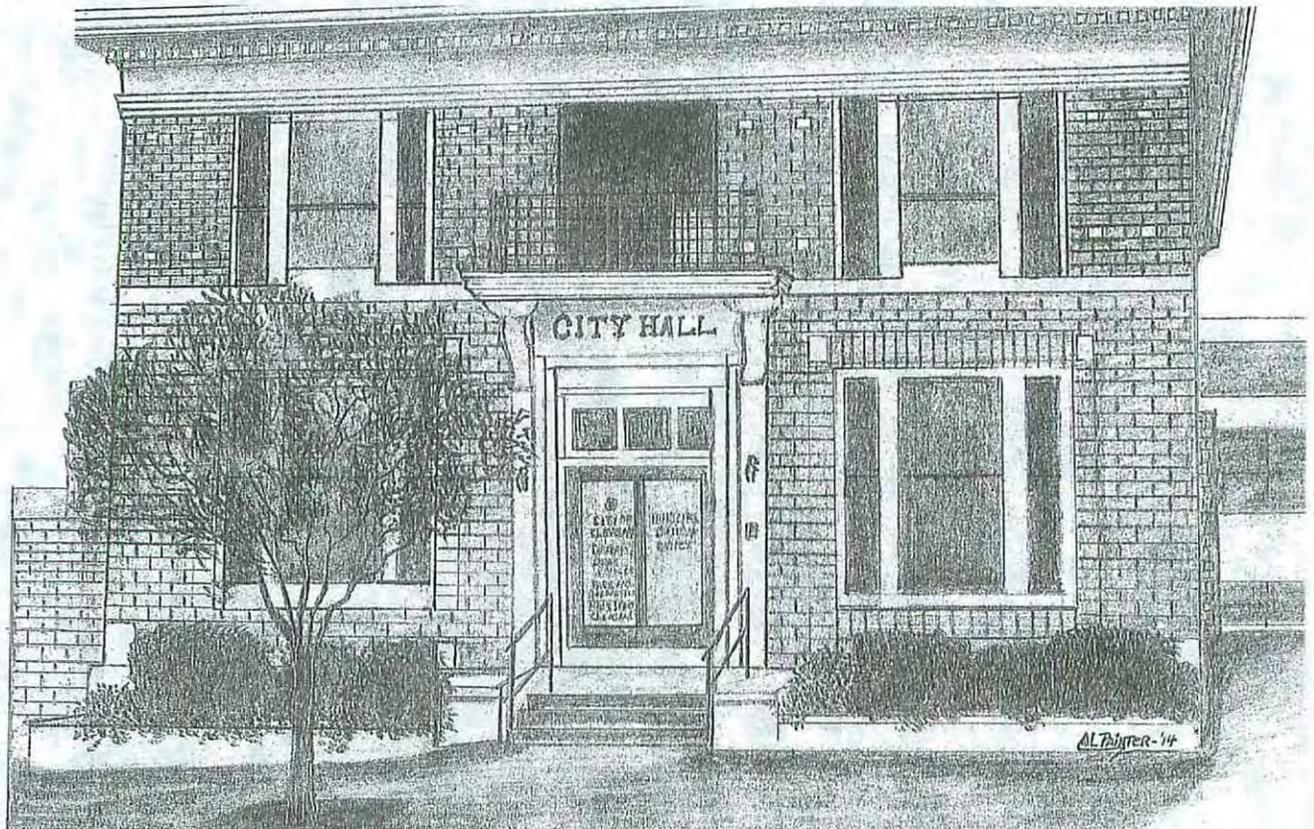


Comprehensive Annual Financial Report City of Cleveland, Tennessee



For the Year Ended
June 30, 2015

CITY OF CLEVELAND, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2015

Prepared by:
Department of Finance

CITY OF CLEVELAND, TENNESSEE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	i
GFOA Certificate of Achievement	vii
City Officials	viii
Organizational Chart	ix

FINANCIAL SECTION

Independent Auditors' Report	1
Management Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17 - 18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - School Fund	47
Statement of Net Position - Proprietary Funds	57
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	58
Statement of Cash Flows - Proprietary Funds	59
Notes to Financial Statements	61
Required Supplementary Information:	
Schedule of Funding Progress - Postemployment Benefits	93
Schedule of Changes in Cleveland City's Net Pension Liability and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS	94

	<u>Page</u>
Schedule of Cleveland City's Contributions Based on Participation in the Public Employee Pension Plan of TCRS	95
Schedule of Changes in Cleveland City's Net Pension Liability and Related Ratios Based on Participation in the Public Employee Pension Plan of CSA	96
Schedule of Cleveland City's Contributions Based on Participation in the Public Employee Pension Plan of CSA	97
Schedule of Cleveland City Schools' Proportionate Share of the Net Pension Asset Teacher Legacy Pension Plan of TCRS	98
Schedule of Cleveland City Schools' Contributions Teacher Legacy Pension Plan of TCRS	98
Schedule of Cleveland City Schools' Contributions Teacher Retirement Plan of TCRS	99
 Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	104
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
State Street Aid Fund	108
Solid Waste Management Fund	109
School Federal Projects Fund	111
School Food Services Fund	112
Library Fund	113
Drug Enforcement Fund	114
Metropolitan Transportation Planning Organization Fund	115
Community Development Block Grant Fund	116
2014 Byrne Memorial Justice Assistance Grants	118
E-Ticketing Grant Fund	119
Recycling Grant Fund	120
Debt Service Fund	121
Capital Improvement Program Fund	122
Greenway Fund	125
Fletcher Park Trust Fund	126
Sales Tax Capital Projects Fund	127
Spring Branch Industrial Park Fund	129
Meiler Estate Animal Shelter Trust Fund	130
 Schedule of Revenues, Expenses and Changes in Net Position- Budget and Actual - Fleet Management Fund	 131
 Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedule By Source	133
Schedule by Function and Activity	134
Schedule of Changes by Function and Activity	136

STATISTICAL SECTION**Schedule** **Page**

Net Assets by Component - Last Ten Fiscal Years	1	138
Change in Net Position - Last Ten Fiscal Years	2	140
Program Revenues by Function/Program - Last Ten Fiscal Years	3	142
Fund Balances, Governmental Funds - Last Ten Fiscal Years	4	144
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	5	146
Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years	6	148
Assessed and Estimated Actual Value of Real Taxable Property - Last Ten Fiscal Years	7	149
Direct and Overlapping Property Tax Rates	8	151
Principal Property Taxpayers - Current Year and Nine Years Ago	9	153
Property Tax Levies and Collections - Last Ten Fiscal Years	10	154
Local Taxable Sales by Category - Last Ten Calendar Years	11	155
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	12	157
Local Sales Tax Revenue by Industry - Fiscal Years 2005 and 2014	13	158
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	14	160
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	15	162
Direct and Overlapping Governmental Activities Debt	16	163
Legal Debt Margin Information - Last Ten Fiscal Years	17	164
Revenue Bond Coverage Water and Wastewater Bonds - Last Ten Fiscal Years	18	166
Demographic and Economic Statistics - Last Ten Calendar Years	19	167
Principal Employers - Current Year and Nine Years Ago	20	169
Full-Time-Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years	21	171
Operating Indicators by Function/Program - Last Ten Fiscal Years	22	172
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	23	176

OTHER INFORMATION**Table** **Page**

Insurance in Force - All Fund Types Excluding Cleveland Utilities	1	177
Insurance in Force - Cleveland Utilities	2	178
Changes in Property Taxes Receivable	3	179
Changes in General Obligation Bonds Payable	4	180
Changes in Revenue Bonds Payable	5	181
Changes in Notes Payable	6	182
Uncollected Delinquent Property Taxes Filed	7	184
Bond Principal and Interest Requirements by Fiscal Year for General Obligation Bonds	8	185
Note Principal and Interest Requirements by Fiscal Year Excluding Cleveland Utilities	9	187
Bond Principal and Interest Requirements by Fiscal Year for Cleveland Utilities	10	189
Note Principal and Interest Requirements by Fiscal Year for Cleveland Utilities	11	191
Investments	12	193
Transfers	13	194
Schedule of Unaccounted for Water	14	195
Salaries and Surety Bonds of Principal Officials	15	197

SINGLE AUDIT SECTION

Schedule of Federal and State Financial Assistance Activity		198
Independent Auditors' 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		202
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133		204
Schedule of Findings and Questioned Costs		206

INTRODUCTORY SECTION

City of Cleveland

CLEVELAND, TENNESSEE

Shawn McKay

Director of Finance/City Clerk

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 21, 2015

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 comprehensive annual financial report of the City of Cleveland for the fiscal year ended June 30, 2015.

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 of 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 Arnett, Kirksey, Kimsey, Sullivan, Lay and Hall, 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, 2015, 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 unqualified opinion that the City of Cleveland's financial statements, for the fiscal year ended June 30, 2015, 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 to the city manager by December 31st and operating budget requests to the finance director by March 1st each year. The city manager and finance director make 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 finance director 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 her 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 100.

Factors Affecting Financial Condition

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

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

In the January 2015 report titled *Best-Performing Cities, Where America's Jobs Are Created and Sustained* published by the Milken Institute, the Cleveland Metropolitan Statistical Area (Cleveland MSA) ranked 15th overall out of small MSA's in the United

States up ten spots from the previous year. Additionally, Cleveland ranked sixth in job growth and seventh in wage growth when compared to the other 178 MSA's of equal size.

In March 2015 Moody Analytics published a comparison of metropolitan area economic performance using multiple measures to determine the leading locations for business. Among Cleveland's strengths cited in the report are: low business costs and infrastructure are attractive to potential manufacturers, spillover growth from Chattanooga and Atlanta, airport and Wacker Chemie investments attract other high-tech manufacturers and housing rebounds more strongly and quickly than expected.

NerdWallet named Cleveland the second best city in Tennessee for first-time home buyers and the 14th best place to start a business.

Cleveland's strong economy is evidenced by the following:

- Whirlpool Corporation completed its new research and development laboratory and the transfer of all production lines from the old plant. The company will benefit from the higher demand for housing-related products as the national housing market continues to improve. Whirlpool Corporation is the largest employer in the City with approximately 1,500 employees and one of the largest taxpayers.
- Cleveland entrepreneur Allan Jones completed the \$1.9 million purchase of America's oldest tailored suit manufacturer, Hardwick Clothes. This purchase along with additional investment helps preserve hundreds of jobs and continue the "Made in the South" tradition.
- Volkswagen continues its expansion plans of its manufacturing plant in nearby Hamilton County. An estimated 9,800 direct and indirect jobs and \$372 million in annual income are added to the Tennessee economy as a result of the Volkswagen investment, as reported by the UT Center for Business and economic Research. Production of the SUV is expected to start at the end of 2016.
- Lee University started the ground work for its new school of nursing. When completed the building located on Parker Street will further enhance the heart of downtown Cleveland. A portion of the renovated Pangle Hall on Church Street now houses the school of business.
- Various commercial developments have occurred during 2015 including FSG Bank, Center for Oral and Facial Surgery, Hampton Inn, Dunkin Donuts, Rock Creek Outfitters and Dos Bros Restaurant.
- Residential growth included Timber Creek and Clinton's Pass subdivisions, Cottages on the Green, Horizon Place and the Preserve at Hardwick.

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 2015, the City implemented a stormwater utility fee to customers of Cleveland Utilities Wastewater inside the city limits. The monthly fee is \$1.00 for residential and \$2.00 for non-residential properties with 2,500 square feet or more of impervious area. The fee generated approximately \$231,000 which was used to fund stormwater projects and to hire a consultant to analyze the impervious area of each parcel within the city limits, determine the average equivalent residential unit (ERU) rate, and determine the stormwater fee necessary to fund the stormwater program including the projects identified by the Army Corps of Engineers flood study to be completed in 2015.

The City and Bradley County will each provide \$2 million to match a TDOT grant of \$4 million for the construction of two local interstate connectors (LIC) in southern area of the City near the new industrial park property. Work on LIC North continues as well as construction of the Mayor Tom Rowland Interchange which will connect APD 40 to the LIC. In addition, the expansion of the Exit 20 Interchange on I-75 is near completion. The City believes the development of this area will produce additional tax revenues and jobs.

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 finance director with the city council.

These policies along with Cleveland's budgetary flexibility and strong liquidity resulted in Standard and Poor's Rating Services raising its rating two notches, to 'AA' from 'A+' on Cleveland's general obligation bonds.

Awards and Acknowledgements

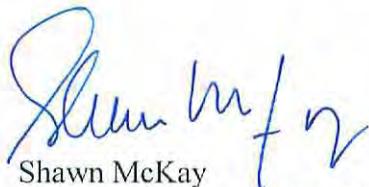
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-seventh consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the city published an easily readable and efficiently organized CAFR. 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 CAFR 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.

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the last sixteen fiscal years, beginning in Fiscal Year 1999. In order to qualify for the Distinguished Budget Presentation Award, the city's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this CAFR 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
Director of Finance/City Clerk



Janice S. Casteel
City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cleveland
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF CLEVELAND, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OFFICIALS
June 30, 2015

Tom Rowland
Mayor

Richard Banks
William Estes
Dale Hughes
Avery Johnson, Sr.
David May, Jr.
Charlie McKenzie
George Poe, Jr.

Councilman
Councilman
Councilman
Councilman
Councilman
Councilman
Councilman/Vice Mayor

Janice S. Casteel
Melinda Carroll

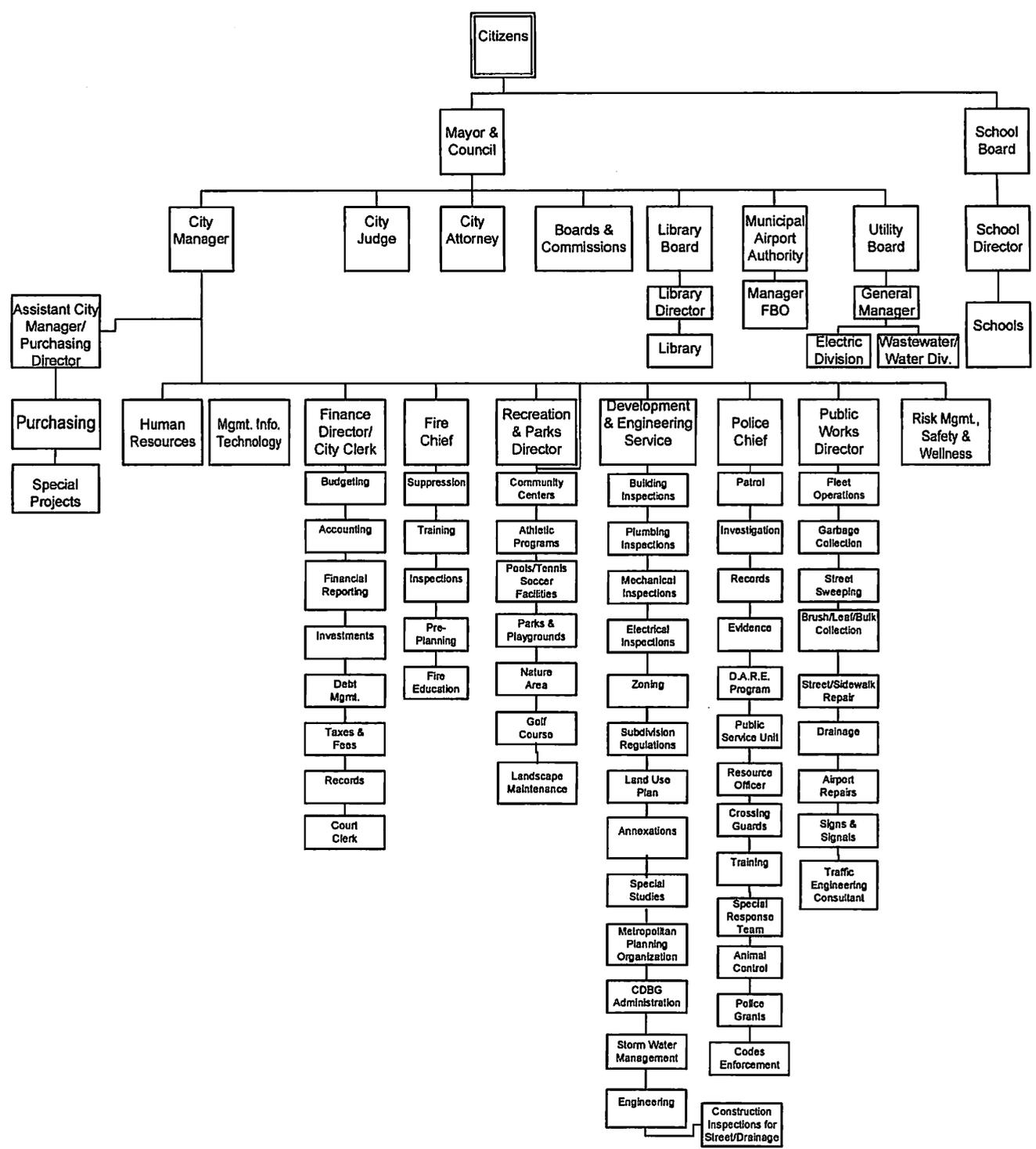
City Manager
Assistant City Manager

Department Heads

Mark Fidler
Mark Gibson
Ron Harrison
Andrew Hunt
Jonathan Jobe
John Kimball
Shawn McKay
Tommy Myers
Barrett Painter
Patti Petitt
Dr. Martin Ringstaff
Ken Webb

Jetport Manager
Interim Chief of Police
Fire Chief
Library Director
Director of Development & Engineering Services
City Attorney
Director of Finance/City Clerk
Public Works Director
City Judge
Parks and Recreation Director
Director of Schools
General Manager, Cleveland Utilities

Organizational Chart for the City of Cleveland, Tennessee



FINANCIAL SECTION

ARNETT, KIRKSEY, KIMSEY, SULLIVAN, LAY & HALL, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

RONALD E. ARNETT, CPA/PFS, CVA
WILLIAM B. KIRKSEY, CPA
BUDDY E. KIMSEY, CPA/PFS
VICKI PIERCE SULLIVAN, CPA
MARK A. LAY, CPA
SCOTT D. HALL, CPA

ANGELA D. KEY, CPA
CALEB J. PEACOCK, CPA

WEDGEWOOD OFFICE PARK
4395 N. OCOEE STREET
CLEVELAND, TENNESSEE 37312

TELEPHONE: (423) 476-5581
FACSIMILE: (423) 472-9893
EMAIL: cpa@akkslh.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL ASSOCIATION OF
CERTIFIED VALUATION ANALYSTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and School Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in note 20 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which became effective in the fiscal year ended June 30, 2015. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note 20 to the financial statements, which describes a restatement decreasing the beginning net position of the City by \$33,128,857. This restatement was necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

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 93 through 99 be presented to supplement the basic financial statements. Such information, 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 primarily 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 and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Cleveland's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, the statistical section and the other information section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of federal and state financial assistance activity is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, and the schedule of federal and state financial assistance activity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to 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 combining and individual nonmajor fund financial statements and schedules and the schedule of federal and state financial assistance activity, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, statistical sections and other information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 10, 2015, on our consideration of the City of Cleveland's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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's internal control over financial reporting and compliance.

Arnett, Kirksey, Kimsey, Sullivan, Lay & Hall
ARNETT, KIRKSEY, KIMSEY, SULLIVAN, LAY & HALL, PLLC
Certified Public Accountants

December 10, 2015

This page left blank intentionally.

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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in pages i–vi of this report.

Financial Highlights

- The assets and deferred outflows of the City of Cleveland exceeded its liabilities and deferred inflows at June 30, 2015 by \$235,531,748 (net position).
- The change in net position (defined as the difference in revenues and expenses) decreased due to the cumulative effect of a change in accounting principal as a result of the City adopting the provisions of GASB Statement No. 68 and No. 71. Additional information on this change is described in Note 20. The City of Cleveland's changes in net position is detailed in the chart on page eight of this report. Total revenues increased \$8,094,682 which primarily included increases in utility services, operating grants and state shared taxes. Expenses decreased \$2,280,693 over last fiscal year.
- The city's property tax rate remained at \$1.7655 per hundred dollars of assessment. This continues the level of services city residents have come to expect.
- The city's residential sanitation fee remained at \$6.95 per month.
- As of the close of the current fiscal year, the City of Cleveland's governmental funds reported combined ending fund balances of \$27,318,665.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,766,227 with \$5,878,509 assigned to capital outlay for construction projects including completion of the Raider Arena. Expenditures do not include transfers to other funds, which totaled \$18,330,832 in the city's general fund.
- Long-term debt increased approximately \$1,796,729.
- The City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 71. This is described in more detail in Note 20 of the financial statements.

Overview of the Financial Statements

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

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

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

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

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Cleveland, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Cleveland can be divided into two categories: governmental funds and proprietary funds.

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

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

The City of Cleveland maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and school 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 100.

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Cleveland Utilities Electric and Water operations, both of which are considered to be major funds of the City.

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

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 61-92 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 93-99 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 100-132 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 \$235,531,748 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>	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Current assets	\$61,047,702	\$58,401,511	\$34,983,796	\$30,674,100	\$96,031,498	\$89,075,611
Receivables and other noncurrent assets	87,135	0	3,129,151	3,264,592	3,216,286	3,264,592
Deferred charges	0	0	0	0	0	0
Capital assets	187,017,275	183,134,203	185,820,266	180,398,545	376,053,827	363,532,748
Total assets	248,152,112	241,535,714	223,933,213	214,337,237	472,085,325	455,872,951
Total deferred outflows of Resources	8,752,807	4,187,034	3,715,425	718,765	12,468,232	4,905,799
Long-term liabilities Outstanding	97,543,723	90,701,203	79,026,033	59,953,258	176,569,756	150,654,461
Other liabilities	9,479,617	8,676,389	23,368,928	22,149,347	32,848,545	30,825,736
Total liabilities	107,023,340	99,377,592	102,394,961	82,102,605	209,418,301	181,480,197
Total deferred inflows of Resources	37,084,351	25,006,119	2,519,157	16,367	39,603,508	25,022,486
Net position:						
Invested in capital assets, net of related debt	115,117,684	108,313,394	124,423,205	124,523,849	239,360,889	232,837,243
Restricted	4,230,289	3,627,607	0	0	4,230,289	3,627,607
Unrestricted	(6,550,745)	9,398,036	(1,508,685)	8,413,181	(8,059,430)	17,811,217
Total net position	\$112,797,228	\$121,339,037	\$122,734,520	\$132,937,030	\$235,531,748	\$254,276,067

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

As a result of adopting GASB Nos. 68 and 71, unrestricted net position for both governmental and business-type activities reflect a negative balance.

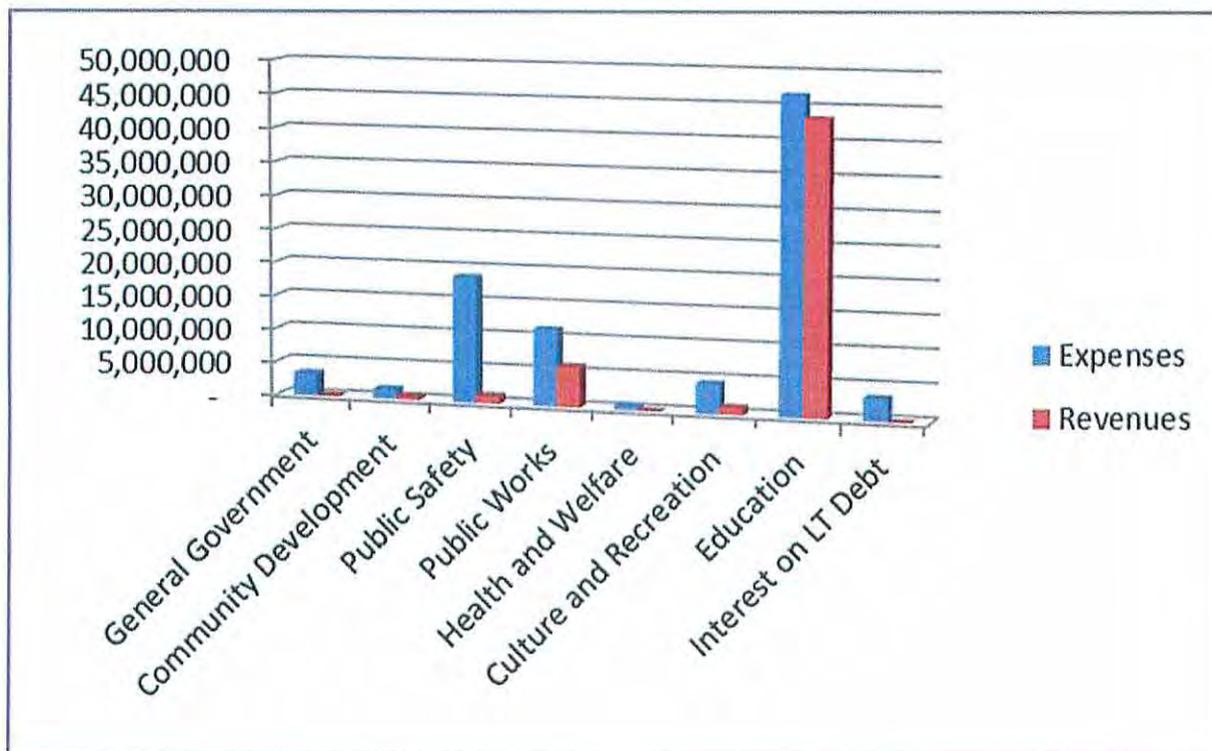
Governmental activities. Governmental activities increased the City of Cleveland's net position by \$10,183,684, detailed as follows:

City of Cleveland's Changes in Net Position

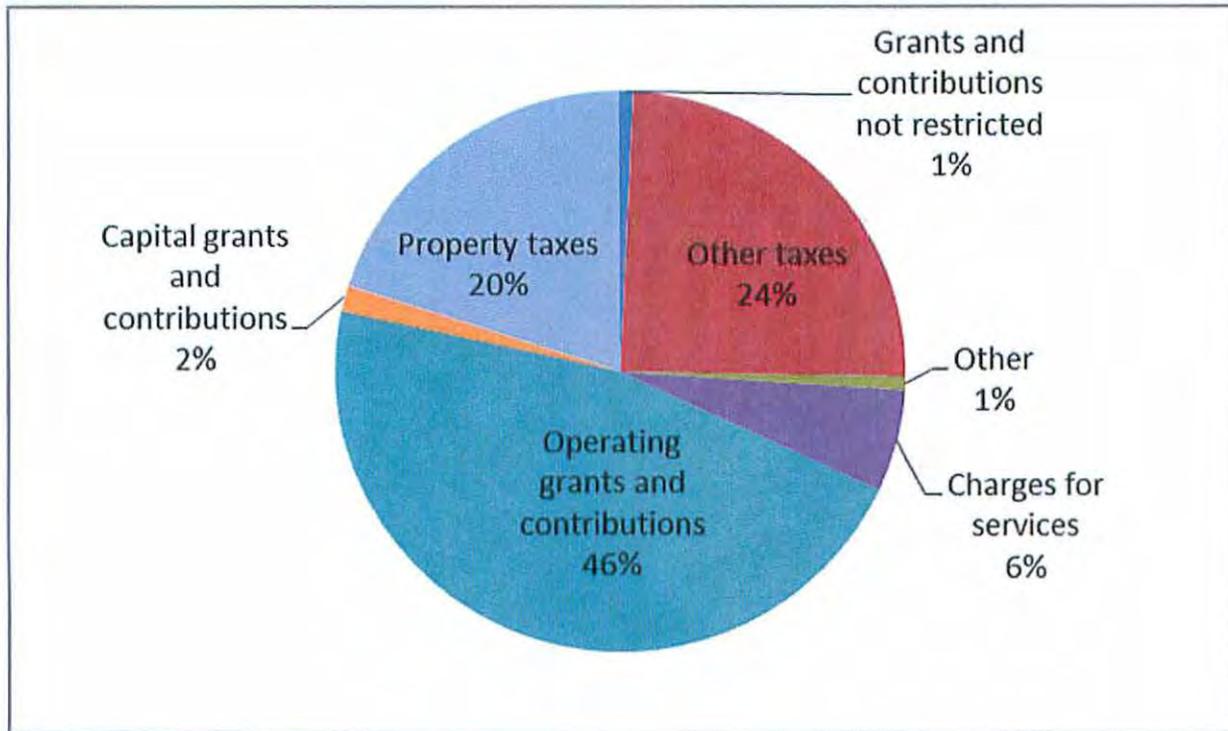
	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Revenues:						
Program revenues:						
Charges for services	\$5,792,117	\$5,719,960	\$124,804,855	\$122,482,258	\$130,596,972	\$128,202,218
Operating grants and Contributions	45,485,420	42,755,489	47,532	48,977	45,532,952	42,804,466
Capital grants and contributions	1,459,698	2,805,953	515,643	961,210	1,975,341	3,767,163
General revenues:						
Property taxes	19,653,207	19,016,017	0	0	19,653,207	19,016,017
Other taxes	23,954,253	20,620,443	0	0	23,954,253	20,836,070
Grants and contributions not restricted to specific programs	775,098	407,799	0	0	775,098	407,799
Other	746,409	338,447	82,174	65,171	828,583	403,618
Total revenues	97,866,202	91,664,108	125,450,204	123,557,616	223,316,406	215,221,724
Expenses:						
General government	3,356,106	3,285,177	0	0	3,356,106	3,285,177
Planning and inspection	1,473,844	1,498,726	0	0	1,473,844	1,498,726
Public safety	18,688,453	19,610,293	0	0	18,688,453	19,610,293
Public works	11,340,866	10,767,515	0	0	11,340,866	10,767,515
Health and welfare	638,456	740,903	0	0	638,456	740,903
Culture and recreation	4,397,406	5,150,586	0	0	4,397,406	5,150,586
Education	46,678,450	49,017,773	0	0	46,678,450	49,017,773
Interest on long-term debt	3,356,042	2,999,643	0	0	3,356,042	2,999,643
Water and sewer	0	0	22,015,051	22,606,739	22,015,051	22,606,739
Electric	0	0	96,987,194	95,535,206	96,987,194	95,535,206
Other enterprise	0	0	0	0	0	0
Total expenses	89,929,623	93,070,616	119,002,245	118,141,945	208,931,868	211,212,561
Increase (decrease) in net position before transfers	7,936,579	(1,406,508)	6,447,959	5,415,671	14,384,538	4,009,163
Transfers	2,247,105	2,198,373	(2,247,105)	(2,198,373)	0	0
Increase (decrease) in net position	10,183,684	791,865	4,200,854	3,217,298	14,384,538	4,009,163
Net position – beginning	121,339,037	121,300,754	132,937,030	130,354,101	254,276,067	251,654,855
Prior period adjustment	(18,725,493)	(753,582)	(14,403,364)	(634,369)	(33,128,857)	(1,387,951)
Net position – ending	\$112,797,228	\$121,339,037	\$122,734,520	\$132,937,030	\$235,531,748	\$254,276,067

- The city's property tax rate remained \$1.7655 per \$100 of assessed value in fiscal year 2015. Tax revenues increased \$3,755,373 over FY2014.
- Operating grants and contributions increased \$2,729,931 due to a combination of increases in federal, state and local funds received for education.
- Capital grants and contributions decreased \$1,346,255 primarily due to a decrease in public works projects.
- Cleveland's second largest revenue source is local sales tax which increased \$351,104. 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 decreased \$3,140,993 with decreases in public safety and education.

Expenses and Program Revenues – Governmental Activities



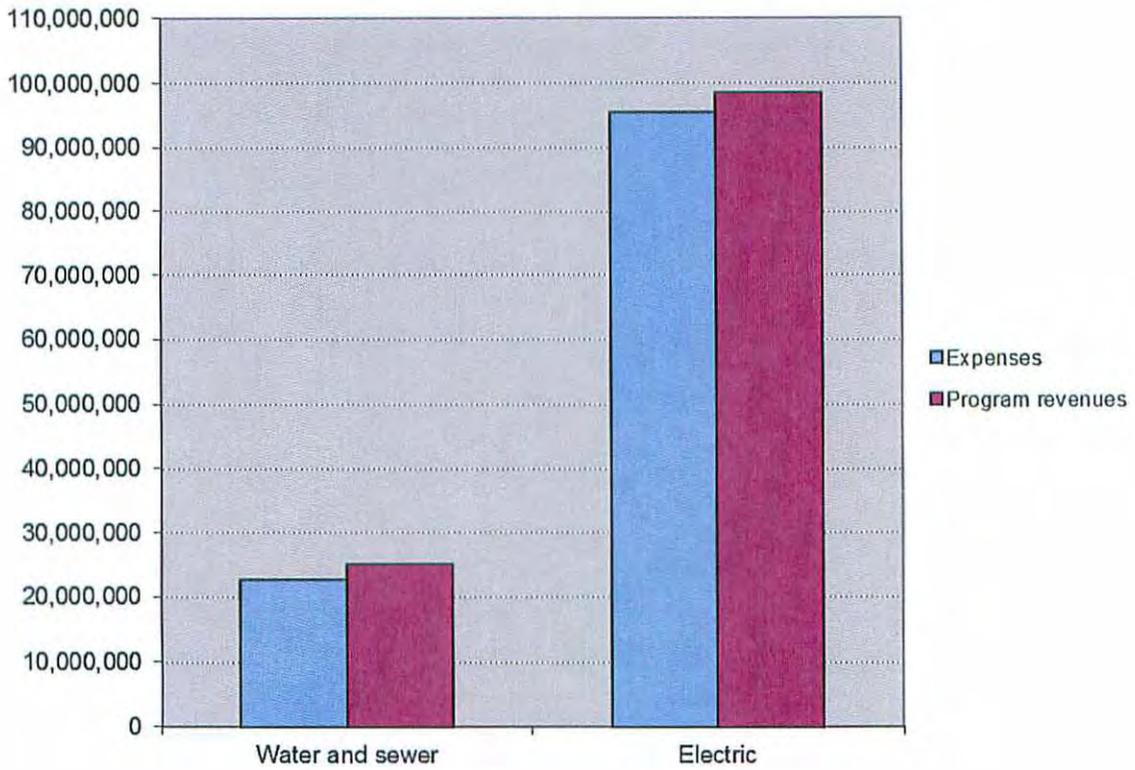
Revenues by Source – Governmental Activities



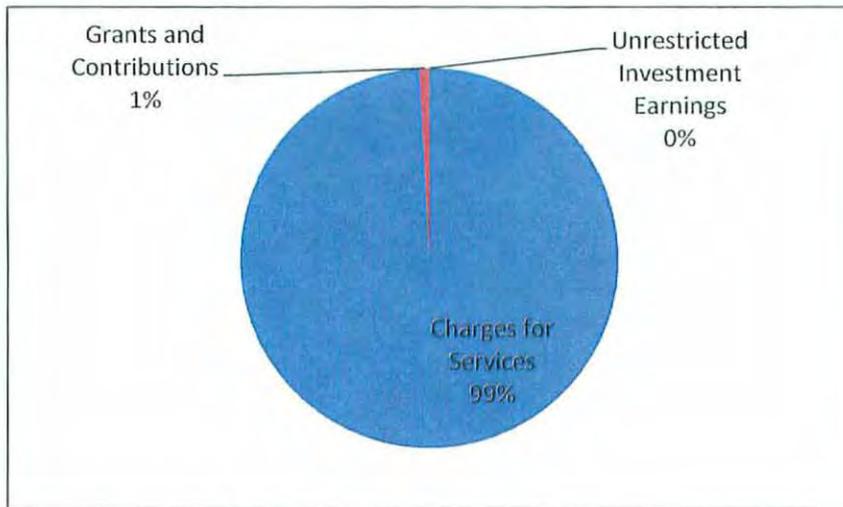
Business-type activities. Business-type activities increased the City of Cleveland's net position by \$4,200,854.

- Charges for services increased \$2,322,597. This increase is attributed to a combination of the electric and water operations of Cleveland Utilities.
- Capital grants and contributions decreased \$445,567.
- Expenses for business-type activities increased \$860,300. The most significant changes in expenses were electric power purchased and the water system operation.

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 \$27,318,665, an increase of \$1,530,630. The combined fund balance is broken down as follows:

- \$526,810 is non-spendable consisting of inventories and permanent fund principal
- \$3,737,327 is restricted for limited use in law enforcement, community development, street improvements, recycling, capital outlay, education and animal control
- \$614,333 is committed by the City Council for use by Solid Waste Management
- \$18,673,968 is assigned for designated use for education, the library, debt service and capital outlay
- \$3,766,227 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 \$3,766,227. Unassigned fund balance represents 12.7% of general fund expenditures. However, the unassigned fund balance only represents 7.8% 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 decreased \$3,087,248 during the current fiscal year. Although revenues exceeded budgeted amounts (property taxes and state-shared revenues) and city departments controlled spending, the City contributed a portion of the general fund balance to the construction of Raider Arena. Several vacant employee positions remained unfilled. The fund balance of the School Fund increased \$1,168,615. This is due in part to increased local sales and property tax revenues.

The debt service fund has a total fund balance of \$3,761,984. The net increase in fund balance during the current year was \$365,443.

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 (\$289,354) for the Cleveland Utilities Water Division, (\$1,219,331) for Cleveland Utilities Electric Division and \$205,081 for the Fleet Management Fund.

General Fund Budgetary Highlights

General fund revenues were amended during the year to increase \$179,275 with property tax and intergovernmental revenues making up most of the increase. General fund expenditures were amended to decrease \$145,843 distributed among several departments. Departmental budget officers closely monitored expenditures during the fiscal year in order to minimize budget amendments.

Actual revenues exceeded the final amended budget by \$1,644,977. This was primarily due to an increase in state income tax.

Differences between the final amended budget and actual expenditures were \$814,402. Vacancies in various 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, 2015 amounts to \$372,837,541 (net of accumulated depreciation), which is a \$9,304,793 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 \$248,179 in improvements at the library.
- Public Safety added \$352,451 in police patrol units and equipment for the fire department.
- Public Works added \$515,602 primarily in road, sidewalk, and drainage infrastructure.
- Parks and Recreation added \$966,287 in recreation center improvements and the Greenway.
- Cleveland City Schools added \$1,452,051 in capital assets.
- Construction in progress increased by \$5,340,356 for construction of the Raider Arena.

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

	Governmental Activities		Business-type Activities		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Land	\$ 37,309,939	\$ 37,494,939	\$ 1,699,449	\$ 1,699,449	\$ 39,009,388	\$ 39,194,388
Buildings and Systems	75,463,351	76,562,546	177,107,934	174,737,495	252,571,285	251,300,041
Improvements other than buildings	14,082,186	14,372,327	0	0	14,082,186	14,372,327
Furniture, fixtures, equipment & vehicles	9,337,615	9,162,440	0	0	9,337,615	9,162,440
Infrastructure	41,055,330	41,113,453	0	0	41,055,330	41,113,453
Construction in Progress	9,768,854	4,428,498	7,012,883	3,961,601	16,781,737	8,390,099
Total	\$187,017,275	\$183,134,203	\$185,820,266	\$180,398,545	\$372,837,541	\$363,532,748

Additional information on the City of Cleveland's capital assets can be found in Note 4 on pages 8-69 of this report.

Long-term debt. At the end of the current fiscal year, the City of Cleveland had total debt outstanding of \$137,314,074. Of this amount, \$57,550,480 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 \$47,210,000 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 \$16,897,283 for city general projects and \$14,927,753 for Cleveland Utilities. The City also has a capital lease on lighting upgrades for the City Schools and mowing equipment for the recreation department in the amount of \$488,653.

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	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
General obligation bonds	57,550,480	60,271,480	0	0	57,550,480	60,271,480
Long-term notes issued through various agencies in TN	16,897,283	17,975,620	14,925,753	5,384,687	31,825,036	23,360,307
Capital leases	488,653	587,468	0	0	488,653	587,468
Revenue bonds	0	0	47,210,000	51,155,000	47,210,000	51,155,000
Less bond discount/ Premiums	154,193	173,275	87,712	99,670	241,905	272,945
Less Deferred Charges for refunding	0	0	0	0	0	0
Total	<u>75,090,609</u>	<u>79,007,843</u>	<u>62,225,465</u>	<u>56,639,357</u>	<u>137,314,074</u>	<u>135,647,200</u>

During 2015, the city entered into loan agreements totaling \$8,250,000 on behalf of Cleveland Utilities. Additional details about the city's long-term debt are included in Note 6 on pages 70-73.

The City of Cleveland maintains an "AA" rating from Standard & Poor's and an "A2" 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, 2015 is \$37,478,691, and is calculated on page 165 of this report.

Economic Factors and Next Year's Budget and Rates

- The June 2015 unemployment rate for Cleveland was 6.5 percent, which is down from the 7.0 percent a year ago. Bradley County was 6.3 percent, which is down from 7.0 percent from a year ago. Tennessee's average unemployment rate was 6.3 percent and the national average rate was 5.3 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).
- Local sales tax collections increased 4.1% from the previous fiscal year. This is a positive sign that a recovery in the current economy continues. State sales tax collections have shown positive signs as well, with a 6.0% increase.

All of these factors were considered in preparing the city's budget for the 2016 fiscal year. Management has again been conservative in estimating revenues for 2016.

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 Finance Director, Post Office Box 1519, Cleveland, Tennessee 37364-1519.

This page left blank intentionally.

BASIC FINANCIAL STATEMENTS

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 20,549,960	\$ 14,949,153	\$ 35,499,113
Cash and cash equivalents - restricted	459,936	726	460,662
Investments	968,667	0	968,667
Accounts receivable - net	803,940	18,588,490	19,392,430
Property taxes receivable - net	20,866,130	0	20,866,130
Sales tax receivable	2,565,926	0	2,565,926
Due from other government agencies	12,612,150	0	12,612,150
Internal balances	1,632,692	(1,632,692)	0
Inventories	250,314	2,154,156	2,404,470
Prepays	337,987	923,963	1,261,950
Total current assets	\$ 61,047,702	\$ 34,983,796	\$ 96,031,498
Noncurrent assets:			
Receivable from customers for conservation loans	\$ 0	\$ 1,372,374	\$ 1,372,374
Other noncurrent assets	0	1,756,777	1,756,777
Net pension asset	87,135	0	87,135
Capital assets:			
Land and construction in progress	47,078,793	8,712,332	55,791,125
Other capital assets, net of accumulated depreciation	139,938,482	177,107,934	317,046,416
Total noncurrent assets	\$ 187,104,410	\$ 188,949,417	\$ 376,053,827
Total Assets	\$ 248,152,112	\$ 223,933,213	\$ 472,085,325
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ 3,191,018	\$ 660,897	\$ 3,851,915
Pension changes in experience	211,544	0	211,544
Pension other deferrals	72,133	0	72,133
Pension contributions after measurement date	5,278,112	3,054,528	8,332,640
Total Deferred Outflows of Resources	\$ 8,752,807	\$ 3,715,425	\$ 12,468,232

	Primary Government		
	Governmental Activities	Business- type Activities	Total
LIABILITIES			
Current liabilities:			
Accrued liabilities	\$ 3,278,706	\$ 3,238,943	\$ 6,517,649
Accounts payable	1,912,767	11,629,388	13,542,155
Customer deposits	0	3,442,873	3,442,873
Bonds, notes and capital leases - current	4,137,082	5,057,724	9,194,806
Compensated absences payable - current	151,062	0	151,062
Total current liabilities	\$ 9,479,617	\$ 23,368,928	\$ 32,848,545
Long-term liabilities:			
Conservation advances from TVA	\$ 0	\$ 1,419,650	\$ 1,419,650
Bonds, notes and capital leases payable	70,953,527	57,165,741	128,119,268
Compensated absences payable	1,737,213	0	1,737,213
Post-employment benefits payable	16,128,138	7,569,939	23,698,077
Net pension liability	8,724,845	12,870,703	21,595,548
Total long-term liabilities	\$ 97,543,723	\$ 79,026,033	\$ 176,569,756
Total Liabilities	\$ 107,023,340	\$ 102,394,961	\$ 209,418,301
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 25,203,024	\$ 0	\$ 25,203,024
Deferred revenue - other	53,152	0	53,152
Deferred charge on refunding	0	15,219	15,219
Pension changes in experience	145,276	378,188	523,464
Pension changes in investment earnings	11,682,899	2,125,750	13,808,649
Total Deferred Inflows of Resources	\$ 37,084,351	\$ 2,519,157	\$ 39,603,508
NET POSITION			
Net investment in capital assets	\$ 115,117,684	\$ 124,243,205	\$ 239,360,889
Restricted for:			
Law enforcement	77,096	0	77,096
Community development - federal grants	62,566	0	62,566
Street improvements	596,568	0	596,568
Capital outlay	2,957,798	0	2,957,798
Recycling	4,653	0	4,653
Education	57,972	0	57,972
Perpetual care:			
Nonexpendable	473,636	0	473,636
Unrestricted	(6,550,745)	(1,508,685)	(8,059,430)
Total Net Position	\$ 112,797,228	\$ 122,734,520	\$ 235,531,748

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,356,106	\$ 45,405	\$ 121,756	\$ 0	\$ (3,188,945)	\$ 0	\$ (3,188,945)	
Development and engineering	1,473,844	372,517	218,795	32,719	(849,813)	0	(849,813)	
Public safety	18,688,453	1,054,333	111,045	46,881	(17,476,194)	0	(17,476,194)	
Public works	11,340,866	3,708,288	1,156,515	1,222,301	(5,253,762)	0	(5,253,762)	
Health and welfare	638,456	31,810	16,000	0	(590,646)	0	(590,646)	
Culture and recreation	4,397,406	212,646	777,786	157,797	(3,249,177)	0	(3,249,177)	
Education	46,678,450	367,118	43,083,523	0	(3,227,809)	0	(3,227,809)	
Interest on long-term debt	3,356,042	0	0	0	(3,356,042)	0	(3,356,042)	
Total governmental activities	\$ 89,929,623	\$ 5,792,117	\$ 45,485,420	\$ 1,459,698	\$ (37,192,388)	\$ 0	\$ (37,192,388)	
Business-type activities:								
Water and sewer	\$ 22,015,051	\$ 25,710,183	\$ 0	\$ 333,236	\$ 0	\$ 4,028,368	\$ 4,028,368	
Electric	96,987,194	99,094,672	47,532	182,407	0	2,337,417	2,337,417	
Total business-type activities	\$ 119,002,245	\$ 124,804,855	\$ 47,532	\$ 515,643	\$ 0	\$ 6,365,785	\$ 6,365,785	
Total primary government	\$ 208,931,868	\$ 130,596,972	\$ 45,532,952	\$ 1,975,341	\$ (37,192,388)	\$ 6,365,785	\$ (30,826,603)	
General revenues:								
Property taxes					\$ 19,653,207	\$ 0	\$ 19,653,207	
Interest and penalty on taxes					217,448	0	217,448	
In lieu of taxes					239,618	0	239,618	
Local sales tax					12,516,655	0	12,516,655	
Wholesale beer tax					1,588,040	0	1,588,040	
Gross receipts tax					1,176,363	0	1,176,363	
Franchise tax					989,949	0	989,949	
State sales tax - unrestricted					3,130,831	0	3,130,831	
Other state taxes - unrestricted					4,095,349	0	4,095,349	
Grants and contributions not restricted to specific programs					775,098	0	775,098	
Unrestricted investment earnings					96,088	82,174	178,262	
Gain on sale of capital assets					650,321	0	650,321	
Transfers					2,247,105	(2,247,105)	0	
Total general revenues and transfers					\$ 47,376,072	\$ (2,164,931)	\$ 45,211,141	
Change in net position					\$ 10,183,684	\$ 4,200,854	\$ 14,384,538	
Net position - beginning					\$ 121,339,037	\$ 132,937,030	\$ 254,276,067	
Cumulative effect of change in accounting principle					(18,725,493)	(14,403,364)	(33,128,857)	
Net position - restated					\$ 102,613,544	\$ 118,533,666	\$ 221,147,210	
Net position - ending					\$ 112,797,228	\$ 122,734,520	\$ 235,531,748	

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

CITY OF CLEVELAND, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	School Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,300,860	\$ 5,439,762	\$ 9,807,114	\$ 20,547,736
Cash and cash equivalents - restricted	0	0	459,936	459,936
Investments	0	0	968,667	968,667
Accounts receivable - net	566,881	0	208,711	775,592
Property taxes receivable - net	20,866,130	0	0	20,866,130
Sales tax receivable	2,155,186	410,740	0	2,565,926
Due from other government agencies	3,754,040	7,196,936	1,661,174	12,612,150
Due from other funds	0	0	1,632,692	1,632,692
Inventories	53,174	0	0	53,174
Prepays	0	0	337,987	337,987
Total Assets	\$ 32,696,271	\$ 13,047,438	\$ 15,076,281	\$ 60,819,990
LIABILITIES				
Accrued liabilities	\$ 522,832	\$ 2,339,352	\$ 252,392	\$ 3,114,576
Accounts payable	348,623	667,651	873,863	1,890,137
Unearned revenue	33,000	0	20,152	53,152
Total Liabilities	\$ 904,455	\$ 3,007,003	\$ 1,146,407	\$ 5,057,865
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - current property taxes	\$ 19,178,412	\$ 6,024,612	\$ 0	\$ 25,203,024
Unavailable revenue - delinquent property taxes	1,626,220	144,455	0	1,770,675
Unavailable revenue - sales tax	0	0	189,695	189,695
Unavailable revenue - other	1,262,377	17,689	0	1,280,066
Total Deferred Inflows of Resources	\$ 22,067,009	\$ 6,186,756	\$ 189,695	\$ 28,443,460
FUND BALANCES				
Nonspendable:				
Inventories	\$ 53,174	\$ 0	\$ 0	\$ 53,174
Permanent fund principal	0	0	473,636	473,636
Restricted for:				
Law enforcement	0	0	77,096	77,096
Community development - federal grants	0	0	62,566	62,566
Street improvements	0	0	596,568	596,568
Recycling	0	0	4,653	4,653
Capital outlay	0	0	2,957,798	2,957,798
Education	0	11,749	0	11,749
Animal Control	26,897	0	0	26,897
Committed to:				
Solid Waste	0	0	614,333	614,333
Assigned to:				
Education	0	3,841,930	503,703	4,345,633
Library	0	0	309,785	309,785
Debt service	0	0	3,761,984	3,761,984
Capital outlay	5,878,509	0	4,378,057	10,256,566
Unassigned	3,766,227	0	0	3,766,227
Total Fund Balances	\$ 9,724,807	\$ 3,853,679	\$ 13,740,179	\$ 27,318,665
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,696,271	\$ 13,047,438	\$ 15,076,281	\$ 60,819,990

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, 2015

Total fund balances per governmental funds balance sheet	\$	27,318,665
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		185,948,543
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.		(101,908,862)
Internal service funds are used by management to charge the costs of fleet management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		1,273,814
The net difference on debt refunding is deferred and expensed over the life of the refunding debt issue.		3,191,018
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.		(6,266,386)
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.		3,240,436
Net position of governmental activities	<u>\$</u>	<u>112,797,228</u>

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	General Fund	School Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 32,696,564	\$ 0	\$ 4,214,284	\$ 36,910,848
Licenses and permits	492,000	0	0	492,000
Intergovernmental	6,618,267	36,019,646	10,424,619	53,062,532
Fines and forfeitures	649,800	0	16,096	665,896
Charges for services	1,731,575	194,309	2,691,579	4,617,463
Interest	11,414	4,552	80,122	96,088
Miscellaneous	272,082	243,573	1,686,427	2,202,082
Total revenues	\$ 42,471,702	\$ 36,462,080	\$ 19,113,127	\$ 98,046,909
Expenditures:				
Current:				
General government	\$ 2,455,194	\$ 0	\$ 147,228	\$ 2,602,422
Development and engineering	1,202,401	0	219,000	1,421,401
Public safety	16,912,756	0	63,923	16,976,679
Public works	4,580,836	0	4,095,799	8,676,635
Health and welfare	483,389	0	0	483,389
Culture and recreation	2,848,716	0	1,315,686	4,164,402
Education	0	39,759,223	6,956,727	46,715,950
Appropriations	1,091,983	0	0	1,091,983
Capital outlay	0	0	10,348,141	10,348,141
Debt service:				
Principal retirement	79,444	227,311	3,733,578	4,040,333
Interest and fiscal charges	1,742	24,212	2,358,276	2,384,230
Total expenditures	\$ 29,656,461	\$ 40,010,746	\$ 29,238,358	\$ 98,905,565
Excess (deficiency) of revenues over expenditures	\$ 12,815,241	\$ (3,548,666)	\$ (10,125,231)	\$ (858,656)
Other financing sources (uses):				
Transfers in	\$ 2,286,162	\$ 5,273,600	\$ 14,129,213	\$ 21,688,975
Transfers out	(18,330,832)	(556,319)	(554,719)	(19,441,870)
Capital leases	142,181	0	0	142,181
Total other financing sources (uses)	\$ (15,902,489)	\$ 4,717,281	\$ 13,574,494	\$ 2,389,286
Net change in fund balances	\$ (3,087,248)	\$ 1,168,615	\$ 3,449,263	\$ 1,530,630
Fund balance at beginning of year	12,812,055	2,685,064	10,290,916	25,788,035
Fund balance at end of year	\$ 9,724,807	\$ 3,853,679	\$ 13,740,179	\$ 27,318,665

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, 2015

Net change in fund balances for total governmental funds	\$	1,530,630
<p>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.</p>		
		4,320,869
<p>Governmental funds report only the proceeds from the sale of assets and do not take into effect the cost of capital assets sold.</p>		
		(412,286)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		231,579
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
		4,040,333
<p>Debt issued is reported as a financial resource in the governmental funds. However, this is reported as an increase in long-term liabilities in the statement of net assets. During the current year a capital lease was issued</p>		
		(142,181)
<p>Internal service funds are used by management to charge the costs of fleet management services to individual funds. The net activity of the internal service fund is reported with governmental activities.</p>		
		(38,511)
<p>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:</p>		
Net change in accrued interest	\$	5,122
Amortization of deferred outflows		(996,016)
Amortization of bond premiums		19,082
Increase in compensated absences		(73,422)
Change in net pension asset		6,958,465
Change in net pension liability		3,129,317
Change in deferred outflows related to pensions		5,561,789
Change in deferred inflows related to pensions		(11,828,175)
Increase in post-employment benefits		(2,122,911)
Total additional expenditures		653,251
Change in net position of governmental activities	\$	10,183,684

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, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property taxes - real estate	\$ 19,039,500	\$ 19,150,625	\$ 19,209,248	\$ 58,623
Property taxes - utility	397,000	397,000	404,459	7,459
Interest and penalty on taxes	230,000	230,000	217,448	(12,552)
In lieu of taxes	262,000	262,000	239,618	(22,382)
Local sales tax	8,708,000	8,708,000	8,871,440	163,440
Wholesale beer tax	1,612,000	1,612,000	1,588,040	(23,960)
Gross receipts tax	1,207,000	1,207,000	1,176,363	(30,637)
Franchise taxes - gas	420,000	420,000	479,045	59,045
Franchise taxes - charter	460,000	460,000	510,903	50,903
Total taxes	\$ 32,335,500	\$ 32,446,625	\$ 32,696,564	\$ 249,939
Licenses and permits:				
Beer licenses	\$ 6,000	\$ 6,000	\$ 5,750	\$ (250)
Beer renewal fee	13,500	13,500	14,650	1,150
Liquor renewal license	22,500	22,500	25,005	2,505
Building permits	200,000	200,000	225,918	25,918
Electrical permits	7,300	7,300	7,472	172
Electricians' licenses	17,500	17,500	17,728	228
Mechanical permits	14,000	14,000	17,095	3,095
Mechanical licenses	6,800	6,800	8,325	1,525
Plumbing permits	40,000	40,000	46,692	6,692
Plumbing licenses	10,500	10,500	9,420	(1,080)
Natural gas permits	0	0	2,135	2,135
Street cut permits	80,875	80,875	59,498	(21,377)
Land disturbance permit	7,500	7,500	8,075	575
Rezoning fee	4,000	4,000	1,026	(2,974)
Pud rezoning fee	650	650	0	(650)
Zoning appeal fee	2,000	2,000	1,900	(100)
Zoning letter fee	1,250	1,250	845	(405)
Minor encroachment fee	0	0	500	500
Certificate of appropriateness	800	800	850	50
Recreation permits and maintenance fee	6,500	6,500	6,505	5
Plat review fee	2,500	2,500	3,325	825
Plans review fee	17,000	17,000	20,161	3,161
Certificate of occupancy	6,500	6,500	7,425	925
Alley or street abandonment fee	500	500	300	(200)
Wrecker permit fees	225	225	1,300	1,075
Taxicab driver fees	0	0	100	100
Total licenses and permits	\$ 468,400	\$ 468,400	\$ 492,000	\$ 23,600
Intergovernmental revenues:				
Federal grant - protective vest	\$ 0	\$ 0	\$ 3,445	\$ 3,445
TEMA - Storm damage	0	0	8,733	8,733
Police training supplement	55,200	55,200	50,400	(4,800)
Fire training supplement	52,800	52,800	52,200	(600)
Federal - high visibility enforcement	0	5,000	5,000	0
State sales tax	3,030,000	3,060,000	3,130,831	70,831
State income tax	900,000	900,000	2,275,984	1,375,984

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued)				
Intergovernmental revenues - (Continued)				
State beer tax	\$ 20,500	\$ 20,500	\$ 19,746	\$ (754)
State mixed drink tax	130,000	130,000	129,049	(951)
State gas inspection tax	85,000	85,000	84,221	(779)
State highway maintenance tax	194,500	194,500	192,452	(2,048)
TVA - In lieu of taxes	472,000	472,000	479,262	7,262
Excise tax	119,000	186,900	186,944	44
Total intergovernmental revenues	<u>\$ 5,059,000</u>	<u>\$ 5,161,900</u>	<u>\$ 6,618,267</u>	<u>\$ 1,456,367</u>
Fines and forfeitures:				
Traffic tickets	\$ 560,000	\$ 560,000	\$ 473,576	\$ (86,424)
Parking tickets	30,000	30,000	28,523	(1,477)
Animal Shelter tickets	600	600	350	(250)
Code enforcement fines	2,000	2,000	1,150	(850)
Court clerk fees	3,500	3,500	3,427	(73)
Drug fines	16,000	16,000	10,176	(5,824)
Sessions court	46,500	46,500	39,100	(7,400)
Circuit court	13,850	13,850	10,776	(3,074)
Officers - sessions court	72,500	72,500	67,222	(5,278)
Officers - circuit court	6,000	6,000	6,325	325
State refunds	500	500	325	(175)
Sex offender registry	8,000	5,400	8,850	3,450
Total fines and forfeitures	<u>\$ 759,450</u>	<u>\$ 756,850</u>	<u>\$ 649,800</u>	<u>\$ (107,050)</u>
Charges for services:				
Police protection	\$ 50,000	\$ 12,500	\$ 20,833	\$ 8,333
Fire inspection fees	1,500	1,500	1,405	(95)
Police accidents report	0	0	5,120	5,120
Police department contracted services	0	0	48,740	48,740
Airport maintenance	0	0	7,783	7,783
Stormwater fees	215,400	215,400	231,919	16,519
Animal Shelter - boarding fees	57,500	31,500	31,790	290
Animal Shelter - rabies	0	0	20	20
Wellness program dues city	9,100	9,100	4,588	(4,512)
Waterville lease	0	20,000	3,000	(17,000)
Waterville miscellaneous revenue	2,000	600	665	65
Permits-Jr/Sr	20,000	5,100	2,165	(2,935)
Permits-individual	7,000	1,628	1,604	(24)
Permits-family	2,000	300	450	150
Tournament/outings	10,000	2,683	2,893	210
Specials/promotions	80,000	37,108	20,433	(16,675)
Cart rental fee	17,000	6,000	5,583	(417)
Cart shed rental	1,500	1,000	1,050	50
Green fee-wkday reg	2,000	475	376	(99)
Green fee-wkday 9 hole	4,500	2,000	1,910	(90)
Green fee-wkday Jr/Sr	9,000	3,260	3,110	(150)
Green fee-wkend reg	2,000	17	17	0
Green fee-wkend 9 hole	3,000	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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Charges for services - (Continued)				
Concessions	\$ 30,000	\$ 7,552	\$ 6,930	\$ (622)
Pro shop	4,500	1,378	2,810	1,432
Wellness program dues-schools	3,000	947	1,134	187
Wellness program dues	5,000	2,452	2,232	(220)
Tinsley pool gate	25,000	25,000	18,425	(6,575)
Tinsley pool concessions	7,500	7,500	6,879	(621)
Tinsley pool rental	5,500	5,500	990	(4,510)
Tinsley Park tournament	4,000	4,000	75	(3,925)
Tinsley Park concessions	27,500	27,500	17,202	(10,298)
Tinsley Park rental	3,500	3,500	2,925	(575)
Cleveland Community Center	10,000	10,000	14,292	4,292
Northeast Recreation	9,000	9,000	10,365	1,365
NE Panther account	0	0	1,561	1,561
NE program fee	9,500	9,500	5,897	(3,603)
Park and recreation miscellaneous	2,500	2,500	4,589	2,089
Jetport-jet fuel	713,300	713,300	558,202	(155,098)
Jetport-Avgas	185,200	185,200	172,818	(12,382)
Jetport-ground/land lease	50,300	50,300	67,395	17,095
Jetport-T/hangar rent	67,800	67,800	69,568	1,768
Jetport-terminal bldg rental	7,500	7,500	4,595	(2,905)
Jetport-tie downs	1,500	1,500	3,459	1,959
Jetport-community hangars	1,400	1,400	981	(419)
GPU service fee	0	0	495	495
Jetport-video adv	15,000	15,000	10,000	(5,000)
Jetport-ramp fees	15,600	15,600	9,907	(5,693)
Jetport-special events	20,500	20,500	10,608	(9,892)
Jetport-sales tax	0	0	19,448	19,448
SRO-schools	253,000	258,000	312,339	54,339
Total charges for services	<u>\$ 1,971,100</u>	<u>\$ 1,802,600</u>	<u>\$ 1,731,575</u>	<u>\$ (71,025)</u>
Interest				
Interest - checking	\$ 7,500	\$ 7,500	\$ 11,129	\$ 3,629
Interest - payroll	0	0	285	285
Total Interest	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 11,414</u>	<u>\$ 3,914</u>
Miscellaneous revenues:				
Auction - sale of equipment	\$ 0	\$ 14,000	\$ 14,000	\$ 0
Sale of scrap metal	5,000	5,000	4,243	(757)
Health insurance refund	0	0	1,571	1,571
Donations - Memorial tree fund	0	8,225	8,750	525
Donations - fencing at Tinsley	0	2,000	2,000	0
Old timers banquet	1,500	1,500	2,660	1,160
Greenway Public Arts Committee	0	360	360	0
Sign and decal reimbursement	3,000	3,000	855	(2,145)
TML safety grant - matching	0	0	1,864	1,864
TML package bonus	5,000	5,000	5,000	0
TML driver safety grant	0	0	2,674	2,674
Miscellaneous insurance revenue	0	0	2,713	2,713
Reimbursement - Public Works trucks	0	2,489	2,489	0
Reimbursement - Scott AP75 SCBA	0	10,500	10,500	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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Miscellaneous revenues - (Continued)				
Animal Shelter donations	\$ 0	\$ 0	\$ 533	\$ 533
Animal Shelter - pet adoptions	0	1,415	1,521	106
Donations - fire safety	0	500	500	0
Donations - national night out	0	0	500	500
Donations - abused animal	0	0	1,015	1,015
Donations - Greenway vandalism	0	0	800	800
TML reimbursement police vehicles	0	0	28,202	28,202
Fire misc/reports	0	0	56	56
TML reimbursement for property damage	0	96,861	97,111	250
TML work comp salary reimbursement	0	0	12,657	12,657
Donations-Terminal Bldg	0	0	50,000	50,000
Sundry income	15,000	15,000	6,693	(8,307)
Sundry income - clerk and master	17,000	17,000	12,625	(4,375)
Temporary collection account	0	0	190	190
Total miscellaneous revenues	<u>\$ 46,500</u>	<u>\$ 182,850</u>	<u>\$ 272,082</u>	<u>\$ 89,232</u>
Total revenues	<u>\$ 40,647,450</u>	<u>\$ 40,826,725</u>	<u>\$ 42,471,702</u>	<u>\$ 1,644,977</u>
Expenditures:				
Current				
General government:				
Legislative and judicial:				
Salaries - administrative	\$ 65,775	\$ 65,775	\$ 66,533	\$ (758)
Salaries - city council	62,400	62,400	62,700	(300)
Salaries - judicial	36,020	36,020	35,907	113
Service awards	700	700	0	700
Longevity	3,850	3,850	2,150	1,700
Sold vacations	1,300	1,300	1,264	36
Christmas bonus	430	430	445	(15)
Dental insurance	6,720	6,720	5,707	1,013
Social security	12,980	12,980	11,079	1,901
Health insurance	69,000	69,000	70,024	(1,024)
Retirement	28,200	28,200	23,947	4,253
Life and disability insurance	5,150	5,150	743	4,407
Vision insurance	0	0	1,156	(1,156)
Election	15,000	15,000	0	15,000
Postage	500	500	13	487
Printing	1,500	1,500	865	635
Subscriptions and memberships	5,200	5,200	304	4,896
Advertising	3,000	3,000	2,723	277
Telephone and pager	11,000	11,000	18,787	(7,787)
Contracted services-reporters	24,000	24,000	28,225	(4,225)
Administrative officer services	16,000	16,000	0	16,000
Equipment repair and replacement	1,600	1,600	371	1,229
Contract maintenance services	4,500	4,500	3,509	991
Emergency repairs - city buildings	15,000	15,000	8,457	6,543
Travel and training	12,000	12,000	1,492	10,508
Council work sessions	3,000	3,000	5,796	(2,796)
Complimentary meals	1,500	1,500	1,260	240

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
General government - (Continued)				
Legislative and judicial - (Continued)				
Office expenditures and paper	\$ 4,000	\$ 4,000	\$ 2,964	\$ 1,036
Janitorial	400	400	132	268
Gasoline	0	0	41	(41)
Insurance - general liability	950	950	1,406	(456)
Insurance - worker's compensation	1,200	1,200	577	623
Rent - parking lots	1,800	1,800	0	1,800
Service pins - all departments	900	900	0	900
Employee Christmas dinner	2,200	2,200	0	2,200
Employee picnic	12,000	12,000	13,909	(1,909)
Miscellaneous	500	500	102	398
Office machinery and equipment	700	700	65	635
Council room equipment and supplies	1,500	1,500	904	596
Total legislative and judicial	\$ 432,475	\$ 432,475	\$ 373,557	\$ 58,918
Administration and finance:				
Salaries	\$ 708,000	\$ 708,000	\$ 728,322	\$ (20,322)
Overtime wages	15,000	15,000	15,517	(517)
Part time wages	3,400	3,400	35,057	(31,657)
Service awards	300	300	850	(550)
Longevity	11,600	11,600	10,300	1,300
Sold vacations	10,000	10,000	12,135	(2,135)
Christmas bonus	1,500	1,500	1,918	(418)
College pay	2,300	2,300	1,965	335
Dental insurance	6,500	6,500	6,586	(86)
Social security	59,500	59,500	57,286	2,214
Health insurance	122,000	120,300	111,699	8,601
Retirement	119,000	119,000	127,476	(8,476)
Life and disability insurance	8,500	8,500	7,962	538
Vision insurance	0	1,700	1,763	(63)
Employee assistance program	9,500	9,500	8,876	624
Education reimbursement	1,430	1,430	0	1,430
Worker's compensation claims	0	0	798	(798)
Flex spending program	12,000	12,000	12,784	(784)
Laundry and dry cleaning	5,000	5,000	3,384	1,616
Postage	25,000	27,500	9,489	18,011
Postage machine lease	700	700	825	(125)
GPS service	0	0	324	(324)
Printing	9,000	10,000	9,736	264
Printing - property taxes	10,000	10,000	10,741	(741)
Citizens Newsletter	1,650	1,650	0	1,650
Subscriptions and memberships	6,000	6,000	5,070	930
Advertising	9,500	10,500	4,551	5,949
Utilities	30,000	30,000	25,949	4,051
Telephone	29,000	29,000	34,244	(5,244)
Contracted services - computer systems	276,000	276,000	251,312	24,688

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
General government - (Continued)				
Administration and finance - (Continued)				
Drug and alcohol tests	\$ 3,500	\$ 3,500	\$ 2,948	\$ 552
Legal fees	105,000	105,000	116,244	(11,244)
Audit fees	49,000	49,000	49,000	0
Reappraisal fee	51,500	51,500	61,694	(10,194)
Appraisal fee	1,500	1,500	0	1,500
Actuarial services	5,000	10,500	3,750	6,750
Cable audit fee	10,500	0	0	0
Vehicle	3,000	3,000	724	2,276
Small equipment repairs	2,650	2,650	0	2,650
Copier maintenance	2,200	2,200	4,062	(1,862)
Building maintenance	42,500	42,500	21,407	21,093
Maintenance - Little Building	1,300	1,300	1,157	143
Car allowance	16,800	16,800	12,600	4,200
Training and travel	20,000	20,500	19,096	1,404
Departmental work sessions	2,000	2,000	4,746	(2,746)
Credit card fees	20,000	20,000	37,245	(17,245)
Pest control	1,000	1,000	942	58
Office expenditures	31,000	31,000	31,044	(44)
First aid safety supplies	100	100	95	5
Janitorial supplies	2,000	2,000	2,016	(16)
Gasoline and oil	2,500	2,500	4,286	(1,786)
Insurance - buildings and contents	5,300	5,300	5,248	52
Insurance - vehicles	450	450	229	221
Insurance - general liability	5,400	6,464	6,464	0
Insurance - worker's compensation	3,050	3,050	2,869	181
Insurance - professional liability	61,200	52,722	52,722	0
Insurance - employee bonds	1,275	1,275	0	1,275
Contracted services - security	1,500	1,500	1,500	0
Employee appreciation day	12,500	12,500	14,109	(1,609)
Miscellaneous	500	500	2,890	(2,390)
Bad debt	30,000	30,000	13,097	16,903
Equipment	1,500	1,500	815	685
Total administration and finance	<u>\$ 1,988,105</u>	<u>\$ 1,980,691</u>	<u>\$ 1,969,918</u>	<u>\$ 10,773</u>
Safety program:				
Salaries	\$ 55,703	\$ 55,703	\$ 53,524	\$ 2,179
Longevity	1,300	1,300	1,300	0
Sold vacation	1,000	1,000	1,023	(23)
Christmas bonus	100	100	148	(48)
College pay	280	280	280	0
Dental insurance	300	300	296	4
Social security	4,457	4,457	4,201	256
Health insurance	6,300	6,300	6,058	242
Retirement	9,470	9,470	9,359	111
Life and disability insurance	630	630	650	(20)
Vision insurance	0	0	96	(96)

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
General government - (Continued)				
Safety program - (Continued)				
Clothing allowance	\$ 350	\$ 350	\$ 350	\$ 0
Hazard Comm-MSDS	200	200	12	188
Telephone	1,100	1,100	1,825	(725)
Equipment maintenance	9,400	9,400	8,813	587
Building maintenance	4,000	4,000	4,669	(669)
Training and travel	1,500	1,500	866	634
Janitorial contract	6,000	6,000	5,775	225
Office supplies	100	100	123	(23)
Wellness center operations	3,530	3,530	2,491	1,039
Safety supplies	100	100	0	100
Gasoline and oil	200	200	0	200
TML driver safety grant	10,000	10,000	5,349	4,651
TML safety grant	4,000	4,000	3,729	271
Insurance - vehicles	350	350	0	350
Insurance - general liability	300	300	394	(94)
Miscellaneous	500	500	388	112
Total safety program	<u>\$ 121,170</u>	<u>\$ 121,170</u>	<u>\$ 111,719</u>	<u>\$ 9,451</u>
Total general government	<u>\$ 2,541,750</u>	<u>\$ 2,534,336</u>	<u>\$ 2,455,194</u>	<u>\$ 79,142</u>
Development and engineering:				
Salaries	\$ 668,500	\$ 668,500	\$ 676,880	\$ (8,380)
Overtime wages	2,100	2,100	0	2,100
Part time wages	9,000	9,000	4,403	4,597
Service awards	100	100	100	0
Longevity	4,800	5,800	5,800	0
Sold vacations	12,700	10,900	10,359	541
Christmas bonus	1,400	2,200	2,079	121
College pay	700	700	625	75
Dental insurance	8,600	8,600	9,087	(487)
Social security	52,700	52,700	48,826	3,874
Health insurance	121,000	130,800	145,847	(15,047)
Retirement	112,900	112,900	115,628	(2,728)
Life and disability insurance	8,500	8,500	7,367	1,133
Vision insurance	0	2,200	2,191	9
Education reimbursement	5,400	2,300	0	2,300
Worker's compensation claims	400	1,000	1,000	0
Laundry and dry cleaning	2,000	2,000	1,653	347
Postage	4,000	2,350	953	1,397
Scanner/copier lease	4,700	4,700	4,683	17
GPS services	0	1,650	1,622	28
Printing and artwork	2,000	2,000	165	1,835
Subscriptions and memberships	5,500	5,500	4,806	694
Advertising	1,700	1,700	839	861
Utilities	11,600	11,600	10,103	1,497

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Development and Engineering - (Continued)				
Telephone	\$ 22,000	\$ 22,000	\$ 23,482	\$ (1,482)
Engineering services	18,000	4,000	0	4,000
Survey	7,000	6,500	8,650	(2,150)
Vehicle maintenance	12,000	8,000	4,765	3,235
Office equipment maintenance	5,000	5,000	4,488	512
Building maintenance	5,000	24,899	17,803	7,096
Car allowance	4,200	4,200	4,200	0
Travel and training	14,000	16,500	18,360	(1,860)
Complimentary meals	1,200	1,200	1,212	(12)
Credit card fees	4,500	4,500	4,607	(107)
Code violations	10,100	10,100	6,612	3,488
Contracted services - pest control	300	300	147	153
Camera supplies	750	750	750	0
Office supplies	13,000	15,000	17,277	(2,277)
OSHA first aid kits	200	200	67	133
Janitorial supplies	1,200	1,200	920	280
Uniforms	5,200	5,200	3,993	1,207
Gasoline and oil	10,300	10,300	8,315	1,985
Insurance - buildings and contents	1,400	1,100	1,046	54
Insurance - vehicles and equipment	2,400	2,400	1,412	988
Insurance - general liability	3,600	3,900	3,893	7
Insurance - worker's compensation	9,100	9,100	8,716	384
Insurance - employee bonds	100	100	0	100
Planning commission	3,500	3,500	3,174	326
Board of zoning appeals	900	900	625	275
Historic zoning commission	700	700	613	87
Miscellaneous	500	500	1,384	(884)
Office equipment	1,000	5,000	874	4,126
Total Development and Engineering	\$ 1,197,450	\$ 1,216,849	\$ 1,202,401	\$ 14,448
Public safety:				
Police department:				
Salaries	\$ 4,560,427	\$ 4,251,861	\$ 4,302,007	\$ (50,146)
Part-time wages - Greenway Patrol	48,000	0	0	0
Overtime wages	260,000	293,000	320,244	(27,244)
Part-time wages	12,916	17,891	13,193	4,698
Accumulated holiday pay	4,776	4,776	4,776	0
Salaries - school patrol	95,062	83,062	74,015	9,047
Supplemental pay	1,800	1,800	1,204	596
State grant - in service training	55,200	55,200	50,400	4,800
Overtime - contracted services	0	0	32,497	(32,497)
Service awards	2,625	2,175	2,175	0
Longevity	54,850	54,850	54,364	486
Sold vacations	47,610	47,610	47,525	85
Christmas bonus	12,669	16,294	16,393	(99)

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Public safety - (Continued)				
Police department - (Continued)				
College pay	\$ 5,295	\$ 4,425	\$ 4,425	\$ 0
Dental insurance	54,788	54,788	52,707	2,081
Social security	391,162	381,162	354,501	26,661
Health insurance	864,000	853,900	851,934	1,966
Retirement	965,915	940,915	919,242	21,673
Life and disability insurance	57,666	52,666	50,519	2,147
Vision insurance	0	12,925	13,165	(240)
Unemployment compensation	1,500	1,500	370	1,130
Education reimbursement	8,580	8,580	4,527	4,053
Worker's compensation claims	10,000	10,000	8,404	1,596
Laundry and dry cleaning	24,000	24,000	18,908	5,092
Employee physicals	15,000	15,000	14,538	462
Pre-employment tests	4,500	4,500	2,024	2,476
Uniforms - school patrol	5,000	5,000	2,150	2,850
Postage	2,500	2,500	1,253	1,247
GPS service	34,700	34,700	35,289	(589)
800 MHZ radio	21,500	21,500	0	21,500
Lease - radio tower	5,000	5,000	4,927	73
Contracted services - vehicles	5,600	5,600	4,909	691
Communications - replacement	10,300	10,300	1,208	9,092
Printing	8,000	6,000	1,795	4,205
Subscriptions and memberships	8,500	8,500	6,913	1,587
Accreditation	12,000	12,000	7,457	4,543
Advertising	700	700	627	73
Utilities	99,750	99,750	78,269	21,481
Telephone	156,660	153,660	149,911	3,749
NCIC computer line	8,000	3,000	2,240	760
Consultant's service - Wallace	0	22,361	22,361	0
Vehicle maintenance	325,000	326,582	272,931	53,651
Small equipment repair	1,000	3,000	2,621	379
Copier maintenance	1,800	2,300	2,365	(65)
Building maintenance	24,500	28,000	25,874	2,126
Travel and training	60,000	60,000	53,529	6,471
Recruiting	8,500	6,800	1,458	5,342
Mutual aid meals	1,000	1,500	1,532	(32)
Bradley Co. equipment maintenance	1,950	1,950	0	1,950
Janitorial contract	31,500	31,500	29,940	1,560
Police supplies	6,000	6,000	6,505	(505)
Batteries	2,500	2,500	1,422	1,078
Tapes - video and audio	1,000	1,000	70	930
Crime scene unit supplies	2,500	2,500	2,206	294
SRT supplies	7,500	7,500	7,458	42
Office expenditures and paper	28,000	24,900	25,019	(119)
Protective vests - federal grants	0	8,913	0	8,913
Protective vests	11,600	11,600	6,711	4,889

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public safety - (Continued)				
Police department - (Continued)				
OSHA safety supplies	\$ 1,000	\$ 1,000	\$ 846	\$ 154
Janitorial supplies	3,500	3,500	2,372	1,128
Uniforms	53,000	53,000	51,078	1,922
Ammunition	40,000	44,250	41,691	2,559
Firing range	4,000	4,000	2,997	1,003
Code Enf. educational supplies	1,000	1,000	0	1,000
Gasoline and oil	300,000	228,100	206,274	21,826
Canine fees	2,500	2,500	2,272	228
Insurance - buildings and contents	11,200	12,100	12,076	24
Insurance - vehicles and equipment	68,750	61,350	61,283	67
Insurance - general liability	57,950	78,750	78,705	45
Insurance - worker's compensation	143,000	176,600	171,386	5,214
Insurance - employee bonds	500	500	200	300
Computer software support	3,000	3,000	265	2,735
Miscellaneous	500	700	778	(78)
Honor Guard	750	750	0	750
Volunteer services	3,500	3,500	2,723	777
Investigative funds	1,500	1,500	1,000	500
Mainstreet Cleveland Block Party	2,500	2,500	2,500	0
Sex offender registry	0	16,055	7,584	8,471
National night out	500	0	0	0
Bike program - donations	0	500	339	161
E-Ticketing equipment	0	27,600	27,180	420
Distributed antenna system	0	51,700	51,172	528
Guns/taser replacements	31,000	32,250	27,518	4,732
Small equipment	2,500	2,500	300	2,200
Hwy safety grant equipment	0	5,000	5,000	0
Office equipment	1,000	1,000	669	331
Computer equipment	2,500	6,500	4,675	1,825
Total police department	\$ 9,186,551	\$ 8,931,701	\$ 8,735,890	\$ 195,811

Expenditures - (Continued)

Current - (Continued)

Public safety - (Continued)

Fire department:

Salaries	\$ 4,407,775	\$ 4,429,498	\$ 4,435,935	\$ (6,437)
Training coordinator captain	10,423	0	0	0
Overtime wages	233,500	233,500	260,563	(27,063)
Fire runs	4,000	4,000	2,512	1,488
Supplemental pay	69,600	69,600	73,553	(3,953)
State grant - in service training	52,800	52,800	52,200	600
Service awards	2,050	2,050	1,850	200
Longevity	54,762	57,517	59,417	(1,900)

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Public safety - (Continued)				
Fire department - (Continued)				
Sold vacations	\$ 15,000	\$ 15,000	\$ 11,636	\$ 3,364
Christmas bonus	10,290	13,612	13,612	0
Dental insurance	57,746	57,746	56,504	1,242
Social security	373,067	373,067	348,870	24,197
Health insurance	1,006,000	990,840	1,004,707	(13,867)
Retirement	970,367	970,367	956,963	13,404
Life and disability insurance	56,460	56,460	52,253	4,207
Vision insurance	0	15,160	15,153	7
Education reimbursement	7,500	7,500	5,349	2,151
Worker's compensation claims	6,500	6,500	5,598	902
Laundry and dry cleaning	18,400	18,400	19,087	(687)
Immunization and physicals	42,500	39,745	39,856	(111)
Recruit testing	0	1,000	2,497	(1,497)
Postage	500	500	485	15
Radio maintenance fee	6,000	2,678	275	2,403
Radio and repeater maintenance	4,200	4,200	3,900	300
Communications replacement	3,000	3,458	2,118	1,340
Printing	500	500	638	(138)
Subscriptions and memberships	3,200	3,315	3,413	(98)
License/certification renewal	2,400	2,400	2,379	21
Advertising	0	388	388	0
Utilities	121,300	93,700	103,427	(9,727)
Telephone	68,000	68,000	47,614	20,386
Apparatus equipment testing	3,900	3,900	1,965	1,935
Vehicle maintenance	80,000	130,729	129,763	966
Small equipment repair	3,000	3,000	2,425	575
Copier maintenance	2,500	2,500	2,078	422
Extrication repair/test	6,000	6,000	551	5,449
Building maintenance	50,000	50,000	45,477	4,523
Travel and training	16,000	16,000	20,285	(4,285)
Training/education material	4,000	4,000	3,860	140
Mutual aid meals	2,500	2,500	2,556	(56)
Towels and cloths	800	485	81	404
Batteries	1,000	1,000	1,025	(25)
Office supplies	6,500	6,500	7,333	(833)
Arson supplies	1,500	1,500	1,177	323
Safety	4,500	3,700	3,900	(200)
Medical supplies/equipment	6,000	8,999	8,678	321
Janitorial supplies	16,000	16,000	14,683	1,317
Bedding	2,000	4,000	3,922	78
Uniforms	20,000	18,000	20,632	(2,632)
Operating costs	6,500	6,500	5,557	943
Gasoline	73,500	73,500	48,292	25,208
Appliance repair	5,500	5,500	5,258	242
PPE equipment gear	15,000	16,612	16,367	245

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Public safety - (Continued)				
Fire department - (Continued)				
Extinguisher refills	\$ 2,000	\$ 2,000	\$ 900	\$ 1,100
Hazmat supplies	5,000	5,000	5,314	(314)
Insurance - building and contents	8,800	9,601	9,601	0
Insurance - vehicles and equipment	28,350	28,350	31,868	(3,518)
Insurance - general liability	44,901	46,464	52,020	(5,556)
Insurance - worker's compensation	108,349	114,200	110,626	3,574
Miscellaneous	500	500	250	250
Public information	500	500	0	500
City funded - Honor Guard	1,000	1,000	541	459
Fire prevention program	3,700	4,200	3,746	454
Truck equipment	10,000	0	0	0
Donation expenditures	0	561	0	561
Hazmat Equipment 2005 Hsg	0	18,000	7,794	10,206
ISO firefighting equipment	20,000	26,760	13,183	13,577
Office equipment	500	200	149	51
Vehicle conversion	0	3,442	3,443	(1)
Breathing apparatus equipment	7,500	18,000	3,865	14,135
Furniture	1,000	1,200	1,139	61
Small equipment	1,600	1,600	700	900
Radio equipment	4,000	4,050	3,110	940
Total fire department	<u>\$ 8,182,240</u>	<u>\$ 8,260,054</u>	<u>\$ 8,176,866</u>	<u>\$ 83,188</u>
Total public safety	<u>\$ 17,368,791</u>	<u>\$ 17,191,755</u>	<u>\$ 16,912,756</u>	<u>\$ 278,999</u>
Public works:				
Operations division:				
Salaries	\$ 776,600	\$ 762,600	\$ 760,285	\$ 2,315
Overtime wages	10,800	10,800	13,610	(2,810)
Seasonal leaf employees	0	4,200	4,139	61
Part time wages	7,000	7,000	6,824	176
Supplemental pay	700	700	603	97
Service awards	600	600	700	(100)
Longevity	15,200	15,200	15,838	(638)
Sold vacations	10,100	10,100	8,850	1,250
Christmas bonus	2,200	3,000	2,970	30
College pay	200	200	125	75
Dental insurance	10,300	10,500	10,235	265
Social security	63,000	63,000	58,074	4,926
Health insurance	195,000	170,600	166,351	4,249
Retirement	135,700	135,700	133,288	2,412
Life and disability insurance	10,300	11,100	10,692	408
Vision insurance	0	2,600	2,607	(7)
Worker's compensation claims	2,000	2,000	1,227	773
Laundry and dry cleaning	600	600	25	575
Pre-employment drug testing	200	200	75	125
Safety shoes	2,900	2,900	2,236	664
Postage	200	200	14	186
800 MHZ radio	3,000	3,000	3,000	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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Public works - (Continued)				
Operations division - (Continued)				
GPS services	\$ 6,900	\$ 5,900	\$ 5,958	\$ (58)
Printing	200	200	36	164
Subscriptions and memberships	400	400	189	211
Advertising	300	300	252	48
Utilities	34,200	31,700	34,321	(2,621)
Telephone	25,000	28,500	25,825	2,675
Surveys	3,000	3,000	900	2,100
Building maintenance	11,000	11,000	9,173	1,827
Travel and training	1,000	1,000	1,805	(805)
Departmental work sessions	0	0	681	(681)
Pest control	1,000	1,000	854	146
Office expenditures and paper	5,800	5,600	3,466	2,134
Operating supplies	5,000	5,000	4,193	807
Safety supplies	1,500	3,900	3,724	176
Janitorial supplies	1,500	1,500	1,475	25
Uniforms	10,000	10,800	10,757	43
Gasoline and oil	135,000	132,300	102,903	29,397
Repairs and parts	200,000	204,562	221,138	(16,576)
Sign shop supplies	4,500	4,500	3,179	1,321
Sign parts and supplies	50,000	47,600	43,620	3,980
Major safety markings	5,000	6,000	6,034	(34)
Thermoplastic contract	40,000	39,000	36,224	2,776
Paving and materials	275,375	328,808	327,899	909
Insurance - building and contents	4,900	5,200	5,155	45
Insurance - vehicle and equipment	16,700	9,700	9,638	62
Insurance - general liability	13,000	15,100	15,078	22
Insurance - worker's compensation	29,100	36,600	35,534	1,066
Miscellaneous	500	500	14	486
Incentive program	4,000	3,200	2,383	817
Small equipment	3,000	9,800	8,077	1,723
Small equipment - signs	1,800	1,800	0	1,800
Total operations division	<u>\$ 2,136,275</u>	<u>\$ 2,171,270</u>	<u>\$ 2,122,253</u>	<u>\$ 49,017</u>
Street lighting and signals:				
Street lighting	\$ 796,100	\$ 731,100	\$ 704,213	\$ 26,887
Traffic light utility service	35,000	30,000	21,753	8,247
Pole attachments	4,800	4,800	6,779	(1,979)
ITS maintenance services	1,000	0	0	0
Interchange lighting	0	1,000	0	1,000
Traffic light repair maintenance	540,900	610,900	553,809	57,091
Traffic signal supplies	3,000	3,000	2,500	500
Signal preemption - CU	0	0	59	(59)
Small equipment	4,000	4,000	0	4,000
Total street lighting and signals	<u>\$ 1,384,800</u>	<u>\$ 1,384,800</u>	<u>\$ 1,289,113</u>	<u>\$ 95,687</u>
Storm water management:				
Salaries	\$ 89,000	\$ 77,900	\$ 77,575	\$ 325
Overtime	1,500	4,100	4,682	(582)
Service awards	0	100	100	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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Public works - (Continued)				
Storm water management - (Continued)				
Longevity	\$ 1,200	\$ 1,100	\$ 450	\$ 650
Christmas bonus	300	300	297	3
Dental insurance	1,100	1,100	1,007	93
Social security	7,100	6,000	5,608	392
Health insurance	22,500	17,270	16,084	1,186
Retirement	15,300	12,800	10,746	2,054
Life and disability insurance	1,200	1,300	1,336	(36)
Vision insurance	0	330	315	15
Postage	300	200	80	120
GPS services	0	600	649	(49)
Printing	1,000	1,000	1,279	(279)
Public education programs	7,500	7,500	7,018	482
Subscriptions and memberships	1,550	1,150	2,145	(995)
Advertising	200	200	125	75
Telephone	3,400	3,000	2,979	21
Consultant's services	150,000	150,000	111,215	38,785
Travel and training	6,000	8,400	7,910	490
Work session	2,000	2,000	1,897	103
NPDES permit fee	3,500	3,500	3,460	40
Office supplies	1,200	1,530	2,839	(1,309)
Operating supplies	2,000	1,470	1,493	(23)
Clothing	1,000	1,200	1,350	(150)
Gasoline	3,100	2,800	3,858	(1,058)
Repairs and parts	1,500	1,500	1,742	(242)
Insurance - vehicles	550	450	426	24
Insurance - general liability	700	1,100	1,081	19
Insurance - worker's compensation	400	0	0	0
Miscellaneous	0	0	321	(321)
Trash receptacles	6,300	6,300	6,299	1
Office furniture and equipment	1,000	0	0	0
Total storm water management	<u>\$ 332,400</u>	<u>\$ 316,200</u>	<u>\$ 276,366</u>	<u>\$ 39,834</u>
Cleveland Regional Jetport Operations:				
Salaries	\$ 70,900	\$ 70,900	\$ 71,268	\$ (368)
Contracted services - FBO	90,000	96,300	77,992	18,308
Sold vacations	1,400	200	0	200
Christmas bonus	200	200	148	52
Social security tax	5,600	6,000	5,797	203
Retirement	12,100	12,900	12,556	344
Life and disability insurance	1,000	1,000	839	161
Vision insurance	0	0	8	(8)
Worker's compensation claims	500	500	0	500
Laundry and dry cleaning	600	600	50	550
Clothing allowance	400	400	350	50

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public works - (Continued)				
Cleveland Regional Jetport Operations - (Continued)				
Postage	\$ 300	\$ 300	\$ 136	\$ 164
Printing	500	500	0	500
Advertising	5,000	3,900	1,357	2,543
Subscriptions and memberships	1,000	1,600	1,514	86
Utilities	46,900	42,900	43,349	(449)
Telephone	7,500	14,500	11,771	2,729
Contracted services - security	2,200	0	0	0
Building maintenance	3,000	7,200	6,674	526
Ground maintenance	1,200	4,600	5,189	(589)
Car allowance	4,200	4,200	4,200	0
Travel and training	4,500	2,500	1,847	653
Department work session meals	1,500	1,000	363	637
Credit card fees	12,000	12,000	9,379	2,621
Lease agreement	30,000	30,000	30,000	0
Fuel truck leases (2)	0	7,100	5,000	2,100
Office supplies	1,200	1,200	455	745
Gasoline	2,000	2,000	1,464	536
Repairs and parts	1,500	6,700	5,155	1,545
Avgas and jetfuel	757,500	757,500	544,818	212,682
Insurance - building and contents	8,500	9,800	9,777	23
Insurance - general liability	3,000	3,500	3,410	90
Miscellaneous	500	500	482	18
Hardwick building - Jones	0	21,236	21,177	59
Mitigation - Rolling Hills	0	13,300	16,579	(3,279)
Small equipment	1,400	900	0	900
Total Cleveland Regional Jetport	<u>\$ 1,078,100</u>	<u>\$ 1,137,936</u>	<u>\$ 893,104</u>	<u>\$ 244,832</u>
Total Public Works	<u>\$ 4,931,575</u>	<u>\$ 5,010,206</u>	<u>\$ 4,580,836</u>	<u>\$ 429,370</u>
Health and welfare:				
Animal Control:				
Salaries	\$ 222,891	\$ 217,736	\$ 214,819	\$ 2,917
Overtime wages	20,000	17,500	14,406	3,094
Part time wages	2,000	2,000	25	1,975
Service awards	300	300	300	0
Longevity	5,000	5,480	5,479	1
Sold vacations	700	825	823	2
Christmas bonus	650	895	891	4
Dental insurance	2,029	2,034	2,051	(17)
Social security	19,243	19,243	17,927	1,316
Health insurance	35,801	32,801	36,017	(3,216)
Retirement	42,323	39,323	37,862	1,461
Life and disability insurance	2,832	2,832	2,322	510

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Health and welfare - (Continued)				
Animal Control - (Continued)				
Vision insurance	\$ 0	\$ 600	\$ 583	\$ 17
Unemployment compensation	0	500	346	154
Education reimbursement	1,430	0	0	0
Worker's compensation claims	1,000	1,000	1,000	0
Laundry and dry cleaning	3,500	3,500	1,567	1,933
Employee physicals	500	500	376	124
Protective immunizations	300	300	0	300
Postage	200	200	122	78
GPS services	0	2,100	2,270	(170)
Contracted services - vehicles	500	500	347	153
Communications replacement	500	500	0	500
Printing	2,000	2,000	550	1,450
Subscriptions and memberships	1,100	1,100	735	365
Advertising	300	300	126	174
Utilities and pager	12,679	11,929	12,319	(390)
Telephone	14,000	14,000	11,561	2,439
Donated spay and neuter	0	5,843	1,420	4,423
Restricted spay & neuter	0	39,057	12,160	26,897
Adoption and veterinary fees	85,000	31,500	24,920	6,580
Sick/veterinary	10,000	13,500	16,024	(2,524)
Vehicle maintenance	12,000	15,150	16,322	(1,172)
Copier maintenance	600	600	363	237
Building maintenance	6,500	6,500	5,161	1,339
Training and travel	1,500	0	0	0
Credit card fees	2,500	1,000	539	461
Landfill	1,200	1,200	691	509
Janitorial contract	6,720	6,720	5,930	790
Office supplies and printing	2,500	2,500	981	1,519
OSHA safety supplies	500	500	28	472
Janitorial supplies	6,700	6,700	4,849	1,851
Uniforms and safety shoes	3,000	4,200	4,126	74
Ammunition	500	250	0	250
Gasoline and oil	15,000	8,000	10,084	(2,084)
Euthanasia and supplies	2,500	1,500	477	1,023
Pet food	7,500	4,500	3,942	558
Donations - cages and supplies	0	282	0	282
Insurance - building and contents	500	500	492	8
Insurance - vehicles and equipment	1,450	1,450	1,412	38
Insurance - general liability	1,785	1,849	1,849	0
Insurance - worker's compensation	7,353	6,353	6,078	275

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Health and welfare - (Continued)				
Animal Control - (Continued)				
Miscellaneous	\$ 500	\$ 500	\$ 0	\$ 500
Equipment	1,100	1,100	717	383
Total Animal Control	<u>\$ 568,686</u>	<u>\$ 541,252</u>	<u>\$ 483,389</u>	<u>\$ 57,863</u>
Total health and welfare	<u>\$ 568,686</u>	<u>\$ 541,252</u>	<u>\$ 483,389</u>	<u>\$ 57,863</u>
Culture and recreation:				
College Hill Recreation Center:				
Salaries	\$ 102,300	\$ 114,500	\$ 114,029	\$ 471
Overtime wages	5,000	3,000	4,121	(1,121)
Part time wages	59,000	59,000	57,198	1,802
Service awards	100	0	0	0
Longevity	1,950	1,500	1,500	0
Sold vacations	2,000	1,000	539	461
Christmas bonus	400	600	594	6
Dental insurance	1,200	1,000	1,085	(85)
Social security	13,200	13,800	13,335	465
Health insurance	24,800	22,000	21,645	355
Retirement	18,700	14,000	14,772	(772)
Life and disability insurance	1,300	1,300	1,261	39
Vision insurance	0	400	352	48
Unemployment compensation	0	0	3,592	(3,592)
Education reimbursement	400	0	0	0
Worker's compensation claims	200	200	0	200
Utilities	52,500	52,000	57,592	(5,592)
Telephone	6,500	6,500	7,903	(1,403)
Building maintenance	14,000	17,000	16,875	125
Team competition and trips	2,600	2,100	2,333	(233)
Office expenditures and paper	1,600	1,800	2,829	(1,029)
Janitorial supplies	3,500	3,500	3,146	354
Gate and concession supplies	3,500	3,500	1,886	1,614
Gasoline	400	400	183	217
Pool	7,500	11,500	12,760	(1,260)
Athletic supplies	2,000	2,000	1,604	396
Program development	6,000	6,000	5,990	10
Insurance - building and contents	6,300	5,700	5,637	63
Insurance - general liability	2,500	2,700	2,604	96
Insurance - worker's compensation	4,200	5,100	4,914	186
Cheerleading program expense	0	550	548	2
Other programs	6,000	5,500	6,487	(987)
Miscellaneous	500	500	686	(186)

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Culture and recreation - (Continued)				
College Hill Recreation Center - (Continued)				
BCCSA activities	\$ 16,000	\$ 16,000	\$ 15,000	\$ 1,000
Youth achievement program	5,300	4,300	1,928	2,372
Small equipment	1,000	1,000	1,217	(217)
Total College Hill Recreation Center	<u>\$ 372,450</u>	<u>\$ 379,950</u>	<u>\$ 386,145</u>	<u>\$ (6,195)</u>
Parks and recreation:				
Salaries	\$ 352,600	\$ 386,000	\$ 372,300	\$ 13,700
Overtime wages	2,500	3,500	3,428	72
Part time wages	19,000	10,000	4,429	5,571
Longevity	4,400	4,550	4,550	0
Sold vacation	2,600	2,600	2,055	545
Christmas bonus	1,000	1,400	1,336	64
College pay	125	125	125	0
Dental insurance	4,500	5,000	4,661	339
Social security	29,400	31,300	26,929	4,371
Health insurance	87,000	93,000	92,738	262
Retirement	60,800	66,700	63,962	2,738
Life and disability insurance	4,400	4,500	4,662	(162)
Vision insurance	0	1,200	1,299	(99)
Unemployment compensation	0	0	946	(946)
Worker's compensation claims	900	1,000	1,000	0
Laundry and dry cleaning	500	800	725	75
Pre-employment testing	0	0	105	(105)
Postage	200	200	63	137
GPS services	0	5,600	5,846	(246)
Membership	1,500	1,500	800	700
Advertising	300	300	685	(385)
Utilities	11,200	11,000	10,230	770
Telephone	9,000	10,000	12,072	(2,072)
Vehicle maintenance	42,000	38,000	36,547	1,453
Equipment and repairs	4,500	3,689	4,286	(597)
Grounds maintenance	24,000	22,500	20,877	1,623
Playground mulch	15,000	15,000	14,096	904
Fletcher building	9,000	9,000	11,573	(2,573)
Greenway utilities	48,000	36,499	33,012	3,487
Greenway maintenance	10,000	10,000	9,664	336
Car allowance	4,200	4,200	4,200	0
Training and travel	4,500	5,500	6,028	(528)
Office expenditures	1,300	1,300	1,646	(346)
Uniforms	3,500	3,500	3,134	366
Gasoline and oil	40,000	38,000	30,631	7,369
Insurance - building and contents	4,000	4,300	4,232	68

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Culture and recreation - (Continued)				
Parks and recreation - (Continued)				
Insurance - vehicles and equipment	\$ 6,300	\$ 2,000	\$ 1,965	\$ 35
Insurance - general liability	4,700	5,800	5,792	8
Insurance - worker's compensation	5,400	6,600	6,354	246
Miscellaneous	500	500	201	299
Old timers banquet	2,500	2,500	2,058	442
Greenway public arts committee	0	7,794	7,794	0
Equipment lease - mowers	6,000	0	0	0
Office machinery and equipment	1,000	0	321	(321)
Small equipment	0	1,000	320	680
Building and soccer complex	0	1,500	1,430	70
Equipment lease - replacement	0	37,375	142,181	(104,806)
Total parks and recreation	<u>\$ 828,325</u>	<u>\$ 896,832</u>	<u>\$ 963,288</u>	<u>\$ (66,456)</u>
Landscaping maintenance:				
Salaries	\$ 244,000	\$ 279,700	\$ 245,767	\$ 33,933
Overtime wages	900	900	686	214
Service awards	250	250	250	0
Longevity	4,300	4,600	4,600	0
Sold vacations	1,900	900	0	900
Christmas bonus	800	900	891	9
Dental insurance	3,100	3,100	3,014	86
Social security	19,300	22,000	18,004	3,996
Health Insurance	61,713	55,000	52,313	2,687
Retirement	42,000	47,800	40,573	7,227
Life and disability insurance	3,100	3,100	2,794	306
Vision insurance	0	1,000	864	136
Worker's compensation claims	1,000	1,000	1,361	(361)
Pre-employment testing	100	100	413	(313)
Postage	100	100	15	85
Printing	400	400	45	355
Subscriptions and memberships	1,500	1,000	880	120
Advertising	200	200	136	64
Utilities	3,500	2,000	2,493	(493)
Telephone	4,600	4,600	4,234	366
Vehicle maintenance	56,000	53,400	63,564	(10,164)
Equipment repairs	1,800	1,500	1,876	(376)
Travel and training	3,600	4,800	5,071	(271)
Work sessions	200	200	130	70
Other contracted services	1,200	1,200	914	286
Lee University Monument	800	800	0	800
Office expenditures	500	500	304	196

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Culture and recreation - (Continued)				
Landscaping maintenance - (Continued)				
Botanical supplies	\$ 12,000	\$ 12,000	\$ 11,362	\$ 638
Uniforms	3,500	3,500	3,588	(88)
Trees	7,500	7,500	7,210	290
Donations - memorial tree fund	0	18,049	10,277	7,772
Gasoline and oil	30,500	25,000	11,162	13,838
Insurance - vehicle and equipment	6,300	4,500	4,422	78
Insurance - general liability	3,500	3,800	3,746	54
Insurance - worker's compensation	8,000	9,000	8,720	280
Miscellaneous	550	500	44	456
Equipment lease - mowers	6,000	0	0	0
Small equipment	1,000	1,000	1,359	(359)
	<u>\$ 535,713</u>	<u>\$ 575,899</u>	<u>\$ 513,082</u>	<u>\$ 62,817</u>
Cleveland Community Center:				
Salaries	\$ 153,300	\$ 150,000	\$ 148,142	\$ 1,858
Part time wages	44,000	55,000	57,762	(2,762)
Overtime wages	1,000	1,000	150	850
Service awards	250	250	250	0
Longevity	5,300	6,300	6,350	(50)
Sold vacations	1,700	2,600	2,948	(348)
Christmas bonus	550	750	742	8
Dental insurance	2,400	1,500	1,282	218
Social security	15,900	16,600	17,126	(526)
Health insurance	25,300	25,500	24,990	510
Retirement	27,100	27,100	24,734	2,366
Life and disability insurance	2,000	2,000	1,495	505
Vision insurance	0	400	416	(16)
Worker's compensation claims	350	0	66	(66)
Utilities	40,000	36,000	33,774	2,226
Telephone	5,000	5,400	5,980	(580)
Vehicle maintenance	500	500	513	(13)
Building maintenance	9,500	13,200	11,439	1,761
Team trips and competition	1,500	1,500	2,025	(525)
Office expenditures and paper	1,000	1,000	1,437	(437)
Janitorial contract	3,500	3,500	3,711	(211)
Pool	7,500	7,500	6,932	568
Athletic supplies	1,500	1,500	1,392	108
Ceramic supplies	500	500	261	239
Insurance - building and contents	3,300	3,600	3,552	48
Insurance - general liability	2,300	2,700	2,634	66
Insurance - worker's compensation	2,500	3,200	3,041	159

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Culture and recreation - (Continued)				
Cleveland Community Center - (Continued)				
Contracted services - floor maintenance	\$ 2,000	\$ 1,000	\$ 1,766	\$ (766)
Contracted services - security	1,600	1,200	1,182	18
Miscellaneous	500	500	525	(25)
Swim team	2,000	2,000	2,000	0
Junior pro basketball	3,000	3,000	4,420	(1,420)
Cardinal account	3,700	3,000	811	2,189
Small equipment	6,200	2,500	2,538	(38)
Total Cleveland Community Center	<u>\$ 376,750</u>	<u>\$ 382,300</u>	<u>\$ 376,386</u>	<u>\$ 5,914</u>
Tinsley Park:				
Salaries	\$ 117,750	\$ 110,000	\$ 138,441	\$ (28,441)
Overtime	2,500	2,500	1,481	1,019
Social security	9,200	8,700	9,733	(1,033)
Utilities	38,600	50,000	55,555	(5,555)
Telephone	1,800	1,100	1,206	(106)
Maintenance and repairs	15,000	13,000	8,296	4,704
Lifeguard training	1,000	1,000	2,916	(1,916)
Janitorial supplies	3,000	5,000	3,774	1,226
Tournament	6,000	5,000	2,124	2,876
Pool	17,000	15,000	15,513	(513)
Concession supplies	22,000	20,000	18,069	1,931
Insurance - building and contents	3,150	3,150	3,141	9
Insurance - general liability	1,500	1,700	1,688	12
Insurance - worker's compensation	2,900	3,000	2,843	157
Equipment	0	2,000	2,000	0
Total Tinsley Park	<u>\$ 241,400</u>	<u>\$ 241,150</u>	<u>\$ 266,780</u>	<u>\$ (25,630)</u>
Waterville:				
Salaries	\$ 198,900	\$ 129,400	\$ 129,955	\$ (555)
Overtime	6,000	1,100	1,153	(53)
Part time wages	41,000	22,000	21,188	812
Service awards	0	100	100	0
Longevity	3,000	3,500	3,500	0
Sold vacations	2,600	2,700	2,688	12
Christmas bonus	700	900	891	9
Dental insurance	2,800	1,900	1,813	87
Social security	19,400	12,200	11,753	447
Health insurance	61,000	36,500	35,533	967
Retirement	35,000	23,000	23,931	(931)
Life and disability insurance	2,500	1,600	1,581	19
Vision insurance	0	600	571	29
Worker's compensation claims	1,000	800	762	38

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Culture and recreation - (Continued)				
Waterville - (Continued)				
Subscriptions and memberships	\$ 600	\$ 300	\$ 204	\$ 96
Advertising and marketing	1,800	100	182	(82)
Utilities	28,700	13,200	17,761	(4,561)
Telephone	9,200	7,000	8,094	(1,094)
Vehicle maintenance	1,300	0	0	0
Equipment parts and maintenance	18,000	9,500	7,373	2,127
Sod, seed and course maintenance	9,400	6,000	5,736	264
Building maintenance	7,000	7,000	5,742	1,258
Travel and training	900	0	0	0
Credit card fees	3,500	1,400	1,400	0
Contracted services - pest control	300	500	109	391
Office expenditures	700	500	521	(21)
Janitorial	1,500	1,200	1,328	(128)
Uniform	3,000	1,500	1,489	11
Golf course accessories	1,000	300	0	300
Gasoline	0	0	245	(245)
Tires, tubes, etc.	900	300	0	300
Irrigation and drainage supplies	5,000	4,000	79	3,921
Proshop	7,000	600	3,785	(3,185)
Concession supplies	17,000	8,000	7,809	191
Small supplies	500	200	0	200
Fertilizer and chemicals	20,000	3,000	1,931	1,069
Insurance - building and contents	2,200	1,700	1,649	51
Insurance - general liability	4,200	4,000	3,889	111
Insurance - worker's compensation	5,800	8,000	7,015	985
Contracted services - security	2,900	2,600	2,576	24
Miscellaneous	500	300	95	205
Equipment	29,480	29,480	28,604	876
Total Waterville Golf Course	\$ 556,280	\$ 346,980	\$ 343,035	\$ 3,945
Total culture and recreation	\$ 2,910,918	\$ 2,823,111	\$ 2,848,716	\$ (25,605)
Appropriations:				
Jointly funded	\$ 4,100	\$ 0	\$ 0	\$ 0
Regional Museum	42,300	42,300	42,300	0
MTAS benchmarking	4,000	4,000	3,500	500
Municipal League dues	9,200	9,200	9,102	98
Economic development	45,000	45,000	45,000	0
Southeast Tennessee Development	8,000	8,000	8,257	(257)
Mainstreet Cleveland	25,000	25,000	25,000	0
Cemetery Association	10,000	10,000	10,000	0
Court's Community Services	59,400	59,400	48,365	11,035
Keep America Beautiful	28,200	28,200	28,200	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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Current - (Continued)				
Appropriations - (Continued)				
Juvenile Court match	\$ 1,100	\$ 1,100	\$ 1,100	\$ 0
United Way supporters	1,000	1,000	1,100	(100)
SETHRA - Transit	135,000	135,000	135,000	0
Communications Center	450,000	450,000	450,000	0
Emergency Management	87,300	87,300	82,024	5,276
Mainstreet projects	0	6,107	6,107	0
SETDD legal fees	1,000	1,000	0	1,000
Veterans Affairs Office	22,600	22,600	23,693	(1,093)
Behavioral Research	2,000	2,000	2,000	0
HVAC at Museum Center	0	10,000	10,000	0
Life Bridges (20%)	6,200	6,200	6,200	0
Community Services Agency	94,400	94,400	94,376	24
Aqua Tigers equipment	2,000	2,000	2,000	0
Boys and Girls Club	14,000	14,000	13,923	77
Bradley Cleveland football	3,500	3,500	3,500	0
Youth baseball	5,000	5,000	5,000	0
Cleveland Youth Softball	4,000	4,000	4,000	0
Soccer Association	5,000	5,000	5,000	0
Soccer Association - land	5,000	5,000	5,000	0
Foothills Country Fair	1,000	1,000	0	1,000
Vocational School	22,236	22,236	22,236	0
Total appropriations	<u>\$ 1,097,536</u>	<u>\$ 1,109,543</u>	<u>\$ 1,091,983</u>	<u>\$ 17,560</u>
Debt Service:				
Principal retirement	\$ 0	\$ 43,575	\$ 79,444	\$ (35,869)
Interest and fiscal charges	0	236	1,742	(1,506)
Total debt service	<u>\$ 0</u>	<u>\$ 43,811</u>	<u>\$ 81,186</u>	<u>\$ (37,375)</u>
Total expenditures	<u>\$ 30,616,706</u>	<u>\$ 30,470,863</u>	<u>\$ 29,656,461</u>	<u>\$ 814,402</u>
Excess of revenues over expenditures	<u>\$ 10,030,744</u>	<u>\$ 10,355,862</u>	<u>\$ 12,815,241</u>	<u>\$ 2,459,379</u>
Other financing sources (uses):				
Transfers in	\$ 2,207,218	\$ 2,207,218	\$ 2,286,162	\$ 78,944
Transfers out	(18,176,439)	(17,763,115)	(18,330,832)	(567,717)
Capital leases issued	0	0	142,181	142,181
Total other financing sources(uses)	<u>\$ (15,969,221)</u>	<u>\$ (15,555,897)</u>	<u>\$ (15,902,489)</u>	<u>\$ (346,592)</u>
Net change in fund balances	\$ (5,938,477)	\$ (5,200,035)	\$ (3,087,248)	\$ 2,112,787
Fund balance at beginning of year	<u>12,812,055</u>	<u>12,812,055</u>	<u>12,812,055</u>	<u>0</u>
Fund balance at end of year	<u>\$ 6,873,578</u>	<u>\$ 7,612,020</u>	<u>\$ 9,724,807</u>	<u>\$ 2,112,787</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
Federal government:				
Education of the handicapped	\$ 36,462	\$ 3,347	\$ 3,347	\$ 0
Total federal government	\$ 36,462	\$ 3,347	\$ 3,347	\$ 0
State of Tennessee:				
Basic education program	\$ 22,514,000	\$ 22,897,000	\$ 22,964,250	\$ 67,250
School food service	27,275	27,275	27,357	82
Driver education	8,000	8,000	9,678	1,678
Other state education funds	297,000	351,360	376,385	25,025
Career ladder program	224,648	224,648	132,949	(91,699)
Career ladder extended contract	164,793	164,793	49,945	(114,848)
Other state grants	1,013,604	1,013,604	994,727	(18,877)
State mixed drink tax	101,990	101,990	104,659	2,669
State income tax	40,841	22,553	36,000	13,447
On-behalf contributions for opeb	0	0	212,164	212,164
Total State of Tennessee	\$ 24,392,151	\$ 24,811,223	\$ 24,908,114	\$ 96,891
Bradley County:				
Property taxes - current	\$ 5,475,500	\$ 5,675,500	\$ 5,871,173	\$ 195,673
Property taxes - prior	182,061	182,061	168,464	(13,597)
Cir clerk/clerk & master	116,000	116,000	97,288	(18,712)
Interest and penalty	31,369	31,369	30,217	(1,152)
In lieu of taxes - Local Utilities	3,805	3,805	2,706	(1,099)
In lieu of taxes - Other Utilities	101,717	101,717	202,831	101,114
Marriage license	2,825	2,825	3,153	328
Bank excise tax	18,201	18,201	31,167	12,966
Interstate telecommunications tax	2,126	2,126	3,544	1,418
Local sales tax	4,351,287	4,351,287	4,697,642	346,355
Total Bradley County	\$ 10,284,891	\$ 10,484,891	\$ 11,108,185	\$ 623,294
Total Intergovernmental	\$ 34,713,504	\$ 35,299,461	\$ 36,019,646	\$ 720,185
Charges for services:				
Tuition	\$ 101,935	\$ 101,935	\$ 106,755	\$ 4,820
Community service fees	152,396	124,396	85,935	(38,461)
Criminal background fee	4,800	4,800	1,619	(3,181)
Total charges for services	\$ 259,131	\$ 231,131	\$ 194,309	\$ (36,822)

CITY OF CLEVELAND, TENNESSEE

SCHOOL FUND

(Continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues - (Continued)				
Interest	\$ 6,250	\$ 6,250	\$ 4,552	\$ (1,698)
Miscellaneous:				
Miscellaneous refunds	\$ 98,841	\$ 98,841	\$ 58,689	\$ (40,152)
Sale of equipment	10,000	6,901	1,959	(4,942)
Damages recovered	1,800	1,800	7,578	5,778
Contributions	143,488	165,168	164,596	(572)
Other	27,461	27,461	10,751	(16,710)
Total miscellaneous	\$ 281,590	\$ 300,171	\$ 243,573	\$ (56,598)
Total revenues	\$ 35,260,475	\$ 35,837,013	\$ 36,462,080	\$ 625,067
Expenditures:				
Current:				
Education:				
Regular instruction:				
Teachers	\$ 14,092,422	\$ 14,042,422	\$ 14,039,028	\$ 3,394
Career ladder program	129,000	129,000	75,213	53,787
Career ladder extended contract	141,211	141,211	41,200	100,011
Homebound teachers	55,542	58,542	57,361	1,181
Assistants	1,095,502	1,102,627	1,064,209	38,418
Other salaries and wages	194,097	194,097	172,620	21,477
Certified substitute teachers	120,000	170,000	191,407	(21,407)
Non-certified substitute teachers	92,780	92,780	83,754	9,026
Social security	972,819	952,819	894,380	58,439
State retirement	1,485,475	1,485,475	1,428,561	56,914
Life insurance	15,607	15,607	29,543	(13,936)
Medical insurance	2,248,444	2,248,444	2,221,301	27,143
Unemployment compensation	18,000	8,000	1,755	6,245
Employer medicare liability	227,514	222,514	211,949	10,565
Other fringe benefits	144,000	144,000	148,383	(4,383)
Maintenance and repair	16,650	16,650	6,318	10,332
Other contracted services	400,970	404,470	362,312	42,158
Instructional supplies	192,361	275,093	199,920	75,173
Textbooks	154,996	154,996	188,781	(33,785)
Other supplies and materials	27,500	29,655	27,134	2,521
Other charges	9,100	9,100	856	8,244
Regular instruction equipment	84,922	233,492	293,742	(60,250)
Total regular instruction	\$ 21,918,912	\$ 22,130,994	\$ 21,739,727	\$ 391,267
Special education:				
Teachers	\$ 1,600,699	\$ 1,600,699	\$ 1,600,558	\$ 141
Career ladder program	19,000	19,000	13,500	5,500
Homebound teachers	1,000	4,000	5,031	(1,031)
Assistants	291,491	316,451	312,270	4,181
Speech pathologist	248,876	248,876	252,231	(3,355)
Certified substitute teachers	4,000	14,000	17,313	(3,313)

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Special education - (Continued):				
In-service training	\$ 0	\$ 10,000	\$ 11,740	\$ (1,740)
Non-certified substitute teachers	3,000	0	0	0
Social security	132,987	132,987	124,996	7,991
State retirement	217,455	217,455	211,772	5,683
Life insurance	1,956	1,956	1,920	36
Medical insurance	284,000	303,361	297,688	5,673
Employer medicare liability	31,102	31,102	30,032	1,070
Contracts with private agencies	22,102	22,102	20,631	1,471
Maintenance and other repair services	1,700	1,700	2,061	(361)
Instructional supplies	24,500	24,500	16,167	8,333
Other supplies and materials	7,233	7,233	14,409	(7,176)
Special education equipment	4,600	4,600	3,834	766
Total special education	<u>\$ 2,895,701</u>	<u>\$ 2,960,022</u>	<u>\$ 2,936,153</u>	<u>\$ 23,869</u>
Vocational education:				
Teachers	\$ 836,531	\$ 827,093	\$ 827,507	\$ (414)
Other salaries and wages	0	0	1,120	(1,120)
Certified substitute teachers	1,500	4,500	3,823	677
Non-certified substitute teachers	1,000	2,500	2,330	170
Social security	51,620	47,620	46,712	908
State retirement	75,622	75,622	74,775	847
Life insurance	639	639	639	0
Medical insurance	125,784	141,946	141,814	132
Employer medicare liability	12,072	12,072	10,952	1,120
Maintenance and repair services	8,500	8,500	6,846	1,654
Tuition	375	375	2,000	(1,625)
Other contracted services	4,500	4,500	1,443	3,057
Instructional supplies	33,200	43,916	52,468	(8,552)
Other supplies and materials	2,300	2,300	24,267	(21,967)
Vocational instruction equipment	55,951	55,951	23,970	31,981
Other equipment	0	0	2,362	(2,362)
Total vocational education	<u>\$ 1,209,594</u>	<u>\$ 1,227,534</u>	<u>\$ 1,223,028</u>	<u>\$ 4,506</u>
Students:				
Attendance:				
Supervisor	\$ 42,706	\$ 42,706	\$ 42,706	\$ 0
Other salaries & wages	41,081	41,081	41,081	0
Social security	5,194	5,194	5,041	153
State retirement	10,688	10,688	10,688	0
Life insurance	120	120	120	0
Medical insurance	6,748	6,748	6,748	0
Employer medicare liability	1,215	1,215	1,179	36
Other contracted services	9,000	9,000	9,000	0
Regular instruction equipment	0	1,430	1,430	0
Total attendance	<u>\$ 116,752</u>	<u>\$ 118,182</u>	<u>\$ 117,993</u>	<u>\$ 189</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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Students - (Continued):				
Health services:				
Medical personnel	\$ 83,648	\$ 88,968	\$ 88,893	\$ 75
Other salaries and wages	96,887	96,887	96,887	0
Social security	11,192	11,192	11,248	(56)
State retirement	15,489	15,489	13,052	2,437
Life insurance	94	94	94	0
Medical insurance	21,660	21,660	8,654	13,006
Employer medicare liability	2,618	2,618	2,631	(13)
Travel	2,400	2,400	980	1,420
Drugs and medical supplies	2,000	2,000	2,012	(12)
Other supplies and materials	3,830	12,230	13,138	(908)
Total health services	\$ 239,818	\$ 253,538	\$ 237,589	\$ 15,949
Other student support:				
Career ladder program	\$ 9,000	\$ 9,000	\$ 7,000	\$ 2,000
Guidance personnel	639,134	639,134	641,732	(2,598)
Psychological personnel	75,186	75,186	75,185	1
Social workers	90,717	90,717	90,917	(200)
Attendants	106,795	116,795	121,077	(4,282)
Other salaries and wages	117,188	117,188	117,188	0
Social security	64,060	64,060	62,054	2,006
State retirement	96,253	96,253	93,137	3,116
Life insurance	867	867	867	0
Medical insurance	81,815	81,815	82,500	(685)
Employer medicare liability	15,051	15,051	14,513	538
Contracts w/ government agencies	0	8,438	8,438	0
Evaluation and testing	90,870	90,870	76,244	14,626
Maintenance and repair services	100	100	0	100
Other contracted services	292,170	292,170	307,339	(15,169)
Other supplies and materials	6,815	6,815	4,391	2,424
Total other student support	\$ 1,686,021	\$ 1,704,459	\$ 1,702,582	\$ 1,877
Total students	\$ 2,042,591	\$ 2,076,179	\$ 2,058,164	\$ 18,015

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Instructional staff:				
Regular instruction program :				
Supervisor	\$ 383,540	\$ 386,290	\$ 387,477	\$ (1,187)
Career ladder program	20,500	20,500	6,500	14,000
Librarians	471,797	471,797	472,497	(700)
Materials supervisor	43,981	43,981	43,981	0
Secretaries	123,856	123,856	124,169	(313)
Other salaries and wages	194,845	188,845	185,812	3,033
Social security	75,946	75,946	70,333	5,613
State retirement	136,120	136,120	135,049	1,071
Life insurance	1,183	1,183	1,111	72
Medical insurance	179,707	177,905	174,277	3,628
Employer medicare liability	17,761	17,761	16,500	1,261
Dues and subscriptions	4,000	4,000	1,907	2,093
Travel	36,000	36,000	20,836	15,164
Other contracted services	8,500	8,500	22,724	(14,224)
Library books	35,610	35,610	31,837	3,773
Other supplies and materials	22,116	22,116	16,877	5,239
In-service staff development	66,595	69,031	47,817	21,214
Other equipment	3,500	3,500	3,161	339
Total regular instruction program	<u>\$ 1,825,557</u>	<u>\$ 1,822,941</u>	<u>\$ 1,762,865</u>	<u>\$ 60,076</u>
Special education:				
Supervisor	\$ 90,135	\$ 90,135	\$ 90,135	\$ 0
Career ladder program	1,000	1,000	1,000	0
Social security	5,650	5,650	5,586	64
State retirement	8,239	8,239	8,239	0
Life insurance	29	29	29	0
Medical insurance	5,840	5,840	5,839	1
Employer medicare liability	1,311	1,311	1,306	5
Consultants	500	500	0	500
Travel	1,500	1,500	954	546
Total special education	<u>\$ 114,204</u>	<u>\$ 114,204</u>	<u>\$ 113,088</u>	<u>\$ 1,116</u>
Vocational education:				
Supervisor	\$ 79,526	\$ 79,526	\$ 79,526	\$ 0
Career ladder program	3,000	3,000	0	3,000
Secretaries	26,756	26,756	26,756	0
Social security	6,775	6,775	6,324	451
State retirement	11,907	11,907	11,636	271

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Instructional staff - (Continued):				
Vocational education - (Continued):				
Life insurance	\$ 72	\$ 72	\$ 72	\$ 0
Medical insurance	11,826	11,826	11,826	0
Employer medicare liability	1,585	1,585	1,479	106
Travel	2,500	2,500	769	1,731
Total vocational education	<u>\$ 143,947</u>	<u>\$ 143,947</u>	<u>\$ 138,388</u>	<u>\$ 5,559</u>
Total instructional staff	<u>\$ 2,083,708</u>	<u>\$ 2,081,092</u>	<u>\$ 2,014,341</u>	<u>\$ 66,751</u>
General administration:				
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	765	765	766	(1)
Other fringe benefits	740	740	754	(14)
Audit services	13,250	13,250	13,250	0
Dues and membership	15,342	15,342	15,029	313
Legal services	10,000	10,000	14,281	(4,281)
Travel	0	0	488	(488)
Liability insurance	52,092	55,979	55,979	0
Premiums on corporate surety bonds	12,629	13,570	13,570	0
Trustee's commission	118,520	118,520	128,724	(10,204)
Worker's compensation insurance	187,418	195,875	195,875	0
Criminal investigation	8,000	8,000	4,893	3,107
Refund for criminal investigation	2,000	2,000	1,088	912
Other charges	32,000	32,000	30,679	1,321
Total board of education	<u>\$ 508,830</u>	<u>\$ 522,115</u>	<u>\$ 531,450</u>	<u>\$ (9,335)</u>
Office of superintendent:				
Administrative officer	\$ 134,520	\$ 134,520	\$ 134,520	\$ 0
Assistants	92,275	92,275	92,275	0
Career ladder program	1,000	1,000	2,000	(1,000)
Secretaries	74,259	74,259	73,710	549
Other salaries and wages	7,200	7,200	7,200	0
Social security	18,987	16,987	17,011	(24)
State retirement	33,585	33,585	33,585	0
Life insurance	195	195	195	0
Medical insurance	39,800	31,068	31,068	0
Employer medicare liability	4,441	4,441	4,325	116
Other fringe benefits	4,116	4,116	4,036	80
Communication	45,000	65,000	85,034	(20,034)

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
General administration - (Continued):				
Office of the superintendent - (Continued):				
Dues and memberships	\$ 3,433	\$ 3,433	\$ 3,795	\$ (362)
Postal charges	6,500	6,500	5,113	1,387
Travel	7,000	11,000	12,800	(1,800)
Other contracted services	22,600	22,600	22,945	(345)
Office supplies	16,500	16,500	15,091	1,409
Other charges	16,900	15,900	13,337	2,563
Administrative equipment	5,000	7,437	7,436	1
Total office of superintendent	<u>\$ 533,311</u>	<u>\$ 548,016</u>	<u>\$ 565,476</u>	<u>\$ (17,460)</u>
Total general administration	<u>\$ 1,042,141</u>	<u>\$ 1,070,131</u>	<u>\$ 1,096,926</u>	<u>\$ (26,795)</u>
Office of the Principal:				
Principals	\$ 682,311	\$ 682,311	\$ 683,248	\$ (937)
Career ladder program	10,000	10,000	7,000	3,000
Assistant principals	627,436	631,914	631,915	(1)
Secretaries	309,879	314,459	313,123	1,336
Clerical personnel	27,251	27,251	27,252	(1)
Social security	101,485	101,485	96,635	4,850
State retirement	175,336	175,336	172,140	3,196
Life insurance	1,386	1,386	1,386	0
Medical insurance	196,650	208,573	208,081	492
Employer medicare liability	23,734	23,734	22,600	1,134
Dues and memberships	2,370	2,370	1,568	802
Maintenance and repair services	2,925	2,925	0	2,925
Postal charges	6,425	6,425	3,893	2,532
Travel	5,100	5,100	665	4,435
Other contracted services	14,568	14,568	13,318	1,250
Office supplies	10,520	10,520	7,362	3,158
Other charges	625	625	481	144
Administrative equipment	11,770	11,770	7,931	3,839
Total office of the principal	<u>\$ 2,209,771</u>	<u>\$ 2,230,752</u>	<u>\$ 2,198,598</u>	<u>\$ 32,154</u>
Business administration:				
Bookkeepers	\$ 184,812	\$ 184,812	\$ 184,194	\$ 618
Social security	11,458	9,758	9,669	89
State retirement	30,716	28,316	28,199	117
Life insurance	163	163	163	0
Medical insurance	24,076	24,076	24,076	0
Employer medicare liability	2,680	2,680	2,469	211
Data processing services	13,441	27,634	27,635	(1)
Travel	1,000	1,000	748	252
Total business administration	<u>\$ 268,346</u>	<u>\$ 278,439</u>	<u>\$ 277,153</u>	<u>\$ 1,286</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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Operation and maintenance of plant:				
Operation of plant:				
Custodial personnel	\$ 23,947	\$ 23,947	\$ 23,947	\$ 0
Other salaries and wages	82,767	41,384	41,384	0
Social security	6,618	1,618	1,431	187
State retirement	11,462	3,981	3,980	1
Life insurance	84	84	84	0
Medical insurance	11,895	6,015	6,015	0
Employer medicare liability	1,547	897	895	2
Janitorial services	775,740	775,740	776,214	(474)
Operating lease payments	52,951	52,951	0	52,951
Rentals	12,000	12,000	12,000	0
Other contracted services	216,870	216,870	68,958	147,912
Electricity	991,621	991,621	1,000,245	(8,624)
Natural gas	110,349	110,349	93,868	16,481
Water and sewer	139,873	139,873	133,819	6,054
Other supplies and materials	25,000	22,500	14,743	7,757
Boiler insurance	10,103	10,856	10,856	0
Building and contents insurance	184,060	197,790	197,790	0
Other charges	0	0	340	(340)
Total operation of plant	<u>\$ 2,656,887</u>	<u>\$ 2,608,476</u>	<u>\$ 2,386,569</u>	<u>\$ 221,907</u>
Maintenance of plant:				
Supervisor	\$ 61,168	\$ 61,168	\$ 61,168	\$ 0
Maintenance personnel	401,087	401,087	396,017	5,070
Other salaries and wages	35,000	35,000	16,960	18,040
Social security	30,527	30,527	26,547	3,980
State retirement	76,827	76,827	75,674	1,153
Life insurance	592	592	592	0
Medical insurance	100,644	100,644	99,630	1,014
Employer medicare liability	7,210	7,210	6,209	1,001
Maintenance and repair services - building	90,140	312,640	181,788	130,852
Maintenance and repair services - equipment	2,000	2,000	3,484	(1,484)
Other contracted services	101,000	101,000	141,269	(40,269)
Equipment and machinery parts	5,200	5,200	8,222	(3,022)
Other supplies and materials	190,000	190,000	163,346	26,654
Other charges	5,000	5,000	4,642	358
Maintenance equipment	2,500	16,331	17,274	(943)
Total maintenance of plant	<u>\$ 1,108,895</u>	<u>\$ 1,345,226</u>	<u>\$ 1,202,822</u>	<u>\$ (142,404)</u>
Total operation and maintenance	<u>\$ 3,765,782</u>	<u>\$ 3,953,702</u>	<u>\$ 3,589,391</u>	<u>\$ 364,311</u>
Transportation:				
Supervisor	\$ 35,370	\$ 35,370	\$ 36,310	\$ (940)
Mechanics	69,614	69,614	72,392	(2,778)
Bus drivers	472,556	472,556	492,211	(19,655)

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Transportation - (Continued)				
Social security	\$ 35,808	\$ 35,808	\$ 37,097	\$ (1,289)
State retirement	17,448	17,448	18,079	(631)
Life insurance	94	94	94	0
Medical insurance	23,389	23,389	23,408	(19)
Employer medicare	8,374	8,374	8,676	(302)
Contracts with parents	1,000	1,000	2,448	(1,448)
Medical and dental services	3,500	3,500	2,671	829
Travel	1,100	1,100	1,994	(894)
Other contracted services	22,500	22,500	30,902	(8,402)
Diesel fuel	181,788	181,788	133,583	48,205
Gasoline	20,000	20,000	14,860	5,140
Lubricants	2,000	2,000	6,530	(4,530)
Tires and tubes	17,290	17,290	7,847	9,443
Vehicle parts	79,440	79,440	44,188	35,252
Other supplies and materials	2,000	2,000	13,937	(11,937)
Vehicle and equipment insurance	56,828	61,067	61,067	0
Other charges	15,550	15,550	3,646	11,904
Other equipment	0	0	1,597	(1,597)
Total transportation	<u>\$ 1,065,649</u>	<u>\$ 1,069,888</u>	<u>\$ 1,013,537</u>	<u>\$ 56,351</u>
Food service:				
Other salaries and wages	\$ 60,586	\$ 60,586	\$ 60,586	\$ 0
Social security	3,757	3,757	3,643	114
State retirement	5,380	5,380	5,477	(97)
Life insurance	47	47	47	0
Medical insurance	6,056	6,056	6,056	0
Employer medicare liability	878	878	851	27
Total food service	<u>\$ 76,704</u>	<u>\$ 76,704</u>	<u>\$ 76,660</u>	<u>\$ 44</u>
Community services:				
Supervisor	\$ 58,993	\$ 58,993	\$ 58,993	\$ 0
Other salaries and wages	162,228	162,228	160,497	1,731
Social security	13,715	13,715	13,150	565
State retirement	5,239	5,239	5,862	(623)
Life insurance	34	34	34	0
Medical insurance	11,336	11,336	14,273	(2,937)
Employer medicare liability	3,208	3,208	3,076	132
Travel	4,141	4,141	2,777	1,364
Other contracted services	20,000	27,800	23,297	4,503
Food supplies	30,000	22,200	12,075	10,125
Other supplies and materials	19,509	19,509	15,406	4,103
Refunds	350	350	46	304

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Community services - (Continued):				
Other charges	\$ 2,000	\$ 2,000	\$ 291	\$ 1,709
Total community services	\$ 330,753	\$ 330,753	\$ 309,777	\$ 20,976
Early Childhood Education:				
Contracts with other public agencies	\$ 1,013,604	\$ 1,013,604	\$ 1,013,604	\$ 0
Total early childhood education	\$ 1,013,604	\$ 1,013,604	\$ 1,013,604	\$ 0
Other Programs				
On-behalf payments of opeb	\$ 0	\$ 0	\$ 212,164	\$ (212,164)
Total other programs	\$ 0	\$ 0	\$ 212,164	\$ (212,164)
Total education	\$ 39,923,256	\$ 40,499,794	\$ 39,759,223	\$ 740,571
Debt Service				
Principal on bonds	\$ 275,760	\$ 275,760	\$ 227,311	\$ 48,449
Interest on bonds	153,359	153,359	24,212	129,147
Other debt service	194,700	194,700	0	194,700
Total debt service	\$ 623,819	\$ 623,819	\$ 251,523	\$ 372,296
Total expenditures	\$ 40,547,075	\$ 41,123,613	\$ 40,010,746	\$ 1,112,867
Excess (deficiency) of revenues over expenditures	\$ (5,286,600)	\$ (5,286,600)	\$ (3,548,666)	\$ 1,737,934
Other Financing Sources (Uses)				
Transfers in	\$ 5,133,000	\$ 5,286,600	\$ 5,273,600	\$ (13,000)
Transfers out	0	0	(556,319)	(556,319)
Total other financing sources(uses)	\$ 5,133,000	\$ 5,286,600	\$ 4,717,281	\$ (569,319)
Net change in fund balances	\$ 0	\$ 0	\$ 1,168,615	\$ 1,168,615
Fund balance at beginning of year	2,685,064	2,685,064	2,685,064	0
Fund balance at end of year	\$ 2,685,064	\$ 2,685,064	\$ 3,853,679	\$ 1,168,615

CITY OF CLEVELAND, TENNESSEE

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2015

	Enterprise Funds			Internal Service Fund
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 8,609,696	\$ 6,339,457	\$ 14,949,153	\$ 2,224
Cash and cash equivalents - restricted	460	266	726	0
Accounts receivable - net	3,192,249	15,396,241	18,588,490	28,348
Inventories	267,903	1,886,253	2,154,156	197,140
Prepays	458,156	465,807	923,963	0
Total current assets	<u>\$ 12,528,464</u>	<u>\$ 24,088,024</u>	<u>\$ 36,616,488</u>	<u>\$ 227,712</u>
Noncurrent assets:				
Receivable - conservation loans	\$ 0	\$ 1,372,374	\$ 1,372,374	\$ 0
Other assets	0	1,756,777	1,756,777	0
Capital assets:				
Land and construction in progress	7,320,205	1,392,127	8,712,332	108,291
Other capital assets, net of depreciation	106,595,859	70,512,075	177,107,934	960,441
Total noncurrent assets	<u>\$ 113,916,064</u>	<u>\$ 75,033,353</u>	<u>\$ 188,949,417</u>	<u>\$ 1,068,732</u>
Total assets	<u>\$ 126,444,528</u>	<u>\$ 99,121,377</u>	<u>\$ 225,565,905</u>	<u>\$ 1,296,444</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	\$ 643,061	\$ 17,836	\$ 660,897	\$ 0
Pension contributions after measurement date	1,552,336	1,502,192	3,054,528	0
Total deferred outflows of resources	<u>\$ 2,195,397</u>	<u>\$ 1,520,028</u>	<u>\$ 3,715,425</u>	<u>\$ 0</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,053,219	\$ 10,576,169	\$ 11,629,388	\$ 22,631
Customer deposits	0	3,442,873	3,442,873	0
Due to other funds	0	108,000	108,000	0
Current maturities of long-term debt	3,798,474	1,259,250	5,057,724	0
Other current liabilities	1,987,648	1,251,295	3,238,943	0
Total current liabilities	<u>\$ 6,839,341</u>	<u>\$ 16,637,587</u>	<u>\$ 23,476,928</u>	<u>\$ 22,631</u>
Noncurrent liabilities:				
Post-employment benefits payable	\$ 4,227,811	\$ 3,342,128	\$ 7,569,939	\$ 0
Pension benefits payable	5,651,676	7,219,027	12,870,703	0
Conservation advances from TVA	0	1,419,650	1,419,650	0
Due to other funds	0	1,524,692	1,524,692	0
Notes payable	9,906,570	3,926,459	13,833,029	0
Revenue bonds payable net of discount	33,384,751	9,947,961	43,332,712	0
Total noncurrent liabilities	<u>\$ 53,170,808</u>	<u>\$ 27,379,917</u>	<u>\$ 80,550,725</u>	<u>\$ 0</u>
Total liabilities	<u>\$ 60,010,149</u>	<u>\$ 44,017,504</u>	<u>\$ 104,027,653</u>	<u>\$ 22,631</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on refunding	\$ 15,219	\$ 0	\$ 15,219	\$ 0
Pension changes in experience	152,896	225,292	378,188	0
Pension changes in investment earnings	1,296,444	829,306	2,125,750	0
Total deferred inflows of resources	<u>\$ 1,464,559</u>	<u>\$ 1,054,598</u>	<u>\$ 2,519,157</u>	<u>\$ 0</u>
NET POSITION				
Net investment in capital assets	\$ 67,454,571	\$ 56,788,634	\$ 124,243,205	\$ 1,068,732
Unrestricted	(289,354)	(1,219,331)	(1,508,685)	205,081
Total net position	<u>\$ 67,165,217</u>	<u>\$ 55,569,303</u>	<u>\$ 122,734,520</u>	<u>\$ 1,273,813</u>

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

- 57 -

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2015

	Enterprise Funds			Internal Service Fund
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Total	
Operating Revenues:				
Charges for services	\$ 23,617,581	\$ 97,632,281	\$ 121,249,862	\$ 979,028
Other operating revenues	<u>2,092,602</u>	<u>1,462,391</u>	<u>3,554,993</u>	<u>1,555</u>
Total operating revenues	<u>\$ 25,710,183</u>	<u>\$ 99,094,672</u>	<u>\$ 124,804,855</u>	<u>\$ 980,583</u>
Operating Expenses:				
Power purchased	\$ 0	\$ 81,846,712	\$ 81,846,712	\$ 0
Operation expenses	12,608,909	6,725,876	19,334,785	987,714
Maintenance expense	2,428,645	3,350,959	5,779,604	0
Depreciation and amortization	<u>5,435,451</u>	<u>4,414,744</u>	<u>9,850,195</u>	<u>31,763</u>
Total operating expenses	<u>\$ 20,473,005</u>	<u>\$ 96,338,291</u>	<u>\$ 116,811,296</u>	<u>\$ 1,019,477</u>
Operating income (loss)	<u>\$ 5,237,178</u>	<u>\$ 2,756,381</u>	<u>\$ 7,993,559</u>	<u>\$ (38,894)</u>
Non Operating Revenues (Expenses):				
Interest income	\$ 39,520	\$ 42,654	\$ 82,174	\$ 31
Interest expense	(1,534,811)	(466,496)	(2,001,307)	0
Plant cost recovered through contributions	0	(182,407)	(182,407)	0
Other income (expense)	<u>(7,235)</u>	<u>47,532</u>	<u>40,297</u>	<u>351</u>
Total nonoperating revenues (expenses)	<u>\$ (1,502,526)</u>	<u>\$ (558,717)</u>	<u>\$ (2,061,243)</u>	<u>\$ 382</u>
Income before contributions and transfers	\$ 3,734,652	\$ 2,197,664	\$ 5,932,316	\$ (38,512)
Capital contributions	333,236	182,407	515,643	0
Transfers out	<u>(212,221)</u>	<u>(2,034,884)</u>	<u>(2,247,105)</u>	<u>0</u>
Change in net position	<u>\$ 3,855,667</u>	<u>\$ 345,187</u>	<u>\$ 4,200,854</u>	<u>\$ (38,512)</u>
Total net position - (previously reported)	\$ 69,882,009	\$ 63,055,021	\$ 132,937,030	\$ 1,312,325
Cumulative effect of change in Accounting Principle	<u>(6,572,459)</u>	<u>(7,830,905)</u>	<u>(14,403,364)</u>	<u>0</u>
Total net position - beginning (restated)	<u>\$ 63,309,550</u>	<u>\$ 55,224,116</u>	<u>\$ 118,533,666</u>	<u>\$ 1,312,325</u>
Total net position - ending	<u>\$ 67,165,217</u>	<u>\$ 55,569,303</u>	<u>\$ 122,734,520</u>	<u>\$ 1,273,813</u>

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Enterprise Funds			Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Total	
Cash flows from operating activities:				
Receipts from customers	\$ 25,713,598	\$ 98,884,702	\$ 124,598,300	\$ 249,064
Receipts from interfund charges	0	0	0	727,364
Payments to suppliers	(9,929,632)	(84,796,078)	(94,725,710)	(672,487)
Payments to employees for services	(4,857,069)	(7,694,327)	(12,551,396)	(298,391)
Net cash provided by (used in) operating activities	<u>\$ 10,926,897</u>	<u>\$ 6,394,297</u>	<u>\$ 17,321,194</u>	<u>\$ 5,550</u>
Cash flows from noncapital financing activities:				
Transfers out	<u>\$ (212,221)</u>	<u>\$ (2,034,884)</u>	<u>\$ (2,247,105)</u>	<u>\$ 0</u>
Net cash provided by (used in) financing activities	<u>\$ (212,221)</u>	<u>\$ (2,034,884)</u>	<u>\$ (2,247,105)</u>	<u>\$ 0</u>
Cash flows from capital and related financing activities:				
Additions to plants	\$ (10,948,199)	\$ (4,513,574)	\$ (15,461,773)	\$ (6,252)
Proceeds received for contributions in aid of construction	333,236	182,407	515,643	351
Other adjustments	0	(97,682)	(97,682)	0
Removal cost	8,914	(408,943)	(400,029)	0
Salvage	0	123,299	123,299	0
Proceeds from issuance of debt	6,791,697	3,291,218	10,082,915	0
Payment of principal on long-term debt	(3,345,599)	(1,141,250)	(4,486,849)	0
Payment of interest on long-term debt	(1,511,622)	(468,575)	(1,980,197)	0
Net cash provided by (used in) capital and related financing activities	<u>\$ (8,671,573)</u>	<u>\$ (3,033,100)</u>	<u>\$ (11,704,673)</u>	<u>\$ (5,901)</u>
Cash flows from investing activities:				
Interest received	\$ 39,520	\$ 42,654	\$ 82,174	\$ 31
Other non-operating revenue (expense)	(7,235)	47,532	40,297	0
Net cash provided by investing activities	<u>\$ 32,285</u>	<u>\$ 90,186</u>	<u>\$ 122,471</u>	<u>\$ 31</u>
Net increase (decrease) in cash and cash equivalents	\$ 2,075,388	\$ 1,416,499	\$ 3,491,887	\$ (320)
Cash and cash equivalents, beginning of year	6,534,768	4,923,224	11,457,992	2,544
Cash and cash equivalents, end of year	<u>\$ 8,610,156</u>	<u>\$ 6,339,723</u>	<u>\$ 14,949,879</u>	<u>\$ 2,224</u>

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

(Continued)

	Enterprise Funds			Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Total	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 5,237,178	\$ 2,756,381	\$ 7,993,559	\$ (38,894)
Adjustments to reconcile net operating revenues to net cash provided by operating activities:				
Depreciation	5,547,835	4,684,219	10,232,054	31,763
Changes in operating assets and liabilities				
Accounts receivable	3,415	(418,977)	(415,562)	(4,155)
Allowance for doubtful accounts	0	7,663	7,663	0
Inventories	11,738	(323,325)	(311,587)	10,192
Receivable from customers for conservation loans	0	40,903	40,903	0
Prepays	5,185	7,688	12,873	0
Other assets	0	87,345	87,345	0
Accounts payable	368,185	33,723	401,908	6,644
Customer deposits	0	168,104	168,104	0
Other current liabilities	90,689	(99,539)	(8,850)	0
Pension benefits payable	(1,023,780)	(1,059,471)	(2,083,251)	0
Post-employment benefits payable	686,452	542,647	1,229,099	0
Conservation loans	0	(33,064)	(33,064)	0
Net cash provided by operating activities	\$ 10,926,897	\$ 6,394,297	\$ 17,321,194	\$ 5,550

NOTES

CITY OF CLEVELAND, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of significant policies:

A. Reporting Entity

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

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

Cleveland Board of Education

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

Cleveland Board of Public Utilities

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

Cleveland Public Library Board

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

B. Government-wide and Fund Financial Statements

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

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 and proprietary funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the government reports the following fund type:

Internal Service Fund. This fund is used to account for the maintenance of all vehicles owned by the City of Cleveland and various other government agencies.

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

C. Measurement focus, Basis of Accounting

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

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

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

D. Cash and Cash Equivalents

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

E. Investments

Investments are stated at fair value based on quoted market prices, except for non-negotiable certificates of deposit that are reported at cost, which approximates fair value. Legal provisions of the city charter require that all investments be properly insured or collateralized with a federal depository. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and pooled investment funds.

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 reserve method is used to estimate the allowance for electric and water service receivables.

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 is 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.

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 purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

I. Capital Assets - (Cont.)

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

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

Cleveland Utilities

<u>Electric Division</u>		<u>Water Division</u>	
<u>Class</u>	<u>Years</u>	<u>Class</u>	<u>Years</u>
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 2015 rates for the Electric Division and Water Divisions were 3.7% 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 \$269,474, and \$112,385 for Cleveland Utilities Electric Division and Water Division respectively. The following schedule reconciles this allocation of depreciation expense:

	<u>Reconciliation</u>
Depreciation and amortization per statement of revenues, expenses and changes in net position	\$ 9,850,195
Depreciation charged to clearing account	<u>381,859</u>
Depreciation and amortization per statement of cash flows	<u>\$ 10,232,054</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 position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two 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. These amounts will be recognized as a reduction (increase) in the following measurement period.

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 position that applies to future periods and so will not be

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

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 (2015 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 liability and differences between actual and expected experience and earnings on pension 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. Net Position and Fund Equity

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

Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of June 30, 2015, outstanding bond proceeds totaled \$726.

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.

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

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.

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.

N. 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.
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 \$6,967,574, and increase budgeted expenditures by \$10,147,539. The increase in revenues is primarily from federal grants and tax revenue received by the City. The increase in budgeted expenditures is a result of the additional funding.

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

O. Subsequent Events

Management has evaluated events and transactions that occurred between June 30, 2015, and December 10, 2015 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

At year end, all deposits of the City of Cleveland were covered by federal depository insurance or by collateral held by the State of Tennessee Collateral Pool for Public Deposits.

At year end, the government's investment balances, other than certificates of deposit, were held in the State of Tennessee Local Government Investment Pool. In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

	Investment Maturities		
	Fair Value	Less than One Year	One to Five Years
Certificates of Deposit	\$ 316,840	\$ 316,840	\$ 0
State Treasurer's investment pool	651,827	651,827	0
Total investments	<u>\$ 968,667</u>	<u>\$ 968,667</u>	<u>\$ 0</u>

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. Presently, the City earns 0.15% percent interest rate on deposits in accounts. During fiscal year ended June 30, 2015, a total of \$178,262 was earned in interest income.

Credit risk - State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2015, the City's investment in the State Treasurer's investment pool was rated AAA, by Standard & Poor's and Aaa by Moody's Investors Service.

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.

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:

Receivables	Inter-govern-mental		Customer Accounts		Allowance for Uncollectibles		Net Receivables
		Taxes		Other			
General	\$ 3,754,040	\$ 23,457,716	\$ 0	\$ 566,881	\$ (436,400)	\$ 27,342,237	
School	7,295,998	410,740	0	0	(99,062)	7,607,676	
Water	0	0	3,192,249	0	0	3,192,249	
Electric	0	0	15,564,279	0	(168,038)	15,396,241	
Nonmajor	1,661,174	0	28,348	208,711	0	1,898,233	
Totals	<u>\$ 12,711,212</u>	<u>\$ 23,868,456</u>	<u>\$ 18,784,876</u>	<u>\$ 775,592</u>	<u>\$ (703,500)</u>	<u>\$ 55,436,636</u>	

Note 3 - RECEIVABLES (Cont.)

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 from the date of each meter reading to the end of the month.

Note 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 37,494,939	\$ 0	\$ (185,000)	\$ 37,309,939
Construction in progress	4,428,498	6,761,856	(1,421,500)	9,768,854
Total capital assets not being depreciated	<u>\$ 41,923,437</u>	<u>\$ 6,761,856</u>	<u>\$ (1,606,500)</u>	<u>\$ 47,078,793</u>
Capital assets, being depreciated:				
Buildings	\$ 107,793,984	\$ 1,162,560	\$ (212,500)	\$ 108,744,044
Improvements other than buildings	19,452,874	351,674	(299,912)	19,504,636
Infrastructure	60,633,090	1,329,691	0	61,962,781
Furniture, fixtures, equipment and vehicles	32,041,262	2,391,881	(931,107)	33,502,036
Total capital assets being depreciated	<u>\$ 219,921,210</u>	<u>\$ 5,235,806</u>	<u>\$ (1,443,519)</u>	<u>\$ 223,713,497</u>
Less accumulated depreciation for				
Buildings	(31,231,438)	(2,206,505)	157,250	(33,280,693)
Improvements other than buildings	(5,080,547)	(532,403)	190,500	(5,422,450)
Infrastructure	(19,519,637)	(1,387,814)	0	(20,907,451)
Furniture, fixtures, equipment and vehicles	(22,878,822)	(2,154,082)	868,483	(24,164,421)
Total accumulated depreciation	<u>\$ (78,710,444)</u>	<u>\$ (6,280,804)</u>	<u>\$ 1,216,233</u>	<u>\$ (83,775,015)</u>
Total capital assets being depreciated, net	<u>\$ 141,210,766</u>	<u>\$ (1,044,998)</u>	<u>\$ (227,286)</u>	<u>\$ 139,938,482</u>
Governmental activities capital assets, net	<u><u>\$ 183,134,203</u></u>	<u><u>\$ 5,716,858</u></u>	<u><u>\$ (1,833,786)</u></u>	<u><u>\$ 187,017,275</u></u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land and land rights, easements	\$ 1,699,449	\$ 0	\$ 0	\$ 1,699,449
Construction work-in-progress	3,961,601	3,051,282	0	7,012,883
Total capital assets not being depreciated	<u>\$ 5,661,050</u>	<u>\$ 3,051,282</u>	<u>\$ 0</u>	<u>\$ 8,712,332</u>
Capital assets being depreciated:				
Plant in service	\$ 318,125,257	\$ 12,228,080	\$ (1,177,606)	\$ 329,175,731
Total capital assets being depreciated	<u>\$ 318,125,257</u>	<u>\$ 12,228,080</u>	<u>\$ (1,177,606)</u>	<u>\$ 329,175,731</u>
Less accumulated depreciation for				
Plant in service	\$ (143,387,762)	\$ (9,744,237)	\$ 1,064,202	\$ (152,067,797)
Total accumulated depreciation	<u>\$ (143,387,762)</u>	<u>\$ (9,744,237)</u>	<u>\$ 1,064,202</u>	<u>\$ (152,067,797)</u>
Total capital assets being depreciated, net	<u>\$ 174,737,495</u>	<u>\$ 2,483,843</u>	<u>\$ (113,404)</u>	<u>\$ 177,107,934</u>
Business-type activities capital assets	<u><u>\$ 180,398,545</u></u>	<u><u>\$ 5,535,125</u></u>	<u><u>\$ (113,404)</u></u>	<u><u>\$ 185,820,266</u></u>

Note 4 - CAPITAL ASSETS - (Cont.)

Depreciation expense was charged to governmental functions as follows:

General government	\$ 98,788
Development and engineering	65,700
Public safety	959,791
Public works	2,011,160
Health and welfare	10,818
Culture and recreation	687,661
Education	2,415,123
Capital assets held by the government's internal service fund are charged to various functions based on usage	<u>31,763</u>
Total depreciation expense - governmental activities	<u>\$ 6,280,804</u>

Note 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2015, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Spring Branch Industrial Park Fund	Cleveland Utilities - Electric	<u>\$ 1,632,692</u>
		<u>\$ 1,632,692</u>

Of the total interfund receivable/payable balances, \$108,000, 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.

	<u>Transfers in:</u>			
	<u>General Fund</u>	<u>School Fund</u>	<u>Nonmajor Governmental</u>	<u>Totals</u>
Transfers out:				
General fund	\$ 0	\$ 5,273,600	\$ 13,057,232	\$ 18,330,832
School fund	0	0	556,319	556,319
Cleveland Utilities - Electric	2,034,884	0	0	2,034,884
Cleveland Utilities - Water	212,221	0	0	212,221
Nonmajor Governmental	<u>39,057</u>	<u>0</u>	<u>515,662</u>	<u>554,719</u>
	<u>\$ 2,286,162</u>	<u>\$ 5,273,600</u>	<u>\$ 14,129,213</u>	<u>\$ 21,688,975</u>

Note 6 - LONG-TERM DEBT

Capital Leases

The City has entered into three lease agreement as lessee for financing improvements to the school system to upgrade the lighting systems in its facilities, and recreation equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future lease payments as of the inception date.

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

Capital Leases - (Cont.)

Future payments on capital leases are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2016	\$ 246,808	\$ 18,403	\$ 265,211
2017	81,253	9,072	90,325
2018	84,389	5,937	90,326
2019	50,272	2,678	52,950
2020	25,931	545	26,476
2021-2025	0	0	0
	<u>\$ 488,653</u>	<u>\$ 36,635</u>	<u>\$ 525,288</u>

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 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	4.00-5.00%	\$ 4,825,000
Governmental activities - refunding	2.00-5.00%	52,725,480
		<u>\$ 57,550,480</u>

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

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2016	\$ 2,842,000	\$ 1,969,453	\$ 4,811,453
2017	2,948,000	1,883,606	4,831,606
2018	3,044,480	1,791,183	4,835,663
2019	3,134,000	1,688,574	4,822,574
2020	3,284,000	1,580,164	4,864,164
2021-2025	17,332,000	6,043,737	23,375,737
2026-2030	20,281,000	2,555,448	22,836,448
2031-2035	4,485,000	284,625	4,769,625
2036-2040	200,000	13,125	213,125
	<u>\$ 57,550,480</u>	<u>\$ 17,809,915</u>	<u>\$ 75,360,395</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.

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

Revenue Bonds - (Cont.)

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%	\$ 36,320,000
Cleveland Utilities - Electric Division	1.00-5.75%	10,890,000

Debt service requirements to maturity for revenue bonds of Cleveland Utilities for the fiscal year ended June 30, 2015, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2016	\$ 3,965,000	\$ 1,700,586	\$ 5,665,586
2017	4,075,000	1,585,157	5,660,157
2018	4,020,000	1,460,984	5,480,984
2019	3,470,000	1,332,982	4,802,982
2020	3,510,000	1,221,306	4,731,306
2021-2025	16,075,000	4,156,948	20,231,948
2026-2030	8,670,000	1,569,381	10,239,381
2031-2035	2,495,000	493,315	2,988,315
2036-2040	930,000	61,468	991,468
	<u>\$ 47,210,000</u>	<u>\$ 13,582,127</u>	<u>\$ 60,792,127</u>

Notes Payable

Principal requirements to maturity for notes payable accounted for in the governmental activities for the fiscal year ended June 30, 2015, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2016	\$ 1,048,274	\$ 568,106	\$ 1,616,380
2017	1,075,577	540,064	1,615,641
2018	1,106,577	511,129	1,617,706
2019	1,136,577	481,045	1,617,622
2020	1,166,578	449,852	1,616,430
2021-2025	6,364,887	1,738,637	8,103,524
2026-2030	4,281,602	548,156	4,829,758
2031-2035	1,258,000	77,488	1,335,488
	<u>\$ 17,438,072</u>	<u>\$ 4,914,477</u>	<u>\$ 22,352,549</u>

Principal requirements to maturity for notes payable accounted for in the business-type activities for the fiscal year ended June 30, 2015, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2016	\$ 1,226,724	\$ 612,872	\$ 1,839,596
2017	1,321,831	610,879	1,932,710
2018	1,331,922	578,021	1,909,943
2019	1,342,125	544,995	1,887,120
2020	1,352,395	511,832	1,864,227
2021-2025	6,922,652	2,055,866	8,978,518
2026-2030	7,204,785	1,201,265	8,406,050
2031-2035	6,389,126	356,794	6,745,920
2036-2040	114,848	946	115,794
	<u>\$ 27,206,408</u>	<u>\$ 6,473,470</u>	<u>\$ 33,679,878</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 60,271,480	\$ 0	\$ (2,721,000)	\$ 57,550,480	\$ 2,842,000
Notes payable	17,975,620	0	(1,078,337)	16,897,283	1,048,274
Capital leases	587,468	142,181	(240,996)	488,653	246,808
Compensated absences	1,814,853	1,534,516	(1,461,094)	1,888,275	151,062
Postemployment benefits	14,005,227	3,177,980	(1,055,069)	16,128,138	0
Less bond discount/premium	173,275	0	(19,082)	154,193	0
Total	\$ 94,827,923	\$ 4,854,677	\$ (6,575,578)	\$ 93,107,022	\$ 4,288,144

As of June 30, 2015, a balance of \$540,790, is available in loan proceeds to be drawn down on notes.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	\$ 51,155,000	\$ 0	\$ (3,945,000)	\$ 47,210,000	\$ 3,965,000
Notes payable	4,427,828	7,948,413	(506,250)	11,869,991	629,250
State revolving loan fund	956,859	2,134,502	(35,599)	3,055,762	463,474
Conservation advances	1,741,195	352,627	(385,691)	1,708,131	288,481
Postemployment benefits	6,340,841	1,794,736	(565,638)	7,569,939	0
Less bond discount/premiums	99,670	0	(11,958)	87,712	0
Total	\$ 64,721,393	\$ 12,230,278	\$ (5,450,136)	\$ 71,501,535	\$ 5,346,205

As of June 30, 2015, a balance of \$12,280,656, is available in loan proceeds to be drawn down on notes.

On October 21, 2014, the City of Cleveland on behalf of the Water Division of Cleveland Utilities entered into a revolving fund loan agreement, with the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority. The loan is being issued for the purpose of making improvements to the water system. The DG2 14-151 loan is for \$2,500,000, in the form of a loan for \$2,000,000, and principal forgiveness of \$500,000. The loan is to be paid back over a 20 year period with a fixed interest rate of 1.50%. As of June 30, 2015, the Division has drawn down \$512,826 in loan proceeds and \$128,206 in loan forgiveness.

On December 30, 2014, the City of Cleveland on behalf of Cleveland Utilities entered into agreements with the Public Building Authority of the City of Clarksville, TN for loans in the amount of \$2,750,000, and \$3,000,000, for the Electric and Water Divisions, respectively. The variable loans were obtained through the Tennessee Municipal Bond Fund and are amortized over 20 years. As of June 30, 2015, the Electric and Water Divisions have drawn down \$786,959, and \$1,839,282, respectively.

Compensated absences, postemployment benefit obligations and pension benefit obligations 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 - RESTRICTED ASSETS

Cleveland Utilities' restricted assets are represented by cash, certificates of deposit, and unexpended bond proceeds and are presented as required under the terms of bond indentures and resolutions.

Note 8 - 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 Public 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 and may be obtained by writing to the Bradley County 911 Emergency Communications District, Guthrie Drive, Cleveland, Tennessee 37312.

Note 9 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds, notes payable, compensated absences, post-employment benefits, pension liability and interest payable are not due and payable in the current period and therefore are not reported in the funds." The details of this \$101,908,862, are as follows:

Bonds payable	\$ 57,550,480
Notes payable	16,897,283
Capital leases	488,653
Compensated absences	1,888,275
Postemployment benefits	16,128,138
Net Pension Asset	(87,135)
Net Pension Liability	8,724,845
Interest payable	164,130
Premium on bonds payable	154,193
Net adjustment	<u>\$ 101,908,862</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 \$4,320,869, difference are as follows:

Capital outlay	\$ 10,569,910
Depreciation expense	(6,249,041)
Net adjustment	<u>\$ 4,320,869</u>

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 \$4,040,333, difference are as follows:

Principal repayments:	
General Obligation Bonds	\$ 2,721,000
Notes Payable	1,078,337
Capital leases payable	240,996
Net adjustment	<u>\$ 4,040,333</u>

Note 10 - 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 11 - 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 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.

Note 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of cash and cash equivalents, accounts receivable, and various current liabilities reported in proprietary funds are reasonable estimates of their fair value because of the short-term maturity of these financial instruments.

Note 15 - DEFERRED COMPENSATION PLAN

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

Note 16 - 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 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 publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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.

THE TCRS PENSION PLAN - (Cont.)

Employees covered by benefit terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	349
Inactive employees entitled to but not yet receiving benefits	347
Active employees	692
	<u>1,388</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, 2015, employer contributions were 5,207,352 based on a rate of 20.12 percent of covered payroll for public safety employees and 16.62 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.

Net Pension Liability

Cleveland City's net pension liability was measured as of June 30, 2014, 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, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. 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, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding

THE TCRS PENSION PLAN - (Cont.)

inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return 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	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
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 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 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 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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 6/30/13	\$ 112,744,286	\$ 90,319,171	\$ 22,425,115
Changes for the year:			
Service cost	2,222,760	0	2,222,760
Interest	8,465,079	0	8,465,079
Difference between expected and actual experience	(254,944)	0	(254,944)
Contributions - employer	0	5,089,188	(5,089,188)
Contributions - employees	0	165	(165)
Net Investment income	0	15,038,653	(15,038,653)
Benefit payments	(4,198,654)	(4,198,654)	0
Administrative expenses	0	(29,562)	29,562
Net changes	\$ 6,234,241	\$ 15,899,790	\$ (9,665,549)
Balance at 6/30/14	\$ 118,978,527	\$ 106,218,961	\$ 12,759,566

THE TCRS PENSION PLAN - (Cont.)

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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Cleveland City's net pension liability	\$ 28,751,757	\$ 12,759,566	\$ (584,672)

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

Pension expense. For the year ended June 30, 2015, Cleveland City recognized pension expense of \$2,222,030.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, 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	\$ 0	\$ 212,453
Net difference between projected and actual earnings on pension plan investments	0	6,585,938
Contributions subsequent to the measurement date of June 30, 2014	<u>5,207,352</u>	<u>0</u>
Total	<u>\$ 5,207,352</u>	<u>\$ 6,798,391</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2014," will be recognized as a reduction to net pension liability in the following measurement period.

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

Year ended June 30:	
2016	\$ (1,688,976)
2017	(1,688,976)
2018	(1,688,976)
2019	(1,688,976)
2020	(42,491)
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, 2015, the City of Cleveland reported a payable of \$213,115, for the outstanding amount of contributions to the TCRS pension plan required at the year ended June 30, 2015.

CLEVELAND UTILITIES - CSA PENSION PLAN

Plan description. All employees of the Cleveland Utilities - Electric Division hired prior to October 15, 1993, participate in a cost-sharing 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, 2014, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	9
Active employees	24
	100

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, 2014, 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, 2014, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Discount rate	7.00%
Salary scale	3.00%
Mortality	RP-2000 Generational with Scale AA

CLEVELAND UTILITIES - CSA PENSION PLAN -(Cont.)

Assumed retirement age	50% at the earlier of 30 years of service, or age 60 with 5 years of service, and 50% at age 65
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.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 10/01/13	\$ 31,818,685	\$ 21,813,834	\$ 10,004,851
Changes for the year:			
Service cost	92,532		92,532
Interest	2,165,875		2,165,875
Difference between expected and actual experience	(355,441)		(355,441)
Contributions - employer		1,507,800	(1,507,800)
Net Investment income		1,565,864	(1,565,864)
Benefit payments	(1,940,294)	(1,940,294)	0
Administrative expenses		(1,829)	1,829
Net changes	<u>\$ (37,328)</u>	<u>\$ 1,131,541</u>	<u>\$ (1,168,869)</u>
Balance at 10/01/14	<u>\$ 31,781,357</u>	<u>\$ 22,945,375</u>	<u>\$ 8,835,982</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	\$ 11,985,514	\$ 8,835,982	\$ 5,970,330

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

Pension expense. For the year ended June 30, 2015, Cleveland Utilities recognized pension expense of \$693,219.

CLEVELAND UTILITIES - CSA PENSION PLAN -(Cont.)

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, 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	\$ 0	\$ 311,011
Net difference between projected and actual earnings on pension plan investments	0	43,277
Contributions subsequent to the measurement date of October 1, 2014	<u>1,273,644</u>	<u>0</u>
Total	<u>\$ 1,273,644</u>	<u>\$ 354,288</u>

The amount shown above for "Contributions subsequent to the measurement date of October 1, 2014," will be recognized as a reduction to net pension liability in the following measurement period.

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

Year ended June 30:

2016	\$ (55,249)
2017	(55,249)
2018	(55,249)
2019	(55,249)
2020	(44,430)
Thereafter	(88,860)

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, 2015, no contributions were payable to the plan.

TEACHERS LEGACY PENSION PLAN OF TCRS

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

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

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.

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, 2015 to the Teacher Legacy Pension Plan were \$1,816,962, which is 9.04 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, 2014, The Cleveland City Schools reported an asset of \$87,136 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Cleveland City Schools' proportion of the net pension liability was based on Cleveland City Schools' employer contributions to the pension plan during the year ended June 30, 2014 relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014 measurement date, Cleveland City Schools' proportion was 0.536236 percent. The proportion measured as of June 30, 2013 was 0.531122 percent.

Pension income. For the year ended June 30, 2015, Cleveland City Schools recognized a pension income of \$62,708

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, 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	\$ 211,544	\$ 0
Net difference between projected and actual earnings on pension plan investments	0	7,179,434
Changes in proportion of Net Pension Liability (Asset)	72,133	0
Contributions subsequent to the measurement date of June 30, 2014	1,816,962	0
	<u> </u>	<u> </u>
Total	<u>\$ 2,100,639</u>	<u>\$ 7,179,434</u>

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

Cleveland City Schools employer contributions of \$1,816,962, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ended June 30, 2016. 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:	
2016	\$ (1,747,579)
2017	(1,747,579)
2018	(1,747,579)
2019	(1,747,579)
2020	(47,279)
Thereafter	(47,279)

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, 2014 the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. 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, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return 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	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
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 7.5 percent based on a blending of the three factors described above.

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

Discount rate. The discount rate used to measure the total pension liability was 7.5 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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ 14,696,435	\$ (87,136)	\$ (12,326,330)

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, 2015, no payments were payable to the plan.

TEACHERS RETIREMENT PLAN OF TCRS

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Cleveland City Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014 are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost sharing 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 all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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 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. Members are entitled to receive unreduced retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's 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.

TEACHERS RETIREMENT PLAN OF TCRS

A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. 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, 2015 to the Teacher Retirement Plan were \$34,682, which is 4 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014 inception of the Teacher Retirement Plan, there is not a net position liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, Cleveland City Schools did not recognize a pension expense at June 30, 2015.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, Cleveland City Schools reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Cleveland City Schools' contributions subsequent to the measurement date of June 30, 2014	\$ 34,682	\$ 0

Cleveland City Schools' employer contributions of \$34,682, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension liability in the year ended June 30, 2016.

Payable to the Pension Plan

At June 30, 2015, no contributions were payable to the plan.

Note 18 - POSTEMPLOYMENT BENEFITS

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.

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

FUNDING POLICY AND ANNUAL OPEB COST

The City's annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of government accounting standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for the current year are as follows:

Annual Required Contribution (ARC)	\$ 2,534,614
Interest on net OPEB obligation	395,897
Adjustment to annual required contribution	<u>(481,764)</u>
Annual OPEB cost (expense)	\$ 2,448,747
Contributions made	<u>(601,824)</u>
Increase in net OPEB obligation	\$ 1,846,923
Net OPEB obligation - June 30, 2014	<u>9,897,431</u>
Net OPEB obligation - June 30, 2015	<u><u>\$ 11,744,354</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 1,934,205	24.40%	\$ 8,100,871
6/30/2014	2,335,316	23.07%	9,987,431
6/30/2015	2,448,747	24.58%	11,744,354

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan as of July 1, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 25,049,806
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	<u>\$ 25,049,806</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 15,125,362
UAAL as a percentage of covered payroll	165.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

ACTUARIAL METHODS AND ASSUMPTIONS

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013 actuarial valuation, the projected unit credit method was used. The actuarial assumptions include a 4.00% funding interest rate and no post retirement benefit increases. A 3% inflation rate is being assumed by the plan. The 2013 medical cost trend rate used was 9% with an ultimate medical cost trend rate of 5% projected to be reached in 2017. The annual payroll growth rate is assumed to be 2.5%. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30 year period beginning with June 30, 2008.

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
<15	100.00%
15	50.00%
16	46.67%
17	43.33%
18	40.00%
19	36.67%
20	33.33%

Note 18 - POSTEMPLOYMENT BENEFITS - (Cont.)

Years of Service At At Retirement	Percentage of Premium Paid by Participant
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%

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. No separate report is issued for this plan.

Monthly premiums effective August 1, 2013, are as follows:

	Medical	Dental
Pre-65 Retiree	\$ 435.89	\$ 24.66
Pre-65 Retiree and Spouse	1,135.87	63.82
Post-65 Retiree	292.00	24.66
Post-65 Retiree and Spouse	584.00	63.82

FUNDING POLICY AND ANNUAL OPEB COST

The Utilities' annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of governmental auditing standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Utilities' annual OPEB cost for the current year are as follows:

Annual Required Contribution (ARC)	\$ 1,854,257
Interest on net OPEB obligation	253,633
Adjustment to annual required contribution	(313,154)
Annual OPEB cost (expense)	<u>\$ 1,794,736</u>
Contributions made	(565,638)
Increase in net OPEB obligation	<u>\$ 1,229,098</u>
Net OPEB obligation - June 30, 2014	6,340,841
Net OPEB obligation - June 30, 2015	<u><u>\$ 7,569,939</u></u>

The Utilities' annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 1,552,493	30.12%	\$ 5,153,954
6/30/2014	1,716,464	27.07%	6,340,841
6/30/2015	1,794,736	23.71%	7,569,939

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan as of July 1, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 21,867,196
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	<u>\$ 21,867,196</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 10,664,587
UAAL as a percentage of covered payroll	205.0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

ACTUARIAL METHODS AND ASSUMPTIONS

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013 actuarial valuation, the projected unit credit method was used. The actuarial assumptions include a 4.00% funding interest rate and no post retirement benefit increases. A 3% inflation rate is being assumed by the plan. The 2013 medical cost trend rate used was 8% with an ultimate medical cost trend rate of 5% projected to be reached in 2016. The annual payroll growth rate is assumed to be 2.5%. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30 year period beginning with June 30, 2008.

CLEVELAND CITY SCHOOLS SYSTEM

The Cleveland City Schools participate in the state-administered Teacher Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Tennessee Code Annotated (TCA) 8-27-302. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered medicare supplement plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/caft.html>.

FUNDING POLICY

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The State

Note 18 - POSTEMPLOYMENT BENEFITS - (Cont.)

does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplemental Plan.

Annual Required Contribution (ARC)	\$ 725,000
Interest on net OPEB obligation	164,312
Adjustment to annual required contribution	<u>(160,079)</u>
Annual OPEB cost (expense)	\$ 729,233
Contributions made	<u>(453,245)</u>
Increase in net OPEB obligation	\$ 275,988
Net OPEB obligation - June 30, 2014	<u>4,107,795</u>
Net OPEB obligation - June 30, 2015	<u><u>\$ 4,383,783</u></u>

The School's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 1,120,335	34.06%	\$ 3,855,369
6/30/2014	703,973	64.14%	4,107,795
6/30/2015	729,233	62.15%	4,383,783

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan as of July 1, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 5,863,000
Actuarial value of plan assets	<u>0</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 5,863,000</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 27,823,137
UAAL as a percentage of covered payroll	21.1%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

ACTUARIAL METHODS AND ASSUMPTIONS

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for fiscal year 2014. The trend will decrease to 7.0% in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.2 percent by fiscal year 2044. A 3% inflation rate is being assumed by the plan. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30 year period beginning with July 1, 2007.

Note 19 - FEMA REIMBURSEMENT

On April 27, 2011, numerous tornadoes struck within and around the City of Cleveland. Damage to the Electric System was extensive and the cost to repair the system was approximately \$2,692,918. In addition, the City incurred cost for debris removal of approximately \$737,998. During fiscal year ended June 30, 2015, a total of \$373,436, was received from the Federal Emergency Management Agency (FEMA) and the Tennessee Emergency Management Agency (TEMA). A remaining balance receivable of \$507,276 is expected to be recovered in the fiscal year ending June 30, 2016.

Note 20 - ACCOUNTING CHANGES

The City adopted provisions of (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which became effective in the fiscal year ended June 30, 2015. The effect of the change is to reduce the beginning net position of the City by \$33,128,857. The change also results in recognition of deferred outflow and deferred inflows as well as net pension assets and pension liabilities. Detailed information relating to pension disclosure is provided in Note 17.

Note 21- SUBSEQUENT EVENTS

Effective August 1, 2015, the City changed their insurance coverage to be partially self-insured for health insurance. This change is not expected to necessarily reduce health benefit costs, but help curb cost increases.

On January 6, 2015, Cleveland Utilities received approval for a \$2.5 million loan from the Tennessee State Revolving Fund "TSRF" to finance the second half of the Automated Metering Infrastructure (AMI) install of approximately 15,000 water meter registers. This is the second phase of these AMI installs, with the first phase beginning during FY 2015. The first phase was also financed through a TSRF loan. The TSRF loan includes two components. The first is a \$2,325,000, loan, the second is a debt forgiveness of \$175,000, or 7% of the total funds received. This loan is for a 20-year period at a fixed rate of 1.38%. The second phase is scheduled to begin during FY 2016. Once projects have begun, funds will be requested through the agreement as needed. As of June 30, 2015, no proceeds have been drawn.

On July 3, 2015, the City of Cleveland issued bonds in the principal amount of \$8,470,520, to currently refund the balance of the Series 2005 bonds in the principal amount of \$8,420,000. The 2015 series bonds are at a fixed rate of 2.80% and will mature June 1, 2024. The City currently refunded the 2005 bonds to reduce its total payments by \$585,529, and obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$527,322.

On August 31, 2015, the City of Cleveland entered into an agreement with the Public Building Authority of the City of Clarksville, TN for a loan in the amount of \$5,734,200, for the purpose of construction and equipping of the arena at the Cleveland High School. The variable rate loan was obtained through the Tennessee Municipal League Bond Fund and is amortized over 20 years.

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLEVELAND OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES
SCHEDULE OF POSTEMPLOYMENT BENEFITS
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/13	\$0	\$25,050	\$25,050	0.00%	\$15,125	165.62%
07/01/11	\$0	\$19,584	\$19,584	0.00%	\$15,380	127.33%
07/01/09	\$0	\$14,601	\$14,601	0.00%	\$15,112	96.62%

CLEVELAND UTILITIES
SCHEDULE OF POSTEMPLOYMENT BENEFITS
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/13	\$0	\$21,867	\$21,867	0.00%	\$10,665	205.04%
07/01/11	\$0	\$18,691	\$18,691	0.00%	\$10,123	184.64%
07/01/09	\$0	\$14,772	\$14,772	0.00%	\$10,795	136.84%

CLEVELAND CITY SCHOOLS
SCHEDULE OF POSTEMPLOYMENT BENEFITS
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/13	\$0	\$5,863	\$5,863	0.00%	\$27,823	21.07%
07/01/11	\$0	\$8,625	\$8,625	0.00%	\$25,299	34.10%
07/01/09	\$0	\$8,807	\$8,807	0.00%	\$24,970	35.30%

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

	2014
Total Pension Liability	
Service cost	\$ 2,222,760
Interest	8,465,079
Changes in benefit terms	0
Differences between actual & expected experience	(254,944)
Change of assumptions	0
Benefit payments, including refunds of employee contributions	(4,198,654)
Net change in total pension liability	\$ 6,234,241
Total pension liability - beginning	112,744,286
Total pension liability - ending (a)	\$ 118,978,527
Plan Fiduciary Net Position	
Contributions - employer	\$ 5,089,188
Contributions - employee	165
Net investment income	15,038,653
Benefit payable, including refunds of employee contributions	(4,198,654)
Administrative expense	(29,562)
Net change in plan fiduciary net position	\$ 15,899,790
Plan fiduciary net position - beginning	90,319,171
Plan fiduciary net position - ending (b)	\$ 106,218,961
Net Pension Liability - ending (a) - (b)	\$ 12,759,566
Plan fiduciary net position as a percentage of total pension liability	89.28%
Covered-employee payroll	\$ 28,771,684
Net pension liability as a percentage of covered-employee payroll	44.35%

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.

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	2014	2015
Actuarially determined contribution	\$ 5,089,188	\$ 5,207,352
Contributions in relation to the actuarially determined contribution	5,089,188	5,207,352
Contribution deficiency (excess)	\$ 0	\$ 0
Covered-employee payroll	\$ 28,771,684	\$ 29,910,084
Contribution as a percentage covered-employee payroll	17.69%	17.41%

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 2015 were calculated based on the July 1, 2013 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	10 years
Asset Valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment Rate of Return	7.5 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	2.5 percent

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,

	2014
Total Pension Liability	
Service cost	\$ 92,532
Interest	2,165,875
Changes in benefit terms	0
Differences between actual & expected experience	(355,441)
Change of assumptions	0
Benefit payments, including refunds of employee contributions	(1,940,294)
Net change in total pension liability	\$ (37,328)
Total pension liability - beginning	31,818,685
Total pension liability - ending (a)	\$ 31,781,357
Plan Fiduciary Net Position	
Contributions - employer	\$ 1,507,800
Contributions - employee	0
Net investment income	1,565,864
Benefit payable, including refunds of employee contributions	(1,940,294)
Administrative expense	(1,829)
Net change in plan fiduciary net position	\$ 1,131,541
Plan fiduciary net position - beginning	21,813,834
Plan fiduciary net position - ending (b)	\$ 22,945,375
Net Pension Liability - ending (a) - (b)	\$ 8,835,982
Plan fiduciary net position as a percentage of total pension liability	72.20%
Covered-employee payroll	\$ 2,004,844
Net pension liability as a percentage of covered-employee payroll	440.73%

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.

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 OCTOBER 1,

	2014
Actuarially determined contribution	\$ 1,440,748
Contributions in relation to the actuarially determined contribution	1,507,800
Contribution deficiency (excess)	\$ (67,052)
Covered-employee payroll	\$ 2,004,844
Contribution as a percentage covered-employee payroll	75.21%

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, 2014
Discount rate	7.00%
Mortality	RP-2000 Fully Generational with Scale AA
Salary scale	3.00%
Assumed retirement age	50% at the earlier of 30 years of service, or age 60 with 5 years of service, and 50% at age 65
Cost of living increases	N/A
Date of participation freeze	10/14/1993

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

	2014
Cleveland City Schools' proportion of the net pension asset	0.536236%
Cleveland City Schools' proportionate share of the net pension asset	\$ 87,136
Cleveland City Schools' covered-employee payroll	\$ 21,047,222
Cleveland City Schools' proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.41%
Plan fiduciary net position as a percentage of the total pension liability	100.08%

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

	2014	2015
Actuarially Determined Contribution (ADC)	\$ 1,868,991	\$ 1,816,962
Contributions in relation to the actuarially determined contribution	1,868,991	1,816,962
Contribution deficiency (excess)	\$ 0	\$ 0
Cleveland City Schools' covered-employee payroll	\$ 21,047,222	\$ 20,099,139
Contribution as a percentage covered-employee payroll	8.88%	9.04%

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

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2015</u>
Actuarially Determined Contribution (ADC)	\$ 21,676
Contributions in relation to the actuarially determined contribution	<u>34,682</u>
Contribution deficiency (excess)	<u>\$ (13,006)</u>
Cleveland City Schools' covered-employee payroll	\$ 867,055
Contribution as a percentage covered-employee payroll	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.

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.

Recycling Grant: This fund is used to account for the "Clean and Green Cleveland" program. It is funded by the TDOT Department of Beautifications' Special Litter Project.

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.

Capital Improvement Program Fund: This fund serves as a planning tool for the city's capital improvement needs and accounts for projected revenues and expenditures needed to meet those needs.

Greenway Fund: This fund is used to account for a grant from the State of Tennessee Department of Transportation, as well as City and County contributions, to be used for construction of the City/County Greenway Project.

Fletcher Park Trust Fund: This fund is used to account for funds bequeathed to the City of Cleveland by Leonard G. and Agnes W. Fletcher for the development of the Fletcher Park.

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.

Spring Branch Industrial Park Fund: This fund accounts for the purchase and for the development of an industrial park located off of Exit 20.

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, 2015

	Special Revenue			
	State Street Aid Fund	Solid Waste Management Fund	School Federal Projects Fund	School Food Services Fund
ASSETS				
Cash and cash equivalents	\$ 409,771	\$ 426,559	\$ 39,770	\$ 526,320
Cash and cash equivalents - restricted	0	0	0	0
Investments	0	0	0	0
Accounts receivable	0	207,214	0	0
Due from other government agencies	199,741	0	178,887	3,460
Due from other funds	0	0	0	0
Prepays	0	0	0	0
Total Assets	\$ 609,512	\$ 633,773	\$ 218,657	\$ 529,780
LIABILITIES				
Liabilities:				
Accrued liabilities	\$ 12,944	\$ 18,694	\$ 218,657	\$ 0
Accounts payable	0	746	0	5,925
Unearned revenue	0	0	0	20,152
Total Liabilities	\$ 12,944	\$ 19,440	\$ 218,657	\$ 26,077
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - sales tax	\$ 0	\$ 0	0	\$ 0
Total Deferred Inflows of Resources	\$ 0	\$ 0	0	\$ 0
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	596,568	0	0	0
Recycling	0	0	0	0
Capital outlay	0	0	0	0
Committed to:				
Solid Waste	0	614,333	0	0
Assigned to:				
Education	0	0	0	503,703
Library	0	0	0	0
Debt service	0	0	0	0
Capital outlay	0	0	0	0
Total Fund Balances	\$ 596,568	\$ 614,333	\$ 0	\$ 503,703
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 609,512	\$ 633,773	\$ 218,657	\$ 529,780

Special Revenue				
Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund	Community Development Block Grant Fund	E-Ticketing Grant Fund
\$ 273,486	\$ 75,208	\$ 42,919	\$ 44,522	\$ 3,520
0	0	0	0	0
316,840	0	0	0	0
0	0	0	0	0
0	743	54,914	27,571	0
0	0	0	0	0
0	0	0	0	0
<u>\$ 590,326</u>	<u>\$ 75,951</u>	<u>\$ 97,833</u>	<u>\$ 72,093</u>	<u>\$ 3,520</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
247	2,375	3,724	9,527	0
0	0	0	0	0
<u>\$ 247</u>	<u>\$ 2,375</u>	<u>\$ 3,724</u>	<u>\$ 9,527</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 13,700	\$ 0	\$ 0	\$ 0	\$ 0
0	73,576	0	0	3,520
0	0	0	62,566	0
0	0	0	0	0
0	0	0	0	0
266,594	0	94,109	0	0
0	0	0	0	0
0	0	0	0	0
309,785	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$ 590,079</u>	<u>\$ 73,576</u>	<u>\$ 94,109</u>	<u>\$ 62,566</u>	<u>\$ 3,520</u>
<u>\$ 590,326</u>	<u>\$ 75,951</u>	<u>\$ 97,833</u>	<u>\$ 72,093</u>	<u>\$ 3,520</u>

CITY OF CLEVELAND, TENNESSEE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 June 30, 2015

	Special Revenue	Debt Service	Capital Projects	
	Recycling Grant Fund	Debt Service Fund	Capital Improvement Program Fund	Greenway Fund
ASSETS				
Cash and cash equivalents	\$ 1,967	\$ 3,766,581	\$ 2,204,967	\$ 9,120
Cash and cash equivalents - restricted	0	0	0	0
Investments	0	0	651,827	0
Accounts receivable	0	0	0	0
Due from other government agencies	11,944	0	255,783	0
Due from other funds	0	0	0	0
Prepays	0	0	337,987	0
Total Assets	\$ 13,911	\$ 3,766,581	\$ 3,450,564	\$ 9,120
LIABILITIES				
Liabilities:				
Accrued liabilities	\$ 0	\$ 2,097	\$ 0	\$ 0
Accounts payable	9,258	2,500	799,124	100
Unearned revenue	0	0	0	0
Total Liabilities	\$ 9,258	\$ 4,597	\$ 799,124	\$ 100
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - sales tax	\$ 0	\$ 0	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0
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	0	0	0	0
Recycling	4,653	0	0	0
Capital outlay	0	0	0	9,020
Committed to:				
Solid Waste	0	0	0	0
Assigned to:				
Education	0	0	0	0
Library	0	0	0	0
Debt service	0	3,761,984	0	0
Capital outlay	0	0	2,651,440	0
Total Fund Balances	\$ 4,653	\$ 3,761,984	\$ 2,651,440	\$ 9,020
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,911	\$ 3,766,581	\$ 3,450,564	\$ 9,120

Fletcher Park Trust Fund	Capital Projects		Permanent Fund	Total Nonmajor Governmental Funds
	Sales Tax Capital Projects Fund	Spring Branch Industrial Park Fund	Meiler Estate Animal Shelter Trust Fund	
\$ 5,403	\$ 1,888,926	\$ 81,981	\$ 6,094	\$ 9,807,114
0	0	0	459,936	459,936
0	0	0	0	968,667
0	0	1,497	0	208,711
0	928,131	0	0	1,661,174
0	0	1,632,692	0	1,632,692
0	0	0	0	337,987
<u>\$ 5,403</u>	<u>\$ 2,817,057</u>	<u>\$ 1,716,170</u>	<u>\$ 466,030</u>	<u>\$ 15,076,281</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 252,392
0	40,337	0	0	873,863
0	0	0	0	20,152
<u>\$ 0</u>	<u>\$ 40,337</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,146,407</u>
<u>\$ 0</u>	<u>\$ 189,695</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 189,695</u>
<u>\$ 0</u>	<u>\$ 189,695</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 189,695</u>
\$ 0	\$ 0	\$ 0	\$ 459,936	\$ 473,636
0	0	0	0	77,096
0	0	0	0	62,566
0	0	0	0	596,568
0	0	0	0	4,653
1,050	2,587,025	0	0	2,957,798
0	0	0	0	614,333
0	0	0	0	503,703
0	0	0	0	309,785
0	0	0	0	3,761,984
4,353	0	1,716,170	6,094	4,378,057
<u>\$ 5,403</u>	<u>\$ 2,587,025</u>	<u>\$ 1,716,170</u>	<u>\$ 466,030</u>	<u>\$ 13,740,179</u>
<u>\$ 5,403</u>	<u>\$ 2,817,057</u>	<u>\$ 1,716,170</u>	<u>\$ 466,030</u>	<u>\$ 15,076,281</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, 2015

	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	1,089,999	0	4,003,877	2,784,930
Fines and forfeitures	0	0	0	0
Charges for services	0	2,456,777	0	172,809
Interest	544	812	0	154
Miscellaneous	0	4,673	0	0
Total revenues	\$ 1,090,543	\$ 2,462,262	\$ 4,003,877	\$ 2,957,893
Expenditures:				
Current:				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Community development	0	0	0	0
Public safety	0	0	0	0
Public works	622,473	3,443,139	0	0
Culture and recreation	0	0	0	0
Education	0	0	4,003,877	2,952,850
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
Total expenditures	\$ 622,473	\$ 3,443,139	\$ 4,003,877	\$ 2,952,850
Excess (deficiency) of revenues over expenditures	\$ 468,070	\$ (980,877)	\$ 0	\$ 5,043
Other financing sources (uses):				
Transfers in	\$ 0	\$ 1,108,000	\$ 0	\$ 0
Transfers out	(386,000)	(7,000)	0	0
Total other financing sources sources (uses)	\$ (386,000)	\$ 1,101,000	\$ 0	\$ 0
Net change in fund balances	\$ 82,070	\$ 120,123	\$ 0	\$ 5,043
Fund balances at beginning of year	514,498	494,210	0	498,660
Fund balances at end of year	\$ 596,568	\$ 614,333	\$ 0	\$ 503,703

Special Revenue

Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund	Community Development Block Grant Fund	2014 Byrne Memorial Justice Assistance Grant	E-Ticketing Grant Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
635,498	0	121,756	248,418	46,881	0
0	12,576	0	0	0	3,520
61,993	0	0	0	0	0
2,041	103	0	0	0	0
139,983	0	0	0	0	0
<u>\$ 839,515</u>	<u>\$ 12,679</u>	<u>\$ 121,756</u>	<u>\$ 248,418</u>	<u>\$ 46,881</u>	<u>\$ 3,520</u>
\$ 0	\$ 0	\$ 147,228	\$ 0	\$ 0	\$ 0
0	0	0	219,000	0	0
0	17,042	0	0	46,881	0
0	0	0	0	0	0
1,315,686	0	0	0	0	0
0	0	0	0	0	0
166,113	0	0	32,719	0	0
0	0	0	0	0	0
<u>\$ 1,481,799</u>	<u>\$ 17,042</u>	<u>\$ 147,228</u>	<u>\$ 251,719</u>	<u>\$ 46,881</u>	<u>\$ 0</u>
<u>\$ (642,284)</u>	<u>\$ (4,363)</u>	<u>\$ (25,472)</u>	<u>\$ (3,301)</u>	<u>\$ 0</u>	<u>\$ 3,520</u>
\$ 614,181	\$ 0	\$ 57,000	\$ 20,000	\$ 0	\$ 0
0	0	0	0	0	0
<u>\$ 614,181</u>	<u>\$ 0</u>	<u>\$ 57,000</u>	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ (28,103)	\$ (4,363)	\$ 31,528	\$ 16,699	\$ 0	\$ 3,520
618,182	77,939	62,581	45,867	0	0
<u>\$ 590,079</u>	<u>\$ 73,576</u>	<u>\$ 94,109</u>	<u>\$ 62,566</u>	<u>\$ 0</u>	<u>\$ 3,520</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, 2015

	Special Revenue	Debt Service	Capital Projects	
	Recycling Grant Fund	Debt Service Fund	Capital Improvement Program Fund	Greenway Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	23,840	86,226	1,383,194	0
Fines and forfeitures	0	0	0	0
Charges for services	0	0	0	0
Interest	0	6,709	3,844	11
Miscellaneous	0	84,625	1,449,948	7,198
Total revenues	\$ 23,840	\$ 177,560	\$ 2,836,986	\$ 7,209
Expenditures:				
Current:				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Community development	0	0	0	0
Public safety	0	0	0	0
Public works	30,187	0	0	0
Culture and recreation	0	0	0	0
Education	0	0	0	0
Capital Outlay	0	0	6,818,802	5,783
Debt Service	0	5,657,598	0	0
Total expenditures	\$ 30,187	\$ 5,657,598	\$ 6,818,802	\$ 5,783
Excess (deficiency) of revenues over expenditures	\$ (6,347)	\$ (5,480,038)	\$ (3,981,816)	\$ 1,426
Other financing sources (uses):				
Transfers in	\$ 7,000	\$ 5,845,481	\$ 6,477,551	\$ 0
Transfers out	0	0	(39,057)	0
Total other financing sources (uses)	\$ 7,000	\$ 5,845,481	\$ 6,438,494	\$ 0
Net change in fund balances	\$ 653	\$ 365,443	\$ 2,456,678	\$ 1,426
Fund balances at beginning of year	4,000	3,396,541	194,762	7,594
Fund balances at end of year	\$ 4,653	\$ 3,761,984	\$ 2,651,440	\$ 9,020

Capital Projects			Permanent Fund		Total Nonmajor Governmental Funds
Fletcher Park Trust Fund	Sales Tax Capital Projects Fund	Spring Branch Industrial Park Fund	Meiler Estate Animal Shelter Trust Fund		
\$ 0	\$ 4,214,284	\$ 0	\$ 0	\$ 4,214,284	
0	0	0	0	10,424,619	
0	0	0	0	16,096	
0	0	0	0	2,691,579	
0	46,466	18,783	655	80,122	
0	0	0	0	1,686,427	
<u>\$ 0</u>	<u>\$ 4,260,750</u>	<u>\$ 18,783</u>	<u>\$ 655</u>	<u>\$ 19,113,127</u>	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 147,228	
0	0	0	0	219,000	
0	0	0	0	63,923	
0	0	0	0	4,095,799	
0	0	0	0	1,315,686	
0	0	0	0	6,956,727	
0	3,311,558	13,166	0	10,348,141	
0	434,256	0	0	6,091,854	
<u>\$ 0</u>	<u>\$ 3,745,814</u>	<u>\$ 13,166</u>	<u>\$ 0</u>	<u>\$ 29,238,358</u>	
\$ 0	\$ 514,936	\$ 5,617	\$ 655	\$ (10,125,231)	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,129,213	
0	0	(122,662)	0	(554,719)	
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (122,662)</u>	<u>\$ 0</u>	<u>\$ 13,574,494</u>	
\$ 0	\$ 514,936	\$ (117,045)	\$ 655	\$ 3,449,263	
5,403	2,072,089	1,833,215	465,375	10,290,916	
<u>\$ 5,403</u>	<u>\$ 2,587,025</u>	<u>\$ 1,716,170</u>	<u>\$ 466,030</u>	<u>\$ 13,740,179</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, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State gas tax	\$ 1,077,000	\$ 1,077,000	\$ 1,089,999	\$ 12,999
Interest	0	0	544	544
Total revenues	<u>\$ 1,077,000</u>	<u>\$ 1,077,000</u>	<u>\$ 1,090,543</u>	<u>\$ 13,543</u>
Expenditures:				
Current:				
Public works:				
Salaries	\$ 408,500	\$ 405,500	\$ 402,242	\$ 3,258
Overtime wages	6,500	6,500	3,729	2,771
Service awards	500	500	500	0
Longevity	8,200	8,200	8,150	50
Sold vacations	4,100	4,100	3,418	682
Christmas bonus	1,200	1,700	1,633	67
Dental insurance	5,100	4,800	4,665	135
Social security	32,900	32,900	30,808	2,092
Health insurance	71,000	74,000	73,477	523
Retirement	71,300	71,900	68,598	3,302
Life and disability insurance	5,400	4,500	4,398	102
Vision insurance	0	1,200	1,182	18
Worker's compensation insurance	19,100	17,400	17,363	37
Worker's compensation claims	500	500	693	(193)
Pre-employment testing	200	0	0	0
Safety shoes	1,700	1,700	1,617	83
Capital Outlay:				
Keith Street median	0	25,000	0	25,000
Total expenditures	<u>\$ 636,200</u>	<u>\$ 660,400</u>	<u>\$ 622,473</u>	<u>\$ 37,927</u>
Excess of revenues over expenditures	<u>\$ 440,800</u>	<u>\$ 416,600</u>	<u>\$ 468,070</u>	<u>\$ 51,470</u>
Other financing sources (uses):				
Transfers out	<u>\$ (386,000)</u>	<u>\$ (386,000)</u>	<u>\$ (386,000)</u>	<u>\$ 0</u>
Total other financing sources (uses)	<u>\$ (386,000)</u>	<u>\$ (386,000)</u>	<u>\$ (386,000)</u>	<u>\$ 0</u>
Net change in fund balance	\$ 54,800	\$ 30,600	\$ 82,070	\$ 51,470
Fund balance at beginning of year	<u>514,498</u>	<u>514,498</u>	<u>514,498</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 569,298</u></u>	<u><u>\$ 545,098</u></u>	<u><u>\$ 596,568</u></u>	<u><u>\$ 51,470</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Charges for services:				
Commercial garbage	\$ 1,006,000	\$ 1,006,000	\$ 1,027,657	\$ 21,657
Residential garbage	1,419,300	1,419,300	1,429,120	9,820
Interest	1,000	1,000	812	(188)
Miscellaneous	0	0	4,673	4,673
Total revenues	\$ 2,426,300	\$ 2,426,300	\$ 2,462,262	\$ 35,962
Expenditures:				
Current:				
Public works:				
Salaries	\$ 531,600	\$ 533,800	\$ 538,177	\$ (4,377)
Overtime wages	16,200	14,000	11,806	2,194
Service awards	300	300	250	50
Supplement pay	700	700	603	97
Longevity	11,800	11,800	11,750	50
Sold vacation	3,500	3,500	4,073	(573)
Christmas bonus	1,600	2,100	2,079	21
Dental insurance	5,700	5,700	5,767	(67)
Social security	43,300	43,300	41,607	1,693
Health insurance	87,700	87,700	87,783	(83)
Retirement	94,100	96,600	94,037	2,563
Life and disability insurance	7,100	5,100	5,095	5
Vision insurance	0	1,800	1,766	34
Worker's compensation claims	1,500	1,500	6,440	(4,940)
Safety shoes	2,000	2,000	1,854	146
Postage	100	100	0	100
GPS services	5,100	3,700	3,773	(73)
Printing	200	200	0	200
Subscriptions and memberships	100	100	75	25
Advertising	200	200	87	113
Training and travel	400	400	250	150
Tire disposal	2,500	800	772	28
Landfill	290,000	279,200	257,707	21,493
Residential account	997,400	997,400	976,427	20,973
Demolition dump fees	0	10,000	3,905	6,095
Commercial account	944,500	943,900	932,224	11,676
Commercial recycling	74,200	74,800	77,031	(2,231)
Office expenditures	1,800	1,800	2,040	(240)
Operating supplies	2,000	2,000	852	1,148
Safety supplies	800	800	800	0
Janitorial supplies	600	600	559	41
Uniforms	4,200	4,200	4,152	48
Gasoline and oil	70,000	80,000	60,526	19,474
Repairs and parts	140,000	140,200	120,636	19,564
Insurance - property	400	400	376	24

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Insurance - vehicle	\$ 9,900	\$ 7,400	\$ 7,354	\$ 46
Insurance - general liability	10,300	11,500	11,491	9
Insurance - workers compensation	24,200	23,500	22,636	864
Miscellaneous	500	0	0	0
Bradley County recycling	20,000	13,000	13,000	0
Office furniture and equipment	800	6,700	7,701	(1,001)
Knuckleboom replacement	127,000	127,000	125,678	1,322
Total expenditures	<u>\$ 3,534,300</u>	<u>\$ 3,539,800</u>	<u>\$ 3,443,139</u>	<u>\$ 96,661</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,108,000)</u>	<u>\$ (1,113,500)</u>	<u>\$ (980,877)</u>	<u>\$ 132,623</u>
Other financing sources:				
Transfers in	\$ 1,226,000	\$ 1,108,000	\$ 1,108,000	\$ 0
Transfers out	<u>0</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>0</u>
Total other financing sources	<u>\$ 1,226,000</u>	<u>\$ 1,101,000</u>	<u>\$ 1,101,000</u>	<u>\$ 0</u>
Net change in fund balance	\$ 118,000	\$ (12,500)	\$ 120,123	\$ 132,623
Fund balance at beginning of year	<u>494,210</u>	<u>494,210</u>	<u>494,210</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 612,210</u></u>	<u><u>\$ 481,710</u></u>	<u><u>\$ 614,333</u></u>	<u><u>\$ 132,623</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Federal government	\$ 4,079,739	\$ 4,563,641	\$ 4,003,877	\$ (559,764)
Total revenues	<u>\$ 4,079,739</u>	<u>\$ 4,563,641</u>	<u>\$ 4,003,877</u>	<u>\$ (559,764)</u>
Expenditures:				
Current:				
Education:				
Regular instruction	\$ 1,625,637	\$ 1,715,810	\$ 1,651,568	\$ 64,242
Special education	929,970	935,340	816,119	119,221
Vocational education	246,766	248,877	248,805	72
Support services	<u>1,277,366</u>	<u>1,663,614</u>	<u>1,287,385</u>	<u>376,229</u>
Total expenditures	<u>\$ 4,079,739</u>	<u>\$ 4,563,641</u>	<u>\$ 4,003,877</u>	<u>\$ 559,764</u>
Excess of revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF CLEVELAND, TENNESSEE
SCHOOL FOOD SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
USDA reimbursements	\$ 2,210,950	\$ 2,907,850	\$ 2,784,930	\$ (122,920)
Charges for services	770,400	173,000	172,809	(191)
Interest	200	200	154	(46)
Total revenues	\$ 2,981,550	\$ 3,081,050	\$ 2,957,893	\$ (123,157)
Expenditures:				
Current:				
Education:				
Clerical personnel	\$ 62,500	\$ 62,500	\$ 61,261	\$ 1,239
Cafeteria personnel	842,500	890,500	878,501	11,999
In-service training	2,000	2,200	2,105	95
Social security	52,000	54,500	53,544	956
State retirement	128,000	120,000	115,479	4,521
Life insurance	5,000	5,000	3,445	1,555
Medical insurance	283,000	231,250	229,506	1,744
Unemployment compensation	500	500	109	391
Employer medicare liability	13,000	13,000	12,522	478
Other fringe benefits	26,000	30,000	29,851	149
Communication	1,400	1,400	1,186	214
Dues and membership	750	900	884	16
Maintenance and repair services	15,000	15,000	12,680	2,320
Transportation	3,500	3,500	3,356	144
Travel	3,500	3,500	3,125	375
Other contracted services	12,500	17,500	19,434	(1,934)
Food supplies	1,202,650	1,288,000	1,198,497	89,503
Office supplies	8,000	8,000	7,301	699
Uniforms	1,850	1,000	1,181	(181)
Utilities	3,500	3,000	2,615	385
In-service staff development	1,300	1,100	420	680
Food commodities	154,000	154,000	167,169	(13,169)
Other supplies and materials	138,500	144,500	125,960	18,540
Applicant investigation	600	1,800	1,593	207
Food service equipment	20,000	28,400	21,126	7,274
Total expenditures	\$ 2,981,550	\$ 3,081,050	\$ 2,952,850	\$ 128,200
Excess of revenues over expenditures	\$ 0	\$ 0	\$ 5,043	\$ 5,043
Fund balance at beginning of year	498,660	498,660	498,660	0
Fund balance at end of year	<u>\$ 498,660</u>	<u>\$ 498,660</u>	<u>\$ 503,703</u>	<u>\$ 5,043</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
State technology grant	\$ 0	\$ 4,317	\$ 4,317	\$ 0
Bradley County	625,700	614,181	631,181	17,000
Charges for services	76,600	64,000	61,993	(2,007)
Interest	100	100	2,041	1,941
Miscellaneous:				
Gifts	70,000	570,000	139,983	(430,017)
Total revenues	\$ 772,400	\$ 1,252,598	\$ 839,515	\$ (413,083)
Expenditures:				
Current:				
Culture and recreation:				
Salaries	\$ 751,500	\$ 703,400	\$ 694,795	\$ 8,605
Employee benefits	210,400	223,700	216,467	7,233
Supplies	67,700	66,300	70,528	(4,228)
Books	156,446	156,900	170,619	(13,719)
Utilities	84,000	82,900	75,200	7,700
Equipment repair/replacement	15,300	15,300	14,685	615
Building maintenance	16,100	21,300	22,586	(1,286)
Insurance	18,900	21,700	21,691	9
Gift and memorial expenditures	70,000	70,000	24,835	45,165
Grant expenditures	0	4,317	4,280	37
Capital Outlay:				
Building addition	0	200,000	38,633	161,367
Building landscaping	0	300,000	47,101	252,899
Equipment - RFID self checkout	35,000	80,400	79,560	840
Furniture	1,500	900	819	81
Total expenditures	\$ 1,426,846	\$ 1,947,117	\$ 1,481,799	\$ 465,318
Excess (deficiency) of revenues over expenditures	\$ (654,446)	\$ (694,519)	\$ (642,284)	\$ 52,235
Other financing sources:				
Transfers in	\$ 625,700	\$ 614,181	\$ 614,181	\$ 0
Total other financing sources	\$ 625,700	\$ 614,181	\$ 614,181	\$ 0
Net change in fund balance	\$ (28,746)	\$ (80,338)	\$ (28,103)	\$ 52,235
Fund balance at beginning of year	618,182	618,182	618,182	0
Fund balance at end of year	\$ 589,436	\$ 537,844	\$ 590,079	\$ 52,235

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, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 15,000	\$ 15,000	\$ 12,576	\$ (2,424)
Interest	100	100	103	3
Total revenues	<u>\$ 15,100</u>	<u>\$ 15,100</u>	<u>\$ 12,679</u>	<u>\$ (2,421)</u>
Expenditures:				
Current:				
Public safety:				
Seized vehicles	\$ 2,500	\$ 4,000	\$ 4,927	\$ (927)
Investigative funds	31,000	28,300	10,000	18,300
Equipment maintenance	4,000	4,000	0	4,000
Equipment	1,000	2,200	2,115	85
Total expenditures	<u>\$ 38,500</u>	<u>\$ 38,500</u>	<u>\$ 17,042</u>	<u>\$ 21,458</u>
Excess (deficiency) of revenues over expenditures	\$ (23,400)	\$ (23,400)	\$ (4,363)	\$ 19,037
Fund balance at beginning of year	<u>77,939</u>	<u>77,939</u>	<u>77,939</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 54,539</u></u>	<u><u>\$ 54,539</u></u>	<u><u>\$ 73,576</u></u>	<u><u>\$ 19,037</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, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 200,000	\$ 200,000	\$ 121,756	\$ (78,244)
Total revenues	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 121,756</u>	<u>\$ (78,244)</u>
Expenditures:				
Current:				
General government:				
Salaries	\$ 54,400	\$ 54,400	\$ 41,868	\$ 12,532
Consultant services	150,000	150,000	80,660	69,340
Benefits	17,900	17,900	14,305	3,595
Postage and shipping	1,000	800	142	658
Printing and publications	4,500	2,700	2,251	449
Telephone	1,800	2,000	2,058	(58)
Travel and meeting	3,000	4,800	3,463	1,337
Supplies	5,600	5,600	1,631	3,969
Capital purchase	4,500	4,500	850	3,650
Total expenditures	<u>\$ 242,700</u>	<u>\$ 242,700</u>	<u>\$ 147,228</u>	<u>\$ 95,472</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (42,700)</u>	<u>\$ (42,700)</u>	<u>\$ (25,472)</u>	<u>\$ 17,228</u>
Other financing sources:				
Transfers in	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>\$ 0</u>
Total other financing sources	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>\$ 0</u>
Net change in fund balance	<u>\$ 14,300</u>	<u>\$ 14,300</u>	<u>\$ 31,528</u>	<u>\$ 17,228</u>
Fund balance at beginning of year	<u>62,581</u>	<u>62,581</u>	<u>62,581</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 76,881</u></u>	<u><u>\$ 76,881</u></u>	<u><u>\$ 94,109</u></u>	<u><u>\$ 17,228</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, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Community Development Block Grant-2013	\$ 0	\$ 12,647	\$ 12,647	\$ 0
Community Development Block Grant-2014	352,335	352,335	148,998	(203,337)
THDA Emergency Shelter Grant 2013	86,773	86,773	86,773	0
Total revenues	<u>\$ 439,108</u>	<u>\$ 451,755</u>	<u>\$ 248,418</u>	<u>\$ (203,337)</u>
Expenditures:				
Current:				
Community development:				
Administration:				
Salaries	\$ 56,000	\$ 56,000	\$ 55,910	\$ 90
Longevity	450	450	450	0
Christmas bonus	100	150	148	2
Dental insurance	600	550	549	1
Social security	4,400	4,400	3,971	429
Health insurance	9,800	11,050	11,049	1
Retirement	9,400	9,400	9,392	8
Life insurance and disability	700	700	664	36
Vision insurance	0	175	76	99
Printing	400	400	345	55
Advertising	800	800	659	141
Telephone	1,450	1,450	938	512
Travel and training	1,200	1,200	440	760
Office supplies	1,200	1,200	0	1,200
Gasoline	1,000	1,000	251	749
Miscellaneous	2,500	1,075	89	986
Codes Enforcement:				
Salaries	38,500	38,500	38,449	51
Longevity	450	450	450	0
Christmas bonus	100	150	148	2
Dental insurance	300	300	296	4
Social security tax	3,000	3,000	3,040	(40)
Health insurance	5,200	6,050	6,038	12
Retirement	6,500	6,500	6,490	10
Life insurance	500	500	451	49
Vision insurance	0	100	96	4
Laundry and dry cleaning	600	250	0	250
Printing	400	400	316	84
Advertising	100	100	0	100
Telephone	1,500	1,500	530	970
Legal services	300	300	0	300
Vehicle maintenance	1,500	1,500	1,245	255
Travel and training	500	500	0	500
Office supplies	300	300	172	128
Clothing allowance	400	400	0	400
Gasoline	1,500	1,500	1,139	361

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Community development - (Continued):				
Codes Enforcement - (Continued):				
Insurance - vehicles	\$ 500	\$ 250	\$ 229	\$ 21
Miscellaneous	400	0	0	0
Emergency shelter:				
Shelter operations	82,868	82,868	68,730	14,138
Administrative costs	3,905	3,905	0	3,905
Consultant's services	0	6,250	6,250	0
Capital outlay:				
Projects to be determined	219,785	0	0	0
Shepard Field parking lot	0	75,000	32,719	42,281
Blythe Ave Neighborhood Park	0	50,000	0	50,000
Blythe Bower Fields	0	107,432	0	107,432
	<u>\$ 459,108</u>	<u>\$ 478,005</u>	<u>\$ 251,719</u>	<u>\$ 226,286</u>
 Total Expenditures				
	<u>\$ 459,108</u>	<u>\$ 478,005</u>	<u>\$ 251,719</u>	<u>\$ 226,286</u>
 Excess (deficiency) of revenues over expenditures	<u>\$ (20,000)</u>	<u>\$ (26,250)</u>	<u>\$ (3,301)</u>	<u>\$ 22,949</u>
 Other financing sources:				
Transfers in	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0
 Total other financing sources	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 0</u>
 Net change in fund balance	<u>\$ 0</u>	<u>\$ (6,250)</u>	<u>\$ 16,699</u>	<u>\$ 22,949</u>
 Fund balance at beginning of year	<u>45,867</u>	<u>45,867</u>	<u>45,867</u>	<u>0</u>
 Fund balance at end of year	<u>\$ 45,867</u>	<u>\$ 39,617</u>	<u>\$ 62,566</u>	<u>\$ 22,949</u>

CITY OF CLEVELAND, TENNESSEE
 2014 BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Federal grant	\$ 0	\$ 46,881	\$ 46,881	\$ 0
Total revenues	<u>\$ 0</u>	<u>\$ 46,881</u>	<u>\$ 46,881</u>	<u>\$ 0</u>
Expenditures:				
Current:				
Public safety:				
Bradley County	\$ 0	\$ 17,624	\$ 17,624	\$ 0
Body cameras	<u>0</u>	<u>29,257</u>	<u>29,257</u>	<u>0</u>
Total expenditures	<u>\$ 0</u>	<u>\$ 46,881</u>	<u>\$ 46,881</u>	<u>\$ 0</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF CLEVELAND, TENNESSEE
E-TICKETING GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures				
Citation fee	\$ 0	\$ 2,500	\$ 3,520	\$ 1,020
Total revenues	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 3,520</u>	<u>\$ 1,020</u>
Expenditures:				
Current:				
Public safety:				
Technical fees and materials	\$ 0	\$ 1,999	\$ 0	\$ 1,999
Technical supplies - Court Clerk	<u>0</u>	<u>501</u>	<u>0</u>	<u>501</u>
Total expenditures	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 0</u>	<u>\$ 2,500</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 0	\$ 3,520	\$ 3,520
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>\$ 3,520</u></u>	<u><u>\$ 3,520</u></u>

CITY OF CLEVELAND, TENNESSEE
 RECYCLING GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State Recycling Grant	\$ 14,000	\$ 40,074	\$ 23,840	\$ (16,234)
Total revenues	<u>\$ 14,000</u>	<u>\$ 40,074</u>	<u>\$ 23,840</u>	<u>\$ (16,234)</u>
Expenditures:				
Current:				
Public works:				
Litter grant expenditures	\$ 13,500	\$ 47,074	\$ 30,187	\$ 16,887
Training and travel	500	0	0	0
Total expenditures	<u>\$ 14,000</u>	<u>\$ 47,074</u>	<u>\$ 30,187</u>	<u>\$ 16,887</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 0</u>	<u>\$ (7,000)</u>	<u>\$ (6,347)</u>	<u>\$ 653</u>
Other financing sources:				
Transfers in	\$ 0	\$ 7,000	\$ 7,000	\$ 0
Total other financing sources	<u>\$ 0</u>	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 0</u>
Net change in fund balance	\$ 0	\$ 0	\$ 653	\$ 653
Fund balance at beginning of year	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 4,000</u></u>	<u><u>\$ 4,000</u></u>	<u><u>\$ 4,653</u></u>	<u><u>\$ 653</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
Bradley County	\$ 146,600	\$ 146,600	\$ 86,226	\$ (60,374)
Interest	5,000	5,000	6,709	1,709
Miscellaneous:				
Other	84,550	84,550	84,625	75
Total revenues	<u>\$ 236,150</u>	<u>\$ 236,150</u>	<u>\$ 177,560</u>	<u>\$ (58,590)</u>
Expenditures:				
Debt service:				
Principal retirement	\$ 3,489,000	\$ 3,403,000	\$ 3,403,000	\$ 0
Interest and fiscal charges	2,682,000	2,559,800	2,254,598	305,202
Total expenditures	<u>\$ 6,171,000</u>	<u>\$ 5,962,800</u>	<u>\$ 5,657,598</u>	<u>\$ 305,202</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (5,934,850)</u>	<u>\$ (5,726,650)</u>	<u>\$ (5,480,038)</u>	<u>\$ 246,612</u>
Other financing sources (uses):				
Transfers in	\$ 5,969,998	\$ 5,902,819	\$ 5,845,481	\$ (57,338)
Total other financing sources	<u>\$ 5,969,998</u>	<u>\$ 5,902,819</u>	<u>\$ 5,845,481</u>	<u>\$ (57,338)</u>
Net change in fund balance	\$ 35,148	\$ 176,169	\$ 365,443	\$ 189,274
Fund balance at beginning of year	<u>3,396,541</u>	<u>3,396,541</u>	<u>3,396,541</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 3,431,689</u></u>	<u><u>\$ 3,572,710</u></u>	<u><u>\$ 3,761,984</u></u>	<u><u>\$ 189,274</u></u>

CITY OF CLEVELAND, TENNESSEE
 CAPITAL IMPROVEMENT PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental				
Federal grant - 25th St/Georgetown	\$ 0	\$ 481,092	\$ 3,260	\$ (477,832)
Federal grant - 20th St/Tasso	0	251,360	34,960	(216,400)
Federal grant - 17th and 20th	0	0	22,372	22,372
Federal grant - Roadscapes phase II	0	119,200	108,567	(10,633)
Federal grant - Jetport T-Hangar const.	0	59,890	4,941	(54,949)
Federal grant - Jetport T-Hangar const.	0	791,677	49,829	(741,848)
Federal/State grant - Jetport Land	0	150,223	252,632	102,409
State grant - Modal Access	0	961,640	23,750	(937,890)
State grant - TDEC/Mosby Pool	0	0	157,797	157,797
State grant - Roadscapes phase III	0	117,850	0	(117,850)
State grant - Jetport lighting	0	0	2,700	2,700
State grant - Jetport runway extension	0	66,500	54,739	(11,761)
State grant - Jetport Southside Corporate	0	661,636	469,015	(192,621)
State grant - Jetport taxilane addition	0	154,909	0	(154,909)
State grant - Jetport phase II construction	0	29,827	0	(29,827)
State grant - Jetport phase III construction	0	157,361	2,062	(155,299)
State grant - Jetport gas line grant	0	113,671	57,016	(56,655)
State grant - Jetport environmental monitor	0	92,910	27,297	(65,613)
State grant - Jetport ALP	0	16,494	6,557	(9,937)
State grant - Jetport Hardwick Field disposal	0	0	22,892	22,892
State grant - Jetport Apron design	0	613,166	72,765	(540,401)
State grant - Jetport runway design	0	152,000	0	(152,000)
State grant - LIC	1,000,000	1,000,000	6,947	(993,053)
Bradley County - LIC	500,000	500,000	3,096	(496,904)
Interest	1,000	2,500	3,844	1,344
Miscellaneous:				
Sale of Hardwick Field	0	0	1,035,425	1,035,425
Sale of Jetport plans	0	700	700	0
Sale of recreation equipment	0	11,223	11,223	0
Donation - Zucker estate	0	16,000	16,000	0
Donation - Cherokee Girls	0	5,000	5,000	0
Cleveland Youth Football	0	0	2,305	2,305
State refund - Durkee Rd project	0	0	366,721	366,721
TML insurance reimbursement	0	11,250	11,250	0
Sundry income	0	1,303	1,324	21
Total revenues	\$ 1,501,000	\$ 6,539,382	\$ 2,836,986	\$ (3,702,396)
Expenditures:				
Capital outlay:				
Legislative and judicial:				
Veterans Home	\$ 0	\$ 25,652	\$ 115,850	\$ (90,198)
Contingency	16,460	5,596	0	5,596
City-wide computer information systems:				
Software maintenance	152,100	189,109	156,855	32,254
Travel and training	5,000	10,000	4,577	5,423

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, 2014

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Capital outlay - (Continued)				
Police department:				
E-Ticketing equipment	\$ 0	\$ 68,200	\$ 0	\$ 68,200
Swat van with conversion	0	30,000	30,398	(398)
Body cameras	0	29,931	30,296	(365)
Weapon replacement - annually	0	32,000	0	32,000
Fire department:				
Apparatus replacement - truck	0	123,500	123,500	0
Public works - street department:				
Street department	0	15,167	0	15,167
City-wide ITS system	0	304	284	20
LIC on APD 40 - North	1,823,145	2,471,214	1,759	2,469,455
Roadscapes grant match II	0	149,000	129,101	19,899
Roadscapes grant match III	0	147,300	0	147,300
LIC on Stone Lake Road	0	6,720	8,928	(2,208)
Dalton Pike	0	41,500	0	41,500
Durkee Road project	0	611,863	19,539	592,324
25th St and Georgetown Rd	0	481,092	0	481,092
20th St and Tasso Rd	0	251,360	0	251,360
Multi Modal Access	0	961,640	0	961,640
Stormwater management:				
Vehicle	0	28,400	23,645	4,755
Benjamin Crest lot 38	0	21,876	55	21,821
Ocoee Crossing greenway	0	15,000	0	15,000
Benthic sampling/labwork	7,000	7,060	0	7,060
Stormwater projects	65,400	37,000	0	37,000
Public works - state street aid:				
ITS - Apd 40	0	48,020	0	48,020
25th Street & Peerless	0	40,000	0	40,000
Cleveland Regional Jetport:				
Land options/purchase	0	14,043	2,793	11,250
Jetport runway extension study	0	70,000	57,620	12,380
Southside Corporate area	0	696,459	493,963	202,496
Environmental monitoring	0	97,800	28,734	69,066
ALP & exhibit A	0	17,362	6,902	10,460
Hardwick Field disposal	0	7,392	5,114	2,278
Phase II construction	0	29,827	0	29,827
T-Hangars construction	0	75,100	5,202	69,898
Jetport/taxilane addition	0	163,062	0	163,062
Phase III construction	0	186,746	2,171	184,575
Gas line	0	227,342	114,031	113,311
T-hangars 2 construction	0	833,334	52,830	780,504
Lighting	0	0	3,000	(3,000)
Snow removal blade	16,000	16,000	0	16,000
Apron design	0	645,438	76,595	568,843
Runway extension design	0	160,000	0	160,000
Animal Shelter:				
Capital needs	0	26,000	9,200	16,800

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Capital outlay - (Continued)				
Parks and recreation:				
Vehicle replacement	\$ 0	\$ 30,550	\$ 30,346	\$ 204
Mosby Pool replacement	0	110,313	10,312	100,001
Building at Soccer Complex	0	2,500	2,500	0
Tennis courts at Tinsley Park	0	80,000	0	80,000
Mower at SCCC	0	9,200	8,325	875
Slope mower	0	42,500	42,500	0
Recreation equipment	0	20,707	16,396	4,311
Skate Park equipment	0	3,000	3,000	0
Park improvement equipment	0	5,000	1,524	3,476
Cleveland Youth Football	0	12,000	0	12,000
Greenway	0	4,978	4,978	0
Education:				
Cleveland High gym	6,000,000	4,787,591	5,195,979	(408,388)
New elementary - architect fees	0	75,000	0	
Total expenditures	<u>\$ 8,085,105</u>	<u>\$ 14,297,748</u>	<u>\$ 6,818,802</u>	<u>\$ 7,403,946</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (6,584,105)</u>	<u>\$ (7,758,366)</u>	<u>\$ (3,981,816)</u>	<u>\$ 3,701,550</u>
Other financing sources (uses):				
Transfers in	\$ 6,311,960	\$ 5,909,834	\$ 6,477,551	\$ 567,717
Transfers out	0	(39,057)	(39,057)	0
Notes issued	0	100,865	0	(100,865)
Total other financing sources (uses)	<u>\$ 6,311,960</u>	<u>\$ 5,971,642</u>	<u>\$ 6,438,494</u>	<u>\$ 466,852</u>
Net change in fund balance	<u>\$ (272,145)</u>	<u>\$ (1,786,724)</u>	<u>\$ 2,456,678</u>	<u>\$ 4,168,402</u>
Fund balance at beginning of year	194,762	194,762	194,762	0
Fund balance at end of year	<u><u>\$ (77,383)</u></u>	<u><u>\$ (1,591,962)</u></u>	<u><u>\$ 2,651,440</u></u>	<u><u>\$ 4,168,402</u></u>

CITY OF CLEVELAND, TENNESSEE
GREENWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 0	\$ 0	\$ 11	\$ 11
Miscellaneous	0	6,397	7,198	801
Total revenues	<u>\$ 0</u>	<u>\$ 6,397</u>	<u>\$ 7,209</u>	<u>\$ 812</u>
Expenditures:				
Capital outlay:				
Dues	\$ 0	\$ 77	\$ 77	\$ 0
Greenway bathrooms	0	621	0	621
Greenway benches and banners	0	10,268	5,706	4,562
Total expenditures	<u>\$ 0</u>	<u>\$ 10,966</u>	<u>\$ 5,783</u>	<u>\$ 5,183</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (4,569)	\$ 1,426	\$ 5,995
Fund balance at beginning of year	<u>0</u>	<u>7,594</u>	<u>7,594</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 3,025</u></u>	<u><u>\$ 9,020</u></u>	<u><u>\$ 5,995</u></u>

CITY OF CLEVELAND, TENNESSEE
 FLETCHER PARK TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital Outlay:				
Fletcher Park expenditures	\$ 0	\$ 5,403	\$ 0	\$ 5,403
Total expenditures	\$ 0	\$ 5,403	\$ 0	\$ 5,403
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (5,403)	\$ 0	\$ 5,403
Fund balance at beginning of year	0	5,403	5,403	0
Fund balance at end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,403</u>	<u>\$ 5,403</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Local 1/2 sales tax	\$ 2,605,000	\$ 2,605,000	\$ 2,677,653	\$ 72,653
School 1/2 cent sales tax	925,000	925,000	967,558	42,558
Lawsuit - City's share	340,132	340,132	340,132	0
Lawsuit - School's share	228,941	228,941	228,941	0
Interest	18,800	32,000	46,466	14,466
Total revenues	\$ 4,117,873	\$ 4,131,073	\$ 4,260,750	\$ 129,677
Expenditures:				
Capital outlay:				
Inspector vehicles	\$ 0	\$ 24,000	\$ 23,645	355
Administration and finance vehicle	25,000	25,000	23,645	1,355
Street paving	1,000,000	1,168,292	716,361	451,931
Police vehicles	285,000	291,305	276,078	15,227
20th/Dalton Pike design	0	36,060	0	36,060
Firehall #6 survey and design	0	9,500	0	9,500
Fire training tower survey and design	0	1,950	0	1,950
Comprehensive Plan - City Share	0	2,500	0	2,500
Electronic Document Management	5,000	17,000	10,100	6,900
Computer systems - Hardware	135,000	75,829	75,102	727
Computer systems - Legislative & Judicial	0	7,000	6,453	547
Computer systems - Admin & Finance	0	17,000	17,000	0
Computer systems - Develop & Eng	0	10,000	5,214	4,786
Computer systems - Police	0	16,000	12,843	3,157
Computer systems - Fire	0	10,000	2,525	7,475
Computer systems - Public Works	0	5,000	2,578	2,422
Computer systems - Animal Control	0	1,000	268	732
Computer systems - Parks and Recreation	0	10,000	2,201	7,799
GIS program	78,000	100,357	105,200	(4,843)
License fees	53,000	54,148	52,972	1,176
GIS flyover	5,000	15,000	0	15,000
GIS Rover	5,000	15,000	0	15,000
Animal control/codes enforcement vehicle	0	30,000	23,645	6,355
Inspector vehicles	24,000	28,339	28,339	0
Opticom Signal Equipment	0	1,250	0	1,250
Fire apparatus replacement program	180,000	437,161	437,161	0
Extrication equipment	113,000	213,000	212,595	405
Paul Huff Parkway extension	0	150,000	0	150,000
Stormwater mapping	75,000	300,000	225,000	75,000
Drainage projects	120,000	114,865	104,467	10,398
Sidewalk projects	30,000	37,853	36,507	1,346
MPO - 20th and Tasso	0	52,081	35,571	16,510
8th/Bowman/Cent/Ocoee Drainage	0	5,000	5,124	(124)
MPO - Central Ave 3R Project	0	113,890	0	113,890
MPO - 20th St sidewalk project	71,000	100,664	0	100,664
MPO 17th Street 3R project	100,000	35,640	37,700	(2,060)
MPO - Stuart Rd 3R project	149,893	149,893	397	149,496

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, 2015

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Capital outlay - (Continued)				
MPO - Greenway Ocoee Connector	\$ 0	\$ 82,600	\$ 17,798	\$ 64,802
MPO - Adkisson	160,832	16,000	0	16,000
MPO - Georgetown Rd @ 25th Street	0	118,325	5,075	113,250
MPO - Mousecreek Rd 3R	16,000	44,800	0	44,800
MPO - Planning and overrun	0	27,783	0	27,783
Sidewalk project - Ocoee Crossing	0	75,000	5,612	69,388
Public works equipment replacement	131,000	131,000	128,918	2,082
Roadscapes Phase II	30,000	30,000	29,674	326
Multi-Modal Access Grant	48,082	48,082	25,000	23,082
Smart Communities grant	100,000	100,000	33,822	66,178
LIC North - City's share	177,855	177,855	0	177,855
Poole building - Taylor Springs	0	204,732	204,851	(119)
Tractor replacement	0	22,500	22,000	500
Greenway - Willow/Inman survey	0	20,000	0	20,000
Willow Street South extension	0	44,978	1,000	43,978
Mosby Gym repair	0	12,000	0	12,000
SCCC ADA restrooms	0	3,000	0	3,000
Mowing equipment - lease	30,000	0	0	0
Mower at soccer complex	45,000	22,500	22,482	18
School capital projects	490,200	768,716	336,635	432,081
Debt service:				
QSCB principal	260,000	260,000	259,578	422
QSCB interest	63,100	63,100	63,024	76
QSCB fiscal charges	4,200	4,200	4,160	40
Arnold School Renovation - principal	71,000	71,000	71,000	0
Arnold School Renovation - interest	36,500	36,500	36,494	6
Total expenditures	<u>\$ 4,117,662</u>	<u>\$ 6,066,248</u>	<u>\$ 3,745,814</u>	<u>\$ 2,320,434</u>
Excess (deficiency) of revenues over expenditures	\$ 211	\$ (1,935,175)	\$ 514,936	\$ 2,450,111
Fund balance at beginning of year	<u>2,072,089</u>	<u>2,072,089</u>	<u>2,072,089</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 2,072,300</u></u>	<u><u>\$ 136,914</u></u>	<u><u>\$ 2,587,025</u></u>	<u><u>\$ 2,450,111</u></u>

CITY OF CLEVELAND, TENNESSEE
 SPRING BRANCH INDUSTRIAL PARK FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 0	\$ 0	\$ 18,783	\$ 18,783
Total revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,783</u>	<u>\$ 18,783</u>
Expenditures:				
Capital outlay:				
Development costs	\$ 0	\$ 512,721	\$ 13,166	\$ 499,555
Total expenditures	<u>\$ 0</u>	<u>\$ 512,721</u>	<u>\$ 13,166</u>	<u>\$ 499,555</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 0</u>	<u>\$ (512,721)</u>	<u>\$ 5,617</u>	<u>\$ 518,338</u>
Other financing sources (uses):				
Transfers out	\$ 0	\$ (180,000)	\$ (122,662)	\$ 57,338
Notes issued	<u>0</u>	<u>439,925</u>	<u>0</u>	<u>(439,925)</u>
Total other financing sources (uses)	<u>\$ 0</u>	<u>\$ 259,925</u>	<u>\$ (122,662)</u>	<u>\$ (382,587)</u>
Net change in fund balance	\$ 0	\$ (252,796)	\$ (117,045)	\$ 135,751
Fund balance at beginning of year	<u>1,833,215</u>	<u>1,833,215</u>	<u>1,833,215</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 1,833,215</u></u>	<u><u>\$ 1,580,419</u></u>	<u><u>\$ 1,716,170</u></u>	<u><u>\$ 135,751</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, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 1,000	\$ 1,000	\$ 655	\$ (345)
Total revenues	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 655</u>	<u>\$ (345)</u>
Excess of revenues over expenditures	\$ 1,000	\$ 1,000	\$ 655	\$ (345)
Fund balance at beginning of year	<u>465,375</u>	<u>465,375</u>	<u>465,375</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 466,375</u></u>	<u><u>\$ 466,375</u></u>	<u><u>\$ 466,030</u></u>	<u><u>\$ (345)</u></u>

This page left blank intentionally.

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.

Fleet Management Fund: This fund is used to account for the maintenance of all vehicles owned by the City of Cleveland. The City also maintains vehicles for other governmental agencies.

CITY OF CLEVELAND, TENNESSEE
INTERNAL SERVICE FUND - FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Operating Revenues:				
Charges for services	\$ 306,600	\$ 306,600	\$ 321,915	\$ 15,315
Charges for contracted services	117,000	117,000	103,205	(13,795)
Sale of gasoline	52,000	52,000	49,993	(2,007)
Sale of parts	425,000	425,000	503,915	78,915
Other operating revenue	0	1,555	1,555	0
Total operating revenues	<u>\$ 900,600</u>	<u>\$ 902,155</u>	<u>\$ 980,583</u>	<u>\$ 78,428</u>
Operating Expenses:				
General and administrative:				
Cost of goods sold	\$ 326,923	\$ 326,923	\$ 417,723	\$ (90,800)
Salaries	332,300	330,400	286,742	43,658
Overtime	5,400	5,400	4,517	883
Service awards	300	300	250	50
Longevity	3,800	3,800	3,050	750
Sold vacation	2,200	2,200	2,941	(741)
Christmas bonus	800	800	891	(91)
Dental insurance	3,400	3,400	2,788	612
Social security	26,400	26,400	21,978	4,422
Health insurance	46,100	45,300	39,884	5,416
Retirement	57,400	57,400	49,310	8,090
Life and disability insurance	4,400	4,400	3,254	1,146
Vision insurance	0	800	727	73
Worker's compensation claims	500	500	0	500
Postage	500	500	247	253
Printing	200	200	0	200
Advertising	200	200	29	171
Membership dues	2,600	2,600	4,456	(1,856)
Utilities	23,100	20,300	19,226	1,074
Telephone	9,600	10,400	11,097	(697)
Vehicle maintenance	8,000	8,000	6,164	1,836
Contracted services - vehicle maintenance	90,000	90,000	64,703	25,297
Building maintenance	8,500	8,500	4,125	4,375
Central fuel maintenance and supplies	10,000	10,000	2,242	7,758
Travel and training	1,000	1,000	401	599
Pest control	300	300	84	216
Office expense	3,500	3,500	3,390	110
Waste disposal services	4,000	4,000	930	3,070
Janitorial supplies	4,400	4,400	3,581	819
Uniforms	3,800	3,800	1,991	1,809
Gasoline and oil	6,800	6,800	3,532	3,268
Insurance - building and contents	2,300	2,600	2,515	85
Insurance - vehicles	1,400	1,100	1,007	93
Insurance - general liability	2,100	2,400	2,347	53

CITY OF CLEVELAND, TENNESSEE
INTERNAL SERVICE FUND - FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Operating Expenses (Continued):				
Insurance - worker's compensation	\$ 10,200	\$ 11,500	\$ 11,129	\$ 371
Depreciation	31,400	32,600	31,763	837
Computer software maintenance	10,700	10,700	9,120	1,580
Miscellaneous	500	500	520	(20)
Equipment and tools	2,500	4,800	603	4,197
Computer equipment	1,200	0	220	(220)
Total operating expenses	<u>\$ 1,048,723</u>	<u>\$ 1,048,723</u>	<u>\$ 1,019,477</u>	<u>\$ 29,246</u>
Operating income	<u>\$ (148,123)</u>	<u>\$ (146,568)</u>	<u>\$ (38,894)</u>	<u>\$ 107,674</u>
Non Operating Revenues (Expenses):				
Interest income	\$ 0	\$ 100	\$ 31	\$ (69)
Gain on sale of assets	0	325	351	26
Total non operating revenues (expenses)	<u>\$ 0</u>	<u>\$ 425</u>	<u>\$ 382</u>	<u>\$ (43)</u>
Income (loss) before contributions and transfers	<u>\$ (148,123)</u>	<u>\$ (146,143)</u>	<u>\$ (38,512)</u>	<u>\$ 107,631</u>
Capital contributions	0	0	0	0
Change in net position	<u>\$ (148,123)</u>	<u>\$ (146,143)</u>	<u>\$ (38,512)</u>	<u>\$ 107,631</u>
Total net position - beginning	<u>1,374,710</u>	<u>1,312,325</u>	<u>1,312,325</u>	<u>0</u>
Total net position - ending	<u>\$ 1,226,587</u>	<u>\$ 1,166,182</u>	<u>\$ 1,273,813</u>	<u>\$ 107,631</u>

This page left blank intentionally.

CAPITAL ASSETS

CITY OF CLEVELAND, TENNESSEE
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULE BY SOURCE(1)
 June 30, 2015 and 2014

	2015	2014
Governmental funds capital assets:		
Land	\$ 37,201,648	\$ 37,386,648
Buildings	107,536,906	106,589,011
Public improvements other than buildings	19,430,420	19,378,658
Infrastructure	61,962,781	60,633,090
Furniture, fixtures, equipment and vehicles	33,298,443	31,831,968
Total governmental funds capital assets	\$ 259,430,198	\$ 255,819,375
Investment in governmental funds capital assets:		
Total governmental funds capital assets	\$ 259,430,198	\$ 255,819,375

(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, 2015

<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	\$ 1,183,198	\$ 1,800	\$ 401,564	\$ 188,909	\$ 0	\$ 590,925
General government	785,034	180,600	185,251	370,027	0	49,156
Community development	648,920	56,361	271,086	1,805	0	319,668
Library	8,441,733	302,000	4,742,955	0	0	3,396,778
Total General Government	\$ 11,058,885	\$ 540,761	\$ 5,600,856	\$ 560,741	\$ 0	\$ 4,356,527
Public Safety:						
Police	\$ 10,991,212	\$ 290,097	\$ 5,179,696	\$ 28,017	\$ 0	\$ 5,493,402
Fire	9,415,156	461,500	3,078,947	186,001	0	5,688,708
911 Center	867,618	0	867,618	0	0	0
Total Public Safety	\$ 21,273,986	\$ 751,597	\$ 9,126,261	\$ 214,018	\$ 0	\$ 11,182,110
Public Works:						
Street Department	\$ 4,656,813	\$ 249,715	\$ 318,738	\$ 90,681	\$ 0	\$ 3,997,679
Engineering	504,833	45,385	146,579	35,130	0	277,739
Old City Landfill	92,500	63,500	25,000	4,000	0	0
Airport	56,100	25,000	0	0	0	31,100
Jetport	40,732,937	26,899,869	2,923,231	10,199,428	0	710,409
Primary Roads	8,613,398	67,965	0	0	8,545,433	0
Secondary Roads	44,352,274	378,887	0	0	43,973,387	0
Drainage	4,974,127	12,147	0	0	4,961,980	0
Detention Ponds	3,613,911	770,558	0	0	2,843,353	0
Sidewalks	1,441,636	0	0	0	1,441,636	0
Bridges	196,992	0	0	0	196,992	0
Total Public Works	\$ 109,235,521	\$ 28,513,026	\$ 3,413,548	\$ 10,329,239	\$ 61,962,781	\$ 5,016,927
Parks and Recreation:						
Recreation Office	\$ 1,415,027	\$ 0	\$ 0	\$ 70,585	\$ 0	\$ 1,344,442
Tinsley Park	2,054,993	211,980	165,860	1,585,033	0	92,120
Waterville Golf Course	2,284,931	256,816	521,641	1,268,122	0	238,352
College Hill Center	1,262,575	76,890	231,658	847,773	0	106,254
Cleveland Community Center	824,577	47,000	421,768	248,964	0	106,845
Johnston Park	425,000	175,000	0	250,000	0	0
Deer Park	265,740	90,000	0	175,740	0	0
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	9,531	0	0	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	2,872,602	0	304,839	2,426,934	0	140,829
Fletcher Park	663,076	64,373	118,973	479,730	0	0
1st Street Square Park	535,363	174,595	0	360,768	0	0
Soccer Complex	394,492	50,000	3,930	340,562	0	0
Total Parks and Recreation	\$ 13,212,069	\$ 1,166,528	\$ 1,787,046	\$ 8,229,653	\$ 0	\$ 2,028,842

CITY OF CLEVELAND, TENNESSEE
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY(1)
 June 30, 2015

(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
Animal Control	334,802	0	95,301	69,547	0	169,954
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	1,074	0	1,074	0	0	0
Seventh and Church Street parking lot	21,202	13,780	0	7,422	0	0
Total Miscellaneous Properties	\$ 822,544	\$ 448,110	\$ 107,711	\$ 96,769	\$ 0	\$ 169,954
Cleveland City Schools:						
School Property	\$ 102,576,521	\$ 5,781,626	\$ 87,501,484	\$ 0	\$ 0	\$ 9,293,411
Food Service	1,250,672	0	0	0	0	1,250,672
Total City Schools	\$ 103,827,193	\$ 5,781,626	\$ 87,501,484	\$ 0	\$ 0	\$ 10,544,083
Total Capital Assets	\$ 259,430,198	\$ 37,201,648	\$ 107,536,906	\$ 19,430,420	\$ 61,962,781	\$ 33,298,443

(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, 2015

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
General Government:				
Administration and finance	\$ 1,172,035	\$ 84,321	\$ 73,158	\$ 1,183,198
General government	781,975	3,059	0	785,034
Community development	581,153	82,202	14,435	648,920
Library	8,208,490	248,179	14,936	8,441,733
Total General Government	\$ 10,743,653	\$ 417,761	\$ 102,529	\$ 11,058,885
Public Safety:				
Police	\$ 10,540,956	\$ 457,458	\$ 7,202	\$ 10,991,212
Fire	9,512,961	269,940	367,745	9,415,156
911 Center	867,618	0	0	867,618
Total Public Safety	\$ 20,921,535	\$ 727,398	\$ 374,947	\$ 21,273,986
Public Works:				
Street Department	\$ 4,702,040	\$ 269,215	\$ 314,442	\$ 4,656,813
Engineering	504,833	0	0	504,833
Old City Landfill	92,500	0	0	92,500
Airport	824,962	0	768,862	56,100
Jetport	40,732,937	0	0	40,732,937
Primary Roads	8,613,398	0	0	8,613,398
Secondary Roads	43,639,396	712,878	0	44,352,274
Drainage	4,384,317	589,810	0	4,974,127
Detention Ponds	3,613,911	0	0	3,613,911
Sidewalks	1,414,633	27,003	0	1,441,636
Bridges	196,992	0	0	196,992
Total Public Works	\$ 108,719,919	\$ 1,598,906	\$ 1,083,304	\$ 109,235,521
Parks and Recreation:				
Recreation Office	\$ 1,069,562	\$ 345,465	\$ 0	\$ 1,415,027
Tinsley Park	2,052,885	2,108	0	2,054,993
Waterville Golf Course	2,304,265	2,350	21,684	2,284,931
College Hill Center	1,055,776	206,799	0	1,262,575
Cleveland Community Center	640,883	183,694	0	824,577
Johnston Park	425,000	0	0	425,000
Deer Park	265,740	0	0	265,740
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	9,531	0	0	9,531
E.L. Ross Craigmile Park	9,880	0	0	9,880
East Cleveland Neighborhood	83,698	0	0	83,698
Greenway Project	2,628,977	243,625	0	2,872,602
Fletcher Park	663,076	0	0	663,076
1st Street Square Park	535,363	0	0	535,363
Soccer Complex	390,562	3,930	0	394,492
Total Parks and Recreation	\$ 12,245,782	\$ 987,971	\$ 21,684	\$ 13,212,069

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, 2015

<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
Animal Control	325,602	9,200	0	334,802
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	1,074	0	0	1,074
Seventh and Church Street parking lot	21,202	0	0	21,202
Total Miscellaneous Properties	\$ 813,344	\$ 9,200	\$ 0	\$ 822,544
Cleveland City Schools:				
School Property	\$ 101,165,517	\$ 1,520,772	\$ 109,768	\$ 102,576,521
Food Service	1,209,625	41,047	0	1,250,672
Total City Schools	\$ 102,375,142	\$ 1,561,819	\$ 109,768	\$ 103,827,193
Total Capital Assets	\$ 255,819,375	\$ 5,303,055	\$ 1,692,232	\$ 259,430,198

(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.

This page left blank intentionally.

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.	138
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.	148
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.	160
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.	167
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.	171

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$ 48,522,525	\$ 54,639,891	\$ 58,694,649	\$ 59,721,184
Restricted	459,646	459,740	459,740	459,740
Unrestricted	<u>22,366,833</u>	<u>22,488,017</u>	<u>16,590,395</u>	<u>15,821,883</u>
Total governmental activities net assets	<u>\$ 71,349,004</u>	<u>\$ 77,587,648</u>	<u>\$ 75,744,784</u>	<u>\$ 76,002,807</u>
Business-type activities				
Net investment in capital assets	\$ 92,062,798	\$ 98,773,538	\$ 100,513,728	\$ 112,581,181
Unrestricted	<u>16,935,342</u>	<u>14,329,076</u>	<u>22,347,483</u>	<u>15,355,800</u>
Total business-type activities	<u>\$ 108,998,140</u>	<u>\$ 113,102,614</u>	<u>\$ 122,861,211</u>	<u>\$ 127,936,981</u>
Primary government				
Net investment in capital assets	\$ 140,585,323	\$ 153,413,429	\$ 159,208,377	\$ 172,302,365
Restricted	459,646	459,740	459,740	459,740
Unrestricted	<u>39,302,175</u>	<u>36,817,093</u>	<u>38,937,878</u>	<u>31,177,683</u>
Total primary government net assets	<u>\$ 180,347,144</u>	<u>\$ 190,690,262</u>	<u>\$ 198,605,995</u>	<u>\$ 203,939,788</u>

Source: Official record of Office of City Clerk.

2010	2011	2012	2013	2014	2015
\$ 57,893,731	\$ 66,391,099	\$ 66,979,125	\$ 68,705,499	\$ 108,313,394	\$ 115,117,684
473,440	2,926,017	6,449,583	4,903,327	3,627,607	4,230,289
<u>17,372,612</u>	<u>12,436,686</u>	<u>14,134,054</u>	<u>13,058,791</u>	<u>9,398,036</u>	<u>(6,550,745)</u>
<u>\$ 75,739,783</u>	<u>\$ 81,753,802</u>	<u>\$ 87,562,762</u>	<u>\$ 86,667,617</u>	<u>\$ 121,339,037</u>	<u>\$ 112,797,228</u>
\$ 120,603,787	\$ 132,342,820	\$ 143,097,174	\$ 161,335,056	\$ 124,523,849	\$ 124,243,205
<u>12,830,051</u>	<u>13,179,002</u>	<u>10,789,348</u>	<u>3,654,232</u>	<u>8,413,181</u>	<u>(1,508,685)</u>
<u>\$ 133,433,838</u>	<u>\$ 145,521,822</u>	<u>\$ 153,886,522</u>	<u>\$ 164,989,288</u>	<u>\$ 132,937,030</u>	<u>\$ 122,734,520</u>
\$ 178,497,518	\$ 198,733,919	\$ 210,076,299	\$ 230,040,555	\$ 232,837,243	\$ 239,360,889
473,440	2,926,017	6,449,583	4,903,327	3,627,607	4,230,289
<u>30,202,663</u>	<u>25,615,688</u>	<u>24,923,402</u>	<u>16,713,023</u>	<u>17,811,217</u>	<u>(8,059,430)</u>
<u>\$ 209,173,621</u>	<u>\$ 227,275,624</u>	<u>\$ 241,449,284</u>	<u>\$ 251,656,905</u>	<u>\$ 254,276,067</u>	<u>\$ 235,531,748</u>

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

	2006	2007	2008
EXPENSES			
Governmental activities:			
General government	\$ 2,693,884	\$ 2,674,062	\$ 3,045,455
Development and Engineering	1,054,852	882,244	1,071,399
Public safety	15,151,467	15,897,312	18,599,983
Public works	9,265,703	9,080,972	9,076,371
Health and welfare	552,573	607,956	659,474
Culture and recreation	2,962,458	3,451,275	4,387,539
Education	37,495,574	39,363,223	39,878,902
Interest on long-term debt	2,297,623	2,637,740	3,152,029
Total governmental activities	<u>\$ 71,474,134</u>	<u>\$ 74,594,784</u>	<u>\$ 79,871,152</u>
Business-type activities:			
Water and sewer	\$ 17,588,719	\$ 18,626,226	\$ 20,426,089
Electric	71,747,592	75,438,689	79,179,669
Brush Chipping	197,614	221,463	176,191
Airport	0	0	206,011
Total business-type activities expenses	<u>\$ 89,533,925</u>	<u>\$ 94,286,378</u>	<u>\$ 99,987,960</u>
Total primary government expenses	<u>\$ 161,008,059</u>	<u>\$ 168,881,162</u>	<u>\$ 179,859,112</u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services	\$ 8,200,575	\$ 7,540,322	\$ 7,837,356
Operating grants and contributions	31,417,297	31,719,118	34,905,174
Capital grants and contributions	1,770,080	5,605,567	2,767,768
Total governmental activities program revenues	<u>\$ 41,387,952</u>	<u>\$ 44,865,007</u>	<u>\$ 45,510,298</u>
Business-type activities:			
Charges for services:			
Water and sewer	\$ 17,957,369	\$ 19,411,182	\$ 20,208,450
Electric	74,832,241	77,279,666	80,786,137
Brush Chipping	197,167	234,142	187,296
Airport	0	0	12,781
Operating grants and contributions	0	90,324	40,523
Capital grants and contributions	1,121,813	2,282,693	8,879,491
Total business-type activities program revenues	<u>\$ 94,108,590</u>	<u>\$ 99,298,007</u>	<u>\$ 110,114,678</u>
Total primary government program revenues	<u>\$ 135,496,542</u>	<u>\$ 144,163,014</u>	<u>\$ 155,624,976</u>
Net (Expense) Revenue			
Governmental activities	\$ (30,086,182)	\$ (29,729,777)	\$ (34,360,854)
Business-type activities	4,574,665	5,011,629	10,126,718
Total primary government net expense	<u>\$ (25,511,517)</u>	<u>\$ (24,718,148)</u>	<u>\$ (24,234,136)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Property taxes	\$ 14,798,767	\$ 15,480,244	\$ 15,497,594
Interest and penalty on taxes	133,275	150,071	156,498
In lieu of taxes	19,829	30,136	19,208
Local sales tax	7,601,091	8,018,692	7,929,077
Wholesale beer tax	1,131,612	1,162,392	1,206,434
Gross receipts tax	821,430	857,958	883,959
Franchise tax	1,142,767	1,041,053	992,888
State sales tax	2,517,380	2,702,704	2,685,932
Other state taxes	1,075,526	1,800,451	2,116,359
Grants and contributions not restricted	481,343	633,364	738,101
Unrestricted investment earnings	960,778	1,203,574	527,603
Gain on sale of capital assets	0	0	0
Transfers	1,600,029	1,688,551	1,526,951
Total governmental activities	<u>\$ 32,283,827</u>	<u>\$ 34,769,190</u>	<u>\$ 34,280,604</u>
Business-type activities:			
Unrestricted investment earnings	\$ 568,364	\$ 781,396	\$ 595,448
Transfers	(1,600,029)	(1,688,551)	(1,526,951)
Total business-type activities	<u>\$ (1,031,665)</u>	<u>\$ (907,155)</u>	<u>\$ (931,503)</u>
Total primary government	<u>\$ 31,252,162</u>	<u>\$ 33,862,035</u>	<u>\$ 33,349,101</u>
CHANGE IN NET POSITION			
Governmental activities	\$ 2,197,645	\$ 5,039,413	\$ (80,250)
Business-type activities	3,543,000	4,104,474	9,195,215
Total primary government	<u>\$ 5,740,645</u>	<u>\$ 9,143,887</u>	<u>\$ 9,114,965</u>

Source: Official record of Office of City Clerk.

2009	2010	2011	2012	2013	2014	2015
\$ 3,125,773	\$ 4,294,917	\$ 3,396,302	\$ 3,463,066	\$ 6,338,456	\$ 3,285,177	\$ 3,356,106
1,052,676	867,709	1,373,602	1,481,745	1,140,908	1,498,726	1,473,844
19,173,722	18,190,814	18,488,592	18,523,073	18,702,183	19,610,293	18,688,453
9,442,505	9,913,297	9,725,715	10,047,079	9,539,339	10,767,515	11,340,866
665,951	680,086	699,095	725,353	829,343	740,903	638,456
3,807,169	4,014,995	3,864,303	4,638,754	4,734,464	5,150,586	4,397,406
41,239,156	42,725,119	46,137,209	46,792,601	46,972,946	49,017,773	46,678,450
2,923,763	2,298,214	2,814,385	2,822,451	2,878,690	2,999,643	3,356,042
<u>\$ 81,430,715</u>	<u>\$ 82,985,151</u>	<u>\$ 86,499,203</u>	<u>\$ 88,494,122</u>	<u>\$ 91,136,329</u>	<u>\$ 93,070,616</u>	<u>\$ 89,929,623</u>
\$ 20,856,642	\$ 20,890,587	\$ 21,254,266	\$ 21,547,173	\$ 22,183,642	\$ 22,606,739	\$ 22,015,051
91,699,799	83,803,232	92,666,017	91,125,591	93,526,162	95,535,206	96,987,194
144,655	159,000	0	0	0	0	0
52,591	263,379	62,617	51,203	573,288	0	0
<u>\$ 112,753,687</u>	<u>\$ 105,116,198</u>	<u>\$ 113,982,900</u>	<u>\$ 112,723,967</u>	<u>\$ 116,283,092</u>	<u>\$ 118,141,945</u>	<u>\$ 119,002,245</u>
<u>\$ 194,184,402</u>	<u>\$ 188,101,349</u>	<u>\$ 200,482,103</u>	<u>\$ 201,218,089</u>	<u>\$ 207,419,421</u>	<u>\$ 211,212,561</u>	<u>\$ 208,931,868</u>
\$ 7,644,180	\$ 7,331,254	\$ 7,618,007	\$ 7,308,364	\$ 6,394,007	\$ 5,719,960	\$ 5,792,117
35,612,093	37,462,812	42,206,859	42,136,892	42,650,493	42,755,489	45,485,420
1,914,789	2,302,461	5,806,175	2,823,302	1,622,538	2,805,953	1,459,698
<u>\$ 45,171,062</u>	<u>\$ 47,096,527</u>	<u>\$ 55,631,041</u>	<u>\$ 52,268,558</u>	<u>\$ 50,667,038</u>	<u>\$ 51,281,402</u>	<u>\$ 52,737,235</u>
\$ 20,724,856	\$ 20,356,004	\$ 21,846,514	\$ 23,391,403	\$ 23,006,832	\$ 24,232,749	\$ 25,710,183
94,209,090	86,785,472	96,353,160	94,456,322	96,146,039	98,249,509	99,094,672
130,710	0	0	0	0	0	0
17,484	16,775	11,645	15,719	123,841	0	0
270,000	3,549	5,569	174,663	45,097	48,977	47,532
3,685,707	4,882,848	9,401,737	4,800,720	9,622,580	961,210	515,643
<u>\$ 119,037,847</u>	<u>\$ 112,044,648</u>	<u>\$ 127,618,625</u>	<u>\$ 122,838,827</u>	<u>\$ 128,944,389</u>	<u>\$ 123,492,445</u>	<u>\$ 125,368,030</u>
<u>\$ 164,208,909</u>	<u>\$ 159,141,175</u>	<u>\$ 183,249,666</u>	<u>\$ 175,107,385</u>	<u>\$ 179,611,427</u>	<u>\$ 174,773,847</u>	<u>\$ 178,105,265</u>
\$ (36,259,653)	\$ (35,888,624)	\$ (30,868,162)	\$ (36,225,564)	\$ (40,469,291)	\$ (41,789,214)	\$ (37,192,388)
6,284,160	6,928,450	13,635,725	10,114,860	12,661,297	5,350,500	6,365,785
<u>\$ (29,975,493)</u>	<u>\$ (28,960,174)</u>	<u>\$ (17,232,437)</u>	<u>\$ (26,110,704)</u>	<u>\$ (27,807,994)</u>	<u>\$ (36,438,714)</u>	<u>\$ (30,826,603)</u>
\$ 15,848,544	\$ 16,465,931	\$ 16,629,270	\$ 16,497,090	\$ 16,598,001	\$ 19,016,017	\$ 19,653,207
131,485	194,301	275,607	270,429	232,829	215,627	217,448
22,112	90,822	77,898	281,289	247,400	501,661	239,618
8,389,829	9,840,465	10,173,414	11,726,645	11,842,883	11,976,829	12,516,655
1,239,216	1,245,869	1,303,212	1,490,010	1,514,062	1,555,503	1,588,040
939,795	913,170	962,609	1,103,755	1,139,178	956,672	1,176,363
929,622	953,496	843,753	790,234	874,574	933,173	989,949
2,454,675	2,397,165	2,505,215	2,803,138	2,857,391	2,953,870	3,130,831
2,513,984	1,298,234	1,685,668	2,046,650	1,955,994	1,742,735	4,095,349
455,312	536,334	605,104	708,181	566,435	407,799	775,098
80,157	27,007	50,070	58,173	79,556	79,985	96,088
1,893,766	(59,455)	(22,362)	4,085	49,317	42,835	650,321
1,619,179	1,722,261	1,792,723	1,893,518	1,616,526	2,198,373	2,247,105
<u>\$ 36,517,676</u>	<u>\$ 35,625,600</u>	<u>\$ 36,882,181</u>	<u>\$ 39,673,197</u>	<u>\$ 39,574,146</u>	<u>\$ 42,581,079</u>	<u>\$ 47,376,072</u>
\$ 410,789	\$ 290,668	\$ 244,982	\$ 143,358	\$ 55,945	\$ 65,171	\$ 82,174
(1,619,179)	(1,722,261)	(1,792,723)	(1,893,518)	(1,616,526)	(2,198,373)	(2,247,105)
<u>\$ (1,208,390)</u>	<u>\$ (1,431,593)</u>	<u>\$ (1,547,741)</u>	<u>\$ (1,750,160)</u>	<u>\$ (1,560,581)</u>	<u>\$ (2,133,202)</u>	<u>\$ (2,164,931)</u>
<u>\$ 35,309,286</u>	<u>\$ 34,194,007</u>	<u>\$ 35,334,440</u>	<u>\$ 37,923,037</u>	<u>\$ 38,013,565</u>	<u>\$ 40,447,877</u>	<u>\$ 45,211,141</u>
\$ 258,023	\$ (263,024)	\$ 6,014,019	\$ 3,447,633	\$ (895,145)	\$ 791,865	\$ 10,183,684
5,075,770	5,496,857	12,087,984	8,364,700	11,100,716	3,217,298	4,200,854
<u>\$ 5,333,793</u>	<u>\$ 5,233,833</u>	<u>\$ 18,102,003</u>	<u>\$ 11,812,333</u>	<u>\$ 10,205,571</u>	<u>\$ 4,009,163</u>	<u>\$ 14,384,538</u>

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

Function/Program	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:				
General government	\$ 144,712	\$ 94,478	\$ 135,035	\$ 92,145
Development and Engineering	845,564	942,799	925,752	554,623
Public safety	4,037,012	3,280,867	3,593,229	3,500,312
Public works	3,740,271	3,394,983	5,130,737	4,609,105
Health and welfare	223,382	272,474	327,852	358,574
Culture and recreation	1,011,707	1,124,039	1,497,747	1,533,839
Education	<u>31,385,304</u>	<u>35,755,367</u>	<u>33,899,946</u>	<u>34,522,464</u>
Subtotal governmental activities	\$ 41,387,952	\$ 44,865,007	\$ 45,510,298	\$ 45,171,062
Business-type activities				
Water and sewer	\$ 19,079,182	\$ 21,784,199	\$ 21,065,966	\$ 23,133,452
Electric	74,832,241	77,279,666	80,826,660	94,209,090
Brush Chipping	197,167	234,142	187,296	130,710
Airport	<u>0</u>	<u>0</u>	<u>8,034,756</u>	<u>1,564,595</u>
Subtotal business-type activities	\$ 94,108,590	\$ 99,298,007	\$ 110,114,678	\$ 119,037,847
Total primary government	\$ <u>135,496,542</u>	\$ <u>144,163,014</u>	\$ <u>155,624,976</u>	\$ <u>164,208,909</u>

Source: Official record of Office of City Clerk.

2010	2011	2012	2013	2014	2015
\$ 379,084	\$ 234,666	\$ 116,736	\$ 134,104	\$ 122,688	\$ 167,161
656,137	1,472,042	1,548,127	1,509,789	993,896	624,031
3,780,466	3,488,411	3,516,915	2,526,039	1,094,936	1,212,259
3,556,569	5,889,898	5,431,881	4,909,092	6,529,526	6,087,104
376,131	356,526	353,828	428,573	226,117	47,810
1,349,080	948,610	1,041,708	933,323	1,139,580	1,178,229
<u>36,999,060</u>	<u>43,240,888</u>	<u>40,259,363</u>	<u>40,226,118</u>	<u>41,174,659</u>	<u>43,450,641</u>
<u>\$ 47,096,527</u>	<u>\$ 55,631,041</u>	<u>\$ 52,268,558</u>	<u>\$ 50,667,038</u>	<u>\$ 51,281,402</u>	<u>\$ 52,767,235</u>
\$ 21,801,228	\$ 22,650,899	\$ 24,677,843	\$ 23,149,324	\$ 25,045,728	\$ 26,043,419
86,785,871	96,353,979	94,477,235	96,521,141	98,446,717	99,324,611
0	0	0	0	0	0
<u>3,457,549</u>	<u>8,613,747</u>	<u>3,683,749</u>	<u>9,273,924</u>	<u>0</u>	<u>0</u>
<u>\$ 112,044,648</u>	<u>\$ 127,618,625</u>	<u>\$ 122,838,827</u>	<u>\$ 128,944,389</u>	<u>\$ 123,492,445</u>	<u>\$ 125,368,030</u>
<u>\$ 159,141,175</u>	<u>\$ 183,249,666</u>	<u>\$ 175,107,385</u>	<u>\$ 179,611,427</u>	<u>\$ 174,773,847</u>	<u>\$ 178,135,265</u>

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

(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Unreserved	<u>7,861,168</u>	<u>8,642,201</u>	<u>8,670,275</u>	<u>8,771,673</u>
Total general fund	<u><u>\$ 7,861,168</u></u>	<u><u>\$ 8,642,201</u></u>	<u><u>\$ 8,670,275</u></u>	<u><u>\$ 8,771,673</u></u>
All Other Governmental Funds:				
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Reserved	994,595	978,663	982,489	1,651,821
Unreserved, reported in:				
Special revenue funds	3,942,290	3,910,827	3,803,130	2,868,027
Debt service funds	2,602,622	3,146,620	2,692,706	2,849,584
Capital projects funds	6,045,791	5,871,288	2,086,748	1,957,547
Permanent funds	<u>21,825</u>	<u>28,697</u>	<u>20,122</u>	<u>6,647</u>
Total all other governmental funds	<u><u>\$ 13,607,123</u></u>	<u><u>\$ 13,936,095</u></u>	<u><u>\$ 9,585,195</u></u>	<u><u>\$ 9,333,626</u></u>

Source: Official record of Office of City Clerk.

Note: GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was effective and implemented for the fiscal year ended June 30, 2011. Restricted Fund Balances were reported as Reserved Fund Balances in prior fiscal periods. Committed, Assigned and Unassigned Fund Balances were reported Unreserved Fund Balances in prior periods.

2010	2011	2012	2013	2014	2015
\$ 0	\$ 4,067	\$ 4,193	\$ 4,079	\$ 47,629	\$ 53,174
0	0	0	0	0	26,897
0	0	0	0	10,666,100	5,878,509
0	10,152,078	11,955,804	12,388,007	2,098,326	3,766,227
<u>9,115,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 9,115,200</u>	<u>\$ 10,156,145</u>	<u>\$ 11,959,997</u>	<u>\$ 12,392,086</u>	<u>\$ 12,812,055</u>	<u>\$ 9,724,807</u>
\$ 0	\$ 473,636	\$ 473,636	\$ 473,636	\$ 473,636	\$ 473,636
0	2,452,381	3,068,100	3,101,853	3,153,971	3,710,430
0	812,939	869,249	728,768	494,210	614,333
0	7,165,754	9,287,308	10,357,450	8,854,163	12,795,459
2,322,595	0	0	0	0	0
3,542,121	0	0	0	0	0
3,246,244	0	0	0	0	0
3,133,624	0	0	0	0	0
521	0	0	0	0	0
<u>\$ 12,245,105</u>	<u>\$ 10,904,710</u>	<u>\$ 13,698,293</u>	<u>\$ 14,661,707</u>	<u>\$ 12,975,980</u>	<u>\$ 17,593,858</u>

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

	2006	2007	2008	2009
REVENUES				
Taxes	\$ 25,598,961	\$ 26,692,073	\$ 26,427,496	\$ 27,162,225
Licenses and permits	511,731	540,832	568,441	341,384
Intergovernmental	36,272,316	41,769,671	41,534,518	41,359,146
Fines and forfeitures	1,863,507	1,179,606	990,387	884,237
Charges for services	5,852,986	5,851,999	6,162,803	6,317,883
Interest	960,812	1,203,574	527,698	80,159
Miscellaneous	982,971	969,776	2,066,056	3,134,650
Total Revenues	\$ 72,043,284	\$ 78,207,531	\$ 78,277,399	\$ 79,279,684
EXPENDITURES				
General government	\$ 2,053,861	\$ 2,266,987	\$ 2,260,515	\$ 2,386,824
Development and Engineering	961,245	770,395	854,944	876,634
Public safety	13,692,605	14,622,596	16,066,722	17,004,076
Public works	7,664,026	7,710,740	7,679,981	8,107,529
Health and welfare	415,101	483,957	497,414	493,166
Culture and recreation	2,692,519	2,883,687	3,314,547	3,052,883
Education	34,023,865	35,296,056	38,597,871	38,826,465
Appropriations	996,770	1,061,885	1,088,089	1,083,718
Capital outlay	12,123,365	24,865,184	9,730,177	7,979,274
Debt service:				
Interest	1,380,000	1,495,000	1,816,428	2,015,129
Principal	2,245,522	2,592,796	3,148,679	3,191,643
Total Expenditures	\$ 78,248,879	\$ 94,049,283	\$ 85,055,367	\$ 85,017,341
Excess of revenues over (under) expenditures	\$ (6,205,595)	\$ (15,841,752)	\$ (6,777,968)	\$ (5,737,657)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 17,533,104	\$ 15,587,872	\$ 14,898,717	\$ 13,963,115
Transfers out	(15,933,075)	(13,899,321)	(13,371,766)	(12,343,936)
Notes issued	9,836,795	9,163,205	951,300	3,761,400
Bonds issued	0	6,100,000	0	0
Capital leases issued	0	0	0	0
Refunding bonds issued	0	0	0	25,525,000
Premium on bonds issued	0	0	0	19,831
Payment to refunding bond escrow agent	0	0	0	(25,337,924)
Total other financing sources (uses)	\$ 11,436,824	\$ 16,951,756	\$ 2,478,251	\$ 5,587,486
Net change in fund balances	\$ 5,231,229	\$ 1,110,004	\$ (4,299,717)	\$ (150,171)
Debt service as a percent of noncapital expenditures	5.48%	5.78%	6.59%	6.76%

Source: Official record of Office of City Clerk.

2010	2011	2012	2013	2014	2015
\$ 29,323,204	\$ 30,419,645	\$ 31,817,105	\$ 34,059,819	\$ 35,733,289	\$ 36,910,848
377,132	584,538	427,088	432,178	353,841	492,000
43,498,396	51,877,725	49,795,300	49,121,532	50,130,677	53,062,532
958,249	872,680	716,361	548,657	537,317	665,896
6,010,112	6,160,788	6,164,915	5,412,247	4,832,380	4,617,463
27,007	50,905	58,173	79,614	82,638	96,088
1,236,941	833,158	689,868	748,627	698,215	2,202,082
<u>\$ 81,431,041</u>	<u>\$ 90,799,439</u>	<u>\$ 89,668,810</u>	<u>\$ 90,402,674</u>	<u>\$ 92,368,357</u>	<u>\$ 98,046,909</u>
\$ 2,429,060	\$ 2,376,498	\$ 2,243,393	\$ 2,286,876	\$ 2,436,907	\$ 2,602,422
783,855	760,472	828,940	926,915	1,346,723	1,421,401
15,793,335	16,638,957	16,334,062	16,364,461	16,616,921	16,976,679
8,075,972	8,412,481	8,242,610	7,917,343	8,689,791	8,676,635
506,882	533,470	548,043	654,628	566,625	483,389
3,188,748	3,254,143	3,352,727	3,864,417	4,077,475	4,164,402
40,237,280	43,728,161	43,685,843	44,673,856	46,062,827	46,715,950
1,072,554	1,070,897	1,070,066	1,074,137	1,185,501	1,091,983
7,708,385	11,792,319	8,380,283	12,573,516	8,762,567	10,348,141
1,939,428	2,282,667	2,477,857	2,691,153	2,699,740	4,040,333
2,896,597	2,748,022	2,771,273	2,856,470	3,337,925	2,384,230
<u>\$ 84,632,096</u>	<u>\$ 93,598,087</u>	<u>\$ 89,935,097</u>	<u>\$ 95,883,772</u>	<u>\$ 95,783,002</u>	<u>\$ 98,905,565</u>
<u>\$ (3,201,055)</u>	<u>\$ (2,798,648)</u>	<u>\$ (266,287)</u>	<u>\$ (5,481,098)</u>	<u>\$ (3,414,645)</u>	<u>\$ (858,656)</u>
\$ 13,766,312	\$ 14,513,077	\$ 14,792,877	\$ 14,716,372	\$ 15,329,355	\$ 21,688,975
(12,044,051)	(12,720,354)	(12,899,360)	(13,099,846)	(13,130,982)	(19,441,870)
4,160,000	312,203	2,615,335	5,260,075	4,600,000	0
0	0	0	0	0	0
0	394,272	354,870	0	127,220	142,181
24,960,000	0	0	0	25,306,480	0
265,800	0	0	0	0	0
(24,652,000)	0	0	0	(25,173,537)	0
<u>\$ 6,456,061</u>	<u>\$ 2,499,198</u>	<u>\$ 4,863,722</u>	<u>\$ 6,876,601</u>	<u>\$ 7,058,536</u>	<u>\$ 2,389,286</u>
<u>\$ 3,255,006</u>	<u>\$ (299,450)</u>	<u>\$ 4,597,435</u>	<u>\$ 1,395,503</u>	<u>\$ 3,643,891</u>	<u>\$ 1,530,630</u>
6.29%	6.18%	6.28%	6.43%	6.88%	7.27%

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

Schedule 6

Fiscal Year	Property	Interest & Penalty	In lieu	Local Sales	Wholesale Beer	Gross Receipts	Franchise	Total
2006	\$ 14,748,957	\$ 133,275	\$ 19,829	\$ 7,601,091	\$ 1,131,612	\$ 821,430	\$ 1,142,767	\$ 25,598,961
2007	15,431,771	150,071	30,136	8,018,692	1,162,392	857,958	1,041,053	26,692,073
2008	15,239,432	156,498	19,208	7,929,077	1,206,434	883,959	992,888	26,427,496
2009	15,510,166	131,485	22,112	8,389,829	1,239,216	939,795	929,622	27,162,225
2010	16,099,996	194,301	90,822	9,840,465	1,245,869	898,254	953,497	29,323,204
2011	16,783,152	275,607	77,898	10,173,414	1,303,212	962,609	843,753	30,419,645
2012	16,701,263	270,429	281,289	11,180,125	1,490,010	1,103,755	790,234	31,817,105
2013	16,628,885	232,828	247,400	13,422,892	1,514,062	1,139,178	874,574	34,059,819
2014	19,024,749	215,627	501,661	12,545,904	1,555,503	956,672	933,173	35,733,289
2015	19,613,707	217,448	239,618	13,085,724	1,588,040	1,176,363	989,948	36,910,848
Change 2006-2015	33.0%	63.2%	1108.4%	72.2%	40.3%	43.2%	(13.4%)	44.2%

Source: Official record of Office of City Clerk.

Note: The City sales tax rate was increased by a referendum of city voters in March 2009 and became effective May 1, 2009.

This page left blank intentionally.

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
2006	\$ 327,728,811	\$ 390,439,469	\$ 152,699,708
2007	340,457,413	411,504,084	160,482,176
2008	348,565,598	423,629,888	145,922,372
2009	356,217,401	435,670,644	146,945,263
2010	407,963,297	504,682,708	168,029,054
2011	408,183,737	512,067,105	170,815,182
2012	413,982,981	509,365,475	162,580,268
2013	410,787,511	522,433,859	168,476,998
2014	400,535,764	488,849,475	164,659,894
2015	404,345,830	510,647,222	171,538,179

Source: Bradley County Assessor of Property.

- (1) The State of Tennessee, Division of Property Assessment has conducted a comprehensive reappraisal for tax year 2005, which is reflected in the FY 2006 financial statements. In tax year 2009, the State conducted a comprehensive reappraisal which is reflected in the FY 2010 financial statements. In tax year 2013, the State conducted a comprehensive reappraisal which is reflected in the FY 2014 financial statements. Public utility assessments increased in tax year 1999. A statewide court ruling awarded reduction in the assessment ratio from 55% to 40% for specific utilities. After several years of appeals BellSouth assessments were also reduced.
- (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
\$ 24,725,621	\$ 895,593,609	\$ 1.65	\$ 2,856,172,605	31.4 %
25,365,823	937,809,496	1.65	2,987,247,780	31.4
22,151,480	940,269,338	1.65	2,993,641,564	31.4
22,742,171	961,575,479	1.65	3,059,197,507	31.4
24,313,598	1,104,988,657	1.4904	3,512,813,977	31.5
23,460,241	1,114,526,265	1.4904	3,539,367,529	31.5
22,703,062	1,108,631,786	1.4904	3,526,518,432	31.4
23,526,358	1,125,224,726	1.4904	3,568,066,432	31.5
22,049,469	1,076,094,602	1.7655	3,426,781,400	31.4
22,909,126	1,109,440,357	1.7655	3,521,535,271	31.5

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	
2006	\$ 1.65	\$ 0.5147	\$ 0.0312	\$ 0.1427	\$ 0.6529	\$ 0.2999	
2007	1.65	0.5147	0.0312	0.1427	0.6495	0.3014	
2008	1.65	0.5147	0.0312	0.1427	0.6503	0.3006	
2009	1.65	0.4570	0.0277	0.1263	0.5740	0.2695	
2010	1.4904	0.4570	0.0277	0.1263	0.5740	0.2695	
2011	1.4904	0.4570	0.0277	0.1263	0.5740	0.2695	
2012	1.4904	0.4570	0.0277	0.1263	0.5740	0.2695	
2013	1.4904	0.5269	0.0282	0.1287	0.5734	0.2859	
2014	1.7655	0.5404	0.0289	0.1320	0.5878	0.2935	
2015	1.7655	0.5349	0.0277	0.1276	0.5624	0.2985	

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		
\$ 0.2786	\$ 0.1000	\$ -	\$ -	\$ 2.0200	\$	3.6700
0.2760	0.1000	0.0019	-	2.0174		3.6674
0.2786	0.1000	0.0019	-	2.0200		3.6700
0.2355	-	0.0017	0.1003	1.7920		3.4420
0.2355	-	0.0017	0.1003	1.7920		3.2824
0.2355	-	0.0017	0.1003	1.7920		3.2824
0.2355	-	0.0017	0.1003	1.7920		3.2824
0.2297	-	0.0017	0.0509	1.8254		3.3158
0.2356	-	0.0017	0.0522	1.8721		3.6376
0.2674	-	0.0016	0.0520	1.8721		3.6376

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

Schedule 9

<u>Taxpayer</u>	2014			2005		
	<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>
Ocoee Health Corporation	\$ 36,068,866	1	3.32%	\$ -	-	-
Masterfoods USA	24,780,567	2	2.28	19,213,969	3	2.21%
Life Care Centers of America	22,473,866	3	2.07	10,608,688	7	1.22
Duracell Company	19,704,497	4	1.81	22,715,657	2	2.61
Merck & Co., Inc.	19,348,483	5	1.78	11,182,754	5	1.29
Whirlpool	15,061,049	6	1.39	33,480,216	1	3.85
Walmart	10,028,331	7	0.92	8,529,290	9	0.98
Peyton's Southeastern	8,610,251	8	0.79	16,189,310	4	1.86
Southeastern Container	8,269,118	9	0.76	-	-	-
Johnston Coca-Cola	7,586,977	10	0.70	7,334,420	10	0.84
Bellsouth	-	-	-	10,865,818	6	0.25
Bradley Square Mall	-	-	-	8,547,899	8	0.98
Totals	<u>\$ 171,932,005</u>		<u>15.82%</u>	<u>\$ 148,668,021</u>		<u>17.11%</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
2006	\$ 14,777,295	\$ 13,963,167	94.5 %	808,000	\$ 14,771,167	99.9 %
2007	15,473,857	14,486,289	93.6	969,885	15,456,174	99.9
2008	15,514,444	14,406,638	92.9	1,076,854	15,483,492	99.8
2009	15,869,700	14,659,032	92.4	1,168,097	15,827,129	99.7
2010	16,491,558	14,982,438	90.8	1,461,791	16,444,229	99.7
2011	16,608,494	15,383,696	92.6	1,139,402	16,523,098	99.5
2012	16,294,716	15,299,096	93.9	892,904	16,192,000	99.4
2013	16,699,031	15,612,473	93.5	916,454	16,528,927	99.0
2014	18,859,181	17,898,630	94.9	669,527	18,568,157	98.5
2015	19,550,308	18,561,193	95.3	0	18,561,193	94.9

Source: Official records of Office of City Clerk.

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Apparel Stores	\$ 22,977,123	\$ 24,118,354	\$ 24,557,551	\$ 23,889,508
General Merchandise Stores	186,651,791	194,129,215	198,812,878	217,069,065
Food Stores	80,325,692	80,846,489	81,744,415	85,451,136
Eating and Drinking Places	102,259,368	107,408,150	110,229,805	114,031,347
Furniture Stores	28,225,563	29,458,464	25,419,561	29,137,587
Building Materials	81,440,562	92,086,623	86,587,221	77,945,342
MV Dealers and Service Stations	48,059,604	49,518,509	54,702,390	57,305,039
Other Retail	56,146,560	56,400,083	54,205,683	53,159,542
All Other Outlets	<u>121,559,017</u>	<u>128,462,703</u>	<u>125,169,940</u>	<u>128,726,025</u>
Total	<u>\$ 727,645,280</u>	<u>\$ 762,428,590</u>	<u>\$ 761,429,444</u>	<u>\$ 786,714,591</u>
City direct sales tax rate	2.25%	2.25%	2.25%	2.25%

Source: Tennessee Department of Revenue, Research Division.

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

The City sales tax rate was increased by a referendum of city voters in March 2009 and became effective May 1, 2009. Bradley County had a subsequent referendum in May 2009 which became effective July 1, 2009.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 23,196,641	\$ 22,968,582	\$ 23,696,309	\$ 24,874,164	\$ 25,648,895	\$ 26,695,892
211,669,093	212,408,304	218,850,296	220,486,064	220,277,745	222,347,406
83,313,624	81,734,875	89,648,300	93,245,397	95,135,145	106,471,779
113,360,467	115,354,893	125,492,706	136,648,212	138,642,092	147,161,813
20,378,691	18,206,730	24,584,741	17,588,750	17,814,109	17,743,880
64,311,183	64,449,914	72,925,808	78,397,949	76,136,640	72,538,049
58,349,439	63,719,429	69,025,064	71,337,280	74,355,981	83,823,948
54,525,312	56,470,758	59,093,623	61,405,593	63,159,468	65,775,334
<u>114,423,011</u>	<u>114,343,520</u>	<u>126,459,065</u>	<u>139,311,618</u>	<u>141,967,597</u>	<u>152,692,339</u>
<u>\$ 743,527,461</u>	<u>\$ 749,657,005</u>	<u>\$ 809,775,912</u>	<u>\$ 843,295,027</u>	<u>\$ 853,137,672</u>	<u>\$ 895,250,440</u>
2.25%/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>
2006	2.25 %
2007	2.25
2008	2.25
2009	2.25/2.75
2010	2.75
2011	2.75
2012	2.75
2013	2.75
2014	2.75
2015	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%.

The City sales tax rate was increased by a referendum of city voters in March 2009 and became effective May 1, 2009. Bradley County had a subsequent referendum in May 2009 which became effective July 1, 2009.

This page left blank intentionally.

CITY OF CLEVELAND, TENNESSEE
 LOCAL SALES TAX REVENUE BY INDUSTRY
 FISCAL YEARS 2006 AND 2015

	Fiscal Year 2006			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Retail Trade	864	60.34 %	\$ 13,949,794	82.97 %
2 Services	339	23.65	1,154,875	6.88
3 Manufacturing	85	5.94	563,627	3.35
4 Wholesale Trade	79	5.52	785,412	4.67
5 Construction	13	0.91	32,252	0.19
6 Finance Insurance Real Estate	20	1.40	10,166	0.06
7 Transportation and Utilities	5	0.35	87,868	0.52
8 Agriculture	6	0.42	5,490	0.03
Other, Non Classified	21	1.47	223,875	1.33
Total	<u>1,432</u>	<u>100.00 %</u>	<u>\$ 16,813,359</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. Changes in local telecommunications sourcing rules in 2003 reduced the number of taxpayers reporting in the Transportation and Utilities sector.
4. Does not include Cleveland's share of county clerk or out-of-state taxpayer amounts.

Fiscal Year 2015			
<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
826	58.96 %	\$ 20,819,817	82.85 %
312	22.27	1,950,018	7.76
76	5.42	580,052	2.31
71	5.07	1,019,609	4.06
15	1.07	17,896	0.07
27	1.93	76,118	0.30
16	1.14	182,184	0.72
7	0.50	8,103	0.03
51	3.64	476,286	1.90
<u>1,401</u>	<u>100.00 %</u>	<u>\$ 25,130,083</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	Capital Leases
2006	\$ 1,025,000	\$ 16,187,020	\$ 43,795,000	\$ 0
2007	6,850,000	15,248,852	44,045,000	0
2008	6,370,000	14,275,685	44,664,872	0
2009	5,885,000	13,313,207	48,095,182	0
2010	5,735,000	36,888,110	27,456,503	0
2011	5,580,000	35,194,326	27,361,943	375,238
2012	5,420,000	33,505,542	29,393,873	692,527
2013	5,250,000	31,737,203	33,953,841	653,351
2014	5,075,000	55,369,755	17,975,620	587,468
2015	4,825,000	52,879,673	16,897,282	488,654

Source: Official record of Office of City Clerk.

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

Business-type Activities

<u>Revenue Bonds</u>	<u>Notes</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ 23,305,462	\$ 25,755,000	\$ 110,067,482	2.81 %	\$ 2,850
30,483,212	24,565,000	121,192,064	2.68	3,082
28,867,336	33,845,000	128,022,893	2.64	3,221
27,018,821	32,030,000	126,342,210	2.65	3,139
56,064,782	606,994	126,751,389	2.74	3,071
61,674,516	792,000	130,978,023	2.82	3,140
57,968,972	877,265	127,858,179	3.15	3,017
54,251,865	4,903,981	130,750,241	3.15	3,057
51,254,670	5,384,687	135,647,200	3.39	3,141
47,297,712	14,925,753	137,314,074	3.35	3,180

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
2006	\$ 17,212,020	\$ 2,856,172,605	38,263	0.6 %	\$ 450
2007	22,098,852	2,987,247,780	38,627	0.7	572
2008	20,645,685	2,993,641,564	39,333	0.7	525
2009	19,198,207	3,059,197,507	39,753	0.6	483
2010	42,623,110	3,512,813,977	40,261	1.2	1,059
2011	40,774,326	3,539,367,529	41,285	1.2	988
2012	38,925,542	3,526,518,432	41,723	1.1	933
2013	36,987,203	3,568,066,432	42,386	1.0	873
2014	60,444,755	3,426,781,400	42,774	1.8	1,413
2015	57,704,673	3,521,535,271	43,182	1.6	1,336

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, 2015

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	\$ 75,090,609	100.00%	\$ 75,090,609
Bradley County, Tennessee	<u>65,287,184</u>	54.00%	<u>35,255,079</u>
Total direct and overlapping debt	<u>\$ 140,377,793</u>		<u>\$ 110,345,688</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 89,559,361	\$ 93,780,950	\$ 93,473,439	\$ 98,074,388
Total net debt applicable to limit	<u>58,977,378</u>	<u>63,538,380</u>	<u>63,127,166</u>	<u>64,921,560</u>
Legal debt margin	<u>\$ 30,581,983</u>	<u>\$ 30,242,570</u>	<u>\$ 30,346,273</u>	<u>\$ 33,152,828</u>
Total net debt applicable to limit as a percentage of debt limit	65.85%	67.75%	67.53%	66.20%

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 110,539,912	\$ 111,465,762	\$ 109,359,910	\$ 112,073,394	\$ 107,609,460	\$ 108,653,123
<u>67,053,472</u>	<u>65,804,739</u>	<u>66,667,364</u>	<u>69,103,328</u>	<u>75,438,027</u>	<u>71,174,432</u>
<u>\$ 43,486,440</u>	<u>\$ 45,661,023</u>	<u>\$ 42,692,546</u>	<u>\$ 42,970,066</u>	<u>\$ 32,171,433</u>	<u>\$ 37,478,691</u>
60.66%	59.04%	60.96%	61.66%	70.10%	65.51%

Legal Debt Margin Calculation for Fiscal Year 2015

Total assessed value		<u>\$ 1,086,531,231</u>
Legal debt margin:		
Debt limitation - 10% of total assessed value as adopted by resolution		\$ 108,653,123
Debt applicable to limit:		
Total bonded debt	\$ 137,072,169	
Less: Revenue bonds	62,135,753	
Amount available for repayment of general obligation bonds	<u>3,761,984</u>	
Total debt applicable to limit		<u>71,174,432</u>
Legal debt margin		<u>\$ 37,478,691</u>

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

Schedule 18

Fiscal Year	Gross (1) Revenue	Direct Operating (2) Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	(3) Interest	Total	
2006	\$ 17,992,739	\$ 12,061,012	\$ 5,931,727	\$ 2,315,000	\$ 1,703,232	\$ 4,018,232	1.48
2007	19,411,182	12,603,637	6,807,545	2,560,000	1,971,336	4,531,336	1.50
2008	20,208,450	13,823,995	6,384,455	2,615,000	2,136,772	4,751,772	1.34
2009	20,994,856	14,279,638	6,715,218	3,275,000	1,930,027	5,205,027	1.29
2010	20,359,154	14,338,730	6,020,424	3,535,000	1,939,915	5,474,915	1.10
2011	21,846,514	14,496,608	7,349,906	2,605,000	1,942,720	4,547,720	1.62
2012	23,545,153	14,742,103	8,803,050	2,928,418	1,888,023	4,816,441	1.83
2013	23,149,324	15,292,780	7,856,544	3,121,629	1,681,401	4,803,030	1.64
2014	25,045,728	15,695,140	9,350,588	3,182,356	1,700,224	4,882,580	1.92
2015	26,043,419	15,044,789	10,998,630	3,345,599	1,534,811	4,880,410	1.92

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

This page left blank intentionally.

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

Calendar Year	Population	Personal Income	Per Capita Personal Income	Median Age
2005	38,186	\$ 2,988,877	\$ 27,381	37
2006	38,627	3,091,703	27,809	37
2007	39,333	3,246,309	28,745	37
2008	39,753	3,382,926	29,595	37
2009	40,261	3,353,827	29,141	37
2010	41,285	3,473,120	29,949	37
2011	41,723	3,688,881	31,620	38
2012	42,386	4,031,075	34,246	38
2013	42,774	4,123,064	34,783	38
2014	43,182	4,601,591	38,441	34

Sources: Population and educational attainment data from U.S. Census.
 Median age calculated by Cleveland Community Development Department 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 Cleveland City Schools.
 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>
76 %	18 %	4,456	5.3 %
76	22	4,503	6.7
76	22	4,632	7.0
76	22	4,849	6.4
76	22	4,869	9.9
82	25	4,965	9.3
83	24	5,009	9.0
83	24	5,423	7.7
84	24	5,440	7.5
85	23	5,575	6.5

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

Employer	2015		
	Employees	Rank	Percentage of Total Labor Force Bradley County
Whirlpool/Maytag	1,503	1	2.78 %
City Government	1,231	2	2.28
Bradley County Schools	1,200	3	2.22
SkyRidge Medical Center (Bradley Memorial)	1,157	4	2.14
Peyton's Southeastern	950	5	1.76
Lee University	815	6	1.51
Jackson Furniture Industries	800	7	1.48
Amazon	753	8	1.39
Wal-Mart	640	9	1.18
Bradley County Government	620	10	1.15
Mars Chocolate	575	N/A	1.06
Procter & Gamble Co. (Duracell)	350	N/A	0.65
Total	10,594		19.60 %

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.

2006		
<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Labor Force Bradley County</u>
2,200	1	4.59 %
1,133	3	2.36
1,000	4	2.09
869	6	1.81
1,200	2	2.50
N/A	N/A	N/A
900	5	1.88
N/A	N/A	N/A
780	8	1.63
627	9	1.31
800	7	1.67
525	10	1.10
<u>10,034</u>		<u>20.94 %</u>

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

Schedule 21

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government										
City Council and legislative	1	1	1	1	1	1	1	1	1	1
Administration and finance	16	16	16	16	16	15	14	14	14	14
Community development	9	10	10	10	8	8	8	8	14	14
Cleveland Regional Jetport	0	0	0	0	0	0	0	0	1	1
Police										
Officers	90	90	92	92	88	94	95	85	91	91
Civilians	12	12	12	12	11	12	12	11	12	12
Fire										
Firefighters and officers	82	88	91	97	94	94	94	89	91	91
Civilians	1	1	1	1	1	1	1	1	1	1
Public works										
Operations	23	26	26	26	25	26	26	20	21	21
Engineering	9	7	7	7	7	7	5	4	0	0
Landscaping maintenance	8	8	8	8	10	0	0	0	0	0
Solid waste management	13	13	13	13	14	14	14	13	13	13
Stormwater management fund	1	2	2	2	2	2	2	2	2	2
State street aid	11	11	11	11	11	11	11	10	11	11
Fleet management	8	8	8	8	8	8	8	8	7	7
Brush chipping	1	1	1	1	0	0	0	0	0	0
Parks and recreation										
Administration and maintenance	8	8	9	9	9	9	9	9	9	9
Landscaping maintenance	0	0	0	0	0	7	7	7	7	7
College Hill Recreation Center	3	3	3	3	3	3	3	3	3	3
Cleveland Community Center	4	4	4	4	4	4	4	4	4	4
Waterville Golf Course	6	6	6	6	6	6	6	6	6	6
Animal control										
Administration and operations	7	7	8	8	8	8	8	8	8	6
Weed and seed program	3	3	0	0	0	0	0	0	0	0
Community development block grant	1	2	2	2	2	2	2	2	2	2
Subtotal	317	327	331	337	328	332	330	305	318	316
Cleveland Utilities										
Electric division	109	108	114	115	91	89	88	84	83	82
Water/wastewater division	85	86	86	85	109	102	98	98	103	100
City schools										
Certificated staff	359	364	370	379	383	387	397	407	423	432
Non-certificated personnel	253	253	258	263	268	270	274	277	283	290
Library	10	10	10	10	10	10	11	11	11	11
Total	1,133	1,148	1,169	1,189	1,189	1,190	1,198	1,182	1,221	1,231

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 certified staff.

This page left blank intentionally.

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government				
Building permits issued	460	437	393	247
Value of construction permitted	\$75,980,803	\$83,346,627	\$107,879,191	\$39,596,442
Police				
Parking violations	1,625	1,716	1,082	1,349
Traffic violations	12,143	11,472	8,437	6,244
Fire				
Emergency responses (city only)	1,256	1,313	1,456	1,932
Fires extinguished (city only)	182	140	178	135
Fire inspections	846	2,522	2,973	2,755
Public works				
Street resurfacing (tonnage)	32,863	12,334	6,362	0
Utility cut permits (number excavations)	319	422	329	321
Drainage pipe installed (linear ft.)	7,644	4,953	7,119	5,995
Tons of brush chipped	1,269	1,978	1,080	4,353
Parks and recreation				
Softball league participants	1,477	1,350	1,500	1,814
Basketball league participants	454	350	184	212
Football league participants	n/a	n/a	n/a	90
Soccer league participants	750	850	875	920
Rounds of golf played	12,120	14,700	12,400	10,000
Library				
Volumes in collection	131,099	135,000	144,202	149,970
Circulation	326,927	348,159	356,498	356,050
Attendants	239,067	245,146	251,246	254,440
City Schools				
Average Daily Membership				
High School	1,385	1,203	1,274	1,246
Middle School	1,187	1,053	1,035	1,207
Elementary Schools	1,906	2,248	2,241	2,315
Ungraded - Special Education	68	61	82	81
ACT composite scores	21.3	21	21	22
Percent of High School graduates	84.9	83	82	89
Electric				
Class of Service number of Customers				
Residential	24,315	24,541	24,672	24,539
Small lighting and power	3,407	3,426	3,627	3,616
Large lighting and power	649	620	647	619
Street and outdoor lighting	129	119	113	115
Kilowatt-hours purchased	1,150,136,397	1,146,736,443	1,136,162,043	1,095,830,882
Kilowatt-hours sold	1,118,005,640	1,107,755,437	1,102,780,890	1,060,994,420
Line losses and kilowatt-hours unaccounted for	32,130,757	38,981,006	33,381,153	34,836,462
Percentage of losses and unaccounted for kilowatt-hours to purchases	2.79%	3.40%	2.94%	3.18%

2010	2011	2012	2013	2014	2015
286	217	360	350	379	403
\$41,805,750	\$43,490,568	\$63,587,030	\$59,121,927	\$37,240,586	\$65,893,431
1,659	1,669	1,130	974	1,309	1,631
7,617	8,771	5,603	4,060	4,410	5,766
2,497	2,969	2,939	2,429	2,872	2,665
150	245	136	169	242	126
2,713	3,162	2,454	2,208	2,055	2,263
3,773	8,669	9,967	18,898	12,107	9,176
290	293	228	229	226	244
3,166	5,054	3,901	5,919	4,690	6,936
5,507	8,523	6,446	8,282	8,644	12,117
1,820	1,155	1,440	1,500	1,455	1,650
220	200	216	230	204	202
258	150	74	80	70	65
950	950	950	1,000	850	1,045
9,600	3,500	4,000	5,000	8,289	3,236
149,867	152,407	156,934	161,836	164,078	168,061
361,590	389,603	421,792	409,206	401,430	402,064
261,118	269,262	307,291	270,860	277,185	241,778
1,224	1,254	1,297	1,339	1,398	1,448
1,117	1,124	1,147	1,200	1,231	1,227
2,380	2,514	2,567	2,884	2,811	2,850
81	81	81	81	81	81
20	21	20	20	20	19
88	81	82	86	84	86
24,720	25,003	25,170	25,420	25,806	26,190
3,652	3,669	3,706	3,720	3,789	3,809
624	647	609	608	613	624
110	108	188	189	188	185
1,112,981,850	1,118,790,042	1,090,315,133	1,103,372,115	1,124,822,813	1,124,645,838
1,078,380,377	1,095,719,182	1,051,139,979	1,072,904,012	1,092,325,754	1,093,701,541
34,601,473	23,070,860	39,175,154	30,468,103	32,497,059	30,944,297
3.11%	2.06%	3.59%	2.76%	2.89%	2.75%

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Water				
Class of Service number of Customers				
Residential	25,414	25,898	26,322	26,286
Commercial & Industrial	3,220	3,054	3,056	3,017
Gallons purchased	1,207,869,115	1,255,708,159	1,411,079,914	1,648,632,220
Gallons pumped	2,736,379,124	2,791,321,111	2,526,119,809	2,107,995,107
Gallons sold	2,895,225,000	3,016,467,750	3,040,388,250	2,861,916,000
Line losses and gallons unaccounted for	1,049,023,239	1,030,561,520	896,811,473	894,711,327
Percentage of losses and unaccounted for gallons to total provided	26.60%	25.46%	22.78%	23.82%
Average daily water consumption (gallons)	7,932,123	8,264,295	8,329,831	7,840,866
Wastewater				
Class of Service number of Customers				
Residential	14,255	14,356	14,663	14,629
Commercial & Industrial	2,487	2,482	2,534	2,502
Capacity daily (thousands of gallons)	21,600	21,600	21,600	21,600
Treatment during fiscal year (gallons)	2,927,060,000	2,824,970,000	3,098,910,000	3,482,470,000

Sources: Various city departments.

2010	2011	2012	2013	2014	2015
26,465	26,096	26,327	26,496	26,811	27,200
3,034	3,611	3,639	3,671	3,707	3,728
1,827,886,130	1,860,475,140	1,845,875,000	1,759,640,000	1,717,178,040	1,737,814,650
1,664,898,520	1,785,496,000	1,874,042,670	1,789,485,000	1,965,420,000	1,919,504,751
2,668,847,250	2,937,399,663	2,959,307,166	2,814,193,000	2,706,972,750	2,733,381,750
823,937,400	708,571,477	760,610,504	709,217,000	902,184,898	923,937,651
23.59%	19.43%	20.45%	19.98%	24.50%	25.26%
7,311,910	8,047,670	7,904,814	7,710,118	7,416,364	7,488,717
14,792	14,989	15,156	15,267	15,469	15,785
2,517	2,543	2,553	2,592	2,626	2,655
21,600	21,600	21,600	21,600	21,600	21,600
3,955,870,000	3,499,120,000	3,615,480,000	3,995,860,000	3,684,650,000	3,285,830,000

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

Schedule 23

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</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	110	103	88	85	85	95	112	120	118	120
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Fire Trucks (pumpers, ladders & tankers)	15	15	16	16	16	14	14	14	14	14
Public works										
Street (miles)	321	323	323	323	323	346	347	348	348	349
Street lights	5,873	6,047	6,020	6,307	5,714	5,734	5,844	5,801	5,882	6,099
Traffic signals	540	542	566	582	595	599	604	613	619	646
Pedestrians signals	88	54	56	64	70	70	70	72	80	80
Knucklebooms	6	6	6	5	6	6	6	6	8	9
Parks and recreation										
Acreage	289	289	289	289	289	289	289	289	289	289
Playgrounds	8	8	8	8	8	8	8	8	8	8
Softball fields	5	5	5	5	5	5	5	5	5	5
Soccer fields	15	15	16	16	16	16	16	16	16	16
Tennis courts	12	12	8	8	8	8	8	8	8	8
Community centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	3	3	3	3	3	3	3	3	3	3
Golf courses	1	1	1	1	1	1	1	1	1	0
Schools										
Elementary schools	6	6	6	6	6	6	6	6	6	6
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)	513	518	522	525	528	528	534	537	539	540
Substations	15	15	15	15	15	15	15	15	15	15
Water										
Water mains (miles)	697	710	728	736	738	741	743	750	760	767
Fire hydrants	2,302	2,343	2,416	2,492	2,510	2,565	2,571	2,575	2,627	2,657
Storage capacity (thousands of gal)	14,300	14,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300
Wastewater										
Sanitary sewers (miles)	326	329	334	347	355	355	356	359	359	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.

This page left blank intentionally.

OTHER

INSURANCE IN FORCE

ALL FUND TYPES EXCLUDING CLEVELAND UTILITIES

For the Fiscal Year Ended June 30, 2015

<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. TML Risk Management Pool	TMP-8187	9/1/2014 to 8/31/2015	Buildings, contents, boilers, fired vessels electric steam generators. Theft, disappearance and destruction. Radio, video equipment, mobile equip- ment, police dogs.	\$ 56,400,422	\$ 82,688
Comprehensive Liability TML Risk Management Pool	TML-026R	7/1/2014 to 6/30/2015	General and public officials liability, auto liability, auto physical damage, personal injury. Excess auto physical damage. Airport liability	As per schedule	\$ 376,899
Worker's Compensation TML Risk Management Pool	TWC-0187	7/1/2014 to 6/30/2015	Job related injuries, employees	\$ 1,000,000 \$ 1,000 ded.	\$ 433,922
Property (School Buildings and Contents, Boiler, Vehicles) Tennessee Risk Management Trust	TNRMT	7/1/2014 to 7/1/2015	Property Equipment Liability	Various	\$ 339,262
Worker's Compensation Tennessee Risk Management Trust	TNRMT	7/1/2014 to 7/1/2015	Job related injuries, employees	\$ 1,000,000	\$ 225,603

CITY OF CLEVELAND, TENNESSEE
INSURANCE IN FORCE
CLEVELAND UTILITIES
For the Fiscal Year Ended June 30, 2015

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
Distributors Self Insurance Fund	Employer's liability	\$ 1,000,000
Affiliated FM	Real property	\$ 136,333,662
Hartford	Machinery and equipment breakdown	\$ 10,000,000
Affiliated FM	Flood and earthquake	\$ 10,000,000
Chubb	General liability (excess)	\$ 2,250,000 (1)
Distributors Insurance Co.	General liability (primary)	\$ 750,000 (1)
Chubb	Auto liability and physical damage	\$ 1,000,000
Chubb	Public official and employees	\$ 5,000,000
Travelers Casualty & Surety Co.	Commercial crime	\$ 1,000,000
Crum & Foster	Umbrella liability	\$ 15,000,000
Lloyd's	Cyber and privacy protection	\$ 2,500,000

(1) The general liability insurance policies with Chubb and Distributors Insurance Co. are limited to \$750,000 and \$250,000, respectively, per occurrence.

CITY OF CLEVELAND, TENNESSEE
 CHANGES IN PROPERTY TAXES RECEIVABLE
 For the Year Ended June 30, 2015

Table 3

<u>Property Taxes</u>	<u>Balance 7/1/2014</u>	<u>Levies</u>	<u>Collections & Adjustments</u>	<u>Balance 6/30/2015</u>
2014	\$ 0	\$ 19,550,308	\$ 18,561,193	\$ 989,115
2013	960,551	0	669,527	291,024
2012	335,238	0	165,134	170,104
2011	176,878	0	74,162	102,716
2010	123,288	0	37,892	85,396
2009	76,185	0	28,856	47,329
2008	43,196	0	625	42,571
2007	30,952	0	0	30,952
2006	17,870	0	187	17,683
2005	6,272	0	144	6,128
2004	15,355	0	15,355	0
	<u>\$ 1,785,785</u>	<u>\$ 19,550,308</u>	<u>\$ 19,553,075</u>	<u>\$ 1,783,018</u>

Note - Property taxes receivable also include the 2015 levy reported as deferred revenue in the amount of \$19,178,412.

CITY OF CLEVELAND, TENNESSEE
 CHANGES IN GENERAL
 OBLIGATION BONDS PAYABLE
 For the Year Ended June 30, 2015

Table 4

	Interest Rates	Balance 07/01/14	General Obligation		Balance 06/30/15
			New Bonds Issued	Bonds Retired	
General Improvement Refunding Bonds					
Series 2005					
Maturing 2024	3.00-5.00%	\$ 9,010,000	\$ 0	\$ 590,000	\$ 8,420,000
General Improvement Bonds					
Series 2007A					
Maturing 2037	4.00-5.00%	5,075,000	0	250,000	4,825,000
General Improvement Refunding Bonds					
Series 2009C					
Maturing 2031	2.00-4.50%	14,235,000	0	250,000	13,985,000
General Improvement Refunding Bonds					
Series 2009D					
Maturing 2022	2.00-4.00%	7,165,000	0	695,000	6,470,000
General Improvement Refunding Bonds					
Series 2014A					
Maturing 2030	2.51%	21,206,480	0	0	21,206,480
General Improvement Refunding Bonds					
Series 2014B					
Maturing 2018	2.51%	<u>3,580,000</u>	<u>0</u>	<u>936,000</u>	<u>2,644,000</u>
Total General Obligation Bonds		<u>\$ 60,271,480</u>	<u>\$ 0</u>	<u>\$ 2,721,000</u>	<u>\$ 57,550,480</u>

CITY OF CLEVELAND, TENNESSEE
 CHANGES IN REVENUE BONDS PAYABLE
 For the Year Ended June 30, 2015

Table 5

	Balance 7/1/2014	Revenue		Balance 6/30/2015
		New Bonds Issued	Bonds Retired	
Water, sewer & electric revenue and tax bonds, maturing through 2037				
Due June 2037 - 4.00% to 5.00%	\$ 7,810,000	\$ 0	\$ 180,000	\$ 7,630,000
Due June 2015 - 2.00% to 3.00%	490,000	0	490,000	0
Due June 2028 - 2.00% to 4.375%	16,855,000	0	1,000,000	15,855,000
Due June 2028 - 2.50% to 4.25%	9,635,000	0	895,000	8,740,000
Due June 2031 - 1.00% to 5.75%	7,530,000	0	415,000	7,115,000
Due September 2028 - 3.45 fixed	8,835,000	0	965,000	7,870,000
Total Revenue Bonds	\$ 51,155,000	\$ 0	\$ 3,945,000	\$ 47,210,000

CITY OF CLEVELAND, TENNESSEE
 CHANGES IN NOTES PAYABLE
 For the Year Ended June 30, 2015

Table 6

	Maturity Date	Interest Rate	Balance 06/30/14	Additions	Retirements	Balance 06/30/15
Water Division:						
Note payable to the State of Tennessee revolving loan fund	2031	2.11%	\$ 582,732	0	\$ 29,666	\$ 553,066
Water Division:						
Note payable to the State of Tennessee revolving loan fund - ARRA	2031	2.11%	116,547	0	5,933	110,614
Water Division:						
Note payable to the TN Municipal Bond Fund Series 2012	2032	Variable	3,250,007	124,993	187,500	3,187,500
Water Division:						
Note payable to the State of Tennessee revolving loan fund	2034	1.15%	95,717	135,974	0	231,691
Water Division:						
Note payable to the State of Tennessee revolving loan fund	2034	1.15%	161,863	1,485,702	0	1,647,565
Water/Electric Division:						
Note payable to the TN Municipal Bond Fund Series 2014	2034	Variable	1,177,821	5,197,179	318,750	6,056,250
Water Division:						
Note payable to the State of Tennessee revolving loan fund	2035	1.50%	0	512,826	0	512,826
Water/Electric Division:						
Note payable to the TN Municipal Bond Fund Series 2015	2032	Variable	0	2,626,241	0	2,626,241
Public Improvement Loans:						
Note payable to the Public Building Authority Clarksville, TN Series 2008 TMBF	2028	Variable	1,452,000	0	74,000	1,378,000
Public Improvement Loans:						
Note payable to the Public Building Authority Clarksville, TN Series 2012	2032	Fixed for 5 years	1,573,000	0	71,000	1,502,000
Public Improvement Loans:						
Note payable to the Public Building Authority Clarksville, TN Series 2012	2027	Variable	803,135	0	54,000	749,135

CITY OF CLEVELAND, TENNESSEE
 CHANGES IN NOTES PAYABLE
 For the Year Ended June 30, 2015

Table 6
 (Continued)

	Maturity Date	Interest Rate	Balance 06/30/14	Additions	Retirements	Balance 06/30/15
Public Improvement Loans:						
Note payable to the Public Building Authority						
Clarksville, TN						
Series 2012						
	2028	Variable	\$ 5,260,075	\$ 0	\$ 312,000	\$ 4,948,075
Airport Improvement Loans:						
Note payable to the Public Building Authority						
Clarksville, TN						
Series 2012						
	2027	Variable	1,356,000	0	82,000	1,274,000
Airport Improvement Loans:						
Note payable to the Public Building Authority						
Clarksville, TN						
Series 2014						
	2034	2.64%	4,300,000	0	160,000	4,140,000
School Construction Loan:						
Qualified School Construction Loan (QSCB)						
Series 2009						
	2027	1.1515%	3,143,322	0	259,577	2,883,745
School Energy Loan:						
Tennessee Energy Efficient School Initiative Program (EESI) Loan						
	2016	3.00%	88,088	0	65,760	22,328
Totals			<u>\$ 23,360,307</u>	<u>\$ 10,082,915</u>	<u>\$ 1,620,186</u>	<u>\$ 31,823,036</u>

CITY OF CLEVELAND, TENNESSEE
 UNCOLLECTED DELINQUENT PROPERTY TAXES FILED
 June 30, 2015

Table 7

<u>Tax Year</u>	<u>Original Amount Filed</u>	<u>Unpaid Balance</u>	<u>Percentage Collected</u>
2005	\$ 203,051	\$ 6,128	97.0 %
2006	305,663	17,683	94.2
2007	452,759	30,952	93.2
2008	501,311	42,571	91.5
2009	614,201	47,329	92.3
2010	501,912	85,396	83.0
2011	371,448	102,716	72.3
2012	396,806	170,104	57.1
2013	335,054	291,024	13.1

This page left blank intentionally.

CITY OF CLEVELAND, TENNESSEE
 BOND PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR GENERAL OBLIGATION BONDS
 June 30, 2015

Fiscal Year	2005 Series		2007 Series		2009C Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 610,000	\$ 351,787	\$ 265,000	\$ 209,713	\$ 250,000	\$ 582,156
2017	800,000	328,913	275,000	199,112	30,000	574,656
2018	870,000	298,912	285,000	188,113	30,000	573,756
2019	925,000	261,938	295,000	176,712	25,000	572,781
2020	960,000	222,625	305,000	164,913	25,000	571,906
2021	1,000,000	184,225	320,000	152,712	25,000	570,969
2022	1,050,000	139,225	335,000	139,513	25,000	569,969
2023	1,075,000	95,125	350,000	125,694	1,100,000	568,969
2024	1,130,000	49,438	360,000	111,256	1,050,000	524,969
2025			380,000	96,406	300,000	482,969
2026			390,000	77,406	3,400,000	470,969
2027			410,000	57,906	3,125,000	334,969
2028			70,000	37,406	350,000	206,063
2029			75,000	34,344	100,000	190,750
2030			75,000	31,063	100,000	186,500
2031			80,000	27,781	4,050,000	182,250
2032			85,000	24,281		
2033			85,000	20,563		
2034			90,000	16,844		
2035			95,000	12,906		
2036			100,000	8,750		
2037			100,000	4,375		
Total	\$ 8,420,000	\$ 1,932,188	\$ 4,825,000	\$ 1,917,769	\$ 13,985,000	\$ 7,164,601

Table 8

2009D		2014A		2014B		Total	
Series		Series		Series		Principal	Interest
Principal	Interest	Principal	Interest	Principal	Interest		
\$ 740,000	\$ 227,150	\$	\$ 532,283	\$ 977,000	\$ 66,365	\$ 2,842,000	\$ 1,969,454
870,000	206,800		532,282	973,000	41,842	2,948,000	1,883,605
890,000	180,700	275,480	532,283	694,000	17,419	3,044,480	1,791,183
910,000	151,775	979,000	525,368			3,134,000	1,688,574
990,000	119,925	1,004,000	500,795			3,284,000	1,580,164
1,040,000	82,800	1,033,000	475,595			3,418,000	1,466,301
1,030,000	41,200	1,050,000	449,667			3,490,000	1,339,574
		1,088,000	423,311			3,613,000	1,213,099
		1,286,000	396,003			3,826,000	1,081,666
		2,305,000	363,724			2,985,000	943,099
		2,295,000	305,869			6,085,000	854,244
		2,370,000	248,264			5,905,000	641,139
		2,550,000	188,777			2,970,000	432,246
		2,565,000	124,772			2,740,000	349,866
		2,406,000	60,391			2,581,000	277,954
						4,130,000	210,031
						85,000	24,281
						85,000	20,563
						90,000	16,844
						95,000	12,906
						100,000	8,750
						100,000.00	4,375
<u>\$ 6,470,000</u>	<u>\$ 1,010,350</u>	<u>\$ 21,206,480</u>	<u>\$ 5,659,384</u>	<u>\$ 2,644,000</u>	<u>\$ 125,626</u>	<u>\$ 57,550,480</u>	<u>\$ 17,809,918</u>

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR EXCLUDING CLEVELAND UTILITIES
 June 30, 2015

Fiscal Year	Note Payable - Public Building Authority of Clarksville TN 2008 TMBF Series		Note Payable - Energy Efficient Schools Initiative Loan EESI Loan Series		Note Payable - Public Building Authority of Clarksville, TN 2012 Series (2)		Note Payable - Public Building Authority of Clarksville, TN 2012 Series	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 78,000	\$ 68,900	\$ 22,328	\$ 150	\$ 57,000	\$ 21,250	\$ 73,000	\$ 34,846
2017	82,000	65,000			59,000	19,825	75,000	33,153
2018	86,000	60,900			61,000	18,350	77,000	31,413
2019	90,000	56,600			64,000	16,825	78,000	29,626
2020	94,000	52,100			66,000	15,225	80,000	27,817
2021	99,000	47,400			69,000	13,575	82,000	25,961
2022	104,000	42,450			72,000	11,850	84,000	24,058
2023	109,000	37,250			74,000	10,050	86,000	22,110
2024	115,000	31,800			77,000	8,200	88,000	20,114
2025	121,000	26,050			80,000	6,275	90,000	18,073
2026	127,000	20,000			84,000	4,275	92,000	15,985
2027	133,000	13,650			87,000	2,175	94,000	13,850
2028	140,000	7,000					96,000	11,670
2029							98,000	9,442
2030							101,000	7,169
2031							103,000	4,825
2032							105,000	2,436
2033								
2034								
	<u>\$ 1,378,000</u>	<u>\$ 529,100</u>	<u>\$ 22,328</u>	<u>\$ 150</u>	<u>\$ 850,000</u>	<u>\$ 147,875</u>	<u>\$ 1,502,000</u>	<u>\$ 332,548</u>

- (1) Variable rates of 4% have been assumed on loans through Blount Counties and Clarksville, TN.
 (2) \$100,865 of loan proceeds have not been drawn down at June 30, 2015.
 (3) \$439,925 of loan proceeds have not been drawn down at June 30, 2015.

Note Payable - Public Building Authority of Clarksville, TN 2012 Series (3)		Note Payable - Public Building Authority of Clarksville, TN 2012 (Airport) Series		2009 QSCB Series		Note Payable - Public Building Authority of Clarksville, TN 2014 (Airport) Series		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest (1)
\$ 324,000	\$ 215,520	\$ 85,000	\$ 50,960	\$ 237,946	\$ 67,184	\$ 171,000	\$ 109,296	\$ 1,048,274	\$ 568,106
337,000	202,560	88,000	47,560	259,577	67,184	175,000	104,782	1,075,577	540,064
351,000	189,080	92,000	44,040	259,577	67,184	180,000	100,162	1,106,577	511,129
365,000	175,040	95,000	40,360	259,577	67,184	185,000	95,410	1,136,577	481,045
379,000	160,440	99,000	36,560	259,578	67,184	189,000	90,526	1,166,578	449,852
394,000	145,280	103,000	32,600	259,577	67,184	194,000	85,536	1,200,577	417,536
410,000	129,520	107,000	28,480	259,577	67,184	199,000	80,414	1,235,577	383,956
426,000	113,120	112,000	24,200	259,577	67,184	205,000	75,160	1,271,577	349,074
443,000	96,080	116,000	19,720	259,578	67,184	210,000	69,748	1,308,578	312,846
461,000	78,360	121,000	15,080	259,578	67,184	216,000	64,204	1,348,578	275,226
480,000	59,920	125,000	10,240	285,130	67,184	221,000	58,502	1,414,130	236,106
499,000	40,720	131,000	5,240	24,472	6,292	227,000	52,668	1,195,472	134,595
519,000	20,760					233,000	46,676	988,000	86,106
						239,000	40,524	337,000	49,966
						246,000	34,214	347,000	41,383
						252,000	27,720	355,000	32,545
						259,000	21,068	364,000	23,504
						266,000	14,230	266,000	14,230
						273,000	7,208	273,000	7,208
<u>\$ 5,388,000</u>	<u>\$ 1,626,400</u>	<u>\$ 1,274,000</u>	<u>\$ 355,040</u>	<u>\$ 2,883,744</u>	<u>\$ 745,316</u>	<u>\$ 4,140,000</u>	<u>\$ 1,178,048</u>	<u>\$ 17,438,072</u>	<u>\$ 4,914,477</u>

CITY OF CLEVELAND, TENNESSEE
 BOND PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR CLEVELAND UTILITIES
 June 30, 2015

Electric, Water and Sewer Revenue and Tax Bonds

Fiscal Year	2007 Series		2009C Series		2009D Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 190,000	\$ 332,212	\$ 600,000	\$ 336,719	\$ 1,805,000	\$ 567,424
2017	200,000	324,613	410,000	318,719	2,100,000	517,788
2018	210,000	316,612	435,000	306,419	2,040,000	454,787
2019	225,000	308,213	475,000	292,281	1,545,000	388,488
2020	330,000	299,212	625,000	275,656	1,680,000	334,412
2021	345,000	286,013	500,000	252,219	1,895,000	271,413
2022	360,000	271,781	575,000	232,218	1,800,000	195,612
2023	375,000	256,931	675,000	209,219	1,385,000	123,613
2024	390,000	241,463	600,000	182,218	1,010,000	68,213
2025	405,000	225,375	970,000	158,219	420,000	25,288
2026	305,000	205,125	1,040,000	119,418	75,000	7,438
2027	315,000	189,875	985,000	77,819	50,000	4,250
2028	330,000	174,125	850,000	37,188	50,000	2,125
2029	345,000	159,688				
2030	355,000	144,594				
2031	370,000	129,062				
2032	390,000	112,875				
2033	405,000	95,812				
2034	420,000	78,094				
2035	435,000	59,719				
2036	455,000	40,687				
2037	475,000	20,781				
Total	\$ 7,630,000	\$ 4,272,862	\$ 8,740,000	\$ 2,798,312	\$15,855,000	\$ 2,960,851

Table 10

2010 Series		2014 Series		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 415,000	\$ 209,190	\$ 955,000	\$ 255,041	\$ 3,965,000	\$ 1,700,586
420,000	201,771	945,000	222,266	4,075,000	1,585,157
425,000	192,898	910,000	190,268	4,020,000	1,460,984
425,000	183,230	800,000	160,770	3,470,000	1,332,982
430,000	172,732	445,000	139,294	3,510,000	1,221,306
435,000	161,552	440,000	124,028	3,615,000	1,095,225
435,000	150,102	435,000	108,934	3,605,000	958,647
440,000	138,084	435,000	93,926	3,310,000	821,773
445,000	125,358	430,000	79,005	2,875,000	696,257
450,000	111,908	425,000	64,256	2,670,000	585,046
455,000	97,721	420,000	49,680	2,295,000	479,382
460,000	82,934	415,000	35,276	2,225,000	390,154
465,000	67,535	410,000	21,045	2,105,000	302,018
465,000	51,516	405,000	6,986	1,215,000	218,190
475,000	35,043			830,000	179,637
475,000	17,753			845,000	146,815
				390,000	112,875
				405,000	95,812
				420,000	78,094
				435,000	59,719
				455,000	40,687
				475,000	20,781
<u>\$ 7,115,000</u>	<u>\$ 1,999,327</u>	<u>\$ 7,870,000</u>	<u>\$ 1,550,775</u>	<u>\$ 47,210,000</u>	<u>\$ 13,582,127</u>

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR CLEVELAND UTILITIES
 June 30, 2015

Fiscal Year	Tennessee Municipal Bond Fund Series 2012		Tennessee Municipal Bond Fund Series 2014		State of Tennessee Revolving Loan Fund		State of Tennessee Revolving Loan Fund 13-319 (1)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2016	\$ 187,500	\$ 127,500	\$ 318,750	\$ 242,250	\$ 36,358	\$ 13,654	\$ 61,500
2017	187,500	120,000	318,750	229,500	37,133	12,878	62,208	14,784
2018	187,500	112,500	318,750	216,750	37,924	12,088	62,928	14,064
2019	187,500	105,000	318,750	204,000	38,731	11,280	63,660	13,332
2020	187,500	97,500	318,750	191,250	39,557	10,454	64,392	12,600
2021	187,500	90,000	318,750	178,500	40,399	9,612	65,136	11,856
2022	187,500	82,500	318,750	165,750	41,261	8,750	65,892	11,100
2023	187,500	75,000	318,750	153,000	42,139	7,872	66,660	10,332
2024	187,500	67,500	318,750	140,250	43,037	6,974	67,428	9,564
2025	187,500	60,000	318,750	127,500	43,954	6,058	68,208	8,784
2026	187,500	52,500	318,750	114,750	44,891	5,120	68,988	8,004
2027	187,500	45,000	318,750	102,000	45,847	4,164	69,792	7,200
2028	187,500	37,500	318,750	89,250	46,824	3,187	70,596	6,396
2029	187,500	30,000	318,750	76,500	47,821	2,190	71,412	5,580
2030	187,500	22,500	318,750	63,750	48,840	1,171	72,240	4,752
2031	187,500	15,000	318,750	51,000	28,964	204	73,080	3,912
2032	187,500	7,500	318,750	38,250			73,920	3,072
2033			318,750	25,500			74,772	2,220
2034			318,750	12,750			75,636	1,356
2035							76,530	440
2036								
	<u>\$ 3,187,500</u>	<u>\$ 1,147,500</u>	<u>\$ 6,056,250</u>	<u>\$ 2,422,500</u>	<u>\$ 663,680</u>	<u>\$ 115,656</u>	<u>\$ 1,374,978</u>	<u>\$ 164,840</u>

- (1) \$1,143,287 of loan proceeds have not been drawn down at June 30, 2015.
- (2) \$6,526,435 of loan proceeds have not been drawn down at June 30, 2015.
- (3) \$1,487,174 of loan proceeds have not been drawn down at June 30, 2015.
- (4) \$3,123,759 of loan proceeds have not been drawn down at June 30, 2015.

State of Tennessee Revolving Loan Fund 13-320 (2)		State of Tennessee Revolving Loan Fund DG2 (3)		Tennessee Municipal Bond Fund Series 2015 (4)		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 365,616	\$ 92,076	\$ 0	\$ 0	\$ 257,000	\$ 121,900	\$ 1,226,724	\$ 612,872
369,840	87,852	86,400	29,412	260,000	116,453	1,321,831	610,879
374,112	83,580	87,708	28,104	263,000	110,935	1,331,922	578,021
378,444	79,248	89,040	26,772	266,000	105,363	1,342,125	544,995
382,812	74,880	90,384	25,428	269,000	99,720	1,352,395	511,832
387,240	70,452	91,740	24,072	272,000	94,024	1,362,765	478,516
391,716	65,976	93,132	22,680	276,000	88,256	1,374,251	445,012
396,252	61,440	94,536	21,276	278,000	82,404	1,383,837	411,324
400,824	56,868	95,964	19,848	282,000	76,512	1,395,503	377,516
405,468	52,224	97,416	18,396	285,000	70,536	1,406,296	343,498
410,148	47,544	98,880	16,932	289,000	64,488	1,418,157	309,338
414,888	42,804	100,380	15,432	292,000	58,357	1,429,157	274,957
419,688	38,004	101,892	13,920	295,000	52,173	1,440,250	240,430
424,536	33,156	103,428	12,384	299,000	45,918	1,452,447	205,728
429,444	28,248	105,000	10,812	303,000	39,579	1,464,774	170,812
434,412	23,280	106,584	9,228	306,000	33,157	1,455,290	135,781
439,440	18,252	108,192	7,620	309,000	26,663	1,436,802	101,357
444,516	13,176	109,824	5,988	313,000	20,116	1,260,862	67,000
449,652	8,040	111,480	4,332	316,000	13,486	1,271,518	39,964
454,952	2,827	113,172	2,640	320,000	6,785	964,654	12,692
		114,848	946			114,848	946
<u>\$ 8,174,000</u>	<u>\$ 979,927</u>	<u>\$ 2,000,000</u>	<u>\$ 316,222</u>	<u>\$ 5,750,000</u>	<u>\$ 1,326,825</u>	<u>\$ 27,206,408</u>	<u>\$ 6,473,470</u>

CITY OF CLEVELAND, TENNESSEE
 INVESTMENTS
 June 30, 2015

Table 12

Description		Cost	Fair Value
Investment in Certificates of Deposit:			
First Tennessee Bank	1.00%	\$ 58,733	\$ 58,733
First Tennessee Bank	0.15%	40,528	40,528
First Tennessee Bank	1.00%	38,716	38,716
First Tennessee Bank	0.15%	33,663	33,663
First Tennessee Bank	0.15%	30,328	30,328
First Tennessee Bank	0.15%	25,000	25,000
First Tennessee Bank	0.15%	20,000	20,000
First Tennessee Bank	0.15%	5,990	5,990
First Tennessee Bank	0.10%	13,693	13,693
First Tennessee Bank	0.15%	29,987	29,987
First Tennessee Bank	0.15%	14,993	14,993
First Tennessee Bank	0.15%	5,209	5,209
Total Certificates of Deposit		<u>\$ 316,840</u>	<u>\$ 316,840</u>
Investment in Local Government Investment Pool:			
State of Tennessee		\$ 43,804	\$ 43,804
State of Tennessee		608,023	608,023
Total Local Government Investment Pool		<u>\$ 651,827</u>	<u>\$ 651,827</u>
Total Investments		<u><u>\$ 968,667</u></u>	<u><u>\$ 968,667</u></u>

TRANSFERS

For the Fiscal Year Ended June 30, 2015

<u>Transfers In:</u>	<u>Transfers Out:</u>	<u>Amount</u>
Capital Improvement Program	General Fund	\$ 6,477,551
Community Development Block Grant Fund	General Fund	20,000
Debt Service Fund	General Fund	4,780,500
Debt Service Fund	School Fund	556,319
Debt Service Fund	State Street Aid Fund	386,000
Debt Service Fund	Spring Branch Industrial Park Fund	122,662
General Fund	Cleveland Utilities - Electric Division	2,034,884
General Fund	Cleveland Utilities - Water Division	212,221
General Fund	Capital Improvement Program	39,057
Library Fund	General Fund	614,181
Metropolitan Transportation Planning Organization	General Fund	57,000
Recycling Grant Fund	Solid Waste Fund	7,000
School Fund	General Fund	5,273,600
Solid Waste Management Fund	General Fund	1,108,000
	Total	<u>\$ 21,688,975</u>

WAS v5.0
 American Water Works Association
 Copyright © 2014. All Rights Reserved.

AWWA Free Water Audit Software: Reporting Worksheet

Click to access definition

Click to add a comment

Water Audit Report for: Cleveland Utilities (TN0000117)

Reporting Year: 2015 7/2014 - 6/2015

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades

WATER SUPPLIED

← Enter grading in column 'E' and 'J' →

Volume from own sources:	+ ? 8	2,070.773	MG/Yr
Water imported:	+ ? 8	1,697.459	MG/Yr
Water exported:	+ ? 8	0.419	MG/Yr
WATER SUPPLIED:		3,767.812	MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	Value:	MG/Yr
+ ?	☺ ☹	
+ ?	☺ ☹	
+ ?	☺ ☹	

Enter negative % or value for under-registration
 Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	+ ? 9	2,734.419	MG/Yr
Billed unmetered:	+ ?		MG/Yr
Unbilled metered:	+ ? 10	81.140	MG/Yr
Unbilled unmetered:	+ ? 8	28.665	MG/Yr
AUTHORIZED CONSUMPTION:		2,844.224	MG/Yr

Click here: ? for help using option buttons below

Pcnt: Value: MG/Yr

☺ ☹

Use buttons to select percentage of water supplied OR value

Pcnt: Value: MG/Yr

0.25% ☺ ☹

Pcnt: Value: MG/Yr

5.00% ☺ ☹

Pcnt: Value: MG/Yr

0.25% ☺ ☹

WATER LOSSES (Water Supplied - Authorized Consumption) 923.588 MG/Yr

Apparent Losses

Unauthorized consumption: + ? 9 9.420 MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies: + ? 8 148.187 MG/Yr

Systematic data handling errors: + ? 8 6.838 MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: ? 164.443 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? 759.146 MG/Yr

WATER LOSSES: 923.588 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: ? 1,033.393 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: + ? 9 766.5 miles

Number of active AND inactive service connections: + ? 8 30,928

Service connection density: ? 40 conn./mile main

Are customer meters typically located at the curbside or property line? Yes (length of service line beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line: + ? ? Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: + ? 6 90.0 psi

COST DATA

Total annual cost of operating water system:	+ ? 10	\$12,702,860	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ? 8	\$4.76	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ? 9	\$1,012.00	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 82 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Volume from own sources
- 2: Water imported
- 3: Unauthorized consumption

AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0
 American Water Works Association
 Copyright © 2014, All Rights Reserved

Water Audit Report for: Cleveland Utilities (TN0000117)

Reporting Year: 2015 7/2014 - 6/2015

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 ***

System Attributes:

	Apparent Losses:	164,443	MG/Yr
	+ Real Losses:	759,146	MG/Yr
	= Water Losses:	923,588	MG/Yr
	Unrecoverable Annual Real Losses (UARL):	288,62	MG/Yr
	Annual cost of Apparent Losses:	\$782,748	
	Annual cost of Real Losses:	\$768,255	Valued at Variable Production Cost
			Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:	Non-revenue water as percent by volume of Water Supplied:	27.4%	
	Non-revenue water as percent by cost of operating system:	13.1%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	14.57	gallons/connection/day
	Real Losses per service connection per day:	67.25	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	0.75	gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	759.15	million gallons/year
	Infinite Leakage Index (ILI) [CARL/UARL]:	2.63	

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

CITY OF CLEVELAND, TENNESSEE
 SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
 For the Year Ended June 30, 2015

Table 15

<u>Name</u>	<u>Office</u>	<u>Salary</u>	<u>Amount of Bond</u>
Tom Rowland	Mayor	\$ 12,000	\$ 600,000
George Poe, Jr.	Vice Mayor	7,200	600,000
Richard Banks	Councilman	7,200	0
William Estes	Councilman	7,200	0
Dale Hughes	Councilman	7,200	0
Avery Johnson, Sr.	Councilman	7,200	0
David May, Jr.	Councilman	7,200	0
Charles McKenzie	Councilman	7,200	0
Janice S. Casteel	City Manager	158,659	600,000
Melinda Carroll	Assistant City Manager	94,825	150,000
Shawn McKay	City Clerk	83,460	1,150,000

This page left blank intentionally.

SINGLE AUDIT SECTION

This page left blank intentionally.

CITY OF CLEVELAND, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY
For the Fiscal Year Ended June 30, 2015

PROGRAM	Grantor	CFDA Number	State Grant Number
Federal Grants:			
School Breakfast Program	Dept of Agriculture	10.553 *	N/A
School Lunch Program	Dept of Agriculture	10.555 *	N/A
Commodity Assistance	Dept of Agriculture	10.569	N/A
USDA Equipment	Dept of Agriculture	10.579	N/A
USDA Fresh Fruits and Vegetables	Dept of Agriculture	10.582	N/A
Comprehensive Economic Development Plan	Dept of Commerce	11.306	N/A
Community Development Block Grant	Dept of HUD	14.218	N/A
Emergency Shelter	Dept of HUD	14.231	ESG-09-24
Protective vests	Dept of Justice	16.607	N/A
Edward Byrne Memorial Justice Assistance - 2014	Dept of Justice	16.738	N/A
Airport Construction of T-Hangars	Dept of Transportation	20.106	AERO-13166
Airport Land Acquisition Phase III	Dept of Transportation	20.106	AERO-11160
Jetport Design Construction of 2 T-Hangars	Dept of Transportation	20.106	AERO-15160
Subtotal Program 20.106			
Transportation Planning	Dept of Transportation	20.205	Z-07036293
Intersection Improvement Georgetown Rd	Dept of Transportation	20.205	STP-M-6023
Feasibility Study of 20th St NE	Dept of Transportation	20.205	STP-M-9203
Misc Impr to 17th St	Dept of Transportation	20.205	STP-M--4472
Island Landscaping Phase II	Dept of Transportation	20.205	STP-EN-6021
Subtotal Program 20.205			
High Visibility Enforcement	Dept of Transportation	20.607	Z14GHS066
High Visibility Enforcement	Dept of Transportation	20.607	Z14GHS068
Subtotal Program 20.607			
2015 LSTA Technology Grant	Library & Archives	45.310	N/A
Grants for Clean Water - State Revolving Loan			
- Loan SRF 319	Environmental Protection	66.458 *	N/A
- Principal Forgiveness SRF 319	Agency	66.458 *	N/A
- Loan SRF 320		66.458 *	N/A
Subtotal Program 66.458			
Grants for Drinking Water - State Revolving Loan			
- Loan SRF 319	Environmental Protection	66.468 *	N/A
- Principal Forgiveness SRF 319	Agency	66.468 *	N/A
Subtotal Program 66.468			
Title I Grant to Local Educational Agencies	Dept of Education	84.010 *	N/A
Special Education - Grants to States	Dept of Education	84.027 *	N/A
Special Education - Grants to States	Dept of Education	84.027 *	N/A
Subtotal Program 84.027			
Vocational Improvement	Dept of Education	84.048 *	N/A
Special Education - Preschool Grants	Dept of Education	84.173 *	N/A
English Language Acquisition Enhancement Title III	Dept of Education	84.365	N/A
Teacher and Principal Training & Recruiting Title II-A	Dept of Education	84.367	N/A
SFSF - Race to the Top - ARRA	Dept of Education	84.395	N/A

(Continued)

Balance July 1, 2014	Cash Receipts	Other Additions	Expend- itures	Paid To Grantor	Transfers Out	Balance June 30, 2015
\$ 0	\$ 747,625	\$ 0	\$ 747,625	\$ 0	\$ 0	\$ 0
0	1,829,862	0	1,829,862	0	0	0
0	167,168	0	167,168	0	0	0
0	8,376	0	8,376	0	0	0
0	22,332	0	25,792	0	0	(3,460)
(51,740)	0	0	0	0	0	(51,740)
(186)	161,831	0	161,645	0	0	0
0	86,773	0	86,773	0	0	0
(4,567)	4,567	0	3,445	0	0	(3,445)
0	46,881	0	46,881	0	0	0
\$ (5,603)	\$ 10,284	\$ 0	\$ 4,681	\$ 0	\$ 0	\$ 0
(194,956)	295,231	0	100,275	0	0	0
0	47,223	0	47,223	0	0	0
\$ (200,559)	\$ 352,738	\$ 0	\$ 152,179	\$ 0	\$ 0	\$ 0
\$ (45,382)	\$ 112,225	\$ 0	\$ 121,756	\$ 0	\$ 0	\$ (54,913)
(21,788)	25,048	0	3,260	0	0	0
0	28,731	0	34,960	0	0	(6,229)
0	0	0	22,372	0	0	(22,372)
0	70,683	0	108,567	0	0	(37,884)
\$ (67,170)	\$ 236,687	\$ 0	\$ 290,915	\$ 0	\$ 0	\$ (121,398)
\$ (5,000)	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	4,275	0	5,000	0	0	(725)
\$ (5,000)	\$ 9,275	\$ 0	\$ 5,000	\$ 0	\$ 0	\$ (725)
\$ 0	\$ 3,087	\$ 0	\$ 3,087	\$ 0	\$ 0	\$ 0
\$ 0	\$ 38,070	\$ 0	\$ 38,070	\$ 0	\$ 0	\$ 0
0	37,167	0	37,167	0	0	0
0	1,307,954	0	1,307,954	0	0	0
\$ 0	\$ 1,383,191	\$ 0	\$ 1,383,191	\$ 0	\$ 0	\$ 0
\$ 0	\$ 160,252	\$ 0	\$ 160,252	\$ 0	\$ 0	\$ 0
0	106,834	0	106,834	0	0	0
\$ 0	\$ 267,086	\$ 0	\$ 267,086	\$ 0	\$ 0	\$ 0
(357,739)	2,069,695	0	1,778,729	0	0	(66,773)
\$ (246,959)	\$ 1,383,210	\$ 0	\$ 1,141,749	\$ 0	\$ 0	\$ (5,498)
0	3,347	0	3,347	0	0	0
\$ (246,959)	\$ 1,386,557	\$ 0	\$ 1,145,096	\$ 0	\$ 0	\$ (5,498)
\$ (6,460)	\$ 634,840	\$ 0	\$ 636,423	\$ 0	\$ 0	\$ (8,043)
0	62,720	0	62,720	0	0	0
(4,522)	51,421	0	53,496	0	0	(6,597)
(49,786)	167,818	0	125,286	0	0	(7,254)
(135,442)	256,677	0	205,956	0	0	(84,721)

CITY OF CLEVELAND, TENNESSEE
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY
 For the Fiscal Year Ended June 30, 2015

PROGRAM	Grantor	CFDA Number	State Grant Number
Federal Grants: (Continued)			
Federal Disaster Relief - Utilities	FEMA	97.036	N/A
Federal Disaster Relief - Public Works	FEMA	97.036	N/A
Subtotal Program 97.036			
Total Federal Grants			
State Grants:			
Safe Schools Act	Dept of Education	N/A	N/A
Coordinated School Health	Dept of Education	N/A	N/A
Lottery for Education - Afterschool Programs	Dept of Education	N/A	N/A
2015 Tech Grant TSLA	TN State Library & Archives	N/A	N/A
Disaster Relief - Utilities	TEMA	N/A	N/A
Disaster Relief - Public Works	TEMA	N/A	N/A
Jetport Maintenance	Dept of Transportation	N/A	AERM-15106
Jetport Phase III	Dept of Transportation	N/A	AERO-11160
Jetport Lighting Grant	Dept of Transportation	N/A	AERO-12216
Jetport Engineering/Construction T-Hangars	Dept of Transportation	N/A	AERO-13166
Jetport Construction Phase III	Dept of Transportation	N/A	GG1237936
Jetport South Side Corp Area Development	Dept of Transportation	N/A	AERO-13239
Jetport Gas Line Grant	Dept of Transportation	N/A	AERO-13167
Jetport Layout Plan Update and Exhibit A	Dept of Transportation	N/A	AERO-14100
Jetport Environmental Monitoring	Dept of Transportation	N/A	AERO-14101
Airport Hardwick Field Disposition	Dept of Transportation	N/A	AERO-14102
Jetport Runway Extension Justification Study	Dept of Transportation	N/A	AERO-14215
Jetport Design/Construction of Apron	Dept of Transportation	N/A	AERO-15159
Jetport Design/Construction of 2 T-Hangars	Dept of Transportation	N/A	AERO-15160
Community Based Special Litter Grant	Dept of Transportation	N/A	N/A
Local Interstate Connector, Stone Lake Rd	Dept of Transportation	N/A	113131
Multi-Modal Access Grant	Dept of Transportation	N/A	140160
Grants for Clean Water State Revolving Loan:			
- Loan SRF 319	Dept of Environment	N/A	N/A
- Principal Forgiveness SRF 319	Dept of Environment	N/A	N/A
- Loan SRF 320	Dept of Environment	N/A	N/A
Grants for Drinking Water State Revolving Loan:			
- Loan SRF 14-151	Dept of Environment	N/A	N/A
- Principal Forgiveness SRF 14-151	Dept of Environment	N/A	N/A
Local Park and Recreation Fund - Mosby Pool	Dept of Environment	N/A	35465
Clean Tennessee Energy Grant	Dept of Environment	N/A	35882
Total State Grants			

Total Federal and State Financial Assistance Activity

*Denotes major programs

(Continued)

Balance July 1, 2014	Cash Receipts	Other Additions	Expend- itures	Paid To Grantor	Transfers Out	Balance June 30, 2015
\$ (584,930)	\$ 266,447	\$ 0	\$ 0	\$ 0	\$ 0	\$ (318,483)
(189,447)	58,442	0	0	0	0	(131,005)
\$ (774,377)	\$ 324,889	\$ 0	\$ 0	\$ 0	\$ 0	\$ (449,488)
\$ (1,904,507)	\$ 10,282,096	\$ 0	\$ 9,186,731	\$ 0	\$ 0	\$ (809,142)
\$ 0	\$ 26,360	\$ 0	\$ 26,360	\$ 0	\$ 0	\$ 0
(36,249)	124,047	0	125,000	0	0	(37,202)
(65,268)	191,471	0	177,680	0	0	(51,477)
0	1,230	0	1,230	0	0	0
(97,602)	39,814	0	0	0	0	(57,788)
(8,733)	8,733	0	0	0	0	0
(1,534)	7,056	0	7,783	0	0	(2,261)
0	149,703	0	152,356	0	0	(2,653)
(1,337)	0	0	2,700	0	0	(4,037)
(311)	571	0	260	0	0	0
(69,902)	2,062	0	2,062	0	0	(69,902)
(3,851)	472,866	0	469,015	0	0	0
0	52,264	0	57,016	0	0	(4,752)
0	6,557	0	6,557	0	0	0
0	27,297	0	27,297	0	0	0
(30,875)	48,169	0	22,892	0	0	(5,598)
0	54,739	0	54,739	0	0	0
0	53,312	0	72,765	0	0	(19,453)
0	2,624	0	2,624	0	0	0
0	11,896	0	23,840	0	0	(11,944)
(210,649)	216,841	0	6,947	0	0	(755)
0	0	0	23,750	0	0	(23,750)
0	97,905	0	97,905	0	0	0
0	7,435	0	7,435	0	0	0
0	177,748	0	177,748	0	0	0
0	352,574	0	352,574	0	0	0
0	21,372	0	21,372	0	0	0
(15,852)	173,649	0	157,797	0	0	0
(41,309)	41,309	0	0	0	0	0
\$ (583,472)	\$ 2,369,604	\$ 0	\$ 2,077,704	\$ 0	\$ 0	\$ (291,572)
\$ (2,487,979)	\$ 12,651,700	\$ 0	\$ 11,264,435	\$ 0	\$ 0	\$ (1,100,714)

This page left blank intentionally.

ARNETT, KIRKSEY, KIMSEY, SULLIVAN, LAY & HALL, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

RONALD E. ARNETT, CPA/PFS, CVA
WILLIAM B. KIRKSEY, CPA
BUDDY E. KIMSEY, CPA/PFS
VICKI PIERCE SULLIVAN, CPA
MARK A. LAY, CPA
SCOTT D. HALL, CPA

ANGELA D. KEY, CPA
CALEB J. PEACOCK, CPA

WEDGEWOOD OFFICE PARK
4395 N. OCOEE STREET
CLEVELAND, TENNESSEE 37312

TELEPHONE: (423) 476-5581
FACSIMILE: (423) 472-9893
EMAIL: cpa@akkslh.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL ASSOCIATION OF
CERTIFIED VALUATION ANALYSTS

INDEPENDENT AUDITORS' 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 the City of Cleveland, Tennessee as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Cleveland, Tennessee's basic financial statements and have issued our report thereon dated December 10, 2015.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cleveland, Tennessee's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Arnett, Kirksey, Kimsey, Sullivan, Lay & Hall
ARNETT, KIRKSEY, KIMSEY, SULLIVAN, LAY & HALL, PLLC
Certified Public Accountants

December 10, 2015

ARNETT, KIRKSEY, KIMSEY, SULLIVAN, LAY & HALL, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

RONALD E. ARNETT, CPA/PFS, CVA
WILLIAM B. KIRKSEY, CPA
BUDDY E. KIMSEY, CPA/PFS
VICKI PIERCE SULLIVAN, CPA
MARK A. LAY, CPA
SCOTT D. HALL, CPA

ANGELA D. KEY, CPA
CALEB J. PEACOCK, CPA

WEDGEWOOD OFFICE PARK
4395 N. OCOEE STREET
CLEVELAND, TENNESSEE 37312

TELEPHONE: (423) 476-5581
FACSIMILE: (423) 472-9893
EMAIL: cpa@akkslh.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL ASSOCIATION OF
CERTIFIED VALUATION ANALYSTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Cleveland, Tennessee's compliance with the types of compliance requirements described in the OMB Circular A-133 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, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Our responsibility is to express an opinion on compliance for each of the City of Cleveland, Tennessee's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of the 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cleveland, Tennessee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Cleveland, Tennessee's compliance.

Opinion on Each Major Federal Program

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, 2015.

Internal Control Over Compliance

Management of the City of Cleveland, Tennessee is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning our audit of compliance, we considered the City of Cleveland, Tennessee's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland, Tennessee's 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Arnett, Kirksey, Kimsey, Sullivan, Lay & Hall
ARNETT, KIRKSEY, KIMSEY, SULLIVAN, LAY & HALL, PLLC
Certified Public Accountants

December 10, 2015

CITY OF CLEVELAND, TENNESSEE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified 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 significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements.
4. No significant deficiencies relating to the audit of the major federal award programs were reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that were required to be reported under Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:

	CFDA#
Title I Grants to Local Educational Agencies	84.010
Vocational Improvement	84.048
(Cluster)	
Special Education - Grants to States	84.027
Special Education - Preschool Grants	84.173
(Cluster)	
School Breakfast Program	10.553
School Lunch Program	10.555
Grants for Clean Water - State Revolving Loan	66.458
Grants for Drinking Water - State Revolving Loan	66.468

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The City of Cleveland, Tennessee, was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. Department of Education:

Title I Grants to Local Educational Agencies	84.010
Vocational Improvement	84.048
Special Education - Grants to States	84.027
Special Education - Preschool Grants	84.173

NONE

U.S. Department of Agriculture:

School Breakfast Program	10.553
School Lunch Program	10.555

NONE

U.S. Department of Environmental Protection

Grants for Clean Water - State Revolving Loan	66.458
Grants for Drinking Water - State Revolving Loan	66.468

NONE