. This is comprised of current property taxes (2022 levy) at the government-wide level. The governmental funds report unavailable revenue from property taxes, sales tax and other state taxes and are recognized as an inflow of resources in the period that they become available. The second item is the deferred charge on refunding (gain) resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third item relates to pension and opeb liability and differences between actual and expected experience and earnings on both plans.

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Long-term obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

M. Leases

Leases include copier and computer equipment for periods of up to five years. The discount rate is based on current borrowing rates.

N. Net Position and Fund Equity

In the government-wide financial statements equity is classified as net position and displayed in three components:

N. Net Position and Fund Equity - (Cont.)

Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of June 30, 2022, outstanding debt proceeds totaled \$20,161,995.

Restricted net position - Consists of amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other amounts that do not meet the definition of restricted or invested in capital assets, net of related debt.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications consist of the following:

Nonspendable Fund Balance - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances by the City Council, the City's highest level of decision-making authority.

Assigned Fund Balance - includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The City Council is the authorized body to make assignments. The Council has by resolution authorized the finance director to assign fund balance.

Unassigned Fund Balance - the residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes of which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

O. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. The City holds budget hearings in mid March of each year with all department heads submitting requests. The operating budget includes proposed expenditures and the means of financing them. Also, a six-year capital budget is presented in conjunction with the operating budget.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont.)

O. Budgets and Budgetary Accounting - (Cont.)

2. At a later date, the City Manager makes a formal presentation to the Council for the finalized budget.
3. Prior to July 1, the budget and property tax rate are due for passage by ordinance.
4. The Finance Director is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not exceed appropriations at the fund level.
5. Formal legally adopted budgets are employed as a management control device during the year for all funds except for Cleveland Utilities - Electric and Water Divisions. Budgeted amounts reflected in the accompanying final budget and actual comparison are as originally adopted and amended by the City Council.
6. All appropriations which are not expended lapse at year end.
7. During the year, supplementary appropriations were necessary. The effect of the amendments were to increase budgeted revenues by \$18,106,599, increase budgeted expenditures by \$47,073,009, and increase budgeted expenses by \$1,085,209. The increase in revenues is primarily from federal grants and tax revenues received by the City. The increase in budgeted expenditures is a result of the additional funding.

P. Subsequent Events

Management has evaluated events and transactions that occurred between June 30, 2022, and January 20, 2023, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Note 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. All of the City's deposits and investments were covered by federal depository insurance or by the bank collateral pool administered by the Treasurer of the State of Tennessee.

Cash and cash equivalents included unused bond proceeds at year end totaling \$20,151,828 for governmental activities and \$10,167 for business-type activities.

Municipalities are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loans associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the City's own legally issued bonds or notes. Municipalities are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the State Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

	Cost	Investment Maturities	
		Less than One Year	One to Five Years
Certificates of Deposit	\$ 469,837	\$ 0	\$ 469,837
Treasury Notes	9,989,660	9,989,660	0
Local Government Investment Pool	4,140	4,140	0
	<u>\$ 10,463,637</u>	<u>\$ 9,993,800</u>	<u>\$ 469,837</u>

Note 2 - DEPOSITS AND INVESTMENTS - (Cont.)

Interest rate risk - In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the amount invested in long-term investments and bidding the amount of interest earned on checking accounts with area banks.

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount that may be invested with 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 City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City does not have a formal policy that limits custodial credit risk for investments.

#### INVESTMENTS - FIDUCIARY FUND

Investments of the opeb trust fund are reported at fair value and classified according to the following hierarchy:

Level 1 - Investments reflect prices quoted in active markets.

Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 - Investments reflect prices based upon unobservable sources.

At June 30, 2022, all investments held in the Other Post-employment Benefit Trust have been classified as Level 1 in the fair value hierarchy as they are valued directly from a predetermined primary external pricing vendor utilizing quoted market prices in active markets.

The investment strategy is to reduce risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following investments represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U.S. government at June 30, 2022.

American Beacon Small Cap Value Fund	\$	176,054
Clearbridge International Growth		195,209
John Hancock Fund III - International Growth Fund		197,582
Lord Abbett Short Duration Income Fund		322,947
Thornburg Limited Term Income Fund		351,514
Vanguard Growth Index Fund		380,856
Vanguard High Dividend Yield Index Fund		504,095
Victory Sycamore Established Value I Fund		223,348

For the year ended June 30, 2022, the annual money-weighted rate of return on Opeb plan investment expense was -14.19 %. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### INVESTMENTS - TCRS Stabilization Reserve Trust

Legal Provisions - The Cleveland City Schools are a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The 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 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 school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Cleveland City School Board may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances - Assets of the 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 participants shares during the fiscal year. There's are no restrictions on the sale or redemption of shares.

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

Level 1 - Unadjusted quoted prices for identical assets and 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 process 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; an 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 to be calculated consistent with FASB principles for investment companies.

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 to be represented in the table below.

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

Note 2 - DEPOSITS AND INVESTMENTS - (Cont.)

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active market that can be accessed 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 value with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level are value 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 value 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 appraisers with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three 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 investments reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

On June 30, 2022, Cleveland City Schools had the following investments held by the trust on its behalf.

	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 166,250
Developed Market International Equity	N/A	N/A	75,079
Emerging Market International Equity	N/A	N/A	21,452
U.S. Fixed Income	N/A	N/A	107,257
Real Estate	N/A	N/A	53,629
Short-term Securities	N/A	N/A	5,362
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>107,257</u>
Total			<u>\$ 536,286</u>

Note 2 - DEPOSITS AND INVESTMENTS - (Cont.)

Investment by Fair Value Level	Fair Value	Level 1	Level 2	Level 3	NAV
U.S. Equity	\$ 166,250	\$ 166,250	\$ 0	\$ 0	\$ 0
Developed Market					
International Equity	75,079	75,079	0	0	0
Emerging Market					
International Equity	21,452	21,452	0	0	0
U.S. Fixed Income	107,257	0	107,257	0	0
Real Estate	53,629	0	0	53,629	0
Short-term Securities	5,362	0	5,362	0	0
Private Equity & Strategic Lending	107,257	0	0	0	107,257
	<u>\$ 536,286</u>	<u>\$ 262,781</u>	<u>\$ 112,619</u>	<u>\$ 53,629</u>	<u>\$ 107,257</u>

Risk and Uncertainties - The trust's investments include various types of investment funds, which in turn invest in any combination of stock, 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.

Investment Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Cleveland City 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 Cleveland City 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 School's investment in a single issuer. The Cleveland City Schools places no limit on the amount the School 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 School 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 Cleveland City Schools to pay retirement benefits of the Cleveland City Schools employees.

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

Note 3 - RECEIVABLES

Receivables as of year end for the government's individual major funds, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Receivable	Inter-govern-mental	Taxes	Customer Accounts	Other	Allowance for Uncollectables	Net Receivables
General	\$ 43,912	\$ 32,532,076	\$ 0	\$ 961,904	\$ (484,138)	\$ 33,053,754
School	9,046,002	2,114,655	0	0	(73,236)	11,087,421
Capital Imp Program	1,241,740	0	0	0	0	1,241,740
Water	0	0	3,250,029	0	0	3,250,029
Electric	0	0	17,365,986	0	(131,973)	17,234,013
Stormwater	0	0	137,659	0	0	137,659
Nonmajor	3,692,410	0	0	295,084	0	3,987,494
Internal Service	0	0	22,589	0	0	22,589
<b>Totals</b>	<b>\$ 14,024,064</b>	<b>\$ 34,646,731</b>	<b>\$ 20,776,263</b>	<b>\$ 1,256,988</b>	<b>\$ (689,347)</b>	<b>\$ 70,014,699</b>

Cleveland Utilities Electric and Water Divisions recognize revenues based on billings to customers on monthly meter-reading cycles and also an accrual for the estimate of unbilled revenue for service provided.

Note 4 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 38,073,782	\$ 0	\$ 0	\$ 38,073,782
Construction in progress	7,930,781	6,341,631	(2,949,758)	11,322,654
Total capital assets not being depreciated	\$ 46,004,563	\$ 6,341,631	\$ (2,949,758)	\$ 49,396,436
Capital assets, being depreciated:				
Buildings	\$ 155,949,947	\$ 3,246,439	\$ (191,887)	\$ 159,004,499
Improvements other than buildings	27,096,605	1,547,239	(17,777)	28,626,067
Infrastructure	75,771,913	2,001,498	0	77,773,411
Furniture, fixtures, equipment and vehicles	44,610,058	4,330,524	(1,180,744)	47,759,838
Leases - right to use assets	1,584,455	32,234	0	1,616,689
Total capital assets being depreciated	\$ 305,012,978	\$ 11,157,934	\$ (1,390,408)	\$ 314,780,504
Less accumulated depreciation for:				
Buildings	\$ (48,853,527)	\$ (3,718,805)	\$ 14,973	\$ (52,557,359)
Improvements other than buildings	(8,668,427)	(806,497)	504	(9,474,420)
Infrastructure	(28,754,768)	(1,671,335)	0	(30,426,103)
Furniture, fixtures, equipment and vehicles	(32,550,364)	(3,355,642)	1,150,879	(34,755,127)
Leases - right to use assets	0	(450,052)	0	(450,052)
Total accumulated depreciation	\$ (118,827,086)	\$ (10,002,331)	\$ 1,166,356	\$ (127,663,061)
Total capital assets being depreciated, net	\$ 186,185,892	\$ 1,155,603	\$ (224,052)	\$ 187,117,443
Governmental activities capital assets, net	\$ 232,190,455	\$ 7,497,234	\$ (3,173,810)	\$ 236,513,879

Note 4 - CAPITAL ASSETS - (Cont.)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land and land rights, easements	\$ 3,302,702	\$ 0	\$ 0	\$ 3,302,702
Construction work-in-progress	21,240,704	436,453	(1,394,697)	20,282,460
Total capital assets not being depreciated	<u>\$ 24,543,406</u>	<u>\$ 436,453</u>	<u>\$ (1,394,697)</u>	<u>\$ 23,585,162</u>
Capital assets being depreciated:				
Plant in service	\$ 409,547,592	\$ 22,728,386	\$ (1,016,756)	\$ 431,259,222
Equipment	167,641	26,150	(55,527)	138,264
Drainage improvements	852,140	1,576,395	0	2,428,535
Leases - right to use assets	64,357	0	0	64,357
Total capital assets being depreciated	<u>\$ 410,631,730</u>	<u>\$ 24,330,931</u>	<u>\$ (1,072,283)</u>	<u>\$ 433,890,378</u>
Less accumulated depreciation for:				
Plant in service	\$ (206,933,675)	\$ (12,120,959)	\$ 1,016,756	\$ (218,037,878)
Equipment	(123,475)	(12,350)	55,527	(80,298)
Drainage improvements	(101,773)	(49,317)	0	(151,090)
Leases - right to use assets	(14,310)	(18,745)	0	(33,055)
Total accumulated depreciation	<u>\$ (207,173,233)</u>	<u>\$ (12,201,371)</u>	<u>\$ 1,072,283</u>	<u>\$ (218,302,321)</u>
Total capital assets being depreciated, net	<u>\$ 203,458,497</u>	<u>\$ 12,129,560</u>	<u>\$ 0</u>	<u>\$ 215,588,057</u>
Business-type activities capital assets	<u>\$ 228,001,903</u>	<u>\$ 12,566,013</u>	<u>\$ (1,394,697)</u>	<u>\$ 239,173,219</u>

Depreciation and amortization expense was charged to governmental functions as follows:

General government	\$ 132,726
Development and engineering	67,837
Public safety	1,273,851
Public works	2,640,777
Culture and recreation	1,011,778
Education	4,875,362
Total depreciation expense - governmental activities	<u>\$ 10,002,331</u>

Note 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2022, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	Cleveland Utilities - Electric	\$ 828,333
General Fund	Blythe Sidewalks Diabetes	40,237
General Fund	Community Development	
	Block Grant Fund	66,385
School Fund	School Federal Projects Fund	1,449,609
		<u>\$ 2,384,564</u>

Of the total interfund receivable/payable balances, \$1,671,231, is expected to be repaid within one year. Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs.

Note 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS - (Cont.)

The following is a schedule of transfers in and transfers out:

Transfers out:	Transfers in:				Totals
	General Fund	School Fund	Capital Improvement Program	Nonmajor Governmental	
General fund	\$ 0	\$ 5,605,300	\$ 2,004,718	\$ 8,377,479	\$ 15,987,497
School fund	0	0	816,913	0	816,913
Cleveland Utilities - Electric	2,417,873	0	0	0	2,417,873
Cleveland Utilities - Water	486,260	0	0	0	486,260
Nonmajor Governmental	0	3,737	0	447,836	451,573
	<u>\$ 2,904,133</u>	<u>\$ 5,609,037</u>	<u>\$ 2,821,631</u>	<u>\$ 8,825,315</u>	<u>\$ 20,160,116</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The City does not designate property taxes when levied but supports education, debt service, capital outlay and other departments through transfers from the general fund. Cleveland Utilities Electric and Water Divisions remit tax equivalent payments to the general fund through transfers. Other transfers from and to nonmajor funds are primarily to support debt service.

Note 6 - LONG-TERM DEBT

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have also been issued to refund older issues of general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as a 20-year serial bonds with increasing amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	2.00 to 5.00%	\$ 27,615,000
Governmental activities - refunding	2.00 to 5.00%	\$ 55,484,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year	Principal	Interest	Total
<u>Ending June 30,</u>			<u>Requirements</u>
2023	\$ 4,993,000	\$ 3,485,790	\$ 8,478,790
2024	5,208,000	3,215,679	8,423,679
2025	6,003,000	2,963,281	8,966,281
2026	6,220,000	2,674,205	8,894,205
2027	6,805,000	2,357,584	9,162,584
2028-2032	28,140,000	7,167,620	35,307,620
2033-2037	13,870,000	3,278,203	17,148,203
2038-2042	6,110,000	1,733,888	7,843,888
2043-2047	5,750,000	708,000	6,458,000
	<u>\$ 83,099,000</u>	<u>\$ 27,584,250</u>	<u>\$ 110,683,250</u>

Revenue Bonds

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service.

Note 6 - LONG-TERM DEBT - (Cont.)

The revenue bonds are collateralized as to payment of principal and interest by a pledge of sufficient revenues, after deduction of all current operating expenses, to meet principal and interest payments when due. In the event of a deficiency of revenues, the full faith, credit and resources of the City of Cleveland are irrevocably pledged for the prompt payment of principal and interest when due. Revenue bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Cleveland Utilities - Water Division	1.00-5.75%	\$ 29,081,450
Cleveland Utilities - Electric Division	1.00-5.75%	11,803,550

Debt service requirements to maturity for revenue bonds of Cleveland Utilities are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2023	\$ 4,185,000	\$ 1,627,900	\$ 5,812,900
2024	3,705,000	1,463,986	5,168,986
2025	3,610,000	1,294,134	4,904,134
2026	3,280,000	1,132,511	4,412,511
2027	3,290,000	975,303	4,265,303
2028-2032	12,250,000	2,915,547	15,165,547
2033-2037	7,415,000	1,045,535	8,460,535
2038-2042	3,150,000	220,906	3,370,906
	<u>\$ 40,885,000</u>	<u>\$ 10,675,822</u>	<u>\$ 51,560,822</u>

Notes Payable - Direct Borrowing - Governmental

The City issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and loans included in the long-term debt of governmental activities are being retired from the Debt Service Fund and the Sales Tax Fund.

Capital outlay notes and other loans outstanding as of June 30, 2022, for governmental activities are as follows:

<u>Type</u>	<u>Interest</u> <u>Rate</u>	<u>Final</u> <u>Maturity</u>	<u>Original</u> <u>Issue</u>	<u>Balance</u> <u>6/30/2022</u>
Direct Borrowing:				
Public Building Authority - Clarksville TN	Variable	5/25/2028	1,812,700	745,000
Other Loans	1.15 to 2.45%	8/1/2033	5,015,575	1,768,913

Principal requirements to maturity for notes payable accounted for in the governmental activities for the fiscal year ended June 30, 2022, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2023	\$ 456,672	\$ 130,675	\$ 587,347
2024	489,585	119,943	609,528
2025	501,168	108,610	609,778
2026	538,614	96,667	635,281
2027	188,168	23,182	211,350
2028-2032	300,548	16,132	316,680
2033-2037	39,158	374	39,532
	<u>\$ 2,513,913</u>	<u>\$ 495,583</u>	<u>\$ 3,009,496</u>

Note 6 - LONG-TERM DEBT - (Cont.)

Notes Payable - Direct Borrowing - Business Type

The City issues other loans to provide funds for the acquisition and construction of major improvements to the Electric and Water Divisions of Cleveland Utilities. The notes are collateralized as to payment of principal and interest by a pledge of sufficient revenues, after deduction of all current operating expenses, to meet principal and interest payments when due. In the event of a deficiency of revenues, the full faith, credit and resources of the City of Cleveland are irrevocably pledged for the prompt payment of principal and interest when due. Repayment terms are generally structured with increasing amount of principal maturing as interest requirements decrease over the term of the debt. All notes and loans were issued for original terms of 20 years for repayment. Notes will be retired from the Electric and Water Division enterprise funds.

Capital outlay notes and other loans outstanding as of June 30, 2022, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6/30/2022
Direct Borrowing:				
TN State Revolving Loan Fund	.88 to 2.08%	06/01/41	42,352,769	27,385,367
Volunteer Electric	0%	08/31/30	2,151,963	1,841,350

Principal requirements to maturity for notes payable accounted for in the business-type activities for the fiscal year ended June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2023	\$ 2,097,228	\$ 441,504	\$ 2,538,732
2024	2,120,064	418,668	2,538,732
2025	2,137,365	395,544	2,532,909
2026	2,160,777	372,132	2,532,909
2027	2,182,528	348,408	2,530,936
2028-2032	11,027,328	1,375,164	12,402,492
2033-2037	10,536,875	736,770	11,273,645
2038-2042	6,982,956	190,713	7,173,669
	<u>\$ 39,245,121</u>	<u>\$ 4,278,903</u>	<u>\$ 43,524,024</u>

Leases - Right to use assets

Leases include office equipment and computer equipment. Leases are recorded as intangible assets and amortized over the life of the lease. The intangible asset and offsetting liability are recorded at the present value of the lease payments using an interest factor of 3.0%.

Principal requirements to maturity for leases accounted for in the governmental activities for the fiscal year ended June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2023	\$ 503,703	\$ 32,035	\$ 535,738
2024	500,450	17,159	517,609
2025	53,220	2,343	55,563
2026	44,084	775	44,859
2027	5,148	65	5,213
2028-2032	0	0	0
	<u>\$ 1,106,605</u>	<u>\$ 52,377</u>	<u>\$ 1,158,982</u>

Note 6 - LONG-TERM DEBT - (Cont.)

Principal requirements to maturity for leases accounted for in the business-type activities for the fiscal year ended June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2023	\$ 19,049	\$ 702	\$ 19,751
2024	11,715	196	11,911
2025	1,322	5	1,327
2026	0	0	0
2027	0	0	0
2028-2032	0	0	0
	<u>\$ 32,086</u>	<u>\$ 903</u>	<u>\$ 32,989</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 68,677,000	\$ 19,220,000	\$ (4,798,000)	\$ 83,099,000	\$ 4,993,000
Notes payable	3,018,878	455,575	(960,540)	2,513,913	456,672
Leases payable	1,584,455	32,234	(510,084)	1,106,605	503,703
Compensated absences	2,532,680	4,006,796	(3,976,434)	2,563,042	256,304
Less bond discount/premium	8,989,151	1,025,074	(630,545)	9,383,680	0
Total	<u>\$ 84,802,164</u>	<u>\$ 24,739,679</u>	<u>\$ (10,875,603)</u>	<u>\$ 98,666,240</u>	<u>\$ 6,209,679</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	\$ 42,300,000	\$ 2,955,000	\$ (4,370,000)	\$ 40,885,000	\$ 4,185,000
Notes payable	2,056,546	0	(215,196)	1,841,350	215,196
State revolving loan fund	24,747,236	3,574,307	(936,176)	27,385,367	1,882,032
Leases payable	50,572	0	(18,486)	32,086	19,049
Conservation advances	1,723,814	438,348	(539,839)	1,622,323	247,153
Less bond discount/premiums	5,113,479	182,856	(461,136)	4,835,199	0
	<u>\$ 75,991,647</u>	<u>\$ 7,150,511</u>	<u>\$ (6,540,833)</u>	<u>\$ 76,601,325</u>	<u>\$ 6,548,430</u>

As of June 30, 2022, a balance of \$10,018,404, is available in loan proceeds to be drawn down on notes as follows:

State revolving loan fund SRF 2018-417-01	\$ 8,511,714
State revolving loan fund SRF 2019-431	1,506,690
	<u>\$ 10,018,404</u>

On May 5, 2022, the City of Cleveland on behalf of the Water Division, issued bonds in the principal amount of \$2,955,000, for the purpose of making improvements to the water system. The 2022 Series bonds have a coupon rate between 3.375 and 5.0 percent. The bonds will mature June 1, 2042.

On May 6, 2022, the City of Cleveland on behalf of the Wastewater Division of Cleveland Utilities entered into a revolving loan agreement with the Tennessee State Revolving Loan Fund, "SRF 18-417-01" to finance the wastewater rehabilitation plan. The SRF 18-417-01 loan agreement was for \$10,000,000, in the form of a loan of \$10,000,000. The loan is to be paid back over a 20-year period with a fixed interest rate of .73 percent. As of June 30, 2022, the Division has drawn down \$1,488,286, of the loan proceeds.

Note 6 - LONG-TERM DEBT - (Cont.)

On May 5, 2022, the City issued bonds in the amount of \$19,220,000, to fund various capital improvement project to be undertaken by the City. The bonds are to be paid back over a 25-year period with fixed rates ranging from 3.375 to 5.00%. The bonds will mature June 1, 2043.

On September 1, 2021, the City of Cleveland issued notes in the amount of \$455,575, for the purchase of equipment to be financed over a four year period. The note was issued at 6.0% interest and will mature September 1, 2025.

Compensated absences, postemployment benefit obligations and pension contributions are generally liquidated by the general fund, school fund, school federal projects fund, school food service fund, library fund, state street aid fund, and solid waste management fund.

Note 7 - JOINT VENTURES

The City of Cleveland, together with Bradley County and the City of Charleston, have created the Bradley County 911 Emergency Communications District to combine Emergency 911 services that were operated separately by each government. The District board consists of ten ex-officio members including: the County Mayor, the City of Cleveland Mayor, the City of Charleston Police Chief, the County Sheriff, the Cleveland Police Chief, the Cleveland Fire Chief, the Director of Emergency Medical Services, the Director of the Emergency Management Agency, Cleveland City Manager and Bradley County Fire Chief, along with three persons appointed by the County Mayor with the approval of the County Commission and the City of Cleveland Council. The City has constructed a building and purchased equipment for the District at a total cost of \$1,311,046. The City is financing this endeavor through loans from bond proceeds issued by the Building Authority of Sevier County, Tennessee. The City is receiving impact payments from the District equal to the debt service requirements. Separate financial statements are issued for the District any may be obtained by writing to the Bradley County 911 Emergency Communications District, Guthrie Drive, Cleveland, Tennessee 37312.

Note 8 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds, notes payable, compensated absences, post-employment benefits, pension liability and interest payable are not due and payable in the current period and therefore are not reported in the funds." The details of this \$110,086,104, are as follows:

Bonds payable	\$ 83,099,000
Notes payable	2,513,913
Leases	1,106,605
Compensated absences	2,563,042
Postemployment benefits	40,211,933
Net pension asset	(29,001,457)
Interest payable	209,388
Premium on bonds payable	<u>9,383,680</u>
Net adjustment	<u>\$ 110,086,104</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$4,547,480, difference are as follows:

Capital outlay	\$ 14,549,811
Depreciation expense	<u>(10,002,331)</u>
Net adjustment	<u>\$ 4,547,480</u>

Note 8 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - (Cont.)

Another element of that reconciliation states that "Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position." The details of this \$6,268,624, difference are as follows:

Principal repayments:		
General obligation bonds	\$	4,798,000
Notes payable		960,540
Leases - right to use assets		<u>510,084</u>
Net adjustment	\$	<u><u>6,268,624</u></u>

Note 9 - COMMITMENTS AND CONTINGENCIES

Cleveland Utilities Board is a party to a contract with TVA dated August 17, 1976, under which the Electric Division purchases its entire requirements for electric power and energy from TVA for resale. The contract may be terminated by either TVA or the Board at any time upon not less than five years' written notice.

The Cleveland Utilities Board is a party to a contract with the Hiwassee Utilities Commission (HUC) dated June 22, 2006 under which the Water Division agrees to purchase an annual quantity of water equal to an average of 5,335,000 gallons of water per day.

The Cleveland Utilities Board is a party to a contract with the Hiwassee Utilities Commission (HUC) dated January 21, 1982, under which HUC agrees to contract with the Water Division for operating the water filter plant owned by HUC in Charleston, Tennessee. Cleveland Utilities provides all necessary functions of the day-to-day operation of the plant. Cleveland Utilities is reimbursed for all costs incurred in operating the plant plus additional amounts for overhead as called for in the contract. Cleveland Utilities is not responsible for property insurance on the HUC facilities.

On September 16, 2005, Cleveland Utilities received a Commissioner's Order from the Tennessee Department of Environment and Conservation. The order deals with the violations of Cleveland Utilities' NPDES Permit related to overflows in the sewer collection system. Cleveland Utilities reported the violations listed in the order to TDEC. The Board authorized the utility to engage the services of legal counsel to appeal the order. The appeal was filed September 21, 2005, and on January 25, 2006, an "agreed order" was signed by all parties. The agreed order outlines certain requirements to be undertaken by the utility to address the violations as they are listed in the order. In conjunction with the Commissioner's Order received in 2005, Cleveland Utilities submitted a Capacity, Maintenance, Operations and Management (CMOM) plan to the Tennessee Department of Environment and Conservation (TDEC) for approval. This document details how Cleveland Utilities will ensure capacity within the wastewater collection system, perform routine and preventative maintenance, what daily operations are performed by Cleveland Utilities personnel and how the data is being managed. On September 23, 2011, Cleveland Utilities received approval of the CMOM program. Cleveland Utilities developed the Strategic Commitment to Protect the Environment (SCOPE-10) program. This program will manage the CMOM program while also overseeing wastewater rehabilitation of the collection system. Cleveland Utilities has revised the CMOM document and received approval of the new CMOM on July 18, 2012.

Note 10 - LITIGATION

The City generally follows the practice of recording liabilities from claims and legal actions only when they become fixed or determinable in amount. The City of Cleveland and Cleveland Utilities Electric and Water Divisions are involved in certain legal matters, the outcome of which is not presently determinable. It is the opinion of management, based in part on the advice of legal counsel, that these matters will not have a material adverse effect on the results of operations or the financial position of the City and Cleveland Utilities.

Note 11 - TENNESSEE VALLEY AUTHORITY (TVA) CONSERVATION PROGRAMS

Cleveland Utilities - Electric Division is a fiscal intermediary for TVA conservation programs. Under these programs, the Division obtains advances from TVA to administer loans to qualified customers approved by TVA. The repayment of the customer loans is based on monthly amortization schedules ranging from three to ten years. The TVA advances are repaid monthly as payments are received on outstanding customer loans. Amounts billed monthly to customers but not yet received are included in Accounts Receivable - other. All other amounts are reported as long-term. TVA assumes all credit risks under these programs. Effective June 30, 1997, TVA sold its loans to First American National Bank which was acquired by Regions Bank during the year ended June 30, 2000. This sale changes the parties to the arrangement described above but does not change the Board's role as a fiscal intermediary.

Note 12 - RISK MANAGEMENT

It is the policy of the City to purchase commercial insurance for the risks of losses to which it is exposed. The City has commercial insurance coverage for property, employee theft, and major equipment. The City is also a member of the Tennessee Municipal League Risk Management Pool and receives coverage for worker's compensation claims and general liability. The City pays an annual premium to the Tennessee Municipal League (TML) for its insurance coverage. The creation of the TML Risk Management Pool provides for it to be self-sustaining through member premiums. Settled claims from losses have not exceeded insurance coverage in any of the past three fiscal years.

Beginning August 1, 2015, liabilities for employee medical benefits are partially self-insured for Cleveland Utilities and various departments of the City, other than the Board of Education which is continuing coverage through commercial policies. Plan costs include medical claims, prescription drug claims, stop loss insurance coverage, and fixed medical cost premiums. The total estimated liability as of June 30, 2021, is \$443,858. The liability has been calculated based upon subsequent claim payments. Changes in claims liability for the current year are summarized below.

	Cleveland Utilities	Health Insurance Trust	Total
Claims liability at 6/30/21	\$ 111,896	\$ 331,962	\$ 443,858
Current year claims and estimate changes	4,603,706	2,952,495	7,556,201
Claims paid	<u>(4,616,917)</u>	<u>(2,944,495)</u>	<u>(7,561,412)</u>
Claims liability at 6/30/22	<u>\$ 98,685</u>	<u>\$ 339,962</u>	<u>\$ 438,647</u>

Note 13 - DEFERRED COMPENSATION PLAN

During fiscal year ended June 30, 1998, the City of Cleveland implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This Statement rescinds GASB No. 2, Financial Reporting of Deferred Compensation Plans Adopted under the Provision of Internal Revenue Code Section 457. The effect of the new statement is to eliminate the requirement for statement presentation and note disclosure for plans that are held in trust and meet the requirements of Section 457(g).

Note 14 - ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Note 15 - TAX ABATEMENTS

In recent years the City has entered into PILOT Programs with various industries as a way to stimulate the local economy, promote industrial expansion and create jobs. The Payment in Lieu of Taxes (PILOT) is designed as an incentive program which allows an industry to pay less than what is owed in property taxes for a period of time. This frees up funds which the business or industry agrees to invest in the local community. This PILOT Program is authorized under Tennessee Code Annotated 7-53-305. For each year the PILOT Program is in effect, businesses are billed based upon an agreed upon percentage of the total tax they would have paid. For the current fiscal year, six businesses paid taxes totaling \$785,854, based on a total potential tax of \$1,734,478.

Note 16 - RETIREMENT COMMITMENTS

THE TCRS PENSION PLAN

*Plan Description.* Certain employees of the City of Cleveland 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 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. The chief legislative body may adopt the benefit terms permitted by statute. Members 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. Reduced benefits are 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 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 2nd 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 and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

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

Inactive employees or beneficiaries currently receiving benefits	517
Inactive employees entitled to but not yet receiving benefits	400
Active employees	760
	<u>1,677</u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The City of Cleveland makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, employer contributions were 7,557,627, based on a rate of 20.68 percent of covered payroll for public safety employees and 17.18 percent of covered payroll for all other employees under the plan. By law, employer contributions are required to be paid. The TCRS may intercept Cleveland City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are 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.

THE TCRS PENSION PLAN - (Cont.)

Net Pension Liability

Cleveland City's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

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

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

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

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

*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.

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 Cleveland City 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

THE TCRS PENSION PLAN - (Cont.)

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.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 6/30/20	\$ 172,394,186	\$ 153,889,198	\$ 18,504,988
Changes for the year:			
Service cost	\$ 3,067,349	\$ 0	\$ 3,067,349
Interest	12,455,312	0	12,455,312
Difference between expected and actual experience	(973,078)	0	(973,078)
Changes in assumptions	12,101,192	0	12,101,192
Contributions - employer	0	7,074,310	(7,074,310)
Net investment income	0	39,657,269	(39,657,269)
Benefit payments	(7,328,245)	(7,328,245)	0
Administrative expenses	0	(66,700)	66,700
Net changes	<u>\$ 19,322,530</u>	<u>\$ 39,336,634</u>	<u>\$ (20,014,104)</u>
Balance at 6/30/21	<u>\$ 191,716,716</u>	<u>\$ 193,225,832</u>	<u>\$ (1,509,116)</u>

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Cleveland City's net pension liability	\$ 25,112,624	\$ (1,509,116)	\$ (23,607,119)

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

*Pension expense.* For the year ended June 30, 2022, Cleveland City recognized negative pension expense of \$1,679,486.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,487,802	\$ 810,898
Net difference between projected and actual earnings on pension plan investments	0	21,165,845
Change in assumptions	10,690,392	0
Contributions subsequent to the measurement date of June 30, 2021	<u>7,557,627</u>	<u>0</u>
Total	<u>\$ 19,735,821</u>	<u>\$ 21,976,743</u>

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

THE TCRS PENSION PLAN - (Cont.)

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

Year ended June 30:

2023	\$ (2,091,709)
2024	(2,852,971)
2025	(2,927,455)
2026	(3,781,104)
2027	1,854,685
Thereafter	0

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

Payable to Pension Plan

At June 30, 2022, the City of Cleveland did not have a payable balance of contribution to the plan.

CLEVELAND UTILITIES - CSA PENSION PLAN

*Plan description.* All employees of the Cleveland Utilities - Electric Division hired prior to October 15, 1993, participate in an agent multiple-employer pension plan administered by the Central Service Association (the "CSA Plan"). The CSA Plan provides retirement benefits to plan members. Section 5.1 & 5.2 of the Pension Plan for employees of Central Service Association ("CSA") assigns the authority to establish and amend benefit provisions to the CSA Board of Directors. The Board will serve as the "Plan Sponsor," in regard to employees participating in the plan (active and retired) and CSA shall continue to serve as the "Plan Administrator." CSA issues a publicly available financial report that includes financial statements and required supplementary information for the CSA plan. That report may be obtained by writing Central Service Association, P.O. Box 3480 Tupelo, MS 38803-3480 or by calling (662) 842-5962.

On October 1, 2005, Cleveland Utilities-Electric Division withdrew from the CSA Non-governmental plan in a spin off whereby assets and liabilities were transferred into the Central Service Association Pension Plan for Governmental Employees, a new tax-qualified multiple employer defined benefit pension plan that is maintained as a governmental plan (as defined under section 414(d) of the Internal Revenue Code). The CSA Governmental Plan is substantially the same as the CSA Non-governmental plan with certain exceptions, including, but not limited to, (1) the CSA Governmental Plan will not be subject to any PBGC requirements, (2) benefits under the CSA Governmental Plan will not be insured by the PBGC, and (3) the CSA Governmental Plan will not be subject to the additional deficit reduction contribution funding requirements of Code Section 412(1).

*Benefits provided.* Members 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 a 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 55 and vested. Members vest with five years of service credit. No disability benefits are payable under the plan. There is no provision for Cost-of-living adjustments (COLAs).

*Employees covered by benefit term.* At the measurement date of October 1, 2021, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	2
Active employees	9
	<u>89</u>

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

*Contributions*. Contributions for employees are based on an actuarially determined amount. The contribution requirements of the Board are established and may be amended by the CSA Board of Directors. 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 amortized portion of any unfunded liability.

Net Pension Liability

Cleveland Utilities net pension liability was measured as of October 1, 2021, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of October 1, 2021, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Discount rate	7.00%
Salary scale	3.50%. The prior valuation assumed 3.00% per year.
Overtime	It is assumed that overtime will continue to be earned at 100% of the prior year's level.
Funding method	Individual Entry Age Normal
Mortality	Pub-2010 General Amount-Weighted table fully-generational with projection scale MP-2020 for all participants except beneficiaries. Beneficiaries are valued using the Pub-2010 Amount-Weighted Contingent Survivor fully-generational with projection scale MP-2020. The prior valuation used RP-2000 Fully Generational with Scale AA.
Incident of Disability	1985 CIDA Table-Class 2. The prior valuation used 50% 1952 Disability Table, Period 2, Benefit 5, with a 6 month waiting period.
Assumed retirement age	25% at ages 57-61; 50% at ages 62-64; 100% at age 65. The prior valuation used 50% at Plan Retirement/50% at age 65.
Marriage	It is assumed that 50% of participants are married and that a male is 3 years older than his female spouse. The prior valuation assumed that 80% of participants were married.
Turnover	For all employees: Sarason T-3 table. The prior valuation used Termination Table T-5 with a five year setback for females.
Cost-of-living increases	N/A
Date of participation freeze	10/14/1993

*Discount rate*. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and the employer will continue to contribute the actuarially determined contribution in accordance with the Plan's current funding policy on an annual basis. Based on that assumption, the pension plan's fiduciary net position is projected to be available to make all projected future payments of current active and inactive employees. 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.

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 10/01/20	\$ 35,815,783	\$ 29,259,959	\$ 6,555,824
Changes for the year:			
Service cost	\$ 66,376	\$ 0	\$ 66,376
Interest	2,416,904	0	2,416,904
Difference between expected and actual experience	(288,243)	0	(288,243)
Assumption Changes	57,079	0	57,079
Contributions - employer	0	2,002,365	(2,002,365)
Net Investment income	0	5,315,190	(5,315,190)
Benefit payments	(2,709,933)	(2,709,933)	0
Other charges	0	(2,702)	2,702
Net changes	<u>\$ (457,817)</u>	<u>\$ 4,604,920</u>	<u>\$ (5,062,737)</u>
Balance at 10/01/21	<u>\$ 35,357,966</u>	<u>\$ 33,864,879</u>	<u>\$ 1,493,087</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the CSA plan calculated using the discount rate of 7.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
CSA plan net pension liability	\$ 4,767,485	\$ 1,493,807	\$ (1,326,104)

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

*Pension expense.* For the year ended June 30, 2022, Cleveland Utilities recognized pension expense of \$282,780.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2022, Cleveland Utilities 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	\$ 293,589	\$ 230,594
Changes of assumption	716,300	0
Net difference between projected and actual earnings on pension plan investments	0	2,489,411
Contributions subsequent to the measurement date of October 1, 2021	<u>1,572,692</u>	<u>0</u>
Total	<u>\$ 2,582,581</u>	<u>\$ 2,720,005</u>

The amount shown above for "Contributions subsequent to the measurement date of October 1, 2021," will be recognized as a reduction to net pension liability in the following measurement period.

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

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

Year ended June 30:	
2023	\$ (162,434)
2024	(330,052)
2025	(513,015)
2026	(704,615)
2027	0
Thereafter	0

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

Payable to Pension Plan

At June 30, 2022, no contributions were payable to the plan.

TEACHERS LEGACY PENSION PLAN OF TCRS

*Plan description.* The Tennessee Consolidated Retirement System (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 public ally available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teachers employed by Cleveland City Schools with membership in the TCRS before July 1, 2014, 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.

The Teacher Retirement Plan became effective July 1, 2014 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.

*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 2nd 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.

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

*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 Agency (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 Cleveland City Schools for the year ended June 30, 2022 to the Teacher Legacy Pension Plan were \$2,192,564, which is 10.30 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions:

*Pension asset.* At June 30, 2022, The Cleveland City Schools reported an asset of \$27,522,167, for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial value as of that date. Cleveland City Schools' proportion of the net pension liability was based on Cleveland City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, Cleveland City Schools' proportion was 0.638086 percent. The proportion measured as of June 30, 2020, was 0.643551 percent.

*Pension expense.* For the year ended June 30, 2022, Cleveland City Schools recognized pension expense of (\$4,237,819).

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2022, Cleveland City 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	\$ 92,489	\$ 2,295,438
Change in assumptions	7,353,463	0
Net difference between projected and actual earnings on pension plan investments	0	21,948,314
Changes in proportion of Net Pension Liability (Asset)	43,090	11,009
Contributions subsequent to the measurement date of June 30, 2021	2,192,564	0
Total	<u>\$ 9,681,606</u>	<u>\$ 24,254,761</u>

Cleveland City Schools employer contributions of \$2,192,564, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (3,971,018)
2024	(3,779,279)
2025	(3,092,205)
2026	(5,923,218)
2027	0
Thereafter	0

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

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

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

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.125 percent

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

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

*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 assumptions.

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

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
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%
		100%

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 three 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 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

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

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 net pension liability (asset) to changes in the discount rate.* The following presents Cleveland City Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Cleveland City 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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (4,898,020)	\$ (27,522,167)	\$ (46,349,971)

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

Payable to the Pension Plan

At June 30, 2022, no payments were payable to the plan.

TEACHERS RETIREMENT PLAN OF TCRS

*Plan description.* The Tennessee Consolidated Retirement System (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 public ally available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teachers employed by Cleveland City Schools with membership in the TCRS before July 1, 2014, 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. The Teacher Retirement Plan became effective July 1, 2014 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.

*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 years 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 2nd 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

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

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 salary. The 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 for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. 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 contributions are not remitted. Employer contributions for the year ended June 30, 2022 to the Teacher Retirement Plan were \$163,929, which is 2.05 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 asset.* At June 30, 2022, The Cleveland City Schools reported an asset of \$502,776, for its proportionate share of net pension asset. The net pension liability was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. Cleveland City Schools' proportion of the net pension asset was based on Cleveland City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, Cleveland City Schools' proportion was 0.464153 percent. The proportion measured as of June 30, 2020 was 0.430495 percent.

*Pension expense.* For the year ended June 30, 2022, Cleveland City Schools recognized pension expense of \$58,717.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2022, Cleveland City 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
	<u>          </u>	<u>          </u>
Differences between expected and actual experience	\$ 8,747	\$ 91,998
Net difference between projected and actual earnings on pension plan investments	0	289,412
Change in assumptions	181,347	0
Changes in proportion of net pension liability (Asset)	2,106	28,285
Contributions subsequent to the measurement date of June 30, 2021	<u>163,929</u>	<u>0</u>
Total	<u>\$ 356,129</u>	<u>\$ 409,695</u>

Cleveland City Schools employer contributions of \$163,929, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

Year ended June 30:	
2023	\$ (65,909)
2024	(64,324)
2025	(63,873)
2026	(71,156)
2027	6,037
Thereafter	41,729

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

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

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

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

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

*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 assumptions.

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

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
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 three factors described above.

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

*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 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 net pension liability (asset) to changes in the discount rate.* The following presents Cleveland City Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Cleveland City 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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ 172,841	\$ (502,776)	\$ (1,001,069)

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

Payable to the Pension Plan

At June 30, 2022, no payments were payable to the plan.

Defined Contribution Component of the Teachers Retirement Plan:

The Schools also have a defined contribution plan (administered by Great West Financial), under section 401(k) of the Internal Revenue Code, covering all teachers of the System. Benefit terms, including contribution requirements, for the Great West 401(k) pension plan are established and may be amended by the TCRS Board. Under the plan, the System contributes 5% to the accounts of teachers hired after July 1, 2014; these contributions are not subject to any matching employee contribution. These teachers are automatically enrolled in the plan with a 2% employee deferral and an opt-out feature through which they may make no contributions. In addition, teachers who participate in the Legacy Plan of TCRS have the option to make contributions to this defined contribution plan with no system matching contributions. After-tax Roth 401k employee contributions are permitted by the Plan up to limits imposed by the Internal Revenue Code. Employee contributions to the Plan totaled \$400,523, for the year ended June 30, 2022. The System recognized pension expense under the defined contribution plan of \$320,932, for the year ended June 30, 2022. Employees are immediately vested in their own contributions, employer contributions, and earnings on those contributions. As a result, there are no forfeitures to be recognized in pension expense.

AGGREGATION OF ALL PENSION PLANS

Deferred Outflows of Resources and Deferred Inflows of Resources Related to all Pension Plans

The following is an aggregation of deferred outflows of resources and deferred inflows of resources related to the City's various pension plans:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,882,628	\$ 3,428,927
Net difference between projected and actual earnings on pension plan investments	0	45,892,982
Change in assumptions	18,941,502	0
Changes in proportion of net pension liability	45,196	39,294
Contributions subsequent to the measurement date	11,486,812	0
 Total	 <u>\$ 32,356,138</u>	 <u>\$ 49,361,203</u>

Deferred outflows of resources related to 2022 contributions to pension plans subsequent to the measurement date (June 30, 2021 and October 1, 2021) will be recognized as a reduction of the net pension liability for the year ended June 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources from all pension plan will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (6,291,070)
2024	(7,026,626)
2025	(6,596,548)
2026	(10,480,093)
2027	1,860,722
Thereafter	41,729

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

The retirement plans resulted in the following net pension asset and net pension liability:

	Net Pension Asset	Net Pension Liability
Teachers Legacy Pension Plan	\$ 27,522,167	\$ 0
Teachers Retirement Plan of TCRS	502,776	0
TCRS Pension Plan	1,509,116	0
CSA Pension Plan	0	1,493,087
	<u>\$ 29,534,059</u>	<u>\$ 1,493,087</u>

Pension expense related to all plans were as follows:

Teachers Legacy Pension Plan	\$ (543)
Teachers Retirement Plan of TCRS	97,867
Teachers Retirement Plan - Defined Contribution	320,320
TCRS Pension Plan	6,670,467
CSA Pension Plan	1,116,307
	<u>\$ 8,204,418</u>

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES

PLAN DESCRIPTION

The City provides postretirement medical, dental and life insurance benefits to employees who retire from the City with 30 years of service, public safety employees 25 years or age 55 with 10 years of service. Medical benefits are provided using a point of service (POS) single-employer plan through Blue Cross. Dental benefits are provided using a preferred provider organization (PPO) through Blue Cross/Blue Shield. Lincoln National provides life insurance benefits.

The following schedule applies to employees with over 10 years of service. If the retiree has family coverage the City will pay half the difference between the cost of the family plan and the cost of the individual plan. No separate report is issued for this plan.

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES - (Cont.)

Years of Service At Retirement	% Paid by Participant Non Police Non Fire	Years of Service At Retirement	% Paid by Participant Police & Fire
<15	100.00%	<15	100.00%
15	50.00%	15	50.00%
16	46.67%	16	45.00%
17	43.33%	17	40.00%
18	40.00%	18	35.00%
19	36.67%	19	30.00%
20	33.33%	20	25.00%
21	30.00%	21	20.00%
22	26.67%	22	15.00%
23	23.33%	23	10.00%
24	20.00%	24	5.00%
25	16.67%	25+	0.00%
26	13.33%		
27	10.00%		
28	6.67%		
29	3.33%		
30+	0.00%		

*Plan Membership.* At July 1, 2021, plan membership consisted of the following:

Inactive employees currently receiving benefit payments	110
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	320
	<u>430</u>

*Actuarial assumptions.* The total opeb liability in the June 30, 2021, actuarial valuation was determined using the actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age actuarial cost method
Salary increases	4.00%
Payroll growth	2.50%
Inflation	2.50%
Discount rate	3.54%
Healthcare cost trend rates	6.50% decreasing to an ultimate rate of 4.50% in 2026.
Mortality	RPH-2014 headcount weighted mortality table with projection scale MP-2021

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES - (Cont.)

*Discount rate.* The discount rate used to measure the OPEB liability was 3.54 percent. This rate reflects the Bond Buyer's 20 Bond Index.

*Changes as of June 30, 2022 .* The discount rate used prior was 2.21%. The current discount rate used is 2.54%.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at June 30, 2021	\$ 47,397,442
Changes for the year:	
Service cost	\$ 1,815,569
Interest	864,964
Changes in Benefit Terms	0
Differences between expected and actual experience	(8,769,070)
Changes in assumptions and other inputs	(9,145,387)
Benefit payments	(763,416)
Net changes	<u>\$ (15,997,340)</u>
Balance at June 30, 2022	<u>\$ 31,400,102</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following represents the total opeb liability calculated using the stated health care cost trend assumption, as well as what the opeb liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the assumed trend rate:

1% Decrease (5.00%) decreasing to 4.00%)	Current (6.54%) decreasing to 4.50)	1% Increase (7.50%) decreasing to 5.50%)
\$ 25,709,261	\$ 31,400,102	\$ 39,003,148

*Sensitivity of Total OPEB Liability to Changes in the Discount Rate.* The following represents the total opeb liability calculated using the stated discount rate, as well as what the total opeb liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
\$ 37,342,691	\$ 31,400,102	\$ 26,644,361

*Funding.* The City does not presently have a separate trust account to fund the Opeb liability.

Opeb expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Opeb:

*Opeb expense.* For the fiscal year ended June 30, 2022, the plan had opeb expense of \$1,317,942.

Note 17 - POSTEMPLOYMENT BENEFITS - (Cont.)

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES - (Cont.)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 10,347,437
Change in assumptions	<u>5,842,545</u>	<u>9,408,686</u>
Total	<u>\$ 5,842,545</u>	<u>\$ 19,756,123</u>

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

Year ended June 30:	
2023	\$ (1,362,591)
2024	(1,362,591)
2025	(1,362,591)
2026	(1,362,591)
2027	(1,362,591)
Thereafter	(7,100,623)

*Payable to the opeb Plan.* At June 30, 2022, there was no outstanding payable to the plan.

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN

PLAN DESCRIPTION

Cleveland Utilities provides postemployment medical, hospitalization, and dental benefits to employees who retire from the Utility with 30 years of service, or age 55 with 15 years of service through a single-employer plan. As of August 1, 2006, employees with a hire date prior to July 1, 2005, are non-contributory. For those participants with a date of hire on or after July 1, 2005, benefit participants pay according to the following schedule:

<u>Years of Service At At Retirement</u>	<u>Percentage of Premium Paid by Participant</u>
<15	100.00%
15	50.00%
16	46.67%
17	43.33%
18	40.00%
19	36.67%
20	33.33%
21	30.00%
22	26.67%
23	23.33%
24	20.00%
25	16.67%
26	13.33%
27	10.00%
28	6.67%
29	3.33%
30+	0.00%

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

As of August 1, 2006, participants with a date of hire prior to July 1, 2005, Cleveland Utilities will pay 50% of the spouse only premium. For those participants with a date of hire on or after July 1, 2005, Cleveland Utilities will pay 50% of the spouse only premium based on the schedule shown above for the retiree. There is no provision to provide surviving spouse benefits.

Monthly premiums effective August 1, 2021, are as follows:

	Medical	Dental
Pre-65 Retiree	\$ 651.72	\$ 24.64
Pre-65 Retiree and Spouse	1,389.51	54.77
Post-65 Retiree	301.00	24.64
Post-65 Retiree and Spouse	602.00	54.77

Plan description of the life insurance plan:

Plan types:	Term life insurance
Eligibility:	Age 60 with 30 years of service or Age 55 with 15 years of service
Benefit/cost sharing:	Flat dollar \$10,000 benefit for retiree and \$2,000 benefit for spouse
Retiree cost sharing:	Non-contributory

*Plan Membership.* At July 1, 2021, plan membership consisted of the following:

Inactive plan members	114
Active plan members	205
	<u>319</u>

*Contributions.* Although the Board has no contractual requirement to fund the plan, other than direct benefit payments, their intent is to make budgeted annual contributions over the next ten years with a 20 year funding strategy. This policy will be reviewed on an annual basis.

*Investment policy.* See Investment-fiduciary fund footnote that details the investments related to the OPEB trust.

*Net opeb liability.* Cleveland Utilities Net Opeb Liability was measured as of June 30, 2022, and the total opeb liability used to calculate net opeb liability was determined by an actuarial valuation as of July 1, 2021.

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

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Salary increases	4.00%
Payroll growth	2.50%
Inflation	2.50%
Investment rate of return	7.50%
Healthcare cost trend rates	9.00% initially, decreasing to an ultimate rate of 5.0%
Mortality	RPH-2014 Fully Generational with Scale MP2021

*Changes in assumptions.* The discount rate changed from 7.30% as of June 30, 2019, to 7.00% as of June 30, 2020. The mortality table changed from RP-2000 to RPH-2014.

*Discount rate.* The discount rate used to measure the total opeb liability was 7.00%. The Board has not adopted a formal written funding policy. A contribution of \$712,157, was made during the fiscal year ended June 30, 2022. Future contributions at the Actuarial Determined Contribution (including direct benefit payments), are expected to generate a level funding that cash flow projections indicate will meet the funding requirements. This assumption will be reviewed as of the next measurement date and modified as appropriate.

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

Changes in the Net Opeb Liability:

	Actuarial Accrued Liability (a)	Plan Assets (b)	Unfunded Actuarial Accrued Liability (a) - (b)
Balance at June 30, 2021	\$ 16,165,757	\$ 2,404,432	\$ 13,761,325
Changes for the year:			
Normal	\$ 243,180	\$ 0	\$ 243,180
Interest	1,023,028	0	1,023,028
Difference between expected and actual experience	(1,711,731)	36,484	(1,748,215)
Contributions - employer	0	1,440,742	(1,440,742)
Net Investment income	0	168,310	(168,310)
Changes in assumptions	275,621	0	275,621
Benefit payments	(728,585)	(728,585)	0
Administrative expenses	0	0	0
Net changes	<u>\$ (898,487)</u>	<u>\$ 916,951</u>	<u>\$ (1,815,438)</u>
Balance at June 30, 2022	<u>\$ 15,267,270</u>	<u>\$ 3,321,383</u>	<u>\$ 11,945,887</u>

*Sensitivity of Net Opeb Liability to Changes in the Healthcare Cost Trend Rate.* The following represents the net opeb liability calculated using the stated health care cost trend assumption, as well as what the opeb liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the assumed trend rate:

1% Decrease (6.50% decreasing to 3.50%)	Current (7.50% decreasing to 4.50%)	1% Increase (8.50% decreasing to 5.50%)
\$ 10,009,611	\$ 11,945,887	\$ 14,355,914

*Sensitivity of Net Opeb Liability to Changes in the Discount Rate.* The following represents the net opeb liability calculated using the stated discount rate, as well as what the net opeb liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
\$ 14,070,791	\$ 11,945,887	\$ 10,197,381

*Opeb expense.* For the year ended June 30, 2022, Cleveland Utilities recognized opeb expense of \$657,666.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2022, Cleveland Utilities reported deferred outflows of resources and deferred inflows of resources related to opeb from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 2,826,860
Net difference between projected and actual earnings on opeb plan investments	17,669	29,993
Change in assumptions	854,807	239,018
Total	<u>\$ 872,476</u>	<u>\$ 3,095,871</u>

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

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

Year ended June 30:

2023	\$ (385,348)
2024	(335,031)
2025	(359,309)
2026	(361,832)
2027	(392,415)
Thereafter	(389,460)

*Payable to the opeb plan.* At June 30, 2021, there was no outstanding payable to the plan.

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP)

*Plan description.* Employees of the City of Cleveland School System, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Teacher Group Opeb plan (TGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pension (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-65 retired teachers, support staff and disability participants of local education agencies who choose coverage, participate in the TGOP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits provided.* The City offers the TGOP to provide health insurance coverage to eligible pre-65 retired teachers, support staff and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the TGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the TGOP, receives the same plan benefits as active employees, at a blended rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The state, as a governmental nonemployer contributing entity, provides a direct subsidy for eligible retirees premiums, based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the healthsavings CDHP. The TGOP is funded as a pay-as-you-go basis and there are no assets accumulating in a trust that meet the criteria of paragraph 4 of GASB Statement No. 75.

*Employees covered by benefit terms.* At July 1, 2021, the following employees of the City of Cleveland School System were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	444
	<u>467</u>

An insurance committee, created in accordance with the TCA 8-27-301, establishes the required payments to the TGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premiums rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the City of Cleveland School System paid \$251,027 to the TGOP for OPEB benefits as they came due.

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP) - (Cont.)

*Actuarial assumptions.* The collective total opeb liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates	7.36% for pre-65 in 2021, decreasing annually over a 7 year period to an ultimate rate of 4.50%. 7.32% for post-65 in 2021, decreasing annually over an 8 year period to an ultimate rate of 4.50%.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by the TCRS based on results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The pre-retirement mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted Employee mortality table for Teachers Employees projected generationally with MP-2020 from 2010. Post-retirement tables are Headcount-weighted Teacher Below Median Annuitant and adjusted with a 19% load for males and an 18% load from females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

*Discount rate.* The discount rate used to measure the total Opeb liability was 2.16 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

Changes in the Collective Total Opeb Liability

	Total Opeb Liability (a)
Balances at June 30, 2021	\$ 11,345,570
Changes for the year:	
Service cost	\$ 747,110
Interest	263,056
Changes of benefit terms	0
Differences between expected and actual experience	244,599
Changes in assumptions and other inputs	105,503
Benefit payments	(381,466)
Net changes	\$ 978,802
Balances at June 30, 2022	\$ 12,324,372

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP) - (Cont.)

Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 3,159,007
Employer's proportionate share of the collective total opeb liability	\$ 9,165,365
Employer's proportionate share of the collective total opeb liability	74.37%

The Cleveland City School System has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TGOP. The School's proportionate share of the collective total opeb liability was based on a projection of the employers long-term share of benefit payments to the opeb plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion changed -1.14% from the prior measurement date. The Cleveland City School System recognized \$269,324, in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for School retirees.

*Funding.* There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this opeb plan.

*Changes in assumptions.* The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption decreased the total opeb liability.

*Sensitivity of proportionate share of the collective total opeb liability to changes in the discount rate.* The following presents the proportionate share of the collective total opeb liability related to the TGOP, as well as what the proportionate share of the collective total opeb liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage point higher than the current discount rate.

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Proportionate share of collective opeb liability	\$ 9,885,538	\$ 9,165,365	\$ 8,474,728

*Sensitivity to proportionate share of the collective total opeb liability to changes in the healthcare cost trend rate.* The following presents the proportionate share of collective total opeb liability related to the TGOP, as well as what the proportionate share of the collective total opeb liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rate.

	1% Decrease (6.36%/6.32% decreasing to 3.50%)	Current (7.36%/7.32% decreasing to 4.50%)	1% Increase (8.36%/8.32% decreasing to 5.50%)
Proportionate share of collective total opeb liability	\$ 8,019,885	\$ 9,165,365	\$ 10,522,372

Opeb expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Opeb:

*Opeb expense.* For the fiscal year ended June 30, 2022, the Cleveland City School System recognized opeb expense of \$838,486.

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP) - (Cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 824,904	\$ 2,065,414
Changes in assumptions	1,059,583	618,745
Changes in proportion and differences between amounts paid as benefits came due and proportionate share certain amounts paid by the employer and nonemployer contributors as the benefits came due	0	409,949
Employer payments subsequent to the measurement date	251,027	0
<b>Total</b>	<b>\$ 2,135,514</b>	<b>\$ 3,094,108</b>

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

Year ended June 30:	
2023	\$ (182,076)
2024	(182,076)
2025	(182,076)
2026	(182,076)
2027	(182,076)
Thereafter	(299,241)

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

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TNP)

*Plan description.* Employees of the City of Cleveland School System, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pension (opeb). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits provided.* The City offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNP plan does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The state, as a governmental nonemployer contributing entity contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 years of service receive \$50 per month; 20 but less than 30 years, \$37.50; and 15 but less than 20 years, \$25. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meet the criteria of paragraph 4 of GASB Statement No. 75.

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TNP) - (Cont.)

*Employees covered by benefit terms.* At July 30, 2021, the following employees of the City of Cleveland School System were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	119
Inactive employees entitled to but not yet receiving benefit payments	39
Active employees	<u>365</u>
	<u><u>523</u></u>

In accordance with TCA 8-27-209, the state insurance committees established by TCAs 8-27-201, 8-27-301 and 8-327-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute toward employee costs based on their own developed policies. During the current period, the City of Cleveland School System did not make any payments to the TNP for opeb benefits as they came due.

Total Opeb Liability

*Actuarial assumptions.* The collective total opeb liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by the TCRS based on results of an actuarial experience study for the period July 1, 2016, to June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the headcount-weighted below median teachers PUB-2010 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2020. Post-retirement tables are adjusted with a 19% load for males and a 18% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load with mortality improvement projected to all future years using Scale MP-2020.

*Discount rate.* The discount rate used to measure the total opeb liability was 2.16 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TNP) - (Cont.)

Changes in the Collective Total Opeb Liability

	Total Opeb Liability (a)
	<u>                    </u>
Balances at June 30, 2020	\$ 1,677,133
Changes for the year:	
Service cost	\$ 38,723
Interest	37,220
Changes of benefit terms	0
Differences between expected and actual experience	(12,039)
Changes in assumptions	(239,064)
Benefit payments	<u>(63,767)</u>
Net changes	<u>\$ (238,927)</u>
Balances at June 30, 2021	<u>\$ 1,438,206</u>
Nonemployer contributing entities proportionate share of the collective total Opeb liability	\$ 1,438,206
Employer's proportionate share of the collective total opeb liability	\$ 0
Employer's proportionate share of the collective total opeb liability	0.00%

The Cleveland City School System has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. The School's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion of 0% did not change from the prior measurement date. The Cleveland City Schools recognized \$61,782, in revenue for support provided by nonemployer contributing entities for benefits paid to the TNP for retired employees.

*Changes in assumptions.* The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption decreased the total opeb liability.

Opeb Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Opeb:

*Opeb Expense.* For the fiscal year ended June 30, 2022, the Cleveland City School System recognized opeb expense of \$61,782.

AGGREGATION OF ALL POSTEMPLOYMENT PLANS

Deferred Outflows of Resources and Deferred Inflows of Resources Related to all opeb plans:

The following is an aggregation of deferred outflows of resources and deferred inflows of resources related to the City's various opeb plans:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 824,904	\$ 15,239,711
Net difference between projected and actual earnings on opeb plan investments	17,669	29,993
Change in assumptions	7,756,935	10,266,449
Changes in proportion of net opeb liability	0	409,949
Contributions subsequent to the measurement date	<u>251,027</u>	<u>0</u>
Total	<u>\$ 8,850,535</u>	<u>\$ 25,946,102</u>

Note 17 - POSTEMPLOYMENT BENEFITS (Cont.)

AGGREGATION OF ALL POSTEMPLOYMENT PLANS - (Cont.)

Amounts reported as deferred outflows of resources and deferred inflows of resources from all opeb plans will be recognized as expense as follows:

Year ended June 30:

2023	\$ (1,930,015)
2024	(1,879,698)
2025	(1,903,976)
2026	(1,906,499)
2027	(1,937,082)
Thereafter	(7,789,324)

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

The opeb plans resulted in the following net opeb liability:

	Net Opeb Liability
City Plan	\$ 31,400,102
Cleveland Utilities Plan	11,945,887
City Schools TGOP Plan	9,165,365
	<u>\$ 52,511,354</u>

Opeb expense related to all plans were as follows:

City Plan	\$ 1,317,942
Cleveland Utilities Plan	657,666
City Schools TGOP Plan	838,486
City Schools TNP Plan	61,782
	<u>\$ 2,875,876</u>

In addition the City Schools TGOP plan and TNP plan recognized revenue in the amount of \$101,549 and \$56,725 respectively.

Note 18 - RELATED PARTY ACTIVITY

For the years ended June 30, 2022, Cleveland Utilities made purchases of \$319,892 from an auto dealership that was operated by a board member. The purchases involved several trucks that were appropriately bid.

Note 19 - ACCOUNTING CHANGE

GASB Statement No. 87, Leases, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the fact and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosure about the lease.

The following is the effect of the accounting change:

	<u>Governmental</u>	<u>Business-type</u>
Intangible asset	\$ 1,584,455	\$ 64,357
Accumulated amortization	0	(14,310)
Leases payable	(1,584,455)	(50,572)
Net effect adjusted in current year activity	<u>\$ 0</u>	<u>\$ (525)</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN CLEVELAND CITY'S NET PENSION LIABILITY AND RELATED  
RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS  
LAST FISCAL YEAR ENDING JUNE 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Pension Liability			
Service cost	\$ 2,222,760	\$ 2,274,025	\$ 2,363,997
Interest	8,465,079	8,925,860	9,467,115
Changes in benefit terms	0	0	0
Differences between actual and expected experience	(254,944)	717,782	1,198,307
Change of assumptions	0	0	0
Benefit payments	<u>(4,198,654)</u>	<u>(4,482,162)</u>	<u>(5,099,666)</u>
Net change in total pension liability	\$ 6,234,241	\$ 7,435,505	\$ 7,929,753
Total pension liability - beginning	112,744,286	118,978,527	126,414,032
Total pension liability - ending (a)	<u>\$ 118,978,527</u>	<u>\$ 126,414,032</u>	<u>\$ 134,343,785</u>
 Plan Fiduciary Net Position			
Contributions - employer	\$ 5,089,188	\$ 5,321,904	\$ 5,426,173
Contributions - employee	165	186	1,998
Net investment income	15,038,653	3,287,610	2,936,077
Benefit payable	(4,198,654)	(4,482,162)	(5,099,666)
Administrative expense	<u>(29,562)</u>	<u>(34,427)</u>	<u>(51,102)</u>
Net change in plan fiduciary net position	\$ 15,899,790	\$ 4,093,111	\$ 3,213,480
Plan fiduciary net position - beginning	90,319,171	106,218,961	110,312,072
Plan fiduciary net position - ending (b)	<u>\$ 106,218,961</u>	<u>\$ 110,312,072</u>	<u>\$ 113,525,552</u>
 Net Pension Liability (Asset) - ending (a) - (b)	<u>\$ 12,759,566</u>	<u>\$ 16,101,960</u>	<u>\$ 20,818,233</u>
 Plan fiduciary net position as a percentage of total pension liability	89.28%	87.26%	84.50%
 Covered payroll	\$ 28,771,684	\$ 30,014,667	\$ 30,709,795
 Net pension liability as a percentage of covered payroll	44.35%	53.65%	67.79%

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.

	2017	2018	2019	2020	2021
\$	2,442,734	\$ 2,829,546	\$ 2,842,378	\$ 3,109,494	\$ 3,067,349
	10,043,766	10,660,549	11,237,054	11,863,884	12,455,312
	0	0	0	0	0
	2,524,249	768,592	1,089,026	399,575	(973,078)
	3,636,385	0	0	0	12,101,192
	(5,739,270)	(6,078,280)	(6,561,174)	(7,018,107)	(7,328,245)
\$	12,907,864	\$ 8,180,407	\$ 8,607,284	\$ 8,354,846	\$ 19,322,530
	134,343,785	147,251,649	155,432,056	164,039,340	172,394,186
\$	<u>147,251,649</u>	<u>\$ 155,432,056</u>	<u>\$ 164,039,340</u>	<u>\$ 172,394,186</u>	<u>\$ 191,716,716</u>
\$	5,744,012	\$ 6,173,935	\$ 6,489,131	\$ 6,777,880	\$ 7,074,310
	0	0	0	0	0
	12,875,142	10,488,825	10,185,877	7,279,540	39,657,269
	(5,739,270)	(6,078,280)	(6,561,174)	(7,018,107)	(7,328,245)
	(57,272)	(67,134)	(64,454)	(65,005)	(66,700)
\$	12,822,612	\$ 10,517,346	\$ 10,049,380	\$ 6,974,308	\$ 39,336,634
	113,525,552	126,348,164	136,865,510	146,914,890	153,889,198
\$	<u>126,348,164</u>	<u>\$ 136,865,510</u>	<u>\$ 146,914,890</u>	<u>\$ 153,889,198</u>	<u>\$ 193,225,832</u>
\$	<u>20,903,485</u>	<u>\$ 18,566,546</u>	<u>\$ 17,124,450</u>	<u>\$ 18,504,988</u>	<u>\$ (1,509,116)</u>
	85.80%	88.05%	89.56%	89.27%	100.79%
\$	32,410,047	\$ 34,163,265	\$ 35,887,908	\$ 38,505,535	\$ 38,827,492
	64.50%	54.35%	47.72%	48.06%	-3.89%

CITY OF CLEVELAND, TENNESSEE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CLEVELAND CITY'S CONTRIBUTIONS  
 BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS  
 LAST FISCAL YEAR ENDING JUNE 30,

	2014	2015	2016
Actuarially determined contribution	\$ 5,089,188	\$ 5,207,352	\$ 5,424,330
Contributions in relation to the actuarially determined contribution	<u>5,089,188</u>	<u>5,207,352</u>	<u>5,424,330</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 28,771,684	\$ 29,910,084	\$ 30,620,707
Contribution as a percentage of covered payroll	17.69%	17.41%	17.71%

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

*Valuation date:* Actuarially determined contribution rates for 2022 were calculated based on the June 30, 2020 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by Year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.5 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

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; decrease the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 5,744,012	\$ 6,173,128	\$ 6,489,131	\$ 6,777,880	\$ 7,054,418	\$ 7,557,627
<u>5,744,012</u>	<u>6,173,128</u>	<u>6,489,131</u>	<u>6,777,880</u>	<u>7,054,418</u>	<u>7,557,627</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 32,410,047	\$ 34,163,265	\$ 35,887,908	\$ 37,192,410	\$ 38,505,535	\$ 40,713,002
17.72%	18.07%	18.08%	18.22%	18.32%	18.56%

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN CLEVELAND CITY'S NET PENSION LIABILITY AND RELATED  
RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF CSA  
LAST FISCAL YEAR ENDING OCTOBER 1,

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Pension Liability			
Service cost	\$ 92,532	\$ 95,366	\$ 98,869
Interest	2,165,875	2,159,798	2,210,999
Changes in benefit terms	0	0	0
Differences between actual and expected experience	(355,441)	567,883	797,655
Change of assumptions	0	0	27,058
Benefit payments	<u>(1,940,294)</u>	<u>(2,044,920)</u>	<u>(2,145,295)</u>
Net change in total pension liability	\$ (37,328)	\$ 778,127	\$ 989,286
Total pension liability - beginning	<u>31,818,685</u>	<u>31,781,357</u>	<u>32,559,484</u>
Total pension liability - ending (a)	<u>\$ 31,781,357</u>	<u>\$ 32,559,484</u>	<u>\$ 33,548,770</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 1,507,800	\$ 1,698,192	\$ 1,703,144
Contributions - employee	0	0	0
Net investment income	1,565,864	192,571	1,908,220
Benefit payable	(1,940,294)	(2,044,920)	(2,145,295)
Administrative expense	<u>(1,829)</u>	<u>(99)</u>	<u>0</u>
Net change in plan fiduciary net position	\$ 1,131,541	\$ (154,256)	\$ 1,466,069
Plan fiduciary net position - beginning	<u>21,813,834</u>	<u>22,945,375</u>	<u>22,791,119</u>
Plan fiduciary net position - ending (b)	<u>\$ 22,945,375</u>	<u>\$ 22,791,119</u>	<u>\$ 24,257,188</u>
Net Pension Liability - ending (a) - (b)	<u>\$ 8,835,982</u>	<u>\$ 9,768,365</u>	<u>\$ 9,291,582</u>
Plan fiduciary net position as a percentage of total pension liability	72.20%	70.00%	72.30%
Covered payroll	\$ 2,004,844	\$ 2,104,682	\$ 1,940,346
Net pension liability as a percentage of covered payroll	440.73%	464.13%	478.86%

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.

2017	2018	2019	2020	2021
\$ 88,263	\$ 68,316	\$ 63,605	\$ 56,028	\$ 66,376
2,270,713	2,304,139	2,351,768	2,348,086	2,416,904
0	0	0	0	0
460,253	645,393	75,248	224,024	(288,243)
48,168	64,119	51,789	1,061,833	57,079
(2,396,553)	(2,343,308)	(2,450,385)	(2,724,486)	(2,709,933)
\$ 470,844	\$ 738,659	\$ 92,025	\$ 965,485	\$ (457,817)
33,548,770	34,019,614	34,758,273	34,850,298	35,815,783
<u>\$ 34,019,614</u>	<u>\$ 34,758,273</u>	<u>\$ 34,850,298</u>	<u>\$ 35,815,783</u>	<u>\$ 35,357,966</u>
\$ 1,764,776	\$ 1,875,916	\$ 1,840,214	\$ 1,930,107	\$ 2,002,365
0	26,816	0	0	0
2,454,931	1,681,631	1,103,368	2,246,887	5,315,190
(2,396,553)	(2,343,308)	(2,450,385)	(2,724,486)	(2,709,933)
0	0	0	(7,143)	(2,702)
\$ 1,823,154	\$ 1,241,055	\$ 493,197	\$ 1,445,365	\$ 4,604,920
24,257,188	26,080,342	27,321,397	27,814,594	29,259,959
<u>\$ 26,080,342</u>	<u>\$ 27,321,397</u>	<u>\$ 27,814,594</u>	<u>\$ 29,259,959</u>	<u>\$ 33,864,879</u>
<u>\$ 7,939,272</u>	<u>\$ 7,436,876</u>	<u>\$ 7,035,704</u>	<u>\$ 6,555,824</u>	<u>\$ 1,493,087</u>
76.66%	76.66%	79.81%	81.70%	95.78%
\$ 1,699,467	\$ 1,548,112	\$ 1,328,225	\$ 1,069,072	\$ 1,013,451
467.16%	480.38%	529.71%	613.23%	147.33%

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CLEVELAND CITY'S CONTRIBUTIONS  
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF CSA  
LAST FISCAL YEAR ENDING JUNE 30,

	2015	2016	2017
Actuarially determined contribution	\$ 1,558,833	\$ 1,567,533	\$ 1,663,122
Contributions in relation to the actuarially determined contribution	<u>1,698,192</u>	<u>1,699,430</u>	<u>1,725,980</u>
Contribution deficiency (excess)	<u>\$ (139,359)</u>	<u>\$ (131,897)</u>	<u>\$ (62,858)</u>
Covered payroll	\$ 2,093,809	\$ 1,981,430	\$ 1,759,687
Contribution as a percentage covered payroll	81.11%	85.77%	98.08%

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.

*Methods and assumptions used to determine contribution rates:*

Measurement date	October 1, 2021
Discount rate	7.00%
Cost method	Individual Entry Age Normal
Mortality	Pub 2010 General Amount-weighted table fully-generational with projection scale.
Incident of disability	1985 CIDA Table - Class 2
Turnover	For all employees: Sarason T-3 table.
Salary scale	3.5% per year
Cost of living increases	N/A
Date of participation freeze	10/14/1993
Overtime	It is assumed that overtime will continue to be earned at 100% of the level of the most recent 3-year average.
Assumed retirement age	25% at ages 57-61; 50% at ages 62-64; 100% at age 65.
Valuation of Assets:	
GASB 68	Market Value
Funding	Actuarial Value (5-year smoothing)

Note - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and the employer will continue to contribute the actuarially determined contribution in accordance with the Plan's current funding policy on an annual basis. Based on that assumption, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,712,348	\$ 1,773,627	\$ 1,824,417	\$ 1,946,847	\$ 1,955,441
<u>1,870,153</u>	<u>1,854,331</u>	<u>1,901,746</u>	<u>1,961,589</u>	<u>2,100,333</u>
<u><u>\$ (157,805)</u></u>	<u><u>\$ (80,704)</u></u>	<u><u>\$ (77,329)</u></u>	<u><u>\$ (14,742)</u></u>	<u><u>\$ (144,892)</u></u>
\$ 1,585,955	\$ 1,435,507	\$ 1,151,339	\$ 1,151,339	\$ 942,509
117.92%	129.18%	165.18%	170.37%	222.84%

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CLEVELAND CITY SCHOOLS'  
PROPORTIONATE SHARE OF THE NET PENSION ASSET  
TEACHER LEGACY PENSION PLAN OF TCRS  
FISCAL YEAR ENDING JUNE 30,\*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Cleveland City Schools' proportion of the net pension liability (asset)	0.536236%	0.537318%	0.569952%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (87,136)	\$ 220,104	\$ 3,561,884
Cleveland City Schools' covered payroll	\$ 21,047,222	\$ 20,114,516	\$ 20,574,118
Cleveland City Schools' proportionate share of the net pension asset as a percentage of its covered payroll	-0.41%	1.09%	17.31%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%

\*The amounts presented were determined as of June 30 of the prior fiscal year.

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 CLEVELAND CITY SCHOOLS' CONTRIBUTIONS  
TEACHER LEGACY PENSION PLAN OF TCRS  
FISCAL YEAR ENDING JUNE 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially Determined Contribution (ADC)	\$ 1,868,991	\$ 1,816,962	\$ 1,859,723
Contributions in relation to the actuarially determined contribution	<u>1,868,991</u>	<u>1,816,962</u>	<u>1,859,723</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Cleveland City Schools' covered payroll	\$ 21,047,222	\$ 20,114,516	\$ 20,574,118
Contribution as a percentage covered payroll	8.88%	9.03%	9.04%

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.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.590148%	0.613389%	0.642330%	0.643551%	0.638086%
\$ (193,086)	\$ (2,158,465)	\$ (6,604,306)	\$ (4,907,554)	\$ (27,522,167)
\$ 20,803,880	\$ 21,478,886	\$ 21,538,232	\$ 21,419,053	\$ 20,943,944
-0.93%	-10.05%	-30.66%	-22.91%	-131.41%
100.14%	101.49%	104.28%	103.09%	116.13%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,885,875	\$ 1,954,073	\$ 2,252,900	\$ 2,274,144	\$ 2,150,852	\$ 2,192,564
<u>1,885,875</u>	<u>1,954,073</u>	<u>2,252,900</u>	<u>2,274,144</u>	<u>2,150,852</u>	<u>2,192,564</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 20,803,880	\$ 21,478,886	\$ 21,538,232	\$ 21,193,791	\$ 20,943,944	\$ 21,288,922
9.07%	9.10%	10.46%	10.63%	10.27%	10.30%

CITY OF CLEVELAND, TENNESSEE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CLEVELAND CITY SCHOOLS' PROPORTIONATE SHARE OF THE  
 NET PENSION LIABILITY (ASSET)  
 TEACHER RETIREMENT PLAN OF TCRS  
 FISCAL YEAR ENDED JUNE 30,\*

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Cleveland City Schools' proportion of the net pension liability (asset)	0.416856%	0.378257%	0.393963%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (16,770)	\$ (39,378)	\$ (103,940)
Cleveland City Schools' covered payroll	\$ 866,121	\$ 1,664,349	\$ 2,643,292
Cleveland City Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.94%	-2.37%	-3.93%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%	126.81%

\*The amounts presented were determined as of June 30 of the prior fiscal year.

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 CLEVELAND CITY SCHOOLS' CONTRIBUTIONS  
 TEACHER RETIREMENT PLAN OF TCRS  
 FISCAL YEAR ENDING JUNE 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially Determined Contribution (ADC)	\$ 21,653	\$ 41,662	\$ 105,732
Contributions in relation to the actuarially determined contribution	<u>34,645</u>	<u>66,574</u>	<u>105,732</u>
Contribution deficiency (excess)	<u>\$ (12,992)</u>	<u>\$ (24,912)</u>	<u>\$ 0</u>
Cleveland City Schools' covered payroll	\$ 866,121	\$ 1,664,349	\$ 2,643,292
Contribution as a percentage covered payroll	4.00%	4.00%	4.00%

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.

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 cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

Effective July 1, 2018, contributions in excess of the ADC are placed in a Stabilization Reserve Trust (SRT) account separate from the TCRS Pension Trust. These amounts represent the balance of contributions made up to 4% total for both combined

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.417866%	0.413270%	0.430495%	0.464153%
\$ (189,514)	\$ (233,285)	\$ (244,797)	\$ (502,776)
\$ 3,651,627	\$ 4,373,249	\$ 5,432,452	\$ 6,698,731
-5.19%	-5.33%	-4.51%	-7.51%
126.97%	123.07%	116.52%	121.53%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 146,066	\$ 84,841	\$ 110,280	\$ 135,315	\$ 163,929
<u>146,066</u>	<u>84,841</u>	<u>110,280</u>	<u>135,315</u>	<u>163,929</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,651,627	\$ 4,373,249	\$ 5,432,452	\$ 6,698,731	\$ 8,000,779
4.00%	1.94%	2.03%	2.02%	2.05%

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS - CLEVELAND CITY PLAN  
FISCAL YEAR ENDING JUNE 30,

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Opeb Liability					
Service cost	\$ 1,418,428	\$ 1,328,012	\$ 1,265,001	\$ 1,930,238	\$ 1,815,569
Interest	1,349,197	1,453,222	1,231,461	1,034,942	864,964
Changes in benefit terms	0	0	0	0	0
Differences between actual & expected experience	0	0	(3,298,512)	0	(8,769,070)
Change of assumptions	(2,040,010)	2,750,384	5,689,737	0	(9,145,387)
Benefit payments	<u>(752,042)</u>	<u>(795,581)</u>	<u>(878,586)</u>	<u>(929,822)</u>	<u>(763,416)</u>
Net change in total opeb liability	\$ (24,427)	\$ 4,736,037	\$ 4,009,101	\$ 2,035,358	\$ (15,997,340)
Total opeb liability - beginning	<u>36,641,373</u>	<u>36,616,946</u>	<u>41,352,983</u>	<u>45,362,084</u>	<u>47,397,442</u>
Total opeb liability - ending	<u>\$ 36,616,946</u>	<u>\$ 41,352,983</u>	<u>\$ 45,362,084</u>	<u>\$ 47,397,442</u>	<u>\$ 31,400,102</u>
Covered-employee payroll	\$ 16,988,863	\$ 17,632,943	\$ 18,476,206	\$ 19,180,809	\$ 20,101,381
Employer's proportionate share of collective total opeb liability as a percentage of covered payroll	215.54%	234.52%	245.52%	247.11%	156.21%

Notes to Schedule

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.

There are no assets accumulating, in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this opeb plan.

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CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED  
RATIOS - CLEVELAND UTILITIES  
FISCAL YEAR ENDING JUNE 30,

	2017	2018
Total Opeb Liability		
Service cost	\$ 295,896	\$ 229,164
Interest	1,020,431	1,144,551
Differences from experience	(3,991)	(2,102,456)
Change of assumptions	0	1,470,517
Benefit payments	(626,601)	(637,980)
Net change in total opeb liability	\$ 685,735	\$ 103,796
Total opeb liability - beginning	13,619,452	15,344,728
Other	1,039,541	0
Total opeb liability - ending (a)	\$ 15,344,728	\$ 15,448,524
Plan Fiduciary Net Position		
Contributions - employer	\$ 959,681	\$ 637,980
Net investment income	25,731	26,910
Benefit payable	(626,601)	(637,980)
Difference from experience	0	2,926
Administrative expense	0	0
Net change in plan fiduciary net position	\$ 358,811	\$ 29,836
Plan fiduciary net position - beginning	0	358,811
Plan fiduciary net position - ending (b)	\$ 358,811	\$ 388,647
Net Pension Liability - ending (a) - (b)	\$ 14,985,917	\$ 15,059,877
Plan fiduciary net position as a percentage of total opeb liability	2.34%	2.52%
Covered payroll	\$ 11,561,465	\$ 12,496,462
Net opeb liability as a percentage of covered payroll	129.62%	120.51%
Assumption changes:		
Discount rate	7.50%	7.50%
Healthcare Trend rates	9.00%	9.00%
Mortality Table	RP2000 Scale BB	RP2000 Scale BB

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.

2019	2020	2021	2022
\$ 234,893	\$ 228,621	\$ 255,499	\$ 243,180
1,153,072	1,038,874	1,081,058	1,023,028
0	(1,355,935)	0	(1,711,731)
468,861	(375,515)	0	275,621
<u>(629,622)</u>	<u>(676,531)</u>	<u>(706,042)</u>	<u>(728,585)</u>
\$ 1,227,204	\$ (1,140,486)	\$ 630,515	\$ (898,487)
15,448,524	16,675,728	15,535,242	16,165,757
0	0	0	0
<u>\$ 16,675,728</u>	<u>\$ 15,535,242</u>	<u>\$ 16,165,757</u>	<u>\$ 15,267,270</u>
\$ 1,287,545	\$ 1,361,034	\$ 1,160,326	\$ 1,440,742
29,149	79,512	127,580	168,310
(629,622)	(676,531)	(706,042)	(728,585)
13,503	(30,669)	0	36,484
0	0	0	0
<u>\$ 700,575</u>	<u>\$ 733,346</u>	<u>\$ 581,864</u>	<u>\$ 916,951</u>
388,647	1,089,222	1,822,568	2,404,432
<u>\$ 1,089,222</u>	<u>\$ 1,822,568</u>	<u>\$ 2,404,432</u>	<u>\$ 3,321,383</u>
<u>\$ 15,586,506</u>	<u>\$ 13,712,674</u>	<u>\$ 13,761,325</u>	<u>\$ 11,945,887</u>
6.53%	11.73%	14.87%	21.75%
\$ 12,808,874	\$ 13,195,712	\$ 15,724,519	\$ 14,404,728
121.69%	103.92%	87.52%	82.93%
7.30%	7.00%	7.00%	7.00%
8.00%	7.50%	7.00%	7.00%
RP2000	RPH-2014	RPH-2014	RPH-2014
Scale BB	Scale MP2019	Scale MP2019	Scale MP2021

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS BASED ON  
PARTICIPATION IN THE OPEB PLAN - CLEVELAND UTILITIES  
LAST FISCAL YEAR ENDING JUNE 30,

	2017	2018
Actuarially determined contribution	\$ 959,681	\$ 1,160,104
Contributions in relation to the actuarially determined contribution	959,681	637,980
Contribution deficiency (excess)	\$ 0	\$ 522,124
Covered payroll	\$ 11,561,465	\$ 12,496,462
Contribution as a percentage of covered payroll	8.30%	5.11%

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	27 years
Asset valuation	Market Value
Inflation	2.5 percent
Healthcare trend rates	7.5 initial, decreasing to an ultimate rate of 4.5%.
Salary increases	4%
Investment rate of return	7.3%

Healthcare trend rates	9.00% decreasing to 5.0% in 2021	9.00% decreasing to 5.0% in 2021
Average assumed retirement age	63	63
Mortality table:	RP2000 with Scale BB	RP2000 with Scale BB

SCHEDULE OF INVESTMENT RETURNS  
FISCAL YEAR ENDING JUNE 30,

	2017	2018
Annual money-weighted rate of return, net of investment expense	10.1%	8.0%

Note - These are 10-year schedules; however, the information in these schedules 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.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,185,998	\$ 1,157,071	\$ 1,160,326	\$ 1,078,379
<u>1,287,545</u>	<u>1,361,034</u>	<u>1,404,235</u>	<u>(1,440,742)</u>
<u>\$ (101,547)</u>	<u>\$ (203,963)</u>	<u>\$ (243,909)</u>	<u>\$ 2,519,121</u>
\$ 12,808,874	\$ 13,195,712	\$ 15,724,519	\$ 14,404,728
10.05%	10.31%	8.93%	-10.00%

8.00%  
decreasing  
to 5.0% in  
2021

63

RP2000  
with  
Scale  
BB

7.50%  
decreasing  
to 4.5% in  
2025

61

RPH2014  
with  
Scale  
MP2019

7.00%  
decreasing  
to 4.5% in  
2025

61

RPH2014  
with  
Scale  
MP2019

7.00%  
decreasing  
to 4.5% in  
2026

61

RPH2014  
with  
Scale  
MP2021

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
4.3%	2.9%	23.2%	-14.2%

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN PROPORTIONATE SHARE OF COLLECTIVE OPEB LIABILITY  
AND RELATED RATIOS - CLEVELAND CITY SCHOOLS TGOP PLAN  
FISCAL YEAR ENDING JUNE 30,

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Opeb Liability					
Service cost	\$ 828,906	\$ 769,923	\$ 696,490	\$ 647,066	\$ 747,110
Interest	359,948	437,462	368,736	383,918	263,056
Changes in benefit terms	0	(75,172)	(299,602)	0	0
Differences between actual & expected experience	0	(3,150,465)	1,283,526	(977,622)	244,599
Change of assumptions	(567,167)	573,433	(766,891)	1,222,261	105,503
Benefit payments	(553,733)	(649,138)	(523,362)	(437,894)	(381,466)
Net change in total opeb liability	\$ 67,954	\$ (2,093,957)	\$ 758,897	\$ 837,729	\$ 978,802
Total opeb liability - beginning	<u>11,774,947</u>	<u>11,842,901</u>	<u>9,748,944</u>	<u>10,507,841</u>	<u>11,345,570</u>
Total opeb liability - ending (a)	<u>\$ 11,842,901</u>	<u>\$ 9,748,944</u>	<u>\$ 10,507,841</u>	<u>\$ 11,345,570</u>	<u>\$ 12,324,372</u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 2,470,228	\$ 2,218,869	\$ 2,420,932	\$ 2,778,529	\$ 3,159,007
Employer's proportionate share of the collective total opeb liability	\$ 9,372,673	\$ 7,530,075	\$ 8,086,909	\$ 8,567,041	\$ 9,165,365
Covered-employee payroll	\$ 23,866,594	\$ 22,407,393	\$ 21,905,135	\$ 21,080,223	\$ 20,245,863
Employer's proportionate share of the collective total opeb liability as a percentage of covered payroll	39.27%	33.61%	36.92%	40.64%	45.27%

Notes to Schedule

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.

There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this opeb plan.

The amounts reported for each fiscal year were determined as of the prior fiscal year.

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN PROPORTIONATE SHARE OF COLLECTIVE OPEB LIABILITY  
AND RELATED RATIOS - CLEVELAND CITY SCHOOLS TNP PLAN  
FISCAL YEAR ENDING JUNE 30,

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Opeb Liability					
Service cost	\$ 30,748	\$ 25,093	\$ 21,979	\$ 26,804	\$ 38,723
Interest	43,879	49,439	45,454	50,156	37,220
Changes in benefit terms	0	0	0	0	0
Differences between actual & expected experience	0	(132,665)	145,016	(49,046)	(12,039)
Change of assumptions	(121,774)	(9,326)	20,174	279,558	(239,064)
Benefit payments	<u>(60,600)</u>	<u>(61,733)</u>	<u>(63,886)</u>	<u>(64,403)</u>	<u>(63,767)</u>
Net change in total opeb liability	\$ (107,747)	\$ (129,192)	\$ 168,737	\$ 243,069	\$ (238,927)
Total opeb liability - beginning	<u>1,502,266</u>	<u>1,394,519</u>	<u>1,265,327</u>	<u>1,434,064</u>	<u>1,677,133</u>
Total opeb liability - ending (a)	<u>\$ 1,394,519</u>	<u>\$ 1,265,327</u>	<u>\$ 1,434,064</u>	<u>\$ 1,677,133</u>	<u>\$ 1,438,206</u>
Nonemployer contributing entities proportionate share of the the collective total OPEB liability	\$ 1,394,519	\$ 1,265,327	\$ 1,434,064	\$ 1,677,133	\$ 1,438,206
Employer's proportionate share of the collective total opeb liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Notes to Schedule

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.

There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this opeb plan.

The amounts reported for each fiscal year were determined as of the prior fiscal year.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenues that are legally restricted to finance specific functions or activities of government and which, therefore, cannot be diverted to other uses.

**State Street Aid Fund:** This fund accounts for maintenance of all non-State streets in the City. Revenues are provided from a portion of the State of Tennessee gasoline and motor fuels tax.

**Solid Waste Management Fund:** This fund accounts for the revenues and expenditures of the City of Cleveland's Solid Waste Management program.

**School Federal Projects Fund:** This fund accounts for federal project funds received from the Federal government and for the disbursement of those funds for federal programs of the City of Cleveland.

**School Food Services Fund:** This fund is used to account for the revenues and expenditures of the City of Cleveland public school cafeterias.

**Library Fund:** This fund is used to account for revenues and expenditures of the City's public library.

**Drug Enforcement Fund:** This fund is used to account for investigations of violations of controlled substance laws and is funded primarily by the state statute from the receipt of fines and costs related to drug enforcement cases.

**Metropolitan Transportation Planning Organization Fund:** This fund will serve Cleveland and the urbanized portions of Bradley County by transportation planning and the implementation of transportation projects.

**Community Development Block Grant:** This fund is used to account for a grant received from the United States Department of Housing and Urban Development.

**E-Ticketing:** This fund is used to assist the Cleveland Police Department's transition to e-ticketing to recoup the cost of an electronic citation program.

**Byrne Memorial Justice Assistance Grant:** This fund is used to account for grants received from the United States Department of Justice for the purchase of equipment for the Cleveland Police Department.

### Debt Service

The Debt Service Fund is used for the accumulation of resources for, and the payment of, principal and interest on general long-term debt.

## **Capital Projects**

The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

**THDA Cleveland Home Grant:** This fund accounts for grants received from the Tennessee Housing Development Agency for housing rehabilitation in the community.

**Sales Tax Capital Projects Fund:** This fund is used to account for the proceeds from a .5 cent increase in the sales tax rate approved in a March 2009 referendum. The ordinance approving the referendum provided that all of the tax increase is used for capital projects for the City and City Schools.

**Blythe Sidewalks Diabetes Initiative:** This fund accounts for construction of a pedestrian walkway on Chippewa Ave, beginning at 11<sup>th</sup> street and continuing to 20<sup>th</sup> Street. project will include amenities such as lighting, trees, and crosswalks. It is funded by the State of Tennessee Department of Health.

**School Capital Improvement Projects Fund:** This fund accounts for bond proceeds issued by Bradley County's PIE Center to fund the city school's capital projects.

**American Rescue Plan Fund:** This fund accounts for the direct relief received from the American Rescue Plan to assist in the facilitate the United States' recovery from economic and health effects of the COVID-19 pandemic.

## **Permanent Fund**

**Meiler Estate Animal Shelter Trust Fund:** This fund is used to account for funds bequeathed to the City of Cleveland Animal Control by John and Elizabeth Jean Meiler.

CITY OF CLEVELAND, TENNESSEE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2022

Special Revenue

	State Street Aid Fund	Solid Waste Management Fund	School Federal Projects Fund	School Food Services Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,511,479	\$ 1,570,875	\$ 0	\$ 2,004,606
Cash and cash equivalents - restricted	0	0	0	0
Investments	0	0	0	0
Investments - restricted	0	0	0	0
Accounts receivable	0	295,056	0	0
Due from other government agencies	288,281	0	1,831,520	0
Due from other funds	0	0	0	0
Prepays	0	0	0	0
<b>Total Assets</b>	<b>\$ 2,799,760</b>	<b>\$ 1,865,931</b>	<b>\$ 1,831,520</b>	<b>\$ 2,004,606</b>
<b>LIABILITIES</b>				
Accrued liabilities	\$ 13,968	\$ 15,202	\$ 373,670	\$ 0
Accounts payable	0	36,786	0	6,142
Due to other funds	0	0	1,449,609	0
Unearned revenue	0	0	0	14,627
<b>Total Liabilities</b>	<b>\$ 13,968</b>	<b>\$ 51,988</b>	<b>\$ 1,823,279</b>	<b>\$ 20,769</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - other	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Deferred Inflows of Revenues</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ 0	\$ 0	\$ 0	\$ 0
Permanent fund principal	0	0	0	0
Restricted for:				
Law enforcement	0	0	0	0
Community development - federal grants	0	0	0	0
Street improvements	2,785,792	0	0	0
Capital outlay	0	0	0	0
Education	0	0	8,241	0
Committed to:				
Solid Waste	0	1,813,943	0	0
Assigned to:				
Education	0	0	0	1,983,837
Library	0	0	0	0
Debt service	0	0	0	0
Capital outlay	0	0	0	0
<b>Total Fund Balances</b>	<b>\$ 2,785,792</b>	<b>\$ 1,813,943</b>	<b>\$ 8,241</b>	<b>\$ 1,983,837</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,799,760</b>	<b>\$ 1,865,931</b>	<b>\$ 1,831,520</b>	<b>\$ 2,004,606</b>

Special Revenue

Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund	Community Development Block Grant Fund
\$ 321,938	\$ 228,076	\$ 9,928	\$ 0
0	0	0	0
219,254	0	0	0
0	0	0	0
0	0	0	0
18,997	2,637	110,245	333,469
0	0	0	0
0	0	0	200
<u>\$ 560,189</u>	<u>\$ 230,713</u>	<u>\$ 120,173</u>	<u>\$ 333,669</u>
\$ 0	\$ 0	\$ 5,715	\$ 2,220
6,833	2,129	10,405	109,024
0	0	0	66,385
0	0	0	0
<u>\$ 6,833</u>	<u>\$ 2,129</u>	<u>\$ 16,120</u>	<u>\$ 177,629</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 200
13,700	0	0	0
0	228,584	0	0
0	0	0	155,840
0	0	0	0
0	0	104,053	0
0	0	0	0
0	0	0	0
0	0	0	0
539,656	0	0	0
0	0	0	0
0	0	0	0
<u>\$ 553,356</u>	<u>\$ 228,584</u>	<u>\$ 104,053</u>	<u>\$ 156,040</u>
<u>\$ 560,189</u>	<u>\$ 230,713</u>	<u>\$ 120,173</u>	<u>\$ 333,669</u>

CITY OF CLEVELAND, TENNESSEE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 June 30, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
	E-Ticketing Grant Fund	Debt Service Fund	Sales Tax Capital Projects Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 28,389	\$ 5,833,361	\$ 5,183,729
Cash and cash equivalents - restricted	0	0	0
Investments	0	0	0
Investments - restricted	0	0	0
Accounts receivable	0	0	0
Due from other government agencies	0	0	1,064,854
Due from other funds	0	828,333	0
Prepays	0	0	0
<b>Total Assets</b>	<b><u>\$ 28,389</u></b>	<b><u>\$ 6,661,694</u></b>	<b><u>\$ 6,248,583</u></b>
<b>LIABILITIES</b>			
Accrued liabilities	\$ 0	\$ 2,097	\$ 0
Accounts payable	0	0	166,960
Due to other funds	0	0	0
Unearned revenue	0	0	0
<b>Total Liabilities</b>	<b><u>\$ 0</u></b>	<b><u>\$ 2,097</u></b>	<b><u>\$ 166,960</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - other	\$ 0	\$ 0	\$ 124,414
<b>Total Deferred Inflows of Revenues</b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 124,414</u></b>
<b>FUND BALANCES:</b>			
Nonspendable:			
Prepaid items	\$ 0	\$ 0	\$ 0
Permanent fund principal	0	0	0
Restricted for:			
Law enforcement	28,389	0	0
Community development - federal grants	0	0	0
Street improvements	0	0	0
Capital outlay	0	0	5,957,209
Education	0	0	0
Committed to:			
Solid Waste	0	0	0
Assigned to:			
Education	0	0	0
Library	0	0	0
Debt service	0	6,659,597	0
Capital outlay	0	0	0
<b>Total Fund Balances</b>	<b><u>\$ 28,389</u></b>	<b><u>\$ 6,659,597</u></b>	<b><u>\$ 5,957,209</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 28,389</u></b>	<b><u>\$ 6,661,694</u></b>	<b><u>\$ 6,248,583</u></b>

	Capital Projects		Permanent Fund	
Blythe Sidewalks Diabetes Initiative	School Capital Improvement Projects Fund	American Rescue Plan Fund	Meiler Estate Animal Shelter Trust Fund	Total Nonmajor Governmental Funds
\$ 0	\$ 4,542,440	\$ 3,060,590	\$ 43,234	\$ 25,338,645
0	0	0	209,353	209,353
0	0	0	0	219,254
0	0	0	250,583	250,583
0	0	0	28	295,084
42,407	0	0	0	3,692,410
0	0	0	0	828,333
0	0	0	0	200
<u>\$ 42,407</u>	<u>\$ 4,542,440</u>	<u>\$ 3,060,590</u>	<u>\$ 503,198</u>	<u>\$ 30,833,862</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 412,872
2,170	125,896	0	0	466,345
40,237	0	0	0	1,556,231
0	0	0	0	14,627
<u>\$ 42,407</u>	<u>\$ 125,896</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,450,075</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 124,414</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 124,414</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 200
0	0	0	459,936	473,636
0	0	0	0	256,973
0	0	0	0	155,840
0	0	0	0	2,785,792
0	4,416,544	3,060,590	0	13,538,396
0	0	0	0	8,241
0	0	0	0	1,813,943
0	0	0	0	1,983,837
0	0	0	0	539,656
0	0	0	0	6,659,597
0	0	0	43,262	43,262
<u>\$ 0</u>	<u>\$ 4,416,544</u>	<u>\$ 3,060,590</u>	<u>\$ 503,198</u>	<u>\$ 28,259,373</u>
<u>\$ 42,407</u>	<u>\$ 4,542,440</u>	<u>\$ 3,060,590</u>	<u>\$ 503,198</u>	<u>\$ 30,833,862</u>

CITY OF CLEVELAND, TENNESSEE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2022

	Special Revenue			
	State Street Aid Fund	Solid Waste Management Fund	School Federal Projects Fund	School Food Services Fund
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	1,639,631	0	9,265,202	4,724,608
Fines and forfeitures	0	0	0	0
Charges for services	0	3,488,577	0	89,769
Interest	7,663	5,265	0	135
Miscellaneous	4,770	26,715	0	0
<b>Total revenues</b>	<b>\$ 1,652,064</b>	<b>\$ 3,520,557</b>	<b>\$ 9,265,202</b>	<b>\$ 4,814,512</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Development and engineering	0	0	0	0
Public safety	0	0	0	0
Public works	684,436	3,819,031	0	0
Culture and recreation	0	0	0	0
Education	0	0	7,986,201	3,516,542
Capital Outlay	0	0	1,282,279	0
Debt Service	0	0	0	0
<b>Total expenditures</b>	<b>\$ 684,436</b>	<b>\$ 3,819,031</b>	<b>\$ 9,268,480</b>	<b>\$ 3,516,542</b>
Excess (deficiency) of revenues over expenditures	<b>\$ 967,628</b>	<b>\$ (298,474)</b>	<b>\$ (3,278)</b>	<b>\$ 1,297,970</b>
<b>Other financing sources (uses):</b>				
Transfers in	\$ 0	\$ 850,000	\$ 0	\$ 0
Transfers out	(447,836)	0	(3,737)	0
<b>Total other financing sources sources (uses)</b>	<b>\$ (447,836)</b>	<b>\$ 850,000</b>	<b>\$ (3,737)</b>	<b>\$ 0</b>
<b>Net change in fund balances</b>	<b>\$ 519,792</b>	<b>\$ 551,526</b>	<b>\$ (7,015)</b>	<b>\$ 1,297,970</b>
<b>Fund balances at beginning of year</b>	<b>2,266,000</b>	<b>1,262,417</b>	<b>15,256</b>	<b>685,867</b>
<b>Fund balances at end of year</b>	<b>\$ 2,785,792</b>	<b>\$ 1,813,943</b>	<b>\$ 8,241</b>	<b>\$ 1,983,837</b>

Special Revenue

Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund	Community Development Block Grant Fund	E-Ticketing Grant Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
742,822	0	133,179	869,486	0
0	36,996	0	0	405
39,081	0	0	0	0
240	714	0	0	0
17,676	0	0	0	0
<u>\$ 799,819</u>	<u>\$ 37,710</u>	<u>\$ 133,179</u>	<u>\$ 869,486</u>	<u>\$ 405</u>
\$ 0	\$ 0	\$ 282,683	\$ 0	\$ 0
0	0	0	150,067	0
0	17,616	0	0	834
0	0	0	0	0
1,456,609	0	0	0	0
0	0	0	0	0
17,396	0	0	639,447	0
0	0	0	0	0
<u>\$ 1,474,005</u>	<u>\$ 17,616</u>	<u>\$ 282,683</u>	<u>\$ 789,514</u>	<u>\$ 834</u>
<u>\$ (674,186)</u>	<u>\$ 20,094</u>	<u>\$ (149,504)</u>	<u>\$ 79,972</u>	<u>\$ (429)</u>
\$ 679,900	\$ 0	\$ 89,000	\$ 30,000	\$ 0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 679,900</u>	<u>\$ 0</u>	<u>\$ 89,000</u>	<u>\$ 30,000</u>	<u>\$ 0</u>
\$ 5,714	\$ 20,094	\$ (60,504)	\$ 109,972	\$ (429)
<u>547,642</u>	<u>208,490</u>	<u>164,557</u>	<u>46,068</u>	<u>28,818</u>
<u>\$ 553,356</u>	<u>\$ 228,584</u>	<u>\$ 104,053</u>	<u>\$ 156,040</u>	<u>\$ 28,389</u>

CITY OF CLEVELAND, TENNESSEE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 For the Fiscal Year Ended June 30, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
	Blythe Memorial Justice Assistance Grant	Debt Service Fund	THDA Cleveland Home Grant	Sales Tax Capital Projects Fund
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 5,243,770
Intergovernmental	12,821	112,359	53,972	0
Fines and forfeitures	0	0	0	0
Charges for services	0	0	0	0
Interest	0	13,811	0	49,630
Miscellaneous	0	0	0	0
<b>Total revenues</b>	<b>\$ 12,821</b>	<b>\$ 126,170</b>	<b>\$ 53,972</b>	<b>\$ 5,293,400</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Development and engineering	0	0	0	0
Public safety	12,821	0	0	0
Public works	0	0	0	0
Culture and recreation	0	0	0	0
Education	0	0	0	0
Capital Outlay	0	0	53,972	4,153,911
Debt Service	0	7,446,780	0	685,586
<b>Total expenditures</b>	<b>\$ 12,821</b>	<b>\$ 7,446,780</b>	<b>\$ 53,972</b>	<b>\$ 4,839,497</b>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (7,320,610)	\$ 0	\$ 453,903
<b>Other financing sources (uses):</b>				
Transfers in	\$ 0	\$ 7,993,328	\$ 0	\$ 0
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>\$ 0</b>	<b>\$ 7,993,328</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net change in fund balances</b>	<b>\$ 0</b>	<b>\$ 672,718</b>	<b>\$ 0</b>	<b>\$ 453,903</b>
Fund balances at beginning of year	0	5,986,879	0	5,503,306
<b>Fund balances at end of year</b>	<b>\$ 0</b>	<b>\$ 6,659,597</b>	<b>\$ 0</b>	<b>\$ 5,957,209</b>

Capital Projects			Permanent Fund	
Blythe Sidewalks Diabetes Initiative	School Capital Improvement Projects Fund	American Rescue Plan Fund	Meiler Estate Animal Shelter Trust Fund	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,243,770
182,000	0	4,656,500	0	22,392,580
0	0	0	0	37,401
0	0	0	0	3,617,427
0	15,070	8,134	1,894	102,556
0	0	0	0	49,161
<u>\$ 182,000</u>	<u>\$ 15,070</u>	<u>\$ 4,664,634</u>	<u>\$ 1,894</u>	<u>\$ 31,442,895</u>
\$ 0	\$ 0	\$ 714,672	\$ 0	\$ 997,355
0	0	300,000	0	450,067
0	0	0	0	31,271
0	0	0	0	4,503,467
0	0	0	0	1,456,609
0	0	0	0	11,502,743
182,000	721,548	589,372	0	7,639,925
0	0	0	0	8,132,366
<u>\$ 182,000</u>	<u>\$ 721,548</u>	<u>\$ 1,604,044</u>	<u>\$ 0</u>	<u>\$ 34,713,803</u>
<u>\$ 0</u>	<u>\$ (706,478)</u>	<u>\$ 3,060,590</u>	<u>\$ 1,894</u>	<u>\$ (3,270,908)</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,642,228
0	0	0	0	(451,573)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,190,655</u>
\$ 0	\$ (706,478)	\$ 3,060,590	\$ 1,894	\$ 5,919,747
0	5,123,022	0	501,304	22,339,626
<u>\$ 0</u>	<u>\$ 4,416,544</u>	<u>\$ 3,060,590</u>	<u>\$ 503,198</u>	<u>\$ 28,259,373</u>

CITY OF CLEVELAND, TENNESSEE  
STATE STREET AID FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental:				
State gas tax	\$ 1,475,000	\$ 1,475,000	\$ 1,639,631	\$ 164,631
Interest	2,000	2,000	7,663	5,663
Miscellaneous	0	0	4,770	4,770
Total revenues	<u>\$ 1,477,000</u>	<u>\$ 1,477,000</u>	<u>\$ 1,652,064</u>	<u>\$ 175,064</u>
<b>Expenditures:</b>				
Current:				
Public works:				
Salaries	\$ 474,850	\$ 473,850	\$ 431,539	\$ 42,311
Overtime wages	7,900	7,900	4,827	3,073
Service awards	550	550	550	0
Longevity	10,650	10,650	10,650	0
Sold vacations	4,800	4,800	1,615	3,185
Christmas bonus	1,200	1,083	1,083	0
Sick pay incentive	2,000	1,300	1,300	0
Dental insurance	5,600	5,600	3,678	1,922
Social security	38,500	38,500	33,798	4,702
Health insurance	121,600	121,600	85,755	35,845
Retirement	86,270	86,270	78,282	7,988
Life and disability insurance	5,800	5,800	4,728	1,072
Vision insurance	1,400	1,400	845	555
Worker's compensation claims	1,000	3,400	2,928	472
Pre-employment testing	500	196	130	66
Safety shoes	1,700	1,421	1,421	0
Worker's compensation	24,000	22,363	21,307	1,056
Capital outlay:				
Equipment replacement	175,000	213,658	0	213,658
Total expenditures	<u>\$ 963,320</u>	<u>\$ 1,000,341</u>	<u>\$ 684,436</u>	<u>\$ 315,905</u>
Excess of revenues over expenditures	<u>\$ 513,680</u>	<u>\$ 476,659</u>	<u>\$ 967,628</u>	<u>\$ 490,969</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>\$ (447,836)</u>	<u>\$ (447,836)</u>	<u>\$ (447,836)</u>	<u>\$ 0</u>
Total other financing sources (uses)	<u>\$ (447,836)</u>	<u>\$ (447,836)</u>	<u>\$ (447,836)</u>	<u>\$ 0</u>
Net change in fund balance	\$ 65,844	\$ 28,823	\$ 519,792	\$ 490,969
Fund balance at beginning of year	<u>2,266,000</u>	<u>2,266,000</u>	<u>2,266,000</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 2,331,844</u></u>	<u><u>\$ 2,294,823</u></u>	<u><u>\$ 2,785,792</u></u>	<u><u>\$ 490,969</u></u>

CITY OF CLEVELAND, TENNESSEE  
SOLID WASTE MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Charges for services:				
Commercial garbage	\$ 1,400,000	\$ 1,400,000	\$ 1,522,925	\$ 122,925
Residential garbage	1,900,000	1,900,000	1,965,652	65,652
Interest	1,000	1,000	5,265	4,265
Miscellaneous	0	20,274	26,715	6,441
<b>Total revenues</b>	<b>\$ 3,301,000</b>	<b>\$ 3,321,274</b>	<b>\$ 3,520,557</b>	<b>\$ 199,283</b>
<b>Expenditures:</b>				
Current:				
Public works:				
Salaries	\$ 622,450	\$ 599,450	\$ 471,540	\$ 127,910
Overtime wages	20,000	21,000	20,485	515
Supplement pay	700	700	600	100
Service awards	950	950	950	0
Longevity	17,325	14,125	13,575	550
Sold vacation	7,600	7,600	3,430	4,170
Christmas bonus	1,600	1,600	1,083	517
Sick pay incentive	2,300	2,300	1,550	750
Dental insurance	8,300	8,300	5,083	3,217
Social security	60,200	60,200	37,754	22,446
Health insurance	167,600	167,600	106,370	61,230
Retirement	115,700	115,700	86,809	28,891
Life and disability insurance	7,200	7,200	5,457	1,743
Vision insurance	2,100	2,100	1,000	1,100
Worker's compensation claims	2,000	4,000	3,572	428
Pre-employment testing	600	600	545	55
Safety shoes	2,000	1,500	1,259	241
Postage	100	65	0	65
GPS services	3,900	3,900	2,201	1,699
Subscriptions and memberships	100	100	0	100
Advertising	200	200	0	200
Litter and recycling	10,000	10,000	0	10,000
Building and grounds maintenance	300	300	297	3
Professional development	400	400	0	400
Tire disposal	2,200	2,200	0	2,200
Landfill	468,969	405,929	329,479	76,450
Residential account	1,108,280	1,112,480	1,112,226	254
Commercial account	1,189,753	1,240,753	1,237,315	3,438
Commercial recycling	91,773	91,813	91,540	273
Bradley County recycling	10,000	10,000	10,000	0
Office expenditures	700	735	733	2
Operating supplies	4,000	14,368	5,297	9,071

CITY OF CLEVELAND, TENNESSEE  
SOLID WASTE MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Safety supplies	\$ 500	\$ 500	\$ 370	\$ 130
Uniforms	4,000	4,000	2,770	1,230
Gasoline and oil	62,000	84,000	88,240	(4,240)
Repairs and parts	105,000	121,406	126,979	(5,573)
Insurance - property	800	800	119	681
Insurance - vehicle	13,300	13,187	13,187	0
Insurance - general liability	10,000	8,872	8,872	0
Insurance - workers compensation	24,600	29,400	28,344	1,056
Miscellaneous	500	500	0	500
Total expenditures	<u>\$ 4,150,000</u>	<u>\$ 4,170,833</u>	<u>\$ 3,819,031</u>	<u>\$ 351,802</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (849,000)</u>	<u>\$ (849,559)</u>	<u>\$ (298,474)</u>	<u>\$ 551,085</u>
Other financing sources:				
Transfers in	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 0</u>
Total other financing sources	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 0</u>
Net change in fund balance	\$ 1,000	\$ 441	\$ 551,526	\$ 551,085
Fund balance at beginning of year	<u>1,262,417</u>	<u>1,262,417</u>	<u>1,262,417</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 1,263,417</u></u>	<u><u>\$ 1,262,858</u></u>	<u><u>\$ 1,813,943</u></u>	<u><u>\$ 551,085</u></u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FEDERAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
Federal government	\$ 21,715,265	\$ 21,725,234	\$ 9,265,202	\$ (12,460,032)
Total revenues	<u>\$ 21,715,265</u>	<u>\$ 21,725,234</u>	<u>\$ 9,265,202</u>	<u>\$ (12,460,032)</u>
Expenditures:				
Current:				
Education:				
Regular instruction	\$ 5,980,296	\$ 6,001,797	\$ 2,645,333	\$ 3,356,464
Special education	1,640,678	1,625,678	1,199,898	425,780
Vocational education	702,071	704,013	703,089	924
Support services	7,131,481	7,133,007	3,437,881	3,695,126
Capital outlay:				
Building improvements	<u>6,271,380</u>	<u>6,271,380</u>	<u>1,282,279</u>	<u>4,989,101</u>
Total expenditures	<u>\$ 21,725,906</u>	<u>\$ 21,735,875</u>	<u>\$ 9,268,480</u>	<u>\$ 12,467,395</u>
Excess of revenues over expenditures	\$ (10,641)	\$ (10,641)	\$ (3,278)	\$ 7,363
Other financing sources (uses):				
Transfers out	<u>\$ (4,615)</u>	<u>\$ (4,615)</u>	<u>\$ (3,737)</u>	<u>\$ 878</u>
Total other financing sources (uses)	<u>\$ (4,615)</u>	<u>\$ (4,615)</u>	<u>\$ (3,737)</u>	<u>\$ 878</u>
Net change in fund balance	\$ (15,256)	(15,256)	(7,015)	8,241
Fund balance at beginning of year	<u>15,256</u>	<u>15,256</u>	<u>15,256</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 8,241</u></u>	<u><u>\$ 8,241</u></u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FOOD SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental:				
USDA reimbursements	\$ 3,885,933	\$ 3,141,007	\$ 4,724,608	\$ 1,583,601
Charges for services	67,000	94,605	89,769	(4,836)
Interest	500	100	135	35
Total revenues	<u>\$ 3,953,433</u>	<u>\$ 3,235,712</u>	<u>\$ 4,814,512</u>	<u>\$ 1,578,800</u>
<b>Expenditures:</b>				
Current:				
Education:				
Clerical personnel	\$ 60,475	\$ 106,010	\$ 93,217	\$ 12,793
Cafeteria personnel	1,204,375	994,570	934,036	60,534
In-service training	2,000	2,000	0	2,000
Social security	75,850	64,926	53,631	11,295
State retirement	169,638	147,840	139,919	7,921
Life insurance	3,700	3,562	3,181	381
Medical insurance	266,760	244,632	235,621	9,011
Unemployment compensation	500	0	0	0
Employer medicare liability	17,707	15,188	14,195	993
Other fringe benefits	46,000	40,596	40,960	(364)
Communication	1,300	0	0	0
Dues and membership	1,200	235	1,322	(1,087)
Maintenance and repair services	40,000	38,026	51,754	(13,728)
Payments to Schools	0	0	422	(422)
Transportation	3,000	873	2,528	(1,655)
Travel	2,500	0	3,417	(3,417)
Other contracted services	1,002,175	810,892	929,385	(118,493)
Food supplies	715,941	716,518	664,270	52,248
Office supplies	1,500	3,222	1,527	1,695
Uniforms	850	403	185	218
In-service staff development	1,200	76	1,169	(1,093)
Food commodities	236,262	0	280,259	(280,259)
Other supplies and materials	80,000	46,037	65,439	(19,402)
Applicant investigation	500	106	105	1
Food service equipment	20,000	0	0	0
Total expenditures	<u>\$ 3,953,433</u>	<u>\$ 3,235,712</u>	<u>\$ 3,516,542</u>	<u>\$ (280,830)</u>
Excess of revenues over expenditures	\$ 0	\$ 0	\$ 1,297,970	\$ 1,297,970
Fund balance at beginning of year	<u>685,867</u>	<u>685,867</u>	<u>685,867</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 685,867</u></u>	<u><u>\$ 685,867</u></u>	<u><u>\$ 1,983,837</u></u>	<u><u>\$ 1,297,970</u></u>

CITY OF CLEVELAND, TENNESSEE  
LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental:				
Federal technology grant	\$ 0	\$ 0	\$ 31,037	\$ 31,037
State grant	0	3,614	2,506	(1,108)
Private foundation grants	0	58,561	29,379	(29,182)
Bradley County	676,800	679,800	679,900	100
Charges for services	25,000	39,000	39,081	81
Interest	0	0	240	240
Miscellaneous:				
Gifts	70,000	70,000	17,676	(52,324)
Total revenues	<u>\$ 771,800</u>	<u>\$ 850,975</u>	<u>\$ 799,819</u>	<u>\$ (51,156)</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation:				
Salaries	\$ 764,800	\$ 764,800	\$ 739,566	\$ 25,234
Employee benefits	280,000	280,000	277,316	2,684
Materials and online	128,100	117,122	110,749	6,373
Utilities	88,000	81,366	70,293	11,073
Equipment maintenance	15,500	15,540	17,572	(2,032)
Building and grounds maintenance	17,500	10,000	50,881	(40,881)
Office	70,200	70,250	73,804	(3,554)
Grant expenditures	0	76,018	49,445	26,573
Insurance	29,200	29,161	28,282	879
Gift and memorial expenditures	70,000	70,000	38,701	31,299
Capital Outlay:				
Building improvements	0	398	1,315	(917)
Furniture	1,500	1,102	4,627	(3,525)
Equipment	0	11,454	11,454	0
Total expenditures	<u>\$ 1,464,800</u>	<u>\$ 1,527,211</u>	<u>\$ 1,474,005</u>	<u>\$ 53,206</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (693,000)</u>	<u>\$ (676,236)</u>	<u>\$ (674,186)</u>	<u>\$ 2,050</u>
<b>Other financing sources:</b>				
Transfers in	<u>\$ 679,900</u>	<u>\$ 679,900</u>	<u>\$ 679,900</u>	<u>\$ 0</u>
Total other financing sources	<u>\$ 679,900</u>	<u>\$ 679,900</u>	<u>\$ 679,900</u>	<u>\$ 0</u>
Net change in fund balance	<u>\$ (13,100)</u>	<u>\$ 3,664</u>	<u>\$ 5,714</u>	<u>\$ 2,050</u>
Fund balance at beginning of year	<u>547,642</u>	<u>547,642</u>	<u>547,642</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 534,542</u></u>	<u><u>\$ 551,306</u></u>	<u><u>\$ 553,356</u></u>	<u><u>\$ 2,050</u></u>

CITY OF CLEVELAND, TENNESSEE  
 DRUG ENFORCEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 18,500	\$ 27,812	\$ 36,996	\$ 9,184
Interest	100	300	714	414
Total revenues	<u>\$ 18,600</u>	<u>\$ 28,112</u>	<u>\$ 37,710</u>	<u>\$ 9,598</u>
Expenditures:				
Current:				
Public safety:				
Seized vehicles	\$ 7,500	\$ 22,770	\$ 17,616	\$ 5,154
Investigative funds	10,000	10,000	0	10,000
Equipment	1,100	1,100	0	1,100
Total expenditures	<u>\$ 18,600</u>	<u>\$ 33,870</u>	<u>\$ 17,616</u>	<u>\$ 16,254</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (5,758)	\$ 20,094	\$ 25,852
Fund balance at beginning of year	<u>208,490</u>	<u>208,490</u>	<u>208,490</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 208,490</u></u>	<u><u>\$ 202,732</u></u>	<u><u>\$ 228,584</u></u>	<u><u>\$ 25,852</u></u>

CITY OF CLEVELAND, TENNESSEE  
METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 183,000	\$ 198,000	\$ 133,179	\$ (64,821)
Total revenues	<u>\$ 183,000</u>	<u>\$ 198,000</u>	<u>\$ 133,179</u>	<u>\$ (64,821)</u>
Expenditures:				
Current:				
General government:				
Salaries	\$ 182,600	\$ 182,600	\$ 160,041	\$ 22,559
Benefits	40,000	78,800	73,563	5,237
Postage and shipping	0	500	0	500
Telephone	0	2,400	1,132	1,268
Contracted services	105,000	57,600	16,700	40,900
Professional development	0	5,000	4,538	462
Office	0	6,500	5,627	873
Equipment	0	4,500	4,409	91
Software	12,000	16,700	16,673	27
Total expenditures	<u>\$ 339,600</u>	<u>\$ 354,600</u>	<u>\$ 282,683</u>	<u>\$ 71,917</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (156,600)</u>	<u>\$ (156,600)</u>	<u>\$ (149,504)</u>	<u>\$ 7,096</u>
Other financing sources:				
Transfers in	\$ 44,500	\$ 89,000	\$ 89,000	\$ 0
Total other financing sources	<u>\$ 44,500</u>	<u>\$ 89,000</u>	<u>\$ 89,000</u>	<u>\$ 0</u>
Net change in fund balance	<u>\$ (112,100)</u>	<u>\$ (67,600)</u>	<u>\$ (60,504)</u>	<u>\$ 7,096</u>
Fund balance at beginning of year	<u>164,557</u>	<u>164,557</u>	<u>164,557</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 52,457</u></u>	<u><u>\$ 96,957</u></u>	<u><u>\$ 104,053</u></u>	<u><u>\$ 7,096</u></u>

CITY OF CLEVELAND, TENNESSEE  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Community Development Block Grant-2017	\$ 0	\$ 2,598	\$ 2,839	\$ 241
Community Development Block Grant-2018	0	104,599	29,085	(75,514)
Community Development Block Grant-2019	0	59,900	23,850	(36,050)
Community Development Block Grant-2020	0	166,840	178,780	11,940
Community Development Block Grant-2021	363,964	363,964	312,711	(51,253)
COVID funds	0	396,896	322,221	(74,675)
Total revenues	\$ 363,964	\$ 1,094,797	\$ 869,486	\$ (225,311)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Community development:</b>				
<b>Administration:</b>				
Salaries	\$ 48,109	\$ 48,109	\$ 48,203	\$ (94)
Christmas bonus	76	76	76	0
Sick pay incentive	210	210	175	35
Dental insurance	269	269	207	62
Social security	3,702	3,702	3,964	(262)
Health insurance	6,197	6,197	5,873	324
Retirement	8,314	8,314	8,366	(52)
Life insurance and disability	605	605	805	(200)
Vision insurance	72	72	48	24
Advertising	700	700	402	298
Telephone	1,200	1,200	568	632
Professional services	2,400	2,400	601	1,799
Office supplies	800	800	93	707
Operating supplies - covid	0	11,651	11,651	0
Uniforms	0	0	245	(245)
Gasoline	531	531	196	335
Administrative costs	0	9,073	0	9,073
Down payment assistance	0	72,000	42,000	30,000
Miscellaneous - COVID	0	97,064	4,393	92,671
Miscellaneous	2,015	2,015	192	1,823
Hardware	0	936	936	0
<b>Codes Enforcement:</b>				
Salaries	35,892	16,892	13,817	3,075
Christmas bonus	109	0	0	0
Sick pay incentive	300	0	0	0
Dental insurance	752	752	94	658
Social security tax	2,777	2,777	1,082	1,695
Health insurance	17,816	11,513	2,693	8,820
Retirement	6,237	6,237	80	6,157
Life insurance	454	454	0	454

CITY OF CLEVELAND, TENNESSEE  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Community development - (Continued):				
Codes Enforcement - (Continued):				
Vision insurance	\$ 526	\$ 526	\$ 22	\$ 504
Advertising	100	100	0	100
Telephone	1,700	1,700	241	1,459
Vehicle maintenance	750	1,484	1,484	0
Professional development	1,000	1,000	0	1,000
Office supplies	150	257	304	(47)
Uniforms	500	500	291	209
Gasoline	1,000	1,000	527	473
Insurance - vehicles	550	348	348	0
Miscellaneous	1,187	755	90	665
Hardware	1,000	1,000	0	1,000
Capital outlay:				
Projects to be determined	245,964	0	0	0
Avery Johnson Park 2	0	17,850	17,850	0
Capital projects	0	60,000	60,000	0
Avery Johnson Park 3	0	46,110	46,110	0
Mosby Park Phase II	0	117,327	84,644	32,683
Mosby Park Phase I	0	73,500	73,500	0
Mosby Park - covid	0	305,343	305,343	0
Capital projects	0	52,000	52,000	0
Total Expenditures	\$ 393,964	\$ 985,349	\$ 789,514	\$ 195,835
Excess (deficiency) of revenues over expenditures	\$ (30,000)	\$ 109,448	\$ 79,972	\$ (29,476)
Other financing sources:				
Transfers in	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
Total other financing sources	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
Net change in fund balance	\$ 0	\$ 139,448	\$ 109,972	\$ (29,476)
Fund balance at beginning of year	46,068	46,068	46,068	0
Fund balance at end of year	\$ 46,068	\$ 185,516	\$ 156,040	\$ (29,476)

CITY OF CLEVELAND, TENNESSEE  
E-TICKETING GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Fines and forfeitures:				
Citation fee	\$ 0	\$ 0	\$ 405	\$ 405
Total revenues	\$ 0	\$ 0	\$ 405	\$ 405
Expenditures:				
Current:				
Public safety:				
Technical fees and materials	\$ 0	\$ 11,876	\$ 834	\$ 11,042
Technical supplies - Court Clerk	0	16,632	0	16,632
Total expenditures	\$ 0	\$ 28,508	\$ 834	\$ 27,674
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (28,508)	\$ (429)	\$ 28,079
Fund balance at beginning of year	28,818	28,818	28,818	0
Fund balance at end of year	\$ 28,818	\$ 310	\$ 28,389	\$ 28,079

CITY OF CLEVELAND, TENNESSEE  
 BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 0	\$ 38,036	\$ 12,821	\$ (25,215)
Total revenues	<u>\$ 0</u>	<u>\$ 38,036</u>	<u>\$ 12,821</u>	<u>\$ (25,215)</u>
Expenditures:				
Current:				
Public safety:				
Bradley County disparate	\$ 0	\$ 12,821	\$ 12,821	\$ 0
Equipment replacement	0	25,215	0	25,215
Total expenditures	<u>\$ 0</u>	<u>\$ 38,036</u>	<u>\$ 12,821</u>	<u>\$ 25,215</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF CLEVELAND, TENNESSEE  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental:				
Bradley County	\$ 146,450	\$ 146,450	\$ 112,359	\$ (34,091)
Interest	5,000	5,000	13,811	8,811
Total revenues	<u>\$ 151,450</u>	<u>\$ 151,450</u>	<u>\$ 126,170</u>	<u>\$ (25,280)</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	\$ 8,342,000	\$ 5,004,030	\$ 4,809,030	\$ 195,000
Interest and fiscal charges	3,855,747	2,883,023	2,637,750	245,273
Total expenditures	<u>\$ 12,197,747</u>	<u>\$ 7,887,053</u>	<u>\$ 7,446,780</u>	<u>\$ 440,273</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (12,046,297)</u>	<u>\$ (7,735,603)</u>	<u>\$ (7,320,610)</u>	<u>\$ 414,993</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>\$ 12,046,649</u>	<u>\$ 7,735,603</u>	<u>\$ 7,993,328</u>	<u>\$ 257,725</u>
Total other financing sources	<u>\$ 12,046,649</u>	<u>\$ 7,735,603</u>	<u>\$ 7,993,328</u>	<u>\$ 257,725</u>
Net change in fund balance	\$ 352	\$ 0	\$ 672,718	\$ 672,718
Fund balance at beginning of year	<u>5,986,879</u>	<u>5,986,879</u>	<u>5,986,879</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 5,987,231</u></u>	<u><u>\$ 5,986,879</u></u>	<u><u>\$ 6,659,597</u></u>	<u><u>\$ 672,718</u></u>

CITY OF CLEVELAND, TENNESSEE  
 THDA CLEVELAND HOME GRANT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 0	\$ 53,972	\$ 53,972	\$ 0
Total revenues	<u>\$ 0</u>	<u>\$ 53,972</u>	<u>\$ 53,972</u>	<u>\$ 0</u>
Expenditures:				
Capital outlay:				
Housing Rehabilitation	\$ 0	\$ 44,448	\$ 44,448	\$ 0
Administrative Fees	<u>0</u>	<u>9,524</u>	<u>9,524</u>	<u>0</u>
Total expenditures	<u>\$ 0</u>	<u>\$ 53,972</u>	<u>\$ 53,972</u>	<u>\$ 0</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF CLEVELAND, TENNESSEE  
 SALES TAX CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
<b>Taxes:</b>				
Local 1/2 cent sales tax	\$ 3,350,000	\$ 3,471,000	\$ 3,949,478	\$ 478,478
School 1/2 cent sales tax	1,150,000	1,150,000	1,294,292	144,292
Interest	8,000	40,000	49,630	9,630
<b>Total revenues</b>	<b>\$ 4,508,000</b>	<b>\$ 4,661,000</b>	<b>\$ 5,293,400</b>	<b>\$ 632,400</b>
<b>Expenditures:</b>				
<b>Capital outlay:</b>				
Municipal building	\$ 0	\$ 50,000	\$ 0	\$ 50,000
Downtown redevelopment	0	39,403	0	39,403
Cleveland State Community College	90,000	90,000	90,000	0
Vehicles - legislative and judicial	0	40,000	0	40,000
GIS	26,000	83,092	27,379	55,713
Inman Survey	0	24,000	11,500	12,500
Greenway Phase 6	461,500	238,954	22,393	216,561
CMAQ Park and Ride	0	240,000	0	240,000
Vehicles - police department	300,000	300,428	297,466	2,962
Vehicles - fire department	0	40,325	40,325	0
Apparatus replacement - fire department	300,000	767,950	500,000	267,950
Equipment replacement - SCBA	150,000	150,000	134,161	15,839
Capital projects	27,050	27,050	25,707	1,343
Transportation projects	0	254,750	61,971	192,779
Indian Hills	0	153,735	71,354	82,381
Adkisson Drive	0	12,000	64	11,936
Multi-modal access	0	36,482	30,704	5,778
LIC	0	1,153,337	319,224	834,113
Peerless extension	250,000	491,290	267,100	224,190
Transportation projects	0	16,210	0	16,210
Central Avenue	0	163,983	7,791	156,192
17th and 20th Street	0	199,811	190,982	8,829
Gaut Street	0	261,700	163,942	97,758
Parker Street	108,000	108,000	88,684	19,316
Paving	1,000,000	1,019,456	811,486	207,970
Sidewalks	65,000	125,085	17,075	108,010
Equipment - public works	150,000	315,534	125,634	189,900
Capital projects - jetport	0	45,000	45,000	0
Drainage projects - jetport	0	16,350	0	16,350
Environmental monitoring	0	6,500	6,500	0
Equipment - jetport	0	12,358	12,247	111
Capital projects	125,000	171,598	224,560	(52,962)
Greenway Willow Street extension	0	29,438	0	29,438
Tinsley Park - building	0	13,838	10,656	3,182
Tinsley Park - improvements	0	62,400	21,296	41,104
Equipment replacement - parks and recreation	0	61,623	34,502	27,121
Capital projects - schools	467,413	494,208	494,208	0

CITY OF CLEVELAND, TENNESSEE  
 SALES TAX CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Debt service:				
QSCB principal	\$ 259,578	\$ 259,578	\$ 259,577	\$ 1
QSCB interest	63,024	63,024	63,024	0
QSCB fiscal charges	4,160	4,160	4,160	0
Arnold School renovation - principal	60,000	60,000	60,000	0
Arnold School renovation - interest	41,500	41,500	41,500	0
ESG equipment facility - principal	135,000	135,000	135,000	0
ESG equipment facility - interest	122,325	122,325	122,325	0
Total expenditures	<u>\$ 4,205,550</u>	<u>\$ 8,001,475</u>	<u>\$ 4,839,497</u>	<u>\$ 3,161,978</u>
Excess (deficiency) of revenues over expenditures	\$ 302,450	\$ (3,340,475)	\$ 453,903	\$ 3,794,378
Fund balance at beginning of year	<u>5,503,306</u>	<u>5,503,306</u>	<u>5,503,306</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 5,805,756</u></u>	<u><u>\$ 2,162,831</u></u>	<u><u>\$ 5,957,209</u></u>	<u><u>\$ 3,794,378</u></u>

CITY OF CLEVELAND, TENNESSEE  
 BLYTHE SIDEWALKS DIABETES INITIATIVE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State grant	\$ 150,000	\$ 182,000	\$ 182,000	\$ 0
Total revenues	<u>\$ 150,000</u>	<u>\$ 182,000</u>	<u>\$ 182,000</u>	<u>\$ 0</u>
Expenditures:				
Capital outlay:				
Sidewalk improvement projects	\$ 150,000	\$ 182,000	\$ 182,000	\$ 0
Total expenditures	<u>\$ 150,000</u>	<u>\$ 182,000</u>	<u>\$ 182,000</u>	<u>\$ 0</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL CAPITAL IMPROVEMENT PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 0	\$ 7,400	\$ 15,070	\$ 7,670
Total revenues	<u>\$ 0</u>	<u>\$ 7,400</u>	<u>\$ 15,070</u>	<u>\$ 7,670</u>
Expenditures:				
Capital outlay:				
Land	\$ 0	\$ 44,711	\$ 12,172	\$ 32,539
Improvements	0	825,461	709,376	116,085
Capital projects	0	4,052,850	0	4,052,850
Equipment	0	200,000	0	200,000
Total expenditures	<u>\$ 0</u>	<u>\$ 5,123,022</u>	<u>\$ 721,548</u>	<u>\$ 4,401,474</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (5,115,622)	\$ (706,478)	\$ 4,409,144
Fund balance at beginning of year	<u>5,123,022</u>	<u>5,123,022</u>	<u>5,123,022</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 5,123,022</u></u>	<u><u>\$ 7,400</u></u>	<u><u>\$ 4,416,544</u></u>	<u><u>\$ 4,409,144</u></u>

CITY OF CLEVELAND, TENNESSEE  
 AMERICAN RESCUE PLAN FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental				
Federal grant	\$ 0	\$ 4,656,500	\$ 4,656,500	\$ 0
Interest	0	0	8,134	8,134
Total revenues	<u>\$ 0</u>	<u>\$ 4,656,500</u>	<u>\$ 4,664,634</u>	<u>\$ 8,134</u>
<b>Expenditures:</b>				
Current:				
General government:				
Covid bonus	\$ 0	\$ 714,672	\$ 714,672	\$ 0
Development and engineering:				
Habitat of Cleveland	0	300,000	300,000	0
City Field	0	400,000	0	400,000
Capital outlay:				
Technology upgrade	0	693,400	589,372	104,028
Total expenditures	<u>\$ 0</u>	<u>\$ 2,108,072</u>	<u>\$ 1,604,044</u>	<u>\$ 504,028</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 2,548,428	\$ 3,060,590	\$ 512,162
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 2,548,428</u></u>	<u><u>\$ 3,060,590</u></u>	<u><u>\$ 512,162</u></u>

CITY OF CLEVELAND, TENNESSEE  
 MEILER ESTATE ANIMAL SHELTER TRUST FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 300	\$ 300	\$ 1,894	\$ 1,594
Total revenues	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 1,894</u>	<u>\$ 1,594</u>
Excess of revenues over expenditures	\$ 300	\$ 300	\$ 1,894	\$ 1,594
Fund balance at beginning of year	<u>501,304</u>	<u>501,304</u>	<u>501,304</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 501,604</u></u>	<u><u>\$ 501,604</u></u>	<u><u>\$ 503,198</u></u>	<u><u>\$ 1,594</u></u>

## **MAJOR GOVERNMENTAL FUND**

Major Governmental Fund are used when certain criteria are met: The total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 10 percent of the corresponding total.

**Capital Improvement Program Fund:** This fund accounts for city-wide capital projects funded mainly by a transfer from the city's General Fund.

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL IMPROVEMENT PROGRAM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Federal grant - 25th St/Georgetown	\$ 0	\$ 0	\$ 2,294	\$ 2,294
Federal grant - 17th and 20th	0	2,935,253	1,910,924	(1,024,329)
Federal grant - Gaut Improvement	0	808,342	9,068	(799,274)
Federal grant - Paul Huff	0	55,371	10,388	(44,983)
Federal grant - Adkisson Drive	0	0	256	256
Federal grant - North Property Development	0	0	36,135	36,135
Federal grant - Cares Act	0	153,630	130,536	(23,094)
Federal grant - Cares 4	0	53,000	0	(53,000)
Federal grant - Central Avenue	0	866,863	0	(866,863)
State grant - Multi-Modal Access	0	818,462	766,302	(52,160)
State grant - Jetport runway extension	0	123,039	3,140	(119,899)
State grant - Greenway phase VI	1,670,908	861,608	0	(861,608)
State grant - Peerless and Georgetown	0	902,500	50,502	(851,998)
State grant - Community tree grant	0	3,985	3,920	(65)
State grant - LIC	0	900,007	317,607	(582,400)
State appropriation	512,851	512,851	512,851	0
Bradley County - LIC	0	0	194,734	194,734
Interest	0	0	53,380	53,380
<b>Miscellaneous:</b>				
TML Reimbursement - vehicles	0	62,544	66,814	4,270
Sundry income	0	332,780	356,614	23,834
<b>Total revenues</b>	<b>\$ 2,183,759</b>	<b>\$ 9,390,235</b>	<b>\$ 4,425,465</b>	<b>\$ (4,964,770)</b>
<b>Expenditures:</b>				
<b>Capital outlay:</b>				
<b>Legislative and judicial:</b>				
Capital projects	\$ 0	\$ 20,000,000	\$ 0	\$ 20,000,000
Whirlpool/Downtown initiative	600,000	1,897,142	621,914	1,275,228
<b>Human resources:</b>				
Software	60,000	60,000	0	60,000
<b>Finance:</b>				
Capital projects	227,000	529,590	179,693	349,897
<b>Information Technology:</b>				
Hardware	50,000	78,093	78,092	1
<b>Development and engineering:</b>				
Various capital projects	0	27,062	0	27,062
Greenway Phase VI	1,670,908	861,608	0	861,608
Transportation projects - LGIP	0	23,995	21,990	2,005
Paul Huff	0	252,455	12,984	239,471
Infrastructure	0	252,934	0	252,934
25th Street Multimodal	0	950,000	53,160	896,840
<b>Police department:</b>				
Vehicles	0	185,431	146,351	39,080
Body Cameras	70,000	70,000	0	70,000
Motorola radios	470,000	466,457	0	466,457

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL IMPROVEMENT PROGRAM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Capital outlay - (Continued)				
Animal Control:				
Various capital projects	\$ 0	\$ 37,323	\$ 37,323	\$ 0
Fire department:				
Capital projects	0	45,115	0	45,115
Equipment - radios	78,000	77,800	77,620	180
SCBA	0	453,000	453,000	0
Public works - street department:				
Grants	0	7,970	6,511	1,459
25th & Peerless intersection	0	327,531	0	327,531
Adkisson Drive widening	0	1,152,346	256	1,152,090
Multi Modal Access	0	1,410,928	777,706	633,222
LIC North on APD 40	0	2,331,256	318,225	2,013,031
Peerless extension	0	40,000	20,230	19,770
Mouse Creek intersection	0	874,137	45,425	828,712
Paul Huff & Peerless intersection	0	300,000	25,125	274,875
20th & Tasso	0	251,360	0	251,360
Central Avenue project	0	892,615	30,893	861,722
17th and 20t Street project	0	2,935,253	2,418,468	516,785
MPO: Gaut Improv	0	809,300	9,068	800,232
Parker Street sidewalks	42,851	166,665	141,688	24,977
Paving	300,000	805,951	136,620	669,331
Improvements	0	70,373	35,316	35,057
Sidewalks	65,000	65,000	4,862	60,138
Cleveland Regional Jetport:				
Hangar N14	0	206,774	206,774	0
Land easement	0	5,600	203	5,397
Runway extension construction	0	113,462	3,140	110,322
North Property - construction	0	36,446	36,398	48
Parks and recreation:				
Capital projects	0	89,000	71,935	17,065
Avery Johnson Park	0	45,741	88,109	(42,368)
Candies Greenway	0	100,632	4,056	96,576
College Hill gym floor	0	149,539	55,647	93,892
Education:				
Capital projects	0	102,407	102,407	0
Debt Service:				
Principal retirement	0	0	466,457	(466,457)
Interest and fiscal charges	0	151,828	190,079	(38,251)
Total expenditures	<u>\$ 3,633,759</u>	<u>\$ 39,710,119</u>	<u>\$ 6,877,725</u>	<u>\$ 32,832,394</u>

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL IMPROVEMENT PROGRAM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Excess (deficiency) of revenues over expenditures	\$ (1,450,000)	\$ (30,319,884)	\$ (2,452,260)	\$ 27,867,624
Other financing sources (uses):				
Transfers in	\$ 1,450,000	\$ 2,044,918	\$ 2,004,718	\$ (40,200)
Notes issued	0	20,151,828	20,245,074	93,246
Total other financing sources (uses)	\$ 1,450,000	\$ 22,196,746	\$ 22,249,792	\$ 53,046
Net change in fund balance	\$ 0	\$ (8,123,138)	\$ 19,797,532	\$ 27,920,670
Fund balance at beginning of year	7,182,635	7,182,635	7,182,635	0
Fund balance at end of year	\$ 7,182,635	\$ (940,503)	\$ 26,980,167	\$ 27,920,670

## **INTERNAL SERVICE FUND**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

**Health Insurance Trust Fund:** This fund is used to account for the medical claims and administrative costs of the city employees.

CITY OF CLEVELAND, TENNESSEE  
HEALTH INSURANCE TRUST FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Operating Revenues:</b>				
Charges for services	\$ 5,213,309	\$ 5,213,309	\$ 5,575,118	\$ 361,809
Total operating revenues	<u>\$ 5,213,309</u>	<u>\$ 5,213,309</u>	<u>\$ 5,575,118</u>	<u>\$ 361,809</u>
<b>Operating Expenses:</b>				
General and administrative:				
Health insurance claims	\$ 4,139,546	\$ 4,303,577	\$ 2,952,495	\$ 1,351,082
Administrative services	801,423	909,423	1,026,210	(116,787)
Total operating expenses	<u>\$ 4,940,969</u>	<u>\$ 5,213,000</u>	<u>\$ 3,978,705</u>	<u>\$ 1,234,295</u>
Operating income (loss)	<u>\$ 272,340</u>	<u>\$ 309</u>	<u>\$ 1,596,413</u>	<u>\$ 1,596,104</u>
<b>Non Operating Revenues (Expenses):</b>				
Interest income	\$ 1,000	\$ 1,000	\$ 6,352	\$ 5,352
Total non operating revenues (expenses)	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 6,352</u>	<u>\$ 5,352</u>
Change in net position	\$ 273,340	\$ 1,309	\$ 1,602,765	\$ 1,601,456
Total net position - beginning	<u>913,859</u>	<u>913,859</u>	<u>913,859</u>	<u>0</u>
Total net position - ending	<u><u>\$ 1,187,199</u></u>	<u><u>\$ 915,168</u></u>	<u><u>\$ 2,516,624</u></u>	<u><u>\$ 1,601,456</u></u>

## **CAPITAL ASSETS**

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 COMPARATIVE SCHEDULE BY SOURCE(1)  
 June 30, 2022 and 2021

	2022	2021
Governmental funds capital assets:		
Land	\$ 38,073,782	\$ 38,073,782
Buildings	159,004,499	155,949,947
Public improvements other than buildings	28,626,067	27,096,605
Infrastructure	77,773,411	75,771,913
Furniture, fixtures, equipment and vehicles	47,759,838	44,610,058
Total governmental funds capital assets	\$ 351,237,597	\$ 341,502,305
 Investment in governmental funds capital assets:		
Total governmental funds capital assets	\$ 351,237,597	\$ 341,502,305

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service fund are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF CLEVELAND, TENNESSEE  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY(1)

June 30, 2022

Function and Activity	Total Capital Assets	Land	Buildings	Other Improve- ments	Infrastructure	Equipment
<b>General Government:</b>						
Administration and finance	\$ 1,071,461	\$ 1,800	\$ 401,565	\$ 263,343	\$ 0	\$ 404,753
General government	3,369,255	221,845	1,555,175	410,985	0	1,181,250
Community development	1,069,457	101,746	417,664	52,566	0	497,481
Library	10,535,337	324,286	5,867,244	77,676	0	4,266,131
<b>Total General Government</b>	<b>\$ 16,045,510</b>	<b>\$ 649,677</b>	<b>\$ 8,241,648</b>	<b>\$ 804,570</b>	<b>\$ 0</b>	<b>\$ 6,349,615</b>
<b>Public Safety:</b>						
Police	\$ 13,099,917	\$ 290,097	\$ 5,210,273	\$ 67,635	\$ 0	\$ 7,531,912
Fire	15,355,746	461,500	6,022,085	314,327	0	8,557,834
911 Center	867,618	0	867,618	0	0	0
<b>Total Public Safety</b>	<b>\$ 29,323,281</b>	<b>\$ 751,597</b>	<b>\$ 12,099,976</b>	<b>\$ 381,962</b>	<b>\$ 0</b>	<b>\$ 16,089,746</b>
<b>Public Works:</b>						
Street department	\$ 8,546,668	\$ 591,262	\$ 393,809	\$ 2,191,010	\$ 0	\$ 5,370,587
Engineering	244,221	0	0	47,301	0	196,920
Fleet	1,602,219	108,291	1,207,137	74,216	0	212,575
Old City Landfill	92,500	63,500	25,000	4,000	0	0
Jetport	45,753,869	26,899,869	5,191,891	12,761,296	0	900,813
Primary roads	11,170,880	67,965	0	0	11,102,915	0
Secondary roads	52,587,742	378,887	0	0	52,208,855	0
Drainage	5,396,708	12,147	0	0	5,384,561	0
Detention ponds	3,613,911	770,558	0	0	2,843,353	0
Sidewalks	5,480,914	0	0	0	5,480,914	0
Bridges	752,813	0	0	0	752,813	0
<b>Total Public Works</b>	<b>\$ 135,242,445</b>	<b>\$ 28,892,479</b>	<b>\$ 6,817,837</b>	<b>\$ 15,077,823</b>	<b>\$ 77,773,411</b>	<b>\$ 6,680,895</b>
<b>Parks and Recreation:</b>						
Recreation office	\$ 4,154,966	\$ 0	\$ 0	\$ 2,202,054	\$ 0	\$ 1,952,912
Tinsley Park	3,705,054	211,980	165,860	3,108,572	0	218,642
Waterville Golf Course	2,151,552	256,816	521,641	1,268,122	0	104,973
College Hill Center	1,655,268	76,890	231,658	1,187,386	0	159,334
Cleveland Community Center	846,053	47,000	421,769	248,964	0	128,320
Johnston Park	425,000	175,000	0	250,000	0	0
Deer Park	272,642	90,000	0	175,740	0	6,902
Arnold Mini Park	14,565	0	0	14,565	0	0
Mayfield Mini Park	14,000	0	0	14,000	0	0
Blythe Mini Park	20,044	9,874	0	10,170	0	0
Bower Mini Park	61,975	0	14,800	47,175	0	0
Stuart Mini Park	27,263	0	17,732	9,531	0	0
E.L. Ross Craigmile Park	9,880	0	0	9,880	0	0
East Cleveland Neighborhood	83,698	10,000	3,577	70,121	0	0
Greenway Project	2,963,224	0	319,839	2,446,101	0	197,284
Fletcher Park	693,024	64,373	118,973	479,730	0	29,948
1st Street Square Park	535,363	174,595	0	360,768	0	0
Soccer Complex	525,248	50,000	12,820	340,562	0	121,866
<b>Total Parks and Recreation</b>	<b>\$ 18,158,819</b>	<b>\$ 1,166,528</b>	<b>\$ 1,828,669</b>	<b>\$ 12,243,441</b>	<b>\$ 0</b>	<b>\$ 2,920,181</b>

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY(1)

(Continued)

June 30, 2022

<u>Function and Activity</u>	<u>Total Capital Assets</u>	<u>Land</u>	<u>Buildings</u>	<u>Other Improve- ments</u>	<u>Infrastructure</u>	<u>Equipment</u>
<b>Miscellaneous Properties:</b>						
Central and Church parking lot	\$ 101,000	\$ 101,000	\$ 0	\$ 0	\$ 0	\$ 0
Fourth Street parking lot	45,500	45,500	0	0	0	0
Worth and Central parking lot	45,000	45,000	0	0	0	0
Inman Street parking lot	32,500	32,500	0	0	0	0
Second - Central parking lot	53,000	53,000	0	0	0	0
Blythe Day Care	35,136	15,000	11,336	8,800	0	0
Animal Control	384,008	0	95,301	73,147	0	215,560
Kaufman - Second Street parking lot	33,000	27,500	0	5,500	0	0
Hargis - First Street parking lot	33,000	27,500	0	5,500	0	0
Urban renewal lots	87,330	87,330	0	0	0	0
Hill Street building	18,976	0	1,074	17,902	0	0
Seventh and Church Street parking lot	21,202	13,780	0	7,422	0	0
<b>Total Miscellaneous Properties</b>	<b>\$ 889,652</b>	<b>\$ 448,110</b>	<b>\$ 107,711</b>	<b>\$ 118,271</b>	<b>\$ 0</b>	<b>\$ 215,560</b>
<b>Cleveland City Schools:</b>						
School property	\$ 150,233,991	\$ 6,165,391	\$ 129,908,658	\$ 0	\$ 0	\$ 14,159,942
Food Service	1,343,899	0	0	0	0	1,343,899
<b>Total City Schools</b>	<b>\$ 151,577,890</b>	<b>\$ 6,165,391</b>	<b>\$ 129,908,658</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 15,503,841</b>
<b>Total Capital Assets</b>	<b>\$ 351,237,597</b>	<b>\$ 38,073,782</b>	<b>\$ 159,004,499</b>	<b>\$ 28,626,067</b>	<b>\$ 77,773,411</b>	<b>\$ 47,759,838</b>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY(1)

For the Fiscal Year Ended June 30, 2022

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>General Government:</b>				
Administration and finance	\$ 1,169,204	\$ 5,200	\$ 102,943	\$ 1,071,461
General government	2,250,792	1,204,828	86,365	3,369,255
Community development	910,430	182,672	23,645	1,069,457
Library	9,988,418	551,672	4,753	10,535,337
Total General Government	<u>\$ 14,318,844</u>	<u>\$ 1,944,372</u>	<u>\$ 217,706</u>	<u>\$ 16,045,510</u>
<b>Public Safety:</b>				
Police	\$ 12,396,221	\$ 878,505	\$ 174,809	\$ 13,099,917
Fire	14,831,519	719,274	195,047	15,355,746
911 Center	867,618	0	0	867,618
Total Public Safety	<u>\$ 28,095,358</u>	<u>\$ 1,597,779</u>	<u>\$ 369,856</u>	<u>\$ 29,323,281</u>
<b>Public Works:</b>				
Street department	\$ 8,483,829	\$ 309,012	\$ 246,173	\$ 8,546,668
Engineering	244,221	0	0	244,221
Fleet	1,590,024	12,195	0	1,602,219
Old City Landfill	92,500	0	0	92,500
Jetport	45,502,225	256,044	4,400	45,753,869
Primary roads	11,170,880	0	0	11,170,880
Secondary roads	51,386,979	1,200,763	0	52,587,742
Drainage	5,352,972	43,736	0	5,396,708
Detention ponds	3,613,911	0	0	3,613,911
Sidewalks	4,723,915	756,999	0	5,480,914
Bridges	752,813	0	0	752,813
Total Public Works	<u>\$ 132,914,269</u>	<u>\$ 2,578,749</u>	<u>\$ 250,573</u>	<u>\$ 135,242,445</u>
<b>Parks and Recreation:</b>				
Recreation office	\$ 3,065,958	\$ 1,220,659	\$ 131,651	\$ 4,154,966
Tinsley Park	3,663,084	58,896	16,926	3,705,054
Waterville Golf Course	2,201,153	0	49,601	2,151,552
College Hill Center	1,328,271	329,346	2,349	1,655,268
Cleveland Community Center	857,446	13,120	24,513	846,053
Johnston Park	425,000	0	0	425,000
Deer Park	272,642	0	0	272,642
Arnold Mini Park	14,565	0	0	14,565
Mayfield Mini Park	14,000	0	0	14,000
Blythe Mini Park	20,044	0	0	20,044
Bower Mini Park	61,975	0	0	61,975
Stuart Mini Park	27,263	0	0	27,263
E.L. Ross Craigmile Park	9,880	0	0	9,880
East Cleveland Neighborhood	83,698	0	0	83,698
Greenway Project	2,963,224	0	0	2,963,224
Fletcher Park	693,024	0	0	693,024
1st Street Square Park	535,363	0	0	535,363
Soccer Complex	525,248	0	0	525,248
Total Parks and Recreation	<u>\$ 16,761,838</u>	<u>\$ 1,622,021</u>	<u>\$ 225,040</u>	<u>\$ 18,158,819</u>

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS (Continued)  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY(1)  
 For the Fiscal Year Ended June 30, 2022

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Miscellaneous Properties:</b>				
Central and Church parking lot	\$ 101,000	\$ 0	\$ 0	\$ 101,000
Fourth Street parking lot	45,500	0	0	45,500
Worth and Central parking lot	45,000	0	0	45,000
Inman Street parking lot	32,500	0	0	32,500
Second - Central parking lot	53,000	0	0	53,000
Blythe Day Care	35,136	0	0	35,136
Animal Control	365,622	37,325	18,939	384,008
Kaufman - Second Street parking lot	33,000	0	0	33,000
Hargis - First Street parking lot	33,000	0	0	33,000
Urban renewal lots	87,330	0	0	87,330
Hill Street building	18,976	0	0	18,976
Seventh and Church Street parking lot	21,202	0	0	21,202
<b>Total Miscellaneous Properties</b>	<b><u>\$ 871,266</u></b>	<b><u>\$ 37,325</u></b>	<b><u>\$ 18,939</u></b>	<b><u>\$ 889,652</u></b>
<b>Cleveland City Schools:</b>				
School property	\$ 147,166,575	\$ 3,482,352	\$ 414,936	\$ 150,233,991
Food Service	1,374,155	3,901	34,157	1,343,899
<b>Total City Schools</b>	<b><u>\$ 148,540,730</u></b>	<b><u>\$ 3,486,253</u></b>	<b><u>\$ 449,093</u></b>	<b><u>\$ 151,577,890</u></b>
<b>Total Capital Assets</b>	<b><u>\$ 341,502,305</u></b>	<b><u>\$ 11,266,499</u></b>	<b><u>\$ 1,531,207</u></b>	<b><u>\$ 351,237,597</u></b>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statements of net assets.

## STATISTICAL SECTION

This part of the City of Cleveland, Tennessee's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	166
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax and the local sales tax.	176
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	188
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	195
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	199

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF CLEVELAND, TENNESSEE  
NET ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 68,705,499	\$ 108,313,394	\$ 115,117,684	\$ 118,815,347
Restricted	4,903,327	3,627,607	4,230,289	3,960,956
Unrestricted	<u>13,058,791</u>	<u>9,398,036</u>	<u>(6,550,745)</u>	<u>(1,239,172)</u>
<b>Total governmental activities net assets</b>	<b><u>\$ 86,667,617</u></b>	<b><u>\$ 121,339,037</u></b>	<b><u>\$ 112,797,228</u></b>	<b><u>\$ 121,537,131</u></b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 161,335,056	\$ 124,523,849	\$ 124,243,205	\$ 126,677,290
Unrestricted	<u>3,654,232</u>	<u>8,413,181</u>	<u>(1,508,685)</u>	<u>2,226,781</u>
<b>Total business-type activities</b>	<b><u>\$ 164,989,288</u></b>	<b><u>\$ 132,937,030</u></b>	<b><u>\$ 122,734,520</u></b>	<b><u>\$ 128,904,071</u></b>
<b>Primary government</b>				
Net investment in capital assets	\$ 230,040,555	\$ 232,837,243	\$ 239,360,889	\$ 245,492,637
Restricted	4,903,327	3,627,607	4,230,289	3,960,956
Unrestricted	<u>16,713,023</u>	<u>17,811,217</u>	<u>(8,059,430)</u>	<u>987,609</u>
<b>Total primary government net assets</b>	<b><u>\$ 251,656,905</u></b>	<b><u>\$ 254,276,067</u></b>	<b><u>\$ 235,531,748</u></b>	<b><u>\$ 250,441,202</u></b>

Source: Official record of Office of City Clerk.

2017	2018	2019	2020	2021	2022
\$ 119,211,701	\$ 128,504,578	\$ 138,614,753	\$ 135,819,612	\$ 150,289,044	\$ 160,882,458
4,509,812	5,292,915	14,863,506	19,972,043	26,563,297	53,566,478
392,152	(22,478,971)	(22,786,778)	(22,493,225)	(12,609,818)	(10,907,416)
<u>\$ 124,113,665</u>	<u>\$ 111,318,522</u>	<u>\$ 130,691,481</u>	<u>\$ 133,298,430</u>	<u>\$ 164,242,523</u>	<u>\$ 203,541,520</u>
\$ 132,437,432	\$ 141,210,570	\$ 140,264,453	\$ 149,656,134	\$ 155,930,891	\$ 164,321,524
5,868,185	(191,774)	8,631,096	11,380,399	20,018,879	27,101,349
<u>\$ 138,305,617</u>	<u>\$ 141,018,796</u>	<u>\$ 148,895,549</u>	<u>\$ 161,036,533</u>	<u>\$ 175,949,770</u>	<u>\$ 191,422,873</u>
\$ 251,649,133	\$ 269,715,148	\$ 278,879,206	\$ 285,475,746	\$ 306,219,935	\$ 325,203,982
4,509,812	5,292,915	14,863,506	19,972,043	26,563,297	53,566,478
6,260,337	(22,670,745)	(14,155,682)	(11,112,826)	7,409,061	16,193,933
<u>\$ 262,419,282</u>	<u>\$ 252,337,318</u>	<u>\$ 279,587,030</u>	<u>\$ 294,334,963</u>	<u>\$ 340,192,293</u>	<u>\$ 394,964,393</u>

CITY OF CLEVELAND, TENNESSEE  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	2013	2014	2015
<b>EXPENSES</b>			
Governmental activities:			
General government	\$ 6,338,456	\$ 3,285,177	\$ 3,356,106
Development and Engineering	1,140,908	1,498,726	1,473,844
Public safety	18,702,183	19,610,293	18,688,453
Public works	9,539,339	10,767,515	11,340,866
Health and welfare	829,343	740,903	638,456
Culture and recreation	4,734,464	5,150,586	4,397,406
Education	46,972,946	49,017,773	46,678,450
Interest on long-term debt	2,878,690	2,999,643	3,356,042
Total governmental activities	<u>\$ 91,136,329</u>	<u>\$ 93,070,616</u>	<u>\$ 89,929,623</u>
Business-type activities:			
Water and sewer	\$ 22,183,642	\$ 22,606,739	\$ 22,015,051
Electric	93,526,162	95,535,206	96,987,194
Stormwater management	0	0	0
Airport	573,288	0	0
Total business-type activities expenses	<u>\$ 116,283,092</u>	<u>\$ 118,141,945</u>	<u>\$ 119,002,245</u>
Total primary government expenses	<u>\$ 207,419,421</u>	<u>\$ 211,212,561</u>	<u>\$ 208,931,868</u>
<b>PROGRAM REVENUES</b>			
Governmental activities:			
Charges for services	\$ 6,394,007	\$ 5,719,960	\$ 5,792,117
Operating grants and contributions	42,650,493	42,755,489	45,485,420
Capital grants and contributions	1,622,538	2,805,953	1,459,698
Total governmental activities program revenues	<u>\$ 50,667,038</u>	<u>\$ 51,281,402</u>	<u>\$ 52,737,235</u>
Business-type activities:			
Charges for services:			
Water and sewer	\$ 23,006,832	\$ 24,232,749	\$ 25,710,183
Electric	96,146,039	98,249,509	99,094,672
Stormwater management	0	0	0
Airport	123,841	0	0
Operating grants and contributions	45,097	48,977	47,532
Capital grants and contributions	9,622,580	961,210	515,643
Total business-type activities program revenues	<u>\$ 128,944,389</u>	<u>\$ 123,492,445</u>	<u>\$ 125,368,030</u>
Total primary government program revenues	<u>\$ 179,611,427</u>	<u>\$ 174,773,847</u>	<u>\$ 178,105,265</u>
Net (Expense) Revenue			
Governmental activities	\$ (40,469,291)	\$ (41,789,214)	\$ (37,192,388)
Business-type activities	12,661,297	5,350,500	6,365,785
Total primary government net expense	<u>\$ (27,807,994)</u>	<u>\$ (36,438,714)</u>	<u>\$ (30,826,603)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
Governmental activities:			
Property taxes	\$ 16,598,001	\$ 19,016,017	\$ 19,653,207
Interest and penalty on taxes	232,829	215,627	217,448
In lieu of taxes	247,400	501,661	239,618
Local sales tax	11,842,883	11,976,829	12,516,655
Wholesale beer tax	1,514,062	1,555,503	1,588,040
Gross receipts tax	1,139,178	956,672	1,176,363
Franchise tax	874,574	933,173	989,949
State sales tax	2,857,391	2,953,870	3,130,831
Other state taxes	1,955,994	1,742,735	4,095,349
Grants and contributions not restricted	566,435	407,799	775,098
Unrestricted investment earnings	79,556	79,985	96,088
Gain (loss) on sale of capital assets	49,317	42,835	650,321
Transfers	1,616,526	2,198,373	2,247,105
Total governmental activities	<u>\$ 39,574,146</u>	<u>\$ 42,581,079</u>	<u>\$ 47,376,072</u>
Business-type activities:			
Unrestricted investment earnings	\$ 55,945	\$ 65,171	\$ 82,174
Gain (loss) on sale of capital assets	0	0	0
Transfers	(1,616,526)	(2,198,373)	(2,247,105)
Total business-type activities	<u>\$ (1,560,581)</u>	<u>\$ (2,133,202)</u>	<u>\$ (2,164,931)</u>
Total primary government	<u>\$ 38,013,565</u>	<u>\$ 40,447,877</u>	<u>\$ 45,211,141</u>
<b>CHANGE IN NET POSITION</b>			
Governmental activities	\$ (895,145)	\$ 791,865	\$ 10,183,684
Business-type activities	11,100,716	3,217,298	4,200,854
Total primary government	<u>\$ 10,205,571</u>	<u>\$ 4,009,163</u>	<u>\$ 14,384,538</u>

Source: Official record of Office of City Clerk.

2016	2017	2018	2019	2020	2021	2022
\$ 3,765,394	\$ 4,442,261	\$ 8,987,210	\$ 4,756,220	\$ 4,659,380	\$ 4,475,964	\$ 4,570,431
1,940,024	2,166,719	2,621,363	2,302,965	2,332,324	2,055,406	2,218,756
19,057,323	20,587,764	21,827,824	23,014,134	24,420,737	24,382,352	21,099,938
11,240,255	9,882,476	13,599,981	10,091,513	11,587,164	11,760,654	13,409,381
671,684	659,284	710,483	690,927	691,826	716,655	-
4,371,397	5,328,380	3,814,500	5,572,087	5,534,056	5,246,725	4,281,085
49,400,437	53,648,372	54,436,127	47,636,980	58,580,908	60,039,485	59,226,357
3,296,175	3,198,147	3,216,493	3,183,652	2,900,897	3,029,596	2,585,183
<u>\$ 93,742,689</u>	<u>\$ 99,913,403</u>	<u>\$ 109,213,981</u>	<u>\$ 97,248,478</u>	<u>\$ 110,707,292</u>	<u>\$ 111,706,837</u>	<u>\$ 107,391,131</u>
\$ 23,781,528	\$ 24,601,946	\$ 25,034,761	\$ 26,551,551	\$ 26,863,384	\$ 28,485,251	\$ 30,035,698
94,002,316	95,625,776	95,471,898	97,751,476	92,020,973	90,020,984	96,702,765
422,576	510,855	598,400	452,761	827,213	606,165	1,007,910
0	0	0	0	0	0	0
<u>\$ 118,206,420</u>	<u>\$ 120,738,577</u>	<u>\$ 121,105,059</u>	<u>\$ 124,755,788</u>	<u>\$ 119,711,570</u>	<u>\$ 119,112,400</u>	<u>\$ 127,746,373</u>
<u>\$ 211,949,109</u>	<u>\$ 220,651,980</u>	<u>\$ 230,319,040</u>	<u>\$ 222,004,266</u>	<u>\$ 230,418,862</u>	<u>\$ 230,819,237</u>	<u>\$ 235,137,504</u>
\$ 5,546,286	\$ 5,088,039	\$ 5,577,962	\$ 5,715,943	\$ 6,220,987	\$ 6,343,633	\$ 8,402,525
47,705,172	49,701,112	52,477,210	53,644,483	54,514,548	63,396,173	68,531,470
4,452,957	1,885,608	8,548,702	2,745,004	2,571,298	8,863,133	7,120,650
<u>\$ 57,704,415</u>	<u>\$ 56,674,759</u>	<u>\$ 66,603,874</u>	<u>\$ 62,105,430</u>	<u>\$ 63,306,833</u>	<u>\$ 78,602,939</u>	<u>\$ 84,054,645</u>
\$ 27,147,284	\$ 28,942,827	\$ 28,950,628	\$ 29,178,469	\$ 30,978,458	\$ 33,314,124	\$ 35,046,595
97,005,448	101,077,357	100,914,277	103,154,714	100,343,044	100,050,298	107,708,738
865,814	1,485,629	1,502,917	1,522,529	1,532,721	1,564,682	1,575,112
0	0	0	0	0	0	0
55,537	57,620	108,040	226,316	251,568	276,966	308,074
1,494,135	828,652	648,269	619,693	1,131,949	1,735,300	1,123,570
<u>\$ 126,568,218</u>	<u>\$ 132,392,085</u>	<u>\$ 132,124,131</u>	<u>\$ 134,701,721</u>	<u>\$ 134,237,740</u>	<u>\$ 136,941,370</u>	<u>\$ 145,762,089</u>
<u>\$ 184,272,633</u>	<u>\$ 189,066,844</u>	<u>\$ 198,728,005</u>	<u>\$ 196,807,151</u>	<u>\$ 197,544,573</u>	<u>\$ 215,544,309</u>	<u>\$ 229,816,734</u>
\$ (36,038,274)	\$ (43,238,644)	\$ (42,610,107)	\$ (35,143,048)	\$ (47,400,459)	\$ (33,103,898)	\$ (23,336,486)
8,361,798	11,653,508	11,019,072	9,945,933	14,526,170	17,828,970	18,015,716
<u>\$ (27,676,476)</u>	<u>\$ (31,585,136)</u>	<u>\$ (31,591,035)</u>	<u>\$ (25,197,115)</u>	<u>\$ (32,874,289)</u>	<u>\$ (15,274,928)</u>	<u>\$ (5,320,770)</u>
\$ 19,607,993	\$ 20,024,551	\$ 26,342,150	\$ 26,096,750	\$ 26,546,377	\$ 26,167,522	\$ 27,205,753
194,097	218,748	255,801	224,048	203,601	230,767	215,814
285,008	336,281	445,005	490,530	459,491	1,085,511	927,129
13,138,559	13,693,221	13,610,741	14,495,529	15,616,509	17,448,218	19,320,174
1,584,441	1,509,444	1,469,337	1,466,678	1,502,653	1,553,649	1,539,026
1,244,796	1,315,875	1,323,129	1,353,244	1,426,622	1,617,969	1,811,164
904,420	879,433	925,773	903,349	881,325	901,996	1,038,768
3,342,791	3,424,704	3,580,003	3,714,029	3,816,634	4,441,358	5,407,704
1,638,355	1,385,722	1,616,480	1,577,116	1,312,117	1,364,522	1,288,149
394,752	494,787	394,864	435,038	500,455	808,113	731,695
131,389	208,210	539,780	987,484	615,589	204,974	245,974
14,600	(113,458)	19,814	52,875	112,836	(57,393)	-
2,322,340	2,437,660	2,641,293	2,719,337	2,864,395	2,973,022	2,904,133
<u>\$ 44,803,541</u>	<u>\$ 45,815,178</u>	<u>\$ 53,164,170</u>	<u>\$ 54,516,007</u>	<u>\$ 55,858,604</u>	<u>\$ 58,740,228</u>	<u>\$ 62,635,483</u>
\$ 104,729	\$ 185,698	\$ 399,322	\$ 650,157	\$ 479,209	\$ 57,289	\$ 129,376
0	0	0	0	0	0	232,144
(2,322,340)	(2,437,660)	(2,641,293)	(2,719,337)	(2,864,395)	(2,973,022)	(2,904,133)
<u>\$ (2,217,611)</u>	<u>\$ (2,251,962)</u>	<u>\$ (2,241,971)</u>	<u>\$ (2,069,180)</u>	<u>\$ (2,385,186)</u>	<u>\$ (2,915,733)</u>	<u>\$ (2,542,613)</u>
<u>\$ 42,585,930</u>	<u>\$ 43,563,216</u>	<u>\$ 50,922,199</u>	<u>\$ 52,446,827</u>	<u>\$ 53,473,418</u>	<u>\$ 55,824,495</u>	<u>\$ 60,092,870</u>
\$ 8,765,267	\$ 2,576,534	\$ 10,554,063	\$ 19,372,959	\$ 8,458,145	\$ 25,636,330	\$ 39,298,997
6,144,187	9,401,546	8,777,101	7,876,753	12,140,984	14,913,237	15,473,103
<u>\$ 14,909,454</u>	<u>\$ 11,978,080</u>	<u>\$ 19,331,164</u>	<u>\$ 27,249,712</u>	<u>\$ 20,599,129</u>	<u>\$ 40,549,567</u>	<u>\$ 54,772,100</u>

CITY OF CLEVELAND, TENNESSEE  
PROGRAM REVENUE BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*

Function/Program	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Governmental activities:</b>				
General government	\$ 134,104	\$ 122,688	\$ 167,161	\$ 368,176
Development and Engineering	1,509,789	993,896	624,031	743,144
Public safety	2,526,039	1,094,936	1,212,259	1,183,264
Public works	4,909,092	6,529,526	6,087,104	8,832,654
Health and welfare	428,573	226,117	47,810	36,540
Culture and recreation	933,323	1,139,580	1,178,229	1,158,832
Education	<u>40,226,118</u>	<u>41,174,659</u>	<u>43,450,641</u>	<u>45,381,805</u>
<b>Subtotal governmental activities</b>	<b>\$ 50,667,038</b>	<b>\$ 51,281,402</b>	<b>\$ 52,767,235</b>	<b>\$ 57,704,415</b>
<b>Business-type activities:</b>				
Water and sewer	\$ 23,149,324	\$ 25,045,728	\$ 26,043,419	\$ 28,337,385
Electric	96,521,141	98,446,717	99,324,611	97,364,119
Stormwater management	0	0	0	866,714
Airport	<u>9,273,924</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Subtotal business-type activities</b>	<b>\$ 128,944,389</b>	<b>\$ 123,492,445</b>	<b>\$ 125,368,030</b>	<b>\$ 126,568,218</b>
<b>Total primary government</b>	<b>\$ 179,611,427</b>	<b>\$ 174,773,847</b>	<b>\$ 178,135,265</b>	<b>\$ 184,272,633</b>

Source: Official record of Office of City Clerk.

2017	2018	2019	2020	2021	2022
\$ 454,229	\$ 398,678	\$ 540,216	\$ 806,993	\$ 1,082,383	\$ 5,619,232
619,475	1,127,552	1,070,335	1,232,575	1,289,669	1,825,201
1,579,472	1,378,931	1,298,804	1,133,704	1,863,228	1,739,333
5,494,157	8,074,094	5,656,523	7,147,789	7,908,758	10,326,443
47,057	61,628	51,578	44,015	37,689	0
1,052,964	1,467,632	1,145,555	1,160,288	909,872	1,182,480
<u>47,427,405</u>	<u>54,095,359</u>	<u>52,342,419</u>	<u>51,781,469</u>	<u>65,511,340</u>	<u>63,361,956</u>
<u>\$ 56,674,759</u>	<u>\$ 66,603,874</u>	<u>\$ 62,105,430</u>	<u>\$ 63,306,833</u>	<u>\$ 78,602,939</u>	<u>\$ 84,054,645</u>
\$ 29,435,064	\$ 29,458,233	\$ 29,526,908	\$ 31,999,273	\$ 34,646,551	\$ 36,008,191
101,465,440	101,162,981	103,652,284	100,700,934	100,730,137	108,178,786
1,491,581	1,502,917	1,522,529	1,537,533	1,564,682	1,575,112
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 132,392,085</u>	<u>\$ 132,124,131</u>	<u>\$ 134,701,721</u>	<u>\$ 134,237,740</u>	<u>\$ 136,941,370</u>	<u>\$ 145,762,089</u>
<u>\$ 189,066,844</u>	<u>\$ 198,728,005</u>	<u>\$ 196,807,151</u>	<u>\$ 197,544,573</u>	<u>\$ 215,544,309</u>	<u>\$ 229,816,734</u>

CITY OF CLEVELAND, TENNESSEE  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS

*(modified accrual basis of accounting)*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Fund</b>				
Nonspendable	\$ 4,079	\$ 47,629	\$ 53,174	\$ 41,762
Restricted	0	0	26,897	5,148
Assigned	0	10,666,100	5,878,509	0
Unassigned	<u>12,388,007</u>	<u>2,098,326</u>	<u>3,766,227</u>	<u>10,800,152</u>
<b>Total general fund</b>	<u><u>\$ 12,392,086</u></u>	<u><u>\$ 12,812,055</u></u>	<u><u>\$ 9,724,807</u></u>	<u><u>\$ 10,847,062</u></u>
<b>All Other Governmental Funds:</b>				
Nonspendable	\$ 473,636	\$ 473,636	\$ 473,636	\$ 673,509
Restricted	3,101,853	3,153,971	3,710,430	3,482,172
Committed	728,768	494,210	614,333	699,329
Assigned	<u>10,357,450</u>	<u>8,854,163</u>	<u>12,795,459</u>	<u>15,153,991</u>
<b>Total all other governmental funds</b>	<u><u>\$ 14,661,707</u></u>	<u><u>\$ 12,975,980</u></u>	<u><u>\$ 17,593,858</u></u>	<u><u>\$ 20,009,001</u></u>

Source: Official record of Office of City Clerk.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 0	\$ 242,025	\$ 230,996	\$ 233,632	\$ 252,419	\$ 409,190
0	0	9,200	9,200	8,950	9,475
0	0	0	0	0	0
<u>11,548,699</u>	<u>13,995,070</u>	<u>16,638,164</u>	<u>20,609,141</u>	<u>27,227,900</u>	<u>33,397,184</u>
<u>\$ 11,548,699</u>	<u>\$ 14,237,095</u>	<u>\$ 16,878,360</u>	<u>\$ 20,851,973</u>	<u>\$ 27,489,269</u>	<u>\$ 33,815,849</u>
\$ 760,148	\$ 515,305	\$ 497,121	\$ 518,333	\$ 514,208	\$ 513,658
4,036,176	4,522,253	12,032,694	12,651,616	20,928,362	44,233,738
740,978	913,328	784,396	1,143,907	1,262,417	1,813,943
<u>16,250,478</u>	<u>17,890,590</u>	<u>12,445,305</u>	<u>13,271,819</u>	<u>15,336,314</u>	<u>18,572,428</u>
<u>\$ 21,787,780</u>	<u>\$ 23,841,476</u>	<u>\$ 25,759,516</u>	<u>\$ 27,585,675</u>	<u>\$ 38,041,301</u>	<u>\$ 65,133,767</u>

CITY OF CLEVELAND, TENNESSEE  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	2013	2014	2015	2016
<b>REVENUES</b>				
Taxes	\$ 34,059,819	\$ 35,733,289	\$ 36,910,848	\$ 37,144,740
Licenses and permits	432,178	353,841	492,000	490,234
Intergovernmental	49,121,532	50,130,677	53,062,532	57,391,236
Fines and forfeitures	548,657	537,317	665,896	565,843
Charges for services	5,412,247	4,832,380	4,617,463	4,442,072
Interest	79,614	82,638	96,088	137,225
Miscellaneous	748,627	698,215	2,202,082	862,571
<b>Total Revenues</b>	<b>\$ 90,402,674</b>	<b>\$ 92,368,357</b>	<b>\$ 98,046,909</b>	<b>\$ 101,033,921</b>
<b>EXPENDITURES</b>				
General government	\$ 2,286,876	\$ 2,436,907	\$ 2,602,422	\$ 3,084,380
Development and Engineering	926,915	1,346,723	1,421,401	1,847,168
Public safety	16,364,461	16,616,921	16,976,679	17,587,413
Public works	7,917,343	8,689,791	8,676,635	8,460,640
Health and welfare	654,628	566,625	483,389	501,236
Culture and recreation	3,864,417	4,077,475	4,164,402	4,028,549
Education	44,673,856	46,062,827	46,715,950	48,423,074
Appropriations	1,074,137	1,185,501	1,091,983	1,098,651
Capital outlay	12,573,516	8,762,567	10,348,141	14,401,524
Debt service:				
Principal	2,691,153	2,699,740	4,040,333	4,164,233
Interest	2,856,470	3,337,925	2,384,230	2,340,075
<b>Total Expenditures</b>	<b>\$ 95,883,772</b>	<b>\$ 95,783,002</b>	<b>\$ 98,905,565</b>	<b>\$ 105,936,943</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (5,481,098)</b>	<b>\$ (3,414,645)</b>	<b>\$ (858,656)</b>	<b>\$ (4,903,022)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 14,716,372	\$ 15,329,355	\$ 21,688,975	\$ 15,751,495
Transfers out	(13,099,846)	(13,130,982)	(19,441,870)	(13,429,155)
Notes issued	5,260,075	4,600,000	0	6,040,200
Bonds issued	0	0	0	0
Leases issued	0	127,220	142,181	0
Refunding bonds issued	0	25,306,480	0	13,057,880
Premium on bonds issued	0	0	0	0
Payment to refunding bond escrow agent	0	(25,173,537)	0	(12,980,000)
<b>Total other financing sources (uses)</b>	<b>\$ 6,876,601</b>	<b>\$ 7,058,536</b>	<b>\$ 2,389,286</b>	<b>\$ 8,440,420</b>
<b>Net change in fund balances</b>	<b>\$ 1,395,503</b>	<b>\$ 3,643,891</b>	<b>\$ 1,530,630</b>	<b>\$ 3,537,398</b>
Debt service as a percent of noncapital expenditures	6.43%	6.88%	7.27%	7.02%

Source: Official record of Office of City Clerk.

	2017	2018	2019	2020	2021	2022
\$	37,905,053	\$ 44,169,660	\$ 45,073,641	\$ 46,522,610	\$ 49,353,887	\$ 52,067,895
	628,772	712,300	735,474	1,192,696	1,409,179	1,634,572
	56,284,038	65,580,623	61,304,401	61,846,216	77,568,836	81,308,390
	527,112	636,898	609,350	541,312	446,724	497,424
	3,949,204	4,228,762	4,357,213	4,479,831	4,480,063	6,258,671
	208,210	539,781	987,484	618,845	204,973	245,975
	903,685	797,077	622,151	879,473	1,439,883	844,518
\$	<u>100,406,074</u>	<u>\$ 116,665,101</u>	<u>\$ 113,689,714</u>	<u>\$ 116,080,983</u>	<u>\$ 134,903,545</u>	<u>\$ 142,857,445</u>
\$	3,179,666	\$ 3,431,332	\$ 3,936,786	\$ 4,086,659	\$ 3,916,936	\$ 4,551,788
	1,839,944	1,664,882	1,778,770	1,693,780	2,005,510	2,374,078
	17,973,900	18,606,166	20,420,104	20,899,995	21,501,020	23,586,418
	7,633,818	8,310,518	8,985,878	8,841,930	8,972,849	11,436,378
	521,479	542,897	518,977	523,006	528,060	0
	4,269,135	4,342,420	4,486,157	4,325,735	4,007,781	3,778,649
	51,046,808	53,540,925	55,004,608	55,193,503	61,870,697	62,465,575
	1,192,403	1,304,181	1,332,364	1,306,305	1,338,092	1,377,407
	9,035,158	29,336,764	16,892,485	9,018,761	9,398,114	14,125,820
	4,514,324	5,106,995	6,048,024	5,180,065	5,370,553	6,268,624
	2,228,124	2,246,893	3,231,706	3,276,477	3,554,353	3,110,678
\$	<u>103,434,759</u>	<u>\$ 128,433,973</u>	<u>\$ 122,635,859</u>	<u>\$ 114,346,216</u>	<u>\$ 122,463,965</u>	<u>\$ 133,075,415</u>
\$	<u>(3,028,685)</u>	<u>\$ (11,768,872)</u>	<u>\$ (8,946,145)</u>	<u>\$ 1,734,767</u>	<u>\$ 12,439,580</u>	<u>\$ 9,782,030</u>
\$	16,450,779	\$ 21,172,739	\$ 19,927,702	\$ 17,964,749	\$ 18,584,223	\$ 20,160,116
	(14,013,119)	(18,531,446)	(17,208,365)	(15,100,354)	(16,061,201)	(17,255,983)
	2,628,550	5,408,580	0	1,105,731	1,514,178	455,575
	0	0	9,885,000	0	0	19,220,000
	442,891	8,222,294	69,475	0	0	32,234
	0	0	34,780,000	0	27,450,000	0
	0	0	6,161,337	0	3,913,381	1,025,074
	0	0	(40,109,699)	0	(30,747,239)	0
\$	<u>5,509,101</u>	<u>\$ 16,272,167</u>	<u>\$ 13,505,450</u>	<u>\$ 3,970,126</u>	<u>\$ 4,653,342</u>	<u>\$ 23,637,016</u>
\$	<u>2,480,416</u>	<u>\$ 4,503,295</u>	<u>\$ 4,559,305</u>	<u>\$ 5,704,893</u>	<u>\$ 17,092,922</u>	<u>\$ 33,419,046</u>
	7.07%	6.92%	9.67%	7.89%	8.21%	7.91%

CITY OF CLEVELAND, TENNESSEE  
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

Schedule 6

Fiscal Year	Property	Interest & Penalty	In-lieu	Local Sales	Wholesale Beer	Gross Receipts	Franchise	Total
2013	\$ 16,628,885	\$ 232,828	\$ 247,400	\$ 13,422,892	\$ 1,514,062	\$ 1,139,178	\$ 874,574	\$ 34,059,819
2014	19,024,749	215,627	501,661	12,545,904	1,555,503	956,672	933,173	35,733,289
2015	19,613,707	217,448	239,618	13,085,724	1,588,040	1,176,363	989,948	36,910,848
2016	19,609,561	194,097	285,008	13,322,417	1,584,441	1,244,796	904,420	37,144,740
2017	19,952,051	218,748	336,281	13,693,221	1,509,444	1,315,875	879,433	37,905,053
2018	26,139,874	255,801	445,005	13,610,741	1,469,337	1,323,129	925,773	44,169,660
2019	26,140,263	224,048	490,530	14,495,529	1,466,678	1,353,244	903,349	45,073,641
2020	26,432,409	203,600	459,491	15,616,509	1,502,653	1,426,622	881,326	46,522,610
2021	26,515,776	230,767	1,085,511	17,448,219	1,553,649	1,617,969	901,996	49,353,887
2022	27,215,818	215,814	927,129	19,320,174	1,539,027	1,811,165	1,038,768	52,067,895
Change 2013-2022	63.7%	-7.3%	274.7%	43.9%	1.6%	59.0%	18.8%	52.9%

Source: Official record of Office of City Clerk.

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CITY OF CLEVELAND, TENNESSEE  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF REAL TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Industrial Property	Personal Property
2013	\$ 410,787,511	\$ 522,433,859	\$ 168,476,998
2014	400,535,764	488,849,475	164,659,894
2015	404,345,830	510,647,222	171,538,179
2016	412,602,974	507,098,128	166,516,773
2017	419,022,912	518,576,938	173,731,683
2018	460,865,137	602,825,863	192,128,839
2019	473,282,934	594,411,038	187,980,925
2020	475,674,645	605,106,904	189,105,258
2021	485,125,037	610,437,320	156,231,244
2022	648,040,849	714,464,947	204,322,891

Source: Bradley County Assessor of Property.

- (1) The State of Tennessee, Division of Property Assessment conducted a comprehensive reappraisal for tax year 2013, which is reflected in the FY 2014 financial statements. In tax year 2017, the State conducted a comprehensive reappraisal which is reflected in the FY 2018 financial statements. In tax year 2021, the State conducted a comprehensive reappraisal which is reflected in the FY 2022 financial statements.
- (2) Property in Bradley County is reassessed once every four years on average. The county assesses property at approximately 40 percent of actual value for commercial and industrial property and 25 percent for residential property. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per \$100 of assessed value.

	<u>Public Utilities</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
\$	23,526,358	\$ 1,125,224,726	\$ 1.4904	\$ 3,568,066,432	31.5 %
	22,049,469	1,076,094,602	1.7655	3,426,781,400	31.4
	22,909,126	1,109,440,357	1.7655	3,521,535,271	31.5
	22,751,495	1,108,969,370	1.7655	3,528,569,562	31.4
	21,491,799	1,132,823,332	1.7655	3,603,931,085	31.4
	20,792,525	1,276,612,364	2.0600	4,041,544,754	31.6
	20,250,570	1,275,925,467	2.0600	4,056,388,839	31.4
	18,239,633	1,288,126,440	2.0600	4,091,415,783	31.5
	19,508,716	1,271,302,317	2.0600	4,040,136,051	31.5
	24,114,816	1,590,943,503	1.7130	5,119,689,107	31.0

CITY OF CLEVELAND, TENNESSEE  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS

Fiscal Year	City		Overlapping Rates - Bradley County				
	Direct Rate	General Fund	Public Library	Pike Road	County Schools	City Schools	
2013	\$ 1.4904	\$ 0.5269	\$ 0.0282	\$ 0.1287	\$ 0.5734	\$ 0.2859	
2014	1.7655	0.5404	0.0289	0.1320	0.5878	0.2935	
2015	1.7655	0.5349	0.0277	0.1276	0.5624	0.2985	
2016	1.7655	0.5349	0.0277	0.1276	0.5624	0.2985	
2017	1.7655	0.5339	0.0250	0.1244	0.5533	0.2941	
2018	2.0600	0.4298	0.0228	0.1135	0.4964	0.2774	
2019	2.0600	0.4993	0.0278	0.1135	0.4994	0.2744	
2020	2.0600	0.4993	0.0278	0.1135	0.4994	0.2744	
2021	2.0600	0.4993	0.0278	0.1135	0.4986	0.2752	
2022	1.7130	0.4100	0.0223	0.0925	0.3976	0.2273	

Source: Bradley County Assessor of Property and Office of the City Clerk.

Note: The City's basic property tax rate may be increased only by a majority vote of the Cleveland City Council.

\*Overlapping rates are those of local and county governments that apply to property owners within the City of Cleveland. The combined tax rate is charged to all Cleveland property owners.

Overlapping Rates - Bradley County - Continued						Total Direct and Overlapping Rate
Debt Service	Capital Projects	Education Capital Projects	Community Development	Total Bradley County		
\$ 0.2297	\$ -	\$ 0.0017	\$ 0.0509	\$ 1.8254	\$ 3.3158	
0.2356	-	0.0017	0.0522	1.8721	3.6376	
0.2674	-	0.0016	0.0520	1.8721	3.6376	
0.2674	-	0.0016	0.0520	1.8721	3.6376	
0.2414	0.0414	-	0.0580	1.8715	3.6370	
0.3449	0.0236	-	-	1.7084	3.7684	
0.3199	0.0478	-	-	1.7821	3.8421	
0.3199	0.0478	-	-	1.7821	3.8421	
0.3199	0.0478	-	-	1.7821	3.8421	
0.2547	0.0348	-	-	1.4392	3.1522	

CITY OF CLEVELAND, TENNESSEE  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO

Schedule 9

<u>Taxpayer</u>	<u>2021</u>			<u>2012</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Mars Snackfoods	\$ 40,558,738	1	2.59%	\$ 41,478,778	1	3.76%
Cleveland Tennessee Hospital	40,210,610	2	2.57	37,786,424	2	3.43
Whirlpool	31,499,945	3	2.01	-	-	-
Life Care Centers of America	27,656,405	4	1.77	16,595,126	4	1.51
Bayer Healthcare (Merck)	26,213,105	5	1.67	13,449,705	5	1.22
Duracell Company	24,043,380	6	1.53	20,304,312	3	1.84
Peyton's Southeastern	11,740,490	7	0.75	10,466,632	6	0.95
Alvin Calhoun	11,193,325	8	0.71	-	-	-
Pinnacle Corner at Paul Huff	10,389,990	9	0.67	-	-	-
Retreat at Spring Creek	10,357,690	10	0.66	-	-	-
Walmart	-	-	-	9,771,458	7	0.89
Southeastern Container	-	-	-	8,931,135	8	0.81
Johnston Coca-Cola	-	-	-	8,389,446	9	0.76
Bellsouth	-	-	-	7,645,558	10	0.69
Totals	<u>\$ 233,863,678</u>		<u>14.93%</u>	<u>\$ 174,818,574</u>		<u>15.86%</u>

Source: Bradley County Assessor of Property and Office of the City Clerk.

CITY OF CLEVELAND, TENNESSEE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Schedule 10

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 16,699,031	\$ 15,612,473	93.5 %	\$ 1,041,957	\$ 16,654,430	99.7 %
2014	18,859,181	17,898,630	94.9	925,747	18,824,377	99.8
2015	19,550,308	18,561,193	94.9	933,117	19,494,310	99.7
2016	19,557,553	18,745,766	95.8	763,313	19,509,079	99.8
2017	20,008,944	18,941,986	94.7	1,013,323	19,955,309	99.7
2018	26,305,375	25,026,206	95.1	1,157,249	26,183,455	99.5
2019	26,471,584	25,305,334	95.6	1,019,998	26,325,332	99.4
2020	26,495,529	25,317,547	95.6	1,031,013	26,348,560	99.4
2021	26,227,137	25,401,537	96.9	552,783	25,954,320	99.0
2022	27,267,295	26,454,093	97.0	0	26,454,093	97.0

Source: Official records of Office of City Clerk.

CITY OF CLEVELAND, TENNESSEE  
 LOCAL TAXABLE SALES BY CATEGORY  
 LAST TEN CALENDAR YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Apparel Stores	\$ 24,874,164	\$ 25,648,895	\$ 26,695,892	\$ 28,868,016
General Merchandise Stores	220,486,064	220,277,745	222,347,406	233,711,647
Food Stores	93,245,397	95,135,145	106,471,779	112,096,356
Eating and Drinking Places	136,648,212	138,642,092	147,161,813	158,677,432
Furniture Stores	17,588,750	17,814,109	17,743,880	16,312,162
Building Materials	78,397,949	76,136,640	72,538,049	60,732,654
MV Dealers and Service Stations	71,337,280	74,355,981	83,823,948	96,437,981
Other Retail	61,405,593	63,159,468	65,775,334	69,919,188
All Other Outlets	<u>139,311,618</u>	<u>141,967,597</u>	<u>152,692,339</u>	<u>164,536,138</u>
<b>Total</b>	<b><u>\$ 843,295,027</u></b>	<b><u>\$ 853,137,672</u></b>	<b><u>\$ 895,250,440</u></b>	<b><u>\$ 941,291,574</u></b>
 City direct sales tax rate	 2.75%	 2.75%	 2.75%	 2.75%

Source: Tennessee Department of Revenue, Research Division.

Note: Figures subject to revision due to amended taxpayer returns.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 28,132,195	\$ 28,076,379	\$ 29,248,857	\$ 30,510,189	\$ 28,362,200	\$ 39,564,854
234,275,628	235,769,895	240,627,860	244,753,609	252,408,243	263,876,515
113,083,863	119,118,225	128,260,231	131,837,852	150,853,969	148,505,141
160,746,625	166,258,406	172,323,174	185,363,931	182,039,198	217,511,498
16,227,883	20,755,916	21,997,547	21,545,685	23,250,965	32,459,845
84,841,122	97,243,420	98,552,022	102,978,309	127,044,826	142,584,470
101,579,505	98,430,037	102,340,354	109,432,087	120,559,750	131,334,048
70,057,002	67,411,830	64,417,467	71,848,990	84,686,141	97,884,669
<u>158,214,097</u>	<u>160,771,137</u>	<u>168,767,452</u>	<u>179,537,042</u>	<u>181,624,920</u>	<u>208,236,421</u>
<u>\$ 967,157,920</u>	<u>\$ 993,835,245</u>	<u>\$ 1,026,534,964</u>	<u>\$ 1,077,807,694</u>	<u>\$ 1,150,830,212</u>	<u>\$ 1,281,957,461</u>
2.75%	2.75%	2.75%	2.75%	2.75%	2.75%

CITY OF CLEVELAND, TENNESSEE  
DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS

Schedule 12

<u>Fiscal Year</u>	<u>City of Cleveland and Bradley County Rate</u>
2013	2.75 %
2014	2.75
2015	2.75
2016	2.75
2017	2.75
2018	2.75
2019	2.75
2020	2.75
2021	2.75
2022	2.75

Source: Official records of Office of City Clerk.

Note: The maximum local sales tax rate allowed by Tennessee State law is 2.75%.

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CITY OF CLEVELAND, TENNESSEE  
 LOCAL SALES TAX REVENUE BY INDUSTRY  
 FISCAL YEARS 2013 AND 2022

	Fiscal Year 2013			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Retail Trade	836	57.89 %	\$ 19,314,497	83.26 %
2 Services	339	23.48	1,837,733	7.92
3 Manufacturing	90	6.23	611,190	2.63
4 Wholesale Trade	77	5.33	801,320	3.45
5 Construction	12	0.83	11,415	0.05
6 Finance Insurance Real Estate	26	1.80	38,392	0.17
7 Transportation and Utilities	11	0.76	149,723	0.65
8 Agriculture	9	0.62	10,314	0.04
9 Other, Non Classified	44	3.05	422,724	1.82
<b>Total</b>	<b>1,444</b>	<b>100.00 %</b>	<b>\$ 23,197,308</b>	<b>100.00 %</b>

Source: Tennessee Department of Revenue, Research Division.

Notes:

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by merchants during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.
3. Does not include Cleveland's share of county clerk or out-of-state taxpayer amounts.

Fiscal Year 2022			
Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
678	49.17 %	\$ 30,131,306	83.68 %
313	22.70	2,713,553	7.54
91	6.60	563,771	1.57
73	5.29	1,257,070	3.49
23	1.67	137,073	0.38
22	1.60	30,025	0.08
23	1.67	530,001	1.47
8	0.58	23,177	0.06
148	10.73	620,789	1.72
<u>1,379</u>	<u>100.00 %</u>	<u>\$ 36,006,765</u>	<u>100.00 %</u>

CITY OF CLEVELAND, TENNESSEE  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			
	General Obligation Bonds	General Obligation Refunding Bonds	Notes	Leases
2013	\$ 5,250,000	\$ 31,737,203	\$ 33,953,841	\$ 653,351
2014	5,075,000	55,369,755	17,975,620	587,468
2015	4,825,000	52,879,673	16,897,282	488,654
2016	0	54,915,950	21,867,578	241,845
2017	0	51,933,508	23,141,751	488,149
2018	0	48,854,946	26,693,400	8,519,859
2019	9,974,170	49,286,033	21,253,921	8,103,790
2020	9,569,815	46,190,431	20,755,139	7,633,437
2021	9,180,658	68,485,493	3,018,878	0
2022	29,019,865	63,462,815	2,513,913	1,106,605

Source: Official record of Office of City Clerk.

Source: Percentage of Personal Income and Per Capita data from Schedule 19.

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 Business-type Activities
 

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Revenue Bonds	Notes	Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 54,251,865	\$ 4,903,981	\$ 0	\$ 130,750,241	3.15 %	\$ 3,057
51,254,670	5,384,687	0	135,647,200	3.39	3,141
47,297,712	14,925,753	0	137,314,074	3.35	3,180
43,399,301	23,383,573	0	143,808,247	3.05	3,273
39,282,580	26,835,112	0	141,681,100	3.18	3,147
35,210,501	28,376,767	0	147,655,473	3.15	3,175
37,734,430	33,912,191	0	160,264,535	2.96	3,378
34,148,439	33,348,101	0	151,645,362	3.28	3,047
47,413,479	24,747,236	0	152,845,744	3.44	2,907
45,720,199	29,226,717	32,086	171,082,200	3.40	2,907

CITY OF CLEVELAND, TENNESSEE  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Schedule 15

Fiscal Year	General Obligation Bonds Outstanding	Actual Taxable Value of Property	Population	Percentage of Actual taxable Value of Property	Debt Per Capita
2012	\$ 38,925,542	\$ 3,526,518,432	41,723	1.1 %	\$ 933
2013	36,987,203	3,568,066,432	42,386	1.0	873
2014	60,444,755	3,426,781,400	42,774	1.8	1,413
2015	57,704,673	3,521,535,271	43,182	1.6	1,336
2016	54,915,950	3,528,569,562	43,898	1.6	1,251
2017	51,933,508	3,603,931,085	44,337	1.4	1,171
2018	48,854,946	4,041,544,754	44,780	1.2	1,091
2019	59,260,203	4,056,388,839	44,974	1.4	1,318
2020	55,760,246	4,091,415,783	45,504	1.3	1,225
2021	77,666,151	4,040,136,051	47,356	1.9	1,640
2022	92,482,680	5,119,689,107	47,955	1.8	1,928

Source: Official records of Office of City Clerk.

Note - Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF CLEVELAND, TENNESSEE  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 June 30, 2022

Schedule 16

	<u>Net Debt Outstanding</u>	<u>Percentage of Debt Applicable to the City</u>	<u>City's Share of Debt</u>
City of Cleveland direct debt	\$ 96,103,198	100.00%	\$ 96,103,198
Bradley County, Tennessee	<u>72,246,800</u>	52.27%	<u>37,763,402</u>
Total direct and overlapping debt	<u>\$ 168,349,998</u>		<u>\$ 133,866,600</u>

Source: Official records of Office of City Clerk and Bradley County Assessor of Property.

Note - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Cleveland. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF CLEVELAND, TENNESSEE  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 112,073,394	\$ 107,609,460	\$ 108,653,123	\$ 108,621,788
Total net debt applicable to limit	<u>69,103,328</u>	<u>75,438,027</u>	<u>71,174,432</u>	<u>72,563,860</u>
Legal debt margin	<u>\$ 42,970,066</u>	<u>\$ 32,171,433</u>	<u>\$ 37,478,691</u>	<u>\$ 36,057,928</u>
Total net debt applicable to limit as a percentage of debt limit	61.66%	70.10%	65.51%	66.80%

Note - Under Tennessee State law, the City's outstanding general obligation debt is not limited. However, the City has established a financial policy limit of no more than 10 percent of assessed property value.

Source: Official record of Office of City Clerk.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 113,282,233	\$ 125,581,984	\$ 125,567,490	\$ 126,988,681	\$ 125,279,360	\$ 156,689,285
<u>70,824,771</u>	<u>78,741,687</u>	<u>75,737,287</u>	<u>72,017,242</u>	<u>65,708,999</u>	<u>80,059,921</u>
<u>\$ 42,457,462</u>	<u>\$ 46,840,297</u>	<u>\$ 49,830,203</u>	<u>\$ 54,971,439</u>	<u>\$ 59,570,361</u>	<u>\$ 76,629,364</u>
62.52%	62.70%	60.32%	56.71%	52.45%	51.09%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Total assessed value		<u>\$ 1,566,892,850</u>
Legal debt margin:		
Debt limitation - 10% of total assessed value as adopted by resolution		\$ 156,689,285
Debt applicable to limit:		
Total bonded debt	\$ 156,863,321	
Less: Revenue bonds	70,143,803	
Amount available for repayment of general obligation bonds	<u>6,659,597</u>	
Total debt applicable to limit		<u>80,059,921</u>
Legal debt margin		<u>\$ 76,629,364</u>

CITY OF CLEVELAND, TENNESSEE  
REVENUE BOND COVERAGE  
WATER AND WASTEWATER BONDS  
LAST TEN FISCAL YEARS

Fiscal Year	Gross (1) Revenue	Direct Operating (2) Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	(3) Interest	Total	
2013	\$ 23,149,324	\$ 15,292,780	\$ 7,856,544	\$ 3,121,629	\$ 1,681,401	\$ 4,803,030	1.64
2014	25,045,728	15,695,140	9,350,588	3,182,356	1,700,224	4,882,580	1.92
2015	26,043,419	15,044,789	10,998,630	3,345,599	1,534,811	4,880,410	2.25
2016	28,337,385	16,622,259	11,715,126	3,555,604	1,554,694	5,110,298	2.29
2017	29,435,064	17,383,154	12,051,910	3,921,451	1,433,130	5,354,581	2.25
2018	29,458,233	17,764,229	11,694,004	4,095,825	1,407,090	5,502,915	2.13
2019	29,526,908	18,602,302	10,924,606	3,505,000	1,545,084	5,050,084	2.16
2020	31,999,273	18,985,805	13,013,468	3,898,145	1,522,402	5,420,547	2.40
2021	34,646,551	20,350,824	14,295,727	4,687,336	1,642,058	6,329,394	2.26
2022	36,008,191	21,638,597	14,369,594	4,244,455	1,525,684	5,770,139	2.49

Source: From official records of Office of City Clerk.

- (1) All revenues except interest income and gain on sale of assets
- (2) All expenses except depreciation, amortization and interest
- (3) Interest expense for year as reflected in audit report

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CITY OF CLEVELAND, TENNESSEE  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS

Calendar Year	Population	Personal Income	Per Capita Personal Income	Median Age
2012	42,386	\$ 4,031,075	\$ 34,246	38
2013	42,774	4,123,064	34,783	38
2014	43,182	4,601,591	38,441	34
2015	43,898	4,392,733	36,344	35
2016	44,337	4,502,889	37,134	34
2017	44,780	4,650,000	38,016	34
2018	44,974	4,743,600	38,371	35
2019	45,504	4,977,562	39,839	35
2020	47,356	5,257,348	41,756	35
2021	47,955	5,808,942	45,404	38

Sources: Population and educational attainment data from U.S. Census.  
 Median age from U.S. Census data  
 Personal income and Per Capita income from U.S. Bureau of Economic Analysis.  
 Unemployment data from U.S. Bureau of Labor Statistics.  
 School enrollment from Department of Education  
 Personal income, per capita income, median age and unemployment rate data are for  
 Bradley County.

<u>Percent High School graduate or higher</u>	<u>Percent Bachelor's degree or higher</u>	<u>School Enrollment</u>	<u>Annual Average Adjusted Unemployment Rate (%)</u>
83 %	24 %	5,423	7.7 %
84	24	5,440	7.5
85	23	5,575	6.5
85	23	5,302	4.8
83	24	5,638	2.8
83	24	5,747	3.8
84	24	5,528	3.4
84	25	5,814	5.1
83	25	5,538	4.6
83	25	5,531	4.1

CITY OF CLEVELAND, TENNESSEE  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

Employer	2022		
	Employees	Rank	Percentage of Total Labor Force Bradley County
Whirlpool/Maytag	1,600	1	3.10 %
Bradley County Schools	1,160	2	2.25
Peyton's Southeastern	1,157	3	2.24
Tennova	1,100	4	2.13
Jackson Furniture Industries	894	5	1.73
Amazon	790	6	1.53
Wacker Polysilicon	772	7	1.50
Cleveland City Schools	746	8	1.45
Wal-Mart	640	9	1.24
Bradley County Government	620	10	1.20
Mars Chocolate	-	-	-
Lee University	-	-	-
City Government	-	-	-
Total	9,479		18.37 %

Source: Cleveland/Bradley Chamber of Commerce and Tennessee Department of Labor & Workforce Development

This schedule should include the ten largest employers, unless fewer are required to reach 50% of total employment.

2013		
Employees	Rank	Percentage of Total Labor Force Bradley County
1,503	1	3.00 %
1,200	3	2.40
950	5	1.90
1,147	4	2.29
-	-	-
600	9	1.20
-	-	-
-	-	-
640	7	1.28
620	8	1.24
577	10	1.15
815	6	1.63
1,202	2	2.40
<u>9,254</u>		<u>18.49 %</u>

CITY OF CLEVELAND, TENNESSEE  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Schedule 21

<u>Function/Program</u>	Full-time Equivalent Employees as of June 30									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government										
City Council and legislative	1	1	1	1	1	1	1	1	1	0
Administration and finance	14	14	14	23	24	25	26	25	20	21
Community development	8	14	14	15	15	15	15	17	21	23
Cleveland Regional Jetport	0	1	1	1	1	1	1	1	1	1
Police										
Officers	85	91	91	92	91	97	97	101	105	104
Civilians	11	12	12	12	12	12	12	12	12	13
Fire										
Firefighters and officers	89	91	91	91	91	104	104	106	106	106
Civilians	1	1	1	1	1	1	1	1	1	1
Public works										
Operations	20	21	21	21	21	25	25	25	24	24
Engineering	4	0	0	0	0	0	0	0	0	0
Landscaping maintenance	0	0	0	0	0	0	0	0	9	9
Solid waste management	13	13	13	13	13	13	13	13	13	13
Stormwater management fund	2	2	2	3	3	3	2	2	2	4
State street aid	10	11	11	11	11	11	11	11	11	11
Fleet management	8	7	7	6	6	6	6	6	6	6
Parks and recreation										
Administration and maintenance	9	9	9	10	10	10	10	11	14	14
Landscaping maintenance	7	7	7	9	10	10	10	9	0	0
College Hill Recreation Center	3	3	3	4	4	4	4	4	4	4
Cleveland Community Center	4	4	4	4	4	4	4	4	4	4
Waterville Golf Course	6	6	6	0	0	0	0	0	0	0
Animal control										
Administration and operations	8	8	6	6	6	6	6	6	6	6
Community development block grant	2	2	2	2	2	1	2	2	2	2
<b>Subtotal</b>	<b>305</b>	<b>318</b>	<b>316</b>	<b>325</b>	<b>326</b>	<b>349</b>	<b>350</b>	<b>357</b>	<b>362</b>	<b>366</b>
Cleveland Utilities										
Electric division	84	83	82	76	83	83	85	85	85	83
Water/wastewater division	98	103	100	108	114	115	116	122	123	121
City schools										
Certificated staff	407	423	432	434	445	454	449	462	461	468
Non-certificated personnel	277	283	290	294	308	294	296	292	281	278
Library	11	11	11	11	11	11	11	11	11	11
<b>Total</b>	<b>1,182</b>	<b>1,221</b>	<b>1,231</b>	<b>1,248</b>	<b>1,287</b>	<b>1,306</b>	<b>1,307</b>	<b>1,329</b>	<b>1,323</b>	<b>1,327</b>

Source: City Finance Department.

Note - A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave) except City School certificated staff.

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CITY OF CLEVELAND, TENNESSEE  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General government</b>				
Building permits issued	350	379	403	289
Value of construction permitted	\$59,121,927	\$37,240,586	\$65,893,431	\$70,217,886
<b>Police</b>				
Parking violations	974	1,309	1,631	975
Traffic violations	4,060	4,410	5,766	4,744
<b>Fire</b>				
Emergency responses (city only)	2,429	2,872	2,665	2,909
Fires extinguished (city only)	169	242	126	173
Fire inspections	2,208	2,055	2,263	1,634
<b>Public works</b>				
Street resurfacing (tonnage)	18,898	12,107	9,176	17,795
Utility cut permits (number excavations)	229	226	244	185
Drainage pipe installed (linear ft.)	5,919	4,690	6,936	6,706
Tons of brush chipped	8,282	8,644	12,117	8,633
<b>Parks and recreation</b>				
Softball league participants	1,500	1,455	1,650	450
Basketball league participants	230	204	202	220
Football league participants	80	70	65	150
Soccer league participants	1,000	850	1,045	2,067
Rounds of golf played	5,000	8,289	3,236	0
<b>Library</b>				
Volumes in collection	161,836	164,078	168,061	174,614
Circulation	409,206	401,430	402,064	404,869
Attendants	270,860	277,185	241,778	225,411
<b>City Schools</b>				
Average Daily Membership				
High School	1,339	1,398	1,448	1,451
Middle School	1,200	1,231	1,227	1,269
Elementary Schools	2,884	2,811	2,850	2,582
Ungraded - Special Education	81	81	81	103
ACT composite scores	20	20	19	20
Percent of High School graduates	86	84	86	90
<b>Electric</b>				
Class of Service number of Customers				
Residential	25,420	25,806	26,190	26,487
Small lighting and power	3,720	3,789	3,809	3,829
Large lighting and power	608	613	624	621
Street and outdoor lighting	189	188	185	181
Kilowatt-hours purchased	1,103,372,115	1,124,822,813	1,124,645,838	1,092,690,922
Kilowatt-hours sold	1,072,904,012	1,092,325,754	1,093,701,541	1,059,898,637
Line losses and kilowatt-hours unaccounted for	30,468,103	32,497,059	30,944,297	32,792,285
Percentage of losses and unaccounted for kilowatt-hours to purchases	2.76%	2.89%	2.75%	3.00%

2017	2018	2019	2020	2021	2022
415	370	337	401	523	647
\$61,147,619	\$96,885,426	\$79,375,008	\$156,691,994	\$94,708,218	\$198,776,716
939	959	1,409	686	379	598
3,906	4,759	4,061	3,046	1,926	2,555
2,898	2,891	3,173	3,414	4,405	3,313
249	221	137	131	228	153
3,078	3,154	2,168	3,468	3,543	3,392
12,598	12,790	10,852	18,130	13,699	12,533
234	270	177	178	168	136
5,529	5,340	6,173	6,316	4,070	2,445
10,721	14,028	13,353	15,243	12,450	7,166
425	430	150	0	322	360
220	196	76	402	0	740
150	146	150	230	245	226
2,169	2,092	2,206	3,471	0	3,267
0	0	0	0	0	0
179,345	180,495	185,981	187,723	190,166	193,992
384,655	394,960	417,433	409,484	269,642	380,263
223,416	210,914	199,230	134,538	50,103	104,306
1,586	1,578	1,639	1,682	1,675	1,718
1,310	1,320	1,331	1,343	1,342	1,257
2,500	2,753	2,370	2,457	2,395	2,406
96	96	131	130	98	114
20	20	21	20	19	19
89	89	90	88	91	91
26,872	27,052	27,191	27,329	27,575	27,921
3,846	3,897	3,931	3,932	4,028	4,111
612	605	587	592	585	595
177	172	167	166	163	164
1,093,318,270	1,081,144,905	1,069,273,479	1,030,326,623	1,039,444,215	1,053,875,725
1,059,807,534	1,056,079,493	1,040,483,760	1,003,639,362	1,008,260,890	1,022,259,454
33,510,736	25,065,412	28,789,719	26,687,261	31,183,325	31,616,271
3.07%	2.32%	2.69%	2.59%	3.00%	3.00%

CITY OF CLEVELAND, TENNESSEE  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Water</b>				
Class of Service number of Customers				
Residential	26,496	26,811	27,200	27,514
Commercial & Industrial	3,671	3,707	3,728	3,708
Gallons purchased	1,759,640,000	1,717,178,040	1,737,814,650	1,781,982,285
Gallons pumped	1,789,485,000	1,965,420,000	1,919,504,751	1,985,954,794
Gallons sold	2,814,193,000	2,706,972,750	2,733,381,750	2,838,000,000
Line losses and gallons unaccounted for	709,217,000	902,184,898	923,937,651	929,937,079
Percentage of losses and unaccounted for gallons to total provided	19.98%	24.50%	25.26%	24.68%
Average daily water consumption (gallons)	7,710,118	7,416,364	7,488,717	7,775,343
<b>Wastewater</b>				
Class of Service number of Customers				
Residential	15,267	15,469	15,785	15,981
Commercial & Industrial	2,592	2,626	2,655	2,637
Capacity daily (thousands of gallons)	21,600	21,600	21,600	21,600
Treatment during fiscal year (gallons)	3,995,860,000	3,684,650,000	3,285,830,000	4,005,970,000

Sources: Various city departments.

2017	2018	2019	2020	2021	2022
27,874	28,144	28,427	28,691	29,212	29,582
3,712	3,745	3,776	3,776	3,848	3,857
1,830,881,097	1,553,131,140	1,753,470,750	1,754,822,000	1,706,774,690	1,730,266,230
2,269,121,474	2,438,184,139	2,344,888,000	2,350,714,727	2,259,089,135	3,950,253,133
3,076,149,000	2,892,261,750	2,950,904,238	2,844,021,750	2,853,327,000	2,927,922,000
1,023,853,571	1,099,053,529	1,147,454,512	1,261,514,977	1,112,536,825	1,022,331,133
24.97%	27.54%	28.00%	30.73%	28.05%	18.00%
8,427,805	7,924,005	8,084,669	7,791,840	7,817,334	8,021,704
16,197	16,382	16,612	16,780	17,147	17,365
2,635	2,674	2,688	2,704	2,746	2,748
21,600	21,600	21,600	21,600	21,600	21,600
3,350,999,000	2,599,430,000	4,302,393,000	4,474,130,000	3,724,510,000	3,978,730,000

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Schedule 23

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	0	0	0	0	0	0	0	0	0	0
Patrol units	120	118	120	120	120	120	110	107	86	88
<b>Fire</b>										
Stations	5	5	5	5	5	5	6	6	6	6
Fire trucks (pumpers, ladders & tankers)	14	14	14	14	12	14	14	15	15	15
<b>Public works</b>										
Street (miles)	348	348	349	352	356	356	359	362	363	368
Knucklebooms	6	8	9	9	9	9	8	7	7	7
<b>Parks and recreation</b>										
Acreage	289	289	289	289	289	289	289	289	299	299
Playgrounds	8	8	8	8	9	9	10	10	10	10
Softball fields	5	5	5	5	5	5	5	5	5	5
Soccer fields	16	16	16	16	16	16	16	16	18	18
Tennis courts	8	8	8	8	8	7	7	7	7	7
Community centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	3	3	3	3	3	3	3	3	3	3
Golf courses	1	1	0	0	0	0	0	0	0	0
<b>Schools</b>										
Elementary schools	6	6	6	6	6	6	7	7	7	7
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1
<b>Library</b>										
Bookmobiles	1	1	1	1	1	1	1	1	1	1
<b>Electric</b>										
Electric lines (miles)	537	539	540	543	542	567	570	555	557	561
Substations	15	15	15	15	15	15	15	17	17	17
Street lights	5,801	5,882	6,099	6,098	6,061	6,006	6,003	6,105	6,143	6,237
Traffic signals	613	619	646	656	676	678	693	694	698	698
Pedestrians signals	72	80	80	80	88	88	96	96	96	96
<b>Water</b>										
Water mains (miles)	750	760	767	754	753	757	763	771	773	777
Fire hydrants	2,575	2,627	2,657	2,700	2,732	2,764	2,810	2,840	2,877	2,918
Storage capacity (millions of gal)	15,300	15,300	15,300	15,300	15,300	15,300	15,800	15,800	15,800	15,800
<b>Wastewater</b>										
Sanitary sewers (miles)	359	359	360	364	364	365	371	371	376	356
Treatment capacity (thousands of gal)	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600

Sources: Various city departments and City of Cleveland Utilities Electric, Water and Sewer Divisions.

Notes: No capital asset indicators are available for the general government function.

**OTHER**

## INSURANCE IN FORCE

## ALL FUND TYPES EXCLUDING CLEVELAND UTILITIES

For the Fiscal Year Ended June 30, 2022

<u>Type of Coverage and Name of Company</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Details of Coverage</u>	<u>Liability Limits</u>	<u>Annual Premium</u>
Property Building and Contents, Boiler and Machinery, Commercial Crime, Inland Marine. Public Entity Partners	TMP-8187	9/1/2021 to 8/31/2022	Buildings, contents, boilers, fired vessels electric steam generators. Theft, disappearance and destruction. Radio, video equipment, mobile equip- ment, police dogs.	\$ 81,796,959	\$ 144,034
Comprehensive Liability Public Entity Partners	TML-026R	7/1/2021 to 6/30/2022	General and public officials liability, auto liability, auto physical damage, personal injury. Excess auto physical damage. Airport liability	As per schedule	\$ 458,345
Worker's Compensation Public Entity Partners	TWC-0187	7/1/2021 to 6/30/2022	Job related injuries, employees	\$ 1,000,000 \$ 1,000 ded.	\$ 477,060
Property (School Buildings and Contents, Boiler, Vehicles) Public Entity Partners	TNRMT	7/1/2021 to 6/30/2022	Property Equipment Liability	Various	\$ 442,494
Worker's Compensation Public Entity Partners	TNRMT	7/1/2021 to 6/30/2022	Job related injuries, employees	\$ 1,000,000	\$ 196,503

CITY OF CLEVELAND, TENNESSEE  
INSURANCE IN FORCE  
CLEVELAND UTILITIES  
For the Fiscal Year Ended June 30, 2022

Table 2

Cleveland Utilities - Water and Electric Division

<u>Insurer</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Distributors Self Insurance Fund	Worker's compensation	Statutory
DIC/Illinois Union	Pollution Liability	\$ 6,000,000
Affiliated FM	Real property	\$ 182,000,000
Hartford	Machinery and equipment breakdown	\$ 50,000,000
Distributors Insurance Co.	General liability (primary)	\$ 1,000,000 (a)
Chubb	General liability (excess)	\$ 1,000,000 (a)
Chubb	Auto liability and physical damage	\$ 2,000,000
Navigators	Excess Liability - Primary Layer	\$ 4,000,000
Westchester	Excess Liability - Excess Layer	\$ 10,000,000
Global Aerospace	Drone Liability	\$ 5,000,000
Travelers	Commercial Crime	\$ 1,000,000
Chubb	Management Liability	\$ 3,000,000
Travelers	Excess Directors & Officers Liability	\$ 2,000,000
Chubb	Fiduciary Liability	\$ 3,000,000
Travelers	Excess Fiduciary Liability	\$ 2,000,000
Lloyd's	Cyber and Privacy Protection	\$ 2,000,000

(a) The general liability insurance policies with Distributors Insurance Co. and Chubb are limited to \$250,000 and \$750,000, respectively, per occurrence.

CITY OF CLEVELAND, TENNESSEE  
 CHANGES IN PROPERTY TAXES RECEIVABLE  
 For the Year Ended June 30, 2022

Table 3

<u>Property Taxes</u>	<u>Balance 7/1/2021</u>	<u>Levies</u>	<u>Collections &amp; Adjustments</u>	<u>Balance 6/30/2022</u>
2021	\$ 0	\$ 27,267,295	\$ 26,454,093	\$ 813,202
2020	825,600	0	552,783	272,817
2019	347,774	0	200,805	146,969
2018	211,945	0	65,693	146,252
2017	171,560	0	49,640	121,920
2016	71,560	0	17,925	53,635
2015	64,812	0	16,338	48,474
2014	58,091	0	2,093	55,998
2013	36,836	0	2,032	34,804
2012	46,202	0	1,601	44,601
2011	23,327	0	23,327	0
	<u>\$ 1,857,707</u>	<u>\$ 27,267,295</u>	<u>\$ 27,386,330</u>	<u>\$ 1,738,672</u>

Note - Property taxes receivable also include the 2022 levy reported as deferred revenue in the amount of \$26,735,554.

CITY OF CLEVELAND, TENNESSEE  
 UNCOLLECTED DELINQUENT PROPERTY TAXES FILED  
 June 30, 2022

Table 4

Tax Year	Original Amount Filed	Unpaid Balance	Percentage Collected
2012	\$ 396,806	\$ 44,601	88.8 %
2013	335,054	34,804	89.6
2014	427,004	55,998	86.9
2015	340,650	48,474	85.8
2016	311,659	53,635	82.8
2017	512,837	121,920	76.2
2018	540,481	146,252	72.9
2019	469,629	146,969	68.7
2020	288,761	272,817	5.5

CITY OF CLEVELAND, TENNESSEE  
 CHANGES IN LONG-TERM DEBT BY ISSUE  
 June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
<b>GOVERNMENTAL ACTIVITIES</b>				
<b><u>BONDS PAYABLE</u></b>				
<u>Payable through the Debt Service Fund:</u>				
General Obligation, Refunding, Series 2016A	4,587,360	3.14%	07/01/16	06/01/36
General Obligation, Series 2018	9,885,000	2 to 5%	07/24/18	06/01/38
General Obligation, Refunding, Series 2019	34,780,000	2 to 5%	03/26/19	12/01/33
General Obligation, Refunding, Series 2020	27,450,000	2 to 5%	11/10/20	12/01/38
General Obligation, Series 2022	19,220,000	3.375 to 5%	05/05/22	06/01/47
Total Bonds Payable				
<b><u>NOTES PAYABLE</u></b>				
<u>Payable through Debt Service Fund:</u>				
Public Building Authority Clarksville, TN - TMBF Series 2008	1,812,700	Variable	11/25/08	05/25/28
Motorola equipment loan	466,457	2.45%	12/01/20	07/01/24
Motorola equipment loan	455,575	2.45%	12/01/20	07/01/24
Total Notes Payable through Debt Service Fund				
<u>Payable through the Sales Tax Fund:</u>				
Qualified School Construction Loan (QSCB) Series 2009	4,160,000	1.15%	03/01/10	07/01/26
Energy Efficient Schools Initiative Loan	400,000	1.50%	06/01/20	08/01/33
Total Notes Payable through Sales Tax Fund				
Total Notes Payable				
<b><u>LEASES PAYABLE</u></b>				
<u>Payable through the School Fund:</u>				
Computer Leases	1,268,341	3.00%	Various	Various
Copiers	348,348	3.00%	Various	Various
Total Leases Payable through the School Fund				

Table 5

Outstanding 7/1/2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2022
\$ 3,062,000	\$ -	\$ 343,000	\$ -	\$ 2,719,000
8,770,000	-	375,000	-	8,395,000
31,575,000	-	1,805,000	-	29,770,000
25,270,000	-	2,275,000	-	22,995,000
-	19,220,000	-	-	19,220,000
<u>\$ 68,677,000</u>	<u>\$ 19,220,000</u>	<u>\$ 4,798,000</u>	<u>\$ -</u>	<u>\$ 83,099,000</u>
\$ 849,000	\$ -	\$ 104,000	\$ -	\$ 745,000
466,457	-	466,457	-	-
-	455,575	102,030	-	353,545
<u>\$ 1,315,457</u>	<u>\$ 455,575</u>	<u>\$ 672,487</u>	<u>\$ -</u>	<u>\$ 1,098,545</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,326,283	-	259,577	-	1,066,706
377,138	-	28,476	-	348,662
<u>\$ 1,703,421</u>	<u>\$ -</u>	<u>\$ 288,053</u>	<u>\$ -</u>	<u>\$ 1,415,368</u>
<u>\$ 3,018,878</u>	<u>\$ 455,575</u>	<u>\$ 960,540</u>	<u>\$ -</u>	<u>\$ 2,513,913</u>
\$ 1,268,341	\$ -	\$ 410,347	\$ -	\$ 857,994
316,114	32,234	99,737	-	248,611
<u>\$ 1,584,455</u>	<u>\$ 32,234</u>	<u>\$ 510,084</u>	<u>\$ -</u>	<u>\$ 1,106,605</u>

CITY OF CLEVELAND, TENNESSEE  
CHANGES IN LONG-TERM DEBT BY ISSUE  
June 30, 2022

Description of Indebtedness	Division	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b><u>BONDS PAYABLE</u></b>					
<b><u>Payable through the Electric Division:</u></b>					
General Obligation, Refunding Series 2016B	Electric	885,283	3.14%	05/27/16	06/01/36
General Obligation, Series 2018B	Electric	2,385,000	3 to 5%	12/07/18	06/01/39
General Obligation, Refunding Series 2019	Electric	2,510,000	2 to 5%	03/26/19	06/30/28
General Obligation, Series 2020	Electric	1,820,000	2 to 5%	11/10/20	12/01/40
General Obligation, Refunding Series 2020	Electric	7,010,000	2 to 5%	11/10/20	12/01/34
Total Bonds Payable Electric Division					
<b><u>Payable through the Water Division:</u></b>					
General Obligation, Series 2016B	Water/Wastewater	6,599,357	3.14%	05/27/16	06/01/36
General Obligation, Series 2018B	Water	3,335,000	3 to 5%	12/07/18	06/01/39
General Obligation, Refunding, Series 2019	Water/Wastewater	11,360,000	2 to 5%	03/26/19	06/30/28
General Obligation, Series 2020	Water/Wastewater	3,630,000	2 to 5%	11/10/20	12/01/40
General Obligation, Refunding Series 2020	Water/Wastewater	9,965,000	2 to 5%	11/10/20	12/01/34
General Obligation, Series 2022	Water	2,955,000	3.375 to 5%	05/05/22	06/01/42
Total Bonds Payable Water Division					
Total Bonds Payable					
<b><u>NOTES PAYABLE</u></b>					
<b><u>Payable through Electric Division:</u></b>					
Volunteer Electric Cooperative	Electric	223,947	0.00%	10/31/18	08/01/28
Volunteer Electric Cooperative	Electric	1,850,053	0.00%	06/30/21	08/01/30
Volunteer Electric Cooperative	Electric	4,523	0.00%	11/30/13	08/01/23
Volunteer Electric Cooperative	Electric	53,706	0.00%	11/30/13	08/01/23
Volunteer Electric Cooperative	Electric	19,734	0.00%	02/01/16	08/01/25
Total Notes Payable Electric Division					
<b><u>Payable through Water Division:</u></b>					
State Revolving Loans - CWO 13-319	Wastewater	1,374,972	1.15%	12/05/13	02/20/37
State Revolving Loans - CWO 13-320	Wastewater	8,174,000	1.15%	12/05/13	06/20/37
State Revolving Loans - DG2 14-151	Water	2,000,000	1.50%	10/21/14	06/01/36
State Revolving Loans - CG4 15-349	Water	2,325,000	1.38%	02/26/15	06/01/36
State Revolving Loans - DWF 16-172	Water	3,725,000	1.10%	06/09/16	06/20/37
State Revolving Loans - CG3 17-379	Water	104,897	0.88%	01/09/17	06/20/37
State Revolving Loans - DW6 17-192	Water	800,000	1.60%	06/22/17	06/20/37
State Revolving Loans - DWF 17-193	Water	195,000	1.60%	06/22/17	06/20/37
State Revolving Loans - DWF 18-205	Water	430,000	1.31%	01/25/18	06/20/38
State Revolving Loans - CW618-415	Wastewater	900,000	1.56%	06/19/18	06/01/38
State Revolving Loans - SRF 18-416	Wastewater	730,000	1.56%	02/08/19	06/01/41
State Revolving Loans - SRF 18-417	Wastewater	10,000,000	1.58%	03/13/18	06/01/41
State Revolving Loans - SRF CW7 19-431 (1)	Wastewater	1,593,900	1.37%	07/10/19	06/01/41
State Revolving Loans - SRF C18-417-01 (2)	Wastewater	10,000,000	0.73%	05/06/22	06/01/42
Total Notes Payable Water Division					
Total Notes Payable					
<b>LEASES PAYABLE</b>					
<b><u>Payable through Electric Division</u></b>					
Copiers Leases	Electric	50,572	3.00%	Various	Various
Total Leases Payable					

Notes to Schedule

- (1) \$1,506,690, of loan proceeds have not been drawn down at June 30, 2022.
- (2) \$8,511,714, of loan proceeds have not been drawn down at June 30, 2022.

Table 5  
(Continued)

Outstanding 7/1/2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2022
\$ 710,271	\$ -	\$ 46,721	\$ -	\$ 663,550
2,230,000	-	85,000	-	2,145,000
1,650,000	-	385,000	-	1,265,000
1,820,000	-	60,000	-	1,760,000
6,455,000	-	485,000	-	5,970,000
<u>\$ 12,865,271</u>	<u>\$ -</u>	<u>\$ 1,061,721</u>	<u>\$ -</u>	<u>\$ 11,803,550</u>
\$ 5,294,729	\$ -	\$ 348,279	\$ -	\$ 4,946,450
3,110,000	-	120,000	-	2,990,000
7,930,000	-	1,915,000	-	6,015,000
3,630,000	-	115,000	-	3,515,000
9,470,000	-	810,000	-	8,660,000
-	2,955,000	-	-	2,955,000
<u>\$ 29,434,729</u>	<u>\$ 2,955,000</u>	<u>\$ 3,308,279</u>	<u>\$ -</u>	<u>\$ 29,081,450</u>
<u>\$ 42,300,000</u>	<u>\$ 2,955,000</u>	<u>\$ 4,370,000</u>	<u>\$ -</u>	<u>\$ 40,885,000</u>
\$ 179,157	\$ -	\$ 22,395	\$ -	\$ 156,762
1,850,053	-	185,005	-	1,665,048
1,357	-	452	-	905
16,112	-	5,371	-	10,741
9,867	-	1,973	-	7,894
<u>\$ 2,056,546</u>	<u>\$ -</u>	<u>\$ 215,196</u>	<u>\$ -</u>	<u>\$ 1,841,350</u>
\$ 1,103,296	\$ -	\$ 64,644	\$ -	\$ 1,038,652
7,247,914	-	376,068	-	6,871,846
1,500,558	-	93,948	-	1,406,610
1,802,448	-	108,900	-	1,693,548
2,395,939	-	133,800	-	2,262,139
83,701	-	5,004	-	78,697
720,990	-	35,520	-	685,470
175,328	-	8,652	-	166,676
385,424	-	19,524	-	365,900
839,059	-	38,865	-	800,194
491,390	-	15,795	-	475,595
7,913,979	2,086,021	35,456	-	9,964,544
87,210	-	-	-	87,210
-	1,488,286	-	-	1,488,286
<u>\$ 24,747,236</u>	<u>\$ 3,574,307</u>	<u>\$ 936,176</u>	<u>\$ -</u>	<u>\$ 27,385,367</u>
<u>\$ 26,803,782</u>	<u>\$ 3,574,307</u>	<u>\$ 1,151,372</u>	<u>\$ -</u>	<u>\$ 29,226,717</u>
\$ 50,572	\$ -	\$ 18,486	\$ -	\$ 32,086
<u>\$ 50,572</u>	<u>\$ -</u>	<u>\$ 18,486</u>	<u>\$ -</u>	<u>\$ 32,086</u>

CITY OF CLEVELAND, TENNESSEE  
 BOND PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES  
 June 30, 2022

Fiscal Year	2016A Series		2018 Series		2019 Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 358,000	\$ 85,377	\$ 390,000	\$ 309,437	\$ 1,835,000	\$ 1,347,338
2024	363,000	74,135	400,000	297,738	1,880,000	1,281,987
2025	383,000	62,737	410,000	285,737	3,165,000	1,155,863
2026	390,000	50,711	425,000	273,438	3,265,000	995,112
2027	415,000	38,465	445,000	252,187	3,755,000	819,613
2028	80,000	25,434	470,000	229,938	3,735,000	632,362
2029	85,000	22,922	490,000	206,437	4,205,000	433,863
2030	85,000	20,253	515,000	181,938	3,990,000	228,987
2031	85,000	17,584	535,000	161,337	3,195,000	77,319
2032	90,000	14,915	560,000	139,938	240,000	21,500
2033	90,000	12,089	580,000	117,537	245,000	12,700
2034	95,000	9,263	595,000	100,138	260,000	3,900
2035	100,000	6,280	615,000	82,287		
2036	100,000	3,140	635,000	63,069		
2037			655,000	43,225		
2038			675,000	21,937		
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
<b>Total</b>	<b>\$ 2,719,000</b>	<b>\$ 443,305</b>	<b>\$ 8,395,000</b>	<b>\$ 2,766,318</b>	<b>\$ 29,770,000</b>	<b>\$ 7,010,544</b>

Table 6

2020		2022		Total	
Series		Series		Principal	Interest
Principal	Interest	Principal	Interest		
\$ 2,410,000	\$ 890,800	\$ -	\$ 852,839	\$ 4,993,000	3,485,791
2,565,000	766,425	-	795,394	5,208,000	3,215,679
1,550,000	663,550	495,000	795,393	6,003,000	2,963,280
1,620,000	584,300	520,000	770,644	6,220,000	2,674,205
1,645,000	502,675	545,000	744,643	6,805,000	2,357,583
1,600,000	421,550	575,000	717,394	6,460,000	2,026,678
1,165,000	352,425	605,000	688,643	6,550,000	1,704,290
1,225,000	292,675	635,000	658,394	6,450,000	1,382,247
1,275,000	230,175	665,000	626,644	5,755,000	1,113,059
1,335,000	171,600	700,000	593,394	2,925,000	941,347
1,280,000	125,700	735,000	558,394	2,930,000	826,420
1,305,000	93,450	770,000	521,644	3,025,000	728,395
1,320,000	67,200	800,000	490,844	2,835,000	646,611
1,020,000	43,800	825,000	463,844	2,580,000	573,853
990,000	23,700	855,000	436,000	2,500,000	502,925
690,000	6,900	885,000	406,075	2,250,000	434,912
		915,000	375,100	915,000	375,100
		945,000	343,075	945,000	343,075
		980,000	310,000	980,000	310,000
		1,020,000	270,800	1,020,000	270,800
		1,060,000	230,000	1,060,000	230,000
		1,105,000	187,600	1,105,000	187,600
		1,150,000	143,400	1,150,000	143,400
		1,195,000	97,400	1,195,000	97,400
		1,240,000	49,600	1,240,000	49,600
<u>\$ 22,995,000</u>	<u>\$ 5,236,925</u>	<u>19,220,000</u>	<u>\$ 12,127,158</u>	<u>\$ 83,099,000</u>	<u>\$ 27,584,250</u>

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES  
 June 30, 2022

Fiscal Year	Note Payable - Public Building Authority of Clarksville TN (1) 2008 TMBF Series				2009 QSCB Series		Note Payable - Energy Efficient School Initiative Loan 2020 Series					
	Principal		Interest		Principal	Interest	Principal	Interest				
2023	\$	109,000	\$	37,250	\$	237,947	\$	67,184	\$	28,908	\$	5,028
2024		115,000		31,800		259,578		67,184		29,340		4,596
2025		121,000		26,050		259,579		67,184		29,784		4,152
2026		127,000		20,000		285,130		67,184		30,228		3,708
2027		133,000		13,650		24,472		6,292		30,696		3,240
2028		140,000		7,000						31,152		2,784
2029										31,620		2,316
2030										32,100		1,836
2031										32,592		1,344
2032										33,084		852
2033										33,576		360
2034										5,582		14
	\$	<u>745,000</u>	\$	<u>135,750</u>	\$	<u>1,066,706</u>	\$	<u>275,028</u>	\$	<u>348,662</u>	\$	<u>30,230</u>

(1) Variable rates of 4% have been assumed on the loan through Clarksville, TN.

Table 7

Note Payable - Motorola Equipment Loan 2022 Series				Total			
Principal		Interest		Principal		Interest	
\$	80,817	\$	21,213	\$	456,672	\$	130,675
	85,667		16,363		489,585		119,943
	90,806		11,224		501,169		108,610
	96,255		5,775		538,613		96,667
					188,168		23,182
					171,152		9,784
					31,620		2,316
					32,100		1,836
					32,592		1,344
					33,084		852
					33,576		360
					5,582		14
<u>\$</u>	<u>353,545</u>	<u>\$</u>	<u>54,575</u>	<u>\$</u>	<u>2,513,913</u>	<u>\$</u>	<u>495,583</u>

CITY OF CLEVELAND, TENNESSEE  
 LEASE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES  
 June 30, 2022

Fiscal Year	Computers		Copiers		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 422,657	\$ 25,740	\$ 81,046	\$ 6,296	\$ 503,703	\$ 32,036
2024	435,337	13,060	65,113	4,099	500,450	17,159
2025	-	-	53,220	2,343	53,220	2,343
2026	-	-	44,084	775	44,084	775
2027	-	-	5,148	64	5,148	64
Total	<u>\$ 857,994</u>	<u>\$ 38,800</u>	<u>\$ 248,611</u>	<u>\$ 13,577</u>	<u>\$ 1,106,605</u>	<u>\$ 52,377</u>

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CITY OF CLEVELAND, TENNESSEE  
 BOND PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

Electric, Water and Sewer Revenue and Tax Bonds

Fiscal Year	2016B Refunding Series		2018B Series		2019 Refunding Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$410,000	\$176,154	\$215,000	\$209,950	\$1,965,000	\$285,400
2024	430,000	163,280	220,000	203,500	1,405,000	230,625
2025	445,000	149,778	230,000	196,900	1,255,000	164,125
2026	345,000	135,805	235,000	190,000	980,000	108,250
2027	350,000	124,972	245,000	178,250	905,000	61,125
2028	355,000	113,982	260,000	166,000	770,000	19,250
2029	375,000	102,835	270,000	153,000		
2030	380,000	91,060	285,000	139,500		
2031	405,000	79,128	300,000	125,250		
2032	410,000	66,411	310,000	113,250		
2033	415,000	53,537	325,000	100,850		
2034	420,000	40,506	340,000	87,850		
2035	430,000	27,318	350,000	74,250		
2036	440,000	13,816	365,000	62,000		
2037			380,000	47,400		
2038			395,000	32,200		
2039			410,000	16,400		
2040						
2041						
2042						
<b>Total</b>	<b>\$ 5,610,000</b>	<b>\$ 1,338,582</b>	<b>\$ 5,135,000</b>	<b>\$ 2,096,550</b>	<b>\$ 7,280,000</b>	<b>\$ 868,775</b>

Table 9

2020 Series		2021 Refunding Series		2022 Series		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$185,000	\$172,300	\$1,325,000	\$649,525	\$85,000	\$134,571	\$4,185,000	\$1,627,900
195,000	162,800	1,355,000	582,525	100,000	121,256	3,705,000	1,463,986
205,000	152,800	1,375,000	514,275	100,000	116,256	3,610,000	1,294,134
215,000	142,300	1,400,000	444,900	105,000	111,256	3,280,000	1,132,511
225,000	131,300	1,450,000	373,650	115,000	106,006	3,290,000	975,303
240,000	119,675	1,480,000	300,400	120,000	100,256	3,225,000	819,563
255,000	107,300	1,505,000	225,775	125,000	94,256	2,530,000	683,166
265,000	94,300	1,185,000	158,525	130,000	88,006	2,245,000	571,391
275,000	80,800	1,200,000	98,900	135,000	81,506	2,315,000	465,584
290,000	68,126	780,000	53,300	145,000	74,756	1,935,000	375,843
295,000	57,901	620,000	28,400	150,000	67,506	1,805,000	308,194
305,000	50,425	630,000	12,800	160,000	60,006	1,855,000	251,587
310,000	44,275	325,000	3,250	165,000	53,607	1,580,000	202,700
320,000	37,975			170,000	48,039	1,295,000	161,830
325,000	31,524			175,000	42,300	880,000	121,224
330,000	24,975			180,000	36,175	905,000	93,350
340,000	18,274			190,000	29,875	940,000	64,549
345,000	11,210			195,000	23,225	540,000	34,435
355,000	3,772			200,000	16,400	555,000	20,172
				210,000	8,400	210,000	8,400
<u>\$ 5,275,000</u>	<u>\$ 1,512,032</u>	<u>\$ 14,630,000</u>	<u>\$ 3,446,225</u>	<u>\$ 2,955,000</u>	<u>\$ 1,413,658</u>	<u>\$ 40,885,000</u>	<u>\$ 10,675,822</u>

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

Fiscal Year	State of Tennessee Revolving Loan Fund 13-319		State of Tennessee Revolving Loan Fund 13-320		State of Tennessee Revolving Loan Fund DG2	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 65,388	\$ 11,604	\$ 380,412	\$ 77,028	\$ 95,364
2024	66,144	10,848	384,816	72,624	96,804	19,008
2025	66,912	10,080	389,268	68,172	98,268	17,544
2026	67,680	9,312	393,756	63,684	99,756	16,056
2027	68,472	8,520	398,316	59,124	101,256	14,556
2028	69,264	7,728	402,912	54,528	102,792	13,020
2029	70,056	6,936	407,580	49,860	104,340	11,472
2030	70,872	6,120	412,296	45,144	105,912	9,900
2031	71,688	5,304	417,060	40,380	107,520	8,292
2032	72,516	4,476	421,872	35,568	109,140	6,672
2033	73,356	3,636	426,756	30,684	110,784	5,028
2034	74,208	2,784	431,688	25,752	112,464	3,348
2035	75,060	1,932	436,680	20,760	114,156	1,656
2036	75,936	1,056	441,720	15,720	48,054	180
2037	51,100	223	446,832	10,608		
2038			451,992	5,448		
2039			227,890	766		
2040						
2041						
2042						
	<u>\$ 1,038,652</u>	<u>\$ 90,559</u>	<u>\$ 6,871,846</u>	<u>\$ 675,850</u>	<u>\$ 1,406,610</u>	<u>\$ 147,180</u>

State of Tennessee Revolving Loan Fund CG4 15-349		State of Tennessee Revolving Loan Fund DWF 16-172		State of Tennessee Revolving Loan Fund CG3 17-379	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 110,412	\$ 22,680	\$ 135,300	\$ 24,420	\$ 5,052	\$ 672
111,948	21,144	136,812	22,908	5,100	624
113,508	19,584	138,336	21,384	5,136	588
115,080	18,012	139,872	19,848	5,184	540
116,676	16,416	141,432	18,288	5,232	492
118,296	14,796	143,016	16,704	5,280	444
119,940	13,152	144,612	15,108	5,328	396
121,608	11,484	146,220	13,500	5,376	348
123,300	9,792	147,852	11,868	5,424	300
125,016	8,076	149,508	10,212	5,472	252
126,744	6,348	151,176	8,544	5,520	204
128,508	4,584	152,856	6,864	5,568	156
130,296	2,796	154,560	5,160	5,616	108
132,216	957	156,288	3,432	5,664	60
		158,028	1,692	3,745	14
		66,271	184		
<u>\$ 1,693,548</u>	<u>\$ 169,821</u>	<u>\$ 2,262,139</u>	<u>\$ 200,116</u>	<u>\$ 78,697</u>	<u>\$ 5,198</u>

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

Fiscal Year	State of Tennessee Revolving Loan Fund DW6 17-192		State of Tennessee Revolving Loan Fund DWF 17-193		State of Tennessee Revolving Loan Fund DWF 18-205	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 35,976	\$ 10,704	\$ 8,796	\$ 2,604	\$ 19,776
2024	36,552	10,128	8,940	2,460	20,040	4,416
2025	37,140	9,540	9,084	2,316	20,304	4,152
2026	37,740	8,940	9,228	2,172	20,568	3,888
2027	38,352	8,328	9,372	2,028	20,844	3,612
2028	38,964	7,716	9,528	1,872	21,120	3,336
2029	39,600	7,080	9,684	1,716	21,396	3,060
2030	40,236	6,444	9,840	1,560	21,684	2,772
2031	40,884	5,796	9,996	1,404	21,960	2,496
2032	41,544	5,136	10,164	1,236	22,260	2,196
2033	42,216	4,464	10,320	1,080	22,548	1,908
2034	42,888	3,792	10,488	912	22,848	1,608
2035	43,584	3,096	10,656	744	23,148	1,308
2036	44,292	2,388	10,836	564	23,448	1,008
2037	45,000	1,680	11,004	396	23,760	696
2038	45,732	948	11,184	216	24,072	384
2039	34,770	229	7,556	43	16,124	79
2040						
2041						
2042						
	<u>\$ 685,470</u>	<u>\$ 96,409</u>	<u>\$ 166,676</u>	<u>\$ 23,323</u>	<u>\$ 365,900</u>	<u>\$ 41,599</u>

Table 10  
(Cont.)

State of Tennessee Revolving Loan Fund CW6 18-415 (1)		State of Tennessee Revolving Loan Fund DWF 18-416		State of Tennessee Revolving Loan Fund SRF 18-417	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 39,228	\$ 12,204	\$ 21,348	\$ 7,272	\$ 429,132	\$ 154,344
39,840	11,592	21,684	6,936	435,960	147,516
40,476	10,956	22,032	6,588	442,896	140,580
41,112	10,320	22,380	6,240	449,952	133,524
41,748	9,684	22,728	5,892	457,116	126,360
42,408	9,024	23,076	5,544	464,388	119,088
43,080	8,352	23,448	5,172	471,780	111,696
43,752	7,680	23,820	4,800	479,280	104,196
44,436	6,996	24,192	4,428	486,912	96,564
45,132	6,300	24,564	4,056	494,664	88,812
45,840	5,592	24,960	3,660	502,536	80,940
46,560	4,872	25,344	3,276	510,528	72,948
47,304	4,128	25,740	2,880	518,664	64,812
48,036	3,396	26,148	2,472	526,908	56,568
48,792	2,640	26,556	2,064	535,296	48,180
49,560	1,872	26,976	1,644	543,816	39,660
50,340	1,092	27,396	1,224	552,468	31,008
42,550	303	27,828	792	561,264	22,212
		28,272	348	570,192	13,284
		7,103	19	530,792	4,204
<u>\$ 800,194</u>	<u>\$ 117,003</u>	<u>\$ 475,595</u>	<u>\$ 75,307</u>	<u>\$ 9,964,544</u>	<u>\$ 1,656,496</u>

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

Fiscal Year	State of Tennessee		State of Tennessee	
	Revolving		Revolving	
	Loan Fund SRF 19-431 (1)		Loan Fund SRF 18-417-01 (2)	
	Principal	Interest	Principal	Interest
2023	\$ 69,756	\$ 21,396	\$ 466,092	\$ 71,448
2024	70,716	20,436	469,512	68,028
2025	71,688	19,464	472,944	64,596
2026	72,684	18,468	476,412	61,128
2027	73,680	17,472	479,904	57,636
2028	74,700	16,452	483,420	54,120
2029	75,720	15,432	486,960	50,580
2030	76,764	14,388	490,524	47,016
2031	77,820	13,332	494,112	43,428
2032	78,900	12,252	497,736	39,804
2033	79,992	11,160	501,384	36,156
2034	81,096	10,056	505,056	32,484
2035	82,212	8,940	508,752	28,788
2036	83,340	7,812	512,484	25,056
2037	84,492	6,660	516,240	21,300
2038	85,656	5,496	520,020	17,520
2039	86,832	4,320	523,824	13,716
2040	88,032	3,120	527,664	9,876
2041	89,244	1,908	531,528	6,012
2042	90,576	669	535,432	2,117
	<u>\$ 1,593,900</u>	<u>\$ 229,233</u>	<u>\$ 10,000,000</u>	<u>\$ 750,809</u>

(1) \$1,506,690, of loan proceeds have not been drawn down at June 30, 2022.

(2) \$8,511,714, of loan proceeds have not been drawn down at June 30, 2022.

Volunteer Energy Notes Payable					Total	
Urbane Rd Principal	Anatole Principal	Michigan Ave Principal	Pleasant Grove Principal	Freewill Rd Principal	Principal	Interest
\$ 22,395	\$ 185,005	\$ 452	\$ 5,371	\$ 1,973	\$ 2,097,228	\$ 441,504
22,395	185,005	452	5,371	1,973	2,120,064	418,668
22,395	185,005			1,973	2,137,365	395,544
22,395	185,005			1,973	2,160,777	372,132
22,395	185,005				2,182,528	348,408
22,395	185,005				2,206,564	324,372
22,395	185,005				2,230,924	300,012
	185,006				2,233,190	275,352
	185,006				2,258,162	250,380
					2,098,488	225,048
					2,124,132	199,404
					2,150,100	173,436
					2,176,428	147,108
					2,135,370	120,669
					1,950,845	96,153
					1,825,279	73,372
					1,527,200	52,477
					1,247,338	36,303
					1,219,236	21,552
					1,163,903	7,009
<u>\$ 156,765</u>	<u>\$ #####</u>	<u>\$ 904</u>	<u>\$ 10,742</u>	<u>\$ 7,892</u>	<u>\$ 39,245,121</u>	<u>\$ 4,278,903</u>

CITY OF CLEVELAND, TENNESSEE  
 LEASE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

Fiscal Year	Copiers		Total	
	Principal	Interest	Principal	Interest
	2023	\$ 19,049	\$ 702	\$ 19,049
2024	11,715	196	11,715	196
2025	1,322	5	1,322	5
<b>Total</b>	<b>\$ 32,086</b>	<b>\$ 903</b>	<b>\$ 32,086</b>	<b>\$ 903</b>

CITY OF CLEVELAND, TENNESSEE  
INVESTMENTS  
June 30, 2022

Table 12

Description		Cost	Fair Value
<b>Investment in Certificates of Deposit:</b>			
First Tennessee Bank	0.55%	\$ 13,694	\$ 13,694
First Tennessee Bank	0.55%	25,001	25,001
First Tennessee Bank	0.55%	30,327	30,327
First Tennessee Bank	0.55%	14,993	14,993
First Tennessee Bank	0.55%	29,987	29,987
First Tennessee Bank	0.55%	58,733	58,733
First Tennessee Bank	1.60%	5,991	5,991
First Tennessee Bank	0.55%	40,528	40,528
Southeast Bank	0.31%	250,583	250,583
Total Certificates of Deposit		<u>\$ 469,837</u>	<u>\$ 469,837</u>
		219,254	
<b>Investment in Treasury Notes:</b>			
US Treasury Bill		\$ 5,018,832	\$ 5,012,382
US Treasury Bill		4,970,828	4,973,300
Total US Treasury Notes		<u>\$ 9,989,660</u>	<u>\$ 9,985,682</u>
<b>Investment in Local Government Investment Pool:</b>			
State of Tennessee		<u>\$ 4,140</u>	<u>\$ 4,140</u>
Total Local Government Investment Pool		<u>\$ 4,140</u>	<u>\$ 4,140</u>
Total Investments		<u><u>\$ 10,463,637</u></u>	<u><u>\$ 10,459,659</u></u>
<b>Investments in Fiduciary Fund:</b>			
<b>Mutual Funds:</b>			
American Beacon Small Cap Value Fund		\$ 181,468	\$ 176,055
Clearbridge International Growth Fund		221,069	195,209
Federated Total Return Bond Fund		187,360	165,957
John Hancock Funds III - International Growth Fund		241,470	197,582
Lord Abbett Short Duration Income Fund		345,996	322,947
MFS Mid Cap Growth Fund		95,976	86,515
Pimco Global Bond Fund		150,618	140,034
T. Rowe Price Emerging Markets Stock Fund		191,689	151,088
The Hartford Small Cap Growth I		238,396	165,539
Thornburg Limited Term Income Fund		376,802	351,514
Vanguard Growth Index Fund		321,885	380,857
Vanguard High Dividend Yield Index Fund		450,521	504,095
Vanguard Mid-Cap Growth Index Fund		83,454	90,175
Victory Sycamore Established Value I		213,468	223,348
Total Fiduciary Fund Investments		<u><u>\$ 3,300,172</u></u>	<u><u>\$ 3,150,915</u></u>

## TRANSFERS

For the Fiscal Year Ended June 30, 2022

<u>Transfers In:</u>	<u>Transfers Out:</u>	<u>Amount</u>
Capital Improvement Program Fund	General Fund	\$ 2,004,718
Community Development Block Grant Fund	General Fund	30,000
Debt Service Fund	General Fund	6,728,579
Debt Service Fund	School Fund	816,913
Debt Service Fund	State Street Aid Fund	447,836
General Fund	Cleveland Utilities - Electric Division	2,417,873
General Fund	Cleveland Utilities - Water Division	486,260
Library Fund	General Fund	679,900
Metropolitan Transportation Planning Organization	General Fund	89,000
School Fund	General Fund	5,605,300
School Fund	School Federal Projects Fund	3,737
Solid Waste Management Fund	General Fund	<u>850,000</u>
	Total	<u>\$ 20,160,116</u>

CITY OF CLEVELAND, TENNESSEE  
 SURETY BONDS OF PRINCIPAL OFFICIALS  
 For the Year Ended June 30, 2022

Table 14

<u>Name</u>	<u>Office</u>	<u>Amount of Bond</u>
Kevin Brooks	Mayor	\$ 600,000
Avery Johnson, Sr.	Vice Mayor	600,000
William Estes	Councilman	0
Dale Hughes	Councilman	0
Tom Cassada	Councilman	0
David May, Jr.	Councilman	0
Marsha McKenzie	Councilwoman	0
Ken Webb	Councilman	0
Joe Fivas	City Manager	600,000
Shawn McKay	Assistant City Manager/CFO	1,150,000

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF CASH SHORTAGES AND OTHER THEFTS  
 For the Year Ended June 30, 2022

Table 15

<u>Fiscal Year First Reported</u>	<u>Department</u>	<u>Original Audit Finding Number</u>	<u>Original Amount of Shortage</u>	<u>Beginning/ Carry- Forward Balance</u>	<u>Current Year Shortage</u>	<u>Current Year Reductions</u>	<u>End of Year Balance</u>
1 2020	Information Technology Cleveland Utilities	2020-001	\$4,270	\$4,270	\$0	\$0	\$4,270

Explanation of Cash Shortages

1 Cleveland Utilities conducted an investigation in conjunction with the Cleveland Police Department and the District Attorney General and determined that a former information technology employee misappropriated utilities computer equipment with a value estimated at \$4,270. The former employee denies all charges and the case will go to court.

Disposition: As of June 30, 2022, the reported shortage is subject of the court findings.

**SINGLE AUDIT SECTION**

CITY OF CLEVELAND, TENNESSEE  
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
<b>FEDERAL AWARDS:</b>		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Passed through the TN Department of Education:		
Child Nutrition Cluster:		
School Breakfast Program	10.553 *	N/A
Subtotal School Breakfast Program	10.553	
National School Lunch Program	10.555 *	N/A
National School Lunch Program - Commodity assistance	10.555 *	N/A
Subtotal School Lunch Program	10.555	
Summer Feeding Program	10.559 *	N/A
Subtotal Summer Feeding Program	10.559	
Total Child Nutrition Cluster		
USDA Fresh Fruits and Vegetables	10.582	N/A
COVID 19 -Pandemic EBT Administrative Costs	10.649	N/A
Total U.S. Department of Agriculture		
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
CDBG Entitlement Grants Cluster:		
Community Development Block Grant	14.218 *	N/A
COVID 19 -Community Development Block Grant	14.218 *	N/A
Total CDBG Entitlement Grants Cluster		
Passed through the TN Housing Development Agency:		
HOME Investment Partnership Program	14.239 *	N/A
Total U.S. Department of Housing and Urban Development		
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Protective vests	16.607	N/A
Edward Byrne Memorial Justice Assistance	16.738	N/A
Total U.S. Department of Justice		
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Passed through the TN Department of Transportation		
Airport Improvement Programs:		
North property development	20.106	AERO-18230
Cares Act Part 4	20.106	AERO-21183
Subtotal Program 20.106		
Highway Planning and Construction Cluster		
Transportation Planning	20.205 *	Z19MPO004
Intersection Improvement Georgetown Rd	20.205 *	STP-M-6023
17th Street Improvements	20.205 *	STP-M--4472
Gaut Street Sidewalks	20.205 *	TAP-9203
Adkisson Drive Resurfacing & Safety Improvements	20.205 *	STP-M-3660
Paul Huff Parkway Resurfacing & Safety Improvements	20.205 *	STP-M-NA-9203
Total Highway Planning Construction Cluster		

(Continued)

Accrued (Unearned) Grant Revenues July 1, 2021	Cash Receipts	Expend- itures	Accrued (Unearned) Grant Revenues June 30, 2022
\$ 0	\$ 1,196,983	\$ 1,196,983	\$ 0
0	1,196,983	1,196,983	0
\$ 0	\$ 3,087,636	\$ 3,087,636	\$ 0
0	280,259	280,259	0
\$ 0	\$ 3,367,895	\$ 3,367,895	\$ 0
\$ 0	\$ 82,992	\$ 82,992	\$ 0
0	82,992	82,992	0
\$ 0	\$ 4,647,870	\$ 4,647,870	\$ 0
0	70,926	70,926	0
0	5,814	5,814	0
\$ 0	\$ 4,724,610	\$ 4,724,610	\$ 0
\$ (920)	\$ 439,116	\$ 547,265	\$ (109,069)
(17,250)	115,071	322,321	(224,500)
\$ (18,170)	\$ 554,187	\$ 869,586	\$ (333,569)
\$ (22,222)	\$ 76,194	\$ 53,972	\$ 0
\$ (40,392)	\$ 630,381	\$ 923,558	\$ (333,569)
\$ (12,779)	\$ 12,779	\$ 2,936	\$ (2,936)
0	12,821	12,821	0
\$ (12,779)	\$ 25,600	\$ 15,757	\$ (2,936)
\$ (258,074)	\$ 265,707	\$ 18,328	\$ (10,695)
0	130,536	130,536	0
\$ (258,074)	\$ 396,243	\$ 148,864	\$ (10,695)
\$ (56,378)	\$ 79,312	\$ 133,179	\$ (110,245)
0	2,294	2,294	0
(382,578)	1,740,664	1,910,924	(552,838)
(972)	10,040	9,068	0
0	256	256	0
0	262	10,387	(10,125)
\$ (439,928)	\$ 1,832,828	\$ 2,066,108	\$ (673,208)

CITY OF CLEVELAND, TENNESSEE  
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
<b>FEDERAL AWARDS - (Continued):</b>		
<b>U.S. DEPARTMENT OF TRANSPORTATION - (Continued)</b>		
Passed through the TN Department of Transportation - (Continued)		
Highway Safety Cluster		
Safety Enforcement Grant	20.600	Z22THS060
Subtotal Program 20.600	20.600	
Total Highway Safety Cluster		
High Visibility Enforcement	20.607	Z17THS131
Total U.S. Department of Transportation		
<b>U.S. DEPARTMENT OF TREASURY</b>		
Passed through State Department of Finance and Administration:		
COVID 19 - American Rescue Plan Act	21.019 *	N/A
Passed through the TN Department of Education:		
COVID 19 -LEA Reopening grant	21.019 *	N/A
Subtotal Program 21.019		
Total U.S. Department of Treasury		
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>		
Passed through the TN State Library and Archives:		
Technology Grant	45.310	N/A
Total National Endowment for the Humanities		
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>		
Passed through TN Department of Environment and Conservation:		
Clean Water State Revolving Fund Cluster:		
Grants for Clean Water - State Revolving Loan		
- Loan SRF 18-417	66.458	N/A
- Loan SRF 18-417-01	66.458	N/A
Total Clean Water State Revolving Fund Cluster		
Total U.S. Environmental Protection Agency		
<b>U.S. DEPARTMENT OF EDUCATION</b>		
Passed through the TN Department of Education:		
Special Education Cluster:		
Special Education - Grants to States	84.027 *	N/A
Subtotal Special Education - Grants to States	84.027	
Special Education - Preschool Grants	84.173 *	N/A
Subtotal Special Education - Preschool Grants	84.173	
Total Special Education Cluster		
Title I Grant to Local Educational Agencies	84.010	N/A
Vocational Improvement	84.048	N/A
English Language Acquisition Enhancement Title III	84.365	N/A
Teacher and Principal Training & Recruiting Title II-A	84.367	N/A
Title IV Student Support and Academic Achievement Grants	84.424	N/A

(Continued)

Accrued (Unearned) Grant Revenues July 1, 2021	Cash Receipts	Expend- itures	Accrued (Unearned) Grant Revenues June 30, 2022
\$ 0	\$ 9,628	\$ 21,996	\$ (12,368)
\$ 0	\$ 9,628	\$ 21,996	\$ (12,368)
\$ 0	\$ 9,628	\$ 21,996	\$ (12,368)
\$ 0	\$ 23,941	\$ 23,941	\$ 0
\$ (698,002)	\$ 2,262,640	\$ 2,260,909	\$ (696,271)
\$ 0	\$ 4,656,500	\$ 1,604,044	\$ 3,052,456
15,256	0	15,256	0
\$ 15,256	\$ 4,656,500	\$ 1,619,300	\$ 3,052,456
\$ 15,256	\$ 4,656,500	\$ 1,619,300	\$ 3,052,456
\$ 0	\$ 31,037	\$ 31,037	\$ 0
\$ 0	\$ 31,037	\$ 31,037	\$ 0
\$ 0	\$ 2,086,021	\$ 2,086,021	\$ 0
0	1,488,286	1,488,286	0
\$ 0	\$ 3,574,307	\$ 3,574,307	\$ 0
\$ 0	\$ 3,574,307	\$ 3,574,307	\$ 0
\$ (7,182)	\$ 1,247,266	\$ 1,625,597	\$ (385,513)
\$ (7,182)	\$ 1,247,266	\$ 1,625,597	\$ (385,513)
0	43,939	57,784	(13,845)
\$ 0	\$ 43,939	\$ 57,784	\$ (13,845)
\$ (7,182)	\$ 1,291,205	\$ 1,683,381	\$ (399,358)
\$ (42,999)	\$ 1,422,841	\$ 1,731,145	\$ (351,303)
(8,511)	136,977	144,766	(16,300)
(4,060)	83,878	86,874	(7,056)
0	84,597	107,176	(22,579)
(18,666)	72,524	53,858	0

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
 For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
<b>FEDERAL AWARDS - (Continued):</b>		
<b>U.S. DEPARTMENT OF EDUCATION - (Continued)</b>		
Passed through the TN Department of Education - (Continued)		
COVID 19 - Education Stabilization Fund Program - Civic Seal Grant	84.425C *	N/A
COVID 19 - Education Stabilization Fund Program - ESSER I	84.425D *	N/A
COVID 19 - Education Stabilization Fund Program - ESSER II	84.425D *	N/A
COVID 19 - Education Stabilization Fund Program - ESSER III	84.425D *	N/A
COVID 19 - Education Stabilization Fund Program - Planning Grant	84.425D *	N/A
COVID 19 - Education Stabilization Fund Program - Best for All District Grant	84.425D *	N/A
COVID 19 - Education Stabilization Fund Program - TN All Corps Grant	84.425D *	N/A
Subtotal Program 84.425		
Total U.S. Department of Education		
 <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed Through Tennessee Department of Education:		
COVID 19 - Epidemiology and Laboratory Capacity Grant	93.323 *	N/A
Total U.S. Department of Health and Human Services		
 <b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Passed Through Tennessee Emergency Management Agency:		
Disaster Grant - Public Assistance	97.036	N/A
Total Disaster Grant - Public assistance	97.036	N/A
Total U.S. Department of Homeland Security		
 <b>TOTAL FEDERAL AWARDS</b>		

(Continued)

<u>Accrued (Unearned) Grant Revenues July 1, 2021</u>	<u>Cash Receipts</u>	<u>Expend- itures</u>	<u>Accrued (Unearned) Grant Revenues June 30, 2022</u>
\$ 0	\$ 2,972	\$ 6,320	\$ (3,348)
(26,223)	247,990	349,325	(127,558)
(2,861,965)	4,472,819	1,622,725	(11,871)
0	1,630,334	2,140,229	(509,895)
0	36,499	59,210	(22,711)
0	250,000	250,000	0
0	257,490	257,490	0
<u>\$ (2,888,188)</u>	<u>\$ 6,898,104</u>	<u>\$ 4,685,299</u>	<u>\$ (675,383)</u>
<u>\$ (2,969,606)</u>	<u>\$ 9,990,126</u>	<u>\$ 8,492,499</u>	<u>\$ (1,471,979)</u>
<u>\$ 0</u>	<u>\$ 490,892</u>	<u>\$ 850,431</u>	<u>\$ (359,539)</u>
<u>\$ 0</u>	<u>\$ 490,892</u>	<u>\$ 850,431</u>	<u>\$ (359,539)</u>
<u>\$ 0</u>	<u>\$ 480,740</u>	<u>\$ 480,740</u>	<u>\$ 0</u>
<u>\$ 0</u>	<u>\$ 480,740</u>	<u>\$ 480,740</u>	<u>\$ 0</u>
<u>\$ 0</u>	<u>\$ 480,740</u>	<u>\$ 480,740</u>	<u>\$ 0</u>
<u>\$ (3,705,523)</u>	<u>\$ 26,866,833</u>	<u>\$ 22,973,148</u>	<u>\$ 188,162</u>

CITY OF CLEVELAND, TENNESSEE  
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
<b>STATE AWARDS</b>		
TN Department of Finance and Administration: Direct Appropriations Grant	NA	N/A
TN Department of Agriculture: Community Tree Planting Project	N/A	2522
TN Department of Education: Safe Schools Act	N/A	N/A
Coordinated School Health	N/A	N/A
School Resource Officer Grant	N/A	N/A
Learning camps	N/A	N/A
TN Department of Health and Human Services Child Safety Grant	N/A	N/A
Diabetes Initiative	NA	Z-19195593
TN Department of Transportation: Jetport - Airport maintenance	N/A	AERM-22106000
Jetport - North property development (State Portion)	N/A	AERO-18215
Jetport - 700' Runway Extension Const.	N/A	AERO-17224
Local Interstate Connector, Stone Lake Road	N/A	113131
Multi-Modal Access Grant	N/A	140160
Georgetown & Peerless	N/A	06LPLM-S0-076

**TOTAL STATE AWARDS**

**TOTAL FEDERAL AND STATE AWARDS**

\*Denotes major programs

Note 1: Expenditures under the U.S. Department of Agriculture Commodity Assistance grant received by the Board of Education represent receipts and expenditures of noncash commodities as value based on equivalent purchased product.

Note 2: Basis of presentation: The accompanying Schedule of Federal and State Financial Assistance includes federal and state award activity of the City of Cleveland, Tennessee under programs of the federal and state government for the year ended June 30, 2022. 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note 3: Summary of Significant Accounting Policies: The accompanying Schedule of Federal and State Financial Assistance reports cash receipts when received and expenditures when incurred. Bracketed amounts represent grant revenues receivable from the grantor. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 4: The City did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(Continued)

<u>Accrued (Unearned) Grant Revenues July 1, 2021</u>	<u>Cash Receipts</u>	<u>Expend- itures</u>	<u>Accrued (Unearned) Grant Revenues June 30, 2022</u>
\$ 0	\$ 512851	\$ 512851	\$ 0
(6,372)	6,372	3,920	(3,920)
(92,725)	116,225	116,119	(92,619)
(41,278)	114,825	123,008	(49,461)
0	35,000	35,000	0
(506,732)	554,001	661,770	(614,501)
0	4,392	4,392	0
(63,658)	203,351	182,000	(42,307)
0	15,000	15,000	0
(266,902)	275,862	17,807	(8,847)
0	3,140	3,140	0
0	35,133	317,607	(282,474)
(15,389)	604,131	766,302	(177,560)
0	50,502	50,502	0
<u>\$ (993,056)</u>	<u>\$ 2,530,785</u>	<u>\$ 2,809,418</u>	<u>\$ (1,271,689)</u>
<u>\$ (4,698,579)</u>	<u>\$ 29,397,618</u>	<u>\$ 25,782,566</u>	<u>\$ (1,083,527)</u>

/

**WEDGEWOOD ACCOUNTING, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM B. KIRKSEY, CPA  
MARK A. LAY, CPA  
SCOTT D. HALL, CPA  
ANGELA KEY RITCHEY, CPA  
BRANDON H. BARNES, CPA

WEDGEWOOD OFFICE PARK  
4395 N. OCOEE STREET  
CLEVELAND, TENNESSEE 37312  
—  
TELEPHONE: (423) 476-5581  
FACSIMILE: (423) 472-9893  
EMAIL: [cpa@wedgewoodaccounting.com](mailto:cpa@wedgewoodaccounting.com)

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

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*

To the Honorable Mayor and Council  
of the City of Cleveland  
Cleveland, 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 business-type activities, each major fund, and the aggregate remaining fund information of City of Cleveland, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Cleveland, Tennessee's basic financial statements and have issued our report thereon dated January 20, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Cleveland, Tennessee'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 City of Cleveland, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland, Tennessee'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items that we consider to be significant deficiencies: 2022-001.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Cleveland, Tennessee'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

## **City of Cleveland, Tennessee's Response to Findings**

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

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

*Wedgewood Accounting, PLLC*

WEDGEWOOD ACCOUNTING, PLLC  
Certified Public Accountants

January 20, 2023

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CLEVELAND, TENNESSEE 37312  
—  
TELEPHONE: (423) 476-5581  
FACSIMILE: (423) 472-9893  
EMAIL: cpa@wedgewoodaccounting.com

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Honorable Mayor and Council  
of the City of Cleveland  
Cleveland, Tennessee

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Cleveland, Tennessee's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Cleveland, Tennessee's major federal programs for the year ended June 30, 2022. The City of Cleveland, Tennessee'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 City of Cleveland, Tennessee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Cleveland, Tennessee, 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 City of Cleveland, Tennessee's compliance with the compliance requirements referred to above.

### ***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 City of Cleveland, Tennessee'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 City of Cleveland, Tennessee's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Cleveland, Tennessee's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Cleveland, Tennessee'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 City of Cleveland, Tennessee'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 City of Cleveland, Tennessee's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **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.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Cleveland, Tennessee's basic financial statements. We issued our report thereon dated January 20, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*WedgeWood Accounting, PLLC*

WEDGEWOOD ACCOUNTING, PLLC  
Certified Public Accountants

January 20, 2023

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2022

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the City of Cleveland, Tennessee.
2. The audit of the financial statements of the City of Cleveland, Tennessee, disclosed one significant deficiencies in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that was material to the financial statements.
4. No significant deficiencies relating to the audit of the major federal award programs were reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that were required to be reported in accordance with 2 CFR 200.516(a).
7. The programs tested as major programs included:

	CFDA#
<b>Child Nutrition Cluster:</b>	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Feed Program	10.559
<b>CDBG Entitlement Grants Cluster</b>	14.218
 HOME Investment Partnership Program	 14.239
<b>Highway Planning and Construction Cluster</b>	20.205
 COVID 19 - Recovery Grants	 21.019
<b>Special Education Cluster:</b>	
Special Education - Grants to States	84.027
Special Education - Preschool Grants	84.173
 Elementary and Secondary School Emergency Relief	 84.425
 COVID 19 - Epidemiology and Laboratory Capacity	 93.323

- 8 The threshold for distinguishing Types A and B programs was \$750,000.
- 9 The City of Cleveland, Tennessee, was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2022-001 Budget Violation

Condition: In the School Food Service Fund actual expenditures exceeded budgeted by \$280,830.

	<u>Budget</u>	<u>Actual</u>
School Food Service Fund	3,235,712	3,516,542

Criteria: Fund expenditures cannot exceed amounts budgeted by the government.

Effect: Unauthorized expenditures were incurred by the government.

Recommendation: Management should take steps to make sure that actual expenditures do not exceed budgeted amounts.

Response: Management realized before year end that actual expenditures were going to exceed budgeted amounts, but was not able to process budget amendments before year end. Steps will be taken in the future to ensure that actual expenditures do not exceed budgeted amounts.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

CITY OF CLEVELAND, TENNESSEE  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2022

A. FINANCIAL STATEMENT AUDIT

Finding 2021-001 was repeated in the current year finding 2022-001.

B. MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 2021-002 was not repeated for the current year. Timesheets were maintained to support billing for employee salaries in the MPO fund.

Finding 2021-003 was not repeated for the current year. Contracts were updated to include the proper wording.

# City of Cleveland

**Shawn McKay**  
Assistant City Manager/CFO  
[smckay@clevelandtn.gov](mailto:smckay@clevelandtn.gov)  
Phone (423) 472.4551  
Fax (423) 559.3302



Municipal Building  
190 Church Street, N.E.  
P.O. Box 1519  
Cleveland, Tennessee 37364-1519

## CORRECTIVE ACTION PLAN

### FINANCIAL STATEMENT FINDINGS:

#### SIGNIFICANT DEFICIENCIES

##### 2022-001 Budget Violation

Condition: In the School Food Service Fund actual expenditures exceeded budgeted expenditures.

	<u>Budget</u>	<u>Actual</u>
School Food Service Fund	3,235,712	3,516,542

Criteria: Fund expenditures cannot exceed amounts budgeted by the government.

Effect: Unauthorized expenditures were incurred by the government.

Recommendation: Management should take steps to make sure that actual expenditures do not exceed budgeted amounts.

Response: Management realized before year end that actual expenditures were going to exceed budgeted amounts, but was not able to process budget amendments before year end. Steps will be taken in the future to ensure that actual expenditures do not exceed budgeted amounts.

Name of Contact Person: Shawn McKay, Assistant City Manager/CFO  
Anticipated Completion Date: Immediate

Respectfully submitted,

Shawn McKay, Assistant City Manager/CFO  
City of Cleveland, Tennessee