

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2023**



**CLEVELAND
TENNESSEE**

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CITY OF CLEVELAND, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2023

Prepared by:
Department of Finance

CITY OF CLEVELAND, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

City of Cleveland

Shawn McKay
Assistant City Manager/CFO
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

December 19, 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, 2023.

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, 2023, 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, 2023, 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 twelve 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 31st and operating budget requests to the chief financial officer by March 1st 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 30th 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 136.

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.

- For FY2023, the Cleveland Bradley Economic Development Council announced project commitments in the manufacturing sector totaling \$813.5 million and adding over 2,200 jobs.
- Wacker, a leading supplier of hyperpure polysilicon, plans a \$260 million expansion of its Charleston facility, adding 225 jobs. Since 2016 the company has invested more than \$2.5 billion in the Cleveland area, making it the largest single investment in the company's history.

- Duracell, a subsidiary of Berkshire Hathaway, is investing \$25 million at its Mouse Creek Road location. The plant has operated in Cleveland since the 1960's.
- SK Food Group, a custom food manufacturing company, began construction of a \$232 million manufacturing facility located in the Spring Branch Industrial Park. Upon completion, the facility is expected to have 840 employees.
- Formulated Solutions plans to invest \$43 million in the former Beiersdorf plant on Michigan Avenue Road. The company develops and manufactures patient convenient packaging formats for many of the leading pharmaceutical and consumer health companies.
- Kroger started a \$40 million expansion of its Peytons distribution facility, adding 140 employees upon completion.
- Amaero International acquired a 100,000 square foot building in the Spring Branch Industrial Park. The \$55 million facility will have over 100 employees. Strategically located between the Huntsville Space Center and Oak Ridge National Laboratory, the company provides advanced materials to the defense, space and aerospace industries.
- Various commercial developments valued at \$107.4 million have begun during FY2023. This compares to \$107.1 million in FY2022. New residential development totaled \$61.8 million compared to \$92.4 million for FY2022.

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 1st, 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 officially opened connecting 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 debt issued.

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, 2022. This was the thirty-eighth consecutive 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, 2022

Christopher P. Morill

Executive Director/CEO

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CITY OF CLEVELAND, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
CITY OFFICIALS
June 30, 2023

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

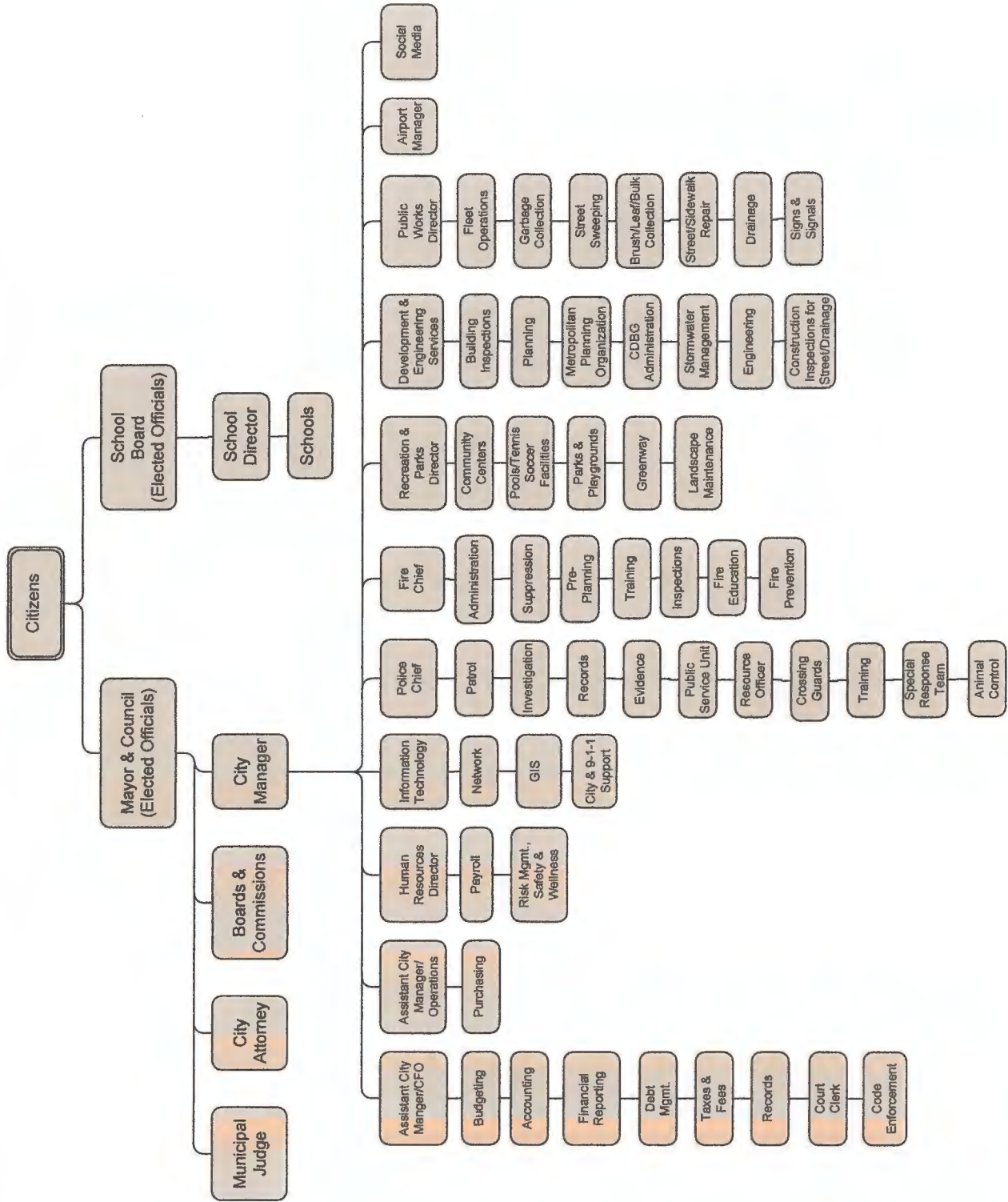
Joe Fivas	City Manager
Shawn McKay, CMFO	Director of Finance/City Clerk

Department Heads

Richard Banks	City Judge
Zachary Colescott	Jetport Manager
Russell Dyer, Ed.D.	Director of Schools
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 Petitt	Parks and Recreation Director

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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

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

Opinions

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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the 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.

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 112 through 131 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, 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 and the budgetary comparison for the Capital Improvement Program Fund, 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 December 15, 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

December 15, 2023

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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, 2023. 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 on 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, 2023 by \$434,335,669 (net position).
- Net position (defined as the difference in revenues and expenses) increased by \$41,304,060. The City of Cleveland's changes in net position is detailed in the chart on page eight of this report. Total revenues increased \$18,966,068 which included increases in service charges for public works, operating grants for education, and unrestricted investment earnings. Expenses increased \$32,434,108 from last fiscal year primarily in public safety and education.
- 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 \$10.95 per month.
- As of the close of the current fiscal year, the City of Cleveland's governmental funds reported combined ending fund balances of \$110,002,048.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$41,133,993. Expenditures do not include transfers to other funds, which totaled \$16,799,586 in the City's general fund.
- Long-term debt decreased approximately \$10,642,646.

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 as well as the Stormwater Management Fund.

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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information 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 132.

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 as well as the Stormwater Management Fund. 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 its health insurance medical claims and administrative costs. 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 63-111 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 112-131 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 132-161 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 \$434,335,669 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>	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Current assets	\$163,061,094	\$145,157,298	\$68,639,789	\$65,617,044	\$231,700,883	\$210,774,342
Receivables and other noncurrent assets	8,763,107	29,537,749	2,871,865	3,306,979	11,634,972	32,844,728
Deferred charges	0	0	0	0	0	0
Capital assets	<u>238,290,018</u>	<u>236,513,879</u>	<u>246,966,130</u>	<u>239,173,219</u>	<u>485,256,148</u>	<u>475,687,098</u>
Total assets	410,114,219	411,208,926	319,477,784	308,097,242	728,592,003	719,306,168
Total deferred outflows of Resources	29,707,239	34,605,323	15,375,953	7,335,687	45,083,192	41,941,010
Long-term liabilities Outstanding	138,014,014	132,668,494	94,644,910	83,845,403	232,658,924	216,513,897
Other liabilities	<u>14,138,360</u>	<u>14,030,624</u>	<u>23,677,020</u>	<u>26,117,081</u>	<u>37,815,380</u>	<u>40,147,705</u>
Total liabilities	152,152,374	146,699,118	118,321,930	109,962,484	270,474,304	256,661,602
Total deferred inflows of Resources	65,622,735	95,573,611	3,242,487	14,047,572	68,865,222	109,621,183
Net position:						
Net investment in capital assets	167,896,176	160,882,458	175,637,397	164,321,524	343,533,573	325,203,982
Restricted	34,895,908	53,566,478	0	0	34,895,908	53,566,478
Unrestricted	<u>19,254,265</u>	<u>(10,907,416)</u>	<u>36,651,923</u>	<u>27,101,349</u>	<u>55,906,188</u>	<u>16,193,933</u>
Total net position	<u>\$222,046,349</u>	<u>\$203,541,520</u>	<u>\$212,289,320</u>	<u>\$191,422,873</u>	<u>\$434,335,669</u>	<u>\$394,964,393</u>

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

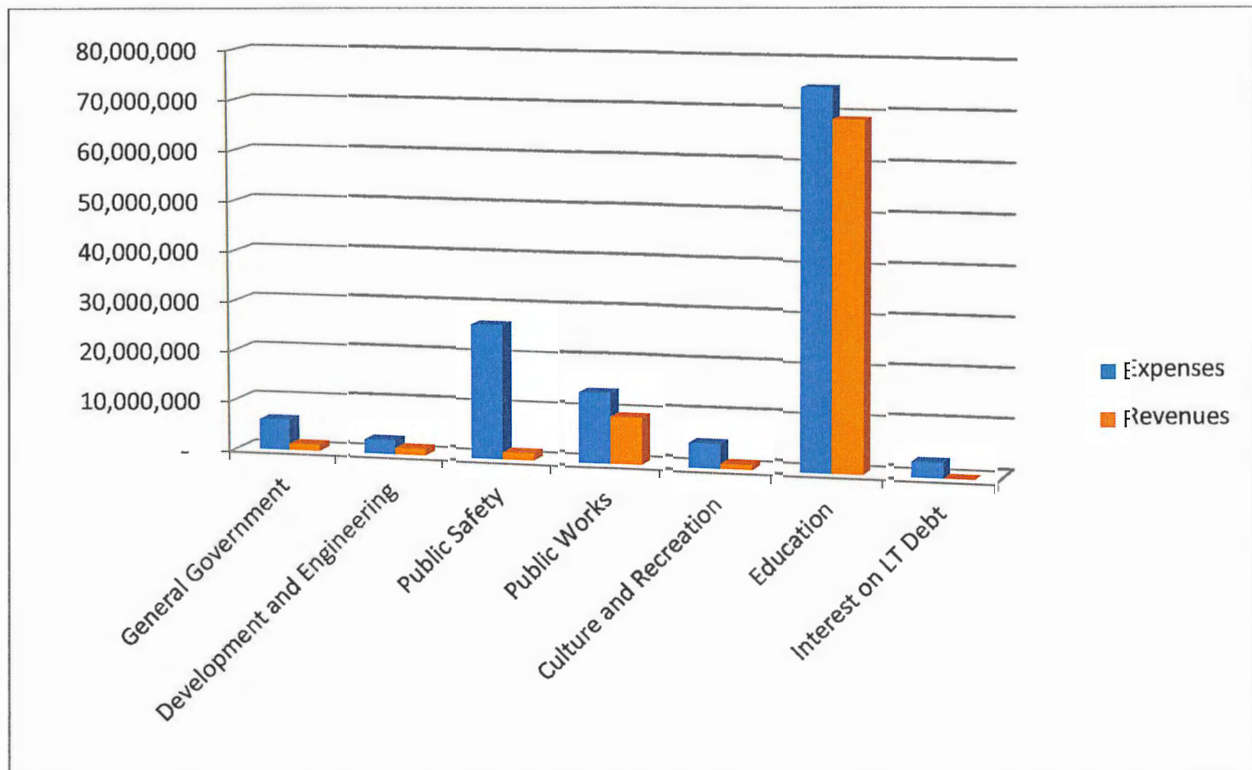
City of Cleveland's Changes in Net Position

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Revenues:						
Program revenues:						
Charges for services	\$9,587,022	\$8,402,525	\$154,870,600	\$144,330,445	\$164,457,622	\$152,732,970
Operating grants and Contributions	71,900,212	68,531,470	284,151	308,074	72,184,363	68,839,544
Capital grants and contributions	1,757,478	7,120,650	2,308,724	1,123,570	4,066,202	8,244,220
General revenues:						
Property taxes	28,090,601	27,205,753	0	0	28,090,601	27,205,753
Other taxes	33,729,357	31,547,928	0	0	33,729,357	31,547,928
Grants and contributions not restricted to specific programs	592,035	731,695	0	0	592,035	731,695
Other	3,924,365	245,974	1,831,127	361,520	5,755,492	607,494
Total revenues	149,581,070	143,785,995	159,294,602	146,123,609	308,875,672	289,909,604
Expenses:						
General government	6,036,633	4,570,431	0	0	6,036,633	4,570,431
Development and engineering	2,697,380	2,218,756	0	0	2,697,380	2,218,756
Public safety	26,549,781	21,099,938	0	0	26,549,781	21,099,938
Public works	13,997,241	13,409,381	0	0	13,997,241	13,409,381
Culture and recreation	4,845,326	4,281,085	0	0	4,845,326	4,281,085
Education	75,124,053	59,226,357	0	0	75,124,053	59,226,357
Interest on long-term debt	3,038,734	2,585,183	0	0	3,038,734	2,585,183
Water and sewer	0	0	30,628,226	30,035,698	30,628,226	30,035,698
Electric	0	0	103,964,211	96,702,765	103,964,211	96,702,765
Stormwater	0	0	690,027	1,007,910	690,027	1,007,910
Total expenses	132,289,148	107,391,131	135,282,464	127,746,373	267,571,612	235,137,504
Increase (decrease) in net position before transfers	17,291,922	36,394,864	24,012,138	18,772,236	41,304,060	54,772,100
Transfers	3,145,691	2,904,133	(3,145,691)	(2,904,133)	0	0
Increase (decrease) in net position	20,437,613	39,298,997	20,866,447	15,473,103	41,304,060	54,773,100
Net position – beginning	203,541,520	164,242,523	191,422,873	175,949,770	394,964,393	340,192,293
Prior period adjustment	(1,932,784)	0	0	0	(1,932,784)	0
Net position – restated	201,608,736	164,242,523	191,422,873	175,949,770	393,031,609	340,192,293
Net position – ending	\$222,046,349	\$203,541,520	\$212,289,320	\$191,422,843	\$434,335,669	\$394,964,393

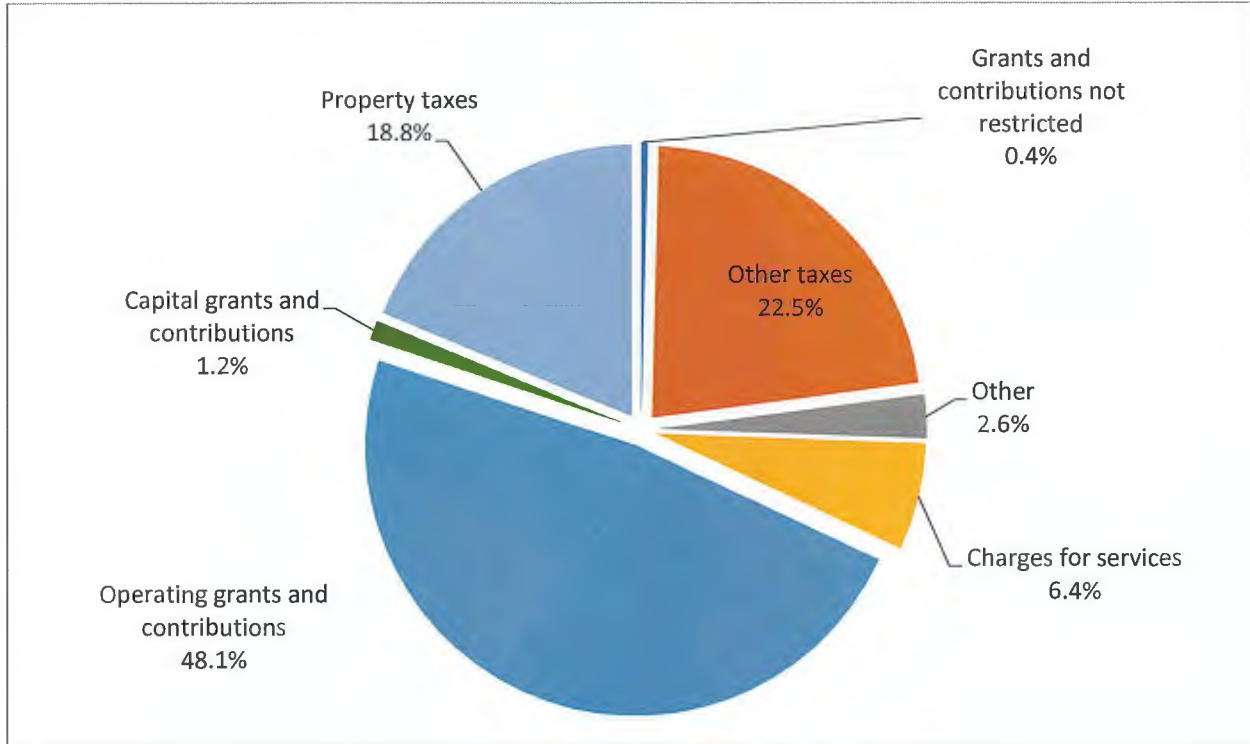
Governmental activities. Governmental activities increased the City of Cleveland’s net position by \$20,437,613 detailed as follows:

- The City’s property tax rate remained at \$1.713 per \$100 of assessed value in fiscal year 2023. Tax revenues increased \$3,066,277 from FY2022.
- Operating grants and contributions increased \$3,368,742 due to a combination of increases in federal, state and local funds received for general government and education.
- Capital grants and contributions decreased \$5,363,172 relating to one-time ARPA recovery funds received in FY2022 and not in FY2023.
- Cleveland’s second largest revenue source is local sales tax which increased \$1,250,029. 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 \$24,898,017 primarily for public safety and education.

Expenses and Program Revenues – Governmental Activities



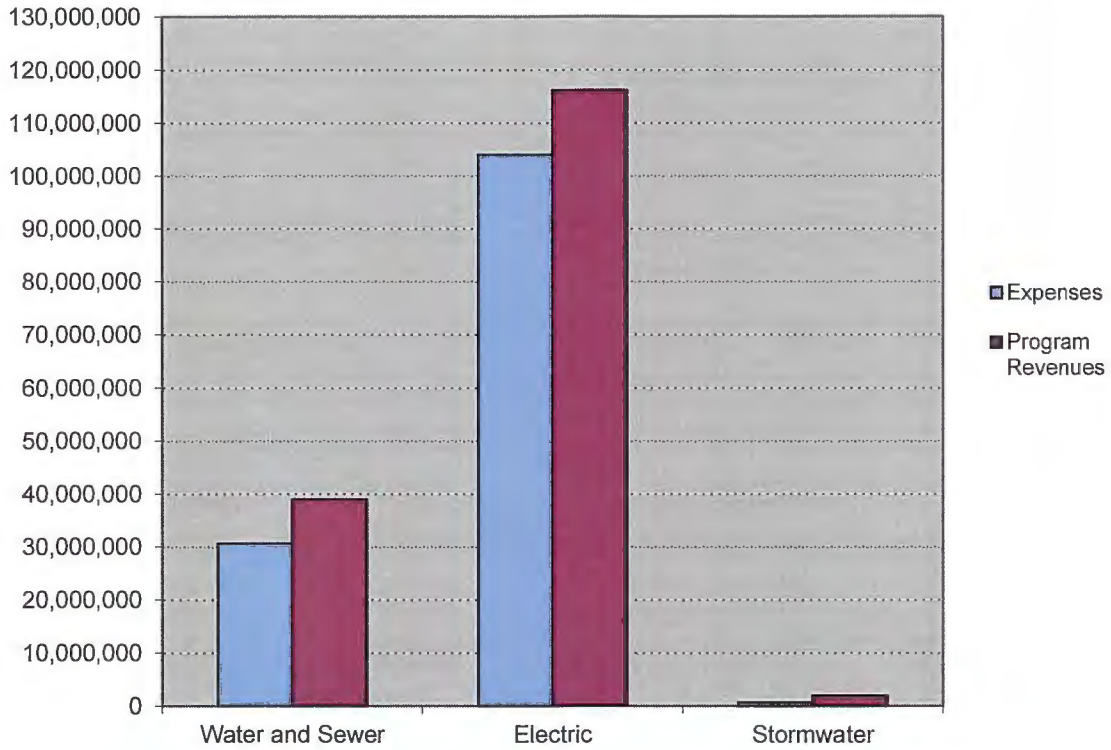
Revenues by Source – Governmental Activities



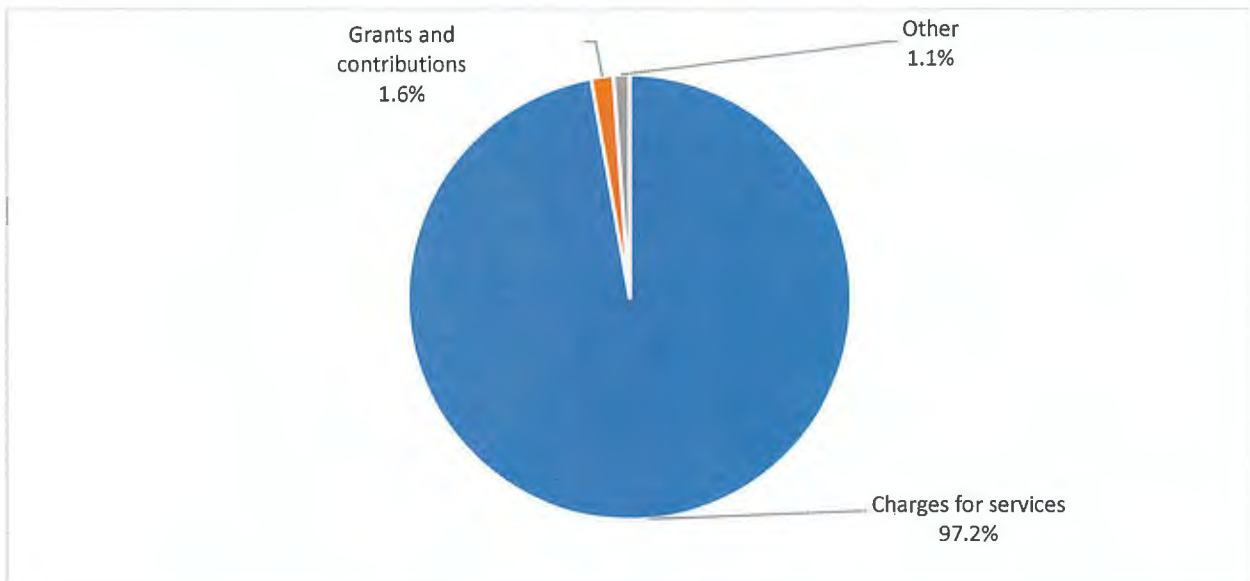
Business-type activities. Business-type activities increased the City of Cleveland’s net position by \$20,866,447.

- Charges for services increased \$10,540,155. This increase is attributed primarily to the electric division of Cleveland Utilities.
- Capital grants and contributions increased \$1,185,154 primarily from water, sewer and electric projects.
- Expenses for business-type activities increased \$7,536,091. 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 \$110,002,048, an increase of \$11,052,432. The combined fund balance is broken down as follows:

- \$969,562 is non-spendable consisting of inventories and permanent fund principal
- \$44,708,821 is restricted for limited use in law enforcement, community development, street improvements, capital outlay, education and retirement funds
- \$2,321,875 is committed by the City Council for use by Solid Waste Management
- \$20,867,797 is assigned for designated use for education, the library, debt service and capital outlay
- \$41,133,993 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 \$41,133,993. Unassigned fund balance represents 99.9% of general fund expenditures. However, the unassigned fund balance only represents 70% 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 \$7,792,804 during the current fiscal year. City revenues were \$4,152,205 higher than final budgeted amounts largely due to an increase in local and state sales tax revenues as the economy recovers. City departments kept expenditures under budget by \$2,444,175 due to having a conservative approach in budgeting and managing expenditures in larger departments such as police, fire, and public works. During FY2023, the City focused on large projects for these departments accounted for in the CIP and sales tax funds in which the expenditures are partially or fully reimbursed by grant funding. The fund balance of the School Fund increased \$2,471,299 primarily due to an increase in local and state sales tax revenues.

The debt service fund has a total fund balance of \$6,114,147. The net decrease in fund balance during the current year was \$545,450.

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 \$7,314,304 for the Cleveland Utilities Water Division, \$26,045,654 for Cleveland Utilities Electric Division, \$3,291,965 for Stormwater Management and \$2,956,030 for the Health Insurance Trust Fund.

General Fund Budgetary Highlights

General fund revenues were amended during the year to increase to \$2,477,810. General fund expenditures were amended to increase \$729,299 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 \$4,152,205. This was primarily due to the economic recovery with higher local and state sales tax collected than anticipated.

Differences between the final amended budget and actual expenditures were \$6,596,380. 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, 2023 amounts to \$485,256,148 (net of accumulated depreciation), which is a \$9,569,050 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 \$5,855,055 in construction in progress for projects such as LIC North and the new fire department ladder truck and then transferred \$4,259,812 out for completed projects with the largest being the 17th Street and 20th Street MPO project.
- Public Safety added \$536,971 in police patrol units, in-car camera video systems, and equipment for the fire department.
- Public Works added \$6,175,670 primarily in sidewalk and secondary street infrastructure. They also purchased \$447,986 of heavy and small equipment.
- Cleveland City Schools purchased a \$759,153 building on Raider Drive to use for school administration. The building underwent renovations throughout FY2023.

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

	Governmental Activities		Business-type Activities		Total	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Land	\$ 38,073,782	\$ 38,073,782	\$ 3,302,702	\$ 3,302,702	\$ 41,376,484	\$ 41,376,484
Construction in progress	12,917,897	11,322,654	24,537,013	20,282,460	37,454,910	31,605,114
Buildings	106,620,398	106,447,140	219,113,858	215,556,755	325,734,256	322,003,895
Improvements other than buildings	18,583,399	19,151,647	0	0	18,583,399	19,151,647
Infrastructure	51,833,865	47,347,308	0	0	51,833,865	47,347,308
Furniture, fixtures, equipment, and vehicles	10,095,017	13,004,711	0	0	10,095,017	13,004,711
Leases – right to use assets	165,660	1,166,637	12,557	31,302	178,217	1,197,939
Total	\$238,290,018	\$236,513,879	\$246,966,130	\$239,173,219	\$485,256,148	\$475,687,098

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 \$160,439,553. Of this amount, \$78,106,000 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 \$36,700,000 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 \$2,035,609 for City general projects and \$30,333,842 for Cleveland Utilities. The City had \$179,496 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	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
General obligation bonds	78,106,000	83,099,000	0	0	78,106,000	83,099,000
Long-term notes issued through various agencies in TN	2,035,609	2,513,913	30,333,842	29,226,717	32,369,451	31,740,630
Leases	166,459	1,106,605	13,037	32,086	179,496	1,138,691
Revenue bonds	0	0	36,700,000	40,885,000	36,700,000	40,885,000
Less bond discount/ Premiums	8,718,979	9,383,680	4,365,628	4,835,199	13,084,607	14,218,879
Total	89,027,047	96,103,198	71,412,507	74,979,002	160,439,554	171,082,200

Further details about the City's long-term debt are included in Note 6 on pages 78-81.

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, 2023 is \$87,056,665 and is calculated on page 194 of this report.

Economic Factors and Next Year's Budget and Rates

- The June 2023 unemployment rate for Cleveland was 4.1 percent, which is a decrease of 0.3 percent from June 2022. Bradley County's unemployment rate decreased to 4.1 percent from 4.4 percent the previous year. Tennessee's average unemployment rate was 3.2 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 5.2 percent over FY2022. This combined with strong demand for housing and increased retail development continues to strengthen the local economy.

All these factors were considered in preparing the City's budget for the 2024 fiscal year. Management has again been conservative in estimating revenues for 2024.

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

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CITY OF CLEVELAND, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 111,768,221	\$ 43,693,162	\$ 155,461,383
Cash and cash equivalents - restricted	206,124	0	206,124
Investments	243,047	0	243,047
Investments - restricted	253,812	0	253,812
Accounts receivable - net	1,708,579	18,305,652	20,014,231
Property taxes receivable - net	29,591,007	0	29,591,007
Sales tax receivable	5,070,845	0	5,070,845
Due from other government agencies	13,010,199	0	13,010,199
Internal balances	713,333	(713,333)	0
Inventories	324,262	5,724,251	6,048,513
Prepays	171,665	1,630,057	1,801,722
Total current assets	\$ 163,061,094	\$ 68,639,789	\$ 231,700,883
Noncurrent assets:			
Receivable from customers for conservation loans	\$ 0	\$ 1,469,664	\$ 1,469,664
Other noncurrent assets	0	1,402,201	1,402,201
Net pension asset - restricted	8,074,830	0	8,074,830
Restricted assets:			
Amounts accumulated for pension benefits	688,277	0	688,277
Capital assets:			
Land and construction in progress	50,991,679	27,839,715	78,831,394
Other capital assets, net of accumulated depreciation	187,298,339	219,126,415	406,424,754
Total noncurrent assets	\$ 247,053,125	\$ 249,837,995	\$ 496,891,120
Total Assets	\$ 410,114,219	\$ 318,477,784	\$ 728,592,003
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ 312,173	\$ 310,836	\$ 623,009
Deferred outflows - pensions	22,306,985	14,420,684	36,727,669
Deferred outflows - opeb	7,088,081	644,433	7,732,514
Total Deferred Outflows of Resources	\$ 29,707,239	\$ 15,375,953	\$ 45,083,192

	Primary Government		
	Governmental Activities	Business- type Activities	Total
LIABILITIES			
Current liabilities:			
Accrued liabilities	\$ 5,238,925	\$ 3,322,686	\$ 8,561,611
Accounts payable	1,692,927	9,843,778	11,536,705
Customer deposits	0	4,668,587	4,668,587
Post-employment benefits payable - current	1,180,430	9,570	1,190,000
Bonds, notes and leases - current	5,740,335	5,832,399	11,572,734
Compensated absences payable - current	285,743	0	285,743
Total current liabilities	\$ 14,138,360	\$ 23,677,020	\$ 37,815,380
Long-term liabilities:			
Conservation advances from TVA	\$ 0	\$ 1,542,021	\$ 1,542,021
Bonds, notes and leases payable	83,286,712	65,580,108	148,866,820
Compensated absences payable	2,571,691	0	2,571,691
Post-employment benefits payable	39,717,968	12,612,994	52,330,962
Net pension liability	12,437,643	14,909,787	27,347,430
Total long-term liabilities	\$ 138,014,014	\$ 94,644,910	\$ 232,658,924
Total Liabilities	\$ 152,152,374	\$ 118,321,930	\$ 270,474,304
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 34,587,361	\$ 0	\$ 34,587,361
Deferred revenue - other	7,519,565	0	7,519,565
Deferred charge on refunding	40,347	206,993	247,340
Deferred inflows - pensions	1,987,021	405,549	2,392,570
Deferred inflows - opeb	21,488,441	2,629,945	24,118,386
Total Deferred Inflows of Resources	\$ 65,622,735	\$ 3,242,487	\$ 68,865,222
NET POSITION			
Net investment in capital assets	\$ 167,896,176	\$ 175,637,397	\$ 343,533,573
Restricted for:			
Law enforcement	292,415	0	292,415
Community development - federal grants	184,636	0	184,636
Street improvements	3,063,897	0	3,063,897
Capital outlay	20,820,237	0	20,820,237
Education	1,297,980	0	1,297,980
Pension	8,763,107	0	8,763,107
Perpetual care:			
Nonexpendable	473,636	0	473,636
Unrestricted	19,254,265	36,651,923	55,906,188
Total Net Position	\$ 222,046,349	\$ 212,289,320	\$ 434,335,669

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

Functions/Programs Primary government:	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Govern- mental Activities	Business- type Activities
Total	Total	Total	Total	Total	Total	Total
Governmental activities:						
General government	\$ 6,036,633	\$ 855,518	\$ 170,126	\$ 204,121	\$ (4,806,868)	\$ 0
Development and engineering	2,697,380	812,427	186,491	251,928	(1,446,534)	0
Public safety	26,549,781	1,089,175	291,006	36,972	(25,132,628)	0
Public works	13,997,241	6,405,468	1,645,121	1,238,482	(4,708,170)	0
Culture and recreation	4,845,326	231,875	718,940	25,975	(3,868,536)	0
Education	75,124,053	192,559	68,888,528	0	(6,042,966)	0
Interest on long-term debt	3,038,734	0	0	0	(3,038,734)	0
Total governmental activities	\$ 132,289,148	\$ 9,587,022	\$ 71,900,212	\$ 1,757,478	\$ (49,044,436)	\$ 0
Business-type activities:						
Water and sewer	\$ 30,628,226	\$ 38,333,963	\$ 0	\$ 2,078,925	\$ 0	\$ 9,784,662
Electric	103,964,211	114,742,506	284,151	229,799	0	11,292,245
Stormwater management	690,027	1,794,131	0	0	0	1,104,104
Total business-type activities	\$ 135,282,464	\$ 154,870,600	\$ 284,151	\$ 2,308,724	\$ 0	\$ 22,181,011
Total primary government	\$ 267,571,612	\$ 164,457,622	\$ 72,184,363	\$ 4,066,202	\$ (49,044,436)	\$ (26,863,425)
General revenues:						
Property taxes					\$ 28,090,601	\$ 0
Interest and penalty on taxes					209,873	0
In lieu of taxes					992,188	0
Local sales tax					20,570,203	0
Wholesale beer tax					1,504,982	0
Gross receipts tax					1,949,840	0
Franchise tax					1,183,104	0
State sales tax - unrestricted					5,688,719	0
Other state taxes - unrestricted					1,630,448	0
Grants and contributions not restricted to specific programs					592,035	0
Unrestricted investment earnings					3,924,365	1,791,329
Gain on disposal of capital assets					0	39,798
Transfers					3,145,691	(3,145,691)
Total general revenues and transfers					\$ 69,482,049	\$ (1,314,564)
Change in net position					\$ 20,437,613	\$ 20,866,447
Net position - beginning					203,541,520	191,422,873
Prior period adjustment					(1,932,784)	0
Net position - beginning restated					\$ 201,608,736	\$ 191,422,873
Net position - ending					\$ 222,046,349	\$ 212,289,320

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

CITY OF CLEVELAND, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	School Fund	Capital Improvement Program Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 37,038,515	\$ 11,197,094	\$ 28,121,345	\$ 32,090,787	\$ 108,447,741
Cash and cash equivalents - restricted	0	0	0	206,124	206,124
Investments	0	0	23,793	219,254	243,047
Investments - restricted	0	0	0	253,812	253,812
Accounts receivable - net	1,325,719	0	0	374,340	1,700,059
Property taxes receivable - net	29,591,007	0	0	0	29,591,007
Sales tax receivable	3,576,118	1,494,727	0	0	5,070,845
Due from other government agencies	262,749	9,504,451	372,386	2,870,613	13,010,199
Due from other funds	0	985,563	0	713,333	1,698,896
Inventories	324,262	0	0	0	324,262
Prepays	145,174	2,828	23,663	0	171,665
Restricted assets	0	688,277	0	0	688,277
Total Assets	\$ 72,263,544	\$ 23,872,940	\$ 28,541,187	\$ 36,728,263	\$ 161,405,934
LIABILITIES					
Accrued liabilities	\$ 750,974	\$ 3,791,601	\$ 0	\$ 491,931	\$ 5,034,506
Accounts payable	461,074	614,361	103,518	141,004	1,319,957
Due to other funds	0	0	0	985,563	985,563
Unearned revenue	0	0	0	7,519,565	7,519,565
Total Liabilities	\$ 1,212,048	\$ 4,405,962	\$ 103,518	\$ 9,138,063	\$ 14,859,591
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - current property taxes	\$ 27,508,873	\$ 7,078,488	\$ 0	\$ 0	\$ 34,587,361
Unavailable revenue - delinquent property taxes	1,786,505	22,964	0	0	1,809,469
Unavailable revenue - other	147,465	0	0	0	147,465
Total Deferred Inflows of Resources	\$ 29,442,843	\$ 7,101,452	\$ 0	\$ 0	\$ 36,544,295
FUND BALANCES					
Nonspendable:					
Inventory	\$ 324,261	\$ 0	\$ 0	\$ 0	\$ 324,261
Prepaid items	145,174	2,828	23,663	0	171,665
Permanent fund principal	0	0	0	473,636	473,636
Restricted for:					
Law enforcement	0	0	0	292,415	292,415
Community development - federal grants	0	0	0	184,636	184,636
Street improvements	0	0	0	3,063,897	3,063,897
Capital outlay	5,225	0	28,414,006	10,762,385	39,181,616
Education	0	1,251	0	1,296,729	1,297,980
Hybrid retirement stabilization funds	0	688,277	0	0	688,277
Committed to:					
Solid Waste	0	0	0	2,321,875	2,321,875
Assigned to:					
Education	0	11,673,170	0	2,524,768	14,197,938
Library	0	0	0	497,989	497,989
Debt service	0	0	0	6,114,147	6,114,147
Capital outlay	0	0	0	57,723	57,723
Unassigned	41,133,993	0	0	0	41,133,993
Total Fund Balances	\$ 41,608,653	\$ 12,365,526	\$ 28,437,669	\$ 27,590,200	\$ 110,002,048
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 72,263,544	\$ 23,872,940	\$ 28,541,187	\$ 36,728,263	\$ 161,405,934

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, 2023

Total fund balances per governmental funds balance sheet	\$	110,002,048
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		238,290,018
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.		(137,350,111)
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.		2,956,030
The net difference on debt refunding is deferred and expensed over the life of the refunding debt issue.		271,826
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.		20,319,964
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.		(14,400,360)
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.		1,956,934
Net position of governmental activities	<u>\$</u>	<u>222,046,349</u>

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	General Fund	School Fund	Capital Improvement Program Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 48,567,008	\$ 0	\$ 0	\$ 5,758,842	\$ 54,325,850
Licenses and permits	1,641,936	0	0	0	1,641,936
Intergovernmental	7,549,534	52,878,066	1,263,484	17,684,164	79,375,248
Fines and forfeitures	330,508	0	0	62,292	392,800
Charges for services	2,933,314	91,469	0	4,519,369	7,544,152
Interest	1,305,461	440,998	1,088,373	1,089,534	3,924,366
Miscellaneous	371,254	1,029,173	60,081	2,395,603	3,856,111
Total revenues	<u>\$ 62,699,015</u>	<u>\$ 54,439,706</u>	<u>\$ 2,411,938</u>	<u>\$ 31,509,804</u>	<u>\$ 151,060,463</u>
Expenditures:					
Current:					
General government	\$ 3,855,704	\$ 0	\$ 0	\$ 218,129	\$ 4,073,833
Development and engineering	2,286,013	0	0	187,895	2,473,908
Public safety	23,783,836	0	0	73,522	23,857,358
Public works	7,295,245	0	0	5,149,131	12,444,376
Culture and recreation	2,559,383	0	0	1,480,602	4,039,985
Education	0	55,672,262	0	13,619,833	69,292,095
Appropriations	1,361,885	0	0	0	1,361,885
Capital outlay	0	291,915	4,811,929	8,501,923	13,605,767
Debt service:					
Principal retirement	0	969,055	0	5,442,394	6,411,449
Interest and fiscal charges	0	37,090	39,000	3,584,192	3,660,282
Total expenditures	<u>\$ 41,142,066</u>	<u>\$ 56,970,322</u>	<u>\$ 4,850,929</u>	<u>\$ 38,257,621</u>	<u>\$ 141,220,938</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 21,556,949</u>	<u>\$ (2,530,616)</u>	<u>\$ (2,438,991)</u>	<u>\$ (6,747,817)</u>	<u>\$ 9,839,525</u>
Other financing sources (uses):					
Transfers in	\$ 3,035,441	\$ 5,802,379	\$ 3,896,493	\$ 8,456,349	\$ 21,190,662
Transfers out	(16,799,586)	(800,464)	0	(444,921)	(18,044,971)
Total other financing sources (uses)	<u>\$ (13,764,145)</u>	<u>\$ 5,001,915</u>	<u>\$ 3,896,493</u>	<u>\$ 8,011,428</u>	<u>\$ 3,145,691</u>
Net change in fund balances	<u>\$ 7,792,804</u>	<u>\$ 2,471,299</u>	<u>\$ 1,457,502</u>	<u>\$ 1,263,611</u>	<u>\$ 12,985,216</u>
Fund balance at beginning of year	\$ 33,815,849	\$ 9,894,227	\$ 26,980,167	\$ 28,259,373	\$ 98,949,616
Prior period adjustment	0	0	0	(1,932,784)	(1,932,784)
Fund balance at beginning of year restated	<u>\$ 33,815,849</u>	<u>\$ 9,894,227</u>	<u>\$ 26,980,167</u>	<u>\$ 26,326,589</u>	<u>\$ 97,016,832</u>
Fund balance at end of year	<u><u>\$ 41,608,653</u></u>	<u><u>\$ 12,365,526</u></u>	<u><u>\$ 28,437,669</u></u>	<u><u>\$ 27,590,200</u></u>	<u><u>\$ 110,002,048</u></u>

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, 2023

Net change in fund balances for total governmental funds \$ 12,985,216

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. 4,010,782

Governmental funds report only the proceeds from the sale of assets and do not take into effect the cost of capital assets sold. (2,234,643)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (642,229)

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. 6,411,449

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. 439,406

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	\$	4,970	
Amortization of deferred outflows		(48,123)	
Amortization of bond premiums		664,701	
Change in compensated absences		(294,392)	
Change in net pension asset		(20,926,627)	
Change in net pension liability		(12,437,643)	
Change in opeb liability		(686,465)	
Change in deferred outflows related to pensions		(4,022,096)	
Change in deferred outflows related to opeb		(824,197)	
Change in deferred inflows related to pensions		36,898,148	
Change in deferred inflows related to opeb		1,139,356	
Total additional expenditures		(532,368)	(532,368)

Change in net position of governmental activities \$ 20,437,613

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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Taxes:				
Property taxes - real estate	\$ 27,000,000	\$ 27,700,000	\$ 27,492,857	\$ (207,143)
Property taxes - utility	425,000	425,000	422,803	(2,197)
Interest and penalty on taxes	235,000	235,000	209,873	(25,127)
In lieu of taxes	1,100,000	1,100,000	992,188	(107,812)
Local sales tax	13,000,000	13,000,000	14,811,361	1,811,361
Wholesale beer tax	1,565,000	1,565,000	1,504,982	(60,018)
Gross receipts tax	1,625,000	1,625,000	1,949,840	324,840
Franchise taxes - gas	420,000	630,000	750,757	120,757
Franchise taxes - charter	500,000	500,000	432,347	(67,653)
Total taxes	\$ 45,870,000	\$ 46,780,000	\$ 48,567,008	\$ 1,787,008
Licenses and permits:				
Beer licenses	\$ 4,000	\$ 4,000	\$ 4,300	\$ 300
Beer renewal fee	15,500	15,500	15,097	(403)
Liquor renewal license	25,000	25,000	38,476	13,476
Alcohol inspection fee	775,000	775,000	645,042	(129,958)
Building permits	425,000	425,000	599,797	174,797
Electrical permits	75,000	75,000	45,743	(29,257)
Electricians' licenses	19,000	19,000	12,699	(6,301)
Mechanical permits	30,000	30,000	33,659	3,659
Mechanical licenses	9,600	9,600	5,325	(4,275)
Plumbing permits	60,000	60,000	56,551	(3,449)
Plumbing licenses	10,000	10,000	7,100	(2,900)
Natural gas permits	6,500	6,500	3,785	(2,715)
Street cut permits	75,000	75,000	114,613	39,613
Telecommunications fee	0	0	2,000	2,000
Rezoning fee	0	0	8,100	8,100
Pud rezoning fee	5,000	5,000	4,900	(100)
Zoning appeal fee	3,000	3,000	3,300	300
Zoning letter fee	1,200	1,200	1,475	275
Minor encroachment fee	500	500	0	(500)
Certificate of appropriateness	1,000	1,000	400	(600)
PUD amendment fee	0	0	1,795	1,795
Recreation permits and maintenance fee	9,000	9,000	8,188	(812)
Plat review fee	4,500	4,500	6,690	2,190
Plans review fee	40,000	40,000	3,989	(36,011)
Certificate of occupancy	14,000	14,000	15,430	1,430
Miscellaneous fees	0	0	2,482	2,482
Wrecker permit fees	1,500	1,500	1,000	(500)
Taxicab driver fees	500	500	0	(500)
Total licenses and permits	\$ 1,609,800	\$ 1,609,800	\$ 1,641,936	\$ 32,136
Intergovernmental revenues:				
Federal grant - protective vest	\$ 0	\$ 0	\$ 34,410	\$ 34,410
Police training supplement	84,000	75,200	75,200	0
Fire training supplement	84,700	82,400	82,400	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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Intergovernmental revenues - (Continued):				
State - Highway Safety Grant	\$ 0	\$ 50,000	\$ 55,346	\$ 5,346
State - Child Safety Grant	0	0	2,676	2,676
State sales tax	4,350,000	4,350,000	5,688,719	1,338,719
State income tax	0	0	79,947	79,947
State beer tax	20,000	20,000	21,346	1,346
State mixed drink tax	170,000	170,000	206,862	36,862
State gas inspection tax	91,500	91,500	86,757	(4,743)
State sports gaming	25,000	25,000	84,428	59,428
State highway maintenance tax	175,000	175,000	194,907	19,907
TVA - In lieu of taxes	480,000	480,000	570,136	90,136
Excise tax	275,000	275,000	366,400	91,400
Total intergovernmental revenues	<u>\$ 5,755,200</u>	<u>\$ 5,794,100</u>	<u>\$ 7,549,534</u>	<u>\$ 1,755,434</u>
Fines and forfeitures:				
Traffic tickets	\$ 150,000	\$ 150,000	\$ 47,802	\$ (102,198)
Parking tickets	10,000	10,000	1,875	(8,125)
Animal Control tickets	1,500	1,500	2,064	564
Code enforcement fines	2,500	2,500	1,550	(950)
Fines and costs partial payments	0	0	394	394
Court clerk fees	60,000	60,000	109,125	49,125
Drug fines	25,000	25,000	16,972	(8,028)
Sessions court	55,000	55,000	59,570	4,570
Circuit court	15,000	15,000	5,083	(9,917)
Officers - sessions court	84,000	84,000	63,674	(20,326)
Officers - circuit court	7,500	7,500	10,649	3,149
State refunds	6,000	6,000	2,300	(3,700)
Sex offender registry	10,000	10,000	9,450	(550)
Total fines and forfeitures	<u>\$ 426,500</u>	<u>\$ 426,500</u>	<u>\$ 330,508</u>	<u>\$ (95,992)</u>
Charges for services:				
Police protection	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
Fire inspection fees	2,000	2,000	2,000	0
Police accidents report	8,500	8,500	5	(8,495)
Police department contracted services	50,000	130,000	147,346	17,346
Contracted services E911	156,000	156,000	151,054	(4,946)
Jetport maintenance	0	15,000	15,000	0
Fleet Management - city services	75,000	75,000	77,322	2,322
Fleet Management - outside services	75,000	75,000	5,733	(69,267)
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	40,000	40,000	30,875	(9,125)
Tinsley pool gate	8,000	8,000	5,780	(2,220)
Tinsley pool miscellaneous	0	0	1,100	1,100
Tinsley pool rent	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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Charges for services - (Continued):				
Tinsley Park concessions	\$ 5,000	\$ 8,000	\$ 9,942	\$ 1,942
Tinsley Park rental	500	500	0	(500)
Cleveland Community Center	15,000	0	1,566	1,566
College Hill concessions	7,500	7,500	408	(7,092)
College Hill cheerleading	3,000	0	2,854	2,854
Recreational program fees	95,000	114,692	115,346	654
College Hill program fees	1,000	5,200	7,908	2,708
Community Center program fees	0	22,278	26,266	3,988
SRO - schools	350,000	350,000	457,669	107,669
Jetport - Jet fuel	820,000	1,313,000	1,266,296	(46,704)
Jetport-ground/land lease	148,000	148,000	156,710	8,710
Jetport T/hangar rent	136,500	136,500	138,227	1,727
Jetport terminal bldg rental	7,000	7,000	6,452	(548)
Jetport - tie downs	2,500	7,500	8,080	580
Jetport community hangars	30,000	30,000	27,500	(2,500)
Jetport video adv	5,000	5,000	0	(5,000)
Jetport special events	3,000	3,000	0	(3,000)
Jetport incidentals	3,000	15,000	17,254	2,254
Fuel flowage fee (.12 cents)	35,000	35,000	32,987	(2,013)
Variable rent - CFM (.10 cents)	27,000	0	0	0
Jetport - community hangars N14	30,000	30,000	30,634	634
Total charges for services	<u>\$ 2,332,000</u>	<u>\$ 2,941,170</u>	<u>\$ 2,933,314</u>	<u>\$ (7,856)</u>
Interest:				
Interest - checking	\$ 25,000	\$ 745,385	\$ 1,305,461	\$ 560,076
Total interest	<u>\$ 25,000</u>	<u>\$ 745,385</u>	<u>\$ 1,305,461</u>	<u>\$ 560,076</u>
Miscellaneous revenues:				
Sale of scrap metal	\$ 0	\$ 7,691	\$ 7,691	\$ 0
Sale of equipment	0	3,300	6,101	2,801
Waterville lease	0	0	100	100
Sale of vehicles	0	2,928	3,928	1,000
Donations - memorial tree fund	0	7,640	8,440	800
Old timers banquet	3,000	3,000	0	(3,000)
Sign and decal reimbursement	2,500	2,500	2,192	(308)
Donations - Cleveland fire department	0	40,668	40,668	0
Donations - Cleveland police department	0	0	50	50
Donations - Parks and recreation department	0	0	1,000	1,000
TML safety grant matching	4,000	4,000	4,000	0
TML package bonus	5,000	5,000	5,000	0
TML driver safety grant	5,000	5,000	5,000	0
TML property conservation grant	0	5,000	5,000	0
Greenway Pavilion rental	5,000	5,000	7,900	2,900
Greenway benches donations	0	4,700	975	(3,725)

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Miscellaneous revenues - (Continued):				
Animal Control donations	\$ 0	\$ 0	\$ 305	\$ 305
Animal Control pet adoptions	0	3,265	4,030	765
TML reimbursement for police vehicles	0	250	250	0
Fire miscellaneous reports	0	0	30	30
TML reimbursement for property damage	0	123,913	98,330	(25,583)
TML salary reimbursement	0	0	16,968	16,968
Employee jury duty pay	0	0	88	88
Miscellaneous income	10,000	10,000	119,823	109,823
Sundry income - clerk and master	16,000	16,000	13,200	(2,800)
Other sundry	0	0	20,185	20,185
	<u>\$ 50,500</u>	<u>\$ 249,855</u>	<u>\$ 371,254</u>	<u>\$ 121,399</u>
Total miscellaneous revenues				
	<u>\$ 56,069,000</u>	<u>\$ 58,546,810</u>	<u>\$ 62,699,015</u>	<u>\$ 4,152,205</u>
Expenditures:				
Current :				
General government:				
Legislative and judicial:				
Salaries - administrative	\$ 154,500	\$ 154,500	\$ 157,876	\$ (3,376)
Longevity	1,100	1,050	1,050	0
Christmas bonus	400	488	487	1
Dental insurance	6,800	6,800	5,632	1,168
Social security	12,000	12,000	11,040	960
Health insurance	92,800	92,800	80,481	12,319
Retirement	16,700	16,700	14,275	2,425
Life and disability insurance	1,000	1,000	1,169	(169)
Vision insurance	700	700	613	87
Election	15,000	1,200	1,200	0
Postage	500	100	65	35
Subscriptions and memberships	2,500	2,500	350	2,150
Advertising	2,000	100	100	0
Telephone and pager	20,000	20,000	14,451	5,549
Legal services	0	22,752	22,111	641
Contracted services	2,000	2,000	0	2,000
Professional services	9,000	6,213	6,213	0
Equipment maintenance	1,000	1,000	0	1,000
Building and grounds maintenance	1,000	8,750	8,833	(83)
Emergency repairs	2,000	0	0	0
Professional development	1,500	1,500	2,048	(548)
Departmental work sessions	1,000	1,312	1,296	16
Office	5,000	9,435	6,999	2,436
Insurance - general liability	1,100	809	809	0
Insurance - worker's compensation	400	184	184	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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Legislative and judicial - (Continued):				
Equipment	\$ 500	\$ 500	\$ 0	\$ 500
Hardware	500	500	0	500
Total legislative and judicial	<u>\$ 351,000</u>	<u>\$ 364,893</u>	<u>\$ 337,282</u>	<u>\$ 27,611</u>
Administration:				
Salaries	\$ 322,000	\$ 322,000	\$ 344,428	\$ (22,428)
Part time wages	2,000	215	0	215
Service awards	350	350	350	0
Longevity	3,000	3,300	3,300	0
Sold vacations	8,000	8,000	7,429	571
Christmas bonus	400	400	526	(126)
Sick pay incentive	1,000	1,000	885	115
Dental insurance	5,000	5,000	3,204	1,796
Social security	25,800	25,800	25,043	757
Health insurance	57,000	57,000	56,586	414
Retirement	57,900	57,900	60,829	(2,929)
Life and disability insurance	3,750	3,750	3,576	174
Vision insurance	600	600	391	209
Workers compensation claims	0	1,000	1,000	0
Laundry and dry cleaning	1,000	1,000	173	827
Postage	1,000	491	745	(254)
GPS service	200	200	143	57
Public education programs	5,000	4,000	918	3,082
Subscriptions and memberships	4,000	4,000	3,766	234
Advertising	3,000	1,000	0	1,000
Utilities	20,000	20,000	11,274	8,726
Telephone	7,500	7,500	5,433	2,067
Contracted services	0	0	413	(413)
Professional services	50,000	47,700	41,339	6,361
Vehicle maintenance	500	500	99	401
Building and grounds maintenance	20,000	15,000	15,454	(454)
Car allowance	4,200	4,200	3,850	350
Professional development	3,000	12,000	4,846	7,154
Department work sessions	1,500	1,500	1,055	445
Office supplies	14,000	11,000	4,712	6,288
Uniforms	150	555	555	0
Gasoline	1,000	1,000	886	114
Insurance - buildings and contents	8,200	16,431	9,978	6,453
Insurance - vehicles	250	244	244	0
Insurance - general liability	1,550	1,595	1,595	0
Insurance - worker's compensation	675	730	730	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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Administration - (Continued);				
Insurance - professional liability	\$ 35,000	\$ 33,233	\$ 33,233	\$ 0
Security	1,000	1,000	0	1,000
Program development	0	449	0	449
Building	20,000	20,000	0	20,000
Hardware	2,500	2,500	1,707	793
Total administration	<u>\$ 692,025</u>	<u>\$ 694,143</u>	<u>\$ 650,695</u>	<u>\$ 43,448</u>
Finance:				
Salaries	\$ 516,600	\$ 512,110	\$ 521,351	\$ (9,241)
Overtime wages	20,000	19,136	10,124	9,012
Longevity	7,200	7,200	7,200	0
Sold vacations	8,600	9,264	9,263	1
Christmas bonus	1,000	1,490	1,462	28
Sick pay incentive	1,800	2,000	2,000	0
Dental insurance	5,100	5,100	4,444	656
Social security	42,400	42,400	41,165	1,235
Health insurance	109,000	109,000	100,631	8,369
Retirement	95,100	95,100	94,071	1,029
Life and disability insurance	5,700	5,700	6,275	(575)
Vision insurance	1,100	1,100	933	167
Laundry and dry cleaning	300	100	23	77
Postage	9,000	12,637	12,636	1
GPS service	100	0	0	0
Subscriptions and memberships	2,000	2,000	1,705	295
Advertising	4,500	4,500	940	3,560
Utilities	12,000	12,000	8,200	3,800
Telephone	10,500	10,500	9,717	783
Legal fees	91,000	91,000	69,382	21,618
Audit fees	49,000	54,000	54,000	0
Reappraisal fee	57,000	56,000	55,953	47
Professional services	15,000	10,750	10,750	0
Vehicle maintenance	300	300	3	297
Building and grounds maintenance	10,000	10,000	3,795	6,205
Car allowance	4,200	4,200	3,850	350
Professional development	7,000	5,631	3,770	1,861
Department work sessions	500	500	331	169
Credit card fees	55,000	49,144	42,777	6,367
Office	35,000	40,500	39,446	1,054
OSHA supplies	100	0	0	0
Uniforms	1,700	1,400	1,400	0
Gasoline and oil	300	700	872	(172)

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Finance - (Continued):				
Insurance - buildings and contents	\$ 900	\$ 865	\$ 864	\$ 1
Insurance - vehicles	300	244	244	0
Insurance - general liability	3,100	3,269	3,269	0
Insurance - worker's compensation	400	614	614	0
Insurance - professional liability	34,700	33,233	33,233	0
Insurance - employee bonds	200	0	0	0
Bad debt	45,000	45,000	40,886	4,114
Equipment	4,000	0	0	0
Hardware	6,000	5,100	4,639	461
Software	145,200	152,349	152,349	0
Total finance	<u>\$ 1,417,900</u>	<u>\$ 1,416,136</u>	<u>\$ 1,354,567</u>	<u>\$ 61,569</u>
Human Resources:				
Salaries	\$ 241,500	\$ 241,500	\$ 246,644	\$ (5,144)
Overtime	500	500	0	500
Part time employees	10,500	10,500	10,491	9
Service awards	250	250	250	0
Longevity	3,300	3,300	3,525	(225)
Sold vacation	6,500	4,155	4,155	0
Christmas bonus	500	500	650	(150)
College pay	300	300	280	20
Sick pay incentive	900	450	450	0
Dental insurance	1,200	1,200	874	326
Social security	21,000	21,000	20,316	684
Health insurance	27,000	27,000	23,198	3,802
Retirement	47,000	47,000	43,493	3,507
Life and disability insurance	3,500	3,500	3,002	498
Vision insurance	350	350	280	70
Employee assistance	19,200	19,200	19,200	0
Flex spending-City wide	15,000	15,000	14,328	672
Laundry and dry cleaning	300	300	226	74
Drug and alcohol testing	7,000	6,000	92	5,908
Telephone	3,000	3,000	2,109	891
Professional services	20,000	20,000	24,100	(4,100)
Equipment maintenance	5,000	2,240	2,417	(177)
Building and grounds maintenance	3,000	3,000	8,215	(5,215)
Car allowance	4,200	4,200	3,850	350
Professional development	4,000	8,272	8,447	(175)
Recruitment and training	2,000	2,207	2,206	1
Office supplies	3,000	7,276	7,215	61
OSHA supplies	100	0	0	0
Uniforms	700	700	750	(50)
Gasoline and oil	0	0	0	0
Grants	26,000	11,650	11,650	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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Human Resources - (Continued):				
Insurance - general liability	\$ 1,050	\$ 1,169	\$ 1,169	\$ 0
Insurance - workers comp	1,050	534	534	0
Employee appreciation	25,000	32,100	32,093	7
Equipment	2,000	0	0	0
Hardware	1,000	900	819	81
Total human resources	<u>\$ 506,900</u>	<u>\$ 499,253</u>	<u>\$ 497,028</u>	<u>\$ 2,225</u>
Information Technology:				
Salaries	\$ 381,762	\$ 381,762	\$ 398,165	\$ (16,403)
Overtime wages	20,000	20,000	18,106	1,894
Part-time wages	10,400	5,400	4,820	580
Longevity wages	5,100	5,100	5,100	0
Sold vacation pay	11,000	10,500	10,383	117
Christmas bonus	550	1,050	812	238
Sick pay incentive	1,200	1,200	725	475
Dental insurance	2,900	2,900	2,350	550
Social security taxes	32,600	32,600	32,209	391
Health insurance	77,000	77,000	63,122	13,878
Retirement	73,500	73,500	73,648	(148)
Life/disability insurance	4,200	4,200	4,519	(319)
Vision insurance	700	700	486	214
Laundry and dry cleaning	500	0	0	0
GPS service	300	300	143	157
Subscriptions and memberships	500	250	194	56
Telephone	10,000	13,000	12,504	496
GIS Services	70,000	67,500	65,865	1,635
Vehicle maintenance	500	750	878	(128)
Car allowance	4,200	4,200	3,850	350
Professional development	3,000	650	622	28
Office supplies	300	4,500	1,828	2,672
Uniforms	1,800	1,800	1,750	50
Gasoline	1,000	500	321	179
Insurance - vehicles	500	440	440	0
Insurance - general liability	3,000	3,178	3,178	0
Insurance - workers compensation	3,500	329	329	0
Hardware	20,000	61,000	57,406	3,594
Software	308,000	270,061	252,379	17,682
Total information technology	<u>\$ 1,048,012</u>	<u>\$ 1,044,370</u>	<u>\$ 1,016,132</u>	<u>\$ 28,238</u>
Total general government	<u>\$ 4,015,837</u>	<u>\$ 4,018,795</u>	<u>\$ 3,855,704</u>	<u>\$ 163,091</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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Development and engineering:				
Development and engineering operations:				
Salaries	\$ 1,052,700	\$ 1,052,880	\$ 1,161,632	\$ (108,752)
Overtime wages	500	137	100	37
Part time wages	0	14,880	14,820	60
Service awards	500	200	200	0
Longevity	15,900	15,141	15,074	67
Sold vacations	20,000	20,000	10,366	9,634
Christmas bonus	1,800	2,501	2,501	0
College pay	700	625	625	0
Sick pay incentive	4,900	2,323	2,323	0
Dental insurance	16,100	16,100	11,579	4,521
Social security	84,800	84,800	88,199	(3,399)
Health insurance	323,300	282,323	232,206	50,117
Retirement	190,400	190,400	198,222	(7,822)
Life and disability insurance	13,900	13,900	13,471	429
Vision insurance	2,600	2,600	1,601	999
Education reimbursement	5,000	700	0	700
Worker's compensation claims	1,000	1,000	0	1,000
Laundry and dry cleaning	2,000	2,000	616	1,384
Refunds State audit	0	16,320	16,120	200
Postage	1,200	1,200	505	695
GPS services	2,500	2,500	1,720	780
Public education programs	1,000	1,000	336	664
Subscriptions and memberships	5,000	3,800	1,548	2,252
Advertising	3,000	10,700	11,022	(322)
Utilities	17,600	20,000	19,439	561
Telephone	22,000	24,200	25,053	(853)
Professional services	15,000	6,549	4,238	2,311
Permits & fees	3,000	1,400	774	626
Vehicle maintenance	4,000	8,644	8,689	(45)
Office equipment maintenance	4,000	4,200	4,125	75
Building and grounds maintenance	10,000	25,500	25,418	82
Car allowance	4,200	4,200	3,465	735
Professional development	4,000	8,700	7,926	774
Departmental work session	4,000	4,500	4,014	486
Credit card fees	12,700	15,200	18,286	(3,086)
Landfill	25,000	15,300	15,011	289
Office supplies	10,000	16,100	14,516	1,584
Operating	2,000	2,000	1,697	303
OSHA first aid kits	300	300	138	162
Uniforms	8,000	6,500	4,811	1,689
Gasoline and oil	5,300	7,800	11,692	(3,892)
Insurance - buildings and contents	4,000	4,660	4,659	1
Insurance - vehicles and equipment	2,800	2,820	2,820	0
Insurance - general liability	4,300	4,554	4,554	0
Insurance - worker's compensation	6,000	1,590	1,590	0

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Development and engineering - (Continued):				
Development and engineering operations - (Continued):				
Insurance - employee bonds	\$ 200	\$ 200	\$ 0	\$ 200
Equipment	4,000	9,334	9,334	0
Hardware	3,000	6,100	6,096	4
Software	51,000	41,566	38,821	2,745
Total development and engineering operations	<u>\$ 1,975,200</u>	<u>\$ 1,979,947</u>	<u>\$ 2,021,952</u>	<u>\$ (42,005)</u>
Codes Enforcement Division:				
Salaries	\$ 151,500	\$ 153,350	\$ 156,295	\$ (2,945)
Overtime wages	500	0	0	0
Longevity pay	3,900	3,825	3,825	0
Sold vacation	2,500	2,181	2,181	0
Christmas bonus	400	487	487	0
Sick pay incentive	900	300	300	0
Dental insurance	1,400	1,400	1,174	226
Social security tax	12,500	12,500	12,368	132
Health insurance	38,600	35,257	32,092	3,165
Retirement	28,300	28,300	27,787	513
Life and disability insurance	1,000	2,400	2,389	11
Vision insurance	300	300	254	46
Laundry and dry cleaning	1,000	1,000	1,016	(16)
Postage	1,000	1,700	1,480	220
GPS services	600	600	430	170
Advertising	500	0	0	0
Telephone	4,500	5,000	5,641	(641)
Vehicle maintenance	1,000	2,300	1,966	334
Small equipment repairs/replacement	500	500	482	18
Professional development	2,000	1,600	1,446	154
Office supplies	1,000	2,700	2,497	203
Uniforms	2,000	1,700	1,656	44
Gasoline	2,100	2,100	2,792	(692)
Insurance - vehicles	700	832	832	0
Insurance - worker's compensation	3,600	4,671	4,671	0
Equipment	500	0	0	0
Hardware	1,000	0	0	0
Total codes enforcement division	<u>\$ 263,800</u>	<u>\$ 265,003</u>	<u>\$ 264,061</u>	<u>\$ 942</u>
Total development and engineering	<u>\$ 2,239,000</u>	<u>\$ 2,244,950</u>	<u>\$ 2,286,013</u>	<u>\$ (41,063)</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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety:				
Police department:				
Salaries	\$ 6,209,000	\$ 6,222,839	\$ 5,929,729	\$ 293,110
Overtime wages	300,000	306,411	309,144	(2,733)
Part time wages	127,300	127,300	124,238	3,062
Supplemental pay	1,200	1,200	603	597
State grant - in service training	84,000	75,200	75,200	0
Extra duty pay	0	130,000	109,655	20,345
Service awards	2,800	2,800	2,550	250
Longevity	90,850	95,438	92,513	2,925
Sold vacations	85,000	85,000	84,259	741
Christmas bonus	14,300	19,979	19,979	0
College pay	1,030	750	750	0
Sick pay incentive	28,000	25,675	25,675	0
Dental insurance	64,000	64,000	62,581	1,419
Social security	530,500	530,500	496,678	33,822
Health insurance	1,803,000	1,803,000	1,414,205	388,795
Retirement	1,369,000	1,369,000	1,270,137	98,863
Life and disability insurance	77,600	77,600	70,277	7,323
Vision insurance	14,500	14,500	10,931	3,569
Unemployment compensation	500	500	0	500
Education reimbursement	9,560	7,980	7,980	0
Worker's compensation claims	9,000	9,000	8,393	607
Laundry and dry cleaning	18,000	18,000	19,053	(1,053)
Employee physicals	12,000	12,600	13,448	(848)
Pre-employment tests	3,000	3,000	1,165	1,835
Postage	1,200	1,200	824	376
GPS service	20,000	20,000	18,342	1,658
Radio communications	7,500	7,500	4,167	3,333
Public education programs	5,000	5,000	4,680	320
Subscriptions and memberships	3,000	3,000	2,665	335
Accreditation	9,000	5,245	5,245	0
Investigative funds	1,500	0	0	0
Advertising	500	500	154	346
Utilities	73,100	73,100	65,688	7,412
Telephone	130,100	130,100	121,597	8,503
Contracted services	2,000	2,000	2,000	0
Vehicle maintenance	155,000	132,765	113,668	19,097
Equipment maintenance	2,000	154	154	0
Building maintenance	70,000	65,000	59,845	5,155
Professional development	75,000	82,675	81,046	1,629
Recruiting	9,000	6,431	6,295	136
Department work sessions	3,000	3,000	1,801	1,199
Protective vests	25,000	49,565	11,628	37,937
Crime scene unit supplies	7,500	7,500	2,390	5,110

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, 2023

(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	\$ 10,968	\$ 1,032
Office	33,000	33,000	29,363	3,637
Operating supplies	20,000	40,657	35,109	5,548
OSHA safety supplies	2,000	2,000	760	1,240
Uniforms	68,500	88,292	82,496	5,796
Ammunition	38,000	60,606	60,606	0
Gasoline and oil	194,500	194,850	280,243	(85,393)
Sex offender registry	0	13,289	6,107	7,182
Canine fees	6,000	6,000	3,959	2,041
Volunteer services	2,500	2,000	1,881	119
Insurance - buildings and contents	19,600	20,465	20,465	0
Insurance - vehicles and equipment	111,800	118,800	118,800	0
Insurance - general liability	89,700	90,236	90,236	0
Insurance - worker's compensation	226,400	177,207	176,678	529
Insurance - employee bonds	500	50	50	0
Equipment	150,000	41,703	41,676	27
Hardware	30,000	30,000	28,025	1,975
Software	168,000	168,769	159,101	9,668
Total police department	<u>\$ 12,626,040</u>	<u>\$ 12,696,931</u>	<u>\$ 11,797,855</u>	<u>\$ 899,076</u>
Fire department:				
Salaries	\$ 5,985,660	\$ 5,971,132	\$ 6,037,782	\$ (66,650)
Overtime wages	150,000	206,748	340,396	(133,648)
Fire runs	4,140	4,140	0	4,140
Supplemental pay	84,700	84,700	83,745	955
State grant - in service training	84,800	82,400	82,400	0
Service awards	3,000	2,150	2,150	0
Longevity	90,000	88,769	90,831	(2,062)
Sold vacations	40,000	40,000	24,292	15,708
Christmas bonus	11,770	16,731	16,730	1
College pay	200	125	125	0
Sick pay incentive	27,000	21,975	21,975	0
Dental insurance	86,390	86,390	72,961	13,429
Social security	498,570	498,570	484,848	13,722
Health insurance	1,745,670	1,745,670	1,574,279	171,391
Retirement	1,515,720	1,515,720	1,329,956	185,764
Life and disability insurance	78,330	78,330	70,850	7,480
Vision insurance	19,080	19,080	11,620	7,460
Education reimbursement	28,650	13,650	9,715	3,935
Worker's compensation claims	7,800	7,800	4,328	3,472
Laundry and dry cleaning	27,000	22,000	12,947	9,053

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, 2023

(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	\$ 24,382	\$ 25,618
Pre-employment testing	35,000	35,000	14,223	20,777
Postage	500	500	337	163
Radio communications	5,000	3,000	1,970	1,030
Public education programs	4,000	4,000	4,000	0
Subscriptions and memberships	4,000	4,000	2,043	1,957
Accreditation	4,500	4,500	4,500	0
Advertising	600	600	171	429
Utilities	128,500	128,500	136,604	(8,104)
Telephone	67,000	67,000	62,545	4,455
Apparatus equipment testing	5,500	5,500	4,304	1,196
Vehicle maintenance	100,000	111,378	119,583	(8,205)
Equipment maintenance	6,000	3,500	3,004	496
Specialized equipment maintenance	5,000	3,000	2,752	248
Building and grounds maintenance	65,000	90,000	96,465	(6,465)
Professional development	20,000	20,000	18,956	1,044
Training/education material	7,000	17,200	16,023	1,177
Department work sessions	2,000	2,000	1,667	333
Office supplies	7,000	9,000	8,482	518
Operating supplies	16,500	16,500	11,645	4,855
OSHA supplies	3,200	320	1,479	(1,159)
Medical supplies/equipment	15,000	12,500	12,024	476
Uniforms	36,000	36,098	30,507	5,591
Gasoline	50,500	62,850	89,206	(26,356)
PPE equipment gear	100,000	103,900	88,576	15,324
Hazmat supplies	6,000	4,500	2,853	1,647
Honor guard	2,500	2,500	2,221	279
Donation expenditures	0	15,979	15,327	652
Insurance - building and contents	19,420	22,067	22,067	0
Insurance - vehicles and equipment	60,270	55,406	55,406	0
Insurance - general liability	51,740	35,269	35,269	0
Insurance - worker's compensation	145,830	113,060	113,060	0
Equipment	100,000	105,465	99,255	6,210
Hardware	8,000	13,000	12,988	12
Software	33,000	28,000	26,090	1,910
Total fire department	\$ 11,653,040	\$ 11,692,172	\$ 11,411,914	\$ 280,258
Animal Control:				
Salaries	\$ 285,100	\$ 285,100	\$ 291,359	\$ (6,259)
Overtime wages	15,000	14,600	8,557	6,043
Service awards	475	475	475	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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Animal Control - (Continued):				
Longevity	\$ 4,875	\$ 4,950	\$ 4,950	\$ 0
Sold vacations	4,500	4,500	3,755	745
Christmas bonus	660	985	975	10
Sick pay incentive	1,625	1,625	1,425	200
Dental insurance	3,600	3,600	3,114	486
Social security	24,100	24,100	23,367	733
Health insurance	73,400	73,400	65,976	7,424
Retirement	47,000	53,100	52,655	445
Life and disability insurance	3,600	3,600	3,481	119
Vision insurance	700	700	551	149
Worker's compensation claims	1,000	1,000	23	977
Laundry and dry cleaning	1,000	1,000	468	532
Employee physicals	500	500	0	500
Postage	200	200	101	99
GPS services	1,000	1,000	860	140
Subscriptions and memberships	750	750	540	210
Advertising	300	300	0	300
Utilities and pager	10,000	10,000	7,816	2,184
Telephone	9,000	9,000	8,968	32
Spay and neuter	45,000	45,000	32,925	12,075
Veterinary	30,000	20,600	3,557	17,043
Vehicle maintenance	5,000	5,000	4,931	69
Building and grounds maintenance	15,000	15,700	16,260	(560)
Professional development	1,500	1,500	497	1,003
Credit card fees	1,000	1,000	761	239
Landfill	800	1,800	904	896
Office	3,000	3,600	2,800	800
OSHA safety supplies	500	500	497	3
Uniforms	3,000	3,000	2,121	879
Ammunition	250	250	0	250
Gasoline and oil	7,600	8,600	12,268	(3,668)
Animal supplies	5,800	9,640	6,976	2,664
Volunteer services	500	500	0	500
Insurance - building and contents	800	894	894	0
Insurance - vehicles and equipment	1,650	1,854	1,854	0
Insurance - general liability	1,400	1,422	1,422	0
Insurance - worker's compensation	3,400	5,764	5,764	0
Equipment	1,000	1,000	0	1,000
Hardware	1,000	1,000	220	780
Total animal control	<u>\$ 616,585</u>	<u>\$ 623,109</u>	<u>\$ 574,067</u>	<u>\$ 49,042</u>
Total public safety	<u>\$ 24,895,665</u>	<u>\$ 25,012,212</u>	<u>\$ 23,783,836</u>	<u>\$ 1,228,376</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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works:				
Operations division:				
Salaries	\$ 1,086,200	\$ 984,875	\$ 858,463	\$ 126,412
Overtime wages	20,000	20,000	20,550	(550)
Seasonal leaf employees	30,000	30,000	30,111	(111)
Part time wages	9,200	12,044	12,244	(200)
Supplemental pay	700	700	605	95
Service awards	400	400	375	25
Longevity	16,600	17,925	17,925	0
Sold vacations	14,000	14,000	11,743	2,257
Christmas bonus	2,800	2,800	2,924	(124)
College pay	125	125	125	0
Sick pay incentive	3,000	2,375	2,375	0
Dental insurance	17,000	17,000	9,117	7,883
Social security	89,000	89,000	69,326	19,674
Health insurance	368,900	368,900	188,638	180,262
Retirement	203,500	203,500	150,458	53,042
Life and disability insurance	14,400	14,400	10,654	3,746
Vision insurance	3,300	3,300	1,527	1,773
Worker's compensation claims	2,000	2,000	1,174	826
Laundry and dry cleaning	600	600	0	600
Pre-employment drug testing	1,600	1,437	856	581
Safety shoes	3,500	2,880	2,730	150
Postage	200	25	7	18
GPS services	3,000	3,000	2,840	160
Radio communications	2,500	2,000	2,000	0
Subscriptions and memberships	500	250	241	9
Advertising	300	200	168	32
Utilities	41,000	41,000	41,115	(115)
Telephone	21,000	21,000	17,629	3,371
Professional services	1,500	45	0	45
Building and grounds maintenance	13,000	34,500	34,200	300
Car allowance	4,200	4,200	3,850	350
Professional development	1,000	302	55	247
Departmental work sessions	200	200	131	69
Office	5,000	5,000	4,722	278
Operating supplies	12,000	14,100	11,694	2,406
OSHA supplies	4,000	7,803	6,223	1,580
Uniforms	9,000	8,563	8,561	2
Gasoline and oil	91,000	88,900	115,963	(27,063)
Repairs and parts	130,000	172,928	149,596	23,332
Sign shop supplies	35,000	28,820	22,194	6,626
Major safety markings	65,000	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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Operations division - (Continued)				
Thermoplastic contract	\$ 30,000	\$ 0	\$ 0	\$ 0
Paving and materials	315,000	375,000	327,278	47,722
Insurance - building and contents	8,800	9,414	9,414	0
Insurance - vehicle and equipment	18,500	14,470	14,470	0
Insurance - general liability	9,300	10,168	10,168	0
Insurance - worker's compensation	39,500	41,910	41,910	0
Employee appreciation	3,000	3,552	3,391	161
Miscellaneous	0	1,180	1,180	0
Equipment	25,000	31,180	30,880	300
Hardware	1,500	1,013	1,013	0
Software	2,500	714	714	0
Total operations division	\$ 2,779,325	\$ 2,709,698	\$ 2,253,527	\$ 456,171
Street lighting and signals:				
Utilities	\$ 1,035,000	\$ 1,035,000	\$ 904,280	\$ 130,720
Traffic light utility service	25,000	25,000	16,248	8,752
Pole attachments	12,700	12,700	9,044	3,656
ITS maintenance services	50,000	50,000	30,784	19,216
Traffic light repair maintenance	783,000	783,000	711,786	71,214
Equipment	10,000	10,000	0	10,000
Total street lighting and signals	\$ 1,915,700	\$ 1,915,700	\$ 1,672,142	\$ 243,558
Cleveland Regional Jetport Operations:				
Salaries	\$ 93,500	\$ 133,250	\$ 127,866	\$ 5,384
Part time salaries	5,000	7,000	6,190	810
Service awards	100	100	100	0
Longevity pay	750	1,575	1,575	0
Sold vacations	1,800	0	0	0
Christmas bonus	110	163	162	1
Sick pay incentive	300	250	250	0
Dental insurance	800	800	657	143
Social security tax	8,400	10,350	10,531	(181)
Health insurance	18,500	18,500	17,295	1,205
Retirement	18,500	18,500	16,932	1,568
Life and disability insurance	1,200	1,340	1,045	295
Vision insurance	200	200	130	70
Worker's compensation claims	300	300	0	300
Laundry and dry cleaning	250	247	69	178
Postage	300	300	50	250
Subscriptions and memberships	1,000	1,400	1,398	2

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Cleveland Regional Jetport Operations - (Continued):				
Advertising	\$ 3,000	\$ 1,000	\$ 623	\$ 377
Utilities	44,000	44,000	40,957	3,043
Telephone	14,000	14,000	11,892	2,108
Contracted services	324,000	324,000	348,651	(24,651)
Professional services	20,000	13,300	13,290	10
Building and grounds maintenance	20,000	50,635	45,734	4,901
Car allowance	4,700	4,900	4,900	0
Professional development	1,000	1,000	896	104
Department work sessions	500	800	671	129
Credit card fees	450	515	502	13
Office	1,000	1,000	674	326
Operating supplies	0	0	0	0
Uniforms	350	350	350	0
Gasoline	5,250	3,750	3,522	228
Repairs and parts	7,500	6,000	4,851	1,149
Avgas and jet fuel purchases	718,200	1,148,050	1,091,045	57,005
Insurance - building and contents	17,500	19,485	19,485	0
Insurance - vehicles and equipment	300	0	0	0
Insurance - general liability	1,600	0	0	0
Insurance - worker's compensation	2,500	1,794	1,794	0
Hardware	2,500	0	0	0
Total Cleveland regional jetport	\$ 1,339,360	\$ 1,828,854	\$ 1,774,087	\$ 54,767
Fleet management:				
Salaries	\$ 376,000	\$ 375,215	\$ 375,649	\$ (434)
Overtime wages	6,000	6,000	4,081	1,919
Longevity wages	8,625	8,625	8,925	(300)
Sold vacation pay	9,600	9,600	7,952	1,648
Christmas bonus	700	975	974	1
Sick pay incentive	800	800	575	225
Dental insurance	4,500	4,500	3,134	1,366
Social security taxes	30,800	30,800	28,695	2,105
Health insurance	97,700	97,700	70,691	27,009
Retirement	69,100	69,100	65,830	3,270
Life/disability insurance	4,800	4,800	4,212	588
Vision insurance	1,000	1,000	626	374
Worker's compensation claims	500	500	0	500
Postage	200	2	2	0
Subscriptions and memberships	1,500	150	144	6
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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Fleet management - (Continued):				
Utilities	\$ 24,200	\$ 24,200	\$ 23,286	\$ 914
Telephone	8,200	8,387	8,643	(256)
Contracted services	15,000	0	0	0
Vehicle maintenance	500	4,273	4,261	12
Equipment maintenance	4,000	9,833	8,496	1,337
Building and grounds maintenance	5,000	14,700	14,408	292
Professional development	0	273	262	11
Office supplies	1,000	4,845	4,490	355
OSHA supplies	2,500	2,200	2,199	1
Uniform	2,700	1,777	1,776	1
Gasoline	3,000	2,500	3,585	(1,085)
Repairs and parts	2,000	0	0	0
Insurance - building and contents	4,200	4,438	4,437	1
Insurance - vehicles and equipment	1,600	1,418	1,418	0
Insurance - general liability	1,600	1,657	1,657	0
Insurance - worker's compensation	7,100	7,500	7,500	0
Equipment	1,200	6,513	6,470	43
Hardware	2,000	1,013	1,013	0
Software	20,800	15,012	15,012	0
Total fleet management	<u>\$ 718,625</u>	<u>\$ 720,306</u>	<u>\$ 680,403</u>	<u>\$ 39,903</u>
Landscaping maintenance:				
Salaries	\$ 457,600	\$ 457,600	\$ 467,306	\$ (9,706)
Overtime wages	2,500	2,500	2,184	316
Part time	10,000	15,000	13,193	1,807
Service awards	600	600	600	0
Longevity	9,600	9,525	9,525	0
Sold vacations	3,800	3,800	8,413	(4,613)
Christmas bonus	1,000	1,485	1,462	23
Sick pay incentive	2,700	1,425	1,425	0
Dental insurance	6,700	6,700	4,223	2,477
Social security	38,600	38,600	36,068	2,532
Health Insurance	128,800	128,800	100,731	28,069
Retirement	83,300	83,300	83,646	(346)
Life and disability insurance	5,700	5,700	5,504	196
Vision insurance	1,500	1,500	854	646
Worker's compensation claims	1,900	1,900	1,000	900
Pre-employment testing	200	625	629	(4)
Postage	100	100	73	27
GPS Services	4,700	4,450	2,498	1,952
Subscriptions and memberships	500	0	0	0
Utilities	4,200	4,200	4,443	(243)
Telephone	6,400	6,400	5,972	428

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Landscaping maintenance - (Continued):				
Contracted mowing	\$ 25,000	\$ 27,466	\$ 29,135	\$ (1,669)
Vehicle maintenance	40,000	142,000	44,053	97,947
Equipment maintenance	1,500	0	0	0
Car allowance	4,200	4,200	3,850	350
Professional development	2,000	1,000	991	9
Department work sessions	750	750	540	210
Office	750	350	198	152
Operating supplies	9,900	9,150	9,100	50
Uniforms	4,100	3,788	3,788	0
Trees	5,000	1,000	1,000	0
Gasoline	15,300	22,300	35,824	(13,524)
Donation	0	13,395	12,872	523
Insurance - vehicle and equipment	8,800	7,642	7,642	0
Insurance - general liability	1,900	2,085	2,085	0
Insurance - worker's compensation	13,200	8,710	8,710	0
Vehicles	0	0	435	(435)
Equipment	750	3,600	3,622	(22)
Hardware	750	1,500	1,492	8
Total landscaping maintenance	<u>\$ 904,300</u>	<u>\$ 1,023,146</u>	<u>\$ 915,086</u>	<u>\$ 108,060</u>
Total public works	<u>\$ 7,657,310</u>	<u>\$ 8,197,704</u>	<u>\$ 7,295,245</u>	<u>\$ 902,459</u>
Culture and recreation:				
College Hill Recreation Center:				
Salaries	\$ 158,000	\$ 158,000	\$ 158,265	\$ (265)
Overtime wages	5,000	5,000	11,840	(6,840)
Part time wages	35,000	35,000	15,353	19,647
Longevity	2,250	2,250	2,250	0
Sold vacations	2,000	2,518	2,516	2
Christmas bonus	440	650	650	0
Sick pay incentive	1,200	975	975	0
Dental insurance	2,300	2,280	1,974	306
Social security	15,600	15,600	14,099	1,501
Health insurance	52,000	52,000	46,258	5,742
Retirement	35,000	35,000	29,433	5,567
Life and disability insurance	2,000	2,000	1,810	190
Vision insurance	400	450	419	31
Unemployment compensation	1,000	0	0	0
Worker's compensation claims	200	150	0	150
Advertising	100	0	0	0
Utilities	62,000	57,639	51,579	6,060
Telephone	9,200	9,270	9,111	159
Equipment maintenance	1,000	930	478	452

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, 2023

(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	\$ 30,000	\$ 27,582	\$ 26,203	\$ 1,379
Professional development	1,500	1,420	1,418	2
Office	1,500	1,500	1,260	240
Gasoline	100	50	19	31
Pool	15,000	17,130	13,396	3,734
Concession supplies	500	500	500	0
Insurance - building and contents	9,100	10,392	10,391	1
Insurance - general liability	2,600	2,528	2,528	0
Insurance - worker's compensation	500	117	117	0
Security	1,600	1,578	1,578	0
Program development	15,000	23,700	14,158	9,542
Total College Hill Recreation Center	<u>\$ 462,090</u>	<u>\$ 466,209</u>	<u>\$ 418,578</u>	<u>\$ 47,631</u>
Parks and recreation:				
Salaries	\$ 640,000	\$ 638,212	\$ 616,193	\$ 22,019
Overtime wages	10,000	10,000	20,374	(10,374)
Part time wages	10,000	10,000	1,891	8,109
Service awards	150	150	150	0
Longevity	10,950	10,950	10,950	0
Sold vacation	7,600	9,388	9,387	1
Christmas bonus	1,450	2,112	2,112	0
College pay	125	125	125	0
Sick pay incentive	3,900	2,625	2,625	0
Dental insurance	6,700	6,700	5,808	892
Social security	52,300	52,300	48,357	3,943
Health insurance	167,700	167,700	152,097	15,603
Retirement	115,000	115,000	111,813	3,187
Life and disability insurance	7,500	7,500	7,592	(92)
Vision insurance	1,700	1,700	1,106	594
Unemployment compensation	500	0	0	0
Worker's compensation claims	2,000	2,000	1,382	618
Laundry and dry cleaning	500	200	101	99
Pre-employment testing	200	100	50	50
Postage	100	75	9	66
GPS services	4,000	4,000	3,525	475
Subscriptions and memberships	800	800	800	0
Advertising	200	150	90	60
Utilities	106,000	102,000	102,390	(390)
Telephone	12,000	11,600	14,070	(2,470)
Contracted services	19,000	19,000	14,760	4,240
Vehicle maintenance	15,000	15,400	16,199	(799)
Equipment maintenance	3,000	3,000	2,115	885
Building and grounds maintenance	80,000	79,800	59,497	20,303
Car allowance	4,200	4,200	3,850	350

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Parks and recreation - (Continued):				
Professional development	\$ 2,000	\$ 7,917	\$ 7,628	\$ 289
Credit card fees	700	700	590	110
Office	2,000	2,000	1,218	782
Operating supplies	9,000	9,000	4,567	4,433
Uniforms	4,900	4,771	4,770	1
Gasoline and oil	23,000	23,000	30,277	(7,277)
Donation	0	15,425	5,667	9,758
Insurance - building and contents	17,000	16,679	16,679	0
Insurance - vehicles and equipment	2,000	2,713	2,713	0
Insurance - general liability	7,700	8,008	8,008	0
Insurance - worker's compensation	7,500	9,040	9,040	0
Security	2,500	2,500	2,500	0
Program development	100,000	125,163	118,698	6,465
Hardware	3,000	3,000	1,531	1,469
Total parks and recreation	<u>\$ 1,463,875</u>	<u>\$ 1,506,703</u>	<u>\$ 1,423,304</u>	<u>\$ 83,399</u>
Cleveland Community Center:				
Salaries	\$ 144,000	\$ 154,000	\$ 151,011	\$ 2,989
Overtime wages	5,000	5,000	5,262	(262)
Part time wages	35,000	35,000	41,617	(6,617)
Longevity	525	525	525	0
Sold vacations	2,000	455	0	455
Christmas bonus	440	650	650	0
Sick pay incentive	1,200	875	875	0
Dental insurance	2,000	2,380	2,303	77
Social security	14,500	14,420	14,659	(239)
Health insurance	60,000	49,700	43,954	5,746
Retirement	24,000	26,300	26,884	(584)
Life and disability insurance	1,800	1,600	1,576	24
Vision insurance	400	400	380	20
Unemployment compensation	1,000	0	0	0
Worker's compensation claims	200	360	359	1
Advertising	100	0	0	0
Utilities	36,000	33,235	34,041	(806)
Telephone	6,600	7,300	7,241	59
Equipment repairs	1,000	1,000	1,000	0
Building and grounds maintenance	30,000	22,118	21,934	184
Professional development	1,500	1,500	1,500	0
Office	1,500	1,500	1,252	248
Gasoline	100	65	88	(23)
Pool	15,000	27,600	18,723	8,877
Insurance - building and contents	6,000	6,534	6,534	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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Cleveland Community Center - (Continued):				
Insurance - general liability	\$ 2,400	\$ 2,242	\$ 2,242	\$ 0
Insurance - workers compensation	1,300	76	76	0
Security	1,300	1,300	1,300	0
Program development	15,000	22,278	18,905	3,373
Total Cleveland Community Center	\$ 409,865	\$ 418,413	\$ 404,891	\$ 13,522
Tinsley Park:				
Salaries	\$ 0	\$ 0	\$ 4,520	\$ (4,520)
Overtime	10,000	10,000	9,158	842
Part-time wages	145,000	145,000	120,743	24,257
Social security	7,000	9,200	10,284	(1,084)
Unemployment compensation	2,000	0	0	0
Utilities	85,000	78,000	81,728	(3,728)
Telephone	800	800	411	389
Building and grounds maintenance	35,000	34,500	28,329	6,171
Pool	30,000	44,190	40,976	3,214
Concession supplies	4,000	5,700	5,496	204
Insurance - building and contents	6,000	7,115	7,115	0
Insurance - general liability	3,100	1,808	1,808	0
Insurance - worker's compensation	2,500	2,042	2,042	0
Total Tinsley Park	\$ 330,400	\$ 338,355	\$ 312,610	\$ 25,745
Total culture and recreation	\$ 2,666,230	\$ 2,729,680	\$ 2,559,383	\$ 170,297
Appropriations:				
Jointly funded agencies	\$ 25,000	\$ 11,952	\$ 0	\$ 11,952
Regional Museum	42,300	42,300	42,300	0
Municipal League dues	10,400	10,612	10,612	0
Economic Development	45,000	45,000	45,000	0
Southeast Tennessee Development	10,000	10,000	9,945	55
Mainstreet Cleveland	25,000	25,000	25,000	0
Cemetery Association	12,500	12,500	12,500	0
Court's Community Services	60,000	70,000	65,302	4,698
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	0	0	0
SETHRA transit	135,000	135,000	135,000	0
Communications Center	650,000	650,000	650,000	0
Emergency Management	110,000	112,811	112,811	0
Mainstreet projects	4,000	4,000	4,000	0
SETDD legal fees	1,000	0	0	0
Veterans Affairs Office	31,500	30,025	30,025	0
Behavioral Research	2,000	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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Appropriations - (Continued):				
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	18,500	14,190	4,310
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>\$ 1,382,900</u>	<u>\$ 1,382,900</u>	<u>\$ 1,361,885</u>	<u>\$ 21,015</u>
Total expenditures	<u>\$ 42,856,942</u>	<u>\$ 43,586,241</u>	<u>\$ 41,142,066</u>	<u>\$ 2,444,175</u>
Excess of revenues over expenditures	<u>\$ 13,212,058</u>	<u>\$ 14,960,569</u>	<u>\$ 21,556,949</u>	<u>\$ 6,596,380</u>
Other financing sources (uses):				
Transfers in	\$ 2,962,317	\$ 2,962,317	\$ 3,035,441	\$ 73,124
Transfers out	(15,767,000)	(16,799,586)	(16,799,586)	0
Total other financing sources (uses)	<u>\$ (12,804,683)</u>	<u>\$ (13,837,269)</u>	<u>\$ (13,764,145)</u>	<u>\$ 73,124</u>
Net change in fund balances	\$ 407,375	\$ 1,123,300	\$ 7,792,804	\$ 6,669,504
Fund balance at beginning of year	<u>33,815,849</u>	<u>33,815,849</u>	<u>33,815,849</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 34,223,224</u></u>	<u><u>\$ 34,939,149</u></u>	<u><u>\$ 41,608,653</u></u>	<u><u>\$ 6,669,504</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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government:				
Education of the handicapped	\$ 30,000	\$ 30,000	\$ 0	\$ (30,000)
Other federal through state	0	0	208,550	208,550
Total federal government	\$ 30,000	\$ 30,000	\$ 208,550	\$ 178,550
State of Tennessee:				
Basic education program	\$ 32,555,000	\$ 32,705,000	\$ 32,832,335	\$ 127,335
School food service	27,453	27,453	27,917	464
Other state education funds	125,000	1,005,356	546,348	(459,008)
Career ladder program	50,129	36,648	36,543	(105)
Other vocational	0	1,500,000	1,010,614	(489,386)
Other state grants	924,887	924,727	924,726	(1)
State mixed drink tax	145,000	170,000	175,234	5,234
Safe Schools - ARRA	0	0	135,856	135,856
On-behalf contributions for opeb	0	0	154,308	154,308
Total State of Tennessee	\$ 33,827,469	\$ 36,369,184	\$ 35,843,881	\$ (525,303)
Bradley County:				
Property taxes - current	\$ 6,846,454	\$ 6,846,454	\$ 6,810,029	\$ (36,425)
Property taxes - prior	182,061	182,061	127,492	(54,569)
Clerk and master	116,000	116,000	96,496	(19,504)
Interest and penalty	31,369	31,369	21,324	(10,045)
In lieu of taxes - local utilities	3,805	3,805	2,433	(1,372)
In lieu of taxes - other utilities	487,000	487,000	332,645	(154,355)
In lieu of taxes - TVA	0	0	991	991
Marriage license	2,825	2,825	3,026	201
Bank excise tax	28,376	28,376	47,940	19,564
Local sales tax	7,379,531	7,412,720	9,383,259	1,970,539
Total Bradley County	\$ 15,077,421	\$ 15,110,610	\$ 16,825,635	\$ 1,715,025
Total Intergovernmental	\$ 48,934,890	\$ 51,509,794	\$ 52,878,066	\$ 1,368,272
Charges for services:				
Tuition	\$ 101,935	\$ 101,935	\$ 91,469	\$ (10,466)
Criminal background fee	4,800	0	0	0
Total charges for services	\$ 106,735	\$ 101,935	\$ 91,469	\$ (10,466)

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued)				
Interest	\$ 13,250	\$ 13,250	\$ 440,998	\$ 427,748
Miscellaneous:				
Miscellaneous refunds	\$ 98,841	\$ 98,841	\$ 70,086	\$ (28,755)
Sale of equipment	6,900	6,900	832,887	825,987
Damages recovered	1,800	1,800	567	(1,233)
Contributions	117,896	116,939	120,656	3,717
Other	7,461	7,461	4,977	(2,484)
Total miscellaneous	\$ 232,898	\$ 231,941	\$ 1,029,173	\$ 797,232
Total revenues	\$ 49,287,773	\$ 51,856,920	\$ 54,439,706	\$ 2,582,786
Expenditures:				
Current:				
Education:				
Regular instruction:				
Teachers	\$ 19,555,685	\$ 19,464,675	\$ 19,516,155	\$ (51,480)
Career ladder program	25,500	14,500	14,000	500
Homebound teachers	74,601	77,577	78,937	(1,360)
Assistants	1,445,272	1,365,871	1,302,553	63,318
Bonus payments	0	314,953	314,952	1
Other salaries and wages	162,673	132,775	146,263	(13,488)
Social security	1,304,095	1,329,141	1,238,759	90,382
State retirement	1,956,386	2,000,863	1,834,953	165,910
Life insurance	26,768	31,167	31,073	94
Medical insurance	2,845,938	2,949,140	2,945,541	3,599
Unemployment compensation	8,000	11,500	16,193	(4,693)
Employer medicare	304,990	310,847	290,783	20,064
Retirement - hybrid stabilization	142,014	101,674	0	101,674
Other fringe benefits	89,285	125,699	121,460	4,239
Operating lease payments	448,589	450,279	1,881	448,398
Maintenance and repair	13,450	13,450	(6,412)	19,862
Contracts for Sub Teachers - certified	0	396,725	476,249	(79,524)
Other contracted services	482,975	244,695	198,030	46,665
Instructional supplies	175,725	259,386	354,211	(94,825)
Electronic textbooks	73,964	73,964	23,417	50,547
Textbooks	796,136	917,136	772,735	144,401
Other supplies and materials	17,650	17,650	23,457	(5,807)
Other charges	4,650	44,650	52,881	(8,231)
Regular instruction equipment	48,270	48,269	54,330	(6,061)
Total regular instruction	\$ 30,002,616	\$ 30,696,586	\$ 29,802,401	\$ 894,185
Special education:				
Teachers	\$ 2,270,493	\$ 2,166,731	\$ 2,131,043	\$ 35,688
Career ladder program	6,000	3,000	3,000	0
Homebound teachers	1,000	1,000	6,010	(5,010)
Assistants	464,959	464,959	445,405	19,554
Speech pathologist	358,608	292,692	293,732	(1,040)

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Special education - (Continued):				
Bonus payments	\$ 0	\$ 69,364	\$ 69,364	\$ 0
Other salaries and wages	71,074	0	0	0
Social security	195,239	195,239	170,614	24,625
State retirement	321,168	321,168	290,537	30,631
Life insurance	4,559	5,305	5,337	(32)
Medical insurance	425,287	426,232	434,379	(8,147)
Employer medicare	45,661	45,661	39,943	5,718
Contracts with private agencies	22,102	85,359	71,684	13,675
Maintenance and other repair services	1,200	1,200	0	1,200
Contracts with substitute teachers	17,000	30,200	35,135	(4,935)
Instructional supplies	26,950	26,950	21,418	5,532
Other supplies and materials	7,450	7,450	3,660	3,790
Special education equipment	4,700	4,700	4,999	(299)
Total special education	<u>\$ 4,243,450</u>	<u>\$ 4,147,210</u>	<u>\$ 4,026,260</u>	<u>\$ 120,950</u>
Vocational education:				
Teachers	\$ 1,132,172	\$ 1,109,499	\$ 1,133,259	\$ (23,760)
Bonus payments	0	13,547	13,547	0
Social security	70,197	70,197	65,028	5,169
State retirement	98,386	98,386	101,590	(3,204)
Life insurance	1,215	1,482	1,522	(40)
Medical insurance	167,511	175,936	180,517	(4,581)
Employer medicare	16,417	16,417	15,136	1,281
Maintenance and repair services	8,500	8,500	4,335	4,165
Contracts with substitute teachers	0	10,438	12,727	(2,289)
Tuition	375	375	0	375
Other contracted services	11,000	11,000	9,218	1,782
Instructional supplies	34,700	34,700	37,982	(3,282)
Other supplies and materials	300	17,445	70,869	(53,424)
In service staff development	0	38,000	0	38,000
Vocational instruction equipment	111,667	1,438,791	1,048,045	390,746
Total vocational education	<u>\$ 1,652,440</u>	<u>\$ 3,044,713</u>	<u>\$ 2,693,775</u>	<u>\$ 350,938</u>
Students:				
Attendance:				
Supervisor	\$ 54,295	\$ 55,364	\$ 55,364	\$ 0
Bonus payments	0	1,088	1,087	0
Other salaries and wages	40,390	40,390	40,390	0
Social security	5,870	5,611	5,679	(68)
State retirement	11,657	11,905	11,905	0
Life insurance	122	124	123	1
Medical insurance	15,017	14,726	13,648	1,078
Employer medicare	1,373	1,313	1,328	(15)
Other supplies and materials	7,500	7,500	4,453	3,047
Total attendance	<u>\$ 136,224</u>	<u>\$ 138,021</u>	<u>\$ 133,977</u>	<u>\$ 4,043</u>

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

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Students - (Continued):				
Health services:				
Supervisor/Director	\$ 0	\$ 75,294	\$ 75,294	\$ 0
Medical personnel	288,919	304,445	291,984	12,461
Bonus payments	0	9,450	9,449	1
Other salaries and wages	0	1,500	1,500	0
Social security	17,913	22,384	21,115	1,269
State retirement	49,636	49,730	48,313	1,417
Life insurance	797	821	819	2
Medical insurance	50,714	63,699	62,076	1,623
Employer medicare	4,189	5,167	4,938	229
Travel	0	4,399	4,039	360
Contracts for substitute teachers	0	900	620	280
Other contracted services	125,000	0	0	0
Drugs and medical supplies	2,000	2,000	1,649	351
Other supplies and materials	3,194	19,697	19,430	267
In service staff development	0	450	450	0
Total health services	<u>\$ 542,362</u>	<u>\$ 559,936</u>	<u>\$ 541,676</u>	<u>\$ 18,260</u>
Other student support:				
Career ladder program	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0
Guidance personnel	1,014,626	982,270	971,523	10,747
Psychological personnel	210,573	191,717	191,632	85
Attendants	162,000	162,000	151,309	10,691
Bonus payments	0	40,401	40,400	1
Other salaries and wages	68,405	67,621	94,530	(26,909)
Social security	90,136	90,043	84,437	5,606
State retirement	118,482	119,763	120,786	(1,023)
Life insurance	1,168	1,593	1,589	4
Medical insurance	134,563	140,223	140,352	(129)
Employer medicare	21,150	21,128	19,924	1,204
Evaluation and testing	90,870	90,870	36,750	54,120
Maintenance and repair services	100	100	0	100
Postal charges	1,000	1,000	0	1,000
Other contracted services	428,167	534,639	578,409	(43,770)
Other supplies and materials	8,100	8,900	6,957	1,943
Total other student support	<u>\$ 2,352,340</u>	<u>\$ 2,455,268</u>	<u>\$ 2,441,598</u>	<u>\$ 13,670</u>
Total students	<u>\$ 3,030,926</u>	<u>\$ 3,153,225</u>	<u>\$ 3,117,251</u>	<u>\$ 35,974</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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Instructional staff:				
Regular instruction program:				
Supervisor	\$ 556,529	\$ 482,930	\$ 482,930	\$ 0
Career ladder program	6,000	5,000	5,000	0
Librarians	676,202	679,442	680,942	(1,500)
Materials supervisor	54,698	9,133	9,132	1
Secretaries	161,844	151,065	151,065	0
Bonus payments	0	16,683	16,683	0
Other salaries and wages	91,058	91,058	88,313	2,745
Social security	95,029	95,029	83,508	11,521
State retirement	161,494	161,494	142,629	18,865
Life insurance	1,476	1,476	1,674	(198)
Medical insurance	140,790	151,309	149,819	1,490
Employer medicare	22,225	22,225	19,530	2,695
Dues and subscriptions	4,000	4,000	170	3,830
Travel	32,000	32,000	12,614	19,386
Other contracted services	8,500	8,500	4,388	4,112
Library books	41,000	41,000	35,109	5,891
Other supplies and materials	19,975	19,975	11,347	8,628
In-service staff development	75,600	75,600	67,145	8,455
Other equipment	3,500	3,500	15,220	(11,720)
Total regular instruction program	<u>\$ 2,151,920</u>	<u>\$ 2,051,419</u>	<u>\$ 1,977,218</u>	<u>\$ 74,201</u>
Special education:				
Supervisor	\$ 106,590	\$ 110,256	\$ 110,256	\$ 0
Bonus payments	0	3,763	3,763	0
Social security	6,609	6,793	6,792	1
State retirement	9,263	9,996	9,995	1
Life insurance	81	83	82	1
Medical insurance	16,104	16,642	16,642	0
Employer medicare	1,535	1,589	1,589	0
Consultants	500	500	0	500
Travel	1,500	1,500	1,111	389
Total special education	<u>\$ 142,182</u>	<u>\$ 151,122</u>	<u>\$ 150,230</u>	<u>\$ 892</u>
Vocational education:				
Supervisor	\$ 99,180	\$ 100,120	\$ 100,120	\$ 0
Secretaries	26,982	31,706	31,706	0
Bonus payments	0	1,464	1,463	0
Social security	7,822	7,637	7,637	0
State retirement	13,254	14,335	14,335	0
Life insurance	149	165	165	0
Medical insurance	13,606	18,526	18,525	1

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

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Instructional staff - (Continued):				
Vocational education - (Continued):				
Employer medicare	\$ 1,829	\$ 1,787	\$ 1,786	\$ 1
Travel	2,500	2,500	79	2,421
Total vocational education	<u>\$ 165,322</u>	<u>\$ 178,240</u>	<u>\$ 175,816</u>	<u>\$ 2,423</u>
Total instructional staff	<u>\$ 2,459,424</u>	<u>\$ 2,380,781</u>	<u>\$ 2,303,264</u>	<u>\$ 77,516</u>
General administration:				
Technology:				
Supervisor	\$ 103,170	\$ 105,780	\$ 105,780	\$ 0
Bonus payments	0	5,018	5,017	
Other salaries and wages	226,548	242,108	242,108	0
Social security	20,443	20,414	20,414	0
Retirement	47,886	45,770	45,858	(88)
Life insurance	477	494	501	(7)
Health insurance	51,160	59,080	59,875	(795)
Employer medicare	4,781	4,775	4,774	1
Internet connectivity	25,406	36,879	36,878	1
Travel	4,000	2,500	2,396	104
Other contracted services	123,149	50,189	45,735	4,454
Cabling	3,563	20,000	14,458	5,542
Software	127,282	135,000	132,168	2,832
Other supplies and materials	2,000	6,200	6,151	49
Other charges	5,000	6,090	6,467	(377)
Other equipment	11,761	27,500	28,703	(1,203)
Total technology	<u>\$ 756,626</u>	<u>\$ 767,797</u>	<u>\$ 757,283</u>	<u>\$ 10,513</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	855	855	0
Audit services	14,500	15,000	15,000	0
Dues and membership	7,158	7,158	0	7,158
Legal services	20,000	30,000	31,042	(1,042)
Liability insurance	67,647	70,486	70,486	0
Premiums on corporate surety bonds	43,231	44,917	44,917	0
Trustee's commission	152,150	152,150	149,559	2,591
Worker's compensation insurance	155,502	176,409	176,408	1
Criminal investigation	9,590	9,590	8,872	718
Refund for criminal investigation	2,000	500	196	304
Other charges	32,000	71,650	85,915	(14,265)
Total board of education	<u>\$ 561,375</u>	<u>\$ 635,555</u>	<u>\$ 640,090</u>	<u>\$ (4,535)</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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
General administration - (Continued):				
Office of the superintendent:				
Administrative officer	\$ 171,811	\$ 178,686	\$ 179,886	\$ (1,200)
Assistants	119,934	119,990	119,990	0
Career ladder program	2,000	2,000	3,000	(1,000)
Secretaries	78,026	67,438	67,438	0
Bonus payments	0	3,574	3,573	1
Other salaries and wages	64,600	68,600	68,600	0
Social security	26,868	23,806	24,017	(211)
State retirement	44,545	35,467	39,080	(3,613)
Life insurance	396	371	371	0
Medical insurance	40,755	47,610	47,871	(261)
Employer medicare	6,284	6,142	6,191	(49)
Communication	115,000	105,000	95,709	9,291
Dues and memberships	10,705	10,705	9,705	1,000
Postal charges	6,500	6,500	2,599	3,901
Travel	13,000	13,000	13,561	(561)
Other contracted services	33,191	60,381	35,010	25,371
Office supplies	16,500	13,810	12,328	1,482
Other charges	19,400	24,033	25,668	(1,635)
Administrative equipment	5,000	5,000	4,825	175
Total office of superintendent	<u>\$ 774,515</u>	<u>\$ 792,113</u>	<u>\$ 759,422</u>	<u>\$ 32,691</u>
Total general administration	<u>\$ 2,092,516</u>	<u>\$ 2,195,465</u>	<u>\$ 2,156,795</u>	<u>\$ 38,669</u>
Office of the Principal:				
Principals	\$ 959,501	\$ 976,569	\$ 928,514	\$ 48,055
Career ladder program	5,000	4,000	4,000	0
Assistant principals	1,021,657	1,122,087	1,148,538	(26,451)
Secretaries	518,941	527,847	504,018	23,829
Bonus payments	0	28,641	28,640	1
Social security	154,075	155,501	150,785	4,716
State retirement	261,751	277,129	270,914	6,215
Life insurance	2,753	3,293	3,098	195
Medical insurance	324,006	337,708	334,508	3,200
Employer medicare	36,034	36,368	35,264	1,104
Dues and memberships	900	900	1,532	(632)
Maintenance and repair services	5,025	5,025	5,025	0
Postal charges	5,650	5,650	3,620	2,030
Travel	5,100	5,100	94	5,006
Other contracted services	5,035	5,035	6,619	(1,584)
Office supplies	8,565	8,565	10,398	(1,833)
Administrative equipment	19,775	19,775	13,104	6,671
Total office of the principal	<u>\$ 3,333,768</u>	<u>\$ 3,519,193</u>	<u>\$ 3,448,671</u>	<u>\$ 70,522</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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Business administration:				
Bookkeepers	\$ 266,831	\$ 283,752	\$ 283,751	\$ 1
Bonus payments	0	2,844	2,843	1
Social security	14,853	16,260	16,259	1
State retirement	45,842	48,899	48,899	0
Life insurance	325	337	336	1
Medical insurance	43,210	35,982	35,982	0
Employer medicare	3,869	3,803	3,803	0
Data processing services	51,355	51,355	48,530	2,825
Travel	1,000	1,000	1,384	(384)
Total business administration	<u>\$ 427,285</u>	<u>\$ 444,232</u>	<u>\$ 441,787</u>	<u>\$ 2,445</u>
Operation of plant:				
Operation of plant:				
Bonus payments	\$ 0	\$ 377	\$ 376	\$ 1
Other salaries and wages	44,103	44,103	44,103	0
Social security	2,734	2,704	2,704	0
State retirement	3,833	3,866	3,865	1
Life insurance	40	42	41	1
Medical insurance	7,176	7,612	7,612	0
Employer medicare	639	633	632	1
Janitorial services	1,571,377	1,589,508	1,648,288	(58,780)
Other contracted services	136,547	136,547	83,878	52,669
Electricity	1,116,428	1,250,000	1,243,917	6,083
Natural gas	115,395	115,395	115,836	(441)
Water and sewer	229,785	229,785	228,203	1,582
Boiler insurance	7,384	7,911	7,911	0
Building and contents insurance	259,385	269,509	269,509	0
Total operation of plant	<u>\$ 3,494,826</u>	<u>\$ 3,657,992</u>	<u>\$ 3,656,875</u>	<u>\$ 1,117</u>
Maintenance of plant:				
Supervisor	\$ 96,061	\$ 102,374	\$ 100,241	\$ 2,133
Maintenance personnel	547,713	590,404	588,619	1,785
Bonus payments	0	9,951	9,951	0
Other salaries and wages	35,000	35,000	41,607	(6,607)
Social security	41,782	41,782	42,073	(291)
State retirement	110,600	121,445	121,138	307
Life insurance	1,038	1,071	1,070	1
Medical insurance	109,457	120,760	120,760	0
Employer medicare liability	9,842	9,688	9,840	(152)
Maintenance and repair services - building	90,140	90,140	67,696	22,444
Maintenance and repair services - equipment	2,000	2,000	30,463	(28,463)
Other contracted services	101,000	101,000	210,699	(109,699)
Equipment and machinery parts	5,200	5,200	11,517	(6,317)

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

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Maintenance of plant - (Continued):				
Other supplies and materials	\$ 190,000	\$ 190,000	\$ 95,657	\$ 94,343
Other charges	5,000	5,000	8,007	(3,007)
Administration equipment	0	38,136	37,824	312
Maintenance equipment	2,500	2,500	14,934	(12,434)
Total maintenance of plant	<u>\$ 1,347,333</u>	<u>\$ 1,466,451</u>	<u>\$ 1,512,096</u>	<u>\$ (45,645)</u>
Total operation and maintenance	<u>\$ 4,842,159</u>	<u>\$ 5,124,443</u>	<u>\$ 5,168,971</u>	<u>\$ (44,528)</u>
Transportation:				
Supervisor	\$ 0	\$ 8,000	\$ 6,412	\$ 1,588
Mechanics	98,624	117,045	117,097	(52)
Bus drivers	633,704	520,121	472,283	47,838
Bonus payments	0	17,002	17,001	1
Other salaries and wages	45,646	57,060	54,241	2,819
Social security	48,234	44,316	41,344	2,972
State retirement	24,786	35,240	32,592	2,648
Life insurance	253	247	262	(15)
Medical insurance	26,125	28,593	28,632	(39)
Employer medicare	11,281	9,906	9,679	227
Contracts with parents	1,000	1,000	0	1,000
Maintenance and repair services	0	7,845	0	7,845
Medical and dental services	3,500	3,500	5,360	(1,860)
Travel	1,100	1,100	0	1,100
Other contracted services	22,500	22,500	80,980	(58,480)
Diesel fuel	189,088	201,968	132,368	69,600
Gasoline	20,000	20,000	24,596	(4,596)
Lubricants	2,000	2,000	3,849	(1,849)
Tires and tubes	17,290	22,747	11,980	10,767
Vehicle parts	79,440	79,440	40,357	39,083
Other supplies and materials	2,000	2,000	27,376	(25,376)
Vehicle and equipment insurance	65,340	67,377	67,377	0
Other charges	15,550	15,550	64,947	(49,397)
Total transportation	<u>\$ 1,307,461</u>	<u>\$ 1,284,557</u>	<u>\$ 1,238,733</u>	<u>\$ 45,824</u>
Food service:				
Bonus payments	\$ 0	\$ 37,671	\$ 37,671	\$ 0
Other salaries and wages	70,337	79,287	79,287	0
Social security	4,361	7,124	7,123	1
State retirement	12,084	17,774	17,773	1
Life insurance	81	83	82	1
Medical insurance	5,978	6,718	6,718	0
Employer medicare	1,020	1,666	1,666	0
Food supplies	0	6,000	0	6,000
Total food service	<u>\$ 93,861</u>	<u>\$ 156,323</u>	<u>\$ 150,320</u>	<u>\$ 6,003</u>

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

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Community services:				
Other contracted services	\$ 45,000	\$ 45,000	\$ 45,000	\$ 0
Total community services	\$ 45,000	\$ 45,000	\$ 45,000	\$ 0
Early Childhood Education:				
Contracts with other public agencies	\$ 924,887	\$ 924,727	\$ 924,726	\$ 1
Total early childhood education	\$ 924,887	\$ 924,727	\$ 924,726	\$ 1
Other Programs				
On-behalf payments of opeb	\$ 0	\$ 0	\$ 154,308	\$ (154,308)
Total other programs	\$ 0	\$ 0	\$ 154,308	\$ (154,308)
Total education	\$ 54,455,793	\$ 57,116,455	\$ 55,672,262	\$ 1,444,191
Capital Outlay				
Architects	\$ 0	\$ 16,730	\$ 26,730	\$ (10,000)
Other contracted services	0	182,000	11,466	170,534
Building improvements	0	780,536	235,719	544,817
Transportation equipment	0	18,000	18,000	0
Total capital outlay	\$ 0	\$ 997,266	\$ 291,915	\$ 705,351
Debt Service				
Principal on bonds	\$ 461,408	\$ 461,408	\$ 28,908	\$ 432,500
Principal on leases	0	0	940,147	(940,147)
Interest on bonds	193,754	193,754	5,028	188,726
Interest on notes	194,700	194,700	0	194,700
Interest on leases	0	0	32,062	(32,062)
Total debt service	\$ 849,862	\$ 849,862	\$ 1,006,145	\$ (156,283)
Total expenditures	\$ 55,305,655	\$ 58,963,583	\$ 56,970,322	\$ 1,993,261
Excess (deficiency) of revenues over expenditures	\$ (6,017,882)	\$ (7,106,663)	\$ (2,530,616)	\$ 4,576,047
Other Financing Sources (Uses)				
Transfers in	\$ 5,801,500	\$ 5,801,500	\$ 5,802,379	\$ 879
Transfers out	0	0	(800,464)	(800,464)
Total other financing sources(uses)	\$ 5,801,500	\$ 5,801,500	\$ 5,001,915	\$ (799,585)
Net change in fund balances	\$ (216,382)	\$ (1,305,163)	\$ 2,471,299	\$ 3,776,462
Fund balance at beginning of year	9,894,227	9,894,227	9,894,227	\$ 0
Fund balance at end of year	\$ 9,677,845	\$ 8,589,064	\$ 12,365,526	\$ 3,776,462

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

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 11,394,809	\$ 28,640,136	\$ 3,658,217	\$ 43,693,162	\$ 3,320,480
Accounts receivable - net	5,801,675	12,346,719	157,258	18,305,652	8,520
Due from other funds	0	2,438,920	0	2,438,920	0
Inventories	2,437,404	3,286,847	0	5,724,251	0
Prepays	948,124	681,243	690	1,630,057	0
Total current assets	<u>\$ 20,582,012</u>	<u>\$ 47,393,865</u>	<u>\$ 3,816,165</u>	<u>\$ 71,792,042</u>	<u>\$ 3,329,000</u>
Noncurrent assets:					
Receivable - conservation loans	\$ 0	\$ 1,469,664	\$ 0	\$ 1,469,664	\$ 0
Other assets	0	1,402,201	0	1,402,201	0
Capital assets:					
Land and construction in progress	23,239,992	3,574,380	1,025,343	27,839,715	0
Other capital assets, net of depreciation	132,106,381	84,454,913	2,565,121	219,126,415	0
Total noncurrent assets	<u>\$ 155,346,373</u>	<u>\$ 90,901,158</u>	<u>\$ 3,590,464</u>	<u>\$ 249,837,995</u>	<u>\$ 0</u>
Total assets	<u>\$ 175,928,385</u>	<u>\$ 138,295,023</u>	<u>\$ 7,406,629</u>	<u>\$ 321,630,037</u>	<u>\$ 3,329,000</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	\$ 291,729	\$ 19,107	\$ 0	\$ 310,836	\$ 0
Deferred outflows - pensions	6,947,055	7,393,563	80,066	14,420,684	0
Deferred outflows - opeb	352,463	234,975	56,995	644,433	0
Total deferred outflows of resources	<u>\$ 7,591,247</u>	<u>\$ 7,647,645</u>	<u>\$ 137,061</u>	<u>\$ 15,375,953</u>	<u>\$ 0</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 140,956	\$ 9,694,780	\$ 8,042	\$ 9,843,778	\$ 372,970
Customer deposits	0	4,668,587	0	4,668,587	0
Due to other funds	2,438,920	123,333	0	2,562,253	0
Current maturities of long-term debt	4,504,628	1,327,771	0	5,832,399	0
Post-employment benefits payable-current	0	0	9,570	9,570	0
Other current liabilities	2,019,651	1,294,585	8,450	3,322,686	0
Total current liabilities	<u>\$ 9,104,155</u>	<u>\$ 17,109,056</u>	<u>\$ 26,062</u>	<u>\$ 26,239,273</u>	<u>\$ 372,970</u>
Noncurrent liabilities:					
Post-employment benefits payable	\$ 7,355,042	\$ 4,903,361	\$ 354,591	\$ 12,612,994	\$ 0
Pension benefits payable	6,982,375	7,853,729	73,683	14,909,787	0
Conservation advances from TVA	0	1,542,021	0	1,542,021	0
Due to other funds	0	590,000	0	590,000	0
Leases payable	0	1,322	0	1,322	0
Notes payable	26,807,200	1,410,958	0	28,218,158	0
Revenue bonds payable net of discount	26,203,861	11,156,767	0	37,360,628	0
Total noncurrent liabilities	<u>\$ 67,348,478</u>	<u>\$ 27,458,158</u>	<u>\$ 428,274</u>	<u>\$ 95,234,910</u>	<u>\$ 0</u>
Total liabilities	<u>\$ 76,452,633</u>	<u>\$ 44,567,214</u>	<u>\$ 454,336</u>	<u>\$ 121,474,183</u>	<u>\$ 372,970</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred charge on refunding	\$ 77,179	\$ 129,814	\$ 0	\$ 206,993	\$ 0
Deferred inflows - pensions	200,136	202,948	2,465	405,549	0
Deferred inflows - opeb	1,455,291	970,194	204,460	2,629,945	0
Total deferred inflows of resources	<u>\$ 1,732,606</u>	<u>\$ 1,302,956</u>	<u>\$ 206,925</u>	<u>\$ 3,242,487</u>	<u>\$ 0</u>
NET POSITION					
Net investment in capital assets	\$ 98,020,089	\$ 74,026,844	\$ 3,590,464	\$ 175,637,397	\$ 0
Unrestricted	7,314,304	26,045,654	3,291,965	36,651,923	2,956,030
Total net position	<u>\$ 105,334,393</u>	<u>\$ 100,072,498</u>	<u>\$ 6,882,429</u>	<u>\$ 212,289,320</u>	<u>\$ 2,956,030</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, 2023

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
Operating Revenues:					
Charges for services	\$ 34,896,410	\$ 112,841,577	\$ 1,794,131	\$ 149,532,118	\$ 4,956,016
Other operating revenues	3,437,553	1,900,929	0	5,338,482	0
Total operating revenues	\$ 38,333,963	\$ 114,742,506	\$ 1,794,131	\$ 154,870,600	\$ 4,956,016
Operating Expenses:					
Power purchased	\$ 0	\$ 85,120,286	\$ 0	\$ 85,120,286	\$ 0
Operation expenses	17,449,004	8,392,933	497,666	26,339,603	4,609,220
Maintenance expense	4,541,240	4,696,114	0	9,237,354	0
Depreciation and amortization	7,395,724	5,145,039	192,361	12,733,124	0
Total operating expenses	\$ 29,385,968	\$ 103,354,372	\$ 690,027	\$ 133,430,367	\$ 4,609,220
Operating income (loss)	\$ 8,947,995	\$ 11,388,134	\$ 1,104,104	\$ 21,440,233	\$ 346,796
Non Operating Revenues (Expenses):					
Interest income	\$ 587,295	\$ 1,077,267	\$ 126,767	\$ 1,791,329	\$ 92,610
Interest expense	(1,226,479)	(380,040)	0	(1,606,519)	0
Plant cost recovered through contributions	0	(229,799)	0	(229,799)	0
Gain on disposal of assets	39,363	0	435	39,798	0
Other income (expense)	(15,779)	284,151	0	268,372	0
Total nonoperating revenues (expenses)	\$ (615,600)	\$ 751,579	\$ 127,202	\$ 263,181	\$ 92,610
Income before contributions and transfers	\$ 8,332,395	\$ 12,139,713	\$ 1,231,306	\$ 21,703,414	\$ 439,406
Capital contributions	2,078,925	229,799	0	2,308,724	0
Transfers out	(496,087)	(2,539,354)	(110,250)	(3,145,691)	0
Change in net position	\$ 9,915,233	\$ 9,830,158	\$ 1,121,056	\$ 20,866,447	\$ 439,406
Total net position - beginning	95,419,160	90,242,340	5,761,373	191,422,873	2,516,624
Total net position - ending	\$ 105,334,393	\$ 100,072,498	\$ 6,882,429	\$ 212,289,320	\$ 2,956,030

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, 2023

	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	\$ 35,766,537	\$ 117,942,836	\$ 1,774,532	\$ 155,483,905	\$ 0
Receipts from interfund charges	0	0	0	0	4,970,084
Payments to suppliers	(17,171,367)	(91,937,847)	(279,144)	(109,388,358)	(4,576,212)
Payments to employees for services	(7,190,003)	(10,946,249)	(218,052)	(18,354,304)	0
Net cash provided by (used in) operating activities	<u>\$ 11,405,167</u>	<u>\$ 15,058,740</u>	<u>\$ 1,277,336</u>	<u>\$ 27,741,243</u>	<u>\$ 393,872</u>
Cash flows from noncapital financing activities:					
Transfers out	\$ (496,087)	\$ (2,539,354)	\$ (110,250)	\$ (3,145,691)	\$ 0
Net cash provided by (used in) financing activities	<u>\$ (496,087)</u>	<u>\$ (2,539,354)</u>	<u>\$ (110,250)</u>	<u>\$ (3,145,691)</u>	<u>\$ 0</u>
Cash flows from capital and related financing activities:					
Additions to plants	\$ (13,211,145)	\$ (7,249,069)	\$ (398,472)	\$ (20,858,686)	\$ 0
Proceeds received for contributions in aid of construction	2,078,925	229,799	0	2,308,724	0
Removal cost	(5,916)	(517,107)	0	(523,023)	0
Salvage	4,456	143,355	0	147,811	0
Proceeds from sale of assets	0	0	990	990	0
Proceeds from issuance of debt	2,668,505	0	0	2,668,505	0
Payment of principal on long-term debt	(4,467,689)	(1,297,740)	0	(5,765,429)	0
Payment of interest on long-term debt	(1,525,201)	(549,604)	0	(2,074,805)	0
Net cash provided by (used in) capital and related financing activities	<u>\$ (14,458,065)</u>	<u>\$ (9,240,366)</u>	<u>\$ (397,482)</u>	<u>\$ (24,095,913)</u>	<u>\$ 0</u>
Cash flows from investing activities:					
Interest received	\$ 587,295	\$ 1,077,267	\$ 126,767	\$ 1,791,329	\$ 92,610
Net cash provided by investing activities	<u>\$ 587,295</u>	<u>\$ 1,077,267</u>	<u>\$ 126,767</u>	<u>\$ 1,791,329</u>	<u>\$ 92,610</u>
Net increase (decrease) in cash and cash equivalents	\$ (2,961,690)	\$ 4,356,287	\$ 896,371	\$ 2,290,968	\$ 486,482
Cash and cash equivalents, beginning of year	14,356,499	24,283,849	2,761,846	41,402,194	2,833,998
Cash and cash equivalents, end of year	<u>\$ 11,394,809</u>	<u>\$ 28,640,136</u>	<u>\$ 3,658,217</u>	<u>\$ 43,693,162</u>	<u>\$ 3,320,480</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, 2023

(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)	\$ 8,947,995	\$ 11,388,134	\$ 1,104,104	\$ 21,440,233	\$ 346,796
revenues to net cash provided by operating activities:					
Depreciation and amortization	7,630,299	5,387,540	192,361	13,210,200	0
Gain on sale of assets	39,363	0	435	39,798	0
Other revenue (expense)	(15,779)	284,151	0	268,372	0
Changes in operating assets and liabilities					
Accounts receivable	(2,551,647)	2,473,817	(19,599)	(97,429)	14,069
Allowance for doubtful accounts	0	(5,000)	0	(5,000)	0
Inventories	(1,223,439)	(391,083)	0	(1,614,522)	0
Receivable from customers for conservation loans	0	(163,521)	0	(163,521)	0
Prepays	(793,353)	(524,261)	(690)	(1,318,304)	0
Other assets	0	45,597	0	45,597	0
Accounts payable	2,465,783	(2,420,326)	6,484	51,941	33,007
Customer deposits	0	605,883	0	605,883	0
Other current liabilities	(270,062)	(51,759)	(1,268)	(323,089)	0
Pension benefits payable	(3,032,367)	(1,476,519)	(5,930)	(4,514,816)	0
Post-employment benefits payable	208,374	(281,206)	1,439	(71,393)	0
Conservation loans	0	187,293	0	187,293	0
Net cash provided by operating activities	\$ 11,405,167	\$ 15,058,740	\$ 1,277,336	\$ 27,741,243	\$ 393,872

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF NET POSITION - FIDUCIARY FUND
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND - CLEVELAND UTILITIES
June 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 205,506
Interest receivable	4,301
Investments, at fair value:	
Equity mutual funds	<u>4,308,561</u>
Total current assets	<u>\$ 4,518,368</u>
Total assets	<u><u>\$ 4,518,368</u></u>

NET POSITION

Net position restricted for other post-employment benefits	<u><u>\$ 4,518,368</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, 2023

ADDITIONS

Employer contributions	\$ 1,504,755
Net investment income:	
Interest and dividend income	109,970
Net change in the fair value of assets	<u>346,371</u>
Total Additions	<u>\$ 1,961,096</u>

DEDUCTIONS

Benefits paid	<u>\$ 764,112</u>
Total Deductions	<u>\$ 764,112</u>
Change in Net Position Held in Trust for Other Post-Employment Benefits	\$ 1,196,984
Net position, held in trust beginning of year	<u>3,321,384</u>
Net position, held in trust end of year	<u><u>\$ 4,518,368</u></u>

NOTES

CITY OF CLEVELAND, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, School Food Services Fund, and Internal School Activity Funds 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.

Capital Improvement Program Fund. This fund is used for major capital improvement projects and is funded through grants, issuance of debt and operating transfers from the general fund.

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 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 2023 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 \$242,501, and \$234,575, 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	\$ 12,733,124
Depreciation charged to clearing account	477,076
Depreciation and amortization per statement of cash flows	<u>\$ 13,210,200</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.

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

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 (2023 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, 2023, outstanding debt proceeds totaled \$18,372,087.

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 \$13,783,960, increase budgeted expenditures by \$52,254,923, and increase budgeted expenses by \$1,752,291. 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, 2023, and December 15, 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 \$18,361,379 for governmental activities and \$10,708, 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	\$ 473,066	\$ 0	\$ 473,066
Local Government Investment Pool	23,793	23,793	0
	<u>\$ 496,859</u>	<u>\$ 23,793</u>	<u>\$ 473,066</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, 2023, 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, 2023.

American Beacon Small Cap Value Fund	\$	227,888
Clearbridge International Growth		372,912
John Hancock Fund III - International Growth Fund		316,377
Lord Abbett Short Duration Income Fund		384,661
The Hartford Small Cap Growth I		273,445
Thornburg Limited Term Income Fund		395,151
Vanguard Growth Index Fund		756,948
Vanguard High Dividend Yield Index Fund		609,416
Victory Sycamore Established Value I Fund		290,159

For the year ended June 30, 2023, the annual money-weighted rate of return on Opeb plan investment expense was 10.74 %. 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, 2023, 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, 2023, 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	\$ 213,366
Developed Market International Equity	N/A	N/A	96,359
Emerging Market International Equity	N/A	N/A	27,531
U.S. Fixed Income	N/A	N/A	137,655
Real Estate	N/A	N/A	68,828
Short-term Securities	N/A	N/A	6,883
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>137,655</u>
Total			<u>\$ 688,277</u>

Note 2 - DEPOSITS AND INVESTMENTS - (Cont.)

Investment by Fair Value Level	Fair Value	Level 1	Level 2	Level 3	NAV
U.S. Equity	\$ 213,366	\$ 213,366	\$ 0	\$ 0	\$ 0
Developed Market					
International Equity	96,359	96,359	0	0	0
Emerging Market					
International Equity	27,531	27,531	0	0	0
U.S. Fixed Income	137,655	0	137,655	0	0
Real Estate	68,828	0	0	68,828	0
Short-term Securities	6,883	0	6,883	0	0
Private Equity & Strategic Lending	137,655	0	0	0	137,655
	<u>\$ 688,277</u>	<u>\$ 337,256</u>	<u>\$ 144,538</u>	<u>\$ 68,828</u>	<u>\$ 137,655</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	\$ 38,064	\$ 33,864,549	\$ 0	\$ 1,325,719	\$ (472,739)	\$ 34,755,593
School	2,341,753	8,732,744	0	112	(75,431)	10,999,178
Capital Imp Program	372,386	0	0	0	0	372,386
Water	0	0	5,801,675	0	0	5,801,675
Electric	0	0	12,473,692	0	(126,973)	12,346,719
Stormwater	0	0	157,258	0	0	157,258
Nonmajor	2,870,613	0	0	374,340	0	3,244,953
Internal Service	0	0	8,520	0	0	8,520
Totals	\$ 5,622,816	\$ 42,597,293	\$ 18,441,145	\$ 1,700,171	\$ (675,143)	\$ 67,686,282

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, 2023, 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	11,322,654	1,595,243	0	12,917,897
Total capital assets not being depreciated	\$ 49,396,436	\$ 1,595,243	\$ 0	\$ 50,991,679
Capital assets, being depreciated:				
Buildings	\$ 159,004,499	\$ 3,801,743	\$ 0	\$ 162,806,242
Improvements other than buildings	28,626,067	264,408	0	28,890,475
Infrastructure	77,773,411	6,175,670	0	83,949,081
Furniture, fixtures, equipment and vehicles	47,759,838	2,398,660	(4,037,898)	46,120,600
Leases - right to use assets	1,616,689	0	(1,315,023)	301,666
Total capital assets being depreciated	\$ 314,780,504	\$ 12,640,481	\$ (5,352,921)	\$ 322,068,064
Less accumulated depreciation for:				
Buildings	\$ (52,557,359)	\$ (3,628,485)	\$ 0	\$ (56,185,844)
Improvements other than buildings	(9,474,420)	(832,656)	0	(10,307,076)
Infrastructure	(30,426,103)	(1,689,113)	0	(32,115,216)
Furniture, fixtures, equipment and vehicles	(34,755,127)	(3,657,123)	2,386,667	(36,025,583)
Leases - right to use assets	(450,052)	(417,565)	731,611	(136,006)
Total accumulated depreciation	\$ (127,663,061)	\$ (10,224,942)	\$ 3,118,278	\$ (134,769,725)
Total capital assets being depreciated, net	\$ 187,117,443	\$ 2,415,539	\$ (2,234,643)	\$ 187,298,339
Governmental activities capital assets, net	\$ 236,513,879	\$ 4,010,782	\$ (2,234,643)	\$ 238,290,018

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	20,282,460	4,254,553	0	24,537,013
Total capital assets not being depreciated	<u>\$ 23,585,162</u>	<u>\$ 4,254,553</u>	<u>\$ 0</u>	<u>\$ 27,839,715</u>
Capital assets being depreciated:				
Plant in service	\$ 431,259,222	\$ 15,721,948	\$ (1,745,229)	\$ 445,235,941
Equipment	138,264	303,150	(1,449)	439,965
Drainage improvements	2,428,535	119,476	0	2,548,011
Leases - right to use assets	64,357	0	0	64,357
Total capital assets being depreciated	<u>\$ 433,890,378</u>	<u>\$ 16,144,574</u>	<u>\$ (1,746,678)</u>	<u>\$ 448,288,274</u>
Less accumulated depreciation for:				
Plant in service	\$ (218,037,878)	\$ (12,382,806)	\$ 1,733,480	\$ (228,687,204)
Equipment	(80,298)	(70,764)	894	(150,168)
Drainage improvements	(151,090)	(121,597)	0	(272,687)
Leases - right to use assets	(33,055)	(18,745)	0	(51,800)
Total accumulated depreciation	<u>\$ (218,302,321)</u>	<u>\$ (12,593,912)</u>	<u>\$ 1,734,374</u>	<u>\$ (229,161,859)</u>
Total capital assets being depreciated, net	<u>\$ 215,588,057</u>	<u>\$ 3,550,662</u>	<u>\$ (12,304)</u>	<u>\$ 219,126,415</u>
Business-type activities capital assets	<u><u>\$ 239,173,219</u></u>	<u><u>\$ 7,805,215</u></u>	<u><u>\$ (12,304)</u></u>	<u><u>\$ 246,966,130</u></u>

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

General government	\$ 285,357
Development and engineering	43,633
Public safety	1,247,377
Public works	2,665,704
Culture and recreation	989,699
Education	4,993,172
Total depreciation expense - governmental activities	<u><u>\$ 10,224,942</u></u>

Note 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	Cleveland Utilities - Electric	\$ 713,333
School Fund	School Federal Projects Fund	985,563
		<u><u>\$ 1,698,896</u></u>

Of the total interfund receivable/payable balances, \$1,108,896, 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	\$ 5,801,500	\$ 3,896,493	\$ 7,101,593	\$ 16,799,586
School fund	0	0	0	800,464	800,464
Cleveland Utilities - Electric	2,539,354	0	0	0	2,539,354
Cleveland Utilities - Water	496,087	0	0	0	496,087
Stormwater fund	0	0	0	110,250	110,250
Nonmajor Governmental	0	879	0	444,042	444,921
	<u>\$ 3,035,441</u>	<u>\$ 5,802,379</u>	<u>\$ 3,896,493</u>	<u>\$ 8,456,349</u>	<u>\$ 21,190,662</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.

Transfers were made to debt service totaling \$7,440,849 to service debt. Those transfers came from the following:

General fund	\$ 6,086,093
School fund	800,464
State street aid fund	444,042
Stormwater fund	110,250
	<u>\$ 7,440,849</u>

Transfers were made by the general fund to support ongoing operations as follows:

School fund	\$ 5,801,500
Library fund	684,000
Metropolitan transportation planning organization	151,500
Solid waste management fund	150,000
Community development block grant fund	30,000
	<u>\$ 6,817,000</u>

A transfer was made from the general fund to the capital improvement program fund to support capital project expenditures not covered by grants or bond proceeds in the amount of \$3,896,493.

A one-time transfer from the school federal projects fund to the school fund of \$879 was made.

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:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00 to 5.00%	\$ 27,225,000
Governmental activities - refunding	2.00 to 5.00%	\$ 50,881,000

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2024	\$ 5,208,000	\$ 3,215,679	\$ 8,423,679
2025	6,003,000	2,963,280	8,966,280
2026	6,220,000	2,674,205	8,894,205
2027	6,805,000	2,357,584	9,162,584
2028	6,460,000	2,026,678	8,486,678
2029-2033	24,610,000	5,967,362	30,577,362
2034-2038	13,190,000	2,886,696	16,076,696
2039-2043	4,920,000	1,528,975	6,448,975
2044-2048	4,690,000	478,000	5,168,000
	<u>\$ 78,106,000</u>	<u>\$ 24,098,459</u>	<u>\$ 102,204,459</u>

Revenue Bonds

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

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%	\$ 25,959,945
Cleveland Utilities - Electric Division	1.00-5.75%	10,740,055

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>
2024	\$ 3,705,000	\$ 1,463,987	\$ 5,168,987
2025	3,610,000	1,294,135	4,904,135
2026	3,280,000	1,132,512	4,412,512
2027	3,290,000	975,303	4,265,303
2028	3,225,000	819,564	4,044,564
2029-2033	10,830,000	2,404,175	13,234,175
2034-2038	6,515,000	830,689	7,345,689
2039-2043	2,245,000	127,557	2,372,557
2044-2048	<u>\$ 36,700,000</u>	<u>\$ 9,047,922</u>	<u>\$ 45,747,922</u>

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

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, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Issue	Balance 6/30/2023
Direct Borrowing:				
Public Building Authority - Clarksville TN	Variable	5/25/2028	1,812,700	636,000
Other Loans	1.15 to 2.45%	8/1/2033	5,015,575	1,399,609

Principal requirements to maturity for notes payable accounted for in the governmental activities for the fiscal year ended June 30, 2023, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2024	\$ 467,954	\$ 119,943	\$ 587,897
2025	501,168	108,610	609,778
2026	538,613	96,667	635,280
2027	188,168	23,182	211,350
2028	171,152	9,784	180,936
2029-2033	129,396	6,708	136,104
2034-2038	39,158	14	39,172
	\$ 2,035,609	\$ 364,908	\$ 2,400,517

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, 2023, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6/30/2023
Direct Borrowing:				
TN State Revolving Loan Fund	.88 to 2.08%	06/01/41	42,352,769	28,707,688
Volunteer Electric	0%	08/31/30	2,151,963	1,626,154

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

Notes Payable - Direct Borrowing - Business Type - (Cont.)

Principal requirements to maturity for notes payable accounted for in the business-type activities for the fiscal year ended June 30, 2023, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2024	\$ 2,115,684	\$ 423,048	\$ 2,538,732
2025	2,132,961	399,948	2,532,909
2026	2,156,313	376,596	2,532,909
2027	2,178,040	352,896	2,530,936
2028	2,202,028	328,908	2,530,936
2029-2033	10,921,640	1,273,452	12,195,092
2034-2038	10,213,722	635,038	10,848,760
2039-2043	5,763,353	140,357	5,903,710
	<u>\$ 37,683,741</u>	<u>\$ 3,930,243</u>	<u>\$ 41,613,984</u>

Leases - Right to use assets

Leases include office copiers. Leases are recorded as intangible assets and amortize 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, 2023, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2024	\$ 64,381	\$ 4,076	\$ 68,457
2025	52,846	2,340	55,186
2026	44,084	775	44,859
2027	5,148	64	5,212
2028	0	0	0
2029-2033	0	0	0
	<u>\$ 166,459</u>	<u>\$ 7,255</u>	<u>\$ 173,714</u>

Principal requirements to maturity for leases accounted for in the business-type activities for the fiscal year ended June 30, 2023, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2024	\$ 11,715	\$ 196	\$ 11,911
2025	1,322	5	1,327
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029-2033	0	0	0
	<u>\$ 13,037</u>	<u>\$ 201</u>	<u>\$ 13,238</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 83,099,000	\$ 0	\$ (4,993,000)	\$ 78,106,000	\$ 5,208,000
Notes payable	2,513,913	0	(478,304)	2,035,609	467,954
Leases payable - copiers right to use	248,611	0	(82,152)	166,459	64,381
Leases payable - computers right to use	857,994	0	(857,994)	0	0
Compensated absences	2,563,042	4,784,555	(4,490,163)	2,857,434	285,743
Less bond discount/premium	9,383,680	0	(664,701)	8,718,979	0
Total	\$ 98,666,240	\$ 4,784,555	\$ (11,566,314)	\$ 91,884,481	\$ 6,026,078

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	\$ 40,885,000	\$ 0	\$ (4,185,000)	\$ 36,700,000	\$ 3,705,000
Notes payable	1,841,350	0	(215,196)	1,626,154	215,196
State revolving loan fund	27,385,367	2,668,505	(1,346,184)	28,707,688	1,900,488
Leases payable	32,086	0	(19,049)	13,037	11,715
Conservation advances	1,622,323	589,534	(402,241)	1,809,616	267,595
Less bond discount/premiums	4,835,199	0	(469,571)	4,365,628	0
	\$ 76,601,325	\$ 3,258,039	\$ (6,637,241)	\$ 73,222,123	\$ 6,099,994

As of June 30, 2023, a balance of \$7,349,899, is available in loan proceeds to be drawn down on notes as follows:

State revolving loan fund SRF 2018-417-01	\$ 5,843,209
State revolving loan fund SRF 2019-431	1,506,690
	<u>\$ 7,349,899</u>

On June 27, 2019, 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 CW7 19-431" to finance the construction of wastewater improvements for the annexed properties of Durkee Road. The SRF CW7 19-431 loan agreement was for \$1,771,000, in the form of a loan of \$1,593,900, and principal forgiveness of \$177,100. The loan is to be paid back over a 20-year period with a fixed interest rate of 1.37 percent. As of June 30, 2023, the Division has drawn down \$87,210, of the loan proceeds and recognized \$9,690 in principal forgiveness.

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, 2023, the Division has drawn down \$4,156,791, of the loan proceeds.

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 position:

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 \$137,350,111, are as follows:

Bonds payable	\$ 78,106,000
Notes payable	2,035,609
Leases	166,459
Compensated absences	2,857,434
Postemployment benefits	40,898,398
Net pension liability	4,362,813
Interest payable	204,419
Premium on bonds payable	<u>8,718,979</u>
Net adjustment	<u>\$ 137,350,111</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 \$4,010,782, difference are as follows:

Capital outlay	\$ 14,235,724
Depreciation expense	<u>(10,224,942)</u>
Net adjustment	<u>\$ 4,010,782</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 \$6,411,449, difference are as follows:

Principal repayments:		
General obligation bonds	\$	4,993,000
Notes payable		478,303
Leases - right to use assets		940,146
		<hr/>
Net adjustment	\$	<u>6,411,449</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- LEGAL VIOLATIONS

The following fund expenditures exceeded budget as outlined below:

	<u>Expenditures</u>	<u>Budget</u>	<u>Excess</u>
School Food Service Fund	\$ 3,793,112	\$ 3,429,529	\$ 363,583
Drug Enforcement Fund	25,395	23,600	1,795

Note 12 - 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 13 - 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, 2023, is \$449,299. The liability has been calculated based upon subsequent claim payments. Changes in claims liability for the current year are summarized below.

	<u>Cleveland Utilities</u>	<u>Health Insurance Trust</u>	<u>Total</u>
Claims liability at 6/30/22	\$ 98,685	\$ 339,962	\$ 438,647
Current year claims and estimate changes	3,608,039	3,520,645	7,128,684
Claims paid	<u>(3,630,395)</u>	<u>(3,487,637)</u>	<u>(7,118,032)</u>
Claims liability at 6/30/23	<u>\$ 76,329</u>	<u>\$ 372,970</u>	<u>\$ 449,299</u>

Note 14 - DEFERRED COMPENSATION PLAN

The City of Cleveland offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 established participation, contribution, and withdrawal provisions for the plans.

Note 15 - 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 16 - TAX ABATEMENTS

The City has entered into a 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 \$944,174, based on a total potential tax of \$1,903,884.

Note 17 - 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	520
Inactive employees entitled to but not yet receiving benefits	417
Active employees	745
	<u>1,682</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, 2023, employer contributions were 8,175,511, 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, 2022, 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, 2022, 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, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

<u>Asset Class</u>	<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 6/30/21	\$ 191,716,716	\$ 193,225,832	\$ (1,509,116)
Changes for the year:			
Service cost	\$ 3,709,573	\$ 0	\$ 3,709,573
Interest	12,939,030	0	12,939,030
Difference between expected and actual experience	4,328,440	0	4,328,440
Changes in assumptions	0	0	0
Contributions - employer	0	7,542,578	(7,542,578)
Net investment income	0	(7,392,006)	7,392,006
Benefit payments	(7,473,900)	(7,473,900)	0
Administrative expenses	0	(72,831)	72,831
Net changes	<u>\$ 13,503,143</u>	<u>\$ (7,396,159)</u>	<u>\$ 20,899,302</u>
Balance at 6/30/22	<u>\$ 205,219,859</u>	<u>\$ 185,829,673</u>	<u>\$ 19,390,186</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	\$ 48,086,543	\$ (19,390,186)	\$ (4,414,179)

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

Pension expense. For the year ended June 30, 2023, Cleveland City recognized pension expense of \$6,395,454.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, 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	\$ 4,297,927	\$ 648,718
Net difference between projected and actual earnings on pension plan investments	531,206	0
Change in assumptions	8,067,462	0
Contributions subsequent to the measurement date of June 30, 2022	<u>8,175,511</u>	<u>0</u>
Total	<u>\$ 21,072,106</u>	<u>\$ 648,718</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2022," 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:

2024	\$ 1,955,358
2025	1,880,874
2026	1,027,225
2027	6,663,014
2028	721,407
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, 2023, 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, 2022, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	81
Inactive employees entitled to but not yet receiving benefits	2
Active employees	6
	<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, 2022, 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, 2022, 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 10/01/21	\$ 35,357,966	\$ 33,864,879	\$ 1,493,087
Changes for the year:			
Service cost	\$ 66,999	\$ 0	\$ 66,999
Interest	2,381,278	0	2,381,278
Difference between expected and actual experience	448,248	0	448,248
Assumption Changes	0	0	0
Contributions - employer	0	2,069,633	(2,069,633)
Net Investment income	0	(5,614,837)	5,614,837
Benefit payments	(2,813,403)	(2,813,403)	0
Other charges	0	(22,428)	22,428
Net changes	<u>\$ 83,122</u>	<u>\$ (6,381,035)</u>	<u>\$ 6,464,157</u>
Balance at 10/01/22	<u>\$ 35,441,088</u>	<u>\$ 27,483,844</u>	<u>\$ 7,957,244</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	\$ 11,154,836	\$ 7,957,244	\$ 5,203,444

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

Pension expense. For the year ended June 30, 2023, Cleveland Utilities recognized pension expense of \$1,645,903.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, 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	\$ 463,255	\$ 172,945
Changes of assumption	469,336	0
Net difference between projected and actual earnings on pension plan investments	4,418,125	0
Contributions subsequent to the measurement date of October 1, 2022	<u>1,520,410</u>	<u>0</u>
Total	<u>\$ 6,871,126</u>	<u>\$ 172,945</u>

The amount shown above for "Contributions subsequent to the measurement date of October 1, 2022," 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:	
2024	\$ 1,351,310
2025	1,168,347
2026	976,759
2027	1,681,355
2028	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, 2023, 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, 2023 to the Teacher Legacy Pension Plan were \$1,838,416, which is 8.69 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, 2023, The Cleveland City Schools reported an asset of \$7,932,798, for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, Cleveland City Schools' proportion was 0.646833 percent. The proportion measured as of June 30, 2021, was 0.638086 percent.

Pension expense. For the year ended June 30, 2023, Cleveland City Schools recognized pension expense of \$44,134.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, 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	\$ 1,304,916	\$ 1,340,402
Change in assumptions	4,969,516	0
Net difference between projected and actual earnings on pension plan investments	135,647	0
Changes in proportion of Net Pension Liability (Asset)	18,161	115,772
Contributions subsequent to the measurement date of June 30, 2022	<u>1,838,416</u>	<u>0</u>
Total	<u>\$ 8,266,656</u>	<u>\$ 1,456,174</u>

Cleveland City Schools employer contributions of \$1,838,416, 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:	
2024	\$ 754,002
2025	1,450,419
2026	(1,419,280)
2027	4,186,925
2028	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, 2022, the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates 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)	\$ 15,712,140	\$ (7,932,798)	\$ (27,627,461)

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, 2023, 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, 2023 to the Teacher Retirement Plan were \$296,988, which is 2.93 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, 2023, The Cleveland City Schools reported an asset of \$142,032, for its proportionate share of net pension asset. The net pension liability was measured as of June 30, 2022, 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, 2022, Cleveland City Schools' proportion was 0.468869 percent. The proportion measured as of June 30, 2021 was 0.464153 percent.

Pension expense. For the year ended June 30, 2022, Cleveland City Schools recognized pension expense of \$198,127.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, 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	\$ 7,766	\$ 86,294
Net difference between projected and actual earnings on pension plan investments	44,769	0
Change in assumptions	166,384	0
Changes in proportion of net pension liability (Asset)	1,874	28,439
Contributions subsequent to the measurement date of June 30, 2022	<u>296,988</u>	<u>0</u>
 Total	 <u>\$ 517,781</u>	 <u>\$ 114,733</u>

Cleveland City Schools employer contributions of \$296,988, 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, 2024. 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:	
2024	\$ 659
2025	1,115
2026	(6,242)
2027	71,736
2028	5,625
Thereafter	33,168

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, 2022, 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, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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)	\$ 745,587	\$ (142,032)	\$ (790,268)

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, 2023, 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 \$506,670, for the year ended June 30, 2023. 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	\$ 6,073,864	\$ 2,248,359
Net difference between projected and actual earnings on pension plan investments	5,129,747	0
Change in assumptions	13,672,698	0
Changes in proportion of net pension liability	20,035	144,211
Contributions subsequent to the measurement date	11,831,325	0
Total	\$ 36,727,669	\$ 2,392,570

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:	
2024	\$ 4,061,329
2025	4,500,755
2026	578,462
2027	12,603,030
2028	727,032
Thereafter	33,168

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	\$ 7,932,798	\$ 0
Teachers Retirement Plan of TCRS	142,032	0
TCRS Pension Plan	0	19,390,186
CSA Pension Plan	0	7,957,244
	\$ 8,074,830	\$ 27,347,430

Pension expense related to all plans were as follows:

Teachers Legacy Pension Plan	\$ 44,134
Teachers Retirement Plan of TCRS	198,127
TCRS Pension Plan	6,395,454
CSA Pension Plan	1,645,903
	\$ 8,283,618

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 3.65 percent. This rate reflects the Bond Buyer's 20 Bond Index.

Changes as of June 30, 2023 . The discount rate changed from 3.54% to 3.65%.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 31,400,102
Changes for the year:	
Service cost	\$ 1,242,236
Interest	1,140,871
Changes in Benefit Terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	(603,305)
Benefit payments	(835,914)
Net changes	<u>\$ 943,888</u>
Balance at June 30, 2023	<u>\$ 32,343,990</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%)
\$ 26,277,405	\$ 32,343,990	\$ 40,474,296

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 (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
\$ 38,414,355	\$ 32,343,990	\$ 27,478,117

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, 2023, the plan had opeb expense of \$963,761.

Note 18 - 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, 2023, the plan 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 0	\$ 9,234,752
Change in assumptions	5,062,172	8,924,957
	<u> </u>	<u> </u>
Total	<u>\$ 5,062,172</u>	<u>\$ 18,159,709</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:	
2024	\$ (1,419,346)
2025	(1,419,346)
2026	(1,419,346)
2027	(1,419,346)
2028	(1,406,668)
Thereafter	(6,013,485)

Payable to the opeb Plan. At June 30, 2023, 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:

Years of Service At At Retirement	Percentage of Premium Paid by Participant
<u> </u>	<u> </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%

Note 18 - POSTEMPLOYMENT BENEFITS - (Cont.)

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, 2023, 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, 2023 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, 2022	\$ 15,267,270	\$ 3,321,383	\$ 11,945,887
Changes for the year:			
Normal	\$ 249,259	\$ 0	\$ 249,259
Interest	1,059,866	0	1,059,866
Difference between expected and actual experience	0	0	0
Contributions - employer	0	764,112	(764,112)
Net Investment income	0	232,497	(232,497)
Changes in assumptions	0	0	0
Benefit payments	(764,112)	(764,112)	0
Administrative expenses	0	0	0
Net changes	<u>\$ 545,013</u>	<u>\$ 232,497</u>	<u>\$ 312,516</u>
Balance at June 30, 2023	<u>\$ 15,812,283</u>	<u>\$ 3,553,880</u>	<u>\$ 12,258,403</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%)
<u>\$ 10,134,880</u>	<u>\$ 12,258,403</u>	<u>\$ 14,910,753</u>

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%
<u>\$ 14,447,790</u>	<u>\$ 12,258,403</u>	<u>\$ 10,455,525</u>

Opeb expense. For the year ended June 30, 2023, Cleveland Utilities recognized opeb expense of \$691,280.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, 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	\$ 2,219,102
Net difference between projected and actual earnings on opeb plan investments	0	12,864
Change in assumptions	<u>587,438</u>	<u>193,519</u>
Total	<u>\$ 587,438</u>	<u>\$ 2,425,485</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:

2024	\$ (335,031)
2025	(359,309)
2026	(361,832)
2027	(392,415)
2028	(237,444)
Thereafter	(152,016)

Payable to the opeb plan. At June 30, 2023, 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	28
Inactive employees entitled to but not yet receiving benefit payments	1
Active employees	416
	<u>445</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 \$287,330 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	8.37% for pre-65 in 2022, decreasing annually over a 7 year period to an ultimate rate of 4.50%. 8.99% for post-65 in 2022, 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, 2022, 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.

Changes in the Collective Total Opeb Liability

	Total Opeb Liability (a)
Balances at June 30, 2022	<u>\$ 12,324,372</u>
Changes for the year:	
Service cost	\$ 818,147
Interest	280,289
Changes of benefit terms	0
Differences between expected and actual experience	298,075
Changes in assumptions and other inputs	(1,222,509)
Benefit payments	(334,112)
Net changes	<u>\$ (160,110)</u>
Balances at June 30, 2023	<u><u>\$ 12,164,262</u></u>

Note 18 - POSTEMPLOYMENT BENEFITS (Cont.)

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

Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 3,245,693
Employer's proportionate share of the collective total opeb liability	\$ 8,918,569
Employer's proportionate share of the collective total opeb liability	73.32%

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 -1.05% from the prior measurement date. The Cleveland City School System recognized \$287,330, 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 2.16% as of the beginning of the measurement period to 3.54% as of June 30, 2022. 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 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Proportionate share of collective opeb liability	\$ 9,631,031	\$ 8,918,569	\$ 8,242,280

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 (7.37%/7.99% decreasing to 3.50%)	Current (8.36%/8.99% decreasing to 4.50%)	1% Increase (9.36%/9.99% decreasing to 5.50%)
Proportionate share of collective total opeb liability	\$ 7,886,030	\$ 8,918,569	\$ 10,128,815

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

Opeb expense. For the fiscal year ended June 30, 2023, the Cleveland City School System recognized opeb expense of \$821,107.

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

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, 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
	<u> </u>	<u> </u>
Difference between actual and expected experience	\$ 891,549	\$ 1,751,052
Changes in assumptions	904,025	1,307,345
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	474,795
Employer payments subsequent to the measurement date	<u>287,330</u>	<u>0</u>
Total	<u>\$ 2,082,904</u>	<u>\$ 3,533,192</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:	
2024	\$ (273,121)
2025	(273,121)
2026	(273,121)
2027	(273,121)
2028	(257,434)
Thereafter	(387,700)

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 June 30, 2022, 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	123
Inactive employees entitled to but not yet receiving benefit payments	42
Active employees	336
	<u>501</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, 2022, 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 3.54 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.

Note 18 - POSTEMPLOYMENT BENEFITS (Cont.)

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

Changes in the Collective Total Opeb Liability

	Total Opeb Liability (a)
Balances at June 30, 2021	<u>\$ 1,438,206</u>
Changes for the year:	
Service cost	\$ 32,499
Interest	31,065
Changes of benefit terms	0
Differences between expected and actual experience	(39,116)
Changes in assumptions	(231,012)
Benefit payments	<u>(65,378)</u>
Net changes	<u>\$ (271,942)</u>
Balances at June 30, 2022	<u><u>\$ 1,166,264</u></u>
Nonemployer contributing entities proportionate share of the collective total Opeb liability	\$ 1,166,264
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 \$11,883, 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 2.16% as of the beginning of the measurement period to 3.54% as of June 30, 2022. 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 \$11,883.

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
Differences between expected and actual experience	\$ 891,549	\$ 13,204,906
Net difference between projected and actual earnings on opeb plan investments	0	12,864
Change in assumptions	6,553,635	10,425,821
Changes in proportion of net opeb liability	0	474,795
Contributions subsequent to the measurement date	<u>287,330</u>	<u>0</u>
Total	<u><u>\$ 7,732,514</u></u>	<u><u>\$ 24,118,386</u></u>

Note 18 - 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:	
2024	\$ (2,027,498)
2025	(2,051,776)
2026	(2,054,299)
2027	(2,084,882)
2028	(1,901,546)
Thereafter	(6,553,201)

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
	<u> </u>
City Plan	\$ 32,343,990
Cleveland Utilities Plan	12,258,403
City Schools TGOP Plan	8,918,569
	<u>\$ 53,520,962</u>

Opeb expense related to all plans were as follows:

City Plan	\$ 963,761
Cleveland Utilities Plan	691,280
City Schools TGOP Plan	821,107
City Schools TNP Plan	11,883
	<u>\$ 2,488,031</u>

In addition the City Schools TGOP plan and TNP plan recognized revenue in the amount of \$287,330 and \$11,883 respectively.

Note 19 - RELATED PARTY ACTIVITY

For the year ended June 30, 2023, Cleveland Utilities made purchases of \$8,816 from an auto dealership that was operated by a board member.

Note 20 - PRIOR PERIOD ADJUSTMENT

For the current year adjustments were made to the beginning fund balances of two separate nonmajor governmental funds. An amount of \$1,119,672 was adjusted to report the beginning fund balance of the internal school activity funds. The fund have previously not been reported with the City financial statements and are being added this year. The other adjustment is to decrease the American rescue plan fund beginning fund balance in the amount of \$3,052,456. This fund balance is being reduced because the unspent grant proceeds from the prior year are considered deferred revenue and should not have been recognized. The net adjustment of these two items is also reflected as an adjustment to the beginning net position as reflected on the Statement of Activities.

Note 21 - SUBSEQUENT EVENTS

On April 10, 2023, the City Council of Cleveland, TN authorized the formation of Cleveland Utilities Authority pursuant to the Municipal Energy Authority Act, and the Authority's Charter was successfully filed with the Tennessee Secretary of State's office on April 14, 2023. Pursuant to Resolution 2023-85 of the City Council dated August 14, 2023, the City Council authorized the transfer of all of the City's rights, title and interest in and to all of the assets of City's electric, water, and wastewater operations, which does business as Cleveland Utilities or "CU," to the Authority. As a condition of the transfer of the City's rights, title and interest in and to all of the assets of CU to the Authority, the Authority must pay the City an amount sufficient to enable the discharge off all City's bonds associated with CU and assume all other liabilities and obligations of CU.

Additionally, all outstanding notes held by the State Revolving Fund of the State of TN, were made assignable to Cleveland Utilities Authority, and were approved for assignment at the Tennessee Local Development Authority meeting on October 9, 2023, with an effective date of transfer being October 31, 2023.

On October 31, 2023, Cleveland Utilities Authority issued new debt obligations in amount to defease all outstanding City general obligation bonds issued for the betterment of the utility system. The said funds were applied to the purchase of certain securities whereby the amounts provided are sufficient for principal amount thereof together with interest thereon to mature at such times and in such amounts as shall be sufficient to pay when due of all principal, premium or discount, if any, and interest on the defeased bonds as referenced in Cleveland Utilities long term debt obligation schedule contained within this report.

On November 1, 2023, Cleveland Utilities Authority assumed the entirety of CU's assets, liabilities, and equity position, thus resolving the business of CU. Also on November 1, 2023, Cleveland Utilities Authority began operation per the approved initial resolution passed by the Cleveland Utilities Authority Board on August 25, 2023.

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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>	<u>2017</u>
Total Pension Liability				
Service cost	\$ 2,222,760	\$ 2,274,025	\$ 2,363,997	\$ 2,442,734
Interest	8,465,079	8,925,860	9,467,115	10,043,766
Changes in benefit terms	0	0	0	0
Differences between actual and expected experience	(254,944)	717,782	1,198,307	2,524,249
Change of assumptions	0	0	0	3,636,385
Benefit payments	<u>(4,198,654)</u>	<u>(4,482,162)</u>	<u>(5,099,666)</u>	<u>(5,739,270)</u>
Net change in total pension liability	\$ 6,234,241	\$ 7,435,505	\$ 7,929,753	\$ 12,907,864
Total pension liability - beginning	<u>112,744,286</u>	<u>118,978,527</u>	<u>126,414,032</u>	<u>134,343,785</u>
Total pension liability - ending (a)	<u>\$ 118,978,527</u>	<u>\$ 126,414,032</u>	<u>\$ 134,343,785</u>	<u>\$ 147,251,649</u>
 Plan Fiduciary Net Position				
Contributions - employer	\$ 5,089,188	\$ 5,321,904	\$ 5,426,173	\$ 5,744,012
Contributions - employee	165	186	1,998	0
Net investment income	15,038,653	3,287,610	2,936,077	12,875,142
Benefit payable	(4,198,654)	(4,482,162)	(5,099,666)	(5,739,270)
Administrative expense	<u>(29,562)</u>	<u>(34,427)</u>	<u>(51,102)</u>	<u>(57,272)</u>
Net change in plan fiduciary net position	\$ 15,899,790	\$ 4,093,111	\$ 3,213,480	\$ 12,822,612
Plan fiduciary net position - beginning	<u>90,319,171</u>	<u>106,218,961</u>	<u>110,312,072</u>	<u>113,525,552</u>
Plan fiduciary net position - ending (b)	<u>\$ 106,218,961</u>	<u>\$ 110,312,072</u>	<u>\$ 113,525,552</u>	<u>\$ 126,348,164</u>
Net Pension Liability (Asset) - ending (a)-(b)	<u>\$ 12,759,566</u>	<u>\$ 16,101,960</u>	<u>\$ 20,818,233</u>	<u>\$ 20,903,485</u>
Plan fiduciary net position as a percentage of total pension liability	89.28%	87.26%	84.50%	85.80%
Covered payroll	\$ 28,771,684	\$ 30,014,667	\$ 30,709,795	\$ 32,410,047
Net pension liability as a percentage of covered payroll	44.35%	53.65%	67.79%	64.50%

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.

2018	2019	2020	2021	2022
\$ 2,829,546	\$ 2,842,378	\$ 3,109,494	\$ 3,067,349	\$ 3,709,573
10,660,549	11,237,054	11,863,884	12,455,312	12,939,030
0	0	0	0	0
768,592	1,089,026	399,575	(973,078)	4,328,440
0	0	0	12,101,192	0
(6,078,280)	(6,561,174)	(7,018,107)	(7,328,245)	(7,473,900)
\$ 8,180,407	\$ 8,607,284	\$ 8,354,846	\$ 19,322,530	\$ 13,503,143
147,251,649	155,432,056	164,039,340	172,394,186	191,716,716
<u>\$ 155,432,056</u>	<u>\$ 164,039,340</u>	<u>\$ 172,394,186</u>	<u>\$ 191,716,716</u>	<u>\$ 205,219,859</u>
\$ 6,173,935	\$ 6,489,131	\$ 6,777,880	\$ 7,074,310	\$ 7,542,578
0	0	0	0	0
10,488,825	10,185,877	7,279,540	39,657,269	(7,392,006)
(6,078,280)	(6,561,174)	(7,018,107)	(7,328,245)	(7,473,900)
(67,134)	(64,454)	(65,005)	(66,700)	(72,831)
\$ 10,517,346	\$ 10,049,380	\$ 6,974,308	\$ 39,336,634	\$ (7,396,159)
126,348,164	136,865,510	146,914,890	153,889,198	193,225,832
<u>\$ 136,865,510</u>	<u>\$ 146,914,890</u>	<u>\$ 153,889,198</u>	<u>\$ 193,225,832</u>	<u>\$ 185,829,673</u>
<u>\$ 18,566,546</u>	<u>\$ 17,124,450</u>	<u>\$ 18,504,988</u>	<u>\$ (1,509,116)</u>	<u>\$ 19,390,186</u>
88.05%	89.56%	89.27%	100.79%	90.55%
\$ 34,163,265	\$ 35,887,908	\$ 38,505,535	\$ 38,827,492	\$ 41,454,642
54.35%	47.72%	48.06%	-3.89%	46.77%

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,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 5,089,188	\$ 5,207,352	\$ 5,424,330	\$ 5,744,012
Contributions in relation to the actuarially determined contribution	<u>5,089,188</u>	<u>5,207,352</u>	<u>5,424,330</u>	<u>5,744,012</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 28,771,684	\$ 29,910,084	\$ 30,620,707	\$ 32,410,047
Contribution as a percentage of covered payroll	17.69%	17.41%	17.71%	17.72%

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 2023 were calculated based on the June 30, 2021 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 an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 6,173,128	\$ 6,489,131	\$ 6,777,880	\$ 7,054,418	\$ 7,542,578	\$ 8,175,511
<u>6,173,128</u>	<u>6,489,131</u>	<u>6,777,880</u>	<u>7,054,418</u>	<u>7,542,578</u>	<u>8,175,511</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 34,163,265	\$ 35,887,908	\$ 37,192,410	\$ 38,505,535	\$ 41,454,642	\$ 44,840,716
18.07%	18.08%	18.22%	18.32%	18.19%	18.23%

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>	<u>2017</u>
Total Pension Liability				
Service cost	\$ 92,532	\$ 95,366	\$ 98,869	\$ 88,263
Interest	2,165,875	2,159,798	2,210,999	2,270,713
Changes in benefit terms	0	0	0	0
Differences between actual and expected experience	(355,441)	567,883	797,655	460,253
Change of assumptions	0	0	27,058	48,168
Benefit payments	<u>(1,940,294)</u>	<u>(2,044,920)</u>	<u>(2,145,295)</u>	<u>(2,396,553)</u>
Net change in total pension liability	\$ (37,328)	\$ 778,127	\$ 989,286	\$ 470,844
Total pension liability - beginning	<u>31,818,685</u>	<u>31,781,357</u>	<u>32,559,484</u>	<u>33,548,770</u>
Total pension liability - ending (a)	<u>\$ 31,781,357</u>	<u>\$ 32,559,484</u>	<u>\$ 33,548,770</u>	<u>\$ 34,019,614</u>
 Plan Fiduciary Net Position				
Contributions - employer	\$ 1,507,800	\$ 1,698,192	\$ 1,703,144	\$ 1,764,776
Contributions - employee	0	0	0	0
Net investment income	1,565,864	192,571	1,908,220	2,454,931
Benefit payable	(1,940,294)	(2,044,920)	(2,145,295)	(2,396,553)
Administrative expense	<u>(1,829)</u>	<u>(99)</u>	<u>0</u>	<u>0</u>
Net change in plan fiduciary net position	\$ 1,131,541	\$ (154,256)	\$ 1,466,069	\$ 1,823,154
Plan fiduciary net position - beginning	<u>21,813,834</u>	<u>22,945,375</u>	<u>22,791,119</u>	<u>24,257,188</u>
Plan fiduciary net position - ending (b)	<u>\$ 22,945,375</u>	<u>\$ 22,791,119</u>	<u>\$ 24,257,188</u>	<u>\$ 26,080,342</u>
 Net Pension Liability - ending (a) - (b)	<u>\$ 8,835,982</u>	<u>\$ 9,768,365</u>	<u>\$ 9,291,582</u>	<u>\$ 7,939,272</u>
 Plan fiduciary net position as a percentage of total pension liability	72.20%	70.00%	72.30%	76.66%
 Covered payroll	\$ 2,004,844	\$ 2,104,682	\$ 1,940,346	\$ 1,699,467
 Net pension liability as a percentage of covered payroll	440.73%	464.13%	478.86%	467.16%

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.

2018	2019	2020	2021	2022
\$ 68,316	\$ 63,605	\$ 56,028	\$ 66,376	\$ 66,999
2,304,139	2,351,768	2,348,086	2,416,904	2,381,278
0	0	0	0	0
645,393	75,248	224,024	(288,243)	448,248
64,119	51,789	1,061,833	57,079	0
(2,343,308)	(2,450,385)	(2,724,486)	(2,709,933)	(2,813,403)
\$ 738,659	\$ 92,025	\$ 965,485	\$ (457,817)	\$ 83,122
34,019,614	34,758,273	34,850,298	35,815,783	35,357,966
<u>\$ 34,758,273</u>	<u>\$ 34,850,298</u>	<u>\$ 35,815,783</u>	<u>\$ 35,357,966</u>	<u>\$ 35,441,088</u>

\$ 1,875,916	\$ 1,840,214	\$ 1,930,107	\$ 2,002,365	\$ 2,069,633
26,816	0	0	0	0
1,681,631	1,103,368	2,246,887	5,315,190	(5,614,837)
(2,343,308)	(2,450,385)	(2,724,486)	(2,709,933)	(2,813,403)
0	0	(7,143)	(2,702)	(22,428)
\$ 1,241,055	\$ 493,197	\$ 1,445,365	\$ 4,604,920	\$ (6,381,035)
26,080,342	27,321,397	27,814,594	29,259,959	33,864,879
<u>\$ 27,321,397</u>	<u>\$ 27,814,594</u>	<u>\$ 29,259,959</u>	<u>\$ 33,864,879</u>	<u>\$ 27,483,844</u>
<u>\$ 7,436,876</u>	<u>\$ 7,035,704</u>	<u>\$ 6,555,824</u>	<u>\$ 1,493,087</u>	<u>\$ 7,957,244</u>

76.66% 79.81% 81.70% 95.78% 77.55%

\$ 1,548,112	\$ 1,328,225	\$ 1,069,072	\$ 1,013,451	\$ 794,211
480.38%	529.71%	613.23%	147.33%	1001.91%

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,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,558,833	\$ 1,567,533	\$ 1,663,122	\$ 1,712,348
Contributions in relation to the actuarially determined contribution	<u>1,698,192</u>	<u>1,699,430</u>	<u>1,725,980</u>	<u>1,870,153</u>
Contribution deficiency (excess)	<u>\$ (139,359)</u>	<u>\$ (131,897)</u>	<u>\$ (62,858)</u>	<u>\$ (157,805)</u>
Covered payroll	\$ 2,093,809	\$ 1,981,430	\$ 1,759,687	\$ 1,585,955
Contribution as a percentage covered payroll	81.11%	85.77%	98.08%	117.92%

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, 2022
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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,773,627	\$ 1,824,417	\$ 1,946,847	\$ 1,955,441	\$ 2,229,869
<u>1,854,331</u>	<u>1,901,746</u>	<u>1,961,589</u>	<u>2,100,333</u>	<u>2,017,351</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>	<u><u>\$ 212,518</u></u>
\$ 1,435,507	\$ 1,151,339	\$ 1,151,339	\$ 942,509	\$ 738,616
129.18%	165.18%	170.37%	222.84%	273.13%

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>	<u>2018</u>
Cleveland City Schools' proportion of the net pension liability (asset)	0.536236%	0.537318%	0.569952%	0.590148%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (87,136)	\$ 220,104	\$ 3,561,884	\$ (193,086)
Cleveland City Schools' covered payroll	\$ 21,047,222	\$ 20,114,516	\$ 20,574,118	\$ 20,803,880
Cleveland City Schools' proportionate share of the net pension asset as a percentage of its covered payroll	-0.41%	1.09%	17.31%	-0.93%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%

*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>	<u>2017</u>
Actuarially Determined Contribution (ADC)	\$ 1,868,991	\$ 1,816,962	\$ 1,859,723	\$ 1,885,875
Contributions in relation to the actuarially determined contribution	<u>1,868,991</u>	<u>1,816,962</u>	<u>1,859,723</u>	<u>1,885,875</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Cleveland City Schools' covered payroll	\$ 21,047,222	\$ 20,114,516	\$ 20,574,118	\$ 20,803,880
Contribution as a percentage covered payroll	8.88%	9.03%	9.04%	9.07%

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.613389%	0.642330%	0.643551%	0.638086%	0.646833%
\$ (2,158,465)	\$ (6,604,306)	\$ (4,907,554)	\$ (27,522,167)	\$ (7,932,798)
\$ 21,478,886	\$ 21,538,232	\$ 21,419,053	\$ 20,943,944	\$ 21,286,851
-10.05%	-30.66%	-22.91%	-131.41%	-37.27%
101.49%	104.28%	103.09%	116.13%	104.42%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,954,073	\$ 2,252,900	\$ 2,274,144	\$ 2,150,852	\$ 2,192,549	\$ 1,838,416
<u>1,954,073</u>	<u>2,252,900</u>	<u>2,274,144</u>	<u>2,150,852</u>	<u>2,192,549</u>	<u>1,838,416</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 21,478,886	\$ 21,538,232	\$ 21,193,791	\$ 20,943,944	\$ 21,286,851	\$ 21,155,231
9.10%	10.46%	10.63%	10.27%	10.30%	8.69%

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>	<u>2019</u>
Cleveland City Schools' proportion of the net pension liability (asset)	0.416856%	0.378257%	0.393963%	0.417866%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (16,770)	\$ (39,378)	\$ (103,940)	\$ (189,514)
Cleveland City Schools' covered payroll	\$ 866,121	\$ 1,664,349	\$ 2,643,292	\$ 3,651,627
Cleveland City Schools' proportionate share of of the net pension liability (asset) as a percentage of its covered payroll	-1.94%	-2.37%	-3.93%	-5.19%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%	126.81%	126.97%

*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>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 21,653	\$ 41,662	\$ 105,732	\$ 146,066
Contributions in relation to the actuarially determined contribution	<u>34,645</u>	<u>66,574</u>	<u>105,732</u>	<u>146,066</u>
Contribution deficiency (excess)	<u>\$ (12,992)</u>	<u>\$ (24,912)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Cleveland City Schools' covered payroll	\$ 866,121	\$ 1,664,349	\$ 2,643,292	\$ 3,651,627
Contribution as a percentage covered payroll	4.00%	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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.413270%	0.430495%	0.464153%	0.468869%
\$ (233,285)	\$ (244,797)	\$ (502,776)	\$ (142,032)
\$ 4,373,249	\$ 5,432,452	\$ 6,698,731	\$ 8,006,864
-5.33%	-4.51%	-7.51%	-1.77%
123.07%	116.52%	121.53%	104.55%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 84,841	\$ 110,280	\$ 135,315	\$ 160,938	\$ 296,988
<u>84,841</u>	<u>110,280</u>	<u>135,315</u>	<u>160,938</u>	<u>296,988</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 4,373,249	\$ 5,432,452	\$ 6,698,731	\$ 8,006,864	\$ 10,133,410
1.94%	2.03%	2.02%	2.01%	2.93%

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,

	2018	2019
Total Opeb Liability		
Service cost	\$ 1,418,428	\$ 1,328,012
Interest	1,349,197	1,453,222
Changes in benefit terms	0	0
Differences between actual & expected experience	0	0
Change of assumptions	(2,040,010)	2,750,384
Benefit payments	(752,042)	(795,581)
Net change in total opeb liability	\$ (24,427)	\$ 4,736,037
Total opeb liability - beginning	36,641,373	36,616,946
Total opeb liability - ending	\$ 36,616,946	\$ 41,352,983
Covered-employee payroll	\$ 16,988,863	\$ 17,632,943
Employer's proportionate share of collective total opeb liability as a percentage of covered-employee payroll	215.54%	234.52%

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.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	1,265,001	\$ 1,930,238	\$ 1,815,569	\$ 1,242,236
	1,231,461	1,034,942	864,964	1,140,871
	0	0	0	0
	(3,298,512)	0	(8,769,070)	0
	5,689,737	0	(9,145,387)	(603,305)
	<u>(878,586)</u>	<u>(929,822)</u>	<u>(763,416)</u>	<u>(835,914)</u>
\$	4,009,101	\$ 2,035,358	\$ (15,997,340)	\$ 943,888
	<u>41,352,983</u>	<u>45,362,084</u>	<u>47,397,442</u>	<u>31,400,102</u>
\$	<u><u>45,362,084</u></u>	<u><u>47,397,442</u></u>	<u><u>31,400,102</u></u>	<u><u>32,343,990</u></u>
\$	18,476,206	\$ 19,180,809	\$ 20,101,381	\$ 21,848,058
	245.52%	247.11%	156.21%	148.04%

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2017</u>	<u>2018</u>
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	<u>(626,601)</u>	<u>(637,980)</u>
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)	<u>\$ 15,344,728</u>	<u>\$ 15,448,524</u>
 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	<u>0</u>	<u>0</u>
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)	<u>\$ 358,811</u>	<u>\$ 388,647</u>
 Net Pension Liability - ending (a) - (b)	<u>\$ 14,985,917</u>	<u>\$ 15,059,877</u>
 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	RP2000
	Scale BB	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.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 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	7.50% decreasing to 4.5% in 2025	7.00% decreasing to 4.5% in 2025	7.00% decreasing to 4.5% in 2026
63	61	61	61
RP2000 with Scale BB	RPH2014 with Scale MP2019	RPH2014 with Scale MP2019	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,

	2018	2019	2020	2021	2022	2023
Total Opeb Liability						
Service cost	\$ 828,906	\$ 769,923	\$ 696,490	\$ 647,066	\$ 747,110	\$ 818,147
Interest	359,948	437,462	368,736	383,918	263,056	280,289
Changes in benefit terms	0	(75,172)	(299,602)	0	0	0
Differences between actual & expected experience	0	(3,150,465)	1,283,526	(977,622)	244,599	298,075
Change of assumptions	(567,167)	573,433	(766,891)	1,222,261	105,503	(1,222,509)
Benefit payments	(553,733)	(649,138)	(523,362)	(437,894)	(381,466)	(334,112)
Net change in total opeb liability	\$ 67,954	\$ (2,093,957)	\$ 758,897	\$ 837,729	\$ 978,802	\$ (160,110)
Total opeb liability - beginning	11,774,947	11,842,901	9,748,944	10,507,841	11,345,570	12,324,372
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>	<u>\$ 12,164,262</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	\$ 3,245,693
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	\$ 8,918,569
Covered-employee payroll	\$ 23,866,594	\$ 22,407,393	\$ 21,905,135	\$ 21,080,223	\$ 20,245,863	\$ 20,626,089
Employer's proportionate share of the collective total opeb liability as a percentage of covered-employee payroll	39.27%	33.61%	36.92%	40.64%	45.27%	43.24%

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,

	2018	2019	2020	2021	2022	2023
Total Opeb Liability						
Service cost	\$ 30,748	\$ 25,093	\$ 21,979	\$ 26,804	\$ 38,723	\$ 32,499
Interest	43,879	49,439	45,454	50,156	37,220	31,065
Changes in benefit terms	0	0	0	0	0	0
Differences between actual & expected experience	0	(132,665)	145,016	(49,046)	(12,039)	(39,116)
Change of assumptions	(121,774)	(9,326)	20,174	279,558	(239,064)	(231,012)
Benefit payments	(60,600)	(61,733)	(63,886)	(64,403)	(63,767)	(65,378)
Net change in total opeb liability	\$ (107,747)	\$ (129,192)	\$ 168,737	\$ 243,069	\$ (238,927)	\$ (271,942)
Total opeb liability - beginning	1,502,266	1,394,519	1,265,327	1,434,064	1,677,133	1,438,206
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>	<u>\$ 1,166,264</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	 \$ 1,166,264
 Employer's proportionate share of the collective total opeb liability	 \$ 0	 \$ 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.

Internal School Activity Fund: This fund is used to account for funds held at individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

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.

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.

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, 2023

	Special Revenue			
	State Street Aid Fund	Solid Waste Management Fund	School Federal Projects Fund	School Food Services Fund
ASSETS				
Cash and cash equivalents	\$ 2,795,108	\$ 1,983,761	\$ 0	\$ 2,542,735
Cash and cash equivalents - restricted	0	0	0	0
Investments	0	0	0	0
Investments - restricted	0	0	0	0
Accounts receivable	0	374,201	0	0
Due from other government agencies	281,632	0	1,453,471	0
Due from other funds	0	0	0	0
Total Assets	\$ 3,076,740	\$ 2,357,962	\$ 1,453,471	\$ 2,542,735
LIABILITIES				
Accrued liabilities	\$ 11,986	\$ 13,261	\$ 459,667	\$ 0
Accounts payable	857	22,826	0	3,238
Due to other funds	0	0	985,563	0
Unearned revenue	0	0	0	14,729
Total Liabilities	\$ 12,843	\$ 36,087	\$ 1,445,230	\$ 17,967
FUND BALANCES				
Nonspendable:				
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	3,063,897	0	0	0
Capital outlay	0	0	0	0
Education	0	0	8,241	0
Committed to:				
Solid Waste	0	2,321,875	0	0
Assigned to:				
Education	0	0	0	2,524,768
Library	0	0	0	0
Debt service	0	0	0	0
Capital outlay	0	0	0	0
Total Fund Balances	\$ 3,063,897	\$ 2,321,875	\$ 8,241	\$ 2,524,768
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,076,740	\$ 2,357,962	\$ 1,453,471	\$ 2,542,735

Special Revenue

<u>Library Fund</u>	<u>Drug Enforcement Fund</u>	<u>Metropolitan Transportation Planning Organization Fund</u>	<u>Community Development Block Grant Fund</u>
\$ 300,176	\$ 273,298	\$ 75,098	\$ 184,784
0	0	0	0
219,254	0	0	0
0	0	0	0
0	0	0	0
0	1,939	157,128	2,349
0	0	0	0
<u>\$ 519,430</u>	<u>\$ 275,237</u>	<u>\$ 232,226</u>	<u>\$ 187,133</u>
\$ 0	\$ 0	\$ 2,806	\$ 2,114
7,741	226	25,665	383
0	0	0	0
0	0	0	0
<u>\$ 7,741</u>	<u>\$ 226</u>	<u>\$ 28,471</u>	<u>\$ 2,497</u>
\$ 13,700	\$ 0	\$ 0	\$ 0
0	275,011	0	0
0	0	0	184,636
0	0	0	0
0	0	203,755	0
0	0	0	0
0	0	0	0
0	0	0	0
497,989	0	0	0
0	0	0	0
0	0	0	0
<u>\$ 511,689</u>	<u>\$ 275,011</u>	<u>\$ 203,755</u>	<u>\$ 184,636</u>
<u>\$ 519,430</u>	<u>\$ 275,237</u>	<u>\$ 232,226</u>	<u>\$ 187,133</u>

CITY OF CLEVELAND, TENNESSEE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 June 30, 2023

	<u>Special Revenue</u>		<u>Debt Service</u>
	E-Ticketing Grant Fund	Internal School Activity Funds	Debt Service Fund
ASSETS			
Cash and cash equivalents	\$ 17,404	\$ 1,294,144	\$ 5,402,911
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	0
Due from other funds	0	0	713,333
Total Assets	\$ 17,404	\$ 1,294,144	\$ 6,116,244
LIABILITIES			
Accrued liabilities	\$ 0	\$ 0	\$ 2,097
Accounts payable	0	5,656	0
Due to other funds	0	0	0
Unearned revenue	0	0	0
Total Liabilities	\$ 0	\$ 5,656	\$ 2,097
FUND BALANCES:			
Nonspendable:			
Permanent fund principal	\$ 0	\$ 0	\$ 0
Restricted for:			
Law enforcement	17,404	0	0
Community development - federal grants	0	0	0
Street improvements	0	0	0
Capital outlay	0	0	0
Education	0	1,288,488	0
Committed to:			
Solid Waste	0	0	0
Assigned to:			
Education	0	0	0
Library	0	0	0
Debt service	0	0	6,114,147
Capital outlay	0	0	0
Total Fund Balances	\$ 17,404	\$ 1,288,488	\$ 6,114,147
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,404	\$ 1,294,144	\$ 6,116,244

Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
Sales Tax Capital Projects Fund	School Capital Improvement Projects Fund	American Rescue Plan Fund	Meiler Estate Animal Shelter Trust Fund	
\$ 6,186,537	\$ 3,224,392	\$ 7,752,855	\$ 57,584	\$ 32,090,787
0	0	0	206,124	206,124
0	0	0	0	219,254
0	0	0	253,812	253,812
0	0	0	139	374,340
974,094	0	0	0	2,870,613
0	0	0	0	713,333
<u>\$ 7,160,631</u>	<u>\$ 3,224,392</u>	<u>\$ 7,752,855</u>	<u>\$ 517,659</u>	<u>\$ 36,728,263</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 491,931
14,156	50,868	9,388	0	141,004
0	0	0	0	985,563
0	0	7,504,836	0	7,519,565
<u>\$ 14,156</u>	<u>\$ 50,868</u>	<u>\$ 7,514,224</u>	<u>\$ 0</u>	<u>\$ 9,138,063</u>
\$ 0	\$ 0	\$ 0	\$ 459,936	\$ 473,636
0	0	0	0	292,415
0	0	0	0	184,636
0	0	0	0	3,063,897
7,146,475	3,173,524	238,631	0	10,762,385
0	0	0	0	1,296,729
0	0	0	0	2,321,875
0	0	0	0	2,524,768
0	0	0	0	497,989
0	0	0	0	6,114,147
0	0	0	57,723	57,723
<u>\$ 7,146,475</u>	<u>\$ 3,173,524</u>	<u>\$ 238,631</u>	<u>\$ 517,659</u>	<u>\$ 27,590,200</u>
<u>\$ 7,160,631</u>	<u>\$ 3,224,392</u>	<u>\$ 7,752,855</u>	<u>\$ 517,659</u>	<u>\$ 36,728,263</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, 2023

	Special Revenue			
	State Street Aid Fund	Solid Waste Management Fund	School Federal Projects Fund	School Food Services Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	1,645,121	0	10,159,865	4,217,400
Fines and forfeitures	0	0	0	0
Charges for services	0	4,373,661	0	101,090
Interest	111,434	79,266	0	15,553
Miscellaneous	5,744	13,984	0	0
Total revenues	\$ 1,762,299	\$ 4,466,911	\$ 10,159,865	\$ 4,334,043
Expenditures:				
Current:				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Development and engineering	0	0	0	0
Public safety	0	0	0	0
Public works	1,040,152	4,108,979	0	0
Culture and recreation	0	0	0	0
Education	0	0	7,646,162	3,793,112
Capital Outlay	0	0	2,512,824	0
Debt Service	0	0	0	0
Total expenditures	\$ 1,040,152	\$ 4,108,979	\$ 10,158,986	\$ 3,793,112
Excess (deficiency) of revenues over expenditures	\$ 722,147	\$ 357,932	\$ 879	\$ 540,931
Other financing sources (uses):				
Transfers in	\$ 0	\$ 150,000	\$ 0	\$ 0
Transfers out	(444,042)	0	(879)	0
Total other financing sources (uses)	\$ (444,042)	\$ 150,000	\$ (879)	\$ 0
Net change in fund balances	\$ 278,105	\$ 507,932	\$ 0	\$ 540,931
Fund balances at beginning of year	\$ 2,785,792	\$ 1,813,943	\$ 8,241	\$ 1,983,837
Prior period adjustment	0	0	0	0
Fund balances at end of year restated	\$ 2,785,792	\$ 1,813,943	\$ 8,241	\$ 1,983,837
Fund balances at end of year	\$ 3,063,897	\$ 2,321,875	\$ 8,241	\$ 2,524,768

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
684,000	0	166,331	438,419	0
0	62,122	0	0	170
44,618	0	0	0	0
2,564	9,700	0	0	0
26,500	0	0	0	0
<u>\$ 757,682</u>	<u>\$ 71,822</u>	<u>\$ 166,331</u>	<u>\$ 438,419</u>	<u>\$ 170</u>
\$ 0	\$ 0	\$ 218,129	\$ 0	\$ 0
0	0	0	187,895	0
0	25,395	0	0	11,155
0	0	0	0	0
1,480,602	0	0	0	0
0	0	0	0	0
2,747	0	0	251,928	0
0	0	0	0	0
<u>\$ 1,483,349</u>	<u>\$ 25,395</u>	<u>\$ 218,129</u>	<u>\$ 439,823</u>	<u>\$ 11,155</u>
<u>\$ (725,667)</u>	<u>\$ 46,427</u>	<u>\$ (51,798)</u>	<u>\$ (1,404)</u>	<u>\$ (10,985)</u>
\$ 684,000	\$ 0	\$ 151,500	\$ 30,000	\$ 0
0	0	0	0	0
<u>\$ 684,000</u>	<u>\$ 0</u>	<u>\$ 151,500</u>	<u>\$ 30,000</u>	<u>\$ 0</u>
<u>\$ (41,667)</u>	<u>\$ 46,427</u>	<u>\$ 99,702</u>	<u>\$ 28,596</u>	<u>\$ (10,985)</u>
\$ 553,356	\$ 228,584	\$ 104,053	\$ 156,040	\$ 28,389
0	0	0	0	0
<u>\$ 553,356</u>	<u>\$ 228,584</u>	<u>\$ 104,053</u>	<u>\$ 156,040</u>	<u>\$ 28,389</u>
<u>\$ 511,689</u>	<u>\$ 275,011</u>	<u>\$ 203,755</u>	<u>\$ 184,636</u>	<u>\$ 17,404</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, 2023

	Special Revenue		Debt Service
	Byrne Memorial Justice Assistance Grant	Internal School Activity Funds	Debt Service Fund
Revenues:			
Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental	36,972	0	131,935
Fines and forfeitures	0	0	0
Charges for services	0	0	0
Interest	0	0	220,329
Miscellaneous	0	2,349,375	0
Total revenues	\$ 36,972	\$ 2,349,375	\$ 352,264
Expenditures:			
Current:			
General government	\$ 0	\$ 0	\$ 0
Development and engineering	0	0	0
Public safety	36,972	0	0
Public works	0	0	0
Culture and recreation	0	0	0
Education	0	2,180,559	0
Capital Outlay	0	0	0
Debt Service	0	0	8,338,563
Total expenditures	\$ 36,972	\$ 2,180,559	\$ 8,338,563
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 168,816	\$ (7,986,299)
Other financing sources (uses):			
Transfers in	\$ 0	\$ 0	\$ 7,440,849
Transfers out	0	0	0
Total other financing sources (uses)	\$ 0	\$ 0	\$ 7,440,849
Net change in fund balances	\$ 0	\$ 168,816	\$ (545,450)
Fund balances at beginning of year	\$ 0	\$ 0	\$ 6,659,597
Prior period adjustment	0	1,119,672	0
Fund balances at end of year restated	\$ 0	\$ 1,119,672	\$ 6,659,597
Fund balances at end of year	\$ 0	\$ 1,288,488	\$ 6,114,147

Capital Projects			Permanent Fund	
Sales Tax Capital Projects Fund	School Capital Improvement Projects Fund	American Rescue Plan Fund	Meiler Estate Animal Shelter Trust Fund	Total Nonmajor Governmental Funds
\$ 5,758,842	\$ 0	\$ 0	\$ 0	\$ 5,758,842
0	0	204,121	0	17,684,164
0	0	0	0	62,292
0	0	0	0	4,519,369
245,663	160,067	230,497	14,461	1,089,534
0	0	0	0	2,395,603
<u>\$ 6,004,505</u>	<u>\$ 160,067</u>	<u>\$ 434,618</u>	<u>\$ 14,461</u>	<u>\$ 31,509,804</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 218,129
0	0	0	0	187,895
0	0	0	0	73,522
0	0	0	0	5,149,131
0	0	0	0	1,480,602
0	0	0	0	13,619,833
4,127,216	1,403,087	204,121	0	8,501,923
688,023	0	0	0	9,026,586
<u>\$ 4,815,239</u>	<u>\$ 1,403,087</u>	<u>\$ 204,121</u>	<u>\$ 0</u>	<u>\$ 38,257,621</u>
\$ 1,189,266	\$ (1,243,020)	\$ 230,497	\$ 14,461	\$ (6,747,817)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,456,349
0	0	0	0	(444,921)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,011,428</u>
\$ 1,189,266	\$ (1,243,020)	\$ 230,497	\$ 14,461	\$ 1,263,611
\$ 5,957,209	\$ 4,416,544	\$ 3,060,590	\$ 503,198	\$ 28,259,373
0	0	(3,052,456)	0	(1,932,784)
<u>\$ 5,957,209</u>	<u>\$ 4,416,544</u>	<u>\$ 8,134</u>	<u>\$ 503,198</u>	<u>\$ 26,326,589</u>
<u>\$ 7,146,475</u>	<u>\$ 3,173,524</u>	<u>\$ 238,631</u>	<u>\$ 517,659</u>	<u>\$ 27,590,200</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
State gas tax	\$ 1,450,000	\$ 1,450,000	\$ 1,645,121	\$ 195,121
Interest	1,000	74,867	111,434	36,567
Miscellaneous	0	0	5,744	5,744
Total revenues	<u>\$ 1,451,000</u>	<u>\$ 1,524,867</u>	<u>\$ 1,762,299</u>	<u>\$ 237,432</u>
Expenditures:				
Current:				
Public works:				
Salaries	\$ 510,800	\$ 508,750	\$ 447,487	\$ 61,263
Overtime wages	5,000	5,000	3,532	1,468
Service awards	75	75	75	0
Longevity	11,250	11,250	11,925	(675)
Sold vacations	2,500	2,500	947	1,553
Christmas bonus	1,300	1,625	1,624	1
Sick pay incentive	1,600	1,375	1,375	0
Dental insurance	6,100	6,100	3,378	2,722
Social security	41,200	41,200	35,044	6,156
Health insurance	129,000	129,000	83,482	45,518
Retirement	92,500	92,500	79,504	12,996
Life and disability insurance	6,000	6,000	5,250	750
Vision insurance	1,400	1,400	753	647
Worker's compensation claims	1,000	3,442	2,202	1,240
Pre-employment testing	500	250	238	12
Safety shoes	1,700	1,458	1,278	180
Worker's compensation	24,900	31,275	31,275	0
Capital outlay:				
Equipment replacement	170,000	383,658	330,783	52,875
Total expenditures	<u>\$ 1,006,825</u>	<u>\$ 1,226,858</u>	<u>\$ 1,040,152</u>	<u>\$ 186,706</u>
Excess of revenues over expenditures	<u>\$ 444,175</u>	<u>\$ 298,009</u>	<u>\$ 722,147</u>	<u>\$ 424,138</u>
Other financing sources (uses):				
Transfers out	<u>\$ (444,042)</u>	<u>\$ (444,042)</u>	<u>\$ (444,042)</u>	<u>\$ 0</u>
Total other financing sources (uses)	<u>\$ (444,042)</u>	<u>\$ (444,042)</u>	<u>\$ (444,042)</u>	<u>\$ 0</u>
Net change in fund balance	\$ 133	\$ (146,033)	\$ 278,105	\$ 424,138
Fund balance at beginning of year	<u>2,785,792</u>	<u>2,785,792</u>	<u>2,785,792</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 2,785,925</u></u>	<u><u>\$ 2,639,759</u></u>	<u><u>\$ 3,063,897</u></u>	<u><u>\$ 424,138</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Charges for services:				
Commercial garbage	\$ 1,851,000	\$ 1,851,000	\$ 1,921,668	\$ 70,668
Residential garbage	2,383,000	2,383,000	2,451,993	68,993
Interest	1,100	51,021	79,266	28,245
Miscellaneous	0	13,962	13,984	22
Total revenues	\$ 4,235,100	\$ 4,298,983	\$ 4,466,911	\$ 167,928
Expenditures:				
Current:				
Public works:				
Salaries	\$ 629,300	\$ 514,193	\$ 461,693	\$ 52,500
Overtime wages	15,000	18,720	20,519	(1,799)
Supplement pay	700	700	605	95
Service awards	200	200	200	0
Longevity	14,200	14,200	14,369	(169)
Sold vacation	5,000	5,000	4,560	440
Christmas bonus	1,600	1,600	1,624	(24)
Sick pay incentive	2,000	1,600	1,600	0
Dental insurance	10,200	10,200	4,918	5,282
Social security	51,500	51,500	37,425	14,075
Health insurance	214,000	214,000	95,810	118,190
Retirement	115,700	115,700	83,086	32,614
Life and disability insurance	8,000	8,000	5,538	2,462
Vision insurance	2,200	2,200	1,044	1,156
Worker's compensation claims	3,000	3,000	0	3,000
Pre-employment testing	500	700	586	114
Safety shoes	2,000	2,000	1,480	520
Postage	100	0	0	0
GPS services	2,200	2,200	2,294	(94)
Subscriptions and memberships	100	0	0	0
Advertising	200	200	89	111
Building and grounds maintenance	300	8,500	7,237	1,263
Professional development	400	0	0	0
Landfill	435,000	376,503	329,480	47,023
Residential account	1,180,000	1,219,293	1,218,100	1,193
Commercial account	1,300,000	1,359,467	1,353,949	5,518
Commercial recycling	98,000	108,316	107,786	530
Bradley County recycling	10,000	10,000	10,000	0
Office expenditures	1,000	1,300	1,268	32
Operating supplies	4,900	4,900	3,950	950

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, 2023

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Safety supplies	\$ 500	\$ 500	\$ 484	\$ 16
Uniforms	4,000	2,917	2,842	75
Gasoline and oil	67,000	88,577	119,640	(31,063)
Repairs and parts	121,500	171,750	164,838	6,912
Insurance - property	200	200	131	69
Insurance - vehicle	13,600	12,158	12,158	0
Insurance - general liability	9,200	10,037	10,037	0
Insurance - workers compensation	30,300	28,313	28,313	0
Software	0	1,326	1,326	0
Total expenditures	<u>\$ 4,353,600</u>	<u>\$ 4,369,970</u>	<u>\$ 4,108,979</u>	<u>\$ 260,991</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (118,500)</u>	<u>\$ (70,987)</u>	<u>\$ 357,932</u>	<u>\$ 428,919</u>
Other financing sources:				
Transfers in	\$ 150,000	\$ 150,000	\$ 150,000	\$ 0
Total other financing sources	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 0</u>
Net change in fund balance	\$ 31,500	\$ 79,013	\$ 507,932	\$ 428,919
Fund balance at beginning of year	<u>1,813,943</u>	<u>1,813,943</u>	<u>1,813,943</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 1,845,443</u></u>	<u><u>\$ 1,892,956</u></u>	<u><u>\$ 2,321,875</u></u>	<u><u>\$ 428,919</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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government	\$ 16,322,687	\$ 16,957,455	\$ 10,159,865	\$ (6,797,590)
Total revenues	<u>\$ 16,322,687</u>	<u>\$ 16,957,455</u>	<u>\$ 10,159,865</u>	<u>\$ (6,797,590)</u>
Expenditures:				
Current:				
Education:				
Regular instruction	\$ 4,330,201	\$ 4,689,456	\$ 2,434,396	\$ 2,255,060
Special education	1,313,458	1,468,444	1,198,890	269,554
Vocational education	104,321	112,665	112,665	0
Support services	5,449,829	5,526,091	3,900,211	1,625,880
Capital outlay:				
Building improvements	5,124,000	5,159,921	2,512,824	2,647,097
Total expenditures	<u>\$ 16,321,809</u>	<u>\$ 16,956,577</u>	<u>\$ 10,158,986</u>	<u>\$ 6,797,591</u>
Excess of revenues over expenditures	\$ 878	\$ 878	\$ 879	\$ 1
Other financing sources (uses):				
Transfers out	\$ (878)	\$ (878)	\$ (879)	\$ (1)
Total other financing sources (uses)	<u>\$ (878)</u>	<u>\$ (878)</u>	<u>\$ (879)</u>	<u>\$ (1)</u>
Net change in fund balance	\$ 0	0	0	0
Fund balance at beginning of year	<u>8,241</u>	<u>8,241</u>	<u>8,241</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 8,241</u></u>	<u><u>\$ 8,241</u></u>	<u><u>\$ 8,241</u></u>	<u><u>\$ 0</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
USDA reimbursements	\$ 3,716,933	\$ 3,114,164	\$ 4,217,400	\$ 1,103,236
Charges for services	83,000	74,886	101,090	26,204
Interest	400	4,711	15,553	10,842
Total revenues	<u>\$ 3,800,333</u>	<u>\$ 3,193,761</u>	<u>\$ 4,334,043</u>	<u>\$ 1,140,282</u>
Expenditures:				
Current:				
Education:				
Clerical personnel	\$ 78,000	\$ 77,035	\$ 31,986	\$ 45,049
Cafeteria personnel	1,204,375	892,325	968,731	(76,406)
In-service training	2,000	800	1,140	(340)
Social security	75,850	60,647	58,803	1,844
State retirement	169,638	116,984	136,528	(19,544)
Life insurance	3,900	2,778	2,806	(28)
Medical insurance	272,000	173,621	208,369	(34,748)
Unemployment compensation	300	0	0	0
Employer medicare liability	18,707	14,184	14,425	(241)
Other fringe benefits	44,000	33,387	33,388	(1)
Communication	1,300	500	329	171
Dues and membership	1,200	1,216	1,230	(14)
Maintenance and repair services	40,000	51,025	40,405	10,620
Transportation	3,000	2,316	2,707	(391)
Travel	2,500	3,303	3,301	2
Other contracted services	1,002,175	915,661	1,191,652	(275,991)
Food supplies	725,900	765,483	781,701	(16,218)
Office supplies	1,500	1,382	893	489
Uniforms	850	120	80	40
In-service staff development	1,200	572	591	(19)
Food commodities	74,438	249,033	239,134	9,899
Other supplies and materials	65,000	66,866	74,913	(8,047)
Applicant investigation	500	291	0	291
Food service equipment	12,000	0	0	0
Total expenditures	<u>\$ 3,800,333</u>	<u>\$ 3,429,529</u>	<u>\$ 3,793,112</u>	<u>\$ (363,583)</u>
Excess of revenues over expenditures	\$ 0	\$ (235,768)	\$ 540,931	\$ 776,699
Fund balance at beginning of year	<u>1,983,837</u>	<u>1,983,837</u>	<u>1,983,837</u>	<u>0</u>
Fund balance at end of year	<u>\$ 1,983,837</u>	<u>\$ 1,748,069</u>	<u>\$ 2,524,768</u>	<u>\$ 776,699</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
Bradley County	\$ 684,000	\$ 684,000	\$ 684,000	\$ 0
Charges for services	40,000	42,000	44,618	2,618
Interest	1,500	2,500	2,564	64
Miscellaneous:				
Gifts	70,000	70,000	26,500	(43,500)
Total revenues	<u>\$ 795,500</u>	<u>\$ 798,500</u>	<u>\$ 757,682</u>	<u>\$ (40,818)</u>
Expenditures:				
Current:				
Culture and recreation:				
Salaries	\$ 785,000	\$ 766,600	\$ 766,483	\$ 117
Employee benefits	285,000	287,100	278,986	8,114
Materials and online	117,100	119,200	123,402	(4,202)
Utilities	83,400	85,400	86,225	(825)
Equipment maintenance	16,000	9,000	9,392	(392)
Building and grounds maintenance	21,000	29,500	29,479	21
Office	70,000	80,000	84,154	(4,154)
Grant expenditures	0	5,500	4,161	1,339
Insurance	31,200	30,400	30,280	120
Gift and memorial expenditures	70,000	90,000	68,040	21,960
Capital Outlay:				
Furniture	0	2,800	2,747	53
Total expenditures	<u>\$ 1,478,700</u>	<u>\$ 1,505,500</u>	<u>\$ 1,483,349</u>	<u>\$ 22,151</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (683,200)</u>	<u>\$ (707,000)</u>	<u>\$ (725,667)</u>	<u>\$ (18,667)</u>
Other financing sources:				
Transfers in	\$ 684,000	\$ 684,000	\$ 684,000	\$ 0
Total other financing sources	<u>\$ 684,000</u>	<u>\$ 684,000</u>	<u>\$ 684,000</u>	<u>\$ 0</u>
Net change in fund balance	\$ 800	\$ (23,000)	\$ (41,667)	\$ (18,667)
Fund balance at beginning of year	<u>553,356</u>	<u>553,356</u>	<u>553,356</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 554,156</u></u>	<u><u>\$ 530,356</u></u>	<u><u>\$ 511,689</u></u>	<u><u>\$ (18,667)</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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 23,500	\$ 61,825	\$ 62,122	\$ 297
Interest	200	6,422	9,700	3,278
Total revenues	<u>\$ 23,700</u>	<u>\$ 68,247</u>	<u>\$ 71,822</u>	<u>\$ 3,575</u>
Expenditures:				
Current:				
Public safety:				
Seized vehicles	\$ 13,000	\$ 13,000	\$ 15,395	\$ (2,395)
Investigative funds	10,000	10,000	10,000	0
Equipment	600	600	0	600
Total expenditures	<u>\$ 23,600</u>	<u>\$ 23,600</u>	<u>\$ 25,395</u>	<u>\$ (1,795)</u>
Excess (deficiency) of revenues over expenditures	\$ 100	\$ 44,647	\$ 46,427	\$ 1,780
Fund balance at beginning of year	<u>228,584</u>	<u>228,584</u>	<u>228,584</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 228,684</u></u>	<u><u>\$ 273,231</u></u>	<u><u>\$ 275,011</u></u>	<u><u>\$ 1,780</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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 198,000	\$ 198,000	\$ 166,331	\$ (31,669)
Total revenues	<u>\$ 198,000</u>	<u>\$ 198,000</u>	<u>\$ 166,331</u>	<u>\$ (31,669)</u>
Expenditures:				
Current:				
General government:				
Salaries	\$ 164,600	\$ 165,621	\$ 73,234	\$ 92,387
Benefits	57,000	69,177	31,767	37,410
Postage and shipping	0	150	0	150
Telephone	1,600	900	1,067	(167)
Contracted services	104,000	88,700	97,200	(8,500)
Professional development	1,000	1,923	1,919	4
Office	5,000	4,477	4,590	(113)
Software	6,000	8,352	8,352	0
Total expenditures	<u>\$ 339,200</u>	<u>\$ 339,300</u>	<u>\$ 218,129</u>	<u>\$ 121,171</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (141,200)</u>	<u>\$ (141,300)</u>	<u>\$ (51,798)</u>	<u>\$ 89,502</u>
Other financing sources:				
Transfers in	\$ 44,500	\$ 151,500	\$ 151,500	\$ 0
Total other financing sources	<u>\$ 44,500</u>	<u>\$ 151,500</u>	<u>\$ 151,500</u>	<u>\$ 0</u>
Net change in fund balance	\$ (96,700)	\$ 10,200	\$ 99,702	\$ 89,502
Fund balance at beginning of year	<u>104,053</u>	<u>104,053</u>	<u>104,053</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 7,353</u></u>	<u><u>\$ 114,253</u></u>	<u><u>\$ 203,755</u></u>	<u><u>\$ 89,502</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
Community Development Block Grant-2018	\$ 0	\$ 75,515	\$ 20,543	\$ (54,972)
Community Development Block Grant-2019	0	12,000	12,000	0
Community Development Block Grant-2020	0	5,152	0	(5,152)
Community Development Block Grant-2021	0	56,144	56,616	472
Community Development Block Grant-2022	375,000	375,000	328,270	(46,730)
COVID funds	0	73,673	20,990	(52,683)
	<u>0</u>	<u>73,673</u>	<u>20,990</u>	<u>(52,683)</u>
Total revenues	\$ 375,000	\$ 597,484	\$ 438,419	\$ (159,065)
Expenditures:				
Current:				
Community development:				
Administration:				
Salaries	\$ 49,802	\$ 49,802	\$ 50,261	\$ (459)
Christmas bonus	77	114	114	0
Sick pay incentive	210	173	140	33
Dental insurance	285	285	188	97
Social security	3,832	4,800	5,150	(350)
Health insurance	6,350	6,350	5,438	912
Retirement	8,606	8,606	8,721	(115)
Life insurance and disability	626	936	865	71
Vision insurance	71	71	44	27
Advertising	1,000	690	380	310
Telephone	1,200	600	565	35
Professional services	2,400	2,400	1,968	432
Office supplies	800	800	708	92
Operating supplies - covid	0	10,000	3,892	6,108
Uniforms	300	300	245	55
Gasoline	500	500	97	403
Down payment assistance	0	78,000	34,800	43,200
Miscellaneous - COVID	0	63,673	18,626	45,047
Miscellaneous	1,500	1,132	603	529
Codes Enforcement:				
Salaries	39,731	39,731	35,199	4,532
Christmas bonus	110	110	162	(52)
Sick pay incentive	300	300	75	225
Dental insurance	407	407	241	166
Social security tax	3,071	3,071	2,749	322
Health insurance	9,072	9,072	6,987	2,085
Retirement	6,986	6,986	5,168	1,818
Life insurance	895	895	0	895

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Community development - (Continued):				
Codes Enforcement - (Continued):				
Vision insurance	\$ 102	\$ 102	\$ 56	\$ 46
Advertising	200	200	0	200
Telephone	1,200	1,200	574	626
Vehicle maintenance	1,000	1,000	1,255	(255)
Professional development	1,000	1,000	95	905
Office supplies	150	150	38	112
Uniforms	400	400	350	50
Gasoline	2,000	2,000	1,601	399
Insurance - vehicles	400	440	440	0
Miscellaneous	1,500	1,500	100	1,400
Capital outlay:				
Projects to be determined	258,917	30,068	0	30,068
Blythe sidewalks	0	75,515	20,543	54,972
Mosby Park Phase II	0	50,144	50,144	0
Mosby Park Phase III	0	181,241	181,241	0
	<u>\$ 405,000</u>	<u>\$ 634,764</u>	<u>\$ 439,823</u>	<u>\$ 194,941</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (30,000)</u>	<u>\$ (37,280)</u>	<u>\$ (1,404)</u>	<u>\$ 35,876</u>
Other financing sources:				
Transfers in	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 0</u>
Total other financing sources	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 0</u>
Net change in fund balance	\$ 0	\$ (7,280)	\$ 28,596	\$ 35,876
Fund balance at beginning of year	<u>156,040</u>	<u>156,040</u>	<u>156,040</u>	<u>0</u>
Fund balance at end of year	<u>\$ 156,040</u>	<u>\$ 148,760</u>	<u>\$ 184,636</u>	<u>\$ 35,876</u>

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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures:				
Citation fee	\$ 0	\$ 0	\$ 170	\$ 170
Total revenues	\$ 0	\$ 0	\$ 170	\$ 170
Expenditures:				
Current:				
Public safety:				
Technical fees and materials	\$ 0	\$ 11,614	\$ 10,993	\$ 621
Technical supplies - Court Clerk	0	16,775	162	16,613
Total expenditures	\$ 0	\$ 28,389	\$ 11,155	\$ 17,234
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (28,389)	\$ (10,985)	\$ 17,404
Fund balance at beginning of year	28,389	28,389	28,389	0
Fund balance at end of year	\$ 28,389	\$ 0	\$ 17,404	\$ 17,404

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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 0	\$ 37,354	\$ 36,972	\$ (382)
Total revenues	<u>\$ 0</u>	<u>\$ 37,354</u>	<u>\$ 36,972</u>	<u>\$ (382)</u>
Expenditures:				
Current:				
Public safety:				
Bradley County disparate	\$ 0	\$ 12,851	\$ 12,851	\$ 0
Equipment replacement	<u>0</u>	<u>24,503</u>	<u>24,121</u>	<u>382</u>
Total expenditures	<u>\$ 0</u>	<u>\$ 37,354</u>	<u>\$ 36,972</u>	<u>\$ 382</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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Bradley County	\$ 146,250	\$ 146,250	\$ 131,935	\$ (14,315)
Interest	5,000	139,964	220,329	80,365
Total revenues	<u>\$ 151,250</u>	<u>\$ 286,214</u>	<u>\$ 352,264</u>	<u>\$ 66,050</u>
Expenditures:				
Debt service:				
Principal retirement	\$ 4,959,500	\$ 5,060,593	\$ 4,975,317	\$ 85,276
Interest and fiscal charges	3,412,654	3,412,654	3,363,246	49,408
Total expenditures	<u>\$ 8,372,154</u>	<u>\$ 8,473,247</u>	<u>\$ 8,338,563</u>	<u>\$ 134,684</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (8,220,904)</u>	<u>\$ (8,187,033)</u>	<u>\$ (7,986,299)</u>	<u>\$ 200,734</u>
Other financing sources (uses):				
Transfers in	<u>\$ 7,371,224</u>	<u>\$ 7,472,317</u>	<u>\$ 7,440,849</u>	<u>\$ (31,468)</u>
Total other financing sources	<u>\$ 7,371,224</u>	<u>\$ 7,472,317</u>	<u>\$ 7,440,849</u>	<u>\$ (31,468)</u>
Net change in fund balance	\$ (849,680)	\$ (714,716)	\$ (545,450)	\$ 169,266
Fund balance at beginning of year	<u>6,659,597</u>	<u>6,659,597</u>	<u>6,659,597</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 5,809,917</u></u>	<u><u>\$ 5,944,881</u></u>	<u><u>\$ 6,114,147</u></u>	<u><u>\$ 169,266</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Local 1/2 cent sales tax	\$ 3,484,000	\$ 3,504,500	\$ 4,159,214	\$ 654,714
School 1/2 cent sales tax	1,265,000	1,265,000	1,599,628	334,628
Interest	8,000	168,804	245,663	76,859
Total revenues	\$ 4,757,000	\$ 4,938,304	\$ 6,004,505	\$ 1,066,201
Expenditures:				
Capital outlay:				
Capital projects	\$ 631,000	\$ 0	\$ 0	\$ 0
Downtown redevelopment	0	39,403	0	39,403
Vehicles	0	40,000	0	
Equipment replacement - mower deck	165,000	185,500	185,489	11
GIS flyover	26,000	81,713	26,797	54,916
Capital project - Development and Engineering	0	12,500	0	12,500
Greenway Phase 6	0	216,561	68,605	147,956
CMAQ Park and Ride	0	240,000	0	240,000
25th Street multimodal	0	25,000	2,895	22,105
Vehicles - police department	300,000	302,962	249,986	52,976
Building improvements - police department	182,000	194,383	188,322	6,061
Apparatus replacement - fire department	300,000	567,950	567,950	0
Equipment replacement - SCBA	0	15,839	0	15,839
Capital projects - public works	0	1,343	0	1,343
Transportation projects	0	192,779	138,548	54,231
Indian Hills	0	82,381	68,114	14,267
Adkisson Drive	0	438	438	0
Multi-modal access	0	47,528	34,058	13,470
LIC	0	834,112	835,341	(1,229)
Peerless extension	0	224,190	31,269	192,921
Transportation projects	0	16,210	0	16,210
Central Avenue	0	111,192	79,493	31,699
17th and 20th Street	0	0	3,847	(3,847)
Gaut Street	0	97,758	986	96,772
Paving	1,000,000	1,827,285	777,862	1,049,423
Sidewalks	65,000	173,010	76,042	96,968
Equipment - public works	143,299	378,199	0	378,199
Drainage projects - jetport	0	16,350	0	16,350
Improvements	0	24,999	24,999	0
Equipment - jetport	0	16,196	16,195	1
Capital projects - Parks and recreation	625,000	0	0	0
Greenway Willow Street extension	0	29,438	0	29,438
Tinsley Park - building	0	3,182	410	2,772
Tinsley Park - improvements	0	41,104	0	41,104
Equipment replacement - parks and recreation	45,000	72,121	34,214	37,907
Capital projects - schools	579,977	702,357	715,356	(12,999)

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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Debt service:				
QSCB principal	\$ 259,577	\$ 259,577	\$ 259,577	\$ 0
QSCB interest	63,024	63,024	63,024	0
QSCB fiscal charges	4,160	4,160	4,160	0
Arnold School renovation - principal	65,000	65,000	65,000	0
Arnold School renovation - interest	38,375	38,375	38,375	0
ESG equipment facility - principal	142,500	142,500	142,500	0
ESG equipment facility - interest	115,387	115,387	115,387	0
Total expenditures	<u>\$ 4,750,299</u>	<u>\$ 7,502,006</u>	<u>\$ 4,815,239</u>	<u>\$ 2,646,767</u>
Excess (deficiency) of revenues over expenditures	\$ 6,701	\$ (2,563,702)	\$ 1,189,266	\$ 3,712,968
Fund balance at beginning of year	<u>5,957,209</u>	<u>5,957,209</u>	<u>5,957,209</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 5,963,910</u></u>	<u><u>\$ 3,393,507</u></u>	<u><u>\$ 7,146,475</u></u>	<u><u>\$ 3,712,968</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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 0	\$ 117,671	\$ 160,067	\$ 42,396
Total revenues	<u>\$ 0</u>	<u>\$ 117,671</u>	<u>\$ 160,067</u>	<u>\$ 42,396</u>
Expenditures:				
Capital outlay:				
Building Raider Drive	\$ 0	\$ 3,816,902	\$ 921,196	\$ 2,895,706
Improvements	<u>0</u>	<u>717,313</u>	<u>481,891</u>	<u>235,422</u>
Total expenditures	<u>\$ 0</u>	<u>\$ 4,534,215</u>	<u>\$ 1,403,087</u>	<u>\$ 3,131,128</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (4,416,544)	\$ (1,243,020)	\$ 3,173,524
Fund balance at beginning of year	<u>4,416,544</u>	<u>4,416,544</u>	<u>4,416,544</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 4,416,544</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,173,524</u></u>	<u><u>\$ 3,173,524</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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental				
Federal grant	\$ 0	\$ 4,656,501	\$ 204,121	\$ (4,452,380)
Interest	0	132,219	230,497	98,278
Total revenues	<u>\$ 0</u>	<u>\$ 4,788,720</u>	<u>\$ 434,618</u>	<u>\$ (4,354,102)</u>
Expenditures:				
Capital outlay:				
Cherokee Hotel renovation	\$ 0	\$ 6,192,929	\$ 16,292	\$ 6,176,637
Technology upgrade	0	95,294	94,686	608
City Field	0	400,000	0	400,000
Vehicles	400,000	400,000	0	400,000
Ladder truck	400,000	400,000	0	400,000
Museum Center	50,000	50,000	33,174	16,826
Community Services	50,000	100,000	0	100,000
Caring Place	50,000	50,000	47,969	2,031
Library Improvements	0	12,000	12,000	0
Total expenditures	<u>\$ 950,000</u>	<u>\$ 7,700,223</u>	<u>\$ 204,121</u>	<u>\$ 7,496,102</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (950,000)</u>	<u>\$ (2,911,503)</u>	<u>\$ 230,497</u>	<u>\$ 3,142,000</u>
Fund balance at beginning of year	\$ 3,060,590	\$ 3,060,590	\$ 3,060,590	\$ 0
Prior period adjustment	<u>(3,052,456)</u>	<u>(3,052,456)</u>	<u>(3,052,456)</u>	<u>0</u>
Fund balance at beginning of year restated	<u>\$ 8,134</u>	<u>\$ 8,134</u>	<u>\$ 8,134</u>	<u>\$ 0</u>
Fund balance at end of year	<u><u>\$ (941,866)</u></u>	<u><u>\$ (2,903,369)</u></u>	<u><u>\$ 238,631</u></u>	<u><u>\$ 3,142,000</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 500	\$ 7,032	\$ 14,461	\$ 7,429
Total revenues	<u>\$ 500</u>	<u>\$ 7,032</u>	<u>\$ 14,461</u>	<u>\$ 7,429</u>
Excess of revenues over expenditures	\$ 500	\$ 7,032	\$ 14,461	\$ 7,429
Fund balance at beginning of year	<u>503,198</u>	<u>503,198</u>	<u>503,198</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 503,698</u></u>	<u><u>\$ 510,230</u></u>	<u><u>\$ 517,659</u></u>	<u><u>\$ 7,429</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
Federal grant - Gaut Improvement	0	799,274	0	(799,274)
Federal grant - Paul Huff	0	44,984	49,755	4,771
Federal grant - Jetport Covid	0	23,000	23,000	0
Federal grant - Jetport box culvert repair	0	30,000	27,313	(2,687)
Federal grant - Jetport ARPA	0	59,000	59,000	0
State grant - Multi-Modal Access	0	85,477	13,401	(72,076)
State grant - Peerless and Georgetown	0	851,998	55,010	(796,988)
State grant - Community tree grant	0	5,496	5,496	0
State grant - LIC	0	658,473	884,196	225,723
State grant - Jetport environmental monitoring	0	6,500	6,500	0
State grant - Sharp Park	625,000	625,000	0	(625,000)
Bradley County - LIC	0	114,813	114,813	0
TVA Community Care Fund	0	25,000	25,000	0
Interest	0	736,737	1,088,373	351,636
Miscellaneous:				
TML Reimbursement - vehicles/equipment	0	53,790	55,466	1,676
Sundry income	0	0	4,615	4,615
Total revenues	\$ 625,000	\$ 4,119,542	\$ 2,411,938	\$ (1,707,604)
Expenditures:				
Capital outlay:				
Legislative and judicial:				
Capital projects	\$ 1,995,000	\$ 887,082	\$ 33,181	\$ 853,901
Whirlpool/Downtown initiative	600,000	3,625,228	367,700	3,257,528
25th and Ocoee Street	0	2,000,000	496,000	1,504,000
Cherokee renovation	0	2,000,000	0	2,000,000
Administration:				
Capital projects	0	650,000	0	650,000
Trans raise grant	0	60,000	0	60,000
Building-library repair	0	3,800	3,800	0
Human resources:				
Software	0	60,000	0	60,000
Finance:				
Capital projects-software	0	599,897	27,585	572,312
Information Technology:				
Greenway Park safety	0	600,000	72,451	527,549
Forestry and landscaping:				
Vehicles	0	38,745	0	38,745
Equipment	0	6,250	6,250	0
Tree grant expenditures	0	10,992	10,840	152
Development and engineering:				
Various capital projects	0	27,062	0	27,062
Greenway Phase VI	0	861,608	0	861,608
Transportation projects - LGIP	0	75,000	1,273	73,727
Michigan Avenue- Minnis	0	250,000	1,500	248,500
Paul Huff paving	0	239,471	62,430	177,041
Transportation projects	0	12,500	12,500	0

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Capital outlay - (Continued)				
Development and engineering - (Continued)				
Infrastructure Peerless/Keith	\$ 0	\$ 252,934	\$ 20,660	\$ 232,274
25th Street Multimodal	0	896,840	55,010	841,830
Downtown Area	0	200,000	0	200,000
City Centre	0	1,800,000	0	1,800,000
3rd Street corridor	0	400,000	0	400,000
Vehicles	0	4,270	0	4,270
Adkisson sidewalks	0	300,000	55,530	244,470
Police department:				
Vehicles	0	55,777	3,804	51,973
Body Cameras	0	70,000	0	70,000
Fire department:				
Capital projects	0	45,114	44,960	154
Apparatus replacement	0	77,321	18,458	58,863
Equipment - radios	0	95,180	94,325	855
Public works - street department:				
Capital projects	0	13,693	13,693	0
Paul Huff and Adkisson	0	900,000	0	900,000
Mouse Creek turn lane	0	200,000	0	200,000
25th and Peerless	0	327,531	404	327,127
Multi Modal Access	0	718,699	652,704	65,995
LIC North on APD 40	0	2,813,031	1,196,043	1,616,988
Peerless extension	0	19,770	0	19,770
Mouse Creek intersection	0	828,712	235,655	593,057
Paul Huff & Peerless intersection	0	1,174,875	7,425	1,167,450
17th and 20th sidewalks	0	516,784	215	516,569
Parker Street sidewalks	0	24,977	23,053	1,924
20th & Tasso	0	551,360	0	551,360
Central Avenue project	0	400,000	0	400,000
Gaut improvements	0	800,232	0	800,232
Paving	300,000	1,979,887	707,315	1,272,572
Improvements-safety markings	0	148,057	45,122	102,935
Sidewalks	65,000	385,138	9,489	375,649
South Lee highway	0	200,000	0	200,000
Cleveland gateway sidewalks	0	100,000	0	100,000
Georgetown road sidewalks	0	200,000	0	200,000
Inman street sidewalks	0	1,025,000	0	1,025,000
1st street sidewalks	0	150,000	0	150,000
Cleveland Regional Jetport:				
Capital projects	0	59,000	0	59,000
Environmental monitoring	0	6,500	325	6,175
Land easement	0	5,398	0	5,398
Box culvert repair	0	30,000	27,313	2,687

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, 2023

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Parks and recreation:				
Civitan Park	\$ 0	\$ 535,065	\$ 61,978	\$ 473,087
Jim Sharp Park	625,000	1,375,000	52,074	1,322,926
Johnston Park	0	500,000	0	500,000
Mosby Park phase II	0	137,527	113,068	24,459
Improvements-Mosby Park	0	25,000	25,000	0
Candies Creek Greenway	0	296,576	185,848	110,728
Improvements- Tinsley Park	0	2,333,761	0	2,333,761
Improvements- Soccer complex	0	1,200,000	0	1,200,000
Improvements - College Hill gym floor	0	59,193	52,434	6,759
East Circle Greenway	0	100,000	0	100,000
Improvements - Greenway lights	0	78,000	0	78,000
Equipment replacement-seeder	0	18,850	14,514	4,336
Debt Service:				
Interest and fiscal charges	0	54,996	39,000	15,996
Total expenditures	\$ 3,585,000	\$ 36,497,683	\$ 4,850,929	\$ 31,646,754
Excess (deficiency) of revenues over expenditures	\$ (2,960,000)	\$ (32,378,141)	\$ (2,438,991)	\$ 29,939,150
Other financing sources (uses):				
Transfers in	\$ 2,965,000	\$ 3,896,493	\$ 3,896,493	\$ 0
Total other financing sources (uses)	\$ 2,965,000	\$ 3,896,493	\$ 3,896,493	\$ 0
Net change in fund balance	\$ 5,000	\$ (28,481,648)	\$ 1,457,502	\$ 29,939,150
Fund balance at beginning of year	26,980,167	26,980,167	26,980,167	0
Fund balance at end of year	\$ 26,985,167	\$ (1,501,481)	\$ 28,437,669	\$ 29,939,150

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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for services	\$ 5,852,660	\$ 5,886,773	\$ 4,956,016	\$ (930,757)
Total operating revenues	<u>\$ 5,852,660</u>	<u>\$ 5,886,773</u>	<u>\$ 4,956,016</u>	<u>\$ (930,757)</u>
Operating Expenses:				
General and administrative:				
Health insurance claims	\$ 4,346,523	\$ 4,934,995	\$ 3,520,645	\$ 1,414,350
Administrative services	841,494	1,011,022	1,088,575	(77,553)
Total operating expenses	<u>\$ 5,188,017</u>	<u>\$ 5,946,017</u>	<u>\$ 4,609,220</u>	<u>\$ 1,336,797</u>
Operating income (loss)	<u>\$ 664,643</u>	<u>\$ (59,244)</u>	<u>\$ 346,796</u>	<u>\$ 406,040</u>
Non Operating Revenues (Expenses):				
Interest income	\$ 1,500	\$ 60,848	\$ 92,610	\$ 31,762
Total non operating revenues (expenses)	<u>\$ 1,500</u>	<u>\$ 60,848</u>	<u>\$ 92,610</u>	<u>\$ 31,762</u>
Change in net position	\$ 666,143	\$ 1,604	\$ 439,406	\$ 437,802
Total net position - beginning	<u>2,516,624</u>	<u>2,516,624</u>	<u>2,516,624</u>	<u>0</u>
Total net position - ending	<u><u>\$ 3,182,767</u></u>	<u><u>\$ 2,518,228</u></u>	<u><u>\$ 2,956,030</u></u>	<u><u>\$ 437,802</u></u>

CAPITAL ASSETS

CITY OF CLEVELAND, TENNESSEE
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULE BY SOURCE(1)
 June 30, 2023 and 2022

	2023	2022
Governmental funds capital assets:		
Land	\$ 38,073,782	\$ 38,073,782
Buildings	162,806,243	159,004,499
Public improvements other than buildings	28,890,475	28,626,067
Infrastructure	83,949,081	77,773,411
Furniture, fixtures, equipment and vehicles	46,120,600	47,759,838
Total governmental funds capital assets	\$ 359,840,181	\$ 351,237,597
Investment in governmental funds capital assets:		
Total governmental funds capital assets	\$ 359,840,181	\$ 351,237,597

(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, 2023

<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>
General Government:						
Administration and finance	\$ 1,045,662	\$ 1,800	\$ 401,565	\$ 263,343	\$ 0	\$ 378,954
General government	3,488,844	221,845	1,555,175	410,985	0	1,300,839
Community development	1,070,335	101,746	417,664	52,566	0	498,359
Library	10,792,296	324,286	5,867,244	77,676	0	4,523,090
Total General Government	\$ 16,397,137	\$ 649,677	\$ 8,241,648	\$ 804,570	\$ 0	\$ 6,701,242
Public Safety:						
Police	\$ 13,355,870	\$ 290,097	\$ 5,210,273	\$ 67,635	\$ 0	\$ 7,787,865
Fire	15,729,179	461,500	6,210,408	314,327	0	8,742,944
Animal Control	367,553	0	98,010	73,147	0	196,396
911 Center	867,618	0	867,618	0	0	0
Total Public Safety	\$ 30,320,220	\$ 751,597	\$ 12,386,309	\$ 455,109	\$ 0	\$ 16,727,205
Public Works:						
Street department	\$ 9,111,084	\$ 591,262	\$ 393,809	\$ 2,455,418	\$ 0	\$ 5,670,595
Engineering	227,486	0	0	47,301	0	180,185
Fleet	1,569,718	108,291	1,207,137	74,216	0	180,074
Old City Landfill	92,500	63,500	25,000	4,000	0	0
Jetport	45,768,693	26,899,869	5,191,891	12,761,296	0	915,637
Primary roads	11,170,880	67,965	0	0	11,102,915	0
Secondary roads	54,367,890	378,887	0	0	53,989,003	0
Drainage	5,468,623	12,147	0	0	5,456,476	0
Detention ponds	3,613,911	770,558	0	0	2,843,353	0
Sidewalks	9,606,778	0	0	0	9,606,778	0
Bridges	950,556	0	0	0	950,556	0
Total Public Works	\$ 141,948,119	\$ 28,892,479	\$ 6,817,837	\$ 15,342,231	\$ 83,949,081	\$ 6,946,491
Parks and Recreation:						
Recreation office	\$ 4,317,937	\$ 0	\$ 27,313	\$ 2,202,054	\$ 0	\$ 2,088,570
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	850,332	47,000	421,769	248,964	0	132,599
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	2,974,761	0	319,839	2,446,101	0	208,821
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	521,318	50,000	8,890	340,562	0	121,866
Total Parks and Recreation	\$ 18,333,676	\$ 1,166,528	\$ 1,852,052	\$ 12,243,441	\$ 0	\$ 3,071,655

CITY OF CLEVELAND, TENNESSEE
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY(1)
 June 30, 2023

(Continued)

<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>
Miscellaneous Properties:						
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
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
Total Miscellaneous Properties	\$ 505,644	\$ 448,110	\$ 12,410	\$ 45,124	\$ 0	\$ 0
Cleveland City Schools:						
School property	\$ 150,991,891	\$ 6,165,391	\$ 133,495,987	\$ 0	\$ 0	\$ 11,330,513
Food Service	1,343,494	0	0	0	0	1,343,494
Total City Schools	\$ 152,335,385	\$ 6,165,391	\$ 133,495,987	\$ 0	\$ 0	\$ 12,674,007
Total Capital Assets	\$ 359,840,181	\$ 38,073,782	\$ 162,806,243	\$ 28,890,475	\$ 83,949,081	\$ 46,120,600

(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, 2023

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
General Government:				
Administration and finance	\$ 1,071,461	\$ 0	\$ 25,799	\$ 1,045,662
General government	3,369,255	121,655	2,066	3,488,844
Community development	1,069,457	24,772	23,894	1,070,335
Library	10,535,337	263,110	6,151	10,792,296
Total General Government	\$ 16,045,510	\$ 409,537	\$ 57,910	\$ 16,397,137
Public Safety:				
Police	\$ 13,099,917	\$ 370,027	\$ 114,074	\$ 13,355,870
Fire	15,355,746	375,268	1,835	15,729,179
Animal Control	384,008	2,709	19,164	367,553
911 Center	867,618	0	0	867,618
Total Public Safety	\$ 29,707,289	\$ 748,004	\$ 135,073	\$ 30,320,220
Public Works:				
Street department	\$ 8,546,668	\$ 704,141	\$ 139,725	\$ 9,111,084
Engineering	244,221	3,265	20,000	227,486
Fleet	1,602,219	9,001	41,502	1,569,718
Old City Landfill	92,500	0	0	92,500
Jetport	45,753,869	16,547	1,723	45,768,693
Primary roads	11,170,880	0	0	11,170,880
Secondary roads	52,587,742	1,780,148	0	54,367,890
Drainage	5,396,708	71,915	0	5,468,623
Detention ponds	3,613,911	0	0	3,613,911
Sidewalks	5,480,914	4,125,864	0	9,606,778
Bridges	752,813	197,743	0	950,556
Total Public Works	\$ 135,242,445	\$ 6,908,624	\$ 202,950	\$ 141,948,119
Parks and Recreation:				
Recreation office	\$ 4,154,966	\$ 250,174	\$ 87,203	\$ 4,317,937
Tinsley Park	3,705,054	0	0	3,705,054
Waterville Golf Course	2,151,552	0	0	2,151,552
College Hill Center	1,655,268	0	0	1,655,268
Cleveland Community Center	846,053	4,279	0	850,332
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	11,537	0	2,974,761
Fletcher Park	693,024	0	0	693,024
1st Street Square Park	535,363	0	0	535,363
Soccer Complex	525,248	0	3,930	521,318
Total Parks and Recreation	\$ 18,158,819	\$ 265,990	\$ 91,133	\$ 18,333,676

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, 2023

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Miscellaneous Properties:				
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
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
Total Miscellaneous Properties	\$ 505,644	\$ 0	\$ 0	\$ 505,644
Cleveland City Schools:				
School property	\$ 150,233,991	\$ 4,348,804	\$ 3,590,904	\$ 150,991,891
Food Service	1,343,899	0	405	1,343,494
Total City Schools	\$ 151,577,890	\$ 4,348,804	\$ 3,591,309	\$ 152,335,385
Total Capital Assets	\$ 351,237,597	\$ 12,680,959	\$ 4,078,375	\$ 359,840,181

(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.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	167
Revenue Capacity 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.	177
Debt Capacity 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.	189
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	196
Operating Information 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.	200

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 108,313,394	\$ 115,117,684	\$ 118,815,347	\$ 119,211,701
Restricted	3,627,607	4,230,289	3,960,956	4,509,812
Unrestricted	<u>9,398,036</u>	<u>(6,550,745)</u>	<u>(1,239,172)</u>	<u>392,152</u>
Total governmental activities net assets	<u>\$ 121,339,037</u>	<u>\$ 112,797,228</u>	<u>\$ 121,537,131</u>	<u>\$ 124,113,665</u>
Business-type activities				
Net investment in capital assets	\$ 124,523,849	\$ 124,243,205	\$ 126,677,290	\$ 132,437,432
Unrestricted	<u>8,413,181</u>	<u>(1,508,685)</u>	<u>2,226,781</u>	<u>5,868,185</u>
Total business-type activities	<u>\$ 132,937,030</u>	<u>\$ 122,734,520</u>	<u>\$ 128,904,071</u>	<u>\$ 138,305,617</u>
Primary government				
Net investment in capital assets	\$ 232,837,243	\$ 239,360,889	\$ 245,492,637	\$ 251,649,133
Restricted	3,627,607	4,230,289	3,960,956	4,509,812
Unrestricted	<u>17,811,217</u>	<u>(8,059,430)</u>	<u>987,609</u>	<u>6,260,337</u>
Total primary government net assets	<u>\$ 254,276,067</u>	<u>\$ 235,531,748</u>	<u>\$ 250,441,202</u>	<u>\$ 262,419,282</u>

Source: Official record of Office of City Clerk.

2018	2019	2020	2021	2022	2023
\$ 128,504,578	\$ 138,614,753	\$ 135,819,612	\$ 150,289,044	\$ 160,882,458	\$ 167,896,176
5,292,915	14,863,506	19,972,043	26,563,297	53,566,478	34,895,908
<u>(22,478,971)</u>	<u>(22,786,778)</u>	<u>(22,493,225)</u>	<u>(12,609,818)</u>	<u>(10,907,416)</u>	<u>19,254,265</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>	<u>\$ 222,046,349</u>
\$ 141,210,570	\$ 140,264,453	\$ 149,656,134	\$ 155,930,891	\$ 164,321,524	\$ 175,637,397
(191,774)	8,631,096	11,380,399	20,018,879	27,101,349	36,651,923
<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>	<u>\$ 212,289,320</u>
\$ 269,715,148	\$ 278,879,206	\$ 285,475,746	\$ 306,219,935	\$ 325,203,982	\$ 343,533,573
5,292,915	14,863,506	19,972,043	26,563,297	53,566,478	34,895,908
<u>(22,670,745)</u>	<u>(14,155,682)</u>	<u>(11,112,826)</u>	<u>7,409,061</u>	<u>16,193,933</u>	<u>55,906,188</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>	<u>\$ 434,335,669</u>

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

	2014	2015	2016
EXPENSES			
Governmental activities:			
General government	\$ 3,285,177	\$ 3,356,106	\$ 3,765,394
Development and Engineering	1,498,726	1,473,844	1,940,024
Public safety	19,610,293	18,688,453	19,057,323
Public works	10,767,515	11,340,866	11,240,255
Health and welfare	740,903	638,456	671,684
Culture and recreation	5,150,586	4,397,406	4,371,397
Education	49,017,773	46,678,450	49,400,437
Interest on long-term debt	2,999,643	3,356,042	3,296,175
Total governmental activities	<u>\$ 93,070,616</u>	<u>\$ 89,929,623</u>	<u>\$ 93,742,689</u>
Business-type activities:			
Water and sewer	\$ 22,606,739	\$ 22,015,051	\$ 23,781,528
Electric	95,535,206	96,987,194	94,002,316
Stormwater management	0	0	422,576
Airport	0	0	0
Total business-type activities expenses	<u>\$ 118,141,945</u>	<u>\$ 119,002,245</u>	<u>\$ 118,206,420</u>
Total primary government expenses	<u>\$ 211,212,561</u>	<u>\$ 208,931,868</u>	<u>\$ 211,949,109</u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services	\$ 5,719,960	\$ 5,792,117	\$ 5,546,286
Operating grants and contributions	42,755,489	45,485,420	47,705,172
Capital grants and contributions	2,805,953	1,459,698	4,452,957
Total governmental activities program revenues	<u>\$ 51,281,402</u>	<u>\$ 52,737,235</u>	<u>\$ 57,704,415</u>
Business-type activities:			
Charges for services:			
Water and sewer	\$ 24,232,749	\$ 25,710,183	\$ 27,147,284
Electric	98,249,509	99,094,672	97,005,448
Stormwater management	0	0	865,814
Operating grants and contributions	48,977	47,532	55,537
Capital grants and contributions	961,210	515,643	1,494,135
Total business-type activities program revenues	<u>\$ 123,492,445</u>	<u>\$ 125,368,030</u>	<u>\$ 126,568,218</u>
Total primary government program revenues	<u>\$ 174,773,847</u>	<u>\$ 178,105,265</u>	<u>\$ 184,272,633</u>
Net (Expense) Revenue			
Governmental activities	\$ (41,789,214)	\$ (37,192,388)	\$ (36,038,274)
Business-type activities	5,350,500	6,365,785	8,361,798
Total primary government net expense	<u>\$ (36,438,714)</u>	<u>\$ (30,826,603)</u>	<u>\$ (27,676,476)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Property taxes	\$ 19,016,017	\$ 19,653,207	\$ 19,607,993
Interest and penalty on taxes	215,627	217,448	194,097
In lieu of taxes	501,661	239,618	285,008
Local sales tax	11,976,829	12,516,655	13,138,559
Wholesale beer tax	1,555,503	1,588,040	1,584,441
Gross receipts tax	956,672	1,176,363	1,244,796
Franchise tax	933,173	989,949	904,420
State sales tax	2,953,870	3,130,831	3,342,791
Other state taxes	1,742,735	4,095,349	1,638,355
Grants and contributions not restricted	407,799	775,098	394,752
Unrestricted investment earnings	79,985	96,088	131,389
Gain (loss) on sale of capital assets	42,835	650,321	14,600
Transfers	2,198,373	2,247,105	2,322,340
Total governmental activities	<u>\$ 42,581,079</u>	<u>\$ 47,376,072</u>	<u>\$ 44,803,541</u>
Business-type activities:			
Unrestricted investment earnings	\$ 65,171	\$ 82,174	\$ 104,729
Gain (loss) on sale of capital assets	0	0	0
Transfers	(2,198,373)	(2,247,105)	(2,322,340)
Total business-type activities	<u>\$ (2,133,202)</u>	<u>\$ (2,164,931)</u>	<u>\$ (2,217,611)</u>
Total primary government	<u>\$ 40,447,877</u>	<u>\$ 45,211,141</u>	<u>\$ 42,585,930</u>
CHANGE IN NET POSITION			
Governmental activities	\$ 791,865	\$ 10,183,684	\$ 8,765,267
Business-type activities	3,217,298	4,200,854	6,144,187
Total primary government	<u>\$ 4,009,163</u>	<u>\$ 14,384,538</u>	<u>\$ 14,909,454</u>

Source: Official record of Office of City Clerk.

2017	2018	2019	2020	2021	2022	2023
\$ 4,442,261	\$ 8,987,210	\$ 4,756,220	\$ 4,659,380	\$ 4,475,964	\$ 4,570,431	\$ 6,036,633
2,166,719	2,621,363	2,302,965	2,332,324	2,055,406	2,218,756	2,697,380
20,587,764	21,827,824	23,014,134	24,420,737	24,382,352	21,099,938	26,549,781
9,882,476	13,599,981	10,091,513	11,587,164	11,760,654	13,409,381	13,997,241
659,284	710,483	690,927	691,826	716,655	-	-
5,328,380	3,814,500	5,572,087	5,534,056	5,246,725	4,281,085	4,845,326
53,648,372	54,436,127	47,636,980	58,580,908	60,039,485	59,226,357	75,124,053
3,198,147	3,216,493	3,183,652	2,900,897	3,029,596	2,585,183	3,038,734
<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>	<u>\$ 132,289,148</u>
\$ 24,601,946	\$ 25,034,761	\$ 26,551,551	\$ 26,863,384	\$ 28,485,251	\$ 30,035,698	\$ 30,628,226
95,625,776	95,471,898	97,751,476	92,020,973	90,020,984	96,702,765	103,964,211
510,855	598,400	452,761	827,213	606,165	1,007,910	690,027
0	0	0	0	0	0	0
<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>\$ 135,282,464</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>	<u>\$ 267,571,612</u>
\$ 5,088,039	\$ 5,577,962	\$ 5,715,943	\$ 6,220,987	\$ 6,343,633	\$ 8,402,525	\$ 9,587,022
49,701,112	52,477,210	53,644,483	54,514,548	63,396,173	68,531,470	71,900,212
1,885,608	8,548,702	2,745,004	2,571,298	8,863,133	7,120,650	1,757,478
<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>	<u>\$ 83,244,712</u>
\$ 28,942,827	\$ 28,950,628	\$ 29,178,469	\$ 30,978,458	\$ 33,314,124	\$ 35,046,595	\$ 38,333,963
101,077,357	100,914,277	103,154,714	100,343,044	100,050,298	107,708,738	114,742,506
1,485,629	1,502,917	1,522,529	1,532,721	1,564,682	1,575,112	1,794,131
57,620	108,040	226,316	251,568	276,966	308,074	284,151
828,652	648,269	619,693	1,131,949	1,735,300	1,123,570	2,308,724
<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>\$ 157,463,475</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>	<u>\$ 240,708,187</u>
\$ (43,238,644)	\$ (42,610,107)	\$ (35,143,048)	\$ (47,400,459)	\$ (33,103,898)	\$ (23,336,486)	\$ (49,044,436)
11,653,508	11,019,072	9,945,933	14,526,170	17,828,970	18,015,716	22,181,011
<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>	<u>\$ (26,863,425)</u>
\$ 20,024,551	\$ 26,342,150	\$ 26,096,750	\$ 26,546,377	\$ 26,167,522	\$ 27,205,753	\$ 28,090,601
218,748	255,801	224,048	203,601	230,767	215,814	209,873
336,281	445,005	490,530	459,491	1,085,511	927,129	992,188
13,693,221	13,610,741	14,495,529	15,616,509	17,448,218	19,320,174	20,570,203
1,509,444	1,469,337	1,466,678	1,502,653	1,553,649	1,539,026	1,504,982
1,315,875	1,323,129	1,353,244	1,426,622	1,617,969	1,811,164	1,949,840
879,433	925,773	903,349	881,325	901,996	1,038,768	1,183,104
3,424,704	3,580,003	3,714,029	3,816,634	4,441,358	5,407,704	5,688,719
1,385,722	1,616,480	1,577,116	1,312,117	1,364,522	1,288,149	1,630,448
494,787	394,864	435,038	500,455	808,113	731,695	592,035
208,210	539,780	987,484	615,589	204,974	245,974	3,924,365
(113,458)	19,814	52,875	112,836	(57,393)	-	-
2,437,660	2,641,293	2,719,337	2,864,395	2,973,022	2,904,133	3,145,691
<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>	<u>\$ 69,482,049</u>
\$ 185,698	\$ 399,322	\$ 650,157	\$ 479,209	\$ 57,289	\$ 129,376	\$ 1,791,329
0	0	0	0	0	232,144	39,798
(2,437,660)	(2,641,293)	(2,719,337)	(2,864,395)	(2,973,022)	(2,904,133)	(3,145,691)
<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>\$ (1,314,564)</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>	<u>\$ 68,167,485</u>
\$ 2,576,534	\$ 10,554,063	\$ 19,372,959	\$ 8,458,145	\$ 25,636,330	\$ 39,298,997	\$ 20,437,613
9,401,546	8,777,101	7,876,753	12,140,984	14,913,237	15,473,103	20,866,447
<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>	<u>\$ 41,304,060</u>

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

Function/Program	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities:				
General government	\$ 122,688	\$ 167,161	\$ 368,176	\$ 454,229
Development and Engineering	993,896	624,031	743,144	619,475
Public safety	1,094,936	1,212,259	1,183,264	1,579,472
Public works	6,529,526	6,087,104	8,832,654	5,494,157
Health and welfare	226,117	47,810	36,540	47,057
Culture and recreation	1,139,580	1,178,229	1,158,832	1,052,964
Education	41,174,659	43,450,641	45,381,805	47,427,405
Subtotal governmental activities	<u>\$ 51,281,402</u>	<u>\$ 52,767,235</u>	<u>\$ 57,704,415</u>	<u>\$ 56,674,759</u>
Business-type activities:				
Water and sewer	\$ 25,045,728	\$ 26,043,419	\$ 28,337,385	\$ 29,435,064
Electric	98,446,717	99,324,611	97,364,119	101,465,440
Stormwater management	0	0	866,714	1,491,581
Subtotal business-type activities	<u>\$ 123,492,445</u>	<u>\$ 125,368,030</u>	<u>\$ 126,568,218</u>	<u>\$ 132,392,085</u>
Total primary government	<u>\$ 174,773,847</u>	<u>\$ 178,135,265</u>	<u>\$ 184,272,633</u>	<u>\$ 189,066,844</u>

Source: Official record of Office of City Clerk.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 398,678	\$ 540,216	\$ 806,993	\$ 1,082,383	\$ 5,619,232	\$ 1,229,765
1,127,552	1,070,335	1,232,575	1,289,669	1,825,201	1,250,846
1,378,931	1,298,804	1,133,704	1,863,228	1,739,333	1,417,153
8,074,094	5,656,523	7,147,789	7,908,758	10,326,443	9,289,071
61,628	51,578	44,015	37,689	0	0
1,467,632	1,145,555	1,160,288	909,872	1,182,480	976,790
<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>69,081,087</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>	<u>\$ 83,244,712</u>
\$ 29,458,233	\$ 29,526,908	\$ 31,999,273	\$ 34,646,551	\$ 36,008,191	\$ 40,412,888
101,162,981	103,652,284	100,700,934	100,730,137	108,178,786	115,256,456
<u>1,502,917</u>	<u>1,522,529</u>	<u>1,537,533</u>	<u>1,564,682</u>	<u>1,575,112</u>	<u>1,794,131</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>\$ 157,463,475</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>	<u>\$ 240,708,187</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 47,629	\$ 53,174	\$ 41,762	\$ 0
Restricted	0	26,897	5,148	0
Assigned	10,666,100	5,878,509	0	0
Unassigned	<u>2,098,326</u>	<u>3,766,227</u>	<u>10,800,152</u>	<u>11,548,699</u>
Total general fund	<u>\$ 12,812,055</u>	<u>\$ 9,724,807</u>	<u>\$ 10,847,062</u>	<u>\$ 11,548,699</u>
All Other Governmental Funds:				
Nonspendable	\$ 473,636	\$ 473,636	\$ 673,509	\$ 760,148
Restricted	3,153,971	3,710,430	3,482,172	4,036,176
Committed	494,210	614,333	699,329	740,978
Assigned	<u>8,854,163</u>	<u>12,795,459</u>	<u>15,153,991</u>	<u>16,250,478</u>
Total all other governmental funds	<u>\$ 12,975,980</u>	<u>\$ 17,593,858</u>	<u>\$ 20,009,001</u>	<u>\$ 21,787,780</u>

Source: Official record of Office of City Clerk.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 242,025	\$ 230,996	\$ 233,632	\$ 252,419	\$ 409,190	\$ 469,435
0	9,200	9,200	8,950	9,475	5,225
0	0	0	0	0	0
<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>41,133,993</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>	<u>\$ 41,608,653</u>
\$ 515,305	\$ 497,121	\$ 518,333	\$ 514,208	\$ 513,658	\$ 500,127
4,522,253	12,032,694	12,651,616	20,928,362	44,233,738	44,703,596
913,328	784,396	1,143,907	1,262,417	1,813,943	2,321,875
<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>20,867,797</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>	<u>\$ 68,393,395</u>

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

	2014	2015	2016	2017
REVENUES				
Taxes	\$ 35,733,289	\$ 36,910,848	\$ 37,144,740	\$ 37,905,053
Licenses and permits	353,841	492,000	490,234	628,772
Intergovernmental	50,130,677	53,062,532	57,391,236	56,284,038
Fines and forfeitures	537,317	665,896	565,843	527,112
Charges for services	4,832,380	4,617,463	4,442,072	3,949,204
Interest	82,638	96,088	137,225	208,210
Miscellaneous	698,215	2,202,082	862,571	903,685
Total Revenues	\$ 92,368,357	\$ 98,046,909	\$ 101,033,921	\$ 100,406,074
EXPENDITURES				
General government	\$ 2,436,907	\$ 2,602,422	\$ 3,084,380	\$ 3,179,666
Development and Engineering	1,346,723	1,421,401	1,847,168	1,839,944
Public safety	16,616,921	16,976,679	17,587,413	17,973,900
Public works	8,689,791	8,676,635	8,460,640	7,633,818
Health and welfare	566,625	483,389	501,236	521,479
Culture and recreation	4,077,475	4,164,402	4,028,549	4,269,135
Education	46,062,827	46,715,950	48,423,074	51,046,808
Appropriations	1,185,501	1,091,983	1,098,651	1,192,403
Capital outlay	8,762,567	10,348,141	14,401,524	9,035,158
Debt service:				
Principal	2,699,740	4,040,333	4,164,233	4,514,324
Interest	3,337,925	2,384,230	2,340,075	2,228,124
Total Expenditures	\$ 95,783,002	\$ 98,905,565	\$ 105,936,943	\$ 103,434,759
Excess of revenues over (under) expenditures	\$ (3,414,645)	\$ (858,656)	\$ (4,903,022)	\$ (3,028,685)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 15,329,355	\$ 21,688,975	\$ 15,751,495	\$ 16,450,779
Transfers out	(13,130,982)	(19,441,870)	(13,429,155)	(14,013,119)
Notes issued	4,600,000	0	6,040,200	2,628,550
Bonds issued	0	0	0	0
Leases issued	127,220	142,181	0	442,891
Refunding bonds issued	25,306,480	0	13,057,880	0
Premium on bonds issued	0	0	0	0
Payment to refunding bond escrow agent	(25,173,537)	0	(12,980,000)	0
Total other financing sources (uses)	\$ 7,058,536	\$ 2,389,286	\$ 8,440,420	\$ 5,509,101
Net change in fund balances	\$ 3,643,891	\$ 1,530,630	\$ 3,537,398	\$ 2,480,416
Debt service as a percent of noncapital expenditures	6.88%	7.27%	7.02%	7.07%

Source: Official record of Office of City Clerk.

2018	2019	2020	2021	2022	2023
\$ 44,169,660	\$ 45,073,641	\$ 46,522,610	\$ 49,353,887	\$ 52,067,895	\$ 54,325,850
712,300	735,474	1,192,696	1,409,179	1,634,572	1,641,936
65,580,623	61,304,401	61,846,216	77,568,836	81,308,390	79,375,248
636,898	609,350	541,312	446,724	497,424	392,800
4,228,762	4,357,213	4,479,831	4,480,063	6,258,671	7,544,152
539,781	987,484	618,845	204,973	245,975	3,924,366
797,077	622,151	879,473	1,439,883	844,518	3,856,111
<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>	<u>\$ 151,060,463</u>
\$ 3,431,332	\$ 3,936,786	\$ 4,086,659	\$ 3,916,936	\$ 4,551,788	\$ 4,073,833
1,664,882	1,778,770	1,693,780	2,005,510	2,374,078	2,473,908
18,606,166	20,420,104	20,899,995	21,501,020	23,586,418	23,857,358
8,310,518	8,985,878	8,841,930	8,972,849	11,436,378	12,444,376
542,897	518,977	523,006	528,060	0	0
4,342,420	4,486,157	4,325,735	4,007,781	3,778,649	4,039,985
53,540,925	55,004,608	55,193,503	61,870,697	62,465,575	69,292,095
1,304,181	1,332,364	1,306,305	1,338,092	1,377,407	1,361,885
29,336,764	16,892,485	9,018,761	9,398,114	14,125,820	13,605,767
5,106,995	6,048,024	5,180,065	5,370,553	6,268,624	6,411,449
2,246,893	3,231,706	3,276,477	3,554,353	3,110,678	3,660,282
<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>\$ 141,220,938</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>	<u>\$ 9,839,525</u>
\$ 21,172,739	\$ 19,927,702	\$ 17,964,749	\$ 18,584,223	\$ 20,160,116	\$ 21,190,662
(18,531,446)	(17,208,365)	(15,100,354)	(16,061,201)	(17,255,983)	(18,044,971)
5,408,580	0	1,105,731	1,514,178	455,575	0
0	9,885,000	0	0	19,220,000	0
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	0
<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>\$ 3,145,691</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>	<u>\$ 12,985,216</u>
6.92%	9.67%	7.89%	8.21%	7.91%	7.93%

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

Fiscal Year	Property	Interest & Penalty	In-lieu	Local Sales	Wholesale Beer	Gross Receipts	Franchise	Total
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
2023	27,915,660	209,873	992,188	20,570,203	1,504,982	1,949,840	1,183,104	54,325,850
Change 2014-2023	46.7%	-2.7%	97.8%	64.0%	-3.2%	103.8%	26.8%	52.0%

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
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
2023	663,110,170	727,985,886	221,409,818

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.

	Public Utilities	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$	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
	24,682,075	1,637,187,949	1.7130	5,272,143,309	31.1

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	
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	
2023	1.7130	0.4100	0.0223	0.0934	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		
\$ 0.2356	\$ -	\$ 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
0.2547	0.0331	-	-	1.4392		3.1522

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

Schedule 9

<u>Taxpayer</u>	<u>2022</u>			<u>2013</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	\$ 37,983,595	1	2.36%	\$ 25,726,290	2	2.44%
Cleveland Tennessee Hospital	36,633,125	2	2.27	36,486,674	1	3.46
Whirlpool	34,247,209	3	2.12	7,778,105	9	0.74
Duracell Company	27,071,370	4	1.68	20,397,946	4	1.94
Bayer Healthcare (Merck)	26,719,185	5	1.66	18,355,938	5	1.74
Life Care Centers of America	25,487,393	6	1.58	23,728,859	3	2.25
Peyton's Southeastern	12,307,767	7	0.76	9,095,676	7	0.86
Alvin Calhoun	11,253,815	8	0.70	-	-	-
Pinnacle Corner at Paul Huff	10,333,643	9	0.64	-	-	-
Retreat at Spring Creek	10,232,339	10	0.63	-	-	-
Walmart	-	-	-	10,114,381	6	0.96
Southeastern Container	-	-	-	8,056,689	8	0.76
Johnston Coca-Cola	-	-	-	7,443,233	10	0.71
Totals	<u>\$ 232,269,441</u>		<u>14.40%</u>	<u>\$ 167,183,791</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
2014	\$ 18,859,181	\$ 17,898,630	94.9 %	\$ 927,400	\$ 18,826,030	99.8 %
2015	19,550,308	18,561,193	94.9	934,825	19,496,018	99.7
2016	19,557,553	18,745,766	95.8	764,456	19,510,222	99.8
2017	20,008,944	18,941,986	94.7	1,017,503	19,959,489	99.8
2018	26,305,375	25,026,206	95.1	1,190,711	26,216,917	99.7
2019	26,471,584	25,305,334	95.6	1,077,424	26,382,758	99.7
2020	26,495,529	25,317,547	95.6	1,078,937	26,396,484	99.6
2021	26,227,137	25,401,537	96.9	679,921	26,081,458	99.4
2022	27,267,295	26,454,093	97.0	536,394	26,990,487	99.0
2023	28,055,201	26,750,146	95.3	0	26,750,146	95.3

Source: Official records of Office of City Clerk.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Apparel Stores	\$ 25,648,895	\$ 26,695,892	\$ 28,868,016	\$ 28,132,195
General Merchandise Stores	220,277,745	222,347,406	233,711,647	234,275,628
Food Stores	95,135,145	106,471,779	112,096,356	113,083,863
Eating and Drinking Places	138,642,092	147,161,813	158,677,432	160,746,625
Furniture Stores	17,814,109	17,743,880	16,312,162	16,227,883
Building Materials	76,136,640	72,538,049	60,732,654	84,841,122
MV Dealers and Service Stations	74,355,981	83,823,948	96,437,981	101,579,505
Other Retail	63,159,468	65,775,334	69,919,188	70,057,002
All Other Outlets	<u>141,967,597</u>	<u>152,692,339</u>	<u>164,536,138</u>	<u>158,214,097</u>
Total	<u>\$ 853,137,672</u>	<u>\$ 895,250,440</u>	<u>\$ 941,291,574</u>	<u>\$ 967,157,920</u>
 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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 28,076,379	\$ 29,248,857	\$ 30,510,189	\$ 28,362,200	\$ 39,564,854	\$ 38,624,255
235,769,895	240,627,860	244,753,609	252,408,243	263,876,515	271,618,760
119,118,225	128,260,231	131,837,852	150,853,969	148,505,141	156,689,643
166,258,406	172,323,174	185,363,931	182,039,198	217,511,498	233,526,334
20,755,916	21,997,547	21,545,685	23,250,965	32,459,845	29,591,732
97,243,420	98,552,022	102,978,309	127,044,826	142,584,470	161,950,386
98,430,037	102,340,354	109,432,087	120,559,750	131,334,048	130,713,298
67,411,830	64,417,467	71,848,990	84,686,141	97,884,669	100,943,336
160,771,137	168,767,452	179,537,042	181,624,920	208,236,421	231,149,269
<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>	<u>\$ 1,354,807,013</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

<u>Fiscal Year</u>	<u>City of Cleveland and Bradley County Rate</u>
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
2023	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 2014 AND 2023

	Fiscal Year 2014			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Retail Trade	847	57.66 %	\$ 19,947,641	83.21 %
2 Services	330	2.46	1,898,324	7.93
3 Manufacturing	91	6.19	599,894	2.55
4 Wholesale Trade	84	5.72	856,352	3.58
5 Construction	16	1.09	22,193	0.09
6 Finance Insurance Real Estate	27	1.84	39,385	0.16
7 Transportation and Utilities	13	0.88	155,869	0.65
8 Agriculture	8	0.54	10,685	0.04
9 Other, Non Classified	48	3.61	422,205	1.79
Total	<u>1,464</u>	<u>100.00 %</u>	<u>\$ 23,952,548</u>	<u>100.00 %</u>

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 2023			
<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
675	47.57 %	\$ 31,203,721	82.71 %
319	22.48	2,843,623	7.54
96	6.77	521,776	1.38
77	5.43	1,396,700	3.70
26	1.83	146,743	0.39
22	1.55	4,839	0.01
23	1.62	597,743	1.58
8	0.56	12,110	0.03
173	12.19	997,628	2.64
<u>1,419</u>	<u>100.00 %</u>	<u>\$ 37,724,883</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
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
2023	28,564,842	58,260,137	2,035,609	166,459

Source: Official record of Office of City Clerk.

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

Business-type Activities

Revenue Bonds	Notes	Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 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
41,065,628	30,333,842	13,037	160,439,554	3.70	2,700

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
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
2023	86,824,979	5,272,143,309	48,557	1.6	1,788

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, 2023

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	\$ 89,027,047	100.00%	\$ 89,027,047
Bradley County, Tennessee	<u>65,075,134</u>	52.94%	<u>34,450,776</u>
Total direct and overlapping debt	<u>\$ 154,102,181</u>		<u>\$ 123,477,823</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 107,609,460	\$ 108,653,123	\$ 108,621,788	\$ 113,282,233
Total net debt applicable to limit	<u>75,438,027</u>	<u>71,174,432</u>	<u>72,563,860</u>	<u>70,824,771</u>
Legal debt margin	<u>\$ 32,171,433</u>	<u>\$ 37,478,691</u>	<u>\$ 36,057,928</u>	<u>\$ 42,457,462</u>
Total net debt applicable to limit as a percentage of debt limit	70.10%	65.51%	66.80%	62.52%

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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 125,581,984	\$ 125,567,490	\$ 126,988,681	\$ 125,279,360	\$ 156,689,285	\$ 161,250,587
<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>74,193,922</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>	<u>\$ 87,056,665</u>
62.70%	60.32%	56.71%	52.45%	51.09%	46.01%

Legal Debt Margin Calculation for Fiscal Year 2023

Total assessed value		<u>\$ 1,612,505,874</u>
Legal debt margin:		
Debt limitation - 10% of total assessed value as adopted by resolution		\$ 161,250,587
Debt applicable to limit:		
Total bonded debt	\$ 147,354,948	
Less: Revenue bonds	67,046,879	
Amount available for repayment of general obligation bonds	<u>6,114,147</u>	
Total debt applicable to limit		<u>74,193,922</u>
Legal debt margin		<u>\$ 87,056,665</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	
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
2023	40,412,888	22,006,023	18,406,865	4,467,689	1,525,201	5,992,890	3.07

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
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
2022	48,557	5,940,846	46,240	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>
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
84	25	5,547	3.9

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

Employer	2023		
	Employees	Rank	Percentage of Total Labor Force Bradley County
Whirlpool/Maytag	1,600	1	3.15 %
Bradley County Schools	1,160	2	2.29
Peyton's Southeastern	1,157	3	2.28
Tennova	1,100	4	2.17
Jackson Furniture Industries	894	5	1.76
Amazon	790	6	1.56
Wacker Polysilicon	772	7	1.52
Cleveland City Schools	745	8	1.47
Wal-Mart	640	9	1.26
Bradley County Government	620	10	1.22
Mars Chocolate	-	-	-
Lee University	-	-	-
City Government	-	-	-
Total	9,478		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.

2014		
<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Labor Force Bradley County</u>
1,503	1	2.96 %
1,200	3	2.37
950	5	1.87
1,157	4	2.28
-	-	-
600	9	1.18
-	-	-
-	-	-
640	7	1.26
620	8	1.22
577	10	1.14
815	6	1.61
<u>1,202</u>	2	<u>2.37</u>
<u><u>9,264</u></u>		<u><u>18.26 %</u></u>

CITY OF CLEVELAND, TENNESSEE
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	Full-time Equivalent Employees as of June 30									
	<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>	<u>2023</u>
General government										
City Council and legislative	1	1	1	1	1	1	1	1	0	0
Administration and finance	14	14	23	24	25	26	25	20	21	21
Community development	14	14	15	15	15	15	17	21	23	23
Cleveland Regional Jetport	1	1	1	1	1	1	1	1	1	1
Police										
Officers	91	91	92	91	97	97	101	105	104	104
Civilians	12	12	12	12	12	12	12	12	13	13
Fire										
Firefighters and officers	91	91	91	91	104	104	106	106	106	106
Civilians	1	1	1	1	1	1	1	1	1	1
Public works										
Operations	21	21	21	21	25	25	25	24	24	24
Engineering	0	0	0	0	0	0	0	0	0	0
Landscaping maintenance	0	0	0	0	0	0	0	9	9	9
Solid waste management	13	13	13	13	13	13	13	13	13	13
Stormwater management fund	2	2	3	3	3	2	2	2	4	4
State street aid	11	11	11	11	11	11	11	11	11	11
Fleet management	7	7	6	6	6	6	6	6	6	6
Parks and recreation										
Administration and maintenance	9	9	10	10	10	10	11	14	14	13
Landscaping maintenance	7	7	9	10	10	10	9	0	0	0
College Hill Recreation Center	3	3	4	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	0	0	0	0	0	0	0	0
Animal control										
Administration and operations	8	6	6	6	6	6	6	6	6	6
Community development block grant	2	2	2	2	1	2	2	2	2	2
Subtotal	318	316	325	326	349	350	357	362	366	365
Cleveland Utilities										
Electric division	83	82	76	83	83	85	85	85	83	87
Water/wastewater division	103	100	108	114	115	116	122	123	121	117
City schools										
Certificated staff	423	432	434	445	454	449	462	461	468	473
Non-certificated personnel	283	290	294	308	294	296	292	281	278	272
Library	11	11	11	11	11	11	11	11	11	11
Total	1,221	1,231	1,248	1,287	1,306	1,307	1,329	1,323	1,327	1,325

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government				
Building permits issued	379	403	289	415
Value of construction permitted	\$37,240,586	\$65,893,431	\$70,217,886	\$61,147,619
Police				
Parking violations	1,309	1,631	975	939
Traffic violations	4,410	5,766	4,744	3,906
Fire				
Emergency responses (city only)	2,872	2,665	2,909	2,898
Fires extinguished (city only)	242	126	173	249
Fire inspections	2,055	2,263	1,634	3,078
Public works				
Street resurfacing (tonnage)	12,107	9,176	17,795	12,598
Utility cut permits (number excavations)	226	244	185	234
Drainage pipe installed (linear ft.)	4,690	6,936	6,706	5,529
Tons of brush chipped	8,644	12,117	8,633	10,721
Parks and recreation				
Softball league participants	1,455	1,650	450	425
Basketball league participants	204	202	220	220
Football league participants	70	65	150	150
Soccer league participants	850	1,045	2,067	2,169
Rounds of golf played	8,289	3,236	0	0
Library				
Volumes in collection	164,078	168,061	174,614	179,345
Circulation	401,430	402,064	404,869	384,655
Attendants	277,185	241,778	225,411	223,416
City Schools				
Average Daily Membership				
High School	1,398	1,448	1,451	1,586
Middle School	1,231	1,227	1,269	1,310
Elementary Schools	2,811	2,850	2,582	2,500
Ungraded - Special Education	81	81	103	96
ACT composite scores	20	19	20	20
Percent of High School graduates	84	86	90	89
Electric				
Class of Service number of Customers				
Residential	25,806	26,190	26,487	26,872
Small lighting and power	3,789	3,809	3,829	3,846
Large lighting and power	613	624	621	612
Street and outdoor lighting	188	185	181	177
Kilowatt-hours purchased	1,124,822,813	1,124,645,838	1,092,690,922	1,093,318,270
Kilowatt-hours sold	1,092,325,754	1,093,701,541	1,059,898,637	1,059,807,534
Line losses and kilowatt-hours unaccounted for	32,497,059	30,944,297	32,792,285	33,510,736
Percentage of losses and unaccounted for kilowatt-hours to purchases	2.89%	2.75%	3.00%	3.07%

2018	2019	2020	2021	2022	2023
370	337	401	523	647	603
\$96,885,426	\$79,375,008	\$156,691,994	\$94,708,218	\$198,776,716	\$169,185,695
959	1,409	686	379	598	247
4,759	4,061	3,046	1,926	2,555	1,559
2,891	3,173	3,414	4,405	3,313	3,272
221	137	131	228	153	188
3,154	2,168	3,468	3,543	3,392	3,421
12,790	10,852	18,130	13,699	12,533	14,235
270	177	178	168	136	219
5,340	6,173	6,316	4,070	2,445	5,425
14,028	13,353	15,243	12,450	7,166	7,530
430	150	0	322	360	465
196	76	402	0	740	705
146	150	230	245	226	230
2,092	2,206	3,471	0	3,267	3,200
0	0	0	0	0	0
180,495	185,981	187,723	190,166	193,992	204,014
394,960	417,433	409,484	269,642	380,263	423,756
210,914	199,230	134,538	50,103	104,306	132,574
1,578	1,639	1,682	1,675	1,718	1,772
1,320	1,331	1,343	1,342	1,257	1,235
2,753	2,370	2,457	2,395	2,406	2,442
96	131	130	98	114	136
20	21	20	19	19	19
89	90	88	91	91	94
27,052	27,191	27,329	27,575	27,921	28,495
3,897	3,931	3,932	4,028	4,111	4,184
605	587	592	585	595	604
172	167	166	163	164	161
1,081,144,905	1,069,273,479	1,030,326,623	1,039,444,215	1,053,875,725	1,020,908,708
1,056,079,493	1,040,483,760	1,003,639,362	1,008,260,890	1,022,259,454	990,281,447
25,065,412	28,789,719	26,687,261	31,183,325	31,616,271	30,627,261
2.32%	2.69%	2.59%	3.00%	3.00%	3.00%

CITY OF CLEVELAND, TENNESSEE
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Water				
Class of Service number of Customers				
Residential	26,811	27,200	27,514	27,874
Commercial & Industrial	3,707	3,728	3,708	3,712
Gallons purchased	1,717,178,040	1,737,814,650	1,781,982,285	1,830,881,097
Gallons pumped	1,965,420,000	1,919,504,751	1,985,954,794	2,269,121,474
Gallons sold	2,706,972,750	2,733,381,750	2,838,000,000	3,076,149,000
Line losses and gallons unaccounted for	902,184,898	923,937,651	929,937,079	1,023,853,571
Percentage of losses and unaccounted for gallons to total provided	24.50%	25.26%	24.68%	24.97%
Average daily water consumption (gallons)	7,416,364	7,488,717	7,775,343	8,427,805
Wastewater				
Class of Service number of Customers				
Residential	15,469	15,785	15,981	16,197
Commercial & Industrial	2,626	2,655	2,637	2,635
Capacity daily (thousands of gallons)	21,600	21,600	21,600	21,600
Treatment during fiscal year (gallons)	3,684,650,000	3,285,830,000	4,005,970,000	3,350,999,000

Sources: Various city departments.

2018	2019	2020	2021	2022	2023
28,144	28,427	28,691	29,212	29,582	30,039
3,745	3,776	3,776	3,848	3,857	3,917
1,553,131,140	1,753,470,750	1,754,822,000	1,706,774,690	1,730,266,230	1,714,604,690
2,438,184,139	2,344,888,000	2,350,714,727	2,259,089,135	3,950,253,133	3,881,164,376
2,892,261,750	2,950,904,238	2,844,021,750	2,853,327,000	2,927,922,000	2,985,916,500
1,099,053,529	1,147,454,512	1,261,514,977	1,112,536,825	1,022,331,133	895,247,876
27.54%	28.00%	30.73%	28.05%	18.00%	16.00%
7,924,005	8,084,669	7,791,840	7,817,334	8,021,704	8,180,593
16,382	16,612	16,780	17,147	17,365	17,811
2,674	2,688	2,704	2,746	2,748	2,795
21,600	21,600	21,600	21,600	21,600	21,600
2,599,430,000	4,302,393,000	4,474,130,000	3,724,510,000	3,978,730,000	3,625,780,000

CITY OF CLEVELAND, TENNESSEE
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Schedule 23

<u>Function/Program</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>	<u>2023</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	0	0	0	0	0	0	0	0	0	0
Patrol units	118	120	120	120	120	110	107	86	88	113
Fire										
Stations	5	5	5	5	5	6	6	6	6	6
Fire trucks (pumpers, ladders & tankers)	14	14	14	12	14	14	15	15	15	15
Public works										
Street (miles)	348	349	352	356	356	359	362	363	368	380
Knucklebooms	8	9	9	9	9	8	7	7	7	7
Parks and recreation										
Acreage	289	289	289	289	289	289	289	299	299	299
Playgrounds	8	8	8	9	9	10	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	18	18	18
Tennis courts	8	8	8	8	7	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	0	0	0	0	0	0	0	0	0
Schools										
Elementary schools	6	6	6	6	6	7	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
Library										
Bookmobiles	1	1	1	1	1	1	1	1	1	1
Electric										
Electric lines (miles)	539	540	543	542	567	570	555	557	561	563
Substations	15	15	15	15	15	15	17	17	17	17
Street lights	5,882	6,099	6,098	6,061	6,006	6,003	6,105	6,143	6,237	6,192
Traffic signals	619	646	656	676	678	693	694	698	698	698
Pedestrians signals	80	80	80	88	88	96	96	96	96	96
Water										
Water mains (miles)	760	767	754	753	757	763	771	773	777	780
Fire hydrants	2,627	2,657	2,700	2,732	2,764	2,810	2,840	2,877	2,918	2,950
Storage capacity (millions of gal)	15,300	15,300	15,300	15,300	15,300	15,800	15,800	15,800	15,800	15,800
Wastewater										
Sanitary sewers (miles)	359	360	364	364	365	371	371	376	356	360
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.

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OTHER

CITY OF CLEVELAND, TENNESSEE
INSURANCE IN FORCE
ALL FUND TYPES EXCLUDING CLEVELAND UTILITIES
For the Fiscal Year Ended June 30, 2023

Table 1

<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	9/1/2022 to 8/31/2023	Buildings, contents, boilers, fired vessels electric steam generators. Theft, disappearance and destruction. Radio, video equipment, mobile equip- ment, police dogs.	\$ 81,796,959	\$ 162,484
Comprehensive Liability Public Entity Partners	TML-026R	7/1/2022 to 6/30/2023	General and public officials liability, auto liability, auto physical damage, personal injury. Excess auto physical damage. Airport liability	As per schedule	\$ 474,258
Worker's Compensation Public Entity Partners	TWC-0187	7/1/2022 to 6/30/2023	Job related injuries, employees	\$ 1,000,000 \$ 1,000 ded.	\$ 425,740
Property (School Buildings and Contents, Boiler, Vehicles) Public Entity Partners	TNRMT	7/1/2022 to 6/30/2023	Property Equipment Liability	Various	\$ 460,200
Worker's Compensation Public Entity Partners	TNRMT	7/1/2022 to 6/30/2023	Job related injuries, employees	\$ 1,000,000	\$ 205,323

CITY OF CLEVELAND, TENNESSEE
INSURANCE IN FORCE
CLEVELAND UTILITIES
For the Fiscal Year Ended June 30, 2023

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
Illinois Union	Pollution Liability	\$ 1,000,000
Affiliated FM	Real property	\$ 218,000,000
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, 2023

Table 3

<u>Property Taxes</u>	<u>Balance 7/1/2022</u>	<u>Levies</u>	<u>Collections & Adjustments</u>	<u>Balance 6/30/2023</u>
2022	\$ 0	\$ 28,055,201	\$ 26,750,146	\$ 1,305,055
2021	813,202	0	536,394	276,808
2020	272,817	0	127,138	145,679
2019	146,969	0	47,924	99,045
2018	146,252	0	57,426	88,826
2017	121,920	0	33,462	88,458
2016	53,635	0	4,180	49,455
2015	48,474	0	1,142	47,332
2014	55,998	0	1,708	54,290
2013	34,804	0	1,653	33,151
2012	44,601	0	44,601	0
	<u>\$ 1,738,672</u>	<u>\$ 28,055,201</u>	<u>\$ 27,605,774</u>	<u>\$ 2,188,099</u>

Note - Property taxes receivable also include the 2023 levy reported as deferred revenue in the amount of \$27,508,873.

CITY OF CLEVELAND, TENNESSEE
 UNCOLLECTED DELINQUENT PROPERTY TAXES FILED
 June 30, 2023

Table 4

<u>Tax Year</u>	<u>Original Amount Filed</u>	<u>Unpaid Balance</u>	<u>Percentage Collected</u>
2013	\$ 335,054	\$ 33,151	90.1 %
2014	427,004	54,290	87.3
2015	340,650	47,332	86.1
2016	311,659	49,455	84.1
2017	512,837	88,458	82.8
2018	540,481	88,826	83.6
2019	469,629	99,045	78.9
2020	288,761	145,679	49.6
2021	351,735	276,808	21.3

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CITY OF CLEVELAND, TENNESSEE
 CHANGES IN LONG-TERM DEBT BY ISSUE
 June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
GOVERNMENTAL ACTIVITIES				
<u>BONDS PAYABLE</u>				
<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				
<u>NOTES PAYABLE</u>				
<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	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				

Outstanding 7/1/2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2023
\$ 2,719,000	\$ -	\$ 358,000	\$ -	\$ 2,361,000
8,395,000	-	390,000	-	8,005,000
29,770,000	-	1,835,000	-	27,935,000
22,995,000	-	2,410,000	-	20,585,000
19,220,000	-	-	-	19,220,000
<u>\$ 83,099,000</u>	<u>\$ -</u>	<u>\$ 4,993,000</u>	<u>\$ -</u>	<u>\$ 78,106,000</u>
\$ 745,000	\$ -	\$ 109,000	\$ -	\$ 636,000
353,545	-	80,817	-	272,728
<u>\$ 1,098,545</u>	<u>\$ -</u>	<u>\$ 189,817</u>	<u>\$ -</u>	<u>\$ 908,728</u>
\$ 1,066,706	\$ -	\$ 259,579	\$ -	\$ 807,127
348,662	-	28,908	-	319,754
<u>\$ 1,415,368</u>	<u>\$ -</u>	<u>\$ 288,487</u>	<u>\$ -</u>	<u>\$ 1,126,881</u>
\$ 2,513,913	\$ -	\$ 478,304	\$ -	\$ 2,035,609

CITY OF CLEVELAND, TENNESSEE
 CHANGES IN LONG-TERM DEBT BY ISSUE
 June 30, 2023

Description of Indebtedness	Division	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
BUSINESS-TYPE ACTIVITIES					
<u>BONDS PAYABLE</u>					
<u>Payable through the Electric Division:</u>					
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					
<u>Payable through the Water Division:</u>					
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					
<u>NOTES PAYABLE</u>					
<u>Payable through Electric Division:</u>					
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					
<u>Payable through Water Division:</u>					
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					

(1) \$1,506,690, of loan proceeds have not been drawn down at June 30, 2023.

(2) \$5,843,209, of loan proceeds have not been drawn down at June 30, 2023.

Table 5
(Continued)

Outstanding 7/1/2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2023
\$ 663,550	\$ -	\$ 48,495	\$ -	\$ 615,055
2,145,000	-	90,000	-	2,055,000
1,265,000	-	375,000	-	890,000
1,760,000	-	60,000	-	1,700,000
5,970,000	-	490,000	-	5,480,000
\$ 11,803,550	\$ -	\$ 1,063,495	\$ -	\$ 10,740,055
\$ 4,946,450	\$ -	\$ 361,505	\$ -	\$ 4,584,945
2,990,000	-	125,000	-	2,865,000
6,015,000	-	1,590,000	-	4,425,000
3,515,000	-	125,000	-	3,390,000
8,660,000	-	835,000	-	7,825,000
2,955,000	-	85,000	-	2,870,000
\$ 29,081,450	\$ -	\$ 3,121,505	\$ -	\$ 25,959,945
\$ 40,885,000	\$ -	\$ 4,185,000	\$ -	\$ 36,700,000
\$ 156,762	\$ -	\$ 22,394	\$ -	\$ 134,368
1,665,048	-	185,005	-	1,480,043
905	-	453	-	452
10,741	-	5,371	-	5,370
7,894	-	1,973	-	5,921
\$ 1,841,350	\$ -	\$ 215,196	\$ -	\$ 1,626,154
\$ 1,038,652	\$ -	\$ 65,388	\$ -	\$ 973,264
6,871,846	-	380,412	-	6,491,434
1,406,610	-	95,364	-	1,311,246
1,693,548	-	110,412	-	1,583,136
2,262,139	-	135,300	-	2,126,839
78,697	-	5,052	-	73,645
685,470	-	35,976	-	649,494
166,676	-	8,796	-	157,880
365,900	-	19,776	-	346,124
800,194	-	39,228	-	760,966
475,595	-	21,348	-	454,247
9,964,544	-	429,132	-	9,535,412
87,210	-	-	-	87,210
1,488,286	2,668,505	-	-	4,156,791
\$ 27,385,367	\$ 2,668,505	\$ 1,346,184	\$ -	\$ 28,707,688
\$ 29,226,717	\$ 2,668,505	\$ 1,561,380	\$ -	\$ 30,333,842

CITY OF CLEVELAND, TENNESSEE
 CHANGES IN LEASE OBLIGATIONS
 June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
GOVERNMENTAL ACTIVITIES				
<u>LEASES PAYABLE</u>				
<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				
BUSINESS-TYPE ACTIVITIES				
<u>LEASES PAYABLE</u>				
<u>Payable through Electric Division</u>				
Copiers Leases			Electric	
	50,572	3.00%	Various	Various
Total Leases Payable				

Outstanding 7/1/2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2023
\$ 857,994	\$ -	\$ 857,994	\$ -	\$ -
248,611	-	82,152	-	166,459
<u>\$ 1,106,605</u>	<u>\$ -</u>	<u>\$ 940,146</u>	<u>\$ -</u>	<u>\$ 166,459</u>
\$ 32,086	\$ -	\$ 19,049	\$ -	\$ 13,037
<u>\$ 32,086</u>	<u>\$ -</u>	<u>\$ 19,049</u>	<u>\$ -</u>	<u>\$ 13,037</u>

CITY OF CLEVELAND, TENNESSEE
 BOND PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES
 June 30, 2023

Fiscal Year	2016A Series		2018 Series		2019 Series	
	Principal	Interest	Principal	Interest	Principal	Interest
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						
Total	\$ 2,361,000	\$ 357,928	\$ 8,005,000	\$ 2,456,881	\$ 27,935,000	\$ 5,663,206

Table 7

2020		2022		Total	
Series		Series		Principal	Interest
Principal	Interest	Principal	Interest		
\$ 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>\$ 20,585,000</u>	<u>\$ 4,346,125</u>	<u>19,220,000</u>	<u>\$ 11,274,319</u>	<u>\$ 78,106,000</u>	<u>\$ 24,098,459</u>

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES
 June 30, 2023

Fiscal Year	Note Payable - Public Building Authority of Clarksville TN (1)				Note Payable - Energy Efficient School Initiative Loan	
	2008 TMBF Series		2009 QSCB Series		2020 Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 115,000	\$ 31,800	\$ 237,947	\$ 67,184	\$ 29,340	\$ 4,596
2025	121,000	26,050	259,578	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>\$ 636,000</u>	<u>\$ 98,500</u>	<u>\$ 807,127</u>	<u>\$ 207,844</u>	<u>\$ 319,754</u>	<u>\$ 25,202</u>

(1) Variable rates of 4% have been assumed on the loan through Clarksville, TN.

Table 8

Note Payable - Motorola Equipment Loan 2022 Series		Total	
Principal	Interest	Principal	Interest
\$ 85,667	\$ 16,363	\$ 467,954	\$ 119,943
90,806	11,224	501,168	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>\$ 272,728</u>	<u>\$ 33,362</u>	<u>\$ 2,035,609</u>	<u>\$ 364,908</u>

CITY OF CLEVELAND, TENNESSEE
 LEASE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES
 June 30, 2023

Fiscal Year	Copiers		Total	
	Principal	Interest	Principal	Interest
	2024	\$ 64,381	\$ 4,076	\$ 64,381
2025	52,846	2,340	52,846	2,340
2026	44,084	775	44,084	775
2027	5,148	64	5,148	64
Total	<u>\$ 166,459</u>	<u>\$ 7,255</u>	<u>\$ 166,459</u>	<u>\$ 7,255</u>

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CITY OF CLEVELAND, TENNESSEE
 BOND PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES
 June 30, 2023

Electric, Water and Sewer Revenue and Tax Bonds

Fiscal Year	2016B Refunding Series		2018B Series		2019 Refunding Series	
	Principal	Interest	Principal	Interest	Principal	Interest
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						
Total	\$ 5,200,000	\$ 1,162,428	\$ 4,920,000	\$ 1,886,600	\$ 5,315,000	\$ 583,375

Table 10

2020 Series		2021 Refunding Series		2022 Series		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 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>\$ 5,090,000</u>	<u>\$ 1,339,732</u>	<u>\$ 13,305,000</u>	<u>\$ 2,796,700</u>	<u>\$ 2,870,000</u>	<u>\$ 1,279,087</u>	<u>\$ 36,700,000</u>	<u>\$ 9,047,922</u>

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES
 June 30, 2023

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
	2024	\$ 66,144	\$ 10,848	\$ 384,816	\$ 72,624	\$ 96,804
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						
2043						
	<u>\$ 973,264</u>	<u>\$ 78,955</u>	<u>\$ 6,491,434</u>	<u>\$ 598,822</u>	<u>\$ 1,311,246</u>	<u>\$ 126,732</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
\$ 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	3432	5,664	60
		158,028	1692	3,745	14
		66,271	184		
<u>\$ 1,583,136</u>	<u>\$ 147,141</u>	<u>\$ 2,126,839</u>	<u>\$ 175,696</u>	<u>\$ 73,645</u>	<u>\$ 4,526</u>

CITY OF CLEVELAND, TENNESSEE
NOTE PRINCIPAL AND INTEREST
REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES
June 30, 2023

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
	2024	\$ 36,552	\$ 10,128	\$ 8,940	\$ 2,460	\$ 20,040
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						
2043						
	<u>\$ 649,494</u>	<u>\$ 85,705</u>	<u>\$ 157,880</u>	<u>\$ 20,719</u>	<u>\$ 346,124</u>	<u>\$ 36,919</u>

Table 11
(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
\$ 39,840	\$ 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>\$ 760,966</u>	<u>\$ 104,799</u>	<u>\$ 454,247</u>	<u>\$ 68,035</u>	<u>\$ 9,535,412</u>	<u>\$ 1,502,152</u>

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES
 June 30, 2023

Fiscal Year	State of Tennessee Revolving Loan Fund SRF 19-431 (1)		State of Tennessee Revolving Loan Fund SRF 18-417-01 (2)	
	Principal	Interest	Principal	Interest
	2024	\$ 69,756	\$ 21,396	\$ 466,092
2025	70,716	20,436	469,512	68,028
2026	71,688	19,464	472,944	64,596
2027	72,684	18,468	476,412	61,128
2028	73,680	17,472	479,904	57,636
2029	74,700	16,452	483,420	54,120
2030	75,720	15,432	486,960	50,580
2031	76,764	14,388	490,524	47,016
2032	77,820	13,332	494,112	43,428
2033	78,900	12,252	497,736	39,804
2034	79,992	11,160	501,384	36,156
2035	81,096	10,056	505,056	32,484
2036	82,212	8,940	508,752	28,788
2037	83,340	7,812	512,484	25,056
2038	84,492	6,660	516,240	21,300
2039	85,656	5,496	520,020	17,520
2040	86,832	4,320	523,824	13,716
2041	88,032	3,120	527,664	9,876
2042	89,244	1,908	531,528	6,012
2043	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, 2023.

(2) \$5,843,209, of loan proceeds have not been drawn down at June 30, 2023.

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	\$ 2,115,684	\$ 423,048
22,395	185,005			1,973	2,132,961	399,948
22,395	185,005			1,973	2,156,313	376,596
22,395	185,005				2,178,040	352,896
22,395	185,005				2,202,028	328,908
22,395	185,005				2,226,364	304,572
	185,006				2,228,582	279,960
	185,006				2,253,518	255,024
					2,093,784	229,752
					2,119,392	204,144
					2,145,324	178,212
					2,171,616	151,920
					2,130,510	125,529
					1,945,937	101,061
					1,820,335	78,316
					1,522,220	57,457
					1,242,298	41,343
					1,214,160	26,628
					1,158,667	12,143
					626,008	2,786
<u>\$ 134,370</u>	<u>\$ 1,480,042</u>	<u>\$ 452</u>	<u>\$ 5,371</u>	<u>\$ 5,919</u>	<u>\$ 37,683,741</u>	<u>\$ 3,930,243</u>

CITY OF CLEVELAND, TENNESSEE
 LEASE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES
 June 30, 2023

<u>Fiscal Year</u>	Copiers		Total	
	Principal	Interest	Principal	Interest
	2024	\$ 11,715	\$ 196	\$ 11,715
2025	1,322	5	1,322	5
Total	\$ 13,037	\$ 201	\$ 13,037	\$ 201

CITY OF CLEVELAND, TENNESSEE
INVESTMENTS
June 30, 2023

Table 13

Description		Cost	Fair Value
Investment in Certificates of Deposit:			
First Tennessee Bank	1.50%	\$ 13,694	\$ 13,694
First Tennessee Bank	1.50%	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	1.50%	29,987	29,987
First Tennessee Bank	1.50%	58,733	58,733
First Tennessee Bank	1.50%	5,991	5,991
First Tennessee Bank	1.50%	40,528	40,528
Southeast Bank	2.00%	253,812	253,812
Total Certificates of Deposit		<u>\$ 473,066</u>	<u>\$ 473,066</u>
Investment in Local Government Investment Pool:			
State of Tennessee		\$ 23,793	\$ 23,793
Total Local Government Investment Pool		<u>\$ 23,793</u>	<u>\$ 23,793</u>
Total Investments		<u>\$ 496,859</u>	<u>\$ 496,859</u>
Investments in Fiduciary Fund:			
Mutual Funds:			
American Beacon Small Cap Value Fund		\$ 236,583	\$ 227,888
Clearbridge International Growth Fund		338,690	372,912
Federated Total Return Bond Fund		227,333	196,756
John Hancock Funds III - International Growth Fund		368,877	316,377
Lord Abbett Short Duration Income Fund		417,068	384,661
MFS Mid Cap Growth Fund		153,374	167,918
Pimco Global Bond Fund		169,223	149,679
The Hartford Small Cap Growth I		307,856	273,445
Thornburg Limited Term Income Fund		425,432	395,151
Vanguard Growth Index Fund		537,523	756,948
Vanguard High Dividend Yield Index Fund		528,513	609,416
Vanguard Mid-Cap Growth Index Fund		135,462	167,251
Victory Sycamore Established Value I		265,512	290,159
Total Fiduciary Fund Investments		<u>\$ 4,111,446</u>	<u>\$ 4,308,561</u>

CITY OF CLEVELAND, TENNESSEE

Table 14

TRANSFERS

For the Fiscal Year Ended June 30, 2023

<u>Transfers In:</u>	<u>Transfers Out:</u>	<u>Amount</u>
Capital Improvement Program Fund	General Fund	\$ 3,896,493
Community Development Block Grant Fund	General Fund	30,000
Debt Service Fund	General Fund	6,086,093
Debt Service Fund	School Fund	800,464
Debt Service Fund	State Street Aid Fund	444,042
Debt Service Fund	Stormwater Fund	110,250
General Fund	Cleveland Utilities - Electric Division	2,539,354
General Fund	Cleveland Utilities - Water Division	496,087
Library Fund	General Fund	684,000
Metropolitan Transportation Planning Organization	General Fund	151,500
School Fund	General Fund	5,801,500
School Fund	School Federal Projects Fund	879
Solid Waste Management Fund	General Fund	<u>150,000</u>
	Total	<u>\$ 21,190,662</u>

CITY OF CLEVELAND, TENNESSEE
 SURETY BONDS OF PRINCIPAL OFFICIALS
 For the Year Ended June 30, 2023

Table 15

<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, 2023

Table 16

	<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.

Disposition: Subsequent to June 30, 2023, the court ruled that the amount of \$3,000 should be paid back to Cleveland Utilities.

SINGLE AUDIT SECTION

CITY OF CLEVELAND, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster	ALN Assistance Listing Number	State Grant Number
FEDERAL AWARDS:		
U.S. DEPARTMENT OF AGRICULTURE		
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	
USDA Fresh Fruits and Vegetables	10.582	N/A
Subtotal USDA Fresh Fruits and Vegetables		
Total Child Nutrition Cluster		
COVID 19 -Pandemic EBT Administrative Costs	10.649	N/A
Total U.S. Department of Agriculture		
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
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		
Total U.S. Department of Housing and Urban Development		
U.S. DEPARTMENT OF JUSTICE		
Protective vests	16.607	N/A
Edward Byrne Memorial Justice Assistance	16.738	N/A
Total U.S. Department of Justice		
U.S. DEPARTMENT OF TRANSPORTATION		
Passed through the TN Department of Transportation		
Airport Improvement Programs:		
North property development	20.106	AERO-18230
Concrete box culvert repair	20.106	AERO-23-198000
ARPA concrete box culvert repair	20.106	AERO-22-263000
FFA - Coronavirus response grant program (ACRGP)	20.106	AERO-22-174000
Subtotal Program 20.106		
Highway Planning and Construction Cluster		
Transportation Planning	20.205	Z19MPO004
17th Street Improvements	20.205	STP-M-4472
Paul Huff Parkway Resurfacing & Safety Improvements	20.205	STP-M-NA-9203
Total Highway Planning Construction Cluster		

(Continued)

<u>Accrued (Unearned) Grant Revenues July 1, 2022</u>	<u>Cash Receipts</u>	<u>Expend- itures</u>	<u>Accrued (Unearned) Grant Revenues June 30, 2023</u>
\$ 0	\$ 1,134,639	\$ 1,134,639	\$ 0
0	1,134,639	1,134,639	0
\$ 0	\$ 2,661,701	\$ 2,661,701	\$ 0
0	239,134	239,134	0
\$ 0	\$ 2,900,835	\$ 2,900,835	\$ 0
\$ 0	\$ 107,525	\$ 107,525	\$ 0
0	107,525	107,525	0
\$ 0	\$ 68,451	\$ 68,451	\$ 0
\$ 0	\$ 68,451	\$ 68,451	\$ 0
\$ 0	\$ 4,211,450	\$ 4,211,450	\$ 0
0	5,950	5,950	0
\$ 0	\$ 4,217,400	\$ 4,217,400	\$ 0
\$ (109,069)	\$ 524,149	\$ 417,429	\$ (2,349)
(224,400)	245,390	20,990	0
\$ (333,469)	\$ 769,539	\$ 438,419	\$ (2,349)
\$ (333,469)	\$ 769,539	\$ 438,419	\$ (2,349)
\$ (2,936)	\$ 10,491	\$ 34,410	\$ (26,855)
0	36,972	36,972	0
\$ (2,936)	\$ 47,463	\$ 71,382	\$ (26,855)
\$ (10,695)	\$ 10,695	\$ 0	\$ 0
0	0	27,313	(27,313)
0	59,000	59,000	0
0	23,000	23,000	0
\$ (10,695)	\$ 92,695	\$ 109,313	\$ (27,313)
\$ (110,245)	\$ 119,448	\$ 166,331	\$ (157,128)
(552,838)	552,838	0	0
(10,125)	33,363	49,755	(26,517)
\$ (673,208)	\$ 705,649	\$ 216,086	\$ (183,645)

CITY OF CLEVELAND, TENNESSEE
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY
 For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster	ALN Assistance Listing Number	State Grant Number
FEDERAL AWARDS - (Continued):		
U.S. DEPARTMENT OF TRANSPORTATION - (Continued)		
Passed through the TN Department of Transportation - (Continued)		
Highway Safety Cluster		
High Visibility Enforcement - Equipment	20.600	Z23THS054
High Visibility Enforcement - Overtime	20.600	Z23THS054
Subtotal Program 20.600	20.600	
Total Highway Safety Cluster		
Safety Enforcement Grant - Education	20.607	Z22THS060
Safety Enforcement Grant - Overtime	20.607	Z22THS060
Subtotal Safety Enforcement Grant 20.607	20.607	
Total U.S. Department of Transportation		
U.S. DEPARTMENT OF TREASURY		
Passed through State Department of Finance and Administration:		
COVID 19 - American Rescue Plan Act	21.019 *	N/A
Subtotal Program 21.019		
Total U.S. Department of Treasury		
U.S. ENVIRONMENTAL PROTECTION AGENCY		
Passed through TN Department of Environment and Conservation:		
Clean Water State Revolving Fund Cluster:		
Grants for Clean Water - State Revolving Loan - Loan SRF 18-417-01	66.458	N/A
Total Clean Water State Revolving Fund Cluster		
Total U.S. Environmental Protection Agency		
U.S. DEPARTMENT OF EDUCATION		
Passed thorough 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
Title I D Neglected	84.013	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)

<u>Accrued (Unearned) Grant Revenues July 1, 2022</u>	<u>Cash Receipts</u>	<u>Expend- itures</u>	<u>Accrued (Unearned) Grant Revenues June 30, 2023</u>
\$ 0	\$ 31,653	\$ 33,186	\$ (1,533)
\$ 0	\$ 22,161	\$ 22,161	\$ 0
<u>\$ 0</u>	<u>\$ 53,814</u>	<u>\$ 55,347</u>	<u>\$ (1,533)</u>
\$ 0	\$ 53,814	\$ 55,347	\$ (1,533)
(3,180)	3,180	0	
\$ (9,187)	\$ 9,187	\$ 0	\$ 0
<u>(12,367)</u>	<u>12,367</u>	<u>0</u>	<u>0</u>
\$ (696,270)	\$ 864,525	\$ 380,746	\$ (212,491)
\$ 3,052,456	\$ 4,656,500	\$ 204,121	\$ 7,504,835
\$ 3,052,456	\$ 4,656,500	\$ 204,121	\$ 7,504,835
<u>\$ 3,052,456</u>	<u>\$ 4,656,500</u>	<u>\$ 204,121</u>	<u>\$ 7,504,835</u>
\$ 0	\$ 2,668,505	\$ 2,668,505	\$ 0
\$ 0	\$ 2,668,505	\$ 2,668,505	\$ 0
<u>\$ 0</u>	<u>\$ 2,668,505</u>	<u>\$ 2,668,505</u>	<u>\$ 0</u>
\$ (364,949)	\$ 1,770,981	\$ 1,515,561	\$ (109,529)
\$ (364,949)	\$ 1,770,981	\$ 1,515,561	\$ (109,529)
<u>(34,409)</u>	<u>158,530</u>	<u>124,121</u>	<u>0</u>
\$ (34,409)	\$ 158,530	\$ 124,121	\$ 0
\$ (399,358)	\$ 1,929,511	\$ 1,639,682	\$ (109,529)
\$ (351,085)	\$ 2,082,357	\$ 1,793,647	\$ (62,375)
(218)	28,957	28,739	0
(16,300)	144,246	127,946	0
(7,056)	109,638	102,582	0
(22,579)	225,566	237,319	(34,332)
0	118,611	118,611	0

CITY OF CLEVELAND, TENNESSEE
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY
 For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster	ALN Assistance Listing Number	State Grant Number
FEDERAL AWARDS - (Continued):		
U.S. DEPARTMENT OF EDUCATION - (Continued)		
Passed through the TN Department of Education - (Continued)		
Literacy Training Stipend Grant	84.425B *	N/A
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 - TN All Corps Grant	84.425D *	N/A
COVID 19 - Education Stabilization Fund Program - Math Implementation Support Grant	84.425D *	N/A
Subtotal Program 84.425		
Total U.S. Department of Education		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed Through Tennessee Department of Education:		
COVID 19 - Epidemiology and Laboratory Capacity Grant	93.323	N/A
Resilient School Communities Grant	93.354	N/A
Learning Camps	93.557	N/A
Total U.S. Department of Health and Human Services		
 TOTAL FEDERAL AWARDS		

(Continued)

Accrued (Unearned) Grant Revenues July 1, 2022	Cash Receipts	Expend- itures	Accrued (Unearned) Grant Revenues June 30, 2023
\$ 0	\$ 178,000	\$ 178,000	\$ 0
(3,348)	4,028	680	0
(127,558)	160,748	33,190	0
(11,871)	305,478	411,936	(118,329)
(509,895)	3,814,994	4,237,737	(932,638)
(22,711)	127,113	114,847	(10,445)
0	271,967	297,207	(25,240)
0	71,250	71,250	0
<u>\$ (675,383)</u>	<u>\$ 4,933,578</u>	<u>\$ 5,344,847</u>	<u>\$ (1,086,652)</u>
<u>\$ (1,471,979)</u>	<u>\$ 9,572,464</u>	<u>\$ 9,393,373</u>	<u>\$ (1,292,888)</u>
\$ (359,539)	\$ 819,294	\$ 620,336	\$ (160,581)
0	146,157	146,157	0
0	0	208,550	(208,550)
<u>\$ (359,539)</u>	<u>\$ 965,451</u>	<u>\$ 975,043</u>	<u>\$ (369,131)</u>
<u>\$ 188,263</u>	<u>\$ 23,761,847</u>	<u>\$ 18,348,989</u>	<u>\$ 5,601,121</u>

CITY OF CLEVELAND, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster	ALN Assistance Listing Number	State Grant Number
STATE AWARDS		
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
Innovative school models	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-23-106000
Jetport - North property development (State Portion)	N/A	AERO-18230
Jetport - Environmental monitoring	N/A	AERO-23-192
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, 2023. 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, 2022</u>	<u>Cash Receipts</u>	<u>Expend- itures</u>	<u>Accrued (Unearned) Grant Revenues June 30, 2023</u>
\$ (3,920)	\$ 9,415	\$ 5,495	\$ 0
(92,619)	214,287	121,668	0
(49,461)	172,715	123,254	0
0	14,187	14,187	0
0	423,020	1,010,614	(587,594)
(614,501)	614,501	351,616	(351,616)
0	2,676	2,676	0
(42,407)	42,407	0	0
0	15,000	15,000	0
(8,847)	8,847	0	0
0	6,500	6,500	0
(282,474)	856,768	884,196	(309,902)
(177,560)	190,961	13,401	0
0	46,355	55,010	(8,655)
<u>\$ (1,271,789)</u>	<u>\$ 2,617,639</u>	<u>\$ 2,603,617</u>	<u>\$ (1,257,767)</u>
<u>\$ (1,083,526)</u>	<u>\$ 26,379,486</u>	<u>\$ 20,952,606</u>	<u>\$ 4,343,354</u>

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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

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, 2023, 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 December 15, 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 deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 2021-001.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

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

December 15, 2023



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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
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wedgewoodaccounting.com

MEMBERS OF
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PUBLIC ACCOUNTANTS
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PUBLIC ACCOUNTANTS

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, 2023. 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, 2023.

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, 2023, 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 December 15, 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.

Wedgwood Accounting, PLLC

WEDGEWOOD ACCOUNTING, PLLC
Certified Public Accountants

December 15, 2023

CITY OF CLEVELAND, TENNESSEE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2023

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 not material to the financial statements.
4. No significant deficiencies or material weaknesses 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:

	ALN#
COVID 19 - Recovery Grants	21.019
Title I Grants to Local Educational Agencies	84.010
Elementary and Secondary School Emergency Relief	84.425

- 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 & COMPLIANCE

2021-001 Budget Violation

Condition: Actual expenditures exceeded budget for the following funds:

	Budget	Actual
School Food Service Fund	3,429,529	3,793,112
Drug Enforcement Fund	23,600	25,395

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, 2023

A. FINANCIAL STATEMENT AUDIT

Finding 2021-001 was repeated in the current year.

B. MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

City of Cleveland

CLEVELAND, TENNESSEE

Shawn McKay
Assistant City Manager/CFO
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: Actual expenditures exceeded budget for the following funds:
expenditures.

	<u>Budget</u>	<u>Actual</u>
School Food Service Fund	3,429,529	3,793,112
Drug Enforcement Fund	23,600	25,395

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