

CITY OF CLEVELAND

TENNESSEE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

CITY OF CLEVELAND, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

Prepared by:
Department of Finance

CITY OF CLEVELAND, TENNESSEE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION

City of Cleveland

CLEVELAND, TENNESSEE

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December 31, 2019

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, 2019.

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

The City of Cleveland's financial statements have been audited by 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, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and

evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Cleveland's financial statements, for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY OF CLEVELAND

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

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

The city provides a full range of services which include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. In addition to general government activities, the governing body exercises, or has the authority to exercise, oversight of the Utilities Department and the Cleveland City Schools; therefore, these

activities are included in the financial statements. However, the Cleveland Housing Authority, the Bradley/Cleveland Industrial Development Board and the Health and Educational Facilities Board have not met the established criteria for inclusion; and, accordingly, are excluded from this report.

The annual budget serves as the foundation for the City of Cleveland's financial planning and control. All departments of the city are required to submit capital requests by December 31st and operating budget requests to the chief financial officer by March 1st each year. The chief financial officer makes revenue estimates for the upcoming fiscal year. A budget work session is held in late March or early April, at which time department heads and the city manager make presentations to the council. The chief financial officer and city manager provide projections for the current fiscal year's budget and the coming year's proposed operating budget for council review. In addition, the city manager presents the council with his recommendation for a six-year capital improvements program based upon the strategic planning session in January held by the city council, city manager, and department heads. After much review and debate among the council, the budget is revised to include any recommendations of the city council. A proposed budget is submitted to the city council by the second council meeting in May. The council is required to hold public hearings on the proposed budget and to adopt a final budget and tax rate by June 30th each year, which is the close of the city's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Departmental budget officers, with approval of the department head and finance director, may make transfers of appropriations within a department. However, transfers of appropriations between funds require approval of the city council. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 22-49 as part of the basic financial statements for the governmental funds. The school fund comparison is presented on pages 50-59. For nonmajor governmental funds, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 129.

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.

The Milken Institute Best Performing Cities ranked Cleveland 157th overall in the small cities category. The city ranked 42nd for five-year job growth and 39th for five-year wage/salary growth.

In Newgeography.com's Best Cities for Job Growth, Cleveland ranked the highest in the state in the small cities category and fourth among all metro areas behind Nashville, Chattanooga and Knoxville.

According to Garner Economics, LLC, Cleveland's median household income was \$48,101, a 6.0% increase over a five-year period. Labor force participation was 60.6% and the employment to population ratio was 56.7%, a 4.1% change.

Manufacturing in Cleveland/Bradley County represents 18.3% of the total employment in the community compared to 11.4% in Tennessee and 8.5% in the United States.

Cleveland's strong economy is evidenced by the following:

- Mars Wrigley Confectionery announced a \$139.2 million capital investment in its Peerless Road facility. This project will result in the creation of 79 new full-time positions with a weighted average hourly wage of \$21.50.
- Duracell announced a 20,000 square foot expansion to their Mouse Creek Road facility, representing a \$40 million investment. Upon completion, the facility will add 30 new full-time jobs.
- Triumph Sheets, LLC acquired a vacant warehouse on Old Tasso Road and began renovations to produce corrugated metal. Upon completion, this \$44 million investment will initially provide 50 full-time jobs.
- Lee University continued to enhance their campus with the completion of the Parker Avenue beautification project. The 119-acre campus serves over 5,300 students from 48 states and 52 countries.
- Tourism topped \$148.4 million in visitor spending, a 4.6% increase over the previous year. Visitors generated \$12.3 million in local and state sales tax.
- Various commercial developments valued at \$48.3 million have begun during FY2019. This compares to \$52.4 million in FY2018. New residential development totaled \$29.8 million compared to \$34.9 million for FY2018.

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

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

The Mayor Tom Rowland Interchange officially opened connecting Cherokee Gateway to APD 40 and Interstate 75. Retail development is expected on approximately 370 acres along this corridor. The City anticipates 2,200 jobs will be created by this development with a payroll of \$59.6 million.

Financial Policies

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

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

These policies along with Cleveland's budgetary flexibility and strong liquidity 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, 2018. This was the thirty-first 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 twenty 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
Assistant City Manager/Chief Financial Officer



Joe Fivas
City Manager



Government Finance Officers Association

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

Presented to

**City of Cleveland
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF CLEVELAND, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OFFICIALS
June 30, 2019

Kevin Brooks
Mayor

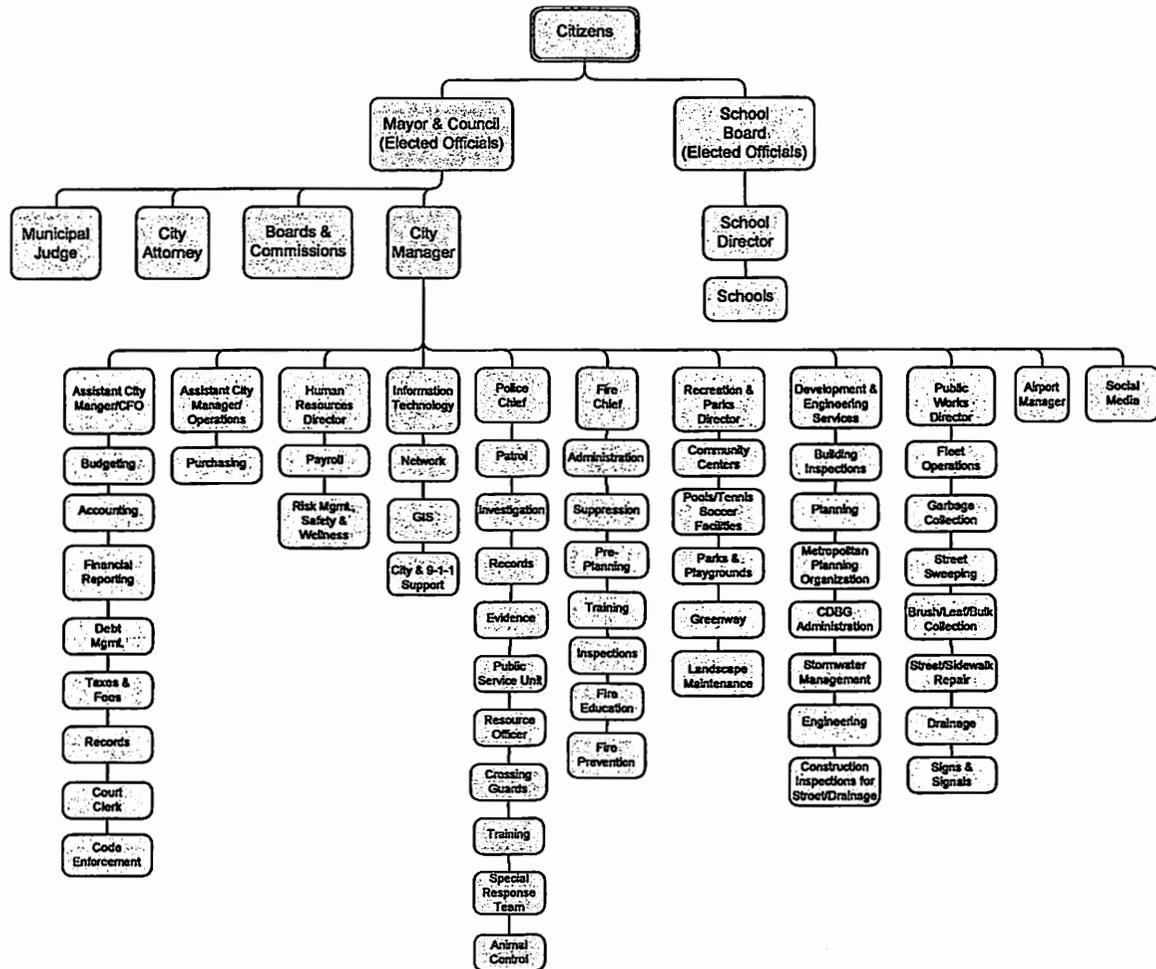
Tom Cassada	Councilman
William Estes	Councilman
Dale Hughes	Councilman
Avery Johnson, Sr.	Councilman
David May, Jr.	Councilman
Charlie McKenzie	Councilman
Ken Webb	Councilman

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

Department Heads

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

City of Cleveland Organizational Chart



FINANCIAL SECTION

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

WILLIAM B. KIRKSEY, CPA
BUDDY E. KIMSEY, CPA/PFS
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SCOTT D. HALL, CPA
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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2019, 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.

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 110 through 120 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 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and 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 18, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 18, 2019

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, 2019. 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, 2019 by \$279,587,030 (net position).
- Net position (defined as the difference in revenues and expenses) increased by \$27,249,712. The City of Cleveland's changes in net position is detailed in the chart on page eight of this report. Total revenues decreased \$396,226 which included decreases in capital grants for education and public works. Expenses decreased \$8,314,774 from last fiscal year primarily in education, general government and public works projects.
- The city's property tax rate remained at \$2.060 per hundred dollars of assessment. This maintains the current level of services for city residents.
- 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 \$42,637,876.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$16,638,164. Expenditures do not include transfers to other funds, which totaled \$14,747,493 in the city's general fund.
- Long-term debt increased approximately \$12,609,063.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The City of Cleveland maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, school fund and capital improvement fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements later in this report beginning on page 121.

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 20-59 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 60-63 of this report.

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

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

The fiduciary fund financial statements can be found on pages 64-65 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 66-109 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Cleveland's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 110-120 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 121-152 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 \$279,587,030 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>	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
Current assets	\$84,065,161	\$82,478,159	\$48,955,103	\$41,670,250	\$133,020,264	\$124,148,409
Receivables and other noncurrent assets	2,347,979	297,026	2,808,343	2,801,555	5,156,322	3,098,581
Deferred charges	0	0	0	0	0	0
Capital assets	227,117,525	208,627,180	211,604,784	204,269,968	438,722,309	412,897,148
Total assets	313,530,665	291,402,365	263,368,230	248,741,773	576,898,895	540,144,138
Total deferred outflows of Resources	13,941,212	13,141,175	8,907,935	8,693,032	22,849,147	21,834,207
Long-term liabilities Outstanding	146,364,736	139,683,866	97,074,896	90,228,272	243,439,632	229,912,138
Other liabilities	11,379,557	14,727,490	24,102,864	23,886,281	35,482,421	38,613,771
Total liabilities	157,744,293	154,411,356	121,177,760	114,114,553	278,922,053	268,525,909
Total deferred inflows of Resources	39,036,103	38,813,662	2,202,856	2,301,456	41,238,959	41,115,118
Net position:						
Net investment in capital assets	138,614,753	128,504,578	140,264,453	141,210,570	278,879,206	269,715,148
Restricted	14,863,506	5,292,915	0	0	14,863,506	5,292,915
Unrestricted	(22,786,778)	(22,478,971)	8,631,096	(191,774)	(14,155,682)	(22,670,745)
Total net position	\$130,691,481	\$111,318,522	\$148,895,549	\$141,018,796	\$279,587,030	\$252,337,318

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

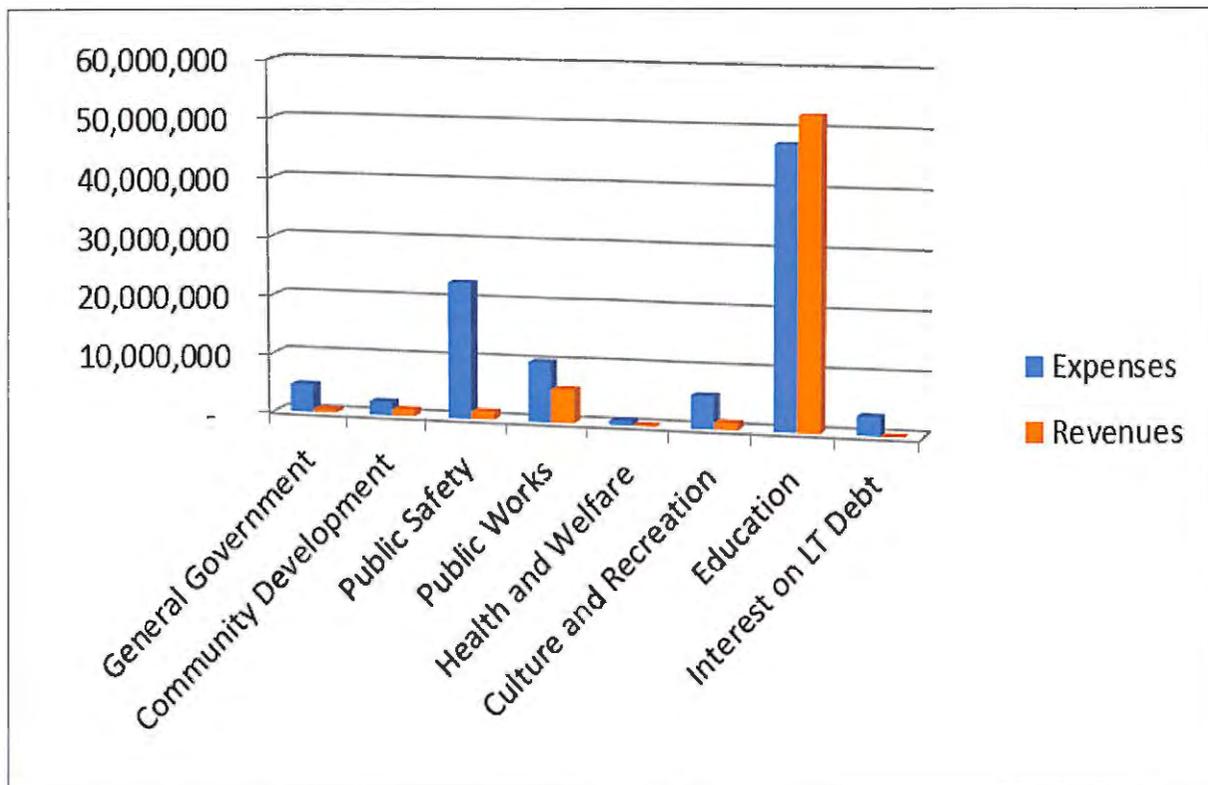
Governmental activities. Governmental activities increased the City of Cleveland's net position by \$19,372,959 detailed as follows:

City of Cleveland's Changes in Net Position

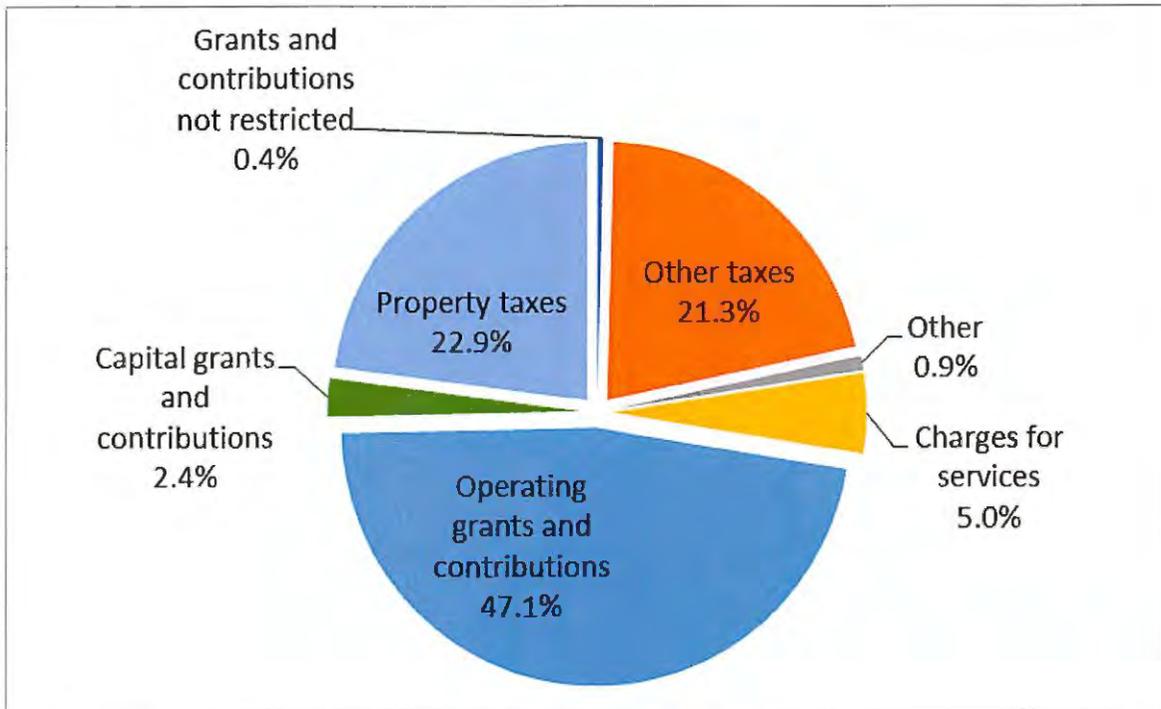
	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>
Revenues:						
Program revenues:						
Charges for services	\$5,715,943	\$5,577,962	\$133,855,712	\$131,367,822	\$139,571,655	\$136,945,784
Operating grants and Contributions	53,664,483	52,477,210	226,316	108,040	53,870,799	52,585,250
Capital grants and contributions	2,745,004	8,548,702	619,693	648,269	3,364,697	9,196,971
General revenues:						
Property taxes	26,096,750	26,342,150	0	0	26,096,750	26,342,150
Other taxes	24,224,523	23,226,269	0	0	24,224,523	23,226,269
Grants and contributions not restricted to specific programs	435,038	394,864	0	0	435,038	394,864
Other	1,040,359	559,594	650,157	399,322	1,690,516	958,916
Total revenues	113,902,100	117,126,751	135,531,878	132,523,453	249,253,978	249,650,204
Expenses:						
General government	4,756,220	8,987,210	0	0	4,756,220	8,987,210
Planning and inspection	2,302,965	2,621,363	0	0	2,302,965	2,621,363
Public safety	23,014,134	21,827,824	0	0	23,014,134	21,827,824
Public works	10,091,513	13,599,981	0	0	10,091,513	13,599,981
Health and welfare	690,927	710,483	0	0	690,927	710,483
Culture and recreation	5,572,087	3,814,500	0	0	5,572,087	3,814,500
Education	47,636,980	54,436,127	0	0	47,636,980	54,436,127
Interest on long-term debt	3,183,652	3,216,493	0	0	3,183,652	3,216,493
Water and sewer	0	0	26,551,551	25,034,761	26,551,551	25,034,761
Electric	0	0	97,971,476	95,471,898	97,971,476	95,471,898
Stormwater	0	0	452,761	598,400	452,761	598,400
Total expenses	97,248,478	109,213,981	124,755,788	121,105,059	222,004,266	230,319,040
Increase (decrease) in net position before transfers	16,653,622	7,912,770	10,596,090	11,418,394	27,249,712	19,331,164
Transfers	2,719,337	2,641,293	(2,719,337)	(2,641,293)	0	0
Increase (decrease) in net position	19,372,959	10,554,063	7,876,753	8,777,101	27,249,712	19,331,164
Net position – beginning	111,318,522	124,113,665	141,018,796	138,305,617	252,337,318	262,419,282
Cumulative effect of change in accounting principal	0	(23,349,206)	0	(6,063,922)	0	(29,413,128)
Net position – restated	111,318,522	100,764,454	141,018,796	132,241,695	252,337,318	233,006,154
Net position – ending	\$130,691,481	\$111,318,522	\$148,895,549	\$141,018,796	\$279,587,030	\$252,337,318

- The city's property tax rate remained at \$2.060 per \$100 of assessed value in fiscal year 2019. Tax revenues increased \$752,854 from FY2018.
- Operating grants and contributions increased \$1,285,549 due to a combination of increases in federal, state and local funds received for education, public works and recreation.
- Capital grants and contributions decreased \$5,832,274 relating to public works projects and educational funding.
- Cleveland's second largest revenue source is local sales tax which increased \$884,788. 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 \$8,314,774 primarily for general government, education and public works.

Expenses and Program Revenues – Governmental Activities



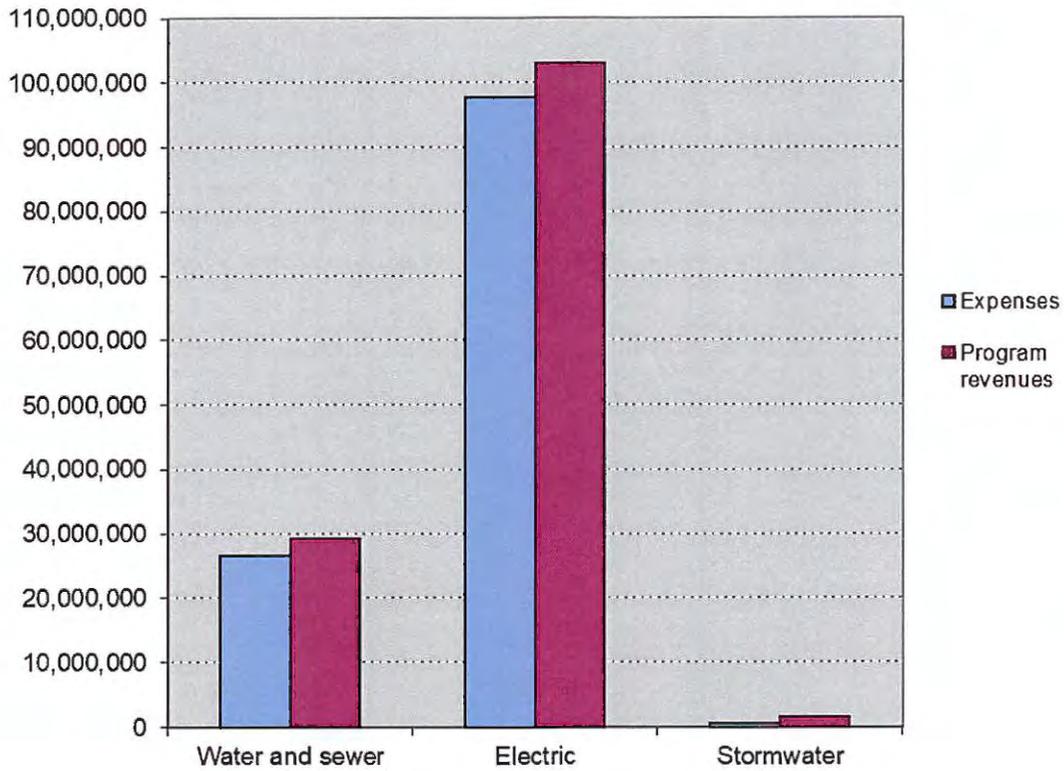
Revenues by Source – Governmental Activities



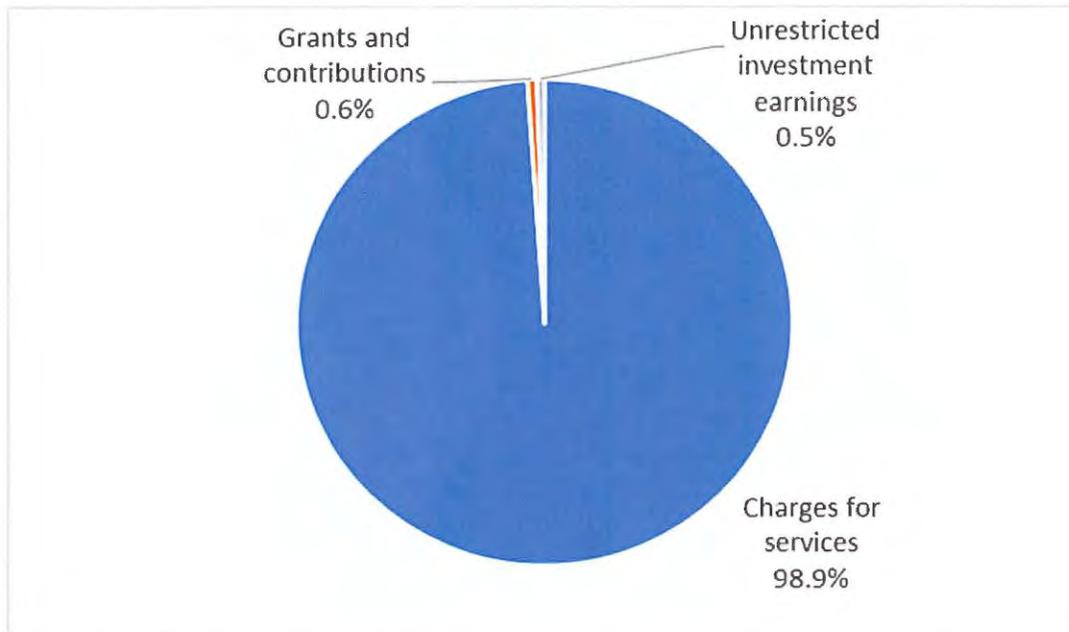
Business-type activities. Business-type activities increased the City of Cleveland's net position by \$7,876,753.

- Charges for services increased \$2,487,890. This increase is attributed primarily to the electric division operations of Cleveland Utilities.
- Capital grants and contributions decreased \$28,576 primarily for electric projects.
- Expenses for business-type activities increased \$3,650,729. The most significant changes in expenses were in the electric operation of Cleveland Utilities.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City of Cleveland's governmental funds reported combined ending fund balances of \$42,637,876, an increase of \$4,559,305. The combined fund balance is broken down as follows:

- \$728,117 is non-spendable consisting of inventories and permanent fund principal
- \$12,041,894 is restricted for limited use in law enforcement, community development, street improvements, recycling, capital outlay, education and animal control
- \$784,396 is committed by the City Council for use by Solid Waste Management
- \$12,445,305 is assigned for designated use for education, the library, debt service and capital outlay
- \$16,638,164 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 \$16,638,164. Unassigned fund balance represents 47.7% of general fund expenditures. However, the unassigned fund balance only represents 33.5% when compared to general fund expenditures and transfers to other funds (e.g., debt service and schools).

The fund balance of the City of Cleveland's general fund increased \$2,641,265 during the current fiscal year. City revenues were \$542,396 higher than final budgeted amounts. City departments kept expenditures under budget by \$1,888,308. The fund balance of the School Fund decreased \$4,456,665.

The debt service fund has a total fund balance of \$6,837,424. The net increase in fund balance during the current year was \$1,609,949.

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 \$457,938 for the Cleveland Utilities Water Division, \$5,879,267 for Cleveland Utilities Electric Division, \$2,293,891 for Stormwater Management and \$798,840 for the Health Insurance Trust Fund.

General Fund Budgetary Highlights

General fund revenues were amended during the year to increase \$627,364. General fund expenditures were amended to increase \$300,259 distributed among several departments. Departmental budget officers closely monitored expenditures during the fiscal year to minimize budget amendments.

Actual revenues exceeded the final amended budget by \$542,396. This was primarily due to higher tax collections.

Differences between the final amended budget and actual expenditures were \$1,888,308. Vacancies in some departments and reductions in spending throughout all departments accounted for this.

Capital Asset and Debt Administration

Capital assets. The City of Cleveland's investment in capital assets for its governmental and business type activities as of June 30, 2019 amounts to \$438,722,309 (net of accumulated depreciation), which is a \$25,825,161 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 \$180,170 in equipment.
- Public Safety added \$3,127,233 in police patrol units, equipment and buildings for the fire department.
- Public Works added \$1,256,282 primarily in road, sidewalk, and drainage infrastructure.
- Parks and Recreation added \$1,341,118 in parks and recreation center improvements.
- Cleveland City Schools added \$13,367,112 in buildings and equipment.

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

	Governmental Activities		Business-type Activities		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
Land	\$ 37,347,873	\$ 37,347,873	\$ 2,203,310	\$ 2,155,227	\$ 39,551,183	\$ 39,503,100
Buildings and Systems	94,941,949	82,380,137	195,730,403	186,366,222	290,672,352	268,746,359
Improvements other than buildings	13,789,651	13,023,254	0	0	13,789,651	13,023,254
Furniture, fixtures, equipment & vehicles	9,511,334	10,332,792	0	0	9,511,334	10,332,792
Infrastructure	43,437,595	43,983,284	0	0	43,437,575	43,983,284
Construction in Progress	28,089,143	21,559,840	13,671,071	15,748,519	41,760,214	37,308,359
Total	\$227,117,525	\$208,627,180	\$211,604,784	\$204,269,968	\$438,722,309	\$412,897,148

Additional information on the City of Cleveland's capital assets can be found in Note 4 on pages 79-80 of this report.

Long-term debt. At the end of the current fiscal year, the City of Cleveland had total debt outstanding of \$160,264,536. Of this amount, \$53,217,000 comprises bonds backed solely by the full faith and credit of the city. The city also issues bonds secured by specified revenue sources (i.e., revenue bonds); however, in the event of default, the full faith and credit of the city are irrevocably pledged. The city had \$36,025,000 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 \$21,253,921 for city general projects and \$33,912,191 for Cleveland Utilities. The City also has a capital leases for energy upgrades, computers and lighting for the City Schools and mowing equipment for the recreation department in the amount of \$8,103,790.

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	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
General obligation bonds	53,217,000	48,758,000	0	0	53,217,000	48,758,000
Long-term notes issued through various agencies in TN	21,253,921	26,693,400	33,912,191	28,376,768	55,166,112	55,070,168
Capital leases	8,103,790	8,519,859	0	0	8,103,790	8,519,859
Revenue bonds	0	0	36,025,000	35,125,000	36,025,000	35,125,000
Less bond discount/ Premiums	6,043,204	96,946	1,709,430	85,501	7,752,634	182,447
Less Deferred Charges for refunding	0	0	0	0	0	0
Total	<u>88,617,915</u>	<u>84,068,205</u>	<u>71,646,621</u>	<u>63,587,269</u>	<u>160,264,536</u>	<u>147,655,474</u>

During 2019, the city issued bonds in the principal amount of \$9,885,000 to fund the construction of a new elementary school.

Cleveland Utilities entered into loan agreements with the State of Tennessee Revolving Loan Fund totaling \$1,730,000 to finance construction of a wastewater collection plant for the annexed properties of Durkee Road. Cleveland Utilities also issued bonds in the principal amount of \$5,720,000 for making improvements to both the electric and water systems.

The city, in conjunction with Cleveland Utilities, issued bonds in the principal amount of \$48,650,000 to refund the balance of the 2009C, 2009D, 2014 and 2014A bonds and notes that had a combined outstanding balance of \$55,268,000. Further details about the city's long-term debt are included in Note 6 on pages 77-81.

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

State statutes do not limit the amount of general obligation debt a governmental entity may issue; however, the city has adopted a financial policy which limits long-term debt to 10 percent of its total assessed valuation. This calculation does not include revenue bonds issued for improvements in the electric and water systems. The city's legal debt margin at June 30, 2019 is \$49,830,203 and is calculated on page 185 of this report.

Economic Factors and Next Year's Budget and Rates

- The June 2019 unemployment rate for Cleveland was 4.4 percent, which remains the same as June 2018. Bradley County's unemployment rate also remained the same at 4.3 percent. Tennessee's average unemployment rate was 3.4 percent and the national average rate was 3.7 percent.
- The city qualifies as an Entitlement Community for the CDBG program due to designation as a principal city in a Metropolitan Statistical Area (MSA).
- State sales tax revenue increased 3.7 percent over FY2018. This combined with strong demand for housing and increased retail development continues to strengthen the local economy.

All of these factors were considered in preparing the city's budget for the 2020 fiscal year. Management has again been conservative in estimating revenues for 2020.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 39,419,426	\$ 27,989,878	\$ 67,409,304
Cash and cash equivalents - restricted	18	8,601	8,619
Investments	239,254	0	239,254
Investments - restricted	459,936	0	459,936
Accounts receivable - net	1,031,144	19,699,322	20,730,466
Property taxes receivable - net	27,887,495	0	27,887,495
Sales tax receivable	3,534,693	0	3,534,693
Due from other government agencies	9,918,381	0	9,918,381
Internal balances	1,320,333	(1,320,333)	0
Inventories	230,347	2,357,654	2,588,001
Prepays	24,134	219,981	244,115
Total current assets	\$ 84,065,161	\$ 48,955,103	\$ 133,020,264
Noncurrent assets:			
Receivable from customers for conservation loans	\$ 0	\$ 1,220,669	\$ 1,220,669
Other noncurrent assets	0	1,587,674	1,587,674
Net pension asset - restricted	2,347,979	0	2,347,979
Capital assets:			
Land and construction in progress	65,437,016	15,874,381	81,311,397
Other capital assets, net of accumulated depreciation	161,680,509	195,730,403	357,410,912
Total noncurrent assets	\$ 229,465,504	\$ 214,413,127	\$ 443,878,631
Total Assets	\$ 313,530,665	\$ 263,368,230	\$ 576,898,895
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ 170,141	\$ 483,571	\$ 653,712
Deferred outflows - pensions	12,126,148	6,956,007	19,082,155
Deferred outflows - opeb	1,644,923	1,468,357	3,113,280
Total Deferred Outflows of Resources	\$ 13,941,212	\$ 8,907,935	\$ 22,849,147

	Primary Government		
	Governmental Activities	Business- type Activities	Total
LIABILITIES			
Current liabilities:			
Accrued liabilities	\$ 4,340,070	\$ 3,616,003	\$ 7,956,073
Accounts payable	1,704,688	11,277,372	12,982,060
Customer deposits	0	3,660,758	3,660,758
Bonds, notes and capital leases - current	5,148,934	5,548,731	10,697,665
Compensated absences payable - current	185,865	0	185,865
Total current liabilities	<u>\$ 11,379,557</u>	<u>\$ 24,102,864</u>	<u>\$ 35,482,421</u>
Long-term liabilities:			
Conservation advances from TVA	\$ 0	\$ 1,262,327	\$ 1,262,327
Bonds, notes and capital leases payable	83,468,981	66,097,890	149,566,871
Compensated absences payable	2,137,447	0	2,137,447
Post-employment benefits payable	48,505,069	15,964,495	64,469,564
Net pension liability	12,253,239	13,750,184	26,003,423
Total long-term liabilities	<u>\$ 146,364,736</u>	<u>\$ 97,074,896</u>	<u>\$ 243,439,632</u>
Total Liabilities	<u>\$ 157,744,293</u>	<u>\$ 121,177,760</u>	<u>\$ 278,922,053</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 32,345,566	\$ 0	\$ 32,345,566
Deferred revenue - other	48,291	0	48,291
Deferred charge on refunding	55,018	185,880	240,898
Deferred inflows - pensions	3,830,558	566,939	4,397,497
Deferred inflows - opeb	2,756,670	1,450,037	4,206,707
Total Deferred Inflows of Resources	<u>\$ 39,036,103</u>	<u>\$ 2,202,856</u>	<u>\$ 41,238,959</u>
NET POSITION			
Net investment in capital assets	\$ 138,614,753	\$ 140,264,453	\$ 278,879,206
Restricted for:			
Law enforcement	183,027	0	183,027
Community development - federal grants	78,447	0	78,447
Street improvements	1,444,186	0	1,444,186
Capital outlay	10,277,207	0	10,277,207
Recycling	3,981	0	3,981
Education	9,474	0	9,474
Animal Control	45,572	0	45,572
Pension	2,347,976	0	2,347,976
Perpetual care:			
Nonexpendable	473,636	0	473,636
Unrestricted	(22,786,778)	8,631,096	(14,155,682)
Total Net Position	<u>\$ 130,691,481</u>	<u>\$ 148,895,549</u>	<u>\$ 279,587,030</u>

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
						Primary Government	
Primary government:							
Governmental activities:							
General government	\$ 4,756,220	\$ 380,665	\$ 159,551	\$ 0	\$ (4,216,004)	\$ 0	\$ (4,216,004)
Development and engineering	2,302,965	439,059	424,724	206,552	(1,232,630)	0	(1,232,630)
Public safety	23,014,134	1,131,795	155,568	11,441	(21,715,330)	0	(21,715,330)
Public works	10,091,513	3,177,659	1,452,380	1,026,484	(4,434,990)	0	(4,434,990)
Health and welfare	690,927	51,438	140	0	(639,349)	0	(639,349)
Culture and recreation	5,572,087	177,353	694,057	274,145	(4,426,532)	0	(4,426,532)
Education	47,636,980	357,974	50,758,063	1,226,382	4,705,439	0	4,705,439
Interest on long-term debt	3,183,652	0	0	0	(3,183,652)	0	(3,183,652)
Total governmental activities	\$ 97,248,478	\$ 5,715,943	\$ 53,644,483	\$ 2,745,004	\$ (35,143,048)	\$ 0	\$ (35,143,048)
Business-type activities:							
Water and sewer	\$ 26,551,551	\$ 29,178,469	\$ 0	\$ 348,439	\$ 0	\$ 2,975,357	\$ 2,975,357
Electric	97,751,476	103,154,714	226,316	271,254	0	5,900,808	5,900,808
Stormwater management	452,761	1,522,529	0	0	0	1,069,768	1,069,768
Total business-type activities	\$ 124,755,788	\$ 133,855,712	\$ 226,316	\$ 619,693	\$ 0	\$ 9,945,933	\$ 9,945,933
Total primary government	\$ 222,004,266	\$ 139,571,655	\$ 53,870,799	\$ 3,364,697	\$ (35,143,048)	\$ 9,945,933	\$ (25,197,115)
General revenues:							
Property taxes					\$ 26,096,750	\$ 0	\$ 26,096,750
Interest and penalty on taxes					224,048	0	224,048
In lieu of taxes					490,530	0	490,530
Local sales tax					14,495,529	0	14,495,529
Wholesale beer tax					1,466,678	0	1,466,678
Gross receipts tax					1,353,244	0	1,353,244
Franchise tax					903,349	0	903,349
State sales tax - unrestricted					3,714,029	0	3,714,029
Other state taxes - unrestricted					1,577,116	0	1,577,116
Grants and contributions not restricted to specific programs					435,038	0	435,038
Unrestricted investment earnings					987,484	650,157	1,637,641
Gain on disposal of capital assets					52,875	0	52,875
Transfers					2,719,337	(2,719,337)	0
Total general revenues and transfers					\$ 54,516,007	\$ (2,069,180)	\$ 52,446,827
Change in net position					\$ 19,372,959	\$ 7,876,753	\$ 27,249,712
Net position - beginning					111,318,522	141,018,796	252,337,318
Net position - ending					\$ 130,691,481	\$ 148,895,549	\$ 279,587,030

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

CITY OF CLEVELAND, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	School Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 13,840,827	\$ 6,648,690	\$ 17,954,006	\$ 38,443,523
Cash and cash equivalents - restricted	0	18	0	18
Investments	0	0	239,254	239,254
Investments - restricted	0	0	459,936	459,936
Accounts receivable - net	809,826	0	221,317	1,031,143
Property taxes receivable - net	27,887,495	0	0	27,887,495
Sales tax receivable	2,466,643	1,068,050	0	3,534,693
Due from other government agencies	978,903	6,752,639	2,186,839	9,918,381
Due from other funds	0	0	1,320,333	1,320,333
Inventories	230,347	0	0	230,347
Prepays	649	0	23,485	24,134
Total Assets	\$ 46,214,690	\$ 14,469,397	\$ 22,405,170	\$ 83,089,257
LIABILITIES				
Accrued liabilities	\$ 941,800	\$ 2,924,767	\$ 291,974	\$ 4,158,541
Accounts payable	196,544	652,437	678,641	1,527,622
Unearned revenue	34,650	0	13,641	48,291
Total Liabilities	\$ 1,172,994	\$ 3,577,204	\$ 984,256	\$ 5,734,454
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - current property taxes	\$ 25,921,708	\$ 6,423,856	\$ 0	\$ 32,345,564
Unavailable revenue - delinquent property taxes	1,855,915	122,467	0	1,978,382
Unavailable revenue - other	385,713	7,268	0	392,981
Total Deferred Inflows of Resources	\$ 28,163,336	\$ 6,553,591	\$ 0	\$ 34,716,927
FUND BALANCES				
Nonspendable:				
Inventory	\$ 230,347	\$ 0	\$ 0	\$ 230,347
Prepaid items	649	0	23,485	24,134
Permanent fund principal	0	0	473,636	473,636
Restricted for:				
Law enforcement	0	0	183,027	183,027
Community development - federal grants	0	0	78,447	78,447
Street improvements	0	0	1,444,186	1,444,186
Recycling	0	0	3,981	3,981
Capital outlay	9,200	0	10,268,007	10,277,207
Education	0	9,474	0	9,474
Animal Control	0	0	45,572	45,572
Committed to:				
Solid Waste	0	0	784,396	784,396
Assigned to:				
Education	0	4,329,128	740,516	5,069,644
Library	0	0	516,524	516,524
Debt service	0	0	6,837,424	6,837,424
Capital outlay	0	0	21,713	21,713
Unassigned	16,638,164	0	0	16,638,164
Total Fund Balances	\$ 16,878,360	\$ 4,338,602	\$ 21,420,914	\$ 42,637,876
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,214,690	\$ 14,469,397	\$ 22,405,170	\$ 83,089,257

CITY OF CLEVELAND, TENNESSEE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2019

Total fund balances per governmental funds balance sheet	\$	42,637,876
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		227,117,525
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.		(149,533,087)
Internal service funds are used by management to charge the costs of health insurance through the health insurance trust to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		798,840
The net difference on debt refunding is deferred and expensed over the life of the refunding debt issue.		115,123
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.		8,295,590
Amounts reported as deferred outflows of resources and deferred inflows of resources related to opeb will be amortized and recognized as a component of opeb expense in future years.		(1,111,747)
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		2,371,361
Net position of governmental activities	<u>\$</u>	<u>130,691,481</u>

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

Revenues:	General Fund	School Fund	Other Governmental Funds	Total Governmental Funds
Taxes	\$ 40,904,706	\$ 0	\$ 4,168,935	\$ 45,073,641
Licenses and permits	735,474	0	0	735,474
Intergovernmental	5,450,275	43,623,115	12,231,011	61,304,401
Fines and forfeitures	553,266	0	56,084	609,350
Charges for services	1,398,677	149,879	2,808,657	4,357,213
Interest	310,364	139,580	537,540	987,484
Miscellaneous	139,948	235,421	246,782	622,151
Total revenues	<u>\$ 49,492,710</u>	<u>\$ 44,147,995</u>	<u>\$ 20,049,009</u>	<u>\$ 113,689,714</u>
Expenditures:				
Current:				
General government	\$ 3,733,691	\$ 0	\$ 203,095	\$ 3,936,786
Development and engineering	1,486,297	0	292,473	1,778,770
Public safety	20,280,527	0	139,577	20,420,104
Public works	4,415,542	0	4,570,336	8,985,878
Health and welfare	518,977	0	0	518,977
Culture and recreation	3,113,222	0	1,372,935	4,486,157
Education	0	47,965,831	7,038,777	55,004,608
Appropriations	1,332,364	0	0	1,332,364
Capital outlay	0	4,628,065	12,264,420	16,892,485
Debt service:				
Principal retirement	24,879	460,666	5,562,479	6,048,024
Interest and fiscal charges	0	268,179	2,963,527	3,231,706
Total expenditures	<u>\$ 34,905,499</u>	<u>\$ 53,322,741</u>	<u>\$ 34,407,619</u>	<u>\$ 122,635,859</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 14,587,211</u>	<u>\$ (9,174,746)</u>	<u>\$ (14,358,610)</u>	<u>\$ (8,946,145)</u>
Other financing sources (uses):				
Transfers in	\$ 2,732,072	\$ 5,273,600	\$ 11,922,030	\$ 19,927,702
Transfers out	(14,747,493)	(555,519)	(1,905,353)	(17,208,365)
Bonds issued	0	0	9,885,000	9,885,000
Capital leases issued	69,475	0	0	69,475
Refunding bonds issued	0	0	34,780,000	34,780,000
Premium on debt issued	0	0	6,161,337	6,161,337
Payment to refunding bond escrow agent	0	0	(40,109,699)	(40,109,699)
Total other financing sources (uses)	<u>\$ (11,945,946)</u>	<u>\$ 4,718,081</u>	<u>\$ 20,733,315</u>	<u>\$ 13,505,450</u>
Net change in fund balances	\$ 2,641,265	\$ (4,456,665)	\$ 6,374,705	\$ 4,559,305
Fund balance at beginning of year	<u>14,237,095</u>	<u>8,795,267</u>	<u>15,046,209</u>	<u>38,078,571</u>
Fund balance at end of year	<u>\$ 16,878,360</u>	<u>\$ 4,338,602</u>	<u>\$ 21,420,914</u>	<u>\$ 42,637,876</u>

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

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, 2019

Net change in fund balances for total governmental funds	\$	4,559,305
<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>		
		18,511,835
<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>		
		(21,488)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(122,900)
<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>		
		46,131,024
<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.</p>		
		(50,869,115)
<p>Internal service funds are used by management to charge the costs of health insurance premiums to individual funds. The net activity of the internal service fund is reported with governmental activities.</p>		
		233,355
<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	\$	(52,476)
Amortization of deferred outflows		(31,913)
Amortization of bond premiums		132,445
Change in compensated absences		(243,110)
Change in net pension asset		2,050,950
Change in net pension liability		1,407,564
Change in opeb liability		(2,857,484)
Change in deferred outflows related to pensions		(312,930)
Change in deferred outflows related to opeb		1,116,487
Change in deferred inflows related to pensions		255,470
Change in deferred inflows related to opeb		(514,060)
Total additional expenditures		950,943
Change in net position of governmental activities	\$	19,372,959

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, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Taxes:				
Property taxes - real estate	\$ 24,950,000	\$ 25,425,000	\$ 25,723,099	\$ 298,099
Property taxes - utility	430,000	417,164	417,164	0
Interest and penalty on taxes	225,000	225,000	224,048	(952)
In lieu of taxes	320,000	490,530	490,530	0
Local sales tax	10,405,000	10,105,000	10,326,594	221,594
Wholesale beer tax	1,600,000	1,500,000	1,466,678	(33,322)
Gross receipts tax	1,350,000	1,350,000	1,353,244	3,244
Franchise taxes - gas	475,000	475,000	398,664	(76,336)
Franchise taxes - charter	525,000	525,000	504,685	(20,315)
Total taxes	\$ 40,280,000	\$ 40,512,694	\$ 40,904,706	\$ 392,012
Licenses and permits:				
Beer licenses	\$ 4,000	\$ 4,000	\$ 3,300	\$ (700)
Beer renewal fee	15,500	15,500	14,575	(925)
Liquor renewal license	27,500	32,260	36,035	3,775
Wine inspection fee	125,000	125,000	182,665	57,665
Building permits	245,000	245,000	271,908	26,908
Electrical permits	11,000	11,000	9,305	(1,695)
Electricians' licenses	18,000	18,000	17,322	(678)
Mechanical permits	22,000	22,000	19,002	(2,998)
Mechanical licenses	8,500	8,500	7,527	(973)
Plumbing permits	45,000	45,000	41,972	(3,028)
Plumbing licenses	10,500	10,500	8,980	(1,520)
Natural gas permits	3,000	3,000	5,020	2,020
Street cut permits	81,000	81,000	52,779	(28,221)
Pud rezoning fee	5,000	5,000	6,909	1,909
Zoning appeal fee	2,500	2,500	3,775	1,275
Zoning letter fee	1,200	1,200	975	(225)
Minor encroachment fee	500	500	200	(300)
Certificate of appropriateness	800	800	822	22
Recreation permits and maintenance fee	9,000	9,000	7,062	(1,938)
Plat review fee	3,500	3,500	4,770	1,270
Plans review fee	22,500	24,784	28,502	3,718
Certificate of occupancy	11,500	11,500	9,314	(2,186)
Alley or street abandonment fee	500	500	300	(200)
Wrecker permit fees	1,000	1,000	1,750	750
Taxicab driver fees	100	100	705	605
Total licenses and permits	\$ 674,100	\$ 681,144	\$ 735,474	\$ 54,330
Intergovernmental revenues:				
Federal grant - protective vest	\$ 0	\$ 4,800	\$ 11,441	\$ 6,641
Police training supplement	54,600	51,600	51,600	0
Fire training supplement	60,000	61,200	61,200	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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Intergovernmental revenues - (Continued):				
State Child Safety grant	\$ 0	\$ 4,205	\$ 4,204	\$ (1)
State sales tax	3,685,000	3,685,000	3,714,029	29,029
State income tax	425,000	425,000	517,844	92,844
State beer tax	22,500	22,500	19,112	(3,388)
State mixed drink tax	147,500	147,500	157,439	9,939
State gas inspection tax	91,300	91,300	81,974	(9,326)
State highway maintenance tax	175,000	175,000	171,777	(3,223)
TVA - In lieu of taxes	505,000	505,000	489,660	(15,340)
Excise tax	185,000	185,000	169,995	(15,005)
Total intergovernmental revenues	\$ 5,350,900	\$ 5,358,105	\$ 5,450,275	\$ 92,170
Fines and forfeitures:				
Traffic tickets	\$ 400,000	\$ 400,000	\$ 338,553	\$ (61,447)
Parking tickets	25,000	25,000	23,485	(1,515)
Animal Control tickets	600	600	1,400	800
Code enforcement fines	2,500	2,500	1,650	(850)
Garnishments	0	0	540	540
Court clerk fees	3,500	3,500	5,163	1,663
Drug fines	15,500	15,500	20,490	4,990
Sessions court	46,500	46,500	53,588	7,088
Circuit court	15,000	15,000	3,840	(11,160)
Officers - sessions court	80,000	80,000	83,313	3,313
Officers - circuit court	7,000	7,000	7,274	274
State refunds	2,000	2,000	6,020	4,020
Sex offender registry	10,000	10,000	7,950	(2,050)
Total fines and forfeitures	\$ 607,600	\$ 607,600	\$ 553,266	\$ (54,334)
Charges for services:				
Police protection	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
Fire inspection fees	1,800	1,800	950	(850)
Police accidents report	7,500	7,500	5,204	(2,296)
Police department contracted services	0	107,411	124,977	17,566
Contracted services E911	125,000	125,000	142,440	17,440
Airport maintenance	0	14,300	13,585	(715)
Fleet Management - City Services	150,000	150,000	101,242	(48,758)
Fleet Management - Outside Services	110,000	110,000	61,253	(48,747)
GIS services stormwater	30,000	30,000	30,000	0
GIS services 911 center	6,000	6,000	6,000	0
Stormwater fees	104,850	104,850	101,300	(3,550)
Animal Control - boarding fees	35,000	35,000	43,865	8,865
Waterville lease	36,000	36,000	37,800	1,800
Tinsley pool gate	15,000	15,000	16,412	1,412
Tinsley pool concessions	0	0	124	124
Tinsley pool rental	2,500	2,500	3,980	1,480
Tinsley Park concessions	7,500	7,500	6,853	(647)
Tinsley Park rental	4,000	4,000	300	(3,700)

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Charges for services - (Continued):				
Cleveland Community Center	\$ 15,000	\$ 15,000	\$ 15,982	\$ 982
College Hill recreation	18,500	18,500	13,639	(4,861)
College Hill Cheerleading	3,600	3,600	0	(3,600)
Recreational program fees	0	9,300	3,146	(6,154)
College Hill program fees	5,000	5,000	7,844	2,844
Park and recreation miscellaneous	7,500	7,500	6,596	(904)
Jetport-ground/land lease	126,500	136,330	152,116	15,786
Jetport T/hangar rent	30,000	30,000	30,550	550
Jetport terminal bldg rental	5,400	5,400	6,918	1,518
Jetport community hangars	21,000	21,000	23,750	2,750
Jetport video adv	5,000	5,000	5,000	0
Fuel flowage fee (.12 cents)	34,800	34,800	29,881	(4,919)
Variable rent-CFM (.10 cents)	26,400	26,400	18,606	(7,794)
SRO-schools	325,000	325,000	338,364	13,364
Total charges for services	<u>\$ 1,308,850</u>	<u>\$ 1,449,691</u>	<u>\$ 1,398,677</u>	<u>\$ (51,014)</u>
Interest:				
Interest - checking	\$ 40,000	\$ 182,200	\$ 304,807	\$ 122,607
Interest - payroll	1,000	5,000	5,557	557
Total interest	<u>\$ 41,000</u>	<u>\$ 187,200</u>	<u>\$ 310,364</u>	<u>\$ 123,164</u>
Miscellaneous revenues:				
Sale of maps - engineering	\$ 0	\$ 0	\$ 471	\$ 471
Sale of scrap metal	0	0	3,157	3,157
Donations - Memorial tree fund	0	7,420	8,020	600
Old timers banquet	2,500	2,900	2,900	0
Sign and decal reimbursement	1,500	1,500	2,831	1,331
Donations - Cleveland fire department	0	2,170	2,170	0
Donations - Police department	0	0	12	12
Donations - Parks and Recreation	0	17,733	17,733	0
TML safety grant matching	2,000	2,438	2,438	0
TML package bonus	5,000	5,000	5,000	0
TML driver safety grant	5,000	2,500	2,500	0
TML property conservation grant	2,500	0	0	0
Greenway Pavilion rental	1,000	6,500	7,730	1,230
CPD Youth Police Academy	0	0	1,100	1,100
Miscellaneous insurance refund	0	3,004	3,254	250
Animal shelter donations	0	0	140	140
Animal shelter - pet adoptions	0	6,000	6,173	173
Donations - City's Photo Contest	0	0	300	300
Donations historic signs	0	1,250	1,250	0
TML reimbursement police vehicles	0	7,742	7,742	0
Fire misc/reports	0	0	135	135
TML reimbursement for property damage	0	32,982	37,261	4,279
TML work comp salary reimbursement	0	0	1,823	1,823
Donations-Terminal bldg	17,500	17,500	2,500	(15,000)
Employee jury duty reimbursement	0	0	94	94
Sundry income	7,500	21,241	5,638	(15,603)

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Miscellaneous revenues - (Continued):				
Sundry income - clerk and master	\$ 16,000	\$ 16,000	\$ 14,950	\$ (1,050)
Miscellaneous seized funds	0	0	2,626	2,626
Total miscellaneous revenues	\$ 60,500	\$ 153,880	\$ 139,948	\$ (13,932)
Total revenues	\$ 48,322,950	\$ 48,950,314	\$ 49,492,710	\$ 542,396
Expenditures:				
Current :				
General government:				
Legislative and judicial:				
Salaries - administrative	\$ 88,330	\$ 88,330	\$ 88,699	\$ (369)
Salaries - city council	74,400	74,400	75,801	(1,401)
Salaries - judicial	38,526	38,526	36,020	2,506
Service awards	700	700	300	400
Longevity	3,950	3,850	3,825	25
Sold vacations	3,300	3,400	3,397	3
Christmas bonus	445	445	325	120
Sick pay incentive	300	300	275	25
Dental insurance	6,000	6,000	4,863	1,137
Social security	16,100	16,100	14,948	1,152
Health insurance	85,800	85,800	86,903	(1,103)
Retirement	36,000	36,000	33,078	2,922
Life and disability insurance	2,500	2,500	1,704	796
Vision insurance	1,500	1,500	908	592
Election	15,000	0	0	0
Postage	250	250	111	139
Printing	1,500	3,385	3,522	(137)
Subscriptions and memberships	2,500	2,400	1,486	914
Airmed care membership	132,000	132,000	132,000	0
Advertising	2,000	3,400	3,326	74
Telephone and pager	21,000	21,000	18,724	2,276
Contracted services-reporters	12,000	2,500	2,500	0
Legal services	0	12,000	5,262	6,738
Equipment repair and replacement	1,600	1,600	1,176	424
Contract maintenance services	5,500	5,500	4,023	1,477
Emergency repairs - city buildings	10,000	10,000	1,285	8,715
Travel and training	5,000	5,000	5,401	(401)
Council work sessions	5,500	5,500	1,126	4,374
Complimentary meals	2,500	2,500	2,570	(70)
Office expenditures and paper	4,000	4,000	4,090	(90)
Janitorial	500	277	0	277
Insurance - general liability	1,400	2,525	2,525	0
Insurance - worker's compensation	500	500	500	0
Fireworks - Mt. Olive	5,000	5,000	5,000	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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Legislative and judicial - (Continued):				
Mayor's receptions	\$ 0	\$ 8,230	\$ 8,229	\$ 1
Service pins - all departments	1,000	1,000	958	42
Employee Christmas dinner	500	0	0	0
Employee picnic	12,000	12,000	15,689	(3,689)
Miscellaneous	500	1,100	1,568	(468)
Back Alley Galleries	0	2,101	300	1,801
Office renovation	0	10,718	10,718	0
Council room equipment and supplies	1,500	1,200	0	1,200
Hardware	1,500	4,357	4,377	(20)
Total legislative and judicial	<u>\$ 602,601</u>	<u>\$ 617,894</u>	<u>\$ 587,512</u>	<u>\$ 30,382</u>
Administration:				
Salaries	\$ 555,500	\$ 515,500	\$ 445,832	\$ 69,668
Overtime wages	5,000	5,000	1,513	3,487
Part time wages	2,500	42,500	34,674	7,826
Service awards	250	250	0	250
Longevity	8,000	8,000	5,775	2,225
Sold vacations	12,000	12,000	8,921	3,079
Christmas bonus	650	643	535	108
College pay	1,060	715	435	280
Sick pay incentive	1,800	1,625	1,425	200
Dental insurance	4,100	4,100	4,825	(725)
Social security	44,900	44,900	37,309	7,591
Health insurance	96,700	96,700	73,499	23,201
Retirement	93,750	93,750	76,815	16,935
Life and disability insurance	5,000	5,000	4,429	571
Vision insurance	700	700	720	(20)
Employee assistance program	9,000	9,000	9,408	(408)
Education reimbursement	1,500	1,500	0	1,500
Worker's compensation claims	1,500	1,500	0	1,500
Flex spending program	12,000	12,000	11,831	169
Laundry and dry cleaning	3,600	3,600	1,740	1,860
Pre-employment expense	1,300	1,300	257	1,043
Postage	3,750	3,750	885	2,865
GPS service	300	300	143	157
Printing	1,500	1,500	1,681	(181)
Citizens Newsletter	7,000	3,000	1,688	1,312
Subscriptions and memberships	4,000	5,000	6,804	(1,804)
Advertising	0	0	8,769	(8,769)
Utilities	15,600	15,600	12,531	3,069
Telephone	16,200	16,200	10,745	5,455
Legal expense liquor by the drink	15,000	15,000	18,131	(3,131)
Vehicle maintenance	1,000	500	22	478
Copier maintenance	1,500	1,500	2,555	(1,055)

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Administration - (Continued):				
Bldg/ground maintenance	\$ 10,000	\$ 7,000	\$ 4,264	\$ 2,736
Car allowance	12,600	12,600	8,400	4,200
Training/travel	9,000	8,000	5,755	2,245
Department work sessions	2,000	4,000	1,845	2,155
Pest control-annex	600	600	266	334
Office supplies	10,000	8,356	12,996	(4,640)
Janitorial supplies	500	500	254	246
Gasoline	2,000	2,000	1,164	836
Insurance - buildings and contents	3,800	3,800	6,590	(2,790)
Insurance - vehicles	350	350	217	133
Insurance - general liability	5,000	5,000	4,386	614
Insurance - worker's compensation	1,500	1,500	1,344	156
Insurance - professional liability	34,000	34,000	33,556	444
Insurance-employee bonds	700	700	0	700
Contracted services - security	2,000	1,500	120	1,380
Employee appreciation day	12,500	11,048	11,078	(30)
Miscellaneous	500	1,500	1,095	405
Equipment	7,500	14,479	5,333	9,146
Hardware	4,000	4,000	2,158	1,842
Software	1,663	1,663	10,483	(8,820)
Total administration	\$ 1,046,873	\$ 1,045,229	\$ 895,201	\$ 150,028
Finance:				
Salaries	\$ 368,000	\$ 368,000	\$ 333,157	\$ 34,843
Overtime wages	8,000	10,460	9,209	1,251
Part time wages	10,000	33,000	35,820	(2,820)
Service awards	75	75	75	0
Longevity	5,175	4,425	4,425	0
Sold vacations	5,000	5,000	2,080	2,920
Christmas bonus	870	758	758	0
Sick pay incentive	2,400	1,475	1,475	0
Dental insurance	3,270	3,270	2,994	276
Social security	30,900	30,900	26,781	4,119
Health insurance	70,000	70,000	63,566	6,434
Retirement	66,452	66,452	60,356	6,096
Life and disability insurance	4,900	4,900	4,316	584
Vision insurance	990	990	969	21
Education reimbursement	2,388	2,388	2,305	83
Laundry and dry cleaning	1,200	527	425	102
Postage	9,000	9,000	9,822	(822)
Postage machine lease	1,500	1,500	1,394	106
GPS service	200	200	106	94
Printing	6,000	4,437	3,437	1,000
Printing - property taxes	8,500	8,041	8,040	1
Subscriptions and memberships	3,000	2,350	1,874	476

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Finance - (Continued):				
Advertising	\$ 10,500	\$ 4,517	\$ 4,562	\$ (45)
Utilities	15,600	15,600	10,085	5,515
Telephone	6,000	6,400	8,528	(2,128)
Legal fees	87,500	87,500	90,756	(3,256)
Audit fees	49,000	49,000	49,000	0
Reappraisal fee	55,000	55,000	53,889	1,111
Appraisal fees	1,500	0	0	0
Actuarial services	8,500	8,500	0	8,500
Vehicle	700	700	76	624
Copier maintenance	3,500	3,500	3,461	39
Bldg/ground maintenance	12,000	6,321	3,931	2,390
Car allowance	4,200	4,200	4,200	0
Training/travel	7,500	4,383	2,899	1,484
Department work sessions	1,000	1,000	821	179
Credit card fees	37,500	60,634	54,620	6,014
Pest control-annex	800	800	707	93
Office supplies	20,000	19,925	21,665	(1,740)
First aid safety supplies	100	100	51	49
Janitorial supplies	1,500	1,500	1,199	301
Gasoline and oil	800	800	597	203
Insurance - buildings and contents	3,200	747	747	0
Insurance - vehicles	200	216	216	0
Insurance - general liability	4,700	4,455	4,455	0
Insurance - worker's compensation	1,750	1,293	1,293	0
Insurance - professional liability	34,300	33,556	33,556	0
Insurance - employee bonds	700	0	0	0
Miscellaneous	500	500	137	363
Bad debt	30,000	30,000	59,269	(29,269)
Equipment	7,500	7,575	7,571	4
Hardware	5,000	1,000	1,889	(889)
Software	44,335	40,335	40,698	(363)
Total finance	<u>\$ 1,063,205</u>	<u>\$ 1,078,205</u>	<u>\$ 1,034,262</u>	<u>\$ 43,943</u>
Safety program:				
Salaries	\$ 71,498	\$ 71,498	\$ 85,821	\$ (14,323)
Part time employees	10,400	10,400	10,400	0
Longevity	2,250	2,250	2,250	0
Sold vacation	2,750	2,750	3,283	(533)
Christmas bonus	108	108	108	0
College pay	280	280	280	0
Sick pay incentive	300	300	200	100
Dental insurance	335	335	313	22
Social security	6,700	6,700	7,238	(538)
Health insurance	7,740	7,740	7,559	181

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Safety program - (Continued):				
Retirement	\$ 13,900	\$ 13,900	\$ 14,542	\$ (642)
Life and disability insurance	840	840	1,127	(287)
Vision insurance	100	100	88	12
Laundry and dry cleaning	100	100	52	48
Clothing allowance	350	350	350	0
Hazard Comm-MSDS	200	200	0	200
Telephone	1,200	1,200	1,091	109
Drug and alcohol testing	10,500	10,500	4,445	6,055
Vehicle maintenance	50	50	21	29
Equipment maintenance	10,000	10,000	8,994	1,006
Building maintenance	2,500	1,700	2,433	(733)
Car allowance	0	0	3,850	(3,850)
Training and travel	2,500	3,300	2,797	503
Office supplies	250	1,600	1,711	(111)
Wellness center operations	3,500	1,915	892	1,023
Safety supplies	100	100	0	100
Gasoline and oil	200	200	150	50
TML driver safety grant	10,000	10,200	6,886	3,314
TML safety grant	4,000	4,000	4,876	(876)
Property conservation grant	5,000	0	0	0
Insurance - vehicles	300	300	404	(104)
Insurance - general liability	750	750	711	39
Insurance - workers comp	0	75	65	10
Miscellaneous	300	675	729	(54)
Office furniture	0	1,385	1,385	0
Hardware	600	1,300	1,705	(405)
Total safety program	<u>\$ 169,601</u>	<u>\$ 167,101</u>	<u>\$ 176,756</u>	<u>\$ (9,655)</u>
Codes Enforcement Division:				
Salaries	\$ 165,300	\$ 165,300	\$ 164,820	\$ 480
Overtime wages	1,000	1,000	703	297
Service awards	200	200	150	50
Longevity pay	4,000	4,000	3,975	25
Vacation pay	1,600	1,600	0	1,600
Christmas bonus	450	450	433	17
Sick pay incentive	1,000	1,000	375	625
Dental insurance	2,600	2,600	1,825	775
Social security tax	13,500	13,500	12,447	1,053
Health insurance	46,500	46,500	46,617	(117)
Retirement	31,400	31,400	29,033	2,367
Life and disability insurance	2,040	2,040	1,942	98
Vision insurance	800	800	535	265
Worker's comp claims	5,200	5,200	0	5,200
Laundry and dry cleaning	2,400	2,400	1,011	1,389

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Codes Enforcement Division - (Continued):				
Postage	\$ 1,500	\$ 1,500	\$ 959	\$ 541
GPS services	1,500	1,500	1,148	352
Printing	1,200	1,200	850	350
Advertising	2,000	2,000	1,000	1,000
Telephone	6,000	6,000	4,370	1,630
Vehicle maintenance	5,000	5,000	2,879	2,121
Small equipment repairs/replacement	2,000	2,000	449	1,551
Travel and training	1,500	1,500	612	888
Office supplies	2,500	2,500	2,075	425
Uniforms	1,500	1,500	1,333	167
Educational supplies	1,000	1,000	0	1,000
Gasoline	4,000	4,000	1,389	2,611
Insurance - vehicles	1,600	1,600	1,149	451
Worker's compensation	0	0	317	(317)
Miscellaneous	600	600	95	505
Hardware	6,650	6,650	2,636	4,014
Software	5,300	5,300	5,211	89
Total codes enforcement division	\$ 321,840	\$ 321,840	\$ 290,338	\$ 31,502
Information Technology:				
Salaries	\$ 313,645	\$ 311,895	\$ 313,212	\$ (1,317)
Overtime wages	20,959	26,959	28,703	(1,744)
Part-time wages	10,400	4,400	0	4,400
Service awards	475	475	475	0
Longevity wages	4,125	4,125	4,125	0
Sold vacation pay	12,500	12,500	5,512	6,988
Christmas bonus	545	545	541	4
Sick pay incentive	1,500	1,500	1,075	425
Dental insurance	1,696	1,695	2,373	(678)
Social security taxes	28,178	28,179	25,803	2,376
Health insurance	61,000	61,000	62,316	(1,316)
Retirement	60,350	60,350	57,685	2,665
Life/disability insurance	2,600	2,600	3,436	(836)
Vision insurance	600	600	691	(91)
Laundry and dry cleaning	1,200	200	0	200
GPS service	300	300	287	13
Subscriptions and memberships	1,000	1,000	924	76
Telephone	10,500	7,300	6,291	1,009
Vehicle maintenance	1,000	1,000	0	1,000
Car allowance	4,200	4,200	4,200	0
Training and travel	5,000	9,000	7,640	1,360
Dept work sessions	500	500	261	239
Office supplies	500	2,450	2,663	(213)

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Information Technology - (Continued):				
Gasoline	\$ 1,560	\$ 1,560	\$ 177	\$ 1,383
Insurance - vehicles	215	215	404	(189)
Insurance - general liability	2,688	2,688	3,906	(1,218)
Insurance - workers compensation	1,500	1,500	317	1,183
Computer software support	5,000	7,500	6,708	792
Miscellaneous	500	500	0	500
Office furniture	0	1,644	1,644	0
Hardware	20,000	17,500	8,502	8,998
Software	195,219	195,219	133,703	61,516
GIS program	68,000	68,000	66,048	1,952
Total information technology	<u>\$ 837,455</u>	<u>\$ 839,099</u>	<u>\$ 749,622</u>	<u>\$ 89,477</u>
Total general government	<u>\$ 4,041,575</u>	<u>\$ 4,069,368</u>	<u>\$ 3,733,691</u>	<u>\$ 335,677</u>
Development and engineering:				
Salaries	\$ 855,700	\$ 855,700	\$ 809,318	\$ 46,382
Overtime wages	1,000	1,000	234	766
Part time wages	3,000	3,000	0	3,000
Service awards	275	275	100	175
Longevity	12,300	12,300	12,300	0
Sold vacations	15,000	17,000	15,759	1,241
Christmas bonus	1,500	1,700	1,516	184
College pay	700	700	625	75
Sick pay incentive	4,100	4,100	2,925	1,175
Dental insurance	12,100	12,100	10,138	1,962
Social security	66,500	66,500	60,866	5,634
Health insurance	187,500	187,500	174,357	13,143
Retirement	147,500	153,800	144,986	8,814
Life and disability insurance	10,800	10,800	9,569	1,231
Vision insurance	2,800	2,800	2,194	606
Education reimbursement	16,700	8,200	0	8,200
Worker's compensation claims	1,000	1,000	0	1,000
Laundry and dry cleaning	2,800	2,800	1,996	804
Postage	2,500	2,500	727	1,773
Scanner/copier lease	4,700	4,700	0	4,700
GPS services	2,500	2,500	2,295	205
Printing and artwork	1,000	1,000	0	1,000
Public education programs	2,000	2,000	0	2,000
Subscriptions and memberships	6,000	6,000	6,003	(3)
Advertising	1,700	1,700	902	798
Utilities	19,900	19,900	13,996	5,904
Telephone	25,000	25,000	23,814	1,186
Engineering services	25,000	33,833	33,833	0
Easement fee	300	300	0	300

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Development and engineering - (Continued):				
Survey	\$ 10,000	\$ 1,167	\$ 1,100	\$ 67
Permits & fees	0	2,000	12	1,988
Vehicle maintenance	7,000	11,496	7,859	3,637
Office equipment maintenance	8,000	8,000	7,121	879
Building maintenance	5,000	5,000	4,090	910
Car allowance	4,200	4,200	4,200	0
Travel and training	10,000	4,600	2,860	1,740
Permit & fees	3,000	0	0	0
Departmental work session	800	1,800	1,553	247
Credit card fees	8,000	8,000	8,071	(71)
Code violations	20,000	30,000	30,011	(11)
Contracted services - pest control	800	800	404	396
Janitorial contract	9,000	9,000	8,250	750
Office supplies	12,000	14,900	21,424	(6,524)
Operating	2,000	2,000	1,291	709
OSHA first aid kits	300	300	0	300
Janitorial supplies	1,200	1,200	0	1,200
Uniforms	6,500	6,500	4,426	2,074
Gasoline and oil	8,400	8,400	4,946	3,454
Insurance - buildings and contents	4,500	3,250	2,030	1,220
Insurance - vehicles and equipment	3,100	3,150	3,108	42
Insurance - general liability	5,700	6,900	6,841	59
Insurance - worker's compensation	13,700	12,000	7,689	4,311
Insurance - employee bonds	100	100	0	100
Planning commission	3,500	4,500	4,100	400
Board of zoning appeals	1,000	1,000	488	512
Historic zoning commission	1,300	1,300	571	729
Miscellaneous	500	1,200	1,174	26
Office equipment	4,000	4,000	226	3,774
Hardware	3,000	3,000	2,143	857
Software	44,165	44,165	21,856	22,309
Total development and engineering	\$ 1,632,640	\$ 1,644,636	\$ 1,486,297	\$ 158,339
Public safety:				
Police department:				
Salaries	\$ 5,333,069	\$ 5,333,069	\$ 5,125,211	\$ 207,858
Overtime wages	321,165	321,165	307,168	13,997
Part time wages	16,000	19,400	19,521	(121)
Salaries - school patrol	85,000	75,100	63,976	11,124
Supplemental pay	3,000	3,000	2,143	857
State grant - in service training	54,600	51,600	51,600	0
Overtime - contracted services	0	107,411	95,291	12,120
Service awards	2,050	2,050	2,019	31

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Police department - (Continued):				
Longevity	\$ 78,525	\$ 86,100	\$ 83,038	\$ 3,062
Sold vacations	75,000	86,000	82,997	3,003
Christmas bonus	13,427	12,994	12,994	0
College pay	2,995	2,995	2,995	0
Sick pay incentive	27,800	25,675	25,175	500
Dental insurance	63,683	63,683	62,273	1,410
Social security	480,840	480,840	429,882	50,958
Health insurance	1,253,880	1,253,880	1,234,679	19,201
Retirement	1,122,287	1,122,287	1,108,657	13,630
Life and disability insurance	64,914	64,914	59,729	5,185
Vision insurance	15,134	15,134	14,885	249
Unemployment compensation	500	500	0	500
Education reimbursement	11,940	19,376	19,104	272
Worker's compensation claims	10,000	10,000	7,736	2,264
Laundry and dry cleaning	23,000	16,612	15,479	1,133
Employee physicals	13,000	13,000	10,067	2,933
Pre-employment tests	4,000	4,000	3,486	514
Uniforms - school patrol	5,000	3,000	2,042	958
Postage	1,500	1,500	900	600
GPS service	38,900	38,900	34,672	4,228
800 MHZ radio	25,000	27,500	27,095	405
Lease - radio tower	5,000	2,400	2,400	0
Contracted services - vehicles	6,000	6,000	4,604	1,396
Communications - replacement	5,000	6,100	6,068	32
Printing	3,000	1,800	1,508	292
Subscriptions and memberships	3,000	3,000	2,936	64
Accreditation	8,500	8,770	8,366	404
Advertising	500	1,000	707	293
Utilities	82,500	82,500	62,983	19,517
Telephone	147,000	131,800	98,352	33,448
NCIC computer line	2,300	2,300	2,240	60
Vehicle maintenance	200,000	207,742	134,047	73,695
Small equipment repair	3,000	7,500	6,898	602
Copier maintenance	3,000	3,000	1,904	1,096
Body camera maintenance	14,950	14,950	14,499	451
Building maintenance	37,500	37,500	32,417	5,083
Travel and training	65,000	82,829	78,739	4,090
Recruiting	9,000	9,000	7,325	1,675
Department/work session	3,500	3,500	3,492	8
Janitorial contract	30,000	30,000	29,940	60
Police supplies	9,000	9,000	8,729	271
Batteries	2,000	2,000	989	1,011
Tapes - video and audio	1,000	1,000	93	907

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Police department - (Continued):				
Crime scene unit supplies	\$ 7,000	\$ 7,000	\$ 6,431	\$ 569
SRT supplies	12,000	15,000	13,953	1,047
Office expenditures and paper	28,000	28,000	28,924	(924)
Protective vests	13,000	32,000	30,676	1,324
OSHA safety supplies	2,500	2,500	2,224	276
Janitorial supplies	3,500	3,500	3,429	71
Child restraint systems	0	11,023	7,257	3,766
Uniforms	65,000	62,000	62,477	(477)
Ammunition	38,000	20,800	20,424	376
Firing range	4,000	4,200	4,095	105
Gasoline and oil	168,500	188,500	184,414	4,086
Canine fees	10,000	10,000	7,541	2,459
Insurance - buildings and contents	13,900	16,224	16,223	1
Insurance - vehicles and equipment	90,600	98,986	98,986	0
Insurance - general liability	78,850	70,464	66,124	4,340
Insurance - worker's compensation	247,800	187,312	184,483	2,829
Insurance - employee bonds	500	500	0	500
Technology updates	1,000	1,000	0	1,000
Miscellaneous	500	500	5	495
Volunteer services	3,000	3,000	2,064	936
Investigative funds	1,500	1,500	0	1,500
Mainstreet Cleveland Block Party	2,500	2,500	2,500	0
Sex offender registry	0	5,433	4,695	738
National night out	500	500	417	83
Guns/taser replacements	30,000	30,400	30,387	13
Small equipment	2,500	2,500	2,495	5
Office equipment	1,500	1,500	1,363	137
Hardware	20,000	39,500	38,489	1,011
Software	122,888	122,888	121,562	1,326
Total police department	\$ 10,755,997	\$ 10,884,606	\$ 10,355,688	\$ 528,918
Fire department:				
Salaries	\$ 5,355,200	\$ 5,264,800	\$ 5,260,837	\$ 3,963
Overtime wages	267,500	339,500	335,253	4,247
Fire runs	4,000	4,000	906	3,094
Supplemental pay	80,400	80,400	71,585	8,815
State grant - in service training	60,000	61,200	61,200	0
Service awards	3,000	3,000	2,400	600
Longevity	73,500	73,500	73,015	485
Sold vacations	55,000	40,000	21,116	18,884
Christmas bonus	11,300	11,300	11,153	147

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Fire department - (Continued):				
College pay	\$ 125	\$ 125	\$ 125	\$ 0
Sick pay incentive	22,900	22,900	22,171	729
Dental insurance	66,000	76,000	70,235	5,765
Social security	453,900	453,900	424,212	29,688
Health insurance	1,345,000	1,331,000	1,325,486	5,514
Retirement	1,220,000	1,220,000	1,131,435	88,565
Life and disability insurance	68,900	68,900	62,870	6,030
Vision insurance	16,600	20,600	15,983	4,617
Education reimbursement	26,000	26,000	9,345	16,655
Worker's compensation claims	7,300	7,300	2,348	4,952
Laundry and dry cleaning	22,500	22,500	20,814	1,686
Immunization and physicals	57,500	57,500	47,872	9,628
Recruit testing	47,500	55,500	55,312	188
Postage	500	500	452	48
800 MHZ radio maintenance fee	5,000	500	0	500
Radio and repeater maintenance	4,200	7,400	7,385	15
Communications replacement	3,000	1,000	463	537
Printing	2,400	3,800	3,781	19
Subscriptions and memberships	4,200	4,500	4,370	130
License/certification renewal	3,600	3,600	3,189	411
Advertising	600	600	545	55
Utilities	120,000	118,000	118,561	(561)
Telephone	61,400	55,400	54,981	419
Apparatus equipment testing	3,900	4,900	4,778	122
Vehicle maintenance	85,000	99,004	98,934	70
Small equipment repair	2,000	1,000	755	245
Copier maintenance	1,200	700	680	20
Extrication repair/test	4,000	1,000	0	1,000
Building maintenance	50,000	65,800	61,000	4,800
Travel and training	17,500	20,400	19,569	831
Training/education material	10,000	8,100	4,945	3,155
Mutual aid meals	2,250	1,450	1,135	315
Towels and cloths	800	800	400	400
Batteries	1,000	1,000	923	77
Office supplies	7,000	6,800	5,319	1,481
Arson supplies	1,500	1,200	707	493
Safety	4,200	3,700	3,629	71
Medical supplies/equipment	6,000	5,000	4,620	380
Janitorial supplies	18,500	18,500	17,238	1,262
Bedding	7,900	3,400	3,392	8
Uniforms	34,500	34,500	31,593	2,907
Operating costs	7,500	6,300	5,535	765
Gasoline	40,000	48,000	46,192	1,808
Appliance repair	5,000	3,500	3,484	16

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Fire department - (Continued):				
PPE equipment gear	\$ 33,000	\$ 56,400	\$ 55,222	\$ 1,178
Extinguisher refills	1,800	900	817	83
Hazmat supplies	5,400	2,900	2,409	491
Insurance - building and contents	11,000	14,400	14,377	23
Insurance - vehicles and equipment	41,000	54,200	54,102	98
Insurance - general liability	56,000	56,000	55,572	428
Insurance - worker's compensation	170,000	141,900	141,529	371
Miscellaneous	500	500	271	229
City funded - Honor Guard	2,000	1,000	810	190
Fire prevention program	3,700	2,700	2,433	267
Donation expenditures	0	8,157	0	8,157
Truck equipment	10,000	10,000	3,941	6,059
ISO firefighting equipment	26,000	30,000	27,286	2,714
Office equipment	600	600	0	600
Breathing apparatus equipment	10,000	10,000	9,815	185
Furniture	1,000	1,000	149	851
Small equipment	4,200	4,200	1,797	2,403
Radio equipment	14,000	200	159	41
Hardware	11,500	11,500	11,684	(184)
Software	12,830	12,830	8,238	4,592
Total fire department	<u>\$ 10,193,305</u>	<u>\$ 10,189,666</u>	<u>\$ 9,924,839</u>	<u>\$ 264,827</u>
Total public safety	<u>\$ 20,949,302</u>	<u>\$ 21,074,272</u>	<u>\$ 20,280,527</u>	<u>\$ 793,745</u>
Public works:				
Operations division:				
Salaries	\$ 891,200	\$ 888,500	\$ 802,821	\$ 85,679
Overtime wages	15,000	20,000	19,339	661
Seasonal leaf employees	25,000	23,700	23,048	652
Part time wages	8,900	11,600	11,370	230
Supplemental pay	700	700	600	100
Service awards	800	800	750	50
Longevity	21,800	19,800	19,791	9
Sold vacations	11,500	11,500	8,512	2,988
Christmas bonus	2,000	2,000	1,949	51
College pay	200	200	125	75
Sick pay incentive	4,400	2,700	2,700	0
Dental insurance	13,200	13,200	10,702	2,498
Social security	74,000	74,000	64,532	9,468
Health insurance	263,000	263,000	180,377	82,623
Retirement	162,000	162,000	136,876	25,124
Life and disability insurance	12,100	12,100	9,530	2,570
Vision insurance	3,400	3,400	2,213	1,187

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Operations division - (Continued):				
Education reimbursement	\$ 2,400	\$ 2,400	\$ 1,137	\$ 1,263
Worker's compensation claims	2,000	2,000	1,722	278
Laundry and dry cleaning	600	600	0	600
Pre-employment drug testing	1,600	1,600	1,010	590
Safety shoes	3,500	3,500	3,249	251
Postage	200	200	11	189
800 MHZ radio	3,000	3,000	3,000	0
GPS services	6,600	6,600	5,988	612
Printing	200	200	14	186
Subscriptions and memberships	500	500	436	64
Advertising	300	300	235	65
Utilities	40,000	40,000	39,904	96
Telephone	21,000	21,000	20,413	587
Surveys	3,000	3,000	0	3,000
Building maintenance	15,000	15,000	8,610	6,390
Travel and training	2,000	2,000	422	1,578
Departmental work sessions	200	200	62	138
Pest control	1,000	1,000	970	30
Office expenditures and paper	5,800	4,100	3,506	594
Operating supplies	7,000	9,000	7,884	1,116
Safety supplies	4,000	4,000	3,497	503
Janitorial supplies	2,100	2,100	1,943	157
Uniforms	11,500	11,500	9,699	1,801
Gasoline and oil	76,000	91,000	84,464	6,536
Repairs and parts	160,000	101,000	92,938	8,062
Sign shop supplies	4,500	4,500	1,537	2,963
Sign parts and supplies	50,000	20,500	11,189	9,311
Major safety markings	100,000	100,000	54,845	45,155
Thermoplastic contract	30,000	30,000	9,699	20,301
Paving and materials	300,000	365,533	363,673	1,860
Insurance - building and contents	6,400	7,633	7,632	1
Insurance - vehicle and equipment	13,200	13,700	13,682	18
Insurance - general liability	20,500	20,000	19,278	722
Insurance - worker's compensation	52,500	52,522	46,134	6,388
Miscellaneous	500	500	828	(328)
Incentive program	4,000	4,000	2,607	1,393
PW building @ Hill St.	0	17,902	17,902	0
Small equipment	3,000	8,700	7,160	1,540
Small equipment - signs	1,800	1,800	0	1,800
Hardware	5,500	5,253	3,207	2,046
Software	2,000	2,247	2,246	1
Total operations division	<u>\$ 2,472,600</u>	<u>\$ 2,489,790</u>	<u>\$ 2,147,968</u>	<u>\$ 341,822</u>

CITY OF CLEVELAND, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Street lighting and signals:				
Street lighting	\$ 820,000	\$ 813,300	\$ 757,085	\$ 56,215
Traffic light utility service	25,000	25,000	15,235	9,765
Pole attachments	5,300	5,850	5,830	20
ITS maintenance services	44,000	36,250	8,450	27,800
Traffic light repair maintenance	550,000	550,000	534,227	15,773
Traffic signal supplies	4,000	4,000	4,000	0
Small equipment	3,800	17,700	17,479	221
	<u>3,800</u>	<u>17,700</u>	<u>17,479</u>	<u>221</u>
 Total street lighting and signals	 \$ 1,452,100	 \$ 1,452,100	 \$ 1,342,306	 \$ 109,794
 Cleveland Regional Jetport Operations:				
Salaries	\$ 81,300	\$ 81,300	\$ 83,411	\$ (2,111)
Part time salaries	5,500	6,500	4,305	2,195
Longevity pay	500	500	0	500
Sold vacations	1,600	1,600	0	1,600
Christmas bonus	200	200	108	92
Sick pay incentive	300	300	275	25
Dental insurance	700	700	600	100
Social security tax	7,200	7,200	6,778	422
Health insurance	15,600	15,600	15,585	15
Retirement	15,300	15,300	14,792	508
Life and disability insurance	1,200	1,200	954	246
Vision insurance	200	200	172	28
Worker's compensation claims	500	500	0	500
Laundry and dry cleaning	600	600	36	564
Clothing allowance	400	400	350	50
Postage	300	300	58	242
Printing	400	400	0	400
Advertising	3,500	3,500	2,491	1,009
Subscriptions and memberships	1,600	1,600	1,233	367
Utilities	48,000	46,776	40,382	6,394
Telephone	12,000	11,500	11,057	443
Building maintenance	15,000	15,000	9,072	5,928
Ground maintenance	10,000	10,000	9,161	839
Car allowance	4,200	4,200	4,200	0
Travel and training	2,000	1,500	641	859
Department work session meals	400	400	217	183
Credit card fees	400	400	245	155
Office supplies	1,200	1,200	595	605
Operations	500	500	27	473
Gasoline	1,900	1,500	319	1,181
Repairs and parts	11,000	11,000	7,928	3,072
Insurance - building and contents	11,300	13,258	13,258	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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Cleveland Regional Jetport Operations - (Continued):				
Insurance - vehicles and equipment	\$ 300	\$ 300	\$ 31	\$ 269
Insurance - general liability	1,600	1,600	1,432	168
Worker's compensation	2,600	2,266	1,991	275
Miscellaneous	500	500	149	351
Small equipment	1,400	1,400	2	1,398
Hardware	2,000	2,000	0	2,000
Total Cleveland regional jetport	\$ 263,200	\$ 263,200	\$ 231,855	\$ 31,345
Fleet management:				
Salaries	\$ 329,000	\$ 323,000	\$ 323,469	\$ (469)
Overtime wages	7,000	7,000	5,368	1,632
Service awards	400	350	350	
Longevity wages	6,400	6,375	6,375	0
Sold vacation pay	8,700	7,700	7,699	1
Christmas bonus	700	700	650	50
Sick pay incentive	1,500	675	675	0
Dental insurance	3,300	3,300	3,024	276
Social security taxes	27,200	27,200	24,751	2,449
Health insurance	62,000	70,000	70,419	(419)
Retirement	60,500	60,500	58,694	1,806
Life/disability insurance	4,500	3,800	3,702	98
Vision insurance	800	800	803	(3)
Worker's compensation claims	500	0	0	0
Postage	300	300	175	125
Printing	200	0	0	0
Advertising	200	200	71	129
Subscriptions and memberships	5,000	4,300	4,139	161
Utilities	21,000	20,000	21,401	(1,401)
Telephone	8,000	8,000	8,491	(491)
Vehicle maintenance	5,000	0	0	0
Cont svcs-vehicle maintenance	77,500	95,000	105,194	(10,194)
Building maintenance	7,000	6,000	4,937	1,063
Ctrl fuel maintenance and supplies	8,000	5,000	2,725	2,275
Travel and training	1,000	1,000	225	775
Pest control	300	300	12	288
Office supplies	4,000	3,500	3,235	265
Waste disposal supplies	1,500	4,000	3,895	105
Janitorial supplies	4,000	4,800	4,599	201
Uniform	3,000	3,000	2,155	845
Gasoline	3,200	2,700	2,033	667
Repairs and parts	0	5,000	1,244	3,756
Insurance - building and contents	2,800	3,280	3,280	0
Insurance - vehicles and equipment	1,100	1,200	1,149	51

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Fleet management - (Continued):				
Insurance - general liability	\$ 3,400	\$ 3,000	\$ 2,989	\$ 11
Insurance - worker's compensation	14,700	10,220	10,237	(17)
Equipment and tools	2,000	0	0	0
Miscellaneous	500	500	0	500
Hardware	6,900	3,000	122	2,878
Software	20,200	17,600	5,126	12,474
Total fleet management	<u>\$ 713,300</u>	<u>\$ 713,300</u>	<u>\$ 693,413</u>	<u>\$ 19,887</u>
Total public works	<u>\$ 4,901,200</u>	<u>\$ 4,918,390</u>	<u>\$ 4,415,542</u>	<u>\$ 502,848</u>
Health and welfare:				
Animal Control:				
Salaries	\$ 241,641	\$ 241,641	\$ 241,526	\$ 115
Overtime wages	16,300	16,300	14,692	1,608
Part time wages	1,000	0	0	0
Longevity	4,800	4,800	4,800	0
Sold vacations	3,000	3,000	2,562	438
Christmas bonus	650	650	650	0
Sick pay incentive	1,500	1,500	1,200	300
Dental insurance	385	3,885	2,910	975
Social security	20,800	20,800	20,185	615
Health insurance	58,747	58,747	52,278	6,469
Retirement	46,000	46,000	45,040	960
Life and disability insurance	2,788	2,788	2,772	16
Vision insurance	743	743	604	139
Worker's compensation claims	1,500	1,500	0	1,500
Laundry and dry cleaning	2,000	2,000	1,111	889
Employee physicals	375	375	86	289
Protective immunizations	775	775	0	775
Postage	175	175	119	56
GPS services	1,900	1,900	1,722	178
Contracted services - vehicles	500	500	347	153
Communications replacement	500	500	0	500
Printing	1,000	1,000	527	473
Subscriptions and memberships	1,000	1,000	590	410
Advertising	300	300	35	265
Utilities and pager	9,360	9,360	9,183	177
Telephone	15,000	13,000	7,749	5,251
Donated spay and neuter	0	11,899	4,800	7,099
Spay and neuter	34,000	34,000	19,200	14,800
Adoption and veterinary fees	35,000	35,000	24,115	10,885
Sick/veterinary	16,000	16,000	12,139	3,861
Vehicle maintenance	8,000	8,000	2,422	5,578
Copier maintenance	600	600	360	240

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Health and welfare - (Continued):				
Animal Control - (Continued):				
Building maintenance	\$ 10,000	\$ 7,500	\$ 4,607	\$ 2,893
Training and travel	1,500	1,500	0	1,500
Credit card fees	1,000	1,000	1,074	(74)
Landfill	800	800	0	800
Janitorial contract	6,500	6,500	5,965	535
Office supplies and printing	2,000	3,000	2,758	242
OSHA safety supplies	500	500	0	500
Janitorial supplies	7,000	7,000	4,651	2,349
Uniforms and safety shoes	4,000	4,000	2,237	1,763
Ammunition	250	250	0	250
Gasoline and oil	6,240	7,240	6,915	325
Euthanasia and supplies	500	500	304	196
Pet food	5,500	5,500	5,054	446
Insurance - building and contents	550	650	648	2
Insurance - vehicles and equipment	1,728	1,628	1,433	195
Insurance - general liability	2,603	2,603	2,469	134
Insurance - worker's compensation	6,836	6,836	4,911	1,925
Miscellaneous	500	500	0	500
Volunteer coordination	500	500	230	270
Equipment	2,500	2,500	1,997	503
Hardware	2,000	2,000	0	2,000
Total animal control	\$ 589,346	\$ 601,245	\$ 518,977	\$ 82,268
Total health and welfare	\$ 589,346	\$ 601,245	\$ 518,977	\$ 82,268
Culture and recreation:				
College Hill Recreation Center:				
Salaries	\$ 141,000	\$ 141,000	\$ 149,028	\$ (8,028)
Overtime wages	6,000	6,000	6,028	(28)
Part time wages	35,000	35,000	43,634	(8,634)
Service awards	200	200	200	0
Longevity	3,000	2,925	2,925	0
Sold vacations	3,000	3,000	1,724	1,276
Christmas bonus	500	434	433	1
Sick pay incentive	1,200	875	875	0
Dental insurance	1,700	1,700	1,539	161
Social security	14,600	15,066	15,287	(221)
Health insurance	31,100	31,100	30,970	130
Retirement	28,000	28,000	27,037	963
Life and disability insurance	1,700	1,700	1,661	39
Vision insurance	500	500	384	116
Unemployment compensation	500	500	0	500
Worker's compensation claims	200	200	0	200
Utilities	59,000	59,000	64,044	(5,044)

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
College Hill Recreation - (Continued):				
Telephone	\$ 10,000	\$ 10,000	\$ 10,344	\$ (344)
Equipment repairs	1,000	1,000	350	650
Building maintenance	35,000	35,000	32,872	2,128
Training and travel	2,500	1,000	968	32
Team competition and trips	2,600	2,600	1,347	1,253
Office expenditures and paper	1,800	1,800	1,161	639
Janitorial supplies	4,000	4,000	3,523	477
Gate and concession supplies	3,000	3,000	1,215	1,785
Gasoline	400	400	541	(141)
Pool	12,000	15,100	11,610	3,490
Athletic supplies	2,000	2,000	1,496	504
Program development	8,000	7,070	3,426	3,644
Insurance - building and contents	6,200	7,300	7,216	84
Insurance - general liability	5,500	4,600	4,587	13
Insurance - worker's compensation	5,800	4,000	3,967	33
Program	6,300	6,300	7,212	(912)
Miscellaneous	500	500	0	500
BCCSA activities	15,000	15,000	15,000	0
Youth achievement program	5,300	5,300	3,198	2,102
Total College Hill Recreation Center	\$ 454,100	\$ 453,170	\$ 455,802	\$ (2,632)
Parks and recreation:				
Salaries	\$ 503,000	\$ 475,700	\$ 481,059	\$ (5,359)
Overtime wages	6,000	6,000	5,430	570
Part time wages	10,000	11,551	10,263	1,288
Service awards	350	250	250	0
Longevity	10,000	9,375	9,375	0
Sold vacation	6,500	6,966	6,965	1
Christmas bonus	1,200	1,083	1,081	2
College pay	125	125	125	0
Sick pay incentive	3,300	2,125	2,125	0
Dental insurance	5,900	5,900	5,289	611
Social security	41,400	41,400	37,270	4,130
Health insurance	147,800	147,800	136,247	11,553
Retirement	95,500	95,500	85,797	9,703
Life and disability insurance	6,600	6,600	6,180	420
Vision insurance	1,700	1,700	1,349	351
Worker's compensation claims	2,000	2,000	1,460	540
Laundry and dry cleaning	800	800	854	(54)
Pre-employment testing	200	100	85	15
Postage	200	200	81	119
GPS services	9,300	9,300	8,633	667
Membership	1,500	1,500	745	755

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Parks and recreation - (Continued):				
Advertising	\$ 300	\$ 100	\$ 100	\$ 0
Utilities	13,000	12,300	12,710	(410)
Telephone	10,000	9,700	10,560	(860)
Vehicle maintenance	30,000	33,339	27,962	5,377
Equipment and repairs	3,500	3,500	3,483	17
Grounds maintenance	25,000	33,236	27,825	5,411
Playground mulch	25,000	25,000	21,125	3,875
Fletcher building	28,500	28,500	25,368	3,132
Greenway utilities	37,500	38,646	44,886	(6,240)
Greenway maintenance	16,000	16,000	11,710	4,290
Car allowance	4,200	4,200	4,200	0
Training and travel	6,000	6,000	5,533	467
Credit card fees	750	750	580	170
Office expenditures	1,500	2,000	1,591	409
Uniforms	4,000	4,000	4,151	(151)
Gasoline and oil	24,500	24,500	26,825	(2,325)
Insurance - building and contents	8,500	10,000	10,012	(12)
Insurance - vehicles and equipment	3,000	1,200	1,149	51
Insurance - general liability	12,300	11,500	11,491	9
Workers compensation	14,600	4,600	3,416	1,184
Recreational program	0	13,131	5,180	7,951
Miscellaneous	500	500	150	350
Old timers banquet	3,000	3,000	3,891	(891)
Civitan play shelter	0	17,733	17,732	1
Mowers	0	0	38,778	(38,778)
Small equipment	2,500	2,500	2,500	0
Hardware	10,000	9,554	2,654	6,900
Bldg and soccer complex	0	446	447	(1)
Total parks and recreation	<u>\$ 1,137,525</u>	<u>\$ 1,141,910</u>	<u>\$ 1,126,672</u>	<u>\$ 15,238</u>
Landscaping maintenance:				
Salaries	\$ 318,000	\$ 345,300	\$ 345,800	\$ (500)
Overtime wages	4,500	4,500	2,296	2,204
Part time	10,000	19,700	20,686	(986)
Service awards	600	0	0	0
Longevity	6,000	5,850	5,850	0
Sold vacations	3,000	3,000	1,987	1,013
Christmas bonus	1,000	1,083	1,083	0
Sick pay incentive	2,700	2,200	2,200	0
Dental insurance	4,800	4,800	5,288	(488)
Social security	26,500	27,667	28,190	(523)
Health Insurance	82,200	82,200	96,065	(13,865)

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Landscaping maintenance - (Continued):				
Retirement	\$ 60,100	\$ 60,100	\$ 60,421	\$ (321)
Life and disability insurance	3,800	3,800	3,546	254
Vision insurance	1,300	1,300	1,301	(1)
Worker's compensation claims	2,000	2,000	2,787	(787)
Pre-employment testing	200	200	85	115
Postage	100	25	9	16
Printing	400	0	0	0
Subscriptions and memberships	1,000	500	440	60
Advertising	200	0	0	0
Utilities	3,200	3,200	2,514	686
Telephone	6,400	6,400	6,420	(20)
Contracted mowing	0	24,000	6,510	17,490
Vehicle maintenance	30,000	34,000	39,453	(5,453)
Equipment repairs	1,800	1,800	1,740	60
Travel and training	4,000	3,600	3,716	(116)
Work sessions	1,700	1,700	1,284	416
Other contracted services	2,600	0	0	0
Office expenditures	500	500	158	342
Botanical supplies	15,000	15,825	17,956	(2,131)
Uniforms	5,000	3,600	3,556	44
Trees	8,500	9,250	9,247	3
Donations - memorial tree fund	0	13,377	5,730	7,647
Gasoline and oil	14,000	14,000	16,756	(2,756)
Insurance - vehicle and equipment	12,000	4,200	4,182	18
Insurance - general liability	7,600	6,600	6,567	33
Workers compensation	7,900	3,000	1,021	1,979
Miscellaneous	500	500	463	37
Front-end loader	0	5,262	5,046	216
Landscape tractor	0	0	30,697	(30,697)
Small equipment	1,000	1,000	981	19
Total landscaping maintenance	<u>\$ 650,100</u>	<u>\$ 716,039</u>	<u>\$ 742,031</u>	<u>\$ (25,992)</u>
Cleveland Community Center:				
Salaries	\$ 141,000	\$ 141,000	\$ 138,660	\$ 2,340
Part time wages	38,000	38,000	60,427	(22,427)
Overtime wages	6,000	6,000	2,607	3,393
Service awards	150	150	150	0
Longevity	3,500	3,450	3,450	0
Sold vacations	3,200	3,200	2,499	701
Christmas bonus	500	434	433	1
Sick pay incentive	1,200	725	725	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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Cleveland Community Center - (Continued):				
Dental insurance	\$ 2,300	\$ 2,300	\$ 2,115	\$ 185
Social security	14,600	15,191	15,076	115
Health insurance	46,500	46,500	45,227	1,273
Retirement	28,000	28,000	23,185	4,815
Life and disability insurance	2,000	2,000	1,688	312
Vision insurance	600	600	476	124
Worker's compensation claims	300	300	0	300
Advertising	250	250	0	250
Utilities	36,000	35,500	33,280	2,220
Telephone	7,000	7,000	7,406	(406)
Vehicle maintenance	500	300	325	(25)
Equipment repairs	500	500	500	0
Building maintenance	35,000	35,000	29,820	5,180
Travel and training	2,500	1,000	934	66
Team trips and competition	2,600	2,600	2,141	459
Office expenditures and paper	1,500	1,500	1,412	88
Janitorial contract	4,000	4,000	3,018	982
Gasoline	400	400	438	(38)
Pool	12,000	12,000	7,004	4,996
Athletic supplies	2,000	2,000	1,576	424
Program development	8,000	9,470	731	8,739
Insurance - building and contents	4,200	4,900	4,895	5
Insurance - general liability	5,300	4,400	4,326	74
Workers compensation	6,600	6,600	3,808	2,792
Contracted services - floor maintenance	2,000	2,000	1,908	92
Contracted services - security	1,300	1,300	1,300	0
Miscellaneous	500	500	0	500
Junior pro basketball	4,500	4,500	4,472	28
Cardinal account	3,700	2,600	2,448	152
Total Cleveland Community Center	\$ 428,200	\$ 426,170	\$ 408,460	\$ 17,710
Tinsley Park:				
Salaries	\$ 170,000	\$ 170,000	\$ 192,667	\$ (22,667)
Overtime	10,000	10,000	4,159	5,841
Social security	13,500	13,500	14,980	(1,480)
Utilities	72,000	72,000	66,372	5,628
Telephone	1,000	1,000	1,015	(15)
Maintenance and repairs	32,500	27,500	26,175	1,325
Lifeguard training	7,000	7,000	4,365	2,635
Janitorial supplies	6,500	6,500	6,206	294
Tournament	5,000	4,129	4,128	1
Pool	25,000	25,000	26,078	(1,078)

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

CITY OF CLEVELAND, TENNESSEE

GENERAL FUND

(Continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Tinsley Park - (Continued):				
Concession supplies	\$ 12,000	\$ 12,000	\$ 3,647	\$ 8,353
Insurance - building and contents	4,000	4,000	4,655	(655)
Insurance - general liability	4,300	4,300	3,724	576
Workers compensation	5,800	19,800	17,091	2,709
Equipment	0	5,000	4,995	5
Total Tinsley Park	\$ 368,600	\$ 381,729	\$ 380,257	\$ 1,472
Total culture and recreation	\$ 3,038,525	\$ 3,119,018	\$ 3,113,222	\$ 5,796
Appropriations:				
Jointly funded	\$ 5,376	\$ 2,271	\$ 0	\$ 2,271
Regional Museum	42,300	42,300	42,300	0
Municipal League dues	9,200	9,102	9,102	0
Economic development	45,000	45,000	45,000	0
Southeast Tennessee Development	8,000	8,670	8,670	0
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	56,373	3,027
Keep America Beautiful	28,200	28,200	28,200	0
Juvenile Court match	1,100	1,100	1,100	0
United Way supporters	1,000	1,000	1,000	0
Sethra-Transit	135,000	135,000	135,000	0
Communications Center	650,000	650,000	650,000	0
Emergency Management	87,300	108,940	108,938	2
Mainstreet projects	4,000	4,000	4,000	0
SETDD legal fees	1,000	1,000	0	1,000
Veterans Affairs Office	22,600	31,665	31,664	1
Behavioral Research	2,000	2,000	0	2,000
HVAC at Museum Center	12,000	12,000	12,000	0
Life Bridges (20%)	6,200	6,200	6,200	0
Community Services Agency	94,400	96,933	96,933	0
Cleveland youth football	8,000	8,000	8,000	0
Aqua Tigers equipment	2,000	2,000	2,000	0
Boys and Girls Club	14,000	14,000	12,724	1,276
Water dogs	2,000	2,000	2,000	0
Soccer Association	5,000	5,000	5,000	0
Soccer Association - land	5,000	5,000	5,000	0
Vocational School	26,160	26,160	26,160	0
Total appropriations	\$ 1,311,236	\$ 1,341,941	\$ 1,332,364	\$ 9,577

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

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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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Debt Service:				
Principal retirement	\$ 29,183	\$ 23,159	\$ 24,879	\$ (1,720)
Interest and fiscal charges	541	1,778	0	1,778
Total debt service	<u>\$ 29,724</u>	<u>\$ 24,937</u>	<u>\$ 24,879</u>	<u>\$ 58</u>
Total expenditures	<u>\$ 36,493,548</u>	<u>\$ 36,793,807</u>	<u>\$ 34,905,499</u>	<u>\$ 1,888,308</u>
Excess of revenues over expenditures	<u>\$ 11,829,402</u>	<u>\$ 12,156,507</u>	<u>\$ 14,587,211</u>	<u>\$ 2,430,704</u>
Other financing sources (uses):				
Transfers in	\$ 2,665,652	\$ 2,678,387	\$ 2,732,072	\$ 53,685
Transfers out	(14,463,204)	(14,747,493)	(14,747,493)	0
Capital lease issued	0	0	69,475	69,475
Total other financing sources(uses)	<u>\$ (11,797,552)</u>	<u>\$ (12,069,106)</u>	<u>\$ (11,945,946)</u>	<u>\$ 123,160</u>
Net change in fund balances	\$ 31,850	\$ 87,401	\$ 2,641,265	\$ 2,553,864
Fund balance at beginning of year	<u>14,237,095</u>	<u>14,237,095</u>	<u>14,237,095</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 14,268,945</u></u>	<u><u>\$ 14,324,496</u></u>	<u><u>\$ 16,878,360</u></u>	<u><u>\$ 2,553,864</u></u>

CITY OF CLEVELAND, TENNESSEE
SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government:				
Education of the handicapped	\$ 10,896	\$ 10,896	\$ 60,141	\$ 49,245
Total federal government	\$ 10,896	\$ 10,896	\$ 60,141	\$ 49,245
State of Tennessee:				
Basic education program	\$ 29,383,000	\$ 29,383,000	\$ 28,801,886	\$ (581,114)
School food service	32,663	32,663	29,873	(2,790)
Other state education funds	125,000	125,000	329,157	204,157
Career ladder program	124,648	124,648	91,928	(32,720)
Other state grants	1,013,604	1,013,604	929,699	(83,905)
State mixed drink tax	108,990	108,990	130,013	21,023
State income tax	79,177	79,177	13,716	(65,461)
On-behalf contributions for opeb	0	0	164,552	164,552
Total State of Tennessee	\$ 30,867,082	\$ 30,867,082	\$ 30,490,824	\$ (376,258)
Bradley County:				
Property taxes - current	\$ 6,294,515	\$ 6,294,515	\$ 6,295,927	\$ 1,412
Property taxes - prior	182,061	182,061	139,544	(42,517)
Clerk and master	116,000	116,000	100,096	(15,904)
Interest and penalty	31,369	31,369	26,272	(5,097)
In lieu of taxes - Local Utilities	3,805	3,805	2,674	(1,131)
In lieu of taxes - Other Utilities	202,717	202,717	522,793	320,076
Marriage license	2,825	2,825	3,044	219
Bank excise tax	28,376	28,376	22,893	(5,483)
Interstate telecommunications tax	2,126	2,126	0	(2,126)
Local sales tax	5,890,015	5,890,015	5,958,907	68,892
Total Bradley County	\$ 12,753,809	\$ 12,753,809	\$ 13,072,150	\$ 318,341
Total Intergovernmental	\$ 43,631,787	\$ 43,631,787	\$ 43,623,115	\$ (8,672)
Charges for services:				
Tuition	\$ 101,935	\$ 101,935	\$ 147,873	\$ 45,938
Criminal background fee	4,800	4,800	2,006	(2,794)
Total charges for services	\$ 106,735	\$ 106,735	\$ 149,879	\$ 43,144

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues - (Continued)				
Interest	\$ 13,250	\$ 13,250	\$ 139,580	\$ 126,330
Miscellaneous:				
Miscellaneous refunds	\$ 98,841	\$ 98,841	\$ 89,636	\$ (9,205)
Retirees Insurance Payments	0	0	953	953
Sale of equipment	6,900	6,900	2,776	(4,124)
Damages recovered	1,800	1,800	190	(1,610)
Contributions	57,866	57,866	134,601	76,735
Other	7,461	7,461	7,265	(196)
Total miscellaneous	\$ 172,868	\$ 172,868	\$ 235,421	\$ 62,553
Total revenues	\$ 43,924,640	\$ 43,924,640	\$ 44,147,995	\$ 223,355
Expenditures:				
Current:				
Education:				
Regular instruction:				
Teachers	\$ 17,659,974	\$ 17,659,974	\$ 17,411,588	\$ 248,386
Career ladder program	69,500	69,500	47,000	22,500
Homebound teachers	66,174	66,174	69,380	(3,206)
Assistants	1,202,857	1,202,857	1,224,394	(21,537)
Other salaries and wages	201,545	201,545	187,044	14,501
Certified substitute teachers	147,375	147,375	161,114	(13,739)
Non-certified substitute teachers	101,905	101,905	80,462	21,443
Social security	1,191,360	1,191,360	1,093,512	97,848
State retirement	2,066,632	2,066,632	1,876,236	190,396
Life insurance	15,607	15,607	29,807	(14,200)
Medical insurance	2,756,400	2,756,400	2,824,558	(68,158)
Unemployment compensation	8,000	8,000	1,967	6,033
Employer medicare liability	278,681	278,681	257,281	21,400
Retirement - hybrid stabilization	0	0	90,089	(90,089)
Other fringe benefits	144,000	144,000	128,720	15,280
Operating lease payments	0	0	333,254	(333,254)
Maintenance and repair	16,050	16,050	12,440	3,610
Contracted services substitutes	35,000	35,000	0	35,000
Other contracted services	153,835	153,835	226,822	(72,987)
Instructional supplies	253,681	253,681	257,597	(3,916)
Electronic textbooks	126,563	126,563	31,450	95,113
Textbooks	28,433	28,433	123,816	(95,383)
Other supplies and materials	92,822	92,822	26,731	66,091
Other charges	5,100	5,100	5,948	(848)
Regular instruction equipment	55,410	55,410	59,459	(4,049)
Total regular instruction	\$ 26,676,904	\$ 26,676,904	\$ 26,560,669	\$ 116,235
Special education:				
Teachers	\$ 1,945,945	\$ 1,945,945	\$ 1,943,122	\$ 2,823
Career ladder program	12,000	12,000	10,000	2,000
Homebound teachers	1,000	1,000	6,853	(5,853)
Assistants	375,929	375,929	371,720	4,209
Speech pathologist	305,411	305,411	292,790	12,621

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

CITY OF CLEVELAND, TENNESSEE
SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Special education - (Continued):				
Other salaries and wages	\$ 42,937	\$ 42,937	\$ 41,971	\$ 966
Certified substitute teachers	9,000	9,000	7,579	1,421
Non-certified substitute teachers	8,000	8,000	9,521	(1,521)
Social security	165,981	165,981	154,494	11,487
State retirement	308,310	308,310	284,929	23,381
Life insurance	1,956	1,956	3,335	(1,379)
Medical insurance	404,540	404,540	411,165	(6,625)
Employer medicare liability	38,818	38,818	36,139	2,679
Contracts with private agencies	22,102	22,102	6,992	15,110
Maintenance and other repair services	1,700	1,700	597	1,103
Instructional supplies	25,450	25,450	22,043	3,407
Other supplies and materials	7,300	7,300	9,321	(2,021)
Special education equipment	5,600	5,600	2,880	2,720
Total special education	<u>\$ 3,681,979</u>	<u>\$ 3,681,979</u>	<u>\$ 3,615,451</u>	<u>\$ 66,528</u>
Vocational education:				
Teachers	\$ 995,182	\$ 995,182	\$ 978,905	\$ 16,277
Certified substitute teachers	4,000	4,000	5,250	(1,250)
Non-certified substitute teachers	2,500	2,500	2,326	174
Social security	61,704	61,704	56,231	5,473
State retirement	104,096	104,096	99,449	4,647
Life insurance	639	639	921	(282)
Medical insurance	157,449	157,449	145,958	11,491
Employer medicare liability	14,431	14,431	13,155	1,276
Maintenance and repair services	8,500	8,500	5,073	3,427
Tuition	375	375	0	375
Other contracted services	4,500	4,500	9,936	(5,436)
Instructional supplies	33,200	33,200	41,613	(8,413)
Other supplies and materials	2,300	2,300	39,956	(37,656)
Vocational instruction equipment	66,667	66,667	31,133	35,534
Total vocational education	<u>\$ 1,455,543</u>	<u>\$ 1,455,543</u>	<u>\$ 1,429,906</u>	<u>\$ 25,637</u>
Students:				
Attendance:				
Supervisor	\$ 48,959	\$ 48,959	\$ 48,959	\$ 0
Other salaries & wages	49,582	49,582	35,521	14,061
Social security	6,110	6,110	5,077	1,033
State retirement	13,580	13,580	11,181	2,399
Life insurance	120	120	79	41
Medical insurance	7,632	7,632	7,728	(96)
Employer medicare liability	1,429	1,429	1,187	242
Other contracted services	9,000	9,000	9,000	0
Other supplies and materials	7,500	7,500	3,391	4,109
Total attendance	<u>\$ 143,912</u>	<u>\$ 143,912</u>	<u>\$ 122,123</u>	<u>\$ 21,789</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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Students - (Continued):				
Health services:				
Supervisor/Director	\$ 0	\$ 0	\$ 65,328	\$ (65,328)
Medical personnel	241,598	241,598	232,854	8,744
Other salaries and wages	94,797	94,797	1,202	93,595
Certified substitute teachers	0	0	403	(403)
Social security	19,080	19,080	17,023	2,057
State retirement	48,705	48,705	44,287	4,418
Life insurance	94	94	452	(358)
Medical insurance	33,434	33,434	38,954	(5,520)
Employer medicare liability	4,835	4,835	3,981	854
Travel	2,400	2,400	4,306	(1,906)
Drugs and medical supplies	2,000	2,000	1,877	123
Other supplies and materials	16,359	16,359	26,134	(9,775)
In service staff development	0	0	4,215	(4,215)
Other equipment	0	0	1,848	(1,848)
Total health services	<u>\$ 463,302</u>	<u>\$ 463,302</u>	<u>\$ 442,864</u>	<u>\$ 20,438</u>
Other student support:				
Career ladder program	\$ 7,000	\$ 7,000	\$ 6,000	\$ 1,000
Guidance personnel	809,716	809,716	848,113	(38,397)
Psychological personnel	86,487	86,487	88,507	(2,020)
Social workers	58,975	58,975	0	58,975
Attendants	137,795	137,795	160,877	(23,082)
Other salaries and wages	135,494	135,494	96,790	38,704
Social security	76,302	76,302	70,148	6,154
State retirement	123,759	123,759	114,859	8,900
Life insurance	867	867	925	(58)
Medical insurance	112,513	112,513	123,481	(10,968)
Employer medicare liability	17,914	17,914	16,405	1,509
Evaluation and testing	90,870	90,870	120,072	(29,202)
Maintenance and repair services	100	100	0	100
Postal charges	1,000	1,000	0	1,000
Other contracted services	383,344	383,344	378,430	4,914
Other supplies and materials	7,800	7,800	13,275	(5,475)
Total other student support	<u>\$ 2,049,936</u>	<u>\$ 2,049,936</u>	<u>\$ 2,037,882</u>	<u>\$ 12,054</u>
Total students	<u>\$ 2,657,150</u>	<u>\$ 2,657,150</u>	<u>\$ 2,602,869</u>	<u>\$ 54,281</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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Instructional staff:				
Regular instruction program:				
Supervisor	\$ 347,983	\$ 347,983	\$ 339,593	\$ 8,390
Career ladder program	6,500	6,500	2,500	4,000
Librarians	548,378	548,378	555,947	(7,569)
Materials supervisor	45,954	45,954	48,088	(2,134)
Secretaries	152,929	152,929	112,777	40,152
Other salaries and wages	50,611	50,611	77,450	(26,839)
Social security	81,759	81,759	65,941	15,818
State retirement	164,667	164,667	129,942	34,725
Life insurance	1,183	1,183	933	250
Medical insurance	136,731	136,731	131,406	5,325
Employer medicare liability	19,121	19,121	15,473	3,648
Dues and subscriptions	4,000	4,000	1,220	2,780
Travel	32,000	32,000	18,091	13,909
Other contracted services	8,500	8,500	6,246	2,254
Library books	34,500	34,500	36,048	(1,548)
Other supplies and materials	27,450	27,450	18,108	9,342
In-service staff development	76,200	76,200	61,720	14,480
Other equipment	3,500	3,500	961	2,539
Total regular instruction program	<u>\$ 1,741,966</u>	<u>\$ 1,741,966</u>	<u>\$ 1,622,444</u>	<u>\$ 119,522</u>
Special education:				
Supervisor	\$ 103,907	\$ 103,907	\$ 96,918	\$ 6,989
Career ladder program	1,000	1,000	0	1,000
Social security	6,504	6,504	5,700	804
State retirement	10,973	10,973	10,138	835
Life insurance	29	29	53	(24)
Medical insurance	6,609	6,609	15,456	(8,847)
Employer medicare liability	1,511	1,511	1,333	178
Consultants	500	500	0	500
Travel	1,500	1,500	2,557	(1,057)
Total special education	<u>\$ 132,533</u>	<u>\$ 132,533</u>	<u>\$ 132,155</u>	<u>\$ 378</u>
Vocational education:				
Supervisor	\$ 91,028	\$ 91,028	\$ 91,028	\$ 0
Secretaries	30,346	30,346	30,346	0
Social security	7,525	7,525	7,318	207
State retirement	14,699	14,699	14,699	0

CITY OF CLEVELAND, TENNESSEE
SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

(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	\$ 106	\$ (34)
Medical insurance	13,219	13,219	13,381	(162)
Employer medicare liability	1,760	1,760	1,711	49
Travel	2,500	2,500	1,730	770
Total vocational education	<u>\$ 161,149</u>	<u>\$ 161,149</u>	<u>\$ 160,319</u>	<u>\$ 830</u>
Total instructional staff	<u>\$ 2,035,648</u>	<u>\$ 2,035,648</u>	<u>\$ 1,914,918</u>	<u>\$ 120,730</u>
General administration:				
Technology:				
Supervisor	\$ 83,407	\$ 83,407	\$ 83,407	\$ 0
Other salaries and wages	179,936	179,936	190,686	(10,750)
Social security	16,328	16,328	15,565	763
Retirement	44,927	44,927	45,844	(917)
Life insurance	72	72	328	(256)
Health insurance	53,053	53,053	54,879	(1,826)
Employer medicare	3,819	3,819	3,655	164
Contracted services	123,149	123,149	65,196	57,953
Internet connectivity	25,406	25,406	41,458	(16,052)
Travel	4,000	4,000	4,458	(458)
Other supplies and materials	2,000	2,000	4,728	(2,728)
Cabling	3,563	3,563	4,798	(1,235)
Software	127,282	127,282	105,285	21,997
Other charges	5,000	5,000	0	5,000
Equipment	541,876	541,876	152,832	389,044
Total technology	<u>\$ 1,213,818</u>	<u>\$ 1,213,818</u>	<u>\$ 773,119</u>	<u>\$ 440,699</u>
Board of education:				
Board and committee members' fees	\$ 52,800	\$ 52,800	\$ 52,800	\$ 0
Social security	3,274	3,274	3,274	0
Employer medicare	766	766	766	0
Other fringe benefits	740	740	757	(17)
Audit services	13,900	13,900	13,900	0
Dues and membership	15,342	15,342	15,011	331
Legal services	10,000	10,000	9,734	266
Liability insurance	61,486	61,486	61,458	28
Premiums on corporate surety bonds	14,905	14,905	14,899	6
Trustee's commission	118,520	118,520	137,012	(18,492)
Worker's compensation insurance	231,314	231,314	196,241	35,073
Criminal investigation	8,000	8,000	6,984	1,016
Refund for criminal investigation	2,000	2,000	1,245	755
Other charges	32,000	32,000	52,158	(20,158)
Total board of education	<u>\$ 565,047</u>	<u>\$ 565,047</u>	<u>\$ 566,239</u>	<u>\$ (1,192)</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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
General administration - (Continued):				
Office of the superintendent:				
Administrative officer	\$ 153,000	\$ 153,000	\$ 155,907	\$ (2,907)
Assistants	105,348	105,348	108,807	(3,459)
Career ladder program	0	0	1,000	(1,000)
Secretaries	71,562	71,562	71,562	0
Other salaries and wages	7,200	7,200	7,200	0
Social security	20,714	20,714	18,402	2,312
State retirement	39,985	39,985	40,755	(770)
Life insurance	195	195	175	20
Medical insurance	23,259	23,259	27,902	(4,643)
Employer medicare liability	4,844	4,844	4,782	62
Other fringe benefits	4,116	4,116	0	4,116
Communication	127,000	127,000	109,599	17,401
Dues and memberships	6,483	6,483	9,368	(2,885)
Postal charges	6,500	6,500	6,140	360
Travel	13,000	13,000	15,679	(2,679)
Other contracted services	29,075	29,075	34,381	(5,306)
Office supplies	16,500	16,500	13,893	2,607
Other charges	16,900	16,900	18,425	(1,525)
Administrative equipment	5,000	5,000	1,357	3,643
Total office of superintendent	<u>\$ 650,681</u>	<u>\$ 650,681</u>	<u>\$ 645,334</u>	<u>\$ 5,347</u>
Total general administration	<u>\$ 2,429,546</u>	<u>\$ 2,429,546</u>	<u>\$ 1,984,692</u>	<u>\$ 444,854</u>
Office of the Principal:				
Principals	\$ 852,846	\$ 852,846	\$ 852,821	\$ 25
Career ladder program	7,000	7,000	2,000	5,000
Assistant principals	876,451	876,451	892,118	(15,667)
Secretaries	385,121	385,121	387,832	(2,711)
Clerical personnel	26,840	26,840	0	26,840
Social security	131,951	131,951	124,099	7,852
State retirement	251,897	251,897	248,894	3,003
Life insurance	1,386	1,386	1,844	(458)
Medical insurance	253,070	253,070	244,103	8,967
Employer medicare liability	30,859	30,859	29,036	1,823
Dues and memberships	1,500	1,500	710	790
Maintenance and repair services	4,000	4,000	3,482	518
Postal charges	4,900	4,900	4,810	90
Travel	5,100	5,100	0	5,100
Other contracted services	16,025	16,025	16,230	(205)
Office supplies	9,825	9,825	7,687	2,138
Administrative equipment	8,150	8,150	16,702	(8,552)
Total office of the principal	<u>\$ 2,866,921</u>	<u>\$ 2,866,921</u>	<u>\$ 2,832,368</u>	<u>\$ 34,553</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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Business administration:				
Bookkeepers	\$ 248,477	\$ 248,477	\$ 237,328	\$ 11,149
Social security	13,398	13,398	13,029	369
State retirement	42,390	42,390	40,319	2,071
Life insurance	163	163	211	(48)
Medical insurance	31,413	31,413	41,229	(9,816)
Employer medicare liability	3,603	3,603	3,058	545
Data processing services	29,501	29,501	31,630	(2,129)
Travel	1,000	1,000	2,233	(1,233)
Total business administration	<u>\$ 369,945</u>	<u>\$ 369,945</u>	<u>\$ 369,037</u>	<u>\$ 908</u>
Operation and maintenance of plant:				
Operation of plant:				
Custodial personnel	\$ 26,821	\$ 26,821	\$ 22,426	\$ 4,395
Other salaries and wages	46,349	46,349	46,349	0
Social security	4,537	4,537	1,355	3,182
State retirement	9,424	9,424	3,826	5,598
Life insurance	84	84	41	43
Medical insurance	6,188	6,188	5,207	981
Employer medicare liability	1,061	1,061	946	115
Janitorial services	909,116	909,116	958,181	(49,065)
Operating lease payments	52,951	52,951	0	52,951
Other contracted services	85,797	85,797	124,112	(38,315)
Electricity	1,151,621	1,151,621	1,094,579	57,042
Natural gas	115,395	115,395	77,274	38,121
Water and sewer	198,695	198,695	168,928	29,767
Other supplies and materials	25,000	25,000	0	25,000
Boiler insurance	11,925	11,925	11,920	5
Building and contents insurance	217,248	217,248	218,187	(939)
Other charges	0	0	339	(339)
Total operation of plant	<u>\$ 2,862,212</u>	<u>\$ 2,862,212</u>	<u>\$ 2,733,670</u>	<u>\$ 128,542</u>
Maintenance of plant:				
Supervisor	\$ 87,982	\$ 87,982	\$ 87,982	\$ 0
Maintenance personnel	457,554	457,554	520,096	(62,542)
Other salaries and wages	35,000	35,000	0	35,000
Social security	35,691	35,691	33,847	1,844
State retirement	93,068	93,068	99,963	(6,895)
Life insurance	592	592	687	(95)
Medical insurance	112,122	112,122	117,574	(5,452)
Employer medicare liability	8,418	8,418	7,916	502
Maintenance and repair services - building	90,140	90,140	42,161	47,979
Maintenance and repair services - equipment	2,000	2,000	15,622	(13,622)
Other contracted services	101,000	101,000	174,878	(73,878)
Equipment and machinery parts	5,200	5,200	32,523	(27,323)

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Operation and maintenance of plant - (Continued):				
Other supplies and materials	\$ 190,000	\$ 190,000	\$ 148,250	\$ 41,750
Other charges	5,000	5,000	2,556	2,444
Administration Equipment	0	0	190,016	(190,016)
Maintenance equipment	2,500	2,500	29,254	(26,754)
Total maintenance of plant	<u>\$ 1,226,267</u>	<u>\$ 1,226,267</u>	<u>\$ 1,503,325</u>	<u>\$ (277,058)</u>
Total operation and maintenance	<u>\$ 4,088,479</u>	<u>\$ 4,088,479</u>	<u>\$ 4,236,995</u>	<u>\$ (148,516)</u>
Transportation:				
Supervisor	\$ 41,582	\$ 41,582	\$ 43,340	\$ (1,758)
Mechanics	119,568	119,568	93,340	26,228
Bus drivers	569,523	569,523	561,151	8,372
Social security	45,302	45,302	43,927	1,375
State retirement	27,492	27,492	22,504	4,988
Life insurance	94	94	158	(64)
Medical insurance	19,011	19,011	27,106	(8,095)
Employer medicare	10,595	10,595	10,273	322
Contracts with parents	1,000	1,000	0	1,000
Medical and dental services	3,500	3,500	2,820	680
Travel	1,100	1,100	925	175
Other contracted services	22,500	22,500	94,087	(71,587)
Diesel fuel	181,788	181,788	127,287	54,501
Gasoline	20,000	20,000	23,002	(3,002)
Lubricants	2,000	2,000	7,582	(5,582)
Tires and tubes	17,290	17,290	23,287	(5,997)
Vehicle parts	79,440	79,440	38,380	41,060
Other supplies and materials	2,000	2,000	30,018	(28,018)
Vehicle and equipment insurance	67,075	67,075	67,047	28
Other charges	15,550	15,550	10,553	4,997
Total transportation	<u>\$ 1,246,410</u>	<u>\$ 1,246,410</u>	<u>\$ 1,226,787</u>	<u>\$ 19,623</u>
Food service:				
Other salaries and wages	\$ 73,016	\$ 73,016	\$ 49,843	\$ 23,173
Social security	4,527	4,527	2,700	1,827
State retirement	7,638	7,638	8,503	(865)
Life insurance	47	47	53	(6)
Medical insurance	9,305	9,305	10,977	(1,672)
Employer medicare liability	1,059	1,059	631	428
Total food service	<u>\$ 95,592</u>	<u>\$ 95,592</u>	<u>\$ 72,707</u>	<u>\$ 22,885</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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Community services:				
Other contracted services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 0
Other charges	0	0	182	(182)
Total community services	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,182</u>	<u>\$ (182)</u>
Early Childhood Education:				
Contracts with other public agencies	\$ 1,013,604	\$ 1,013,604	\$ 929,698	\$ 83,906
Total early childhood education	<u>\$ 1,013,604</u>	<u>\$ 1,013,604</u>	<u>\$ 929,698</u>	<u>\$ 83,906</u>
Other Programs				
On-behalf payments of opeb	\$ 0	\$ 0	\$ 164,552	\$ (164,552)
Total other programs	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 164,552</u>	<u>\$ (164,552)</u>
Total education	<u>\$ 48,642,721</u>	<u>\$ 48,642,721</u>	<u>\$ 47,965,831</u>	<u>\$ 676,890</u>
Capital Outlay				
Building improvements	\$ 0	\$ 0	\$ 4,628,065	\$ (4,628,065)
Total capital outlay	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,628,065</u>	<u>\$ (4,628,065)</u>
Debt Service				
Principal on bonds	\$ 0	\$ 0	\$ 460,666	\$ (460,666)
Interest on bonds	0	0	268,179	(268,179)
Total debt service	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 728,845</u>	<u>\$ (728,845)</u>
Total expenditures	<u>\$ 48,642,721</u>	<u>\$ 48,642,721</u>	<u>\$ 53,322,741</u>	<u>\$ (4,680,020)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (4,718,081)</u>	<u>\$ (4,718,081)</u>	<u>\$ (9,174,746)</u>	<u>\$ (4,456,665)</u>
Other Financing Sources (Uses)				
Transfers in	\$ 5,273,600	\$ 5,273,600	\$ 5,273,600	\$ 0
Transfers out	(555,519)	(555,519)	(555,519)	0
Total other financing sources(uses)	<u>\$ 4,718,081</u>	<u>\$ 4,718,081</u>	<u>\$ 4,718,081</u>	<u>\$ 0</u>
Net change in fund balances	\$ 0	\$ 0	\$ (4,456,665)	\$ (4,456,665)
Fund balance at beginning of year	<u>8,795,267</u>	<u>8,795,267</u>	<u>8,795,267</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 8,795,267</u></u>	<u><u>\$ 8,795,267</u></u>	<u><u>\$ 4,338,602</u></u>	<u><u>\$ (4,456,665)</u></u>

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 11,037,081	\$ 14,348,322	\$ 2,604,475	\$ 27,989,878	\$ 975,906
Cash and cash equivalents - restricted	4,106	4,495	0	8,601	0
Accounts receivable - net	4,846,629	14,725,889	126,804	19,699,322	0
Inventories	334,712	2,022,942	0	2,357,654	0
Prepays	84,070	135,911	0	219,981	0
Total current assets	\$ 16,306,598	\$ 31,237,559	\$ 2,731,279	\$ 50,275,436	\$ 975,906
Noncurrent assets:					
Receivable - conservation loans	\$ 0	\$ 1,220,669	\$ 0	\$ 1,220,669	\$ 0
Other assets	0	1,587,674	0	1,587,674	0
Capital assets:					
Land and construction in progress	12,081,677	3,585,905	206,799	15,874,381	0
Other capital assets, net of depreciation	123,201,691	71,790,612	738,100	195,730,403	0
Total noncurrent assets	\$ 135,283,368	\$ 78,184,860	\$ 944,899	\$ 214,413,127	\$ 0
Total assets	\$ 151,589,966	\$ 109,422,419	\$ 3,676,178	\$ 264,688,563	\$ 975,906
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	\$ 471,222	\$ 12,349	\$ 0	\$ 483,571	\$ 0
Deferred outflows - pensions	3,097,216	3,813,903	44,888	6,956,007	0
Deferred outflows - opeb	847,428	613,369	7,560	1,468,357	0
Total deferred outflows of resources	\$ 4,415,866	\$ 4,439,621	\$ 52,448	\$ 8,907,935	\$ 0
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 980,588	\$ 10,289,976	\$ 6,808	\$ 11,277,372	\$ 177,066
Customer deposits	0	3,660,758	0	3,660,758	0
Due to other funds	0	126,332	0	126,332	0
Current maturities of long-term debt	4,390,309	1,158,422	0	5,548,731	0
Other current liabilities	2,142,094	1,462,988	10,921	3,616,003	0
Total current liabilities	\$ 7,512,991	\$ 16,698,476	\$ 17,729	\$ 24,229,196	\$ 177,066
Noncurrent liabilities:					
Post-employment benefits payable	\$ 9,040,173	\$ 6,546,333	\$ 377,989	\$ 15,964,495	\$ 0
Pension benefits payable	6,517,885	7,141,323	90,976	13,750,184	0
Conservation advances from TVA	0	1,262,327	0	1,262,327	0
Due to other funds	0	1,194,001	0	1,194,001	0
Notes payable	27,114,960	4,658,500	0	31,773,460	0
Revenue bonds payable net of discount	25,213,880	9,110,550	0	34,324,430	0
Total noncurrent liabilities	\$ 67,886,898	\$ 29,913,034	\$ 468,965	\$ 98,268,897	\$ 0
Total liabilities	\$ 75,399,889	\$ 46,611,510	\$ 486,694	\$ 122,498,093	\$ 177,066
DEFERRED INFLOWS OF RESOURCES					
Deferred charge on refunding	\$ 146,209	\$ 39,671	\$ 0	\$ 185,880	\$ 0
Deferred inflows - pensions	267,272	296,525	3,142	566,939	0
Deferred inflows - opeb	841,187	608,850	0	1,450,037	0
Total deferred inflows of resources	\$ 1,254,668	\$ 945,046	\$ 3,142	\$ 2,202,856	\$ 0
NET POSITION					
Net investment in capital assets	\$ 78,893,337	\$ 60,426,217	\$ 944,899	\$ 140,264,453	\$ 0
Unrestricted	457,938	5,879,267	2,293,891	8,631,096	798,840
Total net position	\$ 79,351,275	\$ 66,305,484	\$ 3,238,790	\$ 148,895,549	\$ 798,840

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

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
Operating Revenues:					
Charges for services	\$ 26,390,406	\$ 101,584,930	\$ 1,522,529	\$ 129,497,865	\$ 4,478,181
Other operating revenues	2,788,063	1,569,784	0	4,357,847	0
Total operating revenues	\$ 29,178,469	\$ 103,154,714	\$ 1,522,529	\$ 133,855,712	\$ 4,478,181
Operating Expenses:					
Power purchased	\$ 0	\$ 79,105,222	\$ 0	\$ 79,105,222	\$ 0
Operation expenses	15,591,214	7,594,078	416,220	23,601,512	4,260,720
Maintenance expense	3,003,654	5,146,763	0	8,150,417	0
Depreciation and amortization	6,254,197	4,999,886	36,541	11,290,624	0
Total operating expenses	\$ 24,849,065	\$ 96,845,949	\$ 452,761	\$ 122,147,775	\$ 4,260,720
Operating income (loss)	\$ 4,329,404	\$ 6,308,765	\$ 1,069,768	\$ 11,707,937	\$ 217,461
Non Operating Revenues (Expenses):					
Interest income	\$ 211,405	\$ 385,593	\$ 53,159	\$ 650,157	\$ 15,894
Interest expense	(1,695,052)	(634,273)	0	(2,329,325)	0
Plant cost recovered through contributions	0	(271,254)	0	(271,254)	0
Other income (expense)	(7,434)	226,316	0	218,882	0
Total nonoperating revenues (expenses)	\$ (1,491,081)	\$ (293,618)	\$ 53,159	\$ (1,731,540)	\$ 15,894
Income before contributions and transfers	\$ 2,838,323	\$ 6,015,147	\$ 1,122,927	\$ 9,976,397	\$ 233,355
Capital contributions	348,439	271,254	0	619,693	0
Transfers out	(454,023)	(2,265,314)	0	(2,719,337)	0
Change in net position	\$ 2,732,739	\$ 4,021,087	\$ 1,122,927	\$ 7,876,753	\$ 233,355
Total net position - beginning	76,618,536	62,284,397	2,115,863	141,018,796	565,485
Total net position - ending	\$ 79,351,275	\$ 66,305,484	\$ 3,238,790	\$ 148,895,549	\$ 798,840

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 27,697,896	\$ 103,060,981	\$ 1,525,303	\$ 132,284,180	\$ 0
Receipts from interfund charges	0	0	0	0	4,478,181
Payments to suppliers	(13,085,238)	(83,058,270)	(303,736)	(96,447,244)	(4,336,719)
Payments to employees for services	(5,757,920)	(8,989,825)	(127,654)	(14,875,399)	0
Net cash provided by (used in) operating activities	<u>\$ 8,854,738</u>	<u>\$ 11,012,886</u>	<u>\$ 1,093,913</u>	<u>\$ 20,961,537</u>	<u>\$ 141,462</u>
Cash flows from noncapital financing activities:					
Transfers out	\$ (454,023)	\$ (2,265,315)	\$ 0	\$ (2,719,338)	\$ 0
Net cash provided by (used in) financing activities	<u>\$ (454,023)</u>	<u>\$ (2,265,315)</u>	<u>\$ 0</u>	<u>\$ (2,719,338)</u>	<u>\$ 0</u>
Cash flows from capital and related financing activities:					
Additions to plants	\$ (11,482,162)	\$ (7,152,575)	\$ (560,862)	\$ (19,195,599)	\$ 0
Proceeds received for contributions in aid of construction	348,439	271,254	0	619,693	0
Removal cost	0	(374,747)	0	(374,747)	0
Salvage	17,868	155,115	0	172,983	0
Proceeds from issuance of debt	23,026,214	5,290,638	0	28,316,852	0
Payment of principal on long-term debt	(16,256,073)	(3,839,003)	0	(20,095,076)	0
Payment of interest on long-term debt	(1,545,084)	(605,936)	0	(2,151,020)	0
Net cash provided by (used in) capital and related financing activities	<u>\$ (5,890,798)</u>	<u>\$ (6,255,254)</u>	<u>\$ (560,862)</u>	<u>\$ (12,706,914)</u>	<u>\$ 0</u>
Cash flows from investing activities:					
Interest received	\$ 211,405	\$ 385,594	\$ 53,159	\$ 650,158	\$ 15,894
Other non-operating revenue (expense)	(7,434)	226,316	0	218,882	0
Net cash provided by investing activities	<u>\$ 203,971</u>	<u>\$ 611,910</u>	<u>\$ 53,159</u>	<u>\$ 869,040</u>	<u>\$ 15,894</u>
Net increase (decrease) in cash and cash equivalents	\$ 2,713,888	\$ 3,104,227	\$ 586,210	\$ 6,404,325	\$ 157,356
Cash and cash equivalents, beginning of year	8,327,299	11,248,590	2,018,265	21,594,154	818,550
Cash and cash equivalents, end of year	<u>\$ 11,041,187</u>	<u>\$ 14,352,817</u>	<u>\$ 2,604,475</u>	<u>\$ 27,998,479</u>	<u>\$ 975,906</u>

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019

(Continued)

Enterprise Funds				
Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	Internal Service Funds

Reconciliation of operating income to net cash provided by operating activities:

Operating income (loss)	\$ 4,329,404	\$ 6,308,765	\$ 1,069,768	\$ 11,707,937	\$ 217,461
revenues to net cash provided by operating activities:					
Depreciation	6,506,893	5,247,858	36,541	11,791,292	0
Changes in operating assets and liabilities					
Accounts receivable	(1,480,573)	(125,055)	2,774	(1,602,854)	0
Allowance for doubtful accounts	0	5,390	0	5,390	0
Inventories	(19,701)	(36,429)	0	(56,130)	0
Receivable from customers for conservation loans	0	(84,976)	0	(84,976)	0
Prepays	566,295	337,013	0	903,308	0
Other assets	0	69,613	0	69,613	0
Accounts payable	(506,813)	261,329	(21,908)	(267,392)	(75,999)
Customer deposits	0	116,297	0	116,297	0
Other current liabilities	137,416	(446,052)	1,705	(306,931)	0
Pension benefits payable	(677,209)	(735,417)	(6,051)	(1,418,677)	0
Post-employment benefits payable	(974)	(706)	11,084	9,404	0
Conservation loans	0	95,256	0	95,256	0
Net cash provided by operating activities	\$ 8,854,738	\$ 11,012,886	\$ 1,093,913	\$ 20,961,537	\$ 141,462

CITY OF CLEVELAND, TENNESSEE
STATEMENT OF NET POSITION - FIDUCIARY FUND
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND - CLEVELAND UTILITIES
June 30, 2019

ASSETS

Current assets:

Cash and cash equivalents	\$ 26,690
Interest receivable	894
Investments, at fair value	<u>1,061,638</u>
Total current assets	<u>\$ 1,089,222</u>
Total assets	<u><u>\$ 1,089,222</u></u>

NET POSITION

Net position restricted for other post-employment benefits	<u><u>\$ 1,089,222</u></u>
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CITY OF CLEVELAND, TENNESSEE
 STATEMENT CHANGES IN NET POSITION - FIDUCIARY FUND
 OTHER POST-EMPLOYMENT BENEFITS TRUST FUND - CLEVELAND UTILITIES
 For the Fiscal Year Ended June 30, 2019

ADDITIONS

Employer contributions	\$ 1,287,545
Net investment income:	
Interest and dividend income	50,520
Net change in the fair value of assets	<u>(7,868)</u>
Total Additions	<u>\$ 1,330,197</u>

DEDUCTIONS

Benefits paid	\$ <u>629,622</u>
Total Deductions	<u>\$ 629,622</u>
Change in Net Position Held in Trust for Other Post-Employment Benefits	\$ 700,575
Net position, held in trust beginning of year	<u>388,647</u>
Net position, held in trust end of year	<u><u>\$ 1,089,222</u></u>

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NOTES

CITY OF CLEVELAND, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

C. Measurement focus, Basis of Accounting

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

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

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

D. Cash and Cash Equivalents

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

E. Investments

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

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

F. Receivables and Payables

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

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

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

G. Inventories and Prepaid Items

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

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

H. Restricted Assets

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

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

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

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

Cleveland Utilities

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

Cleveland Utilities uses a composite straight-line rate expressed as a percentage of average depreciable plant. The 2019 rates for the Electric Division and Water Divisions were 3.6% 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 \$247,972, and \$252,696, 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	\$ 11,290,624
Depreciation charged to clearing account	<u>500,668</u>
Depreciation and amortization per statement of cash flows	<u>\$ 11,791,292</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 three

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

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. The third item relates to pension plans and other post employment benefits and results from differences between actual and expected experience and earnings on both plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. Unavailable revenue is reported in the governmental funds balance sheet and also the government-wide statement of net position as deferred revenue. This is comprised of current property taxes (2019 levy) at the government-wide level. The governmental funds report unavailable revenue from property taxes, sales tax and other state taxes and are recognized as an inflow of resources in the period that they become available. The second item is the deferred charge on refunding (gain) resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third item relates to pension and opeb liability and differences between actual and expected experience and earnings on both plans.

K. Compensated Absences

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

L. Long-term obligations

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

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

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

M. Net Position and Fund Equity

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

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

Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of June 30, 2019, outstanding debt proceeds totaled \$8,619.

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

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

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

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

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

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

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

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

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

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.

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

N. Budgets and Budgetary Accounting - (Cont.)

2. At a later date, the City Manager makes a formal presentation to the Council for the finalized budget.
3. Prior to July 1, the budget and property tax rate are due for passage by ordinance.
4. The Finance Director is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not exceed appropriations at the fund level.
5. Formal legally adopted budgets are employed as a management control device during the year for all funds except for Cleveland Utilities - Electric and Water Divisions. Budgeted amounts reflected in the accompanying final budget and actual comparison are as originally adopted and amended by the City Council.
6. All appropriations which are not expended lapse at year end.
7. During the year, supplementary appropriations were necessary. The effect of the amendments were to increase budgeted revenues by \$14,287,980, and increase budgeted expenditures by \$25,668,725. 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.

O. Subsequent Events

Management has evaluated events and transactions that occurred between June 30, 2019, and December 18, 2019 which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Note 2 - DEPOSITS AND INVESTMENTS

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

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

The certificates of deposit are reported at cost.

	Cost	Investment Maturities	
		Less than One Year	One to Five Years
Certificates of Deposit	<u>\$ 699,190</u>	<u>\$ 0</u>	<u>\$ 699,190</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.

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

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount that may be invested with one issuer.

Custodial credit risk - Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City does not have a formal policy that limits custodial credit risk for investments.

INVESTMENTS - FIDUCIARY FUND

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

Level 1 - Investments reflect prices quoted in active markets.

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

Level 3 - Investments reflect prices based upon unobservable sources.

At June 30, 2019, all investments held in the Other Post-employment Benefit Trust have been classified as Level 1 in the fair value hierarchy as they are valued directly from a predetermined primary external pricing vendor utilizing quoted market prices in active markets.

The investment strategy is to reduce risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following investments represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U.S. government at June 30, 2019.

American Beacon Small Cap Value Fund	\$	50,834
BNY Mellon Global Real Return Fund		55,900
Invesco Oppenheimer Intl Growth Fund		72,191
Lord Abbett Short Duration Income Fund		95,355
MFS International Value I		72,539
T. Rowe Price Emerging Markets Stock Fund		54,510
Thornburg Limited Term Income Fund		106,821
Vanguard Growth Index Fund		139,395
Vanguard High Yield Index Fund		132,663
Victory Sycamore Established Value I		65,259

For the year ended June 30, 2019, the annual money-weighted rate of return on OPEB plan investment expense was 4.23 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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-governmental	Taxes	Customer Accounts	Other	Allowance for Uncollectibles	Net Receivables
General	\$ 13,061	\$ 31,845,081	\$ 0	\$ 809,826	\$ (525,101)	\$ 32,142,867
School	6,835,967	1,068,050	0	0	(83,328)	7,820,689
Water	0	0	4,846,629	0	0	4,846,629
Electric	0	0	14,889,986	0	(164,097)	14,725,889
Stormwater	0	0	126,805	0	0	126,805
Nonmajor	2,186,839	0	0	221,317	0	2,408,156
Totals	\$ 9,035,867	\$ 32,913,131	\$ 19,863,420	\$ 1,031,143	\$ (772,526)	\$ 62,071,035

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, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 37,347,873	\$ 0	\$ 0	\$ 37,347,873
Construction in progress	21,559,840	9,276,337	(2,747,034)	28,089,143
Total capital assets not being depreciated	\$ 58,907,713	\$ 9,276,337	\$ (2,747,034)	\$ 65,437,016
Capital assets, being depreciated:				
Buildings	\$ 123,702,810	\$ 15,963,146	\$ 0	\$ 139,665,956
Improvements other than buildings	20,210,887	1,330,965	0	21,541,852
Infrastructure	69,422,822	998,184	0	70,421,006
Furniture, fixtures, equipment and vehicles	39,009,010	1,800,847	(703,325)	40,106,532
Total capital assets being depreciated	\$ 252,345,529	\$ 20,093,142	\$ (703,325)	\$ 271,735,346
Less accumulated depreciation for				
Buildings	\$ (41,322,673)	\$ (3,401,334)	\$ 0	\$ (44,724,007)
Improvements other than buildings	(7,187,633)	(564,568)	0	(7,752,201)
Infrastructure	(25,439,538)	(1,543,893)	0	(26,983,431)
Furniture, fixtures, equipment and vehicles	(28,676,218)	(2,600,816)	681,836	(30,595,198)
Total accumulated depreciation	\$ (102,626,062)	\$ (8,110,611)	\$ 681,836	\$ (110,054,837)
Total capital assets being depreciated, net	\$ 149,719,467	\$ 11,982,531	\$ (21,489)	\$ 161,680,509
Governmental activities capital assets, net	\$ 208,627,180	\$ 21,258,868	\$ (2,768,523)	\$ 227,117,525

Note 4 - CAPITAL ASSETS - (Cont.)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land and land rights, easements	\$ 2,155,227	\$ 48,083	\$ 0	\$ 2,203,310
Construction work-in-progress	15,748,519	996,375	(3,073,823)	13,671,071
Total capital assets not being depreciated	\$ 17,903,746	\$ 1,044,458	\$ (3,073,823)	\$ 15,874,381
Capital assets being depreciated:				
Plant in service	\$ 364,578,765	\$ 20,357,668	\$ (1,842,495)	\$ 383,093,938
Equipment	256,824	596,040	0	852,864
Total capital assets being depreciated	\$ 364,835,589	\$ 20,953,708	\$ (1,842,495)	\$ 383,946,802
Less accumulated depreciation for				
Plant in service	\$ (178,391,144)	\$ (11,375,839)	\$ 1,665,348	\$ (188,101,635)
Equipment	(78,223)	(36,541)	0	(114,764)
Total accumulated depreciation	\$ (178,469,367)	\$ (11,412,380)	\$ 1,665,348	\$ (188,216,399)
Total capital assets being depreciated, net	\$ 186,366,222	\$ 9,541,328	\$ (177,147)	\$ 195,730,403
Business-type activities capital assets	\$ 204,269,968	\$ 10,585,786	\$ (3,250,970)	\$ 211,604,784

Depreciation expense was charged to governmental functions as follows:

General government	\$ 143,612
Development and engineering	68,373
Public safety	1,077,793
Public works	2,317,420
Health and welfare	11,423
Culture and recreation	855,373
Education	3,636,617
Total depreciation expense - governmental activities	\$ 8,110,611

Note 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	Cleveland Utilities - Electric	\$ 1,320,333
		<u>\$ 1,320,333</u>

Of the total interfund receivable/payable balances, \$126,332, is expected to be repaid within one year. Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs.

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

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

Transfers out:	Transfers in:			Totals
	General Fund	School Fund	Nonmajor Governmental	
General fund	\$ 0	\$ 5,273,600	\$ 9,473,893	\$ 14,747,493
School fund	0	0	555,519	555,519
Cleveland Utilities - Electric	2,265,314	0	0	2,265,314
Cleveland Utilities - Water	454,023	0	0	454,023
Stormwater Management	0	0	0	0
Nonmajor Governmental	12,735	0	1,892,618	1,905,353
	<u>\$ 2,732,072</u>	<u>\$ 5,273,600</u>	<u>\$ 11,922,030</u>	<u>\$ 19,927,702</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Note 6 - LONG-TERM DEBT

Capital Leases - Direct Placement

On August 8, 2018, the City entered into a two-year lease-purchase agreement for equipment. The terms of the agreement require total lease payments of \$30,697 plus interest of \$2,916. The lease payments are being made through the General fund.

On November 5, 2018, the City entered into a two-year lease-purchase agreement for equipment. The terms of the agreement require total lease payments of \$38,778 plus interest of \$2,245. The lease payments are being made through the General fund.

On February 28, 2018 the City entered into a twenty-year lease purchase agreement to fund construction improvements to Cleveland City Schools. The terms of the agreement require total lease payments of \$8,222,294 plus interest of \$2,989,028. The lease payments are being made through the School Fund. As of June 30, 2019, all improvements have been completed.

On April 6, 2017, the City entered into a three-year lease-purchase agreement for apple computers. The terms of the agreement require total lease payments of \$442,891 plus interest of \$18,445. The lease payments are being made through the School fund.

On February 17, 2015, the City entered into a five-year lease-purchase agreement for mowing equipment. The terms of the agreement require total lease payments of \$142,181 plus interest of \$7,319. The lease payments are being made through the General fund.

On August 10, 2010, the City entered into a nine-year lease purchase agreement for energy efficient lighting equipment. The terms of the lease require total lease payments of \$393,451, plus interest of \$83,105. The lease payments are being made through the School fund.

The assets acquired through the capital leases are as follows:

Equipment	\$ 9,239,595
Less: Accumulated depreciation	(1,090,588)
Total book value	<u>\$ 8,149,007</u>

Future payments on capital leases are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Requirements
2020	\$ 470,353	\$ 256,901	\$ 727,254
2021	343,651	242,338	585,989
2022	330,646	229,920	560,566
2023	341,075	219,491	560,566
2024	351,832	208,734	560,566
2025-2029	1,932,781	870,050	2,802,831
2030-2034	2,257,424	545,407	2,802,831
2035-2039	2,076,028	166,236	2,242,264
	<u>\$ 8,103,790</u>	<u>\$ 2,739,077</u>	<u>\$ 10,842,867</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 a 20-year serial bonds with increasing amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	2.00 to 5.00%	\$ 9,490,000
Governmental activities - refunding	2.00 to 5.00%	\$ 43,727,000

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

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2020	\$ 3,080,000	\$ 2,477,275	\$ 5,557,275
2021	3,460,000	2,057,780	5,517,780
2022	3,579,000	1,919,207	5,498,207
2023	3,664,000	1,804,144	5,468,144
2024	3,776,000	1,685,584	5,461,584
2025-2029	21,718,000	5,484,819	27,202,819
2030-2034	11,160,000	1,119,398	12,279,398
2035-2039	2,780,000	219,938	2,999,938
	<u>\$ 53,217,000</u>	<u>\$ 16,768,145</u>	<u>\$ 69,985,145</u>

Revenue Bonds

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

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

Purpose	Interest Rates	Amount
Cleveland Utilities - Water Division	1.00-5.75%	\$ 26,432,202
Cleveland Utilities - Electric Division	1.00-5.75%	9,592,798

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

Debt service requirements to maturity for revenue bonds of Cleveland Utilities for the fiscal year ended June 30, 2019, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2020	\$ 3,410,000	\$ 1,462,515	\$ 4,872,515
2021	3,750,000	1,193,537	4,943,537
2022	3,770,000	1,030,343	4,800,343
2023	3,465,000	903,514	4,368,514
2024	2,930,000	801,768	3,731,768
2025-2029	11,390,000	2,453,129	13,843,129
2030-2034	4,540,000	950,138	5,490,138
2035-2039	2,770,000	273,384	3,043,384
	<u>\$ 36,025,000</u>	<u>\$ 9,068,328</u>	<u>\$ 45,093,328</u>

Notes Payable - Direct Placement

Principal requirements to maturity for notes payable accounted for in the governmental activities for the fiscal year ended June 30, 2019, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2020	\$ 1,608,082	\$ 763,852	\$ 2,371,934
2021	1,671,577	716,306	2,387,883
2022	1,714,577	667,191	2,381,768
2023	1,758,577	616,436	2,375,013
2024	1,804,578	564,069	2,368,647
2025-2029	7,803,180	1,784,727	9,587,907
2030-2034	4,479,000	690,067	5,169,067
2035-2039	2,193,000	112,368	2,305,368
	<u>\$ 23,032,571</u>	<u>\$ 5,915,016</u>	<u>\$ 28,947,587</u>

Principal requirements to maturity for notes payable accounted for in the business-type activities for the fiscal year ended June 30, 2019, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2020	\$ 2,138,731	\$ 784,807	\$ 2,923,538
2021	2,160,777	739,815	2,900,592
2022	2,184,059	694,516	2,878,575
2023	2,205,633	648,840	2,854,473
2024	2,229,539	602,792	2,832,331
2025-2029	11,505,763	2,311,055	13,816,818
2030-2034	11,582,219	1,118,502	12,700,721
2035-2039	7,136,154	225,733	7,361,887
	<u>\$ 41,142,875</u>	<u>\$ 7,126,060</u>	<u>\$ 48,268,935</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 48,758,000	\$ 44,665,000	\$ (40,206,000)	\$ 53,217,000	\$ 3,080,000
Notes payable	26,693,400	0	(5,439,479)	21,253,921	1,608,082
Capital leases	8,519,859	69,474	(485,543)	8,103,790	460,852
Compensated absences	2,080,202	1,557,304	(1,314,194)	2,323,312	185,865
Less bond discount/premium	96,946	6,161,337	(215,079)	6,043,204	0
Total	\$ 86,148,407	\$ 52,453,115	\$ (47,660,295)	\$ 90,941,227	\$ 5,334,799

As of June 30, 2019, a balance of \$1,778,650, is available in loan proceeds to be drawn down on notes as follows:

Public Building Authority of Clarksville Series 2015	\$ 428,920
Public Building Authority of Clarksville Series 2017	1,349,730
	<u>\$ 1,778,650</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	\$ 35,125,000	\$ 19,590,000	\$ (18,690,000)	\$ 36,025,000	\$ 3,410,000
Notes payable	12,695,000	0	(772,250)	11,922,750	775,250
State revolving loan fund	15,681,767	6,940,500	(632,826)	21,989,441	1,363,481
Conservation advances	1,424,041	478,900	(383,644)	1,519,297	256,970
Less bond discount/premiums	85,501	1,786,352	(162,423)	1,709,430	0
	<u>\$ 65,011,309</u>	<u>\$ 28,795,752</u>	<u>\$ (20,641,143)</u>	<u>\$ 73,165,918</u>	<u>\$ 5,805,701</u>

As of June 30, 2019, a balance of \$7,230,684, is available in loan proceeds to be drawn down on notes as follows:

State revolving loan fund SRF 2018-415	\$ 126,491
State revolving loan fund SRF 2018-416	722,500
State revolving loan fund SRF 2018-417	6,381,693
	<u>\$ 7,230,684</u>

On June 19, 2018, the City of Cleveland on behalf of the Wastewater Division of Cleveland Utilities entered into a revolving loan agreement with the Tennessee State Revolving Loan Fund, "SRF CW6 2018-415" to finance the construction of wastewater collection plant for the annexed properties of Durkee Road. The SRF CW6 2018-415 loan agreement was for \$1,000,000, in the form of a loan of \$900,000, and principal forgiveness of \$100,000. The loan is to be paid back over a 20-year period with a fixed interest rate of 1.56 percent. As of June 30, 2019, the Division has drawn down \$859,454 of the total proceeds.

On June 19, 2018, the City of Cleveland on behalf of the Wastewater Division of Cleveland Utilities entered into a revolving loan agreement with the Tennessee State Revolving Loan Fund, "SRF CW6 2018-416" to finance the construction of wastewater collection plant for the annexed properties of Durkee Road. The SRF CW6 2018-416 loan agreement was for \$350,500, in the form of a loan. During the fiscal year ended June 30, 2019, the loan was increased by another \$379,500 for a total of \$730,000. The loan is to be paid back over a 20-year period with a fixed interest rate of 1.56 percent. As of June 30, 2019, the Division has drawn down \$7,500 of the total proceeds.

On July 24, 2018, the City of Cleveland issued bonds in the principal amount of \$9,885,000, for the purpose of funding the construction of a new elementary school. The bonds have a coupon rate between 3.0 percent to 5.0 percent. The bonds will mature June 30, 2038.

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

On December 7, 2018, the City of Cleveland on behalf of the Electric and Water Divisions, issued bonds in the principal amount of \$2,385,000, and \$3,335,000, respectively, for the purpose making improvements to both the electric and water systems. The 2018B Series bonds have a coupon rate between 3.0 percent to 5.0 percent. The bonds will mature June 30, 2039.

On March 26, 2019, the City of Cleveland on behalf of the Electric and Water Divisions, issued bonds in the principal amount of \$2,510,000, and \$11,360,000, respectively, to currently refund the balance of the 2009C and 2009D bonds that had an outstanding balance of \$2,720,000 for Electric and \$12,465,000 for Water. The bonds are at a fixed rate of 5.0 percent and will mature December 1, 2027. The Board currently refunded these bonds to reduce its total debt service payments over 10 years by \$255,084, for Electric and \$1,227,957, for Water. The economic gain (difference between the present value of the debt service payments on the old and new debt) for the Electric Division is \$200,665, and for the Water Division is \$994,425.

On March 26, 2019, the City of Cleveland issued bonds in the principal amount of \$34,780,000, to currently refund the balance of the 2009C, 2009D 2014 and 2014A bonds and notes the had an outstanding balance of 40,083,000. The bonds are at a fixed rates from 2.0 to of 5.0 percent and will mature June 30, 2034. The bonds and notes were currently refunded these bonds to reduce its total debt service payments over 15 years by \$4,807,462. The economic gain (difference between the present value of the debt service payments on the old and new debt) is 4,007,915.

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 \$149,533,087, are as follows:

Bonds payable	\$ 53,217,000
Notes payable	21,253,921
Capital leases	8,103,790
Compensated absences	2,323,312
Postemployment benefits	48,505,069
Net Pension Asset	(2,347,976)
Net Pension Liability	12,253,239
Interest payable	181,528
Premium on bonds payable	<u>6,043,204</u>
Net adjustment	<u>\$ 149,533,087</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 \$18,511,835, difference are as follows:

Capital outlay	\$ 26,622,446
Depreciation expense	<u>(8,110,611)</u>
Net adjustment	<u>\$ 18,511,835</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 \$46,131,024, difference are as follows:

Principal repayments:	
General Obligation Bonds	\$ 40,206,000
Notes Payable	5,439,480
Capital leases payable	<u>485,544</u>
Net adjustment	<u>\$ 46,131,024</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.

Note 10 - COMMITMENTS AND CONTINGENCIES - (Cont.)

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 13 - RISK MANAGEMENT - (Cont.)

Beginning August 1, 2015, liabilities for employee medical benefits are partially self-insured for Cleveland Utilities and various departments of the City, other than the Board of Education which is continuing coverage through commercial policies. Plan costs include medical claims, prescription drug claims, stop loss insurance coverage, and fixed medical cost premiums. The total estimated liability as of June 30, 2019 is \$314,612. The liability has been calculated based upon subsequent claim payments. Changes in claims liability for the current year are summarized below.

	Cleveland Utilities	Health Insurance Trust	Total
Claims liability at 6/30/18	\$ 102,588	\$ 253,065	\$ 355,653
Current year claims and estimate changes	3,698,992	3,529,501	7,228,493
Claims paid	<u>(3,664,034)</u>	<u>(3,605,500)</u>	<u>(7,269,534)</u>
Claims liability at 6/30/19	<u>\$ 137,546</u>	<u>\$ 177,066</u>	<u>\$ 314,612</u>

Note 14 - 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 15 - ESTIMATES

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

Note 16 - TAX ABATEMENTS

In recent years the City has entered into PILOT Programs with various industries as a way to stimulate the local economy, promote industrial expansion and create jobs. The Payment in Lieu of Taxes (PILOT) is designed as an incentive program which allows an industry to pay less than what is owed in property taxes for a period of time. This frees up funds which the business or industry agrees to invest in the local community. This PILOT Program is authorized under Tennessee Code Annotated 7-53-305. For each year the PILOT Program is in effect, businesses are billed based upon an agreed upon percentage of the total tax they would have paid. For the current fiscal year, three businesses paid taxes totaling \$440,895 based on a total potential tax of \$1,368,173.

Note 17 - RETIREMENT COMMITMENTS

THE TCRS PENSION PLAN

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

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using

THE TCRS PENSION PLAN (Cont.)

the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits are early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

Employees covered by benefit terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	462
Inactive employees entitled to but not yet receiving benefits	377
Active employees	719
	<u>1,558</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, 2019, employer contributions were 6,489,166, based on a rate of 20.56 percent of covered payroll for public safety employees and 17.06 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, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.75 to 3.45 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

THE TCRS PENSION PLAN (Cont.)

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

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, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.25 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 6/30/17	\$ 147,251,649	\$ 126,348,164	\$ 20,903,485
Changes for the year:			
Service cost	\$ 2,829,546	\$ 0	\$ 2,829,546
Interest	10,660,549	0	10,660,549
Difference between expected and actual experience	768,592	0	768,592
Changes in assumptions	0	0	0
Contributions - employer	0	6,173,935	(6,173,935)
Net Investment income	0	10,488,825	(10,488,825)
Benefit payments	(6,078,280)	(6,078,280)	0
Administrative expenses	0	(67,134)	67,134
Net changes	\$ 8,180,407	\$ 10,517,346	\$ (2,336,939)
Balance at 6/30/18	\$ 155,432,056	\$ 136,865,510	\$ 18,566,546

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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Cleveland City's net pension liability	\$ 39,350,297	\$ 18,566,546	\$ 1,226,197

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

Pension expense. For the year ended June 30, 2018, Cleveland City recognized pension expense of \$5,053,975.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2018, 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	\$ 3,161,741	\$ 42,489
Net difference between projected and actual earnings on pension plan investments	0	598,761
Change in assumptions	2,424,257	0
Contributions subsequent to the measurement date of June 30, 2018	6,189,166	0
Total	\$ 11,775,164	\$ 641,250

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2018," 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:	
2020	\$ 2,305,029
2021	1,405,716
2022	216,540
2023	889,361
2024	128,099
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, 2019, the City of Cleveland did not have a payable balance of contribution to the plan.

CLEVELAND UTILITIES - CSA PENSION PLAN

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

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

Benefits provided. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using a member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. No disability benefits are payable under the plan. There is no provision for Cost-of-Living Adjustments (COLAs).

Employees covered by benefit term. At the measurement date of October 1, 2018, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	72
Inactive employees entitled to but not yet receiving benefits	6
Active employees	15
	93

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, 2018, 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, 2018, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Discount rate	7.00%
Salary scale	3.00%
Overtime	It is assumed that overtime will continue to be earned at 60% of the prior year's level.
Cost method	Individual Entry Age Normal
Mortality	RP-2000 Generational with Scale AA
Incident of Disability	None
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

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

Marriage	It is assumed that 80% of participants are married and that a male is 3 years older than his female spouse.
Termination	Males: Termination Table T-5 from the Actuary's Handbook Females: Termination Table T-5 from the Actuary's Handbook with a five year setback
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 assumptions. The projection of overtime year to year has been changed from assuming that overtime will continue to be earned at 60% of the prior year's level of 80%.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 10/01/17	\$ 34,019,614	\$ 26,080,342	\$ 7,939,272
Changes for the year:			
Service cost	\$ 68,316	\$ 0	\$ 68,316
Interest	2,304,139	0	2,304,139
Difference between expected and actual experience	645,393	0	645,393
Assumption Changes	64,119	0	64,119
Contributions - employer	0	1,902,732	(1,902,732)
Net Investment income	0	1,681,631	(1,681,631)
Benefit payments	(2,343,308)	(2,343,308)	0
Other charges	0	0	0
Net changes	\$ 738,659	\$ 1,241,055	\$ (502,396)
Balance at 10/01/18	\$ 34,758,273	\$ 27,321,397	\$ 7,436,876

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	\$ 11,005,008	\$ 7,436,876	\$ 4,379,902

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

Pension expense. For the year ended June 30, 2018, Cleveland Utilities recognized pension expense of \$1,054,380.

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2019 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	\$ 1,354,906	\$ 133,291
Changes of assumption	91,018	0
Net difference between projected and actual earnings on pension plan investments	0	215,600
Contributions subsequent to the measurement date of October 1, 2018	1,381,510	0
Total	\$ 2,827,434	\$ 348,891

The amount shown above for "Contributions subsequent to the measurement date of October 1, 2018," 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:	
2020	\$ 529,764
2021	249,471
2022	150,191
2023	167,607
2024	0
Thereafter	0

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

Payable to Pension Plan

At June 30, 2019, no contributions were payable to the plan.

TEACHERS LEGACY PENSION PLAN OF TCRS

Plan description. The Tennessee Consolidated Retirement System (TCRS) was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a public ally available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teachers employed by Cleveland City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees.

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.

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, 2019 to the Teacher Legacy Pension Plan were \$2,252,900, which is 10.46 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, 2019, The Cleveland City Schools reported an asset of \$2,158,465, for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial value as of that date. Cleveland City Schools' proportion of the net pension liability was based on Cleveland City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, Cleveland City Schools' proportion was 0.613389 percent. The proportion measured as of June 30, 2017 was 0.590148 percent.

Pension expense. For the year ended June 30, 2019, Cleveland City Schools recognized (negative) pension expense of (\$522,761).

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2019, Cleveland City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 436,299	\$ 2,911,940
Change in assumptions	1,274,800	0
Net difference between projected and actual earnings on pension plan investments	0	469,772
Changes in proportion of Net Pension Liability (Asset)	320,253	0
Contributions subsequent to the measurement date of June 30, 2018	2,252,900	0
Total	<u>\$ 4,284,252</u>	<u>\$ 3,381,712</u>

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

Cleveland City Schools employer contributions of \$2,252,900, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability in the year ended June 30, 2020. 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:	
2020	\$ 540,065
2021	(594,201)
2022	(1,112,520)
2023	(183,705)
2024	0
Thereafter	0

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, 2018 the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.75 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

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

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. 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, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a build-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates by the target asset allocation percentage and by adding expected inflation of 2.50 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.25 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ 16,638,806	\$ (2,158,465)	\$ (17,710,587)

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, 2019, no payments were payable to the plan.

TEACHERS RETIREMENT PLAN OF TCRS

Plan description. The Tennessee Consolidated Retirement System (TCRS) was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a public ally available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teachers employed by Cleveland City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. 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.

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

Benefits are determined by a formula using the member's highest five consecutive years average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

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. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required contributions are not remitted. Employer contributions for the year ended June 30, 2019 to the Teacher Retirement Plan were \$174,930, 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 asset. At June 30, 2019, The Cleveland City Schools reported an asset of \$189,514, for its proportionate share of net pension asset. The net pension liability was measured as of June 30, 2018, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. Cleveland City Schools' proportion of the net pension asset was based on Cleveland City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, Cleveland City Schools' proportion was 0.417866 percent. The proportion measured as of June 30, 2017 was 0.393963 percent.

Pension expense. For the year ended June 30, 2019, Cleveland City Schools recognized pension expense of \$64,159.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2019, Cleveland City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,734	\$ 7,548
Net difference between projected and actual earnings on pension plan investments	0	10,705
Change in assumptions	8,941	0
Changes in proportion of Net Pension Liability (Asset)	701	7,391
Contributions subsequent to the measurement date of June 30, 2018	174,930	0
Total	<u>\$ 195,306</u>	<u>\$ 25,644</u>

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

Cleveland City Schools employer contributions of \$174,930, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability in the year ended June 30, 2020. 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:	
2020	\$ (1,949)
2021	(2,288)
2022	(3,814)
2023	(1,017)
2024	409
Thereafter	3,390

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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.75 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses,
Cost-of-Living Adjustment	2.25 percent

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

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

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. 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, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates by the target asset allocation percentage and by adding expected inflation of 2.50 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.25 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ 29,299	\$ (189,514)	\$ (350,727)

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, 2019, no payments were payable to the plan.

AGGREGATION OF ALL PENSION PLANS

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,963,680	\$ 3,095,268
Net difference between projected and actual earnings on pension plan investments	0	1,294,839
Change in assumptions	3,799,015	0
Changes in proportion of Net Pension Liability	320,954	7,391
Contributions subsequent to the measurement date	9,998,506	0
Total	\$ 19,082,155	\$ 4,397,498

Deferred outflows of resources related to 2019 contributions to pension plans subsequent to the measurement date (June 30, 2018 and October 1, 2018) will be recognized as a reduction of the net pension liability for the year ended June 30, 2020.

Note 17 - RETIREMENT COMMITMENTS - (Cont.)

AGGREGATION OF ALL PENSION PLANS - (Cont.)

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

Year ended June 30:	
2020	\$ 3,372,909
2021	1,058,698
2022	(749,603)
2023	872,246
2024	128,508
Thereafter	3,390

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

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

	Net Pension Asset	Net Pension Liability
Teachers Legacy Pension Plan	\$ 2,158,465	\$ 0
Teachers Retirement Plan of TCRS	189,514	0
TCRS Pension Plan	0	18,566,547
CSA Pension Plan	0	7,436,876
	<u>\$ 2,347,979</u>	<u>\$ 26,003,423</u>

Pension expense related to all plans were as follows:

Teachers Legacy Pension Plan	\$ (522,761)
Teachers Retirement Plan of TCRS	64,159
TCRS Pension Plan	5,053,975
CSA Pension Plan	1,054,380
	<u>\$ 5,649,753</u>

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.

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

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

Plan Membership. At July 1, 2017, plan membership consisted of the following:

Inactive employees currently receiving benefit payments	95
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	323
	<u>418</u>

Actuarial assumptions. The total OPEB liability in the June 30, 2017 actuarial valuation (updated for 2019) was determined using the actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Salary Increases	4.00%
Payroll Growth	2.50%
Inflation	2.50%
Discount rate	3.50%
Healthcare Cost Trend Rates	8.00% decreasing to an ultimate rate of 5.0% in 2021.
Mortality	RP2000 Fully Generational with Scale BB

Discount rate. The discount rate used to measure the OPEB liability was 3.50 percent. This rate reflects the Bond Buyer's 20 Bond Index.

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

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 06/30/18	\$ 36,616,946
Changes for the year:	
Service cost	\$ 1,328,012
Interest	1,453,222
Changes in Benefit Terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	2,750,384
Benefit payments	(795,581)
Net changes	<u>\$ 4,736,037</u>
Balance at 06/30/19	<u>\$ 41,352,983</u>

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

1% Decrease (7.00%) decreasing to 4.00%)	Current (8.00%) decreasing to 5.00	1% Increase (9.00%) decreasing to 6.00%)
<u>\$ 32,950,227</u>	<u>\$ 41,352,983</u>	<u>\$ 52,898,335</u>

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

1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
<u>\$ 50,169,586</u>	<u>\$ 41,352,983</u>	<u>\$ 34,450,051</u>

Changes in assumptions. The discount rate was changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019. The healthcare cost trend rate was reset at 9% for 2017, grading down 1.0% per annum to an ultimate trend rate of 5.0% for years 2021 and later.

OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Opeb expense. For the fiscal year ended June 30, 2019 the plan had opeb expense of \$2,851,083.

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

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2019, the plan reported deferred outflows of resources and deferred inflows of resources related to opeb from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Net difference between projected and actual earnings on opeb plan investments	0	0
Change in assumptions	<u>827,133</u>	<u>0</u>
Total	<u><u>\$ 827,133</u></u>	<u><u>\$ 0</u></u>

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

Year ended June 30:	
2020	\$ 69,849
2021	69,849
2022	69,849
2023	69,849
2024	69,849
Thereafter	477,888

Payable to the Opeb Plan. At June 30, 2019, there was no outstanding payable to the plan.

CLEVELAND UTILITIES - POSTEMPLOYEMENT 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%
21	30.00%
22	26.67%
23	23.33%
24	20.00%
25	16.67%
26	13.33%
27	10.00%
28	6.67%
29	3.33%
30+	0.00%

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

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

Monthly premiums effective August 1, 2017, are as follows:

	<u>Medical</u>	<u>Dental</u>
Pre-65 Retiree	\$ 476.44	\$ 24.66
Pre-65 Retiree and Spouse	1,256.61	63.82
Post-65 Retiree	301.00	24.66
Post-65 Retiree and Spouse	602.00	63.82

Plan description of the life insurance plan:

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

Plan Membership. At July 1, 2017, plan membership consisted of the following:

Inactive plan members	95
Active plan members	<u>188</u>
	<u><u>283</u></u>

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

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

Net OPEB Liability. Cleveland Utilities Net Opeb Liability was measured as of June 30, 2019, and the total opeb liability used to calculate net opeb liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions. The total Opeb liability was determined by an actuarial valuation as of July 1, 2017 and updated for June 30, 2019. The total Opeb liability in the June 30, 2019 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of Payroll
Salary Increases	4.00%
Payroll Growth	2.50%
Inflation	2.50%
Investment Rate of Return	7.50%
Healthcare Cost Trend Rates	9.00% initially, decreasing to an ultimate rate of 5.0%
Mortality	RP2000 Fully Generational with Scale BB

Changes in assumptions. The discount rate changed from 7.50% as of June 30, 2018 to 7.30% as of June 30, 2019.

Discount rate. The discount rate used to measure the total OPEB liability was 7.30%. The Board has not adopted a formal written funding policy. A contribution of \$657,923, was made during the fiscal year ended June 30, 2019. Future contributions at the Actuarial Determined Contribution (including direct benefit payments), are expected to generate a level funding that cash flow projections indicate will meet the funding requirements. This assumption will be reviewed as of the next measurement date and modified as appropriate.

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

Changes in the Net OPEB Liability:

	Actuarial Accrued Liability (a)	Plan Assets (b)	Unfunded Actuarial Accrued Liability (a) - (b)
Balance at 06/30/18	\$ 15,448,524	\$ 388,647	\$ 15,059,877
Changes for the year:			
Normal	\$ 234,893	\$ 0	\$ 234,893
Interest	1,153,072	0	1,153,072
Difference between expected and actual experience	0	13,503	(13,503)
Contributions - employer	0	1,287,545	(1,287,545)
Net Investment income	0	29,149	(29,149)
Changes in assumptions	468,861	0	468,861
Benefit payments	(629,622)	(629,622)	0
Administrative expenses	0	0	0
Net changes	<u>\$ 1,227,204</u>	<u>\$ 700,575</u>	<u>\$ 526,629</u>
Balance at 06/30/19	<u>\$ 16,675,728</u>	<u>\$ 1,089,222</u>	<u>\$ 15,586,506</u>

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

1% Decrease (7.00% decreasing to 4.00%)	Current (8.00% decreasing to 5.00%)	1% Increase (9.00% decreasing to 6.00%)
\$ 13,056,670	\$ 15,586,506	\$ 18,822,384

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

1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
\$ 18,268,234	\$ 15,586,506	\$ 13,422,800

Opeb expense. For the year ended June 30, 2019, Cleveland Utilities recognized opeb expense of \$1,312,871.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2019, Cleveland Utilities reported deferred outflows of resources and deferred inflows of resources related to opeb from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 1,450,036
Net difference between projected and actual earnings on opeb plan investments	9,399	0
Change in assumptions	<u>1,451,399</u>	<u>0</u>
Total	<u>\$ 1,460,798</u>	<u>\$ 1,450,036</u>

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

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

Year ended June 30:		
2020	\$	(45,945)
2021		(45,945)
2022		(45,945)
2023		8,939
2024		59,256
Thereafter		80,402

Payable to the Opeb Plan. At June 30, 2019, there was no outstanding payable to the plan.

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP)

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

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

Employees covered by benefit terms. At July 1, 2018, the following employees of the City of Cleveland School System were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	49
Inactive employees entitled to but not yet receiving benefit payments	1
Active employees	485
	<u>535</u>

An insurance committee, created in accordance with the TCA 8-27-301, establishes the required payments to the TGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premiums rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the City of Cleveland School System paid \$422,696 to the TGOP for OPEB benefits as they came due.

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

Total OPEB Liability

Actuarial assumptions. The collective total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates	6.75% for 2019, decreasing annually to an ultimate rate of 3.71% for 2050 and later years.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distribution of members among plans.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by the TCRS based on results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Discount rate. The discount rate used to measure the total OPEB liability was 3.62 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

Changes in the Collective Total OPEB Liability

	Total OPEB Liability (a)
Balances at June 30, 2017	<u>\$ 11,842,901</u>
Changes for the year:	
Service cost	\$ 769,923
Interest	437,462
Changes of benefit terms	(75,172)
Differences between expected and actual experience	(3,150,465)
Changes in assumptions and other inputs	573,433
Benefit payments	(649,138)
Net changes	<u>\$ (2,093,957)</u>
Balances at June 30, 2018	<u>\$ 9,748,944</u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 2,218,869
Employer's proportionate share of the collective total OPEB liability	\$ 7,530,075
Employer's proportionate share of the collective total OPEB liability	77.24%

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

The Cleveland City School System has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TGOP. The School's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion changed -1.90% from the prior measurement date. The Cleveland City School System recognized \$211,099, in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for School retirees.

Changes in assumptions. The discount rate was changed from 3.56% as of the beginning of the measurement period to 3.62% as of June 30, 2018. This change in assumption decreased the total OPEB liability.

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

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Proportionate share of collective OPEB liability	\$ 8,117,439	\$ 7,530,075	\$ 6,975,873

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

	1% Decrease (5.75% decreasing to 2.85%)	Current (6.75% decreasing to 3.85%)	1% Increase (7.75% decreasing to 4.85%)
Proportionate share of collective total OPEB liability	\$ 6,617,028	\$ 7,530,075	\$ 8,621,318

OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Opeb expense. For the fiscal year ended June 30, 2019, the Cleveland City School System recognized OPEB expense of \$844,431.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2018, Cleveland City Schools reported deferred outflows of resources and deferred inflows of resources related to opeb from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 0	\$ 2,212,197
Changes in assumptions	402,654	355,423
Changes in proportion and differences between amounts paid as benefits came due and proportionate share certain amounts paid by the employer and nonemployer contributors as the benefits came due	0	189,050
Employer payments subsequent to the measurement date	422,696	0
Total	<u>\$ 825,350</u>	<u>\$ 2,756,670</u>

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

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

Year ended June 30:	
2020	\$ (241,188)
2021	(241,188)
2022	(241,188)
2023	(241,188)
2024	(241,188)
Thereafter	(1,148,076)

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

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TNP)

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

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

Employees covered by benefit terms. At July 1, 2018, the following employees of the City of Cleveland School System were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	115
Inactive employees entitled to but not yet receiving benefit payments	56
Active employees	403
	<u>574</u>

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

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

Total OPEB Liability

Actuarial assumptions. The collective total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by the TCRS based on results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Discount rate. The discount rate used to measure the total OPEB liability was 3.62 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

Changes in the Collective Total OPEB Liability

	Total OPEB Liability (a)
Balances at June 30, 2017	<u>\$ 1,394,519</u>
Changes for the year:	
Service cost	\$ 25,093
Interest	49,439
Changes of benefit terms	0
Differences between expected and actual experience	(132,665)
Changes in assumptions	(9,326)
Benefit payments	<u>(61,733)</u>
Net changes	<u>\$ (129,192)</u>
Balances at June 30, 2018	<u><u>\$ 1,265,327</u></u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 1,265,327
Employer's proportionate share of the collective total OPEB liability	\$ 0
Employer's proportionate share of the collective total OPEB liability	0.00%

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

The Cleveland City School System has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. The School's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion of 0% did not change from the prior measurement date. The Cleveland City Schools recognized \$45,009 in revenue for support provided by nonemployer contributing entities for benefits paid to the TNP for retired employees.

Changes in assumptions. The discount rate was changed from 3.56% as of the beginning of the measurement period to 3.62% as of June 30, 2019. This change in assumption decreased the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Opeb Expense. For the fiscal year ended June 30, 2019, the Cleveland City School System recognized OPEB expense of \$45,009.

AGGREGATION OF ALL POSTEMPLOYMENT PLANS

Deferred Outflows of Resources and Deferred Inflows of Resources Related to all OPEB Plans:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 3,662,233
Net difference between projected and actual earnings on opeb plan investments	9,399	0
Change in assumptions	2,681,185	355,424
Changes in proportion of Net OPEB Liability	0	189,050
Contributions subsequent to the measurement date	422,696	0
Total	\$ 3,113,280	\$ 4,206,707

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

Year ended June 30:	
2020	\$ (217,284)
2021	(217,284)
2022	(217,284)
2023	(162,400)
2024	(112,083)
Thereafter	(589,786)

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

The opeb plans resulted in the following net opeb liability:

	Net Opeb Liability
City Plan	\$ 41,352,983
Cleveland Utilities Plan	15,586,506
City Schools TGOP Plan	7,530,075
	\$ 64,469,564

Note 18 - POSTEMPLOYMENT BENEFITS - (Cont.)

AGGREGATION OF ALL POSTEMPLOYMENT PLANS - (Cont.)

OPEB expense related to all plans were as follows:

City Plan	\$ 2,851,083
Cleveland Utilities Plan	1,312,871
City Schools TGOP Plan	844,431
City Schools TNP Plan	<u>45,009</u>
	<u>\$ 5,053,394</u>

In addition the City Schools TGOP plan and TNP plan recognized revenue in the amount of \$211,099 and \$45,009 respectively.

Note 20 - SUBSEQUENT EVENTS

On June 27, 2019, the City of Cleveland on behalf of the Wastewater Division of Cleveland Utilities entered into a revolving loan agreement with the Tennessee State Revolving Loan Fund "SRF CW7 19-431" to finance the construction of wastewater improvements for the annexed properties of Durkee Road. The SRF CW7 19-431 loan agreement was for \$1,771,000, in the form of a loan of \$1,593,900, and principal forgiveness of \$177,100. The loan is to be paid back over a 20-year period with a fixed interest rate of 1.37 percent. As of June 30, 2019, the Division has not drawn any of the proceeds. Since none of these funds were received as of June 30, 2019, they have not been included in the debt service schedules.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	2014	2015	2016	2017	2018
Total Pension Liability					
Service cost	\$ 2,222,760	\$ 2,274,025	\$ 2,363,997	\$ 2,442,734	\$ 2,829,546
Interest	8,465,079	8,925,860	9,467,115	10,043,766	10,660,549
Changes in benefit terms	0	0	0	0	0
Differences between actual and expected experience	(254,944)	717,782	1,198,307	2,524,249	768,592
Change of assumptions	0	0	0	3,636,385	0
Benefit payments	<u>(4,198,654)</u>	<u>(4,482,162)</u>	<u>(5,099,666)</u>	<u>(5,739,270)</u>	<u>(6,078,280)</u>
Net change in total pension liability	\$ 6,234,241	\$ 7,435,505	\$ 7,929,753	\$ 12,907,864	\$ 8,180,407
Total pension liability - beginning	<u>112,744,286</u>	<u>118,978,527</u>	<u>126,414,032</u>	<u>134,343,785</u>	<u>147,251,649</u>
Total pension liability - ending (a)	<u>\$ 118,978,527</u>	<u>\$ 126,414,032</u>	<u>\$ 134,343,785</u>	<u>\$ 147,251,649</u>	<u>\$ 155,432,056</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 5,089,188	\$ 5,321,904	\$ 5,426,173	\$ 5,744,012	\$ 6,173,935
Contributions - employee	165	186	1,998	0	0
Net investment income	15,038,653	3,287,610	2,936,077	12,875,142	10,488,825
Benefit payable	(4,198,654)	(4,482,162)	(5,099,666)	(5,739,270)	(6,078,280)
Administrative expense	<u>(29,562)</u>	<u>(34,427)</u>	<u>(51,102)</u>	<u>(57,272)</u>	<u>(67,134)</u>
Net change in plan fiduciary net position	\$ 15,899,790	\$ 4,093,111	\$ 3,213,480	\$ 12,822,612	\$ 10,517,346
Plan fiduciary net position - beginning	<u>90,319,171</u>	<u>106,218,961</u>	<u>110,312,072</u>	<u>113,525,552</u>	<u>126,348,164</u>
Plan fiduciary net position - ending (b)	<u>\$ 106,218,961</u>	<u>\$ 110,312,072</u>	<u>\$ 113,525,552</u>	<u>\$ 126,348,164</u>	<u>\$ 136,865,510</u>
Net Pension Liability - ending (a) - (b)	<u>\$ 12,759,566</u>	<u>\$ 16,101,960</u>	<u>\$ 20,818,233</u>	<u>\$ 20,903,485</u>	<u>\$ 18,566,546</u>
Plan fiduciary net position as a percentage of total pension liability	89.28%	87.26%	84.50%	85.80%	88.05%
Covered payroll	\$ 28,771,684	\$ 30,014,667	\$ 30,709,795	\$ 32,410,047	\$ 34,163,265
Net pension liability as a percentage of covered payroll	44.35%	53.65%	67.79%	64.50%	54.35%

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	2016	2017	2018	2019
Actuarially determined contribution	\$ 5,089,188	\$ 5,207,352	\$ 5,424,330	\$ 5,744,012	\$ 6,173,128	\$ 6,489,166
Contributions in relation to the actuarially determined contribution	<u>5,089,188</u>	<u>5,207,352</u>	<u>5,424,330</u>	<u>5,744,012</u>	<u>6,173,128</u>	<u>6,489,166</u>
Contribution deficiency (excess)	<u>\$ 0</u>					
Covered payroll	\$ 28,771,684	\$ 29,910,084	\$ 30,620,707	\$ 32,410,047	\$ 34,163,265	\$ 34,740,451
Contribution as a percentage of covered payroll	17.69%	17.41%	17.71%	17.72%	18.07%	18.68%

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 2019 were calculated based on the June 30, 2017 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by Year
Asset Valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.25 percent

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	2015	2016	2017	2018
Total Pension Liability					
Service cost	\$ 92,532	\$ 95,366	\$ 98,869	\$ 88,263	\$ 68,316
Interest	2,165,875	2,159,798	2,210,999	2,270,713	2,304,139
Changes in benefit terms	0	0	0	0	0
Differences between actual and expected experience	(355,441)	567,883	797,655	460,253	645,393
Change of assumptions	0	0	27,058	48,168	64,119
Benefit payments	(1,940,294)	(2,044,920)	(2,145,295)	(2,396,553)	(2,343,308)
Net change in total pension liability	\$ (37,328)	\$ 778,127	\$ 989,286	\$ 470,844	\$ 738,659
Total pension liability - beginning	31,818,685	31,781,357	32,559,484	33,548,770	34,019,614
Total pension liability - ending (a)	\$ 31,781,357	\$ 32,559,484	\$ 33,548,770	\$ 34,019,614	\$ 34,758,273
 Plan Fiduciary Net Position					
Contributions - employer	\$ 1,507,800	\$ 1,698,192	\$ 1,703,144	\$ 1,764,776	\$ 1,875,916
Contributions - employee	0	0	0	0	26,816
Net investment income	1,565,864	192,571	1,908,220	2,454,931	1,681,631
Benefit payable	(1,940,294)	(2,044,920)	(2,145,295)	(2,396,553)	(2,343,308)
Administrative expense	(1,829)	(99)	0	0	0
Net change in plan fiduciary net position	\$ 1,131,541	\$ (154,256)	\$ 1,466,069	\$ 1,823,154	\$ 1,241,055
Plan fiduciary net position - beginning	21,813,834	22,945,375	22,791,119	24,257,188	26,080,342
Plan fiduciary net position - ending (b)	\$ 22,945,375	\$ 22,791,119	\$ 24,257,188	\$ 26,080,342	\$ 27,321,397
 Net Pension Liability - ending (a) - (b)	\$ 8,835,982	\$ 9,768,365	\$ 9,291,582	\$ 7,939,272	\$ 7,436,876
 Plan fiduciary net position as a percentage of total pension liability	72.20%	70.00%	72.30%	76.66%	76.66%
 Covered payroll	\$ 2,004,844	\$ 2,104,682	\$ 1,940,346	\$ 1,699,467	\$ 1,548,112
 Net pension liability as a percentage of covered payroll	440.73%	464.13%	478.86%	467.16%	480.38%

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 JUNE 30,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,558,833	\$ 1,567,533	\$ 1,663,122	\$ 1,712,348	\$ 1,773,627
Contributions in relation to the actuarially determined contribution	<u>1,698,192</u>	<u>1,699,430</u>	<u>1,725,980</u>	<u>1,870,153</u>	<u>1,854,331</u>
Contribution deficiency (excess)	<u>\$ (139,359)</u>	<u>\$ (131,897)</u>	<u>\$ (62,858)</u>	<u>\$ (157,805)</u>	<u>\$ (80,704)</u>
Covered payroll	\$ 2,093,809	\$ 1,981,430	\$ 1,759,687	\$ 1,585,955	\$ 1,435,507
Contribution as a percentage covered payroll	81.11%	85.77%	98.08%	117.92%	129.18%

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, 2017
Discount rate	7.00%
Cost Method	Individual Entry Age Normal
Mortality	RP-2000 Fully Generational with Scale AA
Incident of Disability	None
Termination	Males: Termination Table T-5 from the Actuary's Handbook Females: Termination Table T-5 from the Actuary's Handbook with a five year setback.
Salary scale	3.00%
Cost of living increases	N/A
Date of participation freeze	10/14/1993
Overtime	It is assumed that overtime will continue to be earned at 60% of the prior year.
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

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Cleveland City Schools' proportion of the net pension liability (asset)	0.536236%	0.537318%	0.569952%	0.590148%	61.338900%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (87,136)	\$ 220,104	\$ 3,561,884	\$ (193,086)	\$ (2,158,465)
Cleveland City Schools' covered-employee payroll	\$ 21,047,222	\$ 20,114,516	\$ 20,574,118	\$ 20,803,880	\$ 21,478,886
Cleveland City Schools' proportionate share of the net pension asset as a percentage of its covered payroll	-0.41%	1.09%	17.31%	-0.93%	-10.05%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution (ADC)	\$ 1,868,991	\$ 1,816,962	\$ 1,859,723	\$ 1,885,875	\$ 1,954,073	\$ 2,252,900
Contributions in relation to the actuarially determined contribution	<u>1,868,991</u>	<u>1,816,962</u>	<u>1,859,723</u>	<u>1,885,875</u>	<u>1,954,073</u>	<u>2,252,900</u>
Contribution deficiency (excess)	<u>\$ 0</u>					
Cleveland City Schools' covered payroll	\$ 21,047,222	\$ 20,114,516	\$ 20,574,118	\$ 20,803,880	\$ 21,478,886	\$ 21,538,241
Contribution as a percentage covered payroll	8.88%	9.03%	9.04%	9.07%	9.10%	10.46%

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' PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET)
TEACHER RETIREMENT PLAN OF TCRS
FISCAL YEAR ENDED JUNE 30,*

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Cleveland City Schools' proportion of the net pension liability (asset)	0.416856%	0.378257%	0.393963%	0.417866%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (16,770)	\$ (39,378)	\$ (103,940)	\$ (189,514)
Cleveland City Schools' covered-employee payroll	\$ 866,121	\$ 1,664,349	\$ 2,643,292	\$ 3,651,627
Cleveland City Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.94%	-2.37%	-3.93%	-5.19%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%	126.81%	126.97%

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

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution (ADC)	\$ 21,653	\$ 41,662	\$ 105,732	\$ 146,066	\$ 174,930
Contributions in relation to the actuarially determined contribution	<u>34,645</u>	<u>66,574</u>	<u>105,732</u>	<u>146,066</u>	<u>174,930</u>
Contribution deficiency (excess)	<u>\$ (12,992)</u>	<u>\$ (24,912)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Cleveland City Schools' covered payroll	\$ 866,121	\$ 1,664,349	\$ 2,643,292	\$ 3,651,627	\$ 4,373,250
Contribution as a percentage covered payroll	4.00%	4.00%	4.00%	4.00%	4.00%

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

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to Schedule

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

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

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB Liability			
Service cost	\$ 295,896	\$ 229,164	\$ 234,893
Interest	1,020,431	1,144,551	1,153,072
Differences between actual & expected experience	(3,991)	(2,102,456)	0
Change of assumptions	0	1,470,517	468,861
Benefit payments	<u>(626,601)</u>	<u>(637,980)</u>	<u>(629,622)</u>
Net change in total opeb liability	\$ 685,735	\$ 103,796	\$ 1,227,204
Total opeb liability - beginning	13,619,452	15,344,728	15,448,524
Changes from implementation of GASB 74	1,039,541	0	0
Total opeb liability - ending (a)	<u>\$ 15,344,728</u>	<u>\$ 15,448,524</u>	<u>\$ 16,675,728</u>
 Plan Fiduciary Net Position			
Contributions - employer	\$ 959,681	\$ 637,980	\$ 1,287,545
Net investment income	25,731	26,910	29,149
Benefit payable	(626,601)	(637,980)	(629,622)
Differences between expected and actual experience	0	2,926	13,503
Administrative expense	<u>0</u>	<u>0</u>	<u>0</u>
Net change in plan fiduciary net position	\$ 358,811	\$ 29,836	\$ 700,575
Plan fiduciary net position - beginning	0	358,811	388,647
Plan fiduciary net position - ending (b)	<u>\$ 358,811</u>	<u>\$ 388,647</u>	<u>\$ 1,089,222</u>
 Net Pension Liability - ending (a) - (b)	<u>\$ 14,985,917</u>	<u>\$ 15,059,877</u>	<u>\$ 15,586,506</u>
 Plan fiduciary net position as a percentage of total opeb liability	2.34%	2.52%	6.53%
 Covered payroll	\$ 11,561,465	\$ 12,496,462	\$ 12,808,874
 Net opeb liability as a percentage of covered payroll	129.62%	120.51%	121.69%
 Assumption changes:			
Discount rate	7.50%	7.50%	7.30%

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

	2017	2018	2019
Actuarially determined contribution	\$ 959,681	\$ 1,160,104	\$ 1,185,998
Contributions in relation to the actuarially determined contribution	959,681	637,980	1,287,545
Contribution deficiency (excess)	\$ 0	\$ 522,124	\$ (101,547)
Covered-employee payroll	\$ 11,561,465	\$ 12,496,462	\$ 12,808,874
Contribution as a percentage of covered payroll	8.30%	5.11%	10.05%

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:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll
Remaining amortization period	29 years
Asset Valuation	Market Value
Inflation	2.5 percent
Healthcare trend rates	8% initial, decreasing 1% per year to an ultimate rate of 5%.
Salary increases	3.50%
Investment Rate of Return	7.50%
Average assumed retirement age	63
Mortality	RP 2000 fully generational with scale AA

SCHEDULE OF INVESTMENT RETURNS
FISCAL YEAR ENDING JUNE 30,

	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	10.1%	8.0%	4.3%

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

	2018	2019
Total OPEB Liability		
Service cost	\$ 828,906	\$ 769,923
Interest	359,948	437,462
Changes in benefit terms	0	(75,172)
Differences between actual & expected experience	0	(3,150,465)
Change of assumptions	(567,167)	573,433
Benefit payments	(553,733)	(649,138)
Net change in total opeb liability	\$ 67,954	\$ (2,093,957)
Total opeb liability - beginning	11,774,947	11,842,901
Total opeb liability - ending (a)	\$ 11,842,901	\$ 9,748,944
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 2,470,228	\$ 2,218,869
Employer's proportionate share of the collective total OPEB liability	\$ 9,372,673	\$ 7,530,075
Covered payroll	\$ 23,866,594	\$ 22,407,393
Employer's proportionate share of collective total OPEB liability as a percentage of covered payroll	39.27%	33.61%

Notes to Schedule

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

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

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

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	2018	2019
Total OPEB Liability		
Service cost	\$ 30,748	\$ 25,093
Interest	43,879	49,439
Changes in benefit terms	0	0
Differences between actual & expected experience	0	(132,665)
Change of assumptions	(121,774)	(9,326)
Benefit payments	(60,600)	(61,733)
Net change in total opeb liability	\$ (107,747)	\$ (129,192)
Total opeb liability - beginning	1,502,266	1,394,519
Total opeb liability - ending (a)	\$ 1,394,519	\$ 1,265,327
 Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 1,394,519	\$ 1,265,327
 Employer's proportionate share of the collective total OPEB liability	\$ 0	\$ 0

Notes to Schedule

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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.

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

Debt Service

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

Capital Projects

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

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

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. This fund is being closed and consolidated into the General Fund of the Parks and Recreation Department.

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. This fund is being closed in FY 2020.

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

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, 2019

	<u>Special Revenue</u>			
	<u>State Street Aid Fund</u>	<u>Solid Waste Management Fund</u>	<u>School Federal Projects Fund</u>	<u>School Food Services Fund</u>
ASSETS				
Cash and cash equivalents	\$ 1,211,317	\$ 596,351	\$ 95,264	\$ 761,788
Investments	0	0	0	0
Investments - restricted	0	0	0	0
Accounts receivable	0	215,139	0	0
Due from other government agencies	250,620	0	150,142	0
Due from other funds	0	0	0	0
Prepays	0	0	0	0
Total Assets	<u>\$ 1,461,937</u>	<u>\$ 811,490</u>	<u>\$ 245,406</u>	<u>\$ 761,788</u>
LIABILITIES				
Accrued liabilities	\$ 17,666	\$ 26,805	\$ 245,406	\$ 0
Accounts payable	85	289	0	7,631
Unearned revenue	0	0	0	13,641
Total Liabilities	<u>\$ 17,751</u>	<u>\$ 27,094</u>	<u>\$ 245,406</u>	<u>\$ 21,272</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	\$ 0	\$ 0	\$ 0	\$ 0
Permanent fund principal	0	0	0	0
Restricted for:				
Law enforcement	0	0	0	0
Community development - federal grants	0	0	0	0
Street improvements	1,444,186	0	0	0
Recycling	0	0	0	0
Capital outlay	0	0	0	0
Animal Control	0	0	0	0
Committed to:				
Solid Waste	0	784,396	0	0
Assigned to:				
Education	0	0	0	740,516
Library	0	0	0	0
Debt service	0	0	0	0
Capital outlay	0	0	0	0
Total Fund Balances	<u>\$ 1,444,186</u>	<u>\$ 784,396</u>	<u>\$ 0</u>	<u>\$ 740,516</u>
Total Liabilities and Fund Balances	<u>\$ 1,461,937</u>	<u>\$ 811,490</u>	<u>\$ 245,406</u>	<u>\$ 761,788</u>

Special Revenue

Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund	Community Development Block Grant Fund	E-Ticketing Grant Fund
\$ 298,337	\$ 148,428	\$ 51,770	\$ 31,721	\$ 31,869
239,254	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	3,637	128,362	200,926	0
0	0	0	0	0
0	0	0	0	0
<u>\$ 537,591</u>	<u>\$ 152,065</u>	<u>\$ 180,132</u>	<u>\$ 232,647</u>	<u>\$ 31,869</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
7,367	907	2,639	154,200	0
0	0	0	0	0
<u>\$ 7,367</u>	<u>\$ 907</u>	<u>\$ 2,639</u>	<u>\$ 154,200</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
13,700	0	0	0	0
0	151,158	0	0	31,869
0	0	0	78,447	0
0	0	0	0	0
0	0	0	0	0
0	0	177,493	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
516,524	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$ 530,224</u>	<u>\$ 151,158</u>	<u>\$ 177,493</u>	<u>\$ 78,447</u>	<u>\$ 31,869</u>
<u>\$ 537,591</u>	<u>\$ 152,065</u>	<u>\$ 180,132</u>	<u>\$ 232,647</u>	<u>\$ 31,869</u>

CITY OF CLEVELAND, TENNESSEE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 June 30, 2019

	Special Revenue	Debt Service	
	Recycling Grant Fund	Debt Service Fund	
ASSETS			
Cash and cash equivalents	\$ 6,777	\$ 5,516,231	
Investments	0	0	
Investments - restricted	0	0	
Accounts receivable	0	2,957	
Due from other government agencies	0	0	
Due from other funds	0	1,320,333	
Prepays	0	0	
	<u>\$ 6,777</u>	<u>\$ 6,839,521</u>	
LIABILITIES			
Accrued liabilities	\$ 0	\$ 2,097	
Accounts payable	2,796	0	
Unearned revenue	0	0	
	<u>\$ 2,796</u>	<u>\$ 2,097</u>	
FUND BALANCES:			
Nonspendable:			
Prepaid items	\$ 0	\$ 0	
Permanent fund principal	0	0	
Restricted for:			
Law enforcement	0	0	
Community development - federal grants	0	0	
Street improvements	0	0	
Recycling	3,981	0	
Capital outlay	0	0	
Animal Control	0	0	
Committed to:			
Solid Waste	0	0	
Assigned to:			
Education	0	0	
Library	0	0	
Debt service	0	6,837,424	
Capital outlay	0	0	
	<u>\$ 3,981</u>	<u>\$ 6,837,424</u>	
Total Fund Balances	<u>\$ 3,981</u>	<u>\$ 6,837,424</u>	
Total Liabilities and Fund Balances	<u>\$ 6,777</u>	<u>\$ 6,839,521</u>	

THDA Cleveland Home Grant	Capital Projects		Permanent Fund	Total Nonmajor Governmental Funds
	Sales Tax Capital Projects Fund	Capital Improvement Program Fund	Meiler Estate Animal Shelter Trust Fund	
\$ 0	\$ 3,139,561	\$ 6,046,100	\$ 18,492	\$ 17,954,006
0	0	0	0	239,254
0	0	0	459,936	459,936
0	0	0	3,221	221,317
35,692	732,385	685,075	0	2,186,839
0	0	0	0	1,320,333
0	0	23,485	0	23,485
<u>\$ 35,692</u>	<u>\$ 3,871,946</u>	<u>\$ 6,754,660</u>	<u>\$ 481,649</u>	<u>\$ 22,405,170</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 291,974
35,692	133,417	333,618	0	678,641
0	0	0	0	13,641
<u>\$ 35,692</u>	<u>\$ 133,417</u>	<u>\$ 333,618</u>	<u>\$ 0</u>	<u>\$ 984,256</u>
\$ 0	\$ 0	\$ 23,485	\$ 0	\$ 23,485
0	0	0	459,936	473,636
0	0	0	0	183,027
0	0	0	0	78,447
0	0	0	0	1,444,186
0	0	0	0	3,981
0	3,738,529	6,351,985	0	10,268,007
0	0	45,572	0	45,572
0	0	0	0	784,396
0	0	0	0	740,516
0	0	0	0	516,524
0	0	0	0	6,837,424
0	0	0	21,713	21,713
<u>\$ 0</u>	<u>\$ 3,738,529</u>	<u>\$ 6,421,042</u>	<u>\$ 481,649</u>	<u>\$ 21,420,914</u>
<u>\$ 35,692</u>	<u>\$ 3,871,946</u>	<u>\$ 6,754,660</u>	<u>\$ 481,649</u>	<u>\$ 22,405,170</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, 2019

	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	1,449,880	0	3,778,135	2,914,139
Fines and forfeitures	0	0	0	0
Charges for services	0	2,550,678	0	208,095
Interest	25,796	18,070	0	840
Miscellaneous	0	4,625	0	0
Total revenues	\$ 1,475,676	\$ 2,573,373	\$ 3,778,135	\$ 3,123,074
Expenditures:				
Current:				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Community development	0	0	0	0
Public safety	0	0	0	0
Public works	792,751	3,766,405	0	0
Culture and recreation	0	0	0	0
Education	0	0	3,778,135	3,260,642
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
Total expenditures	\$ 792,751	\$ 3,766,405	\$ 3,778,135	\$ 3,260,642
Excess (deficiency) of revenues over expenditures	\$ 682,925	\$ (1,193,032)	\$ 0	\$ (137,568)
Other financing sources (uses):				
Transfers in	\$ 0	\$ 1,074,100	\$ 0	\$ 0
Transfers out	(440,618)	(10,000)	0	0
Bonds issued	0	0	0	0
Refunding bonds issued	0	0	0	0
Premium on debt issued	0	0	0	0
Payment to refunding bond escrow agent	0	0	0	0
Total other financing sources sources (uses)	\$ (440,618)	\$ 1,064,100	\$ 0	\$ 0
Net change in fund balances	\$ 242,307	\$ (128,932)	\$ 0	\$ (137,568)
Fund balances at beginning of year	1,201,879	913,328	0	878,084
Fund balances at end of year	\$ 1,444,186	\$ 784,396	\$ 0	\$ 740,516

Special Revenue

Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund	Community Development Block Grant Fund	E-Ticketing Grant Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
657,091	0	159,551	496,170	0
0	41,364	0	0	14,720
49,884	0	0	0	0
2,213	3,926	0	0	0
58,008	0	0	0	0
<u>\$ 767,196</u>	<u>\$ 45,290</u>	<u>\$ 159,551</u>	<u>\$ 496,170</u>	<u>\$ 14,720</u>
\$ 0	\$ 0	\$ 203,095	\$ 0	\$ 0
0	0	0	292,473	0
0	80,168	0	0	22,928
0	0	0	0	0
1,372,935	0	0	0	0
0	0	0	0	0
37,437	0	0	218,552	0
0	0	0	0	0
<u>\$ 1,410,372</u>	<u>\$ 80,168</u>	<u>\$ 203,095</u>	<u>\$ 511,025</u>	<u>\$ 22,928</u>
<u>\$ (643,176)</u>	<u>\$ (34,878)</u>	<u>\$ (43,544)</u>	<u>\$ (14,855)</u>	<u>\$ (8,208)</u>
\$ 654,000	\$ 0	\$ 57,000	\$ 20,000	\$ 0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$ 654,000</u>	<u>\$ 0</u>	<u>\$ 57,000</u>	<u>\$ 20,000</u>	<u>\$ 0</u>
\$ 10,824	\$ (34,878)	\$ 13,456	\$ 5,145	\$ (8,208)
519,400	186,036	164,037	73,302	40,077
<u>\$ 530,224</u>	<u>\$ 151,158</u>	<u>\$ 177,493</u>	<u>\$ 78,447</u>	<u>\$ 31,869</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, 2019

	<u>Special Revenue</u>		<u>Debt Service</u>	<u>Capital Projects</u>
	Recycling Grant Fund	2017 Byrne Memorial Justice Assistance Grant	Debt Service Fund	Greenway Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	36,481	116,222	0
Fines and forfeitures	0	0	0	0
Charges for services	0	0	0	0
Interest	0	0	187,087	0
Miscellaneous	0	0	0	0
Total revenues	\$ 0	\$ 36,481	\$ 303,309	\$ 0
Expenditures:				
Current:				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Community development	0	0	0	0
Public safety	0	36,481	0	0
Public works	11,180	0	0	0
Culture and recreation	0	0	0	0
Education	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	7,705,083	0
Total expenditures	\$ 11,180	\$ 36,481	\$ 7,705,083	\$ 0
Excess (deficiency) of revenues over expenditures	\$ (11,180)	\$ 0	\$ (7,401,774)	\$ 0
Other financing sources (uses):				
Transfers in	\$ 10,000	\$ 0	\$ 8,687,641	\$ 0
Transfers out	0	0	0	(12,735)
Bonds issued	0	0	0	0
Refunding bonds issued	0	0	34,780,000	0
Premium on debt issued	0	0	5,651,684	0
Payment to refunding bond escrow agent	0	0	(40,109,699)	0
Total other financing sources (uses)	\$ 10,000	\$ 0	\$ 9,009,626	\$ (12,735)
Net change in fund balances	\$ (1,180)	\$ 0	\$ 1,607,852	\$ (12,735)
Fund balances at beginning of year	5,161	0	5,229,572	12,735
Fund balances at end of year	\$ 3,981	\$ 0	\$ 6,837,424	\$ 0

Capital Projects				Permanent Fund	
THDA Cleveland Home Grant	Sales Tax Capital Projects Fund	Spring Branch Industrial Park Fund	Capital Improvement Program Fund	Meiler Estate Animal Shelter Trust Fund	Total Nonmajor Governmental Funds
\$ 0	\$ 4,168,935	\$ 0	\$ 0	\$ 0	\$ 4,168,935
135,106	0	0	2,488,236	0	12,231,011
0	0	0	0	0	56,084
0	0	0	0	0	2,808,657
0	116,774	828	176,776	5,230	537,540
0	0	0	184,149	0	246,782
<u>\$ 135,106</u>	<u>\$ 4,285,709</u>	<u>\$ 828</u>	<u>\$ 2,849,161</u>	<u>\$ 5,230</u>	<u>\$ 20,049,009</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 203,095
0	0	0	0	0	292,473
0	0	0	0	0	139,577
0	0	0	0	0	4,570,336
0	0	0	0	0	1,372,935
0	0	0	0	0	7,038,777
135,106	2,695,223	167,075	9,011,027	0	12,264,420
0	681,961	0	138,962	0	8,526,006
<u>\$ 135,106</u>	<u>\$ 3,377,184</u>	<u>\$ 167,075</u>	<u>\$ 9,149,989</u>	<u>\$ 0</u>	<u>\$ 34,407,619</u>
<u>\$ 0</u>	<u>\$ 908,525</u>	<u>\$ (166,247)</u>	<u>\$ (6,300,828)</u>	<u>\$ 5,230</u>	<u>\$ (14,358,610)</u>
\$ 0	\$ 0	\$ 0	\$ 1,419,289	\$ 0	\$ 11,922,030
0	0	(1,442,000)	0	0	(1,905,353)
0	0	0	9,885,000	0	9,885,000
0	0	0	0	0	34,780,000
0	0	0	509,653	0	6,161,337
0	0	0	0	0	(40,109,699)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,442,000)</u>	<u>\$ 11,813,942</u>	<u>\$ 0</u>	<u>\$ 20,733,315</u>
\$ 0	\$ 908,525	\$ (1,608,247)	\$ 5,513,114	\$ 5,230	\$ 6,374,705
0	2,830,004	1,608,247	907,928	476,419	15,046,209
<u>\$ 0</u>	<u>\$ 3,738,529</u>	<u>\$ 0</u>	<u>\$ 6,421,042</u>	<u>\$ 481,649</u>	<u>\$ 21,420,914</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, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State gas tax	\$ 1,300,000	\$ 1,300,000	\$ 1,449,880	\$ 149,880
Interest	8,000	8,000	25,796	17,796
Total revenues	\$ 1,308,000	\$ 1,308,000	\$ 1,475,676	\$ 167,676
Expenditures:				
Current:				
Public works:				
Salaries	\$ 432,900	\$ 432,900	\$ 382,525	\$ 50,375
Overtime wages	7,600	7,600	2,439	5,161
Service awards	300	300	250	50
Longevity	10,500	11,925	11,925	0
Sold vacations	4,600	4,600	3,939	661
Christmas bonus	1,200	1,200	1,083	117
Sick pay incentive	2,700	2,700	1,000	1,700
Dental insurance	5,800	5,800	4,245	1,555
Social security	35,300	35,300	29,906	5,394
Health insurance	107,000	107,000	87,479	19,521
Retirement	78,800	78,800	68,909	9,891
Life and disability insurance	5,800	5,800	4,901	899
Vision insurance	1,500	1,500	1,040	460
Worker's compensation insurance	45,000	43,575	27,066	16,509
Worker's compensation claims	1,000	1,125	1,101	24
Pre-employment testing	1,000	1,000	85	915
Safety shoes	1,700	1,575	1,475	100
Volvo Crawler Excavator	0	163,383	163,383	0
Total expenditures	\$ 742,700	\$ 906,083	\$ 792,751	\$ 113,332
Excess of revenues over expenditures	\$ 565,300	\$ 401,917	\$ 682,925	\$ 281,008
Other financing sources (uses):				
Transfers out	\$ (440,618)	\$ (440,618)	\$ (440,618)	\$ 0
Total other financing sources (uses)	\$ (440,618)	\$ (440,618)	\$ (440,618)	\$ 0
Net change in fund balance	\$ 124,682	\$ (38,701)	\$ 242,307	\$ 281,008
Fund balance at beginning of year	1,201,879	1,201,879	1,201,879	0
Fund balance at end of year	\$ 1,326,561	\$ 1,163,178	\$ 1,444,186	\$ 281,008

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, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Charges for services:				
Commercial garbage	\$ 1,070,000	\$ 1,070,000	\$ 1,064,716	\$ (5,284)
Residential garbage	1,471,500	1,471,500	1,485,962	14,462
Interest	9,000	9,000	18,070	9,070
Miscellaneous	0	0	4,625	4,625
Total revenues	\$ 2,550,500	\$ 2,550,500	\$ 2,573,373	\$ 22,873
Expenditures:				
Current:				
Public works:				
Salaries	\$ 579,000	\$ 579,000	\$ 540,531	\$ 38,469
Overtime wages	18,000	18,000	18,740	(740)
Supplement pay	700	700	600	100
Longevity	17,400	18,100	18,075	25
Sold vacation	7,300	7,300	6,335	965
Christmas bonus	1,600	1,408	1,408	0
Sick pay incentive	3,000	2,200	2,200	0
Dental insurance	7,100	6,100	5,920	180
Social security	48,100	48,100	43,243	4,857
Health insurance	162,000	132,000	124,855	7,145
Retirement	108,900	108,900	99,197	9,703
Life and disability insurance	8,000	7,000	6,478	522
Vision insurance	2,200	1,900	1,779	121
Worker's compensation claims	2,000	3,400	3,339	61
Pre-employment testing	1,000	200	170	30
Safety shoes	2,000	1,400	1,385	15
Postage	100	100	0	100
GPS services	3,600	3,900	3,892	8
Printing	200	200	0	200
Subscriptions and memberships	100	100	0	100
Advertising	200	200	87	113
Training and travel	400	400	250	150
Tire disposal	1,000	1,065	1,065	0
Landfill	360,000	395,000	392,789	2,211
Residential account	994,000	1,029,482	1,029,482	0
Commercial account	972,800	1,030,082	1,030,081	1
Commercial recycling	80,200	75,536	74,735	801
Office expenditures	2,600	2,600	50	2,550
Operating supplies	4,000	4,000	3,510	490
Safety supplies	800	800	0	800
Janitorial supplies	600	600	315	285
Uniforms	4,500	4,500	3,816	684
Gasoline and oil	47,000	72,000	70,709	1,291
Repairs and parts	140,000	135,000	84,440	50,560

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Insurance - property	\$ 400	\$ 488	\$ 488	\$ 0
Insurance - vehicle	11,100	11,100	10,819	281
Insurance - general liability	17,600	17,600	15,363	2,237
Insurance - workers compensation	35,000	29,807	26,184	3,623
Miscellaneous	500	500	0	500
Bradley County recycling	10,000	10,000	10,000	0
Equipment	800	800	0	800
Hardware	800	800	625	175
Knuckleboom Replacement	0	133,450	133,450	0
Total expenditures	<u>\$ 3,656,600</u>	<u>\$ 3,895,818</u>	<u>\$ 3,766,405</u>	<u>\$ 129,413</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,106,100)</u>	<u>\$ (1,345,318)</u>	<u>\$ (1,193,032)</u>	<u>\$ 152,286</u>
Other financing sources:				
Transfers in	\$ 1,074,100	\$ 1,074,100	\$ 1,074,100	\$ 0
Transfers out	(10,000)	(10,000)	(10,000)	0
Total other financing sources	<u>\$ 1,064,100</u>	<u>\$ 1,064,100</u>	<u>\$ 1,064,100</u>	<u>\$ 0</u>
Net change in fund balance	\$ (42,000)	\$ (281,218)	\$ (128,932)	\$ 152,286
Fund balance at beginning of year	<u>913,328</u>	<u>913,328</u>	<u>913,328</u>	<u>0</u>
Fund balance at end of year	<u>\$ 871,328</u>	<u>\$ 632,110</u>	<u>\$ 784,396</u>	<u>\$ 152,286</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Federal government	\$ 4,361,756	\$ 4,365,344	\$ 3,778,135	\$ (587,209)
Total revenues	<u>\$ 4,361,756</u>	<u>\$ 4,365,344</u>	<u>\$ 3,778,135</u>	<u>\$ (587,209)</u>
Expenditures:				
Current:				
Education:				
Regular instruction	\$ 1,787,439	\$ 1,795,417	\$ 1,589,537	\$ 205,880
Special education	872,780	877,117	831,367	45,750
Vocational education	91,890	94,243	93,600	643
Support services	<u>1,609,647</u>	<u>1,598,567</u>	<u>1,263,631</u>	<u>334,936</u>
Total expenditures	<u>\$ 4,361,756</u>	<u>\$ 4,365,344</u>	<u>\$ 3,778,135</u>	<u>\$ 587,209</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, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
USDA reimbursements	\$ 2,810,000	\$ 2,810,000	\$ 2,914,139	\$ 104,139
Charges for services	568,152	568,152	208,095	(360,057)
Interest	200	200	840	640
Total revenues	\$ 3,378,352	\$ 3,378,352	\$ 3,123,074	\$ (255,278)
Expenditures:				
Current:				
Education:				
Clerical personnel	\$ 68,500	\$ 68,500	\$ 68,362	\$ 138
Cafeteria personnel	1,185,000	1,185,000	1,144,318	40,682
In-service training	2,000	2,000	240	1,760
Social security	80,000	80,000	70,540	9,460
State retirement	150,000	150,000	139,471	10,529
Life insurance	3,500	3,500	3,240	260
Medical insurance	254,000	254,000	229,243	24,757
Unemployment compensation	500	500	0	500
Employer medicare liability	18,500	18,500	16,497	2,003
Other fringe benefits	42,000	42,000	1,041	40,959
Communication	1,300	1,300	41,969	(40,669)
Dues and membership	1,200	1,200	1,111	89
Maintenance and repair services	40,000	40,000	49,493	(9,493)
Transportation	3,000	3,000	1,638	1,362
Travel	3,500	3,500	3,154	346
Other contracted services	18,000	18,000	19,103	(1,103)
Food supplies	1,275,000	1,275,000	1,079,607	195,393
Office supplies	4,000	4,000	1,873	2,127
Uniforms	750	750	780	(30)
In-service staff development	1,000	1,000	0	1,000
Food commodities	260,152	260,152	233,279	26,873
Other supplies and materials	160,000	160,000	138,435	21,565
Applicant investigation	1,000	1,000	334	666
Food service equipment	20,000	20,000	16,914	3,086
Total expenditures	\$ 3,592,902	\$ 3,592,902	\$ 3,260,642	\$ 332,260
Excess of revenues over expenditures	\$ (214,550)	\$ (214,550)	\$ (137,568)	\$ 76,982
Fund balance at beginning of year	878,084	878,084	878,084	0
Fund balance at end of year	\$ 663,534	\$ 663,534	\$ 740,516	\$ 76,982

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, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State technology grant	\$ 0	\$ 3,591	\$ 3,091	\$ (500)
Bradley County	654,000	654,000	654,000	0
Charges for services	64,000	64,000	49,884	(14,116)
Interest	0	1,500	2,213	713
Miscellaneous:				
Gifts	70,000	123,884	58,008	(65,876)
Total revenues	<u>\$ 788,000</u>	<u>\$ 846,975</u>	<u>\$ 767,196</u>	<u>\$ (79,779)</u>
Expenditures:				
Current:				
Culture and recreation:				
Salaries	\$ 783,600	\$ 710,353	\$ 703,708	\$ 6,645
Employee benefits	279,800	264,800	249,980	14,820
Supplies	66,500	88,500	88,339	161
Materials and online	96,100	140,100	139,403	697
Utilities	86,200	86,200	84,902	1,298
Equipment repair/replacement	15,300	29,300	28,346	954
Building maintenance	17,100	24,900	24,873	27
Insurance	25,900	26,347	28,236	(1,889)
Gift and memorial expenditures	70,000	70,000	19,298	50,702
Grant expenditures	0	3,591	5,850	(2,259)
Capital Outlay:				
Building addition	0	35,000	26,911	8,089
Lot paving	0	415	415	0
Building landscaping	0	18,469	9,069	9,400
Furniture	1,500	1,500	1,042	458
Total expenditures	<u>\$ 1,442,000</u>	<u>\$ 1,499,475</u>	<u>\$ 1,410,372</u>	<u>\$ 89,103</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (654,000)</u>	<u>\$ (652,500)</u>	<u>\$ (643,176)</u>	<u>\$ 9,324</u>
Other financing sources:				
Transfers in	<u>\$ 654,000</u>	<u>\$ 654,000</u>	<u>\$ 654,000</u>	<u>\$ 0</u>
Total other financing sources	<u>\$ 654,000</u>	<u>\$ 654,000</u>	<u>\$ 654,000</u>	<u>\$ 0</u>
Net change in fund balance	\$ 0	\$ 1,500	\$ 10,824	\$ 9,324
Fund balance at beginning of year	<u>519,400</u>	<u>519,400</u>	<u>519,400</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 519,400</u></u>	<u><u>\$ 520,900</u></u>	<u><u>\$ 530,224</u></u>	<u><u>\$ 9,324</u></u>

CITY OF CLEVELAND, TENNESSEE
 DRUG ENFORCEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 10,000	\$ 20,000	\$ 41,364	\$ 21,364
Interest	100	100	3,926	3,826
Total revenues	\$ 10,100	\$ 20,100	\$ 45,290	\$ 25,190
Expenditures:				
Current:				
Public safety:				
Seized vehicles	\$ 7,500	\$ 7,500	\$ 3,327	\$ 4,173
Investigative funds	10,000	10,000	5,000	5,000
Travel and training	0	1,910	1,907	3
Vehicles	0	16,000	15,660	340
Equipment	1,100	1,100	190	910
Hardware- Waypoint server	0	54,100	54,084	16
Total expenditures	\$ 18,600	\$ 90,610	\$ 80,168	\$ 10,442
Excess (deficiency) of revenues over expenditures	\$ (8,500)	\$ (70,510)	\$ (34,878)	\$ 35,632
Fund balance at beginning of year	186,036	186,036	186,036	0
Fund balance at end of year	\$ 177,536	\$ 115,526	\$ 151,158	\$ 35,632

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, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 200,000	\$ 200,000	\$ 159,551	\$ (40,449)
Total revenues	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 159,551</u>	<u>\$ (40,449)</u>
Expenditures:				
Current:				
General government:				
Salaries	\$ 58,600	\$ 58,600	\$ 62,819	\$ (4,219)
Consultant services	150,000	150,000	93,250	56,750
Benefits	20,800	20,800	22,379	(1,579)
Postage and shipping	1,000	700	0	700
Printing and publications	5,000	5,000	4,372	628
Telephone	1,800	1,800	624	1,176
Travel and meeting	5,000	8,700	8,423	277
Supplies	10,300	1,100	1,016	84
Capital purchase	4,500	10,300	10,212	88
Total expenditures	<u>\$ 257,000</u>	<u>\$ 257,000</u>	<u>\$ 203,095</u>	<u>\$ 53,905</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (57,000)</u>	<u>\$ (57,000)</u>	<u>\$ (43,544)</u>	<u>\$ 13,456</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	\$ 0	\$ 0	\$ 13,456	\$ 13,456
Fund balance at beginning of year	<u>164,037</u>	<u>164,037</u>	<u>164,037</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 164,037</u></u>	<u><u>\$ 164,037</u></u>	<u><u>\$ 177,493</u></u>	<u><u>\$ 13,456</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, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
Community Development Block Grant-2014	\$ 0	\$ 30,001	\$ 30,001	\$ 0
Community Development Block Grant-2015	0	39,513	39,513	0
Community Development Block Grant-2016	0	56,209	56,209	0
Community Development Block Grant-2017	350,000	211,456	75,599	(135,857)
Community Development Block Grant-2018	0	389,196	159,877	(229,319)
THDA Emergency Shelter Grant 2018	0	135,100	134,971	(129)
Total revenues	\$ 350,000	\$ 861,475	\$ 496,170	\$ (365,305)
Expenditures:				
Current:				
Community development:				
Administration:				
Salaries	\$ 48,150	\$ 57,150	\$ 56,846	\$ 304
Longevity	730	730	0	730
Christmas bonus	83	83	0	83
Sick pay incentive	170	170	0	170
Dental insurance	490	490	73	417
Social security	3,755	3,755	1,460	2,295
Health insurance	11,550	2,550	1,805	745
Retirement	8,400	4,675	2,892	1,783
Life insurance and disability	615	615	90	525
Vision insurance	150	150	22	128
Printing	600	684	684	0
Advertising	600	600	286	314
Telephone	1,500	1,500	1,451	49
Travel and training	1,500	1,500	0	1,500
Office supplies	1,200	1,200	493	707
Gasoline	1,000	1,000	0	1,000
Miscellaneous	2,055	1,971	0	1,971
Hardware	0	1,800	0	1,800
Software	0	200	0	200
Codes Enforcement:				
Salaries	38,450	39,950	39,835	115
Overtime	0	0	55	(55)
Christmas bonus	110	110	108	2
Sick pay incentive	225	225	75	150
Dental insurance	650	650	600	50
Social security tax	3,000	3,100	2,777	323
Health insurance	15,400	15,600	16,304	(704)
Retirement	6,700	6,825	6,882	(57)
Life insurance	500	500	455	45
Vision insurance	200	200	172	28
Printing	500	0	0	0
Advertising	200	0	0	0
Telephone	1,400	1,400	1,058	342

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Community development - (Continued):				
Codes Enforcement - (Continued):				
Legal services	\$ 300	\$ 0	\$ 0	\$ 0
Vehicle maintenance	500	1,850	1,827	23
Travel and training	500	500	0	500
Office supplies	300	300	35	265
Clothing allowance	400	400	324	76
Gasoline	1,000	1,300	1,114	186
Insurance - vehicles	500	404	404	0
Miscellaneous	765	11	0	11
Emergency shelter:				
Shelter operations	0	123,850	130,346	(6,496)
Administrative costs	0	11,250	0	11,250
Consultant's services	0	24,000	24,000	0
Capital outlay:				
Projects to be determined	216,155	0	0	0
Blythe Bower Fields	0	313,179	182,552	130,627
Down payment assistance	0	78,000	36,000	42,000
Blythe Sidewalks	0	198,596	0	198,596
Total Expenditures	<u>\$ 370,303</u>	<u>\$ 903,023</u>	<u>\$ 511,025</u>	<u>\$ 391,998</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (20,303)</u>	<u>\$ (41,548)</u>	<u>\$ (14,855)</u>	<u>\$ 26,693</u>
Other financing sources:				
Transfers in	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 0</u>
Total other financing sources	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 0</u>
Net change in fund balance	\$ (303)	\$ (21,548)	\$ 5,145	\$ 26,693
Fund balance at beginning of year	<u>73,302</u>	<u>73,302</u>	<u>73,302</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 72,999</u></u>	<u><u>\$ 51,754</u></u>	<u><u>\$ 78,447</u></u>	<u><u>\$ 26,693</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, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures:				
Citation fee	\$ 0	\$ 13,400	\$ 14,720	\$ 1,320
Total revenues	\$ 0	\$ 13,400	\$ 14,720	\$ 1,320
Expenditures:				
Current:				
Public safety:				
Technical fees and materials	\$ 0	\$ 40,135	\$ 22,928	\$ 17,207
Technical supplies - Court Clerk	0	13,281	0	13,281
Total expenditures	\$ 0	\$ 53,416	\$ 22,928	\$ 30,488
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (40,016)	\$ (8,208)	\$ 31,808
Fund balance at beginning of year	40,077	40,077	40,077	0
Fund balance at end of year	\$ 40,077	\$ 61	\$ 31,869	\$ 31,808

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, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public works:				
Litter grant expenditures	\$ 0	\$ 15,161	\$ 11,180	\$ 3,981
Total expenditures	\$ 0	\$ 15,161	\$ 11,180	\$ 3,981
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (15,161)	\$ (11,180)	\$ 3,981
Other financing sources:				
Transfers in	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0
Total other financing sources	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0
Net change in fund balance	\$ 10,000	\$ (5,161)	\$ (1,180)	\$ 3,981
Fund balance at beginning of year	5,161	5,161	5,161	0
Fund balance at end of year	\$ 15,161	\$ 0	\$ 3,981	\$ 3,981

CITY OF CLEVELAND, TENNESSEE
 2017 BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 0	\$ 36,481	\$ 36,481	\$ 0
Total revenues	\$ 0	\$ 36,481	\$ 36,481	\$ 0
Expenditures:				
Current:				
Public safety:				
Bradley County disparate	\$ 0	\$ 11,863	\$ 11,863	\$ 0
In-car cameras	0	24,618	24,618	0
Total expenditures	\$ 0	\$ 36,481	\$ 36,481	\$ 0
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	\$ 0	\$ 0	\$ 0	\$ 0

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, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Bradley County	\$ 146,600	\$ 146,600	\$ 116,222	\$ (30,378)
Interest	5,000	125,000	187,087	62,087
Total revenues	\$ 151,600	\$ 271,600	\$ 303,309	\$ 31,709
Expenditures:				
Debt service:				
Principal retirement	\$ 4,982,000	\$ 2,882,000	\$ 4,981,000	\$ (2,099,000)
Interest and fiscal charges	2,595,254	2,227,538	2,724,083	(496,545)
Total expenditures	\$ 7,577,254	\$ 5,109,538	\$ 7,705,083	\$ (2,595,545)
Excess (deficiency) of revenues over expenditures	\$ (7,425,654)	\$ (4,837,938)	\$ (7,401,774)	\$ (2,563,836)
Other financing sources (uses):				
Transfers in	\$ 7,425,654	\$ 9,786,039	\$ 8,687,641	\$ (1,098,398)
Refunding bonds issued	0	1,007,000	34,780,000	33,773,000
Premium on debt issued	0	0	5,651,684	5,651,684
Payment to refunding bond escrow agent	0	(5,834,388)	(40,109,699)	(34,275,311)
Total other financing sources	\$ 7,425,654	\$ 4,958,651	\$ 9,009,626	\$ 4,050,975
Net change in fund balance	\$ 0	\$ 120,713	\$ 1,607,852	\$ 1,487,139
Fund balance at beginning of year	5,229,572	5,229,572	5,229,572	0
Fund balance at end of year	\$ 5,229,572	\$ 5,350,285	\$ 6,837,424	\$ 1,487,139

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers out	\$ 0	\$ (12,735)	\$ (12,735)	\$ 0
Total other financing sources (uses)	\$ 0	\$ (12,735)	\$ (12,735)	\$ 0
Net change in fund balance	\$ 0	\$ (12,735)	\$ (12,735)	\$ 0
Fund balance at beginning of year	<u>12,735</u>	<u>12,735</u>	<u>12,735</u>	<u>0</u>
Fund balance at end of year	<u>\$ 12,735</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF CLEVELAND, TENNESSEE
 THDA CLEVELAND HOME GRANT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 0	\$ 338,975	\$ 135,106	\$ (203,869)
Total revenues	<u>\$ 0</u>	<u>\$ 338,975</u>	<u>\$ 135,106</u>	<u>\$ (203,869)</u>
Expenditures:				
Capital outlay:				
Housing Rehabilitation	\$ 0	\$ 316,475	\$ 112,098	\$ 204,377
Administrative Fees	0	22,500	23,008	(508)
Total expenditures	<u>\$ 0</u>	<u>\$ 338,975</u>	<u>\$ 135,106</u>	<u>\$ 203,869</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF CLEVELAND, TENNESSEE
 SALES TAX CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Local 1/2 cent sales tax	\$ 3,012,000	\$ 3,012,000	\$ 3,073,148	\$ 61,148
School 1/2 cent sales tax	975,000	975,000	1,095,787	120,787
Interest	4,600	95,000	116,774	21,774
Total revenues	\$ 3,991,600	\$ 4,082,000	\$ 4,285,709	\$ 203,709
Expenditures:				
Capital outlay:				
Inman Street road survey	\$ 0	\$ 24,000	\$ 0	\$ 24,000
CMAQ Park and Ride	150,000	150,000	0	150,000
Municipal Building improvements	0	50,000	0	50,000
Lee Crosswalk	0	5,455	1,188	4,267
Vehicle replacement program	40,000	40,000	0	40,000
EDC planning documents	0	12,030	0	12,030
Chieftan @ Museum	20,000	0	0	0
Downtown redevelopment	49,000	266,584	227,181	39,403
Electronic document management	0	5,000	0	5,000
GIS flyover	21,000	43,393	0	43,393
GIS Rover	5,000	10,000	0	10,000
Police vehicles	285,000	291,273	291,273	0
Fire Station 4 roof improvements	60,000	60,000	38,829	21,171
Fire training center	400,000	498,830	342,124	156,706
Fire apparatus replacement	0	309,249	0	309,249
Street paving	1,000,000	982,642	907,518	75,124
Sidewalk projects	65,000	133,816	44,679	89,137
MPO - 20th and Tasso	0	16,210	0	16,210
MPO - Central Ave 3R Project	0	122,640	4,944	117,696
MPO - 20th St sidewalk project	0	97,000	0	97,000
MPO - 17th Street 3R project	0	134,218	17,598	116,620
MPO - Adkisson	0	191,735	112	191,623
MPO - Georgetown Rd @ 25th Street	0	164,303	78,151	86,152
MPO - Planning and overrun	0	11,630	0	11,630
Public works equipment replacement	150,000	161,391	128,912	32,479
Multi-Modal Access Grant	43,249	44,540	565	43,975
LIC North - City's share	0	176,701	4,984	171,717
Taylor Springs	250,000	250,000	4,501	245,499
Roadscapes Phase III	0	29,531	0	29,531
Kile Lane @ Veterans Home	0	150,000	0	150,000
MPO-Paul Huff extension - match	0	12,000	0	12,000
LIC North acquisition	0	54,855	0	54,855
MPO- Peerless Road Extension	150,000	150,000	0	150,000
Highway 60 improvements	50,000	100,000	0	100,000
Candies Lane improvements	50,000	50,000	217	49,783
Downtown south connector	25,000	0	0	0
Downtown parking lot	75,000	0	0	0
Frontage connector at Target	80,000	81,905	81,904	1

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Capital outlay - (Continued):				
Tinsley master plan	\$ 0	\$ 787	\$ 0	\$ 787
Deer Park renovation	0	13,277	4,359	8,918
Greenway-Willow/Inman survey	0	19,649	350	19,299
Willow Street south extension	0	10,886	0	10,886
Playground equipment	64,000	84,546	28,162	56,384
Maintenance for buildings	0	13,838	0	13,838
School capital projects	292,540	414,621	472,236	(57,615)
Jetport GIS	0	5,600	0	5,600
Jetport erosion control	0	8,750	0	8,750
Stream and Wetland monitoring	0	8,500	0	8,500
Mowing equipment	0	2,441	0	2,441
Customs border patrol facility	45,000	0	0	0
HVAC replacement	0	10,453	10,453	0
Building and Fuel Farm repairs	0	8,900	4,983	3,917
Debt service:				
QSCB principal	260,000	260,000	259,577	423
QSCB interest	63,100	63,100	63,024	76
QSCB fiscal charges	4,160	4,160	4,160	0
Arnold School Renovation - principal	78,000	78,000	78,000	0
Arnold School Renovation - interest	27,200	27,200	27,200	0
ESG equipment facility - principal	137,500	137,500	243,902	(106,402)
ESG equipment facility - interest	112,500	112,500	6,098	106,402
Total expenditures	<u>\$ 4,052,249</u>	<u>\$ 6,165,639</u>	<u>\$ 3,377,184</u>	<u>\$ 2,788,455</u>
Excess (deficiency) of revenues over expenditures	\$ (60,649)	\$ (2,083,639)	\$ 908,525	\$ 2,992,164
Fund balance at beginning of year	<u>2,830,004</u>	<u>2,830,004</u>	<u>2,830,004</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 2,769,355</u></u>	<u><u>\$ 746,365</u></u>	<u><u>\$ 3,738,529</u></u>	<u><u>\$ 2,992,164</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, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 0	\$ 828	\$ 828	\$ 0
Total revenues	\$ 0	\$ 828	\$ 828	\$ 0
Expenditures:				
Capital outlay:				
Development costs	\$ 0	\$ 167,075	\$ 167,075	\$ 0
Total expenditures	\$ 0	\$ 167,075	\$ 167,075	\$ 0
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (166,247)	\$ (166,247)	\$ 0
Other financing sources (uses):				
Transfers out	\$ (180,013)	\$ 0	\$ (1,442,000)	\$ (1,442,000)
Total other financing sources (uses)	\$ (180,013)	\$ 0	\$ (1,442,000)	\$ (1,442,000)
Net change in fund balance	\$ (180,013)	\$ (166,247)	\$ (1,608,247)	\$ (1,442,000)
Fund balance at beginning of year	1,608,247	1,608,247	1,608,247	0
Fund balance at end of year	\$ 1,428,234	\$ 1,442,000	\$ 0	\$ (1,442,000)

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, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
Federal grant - Flood Mitigation	\$ 0	\$ 107,768	\$ 16,356	\$ (91,412)
Federal grant - 25th St/Georgetown	0	765,935	266,959	(498,976)
Federal grant - 20th St/Tasso	0	216,160	0	(216,160)
Federal grant - Central Avenue	0	891,388	10,337	(881,051)
Federal grant - 17th and 20th	0	1,619,104	81,717	(1,537,387)
Federal grant - Ocoee Greenway	0	207,243	207,243	0
Federal grant - Adkisson Drive	0	1,086,144	0	(1,086,144)
Federal grant - Roadscapes phase III	0	117,850	0	(117,850)
Federal grant - Norman Chapel Road	0	627,428	236	(627,192)
Federal grant - MPO Gaut Street Improvement	0	85,637	42,068	(43,569)
State grant - Multi-Modal Access	0	885,165	10,732	(874,433)
State grant - Barney Lane Bridge	0	625,000	0	(625,000)
State grant - Jetport runway extension	0	319,996	146,686	(173,310)
State grant - Jetport environmental	0	18,488	0	(18,488)
State grant - Jetport ALP & Exhibit A	0	95,000	73,601	(21,399)
State grant - Jetport land easement	0	10,950	0	(10,950)
State grant - N Property Development	0	47,288	34,279	(13,009)
State grant - N Property Construction	0	910,758	0	(910,758)
State grant - Taxiway and Runway Extension	0	94,060	44,484	(49,576)
State grant - LIC	0	997,965	82,876	(915,089)
State grant - Tinsley Park tennis courts	0	250,421	235,371	(15,050)
State grant - Urban Trees	0	8,910	8,910	0
Bradley County - LIC	0	458,353	5,859	(452,494)
Bradley County - Candys CK Elem	0	1,220,523	1,220,523	0
Interest	0	180,000	176,776	(3,224)
Miscellaneous:				
Sale of Georgetown and 25th plans	0	0	250	250
Sale of Norman/Candies plans	0	0	120	120
Sale of fire equipment	0	14,610	14,610	0
Sale of recreation equipment	0	4,142	4,142	0
Sale of public works equipment	0	8,025	34,610	26,585
Sale of police vehicles and equipment	0	1,500	16,355	14,855
Sale of codes vehicles	0	0	1,500	1,500
Donation - Boyd Foundation	0	25,000	25,000	0
Donation - CPD storage building	0	0	10,823	10,823
Donation - Estate of Zuker	0	45,572	45,572	0
TML reimbursement - vehicles	0	0	23,304	23,304
TML reimbursement - vehicles	0	7,362	7,362	0
Sundry income	0	0	500	500
Total revenues	\$ 0	\$ 11,953,745	\$ 2,849,161	\$ (9,104,584)
Expenditures:				
Capital outlay:				
Legislative and judicial:				
Whirlpool Initiative - Restrict	\$ 600,000	\$ 1,031,328	\$ 0	\$ 1,031,328
Downtown Parking lot	0	75,000	0	75,000

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Capital outlay - (Continued)				
Legislative and judicial:				
Exit 25 signage	\$ 0	\$ 47,050	\$ 38,018	\$ 9,032
Veterans Home	0	16,351	16,351	0
Contingency	70,000	83,158	0	83,158
CCS - Raptor system	15,000	15,000	15,000	0
Administration and finance:				
City-wide computer system	0	705,731	0	705,731
Miscellaneous equipment	0	2,530	0	2,530
Code Enforcement:				
Vehicles	0	13,741	0	13,741
Planning and inspection:				
Flood mitigation	0	90,558	0	90,558
Flood mitigation	0	33,268	21,526	11,742
Building grant - Inman St Corridor	0	16,272	16,272	0
Crosswalk Keith and 20th Street	0	30,000	0	30,000
Police department:				
Patrol vehicles	0	129,163	87,417	41,746
Fire department:				
Station 6 Building	0	221,707	193,698	28,009
Fire Training Center	0	200,000	200,000	0
Apparatus replacement	0	14,610	0	14,610
#6 Equipment and Furnishings	0	59,434	53,711	5,723
PPE equipment and gear	0	26,000	0	26,000
Public works - street department:				
Street paving	300,000	600,000	75,627	524,373
Sidewalk projects	65,000	130,000	0	130,000
Roof repair @ upstairs/garage	0	80,000	71	79,929
Landscape rake	0	8,025	8,025	0
Mousecreek intersection widening	0	250,000	0	250,000
Paul Huff/Peerless Intersection	0	300,000	0	300,000
LIC North on APD 40	0	1,985,568	156,226	1,829,342
Roadscapes grant match III	0	147,300	0	147,300
25th Street and Georgetown	0	607,560	255,643	351,917
20th Street and Tasso Road	0	251,360	0	251,360
Multi Modal Access	0	962,665	10,732	951,933
Central Avenue project	0	1,005,206	17,964	987,242
17th and 20t Street project	0	1,868,861	74,630	1,794,231
Ocoee Greenway connector	0	384,659	259,824	124,835
Adkisson Road project	0	1,152,346	0	1,152,346
20th St and Barney Ln/ Culvert	0	625,000	5,118	619,882
MPO: Gaut Improv	0	107,046	52,586	54,460
MPO: Norman Chapel Road	0	627,428	446	626,982
Public works - State Street Aid:				
25th Street & Peerless	0	348,776	21,245	327,531

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, 2019

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Capital outlay - (Continued)				
Fleet Department:				
Storage building	\$ 0	\$ 25,000	\$ 25,035	\$ (35)
Animal Shelter:				
Capital needs	0	45,572	0	45,572
Cleveland Regional Jetport:				
Land easement	0	6,000	0	6,000
Taxiway and runway repair	0	99,010	44,484	54,526
Southside Corporate area	0	24,103	0	24,103
Environmental monitoring	0	19,461	0	19,461
ALP & Exhibit A	0	100,000	77,475	22,525
Runway extension construction	0	319,996	162,984	157,012
North Property - design	0	49,777	38,193	11,584
North Property - construction	0	958,693	0	958,693
Parks and recreation:				
Donation - Dog Park at Blythe Bower	0	25,000	162	24,838
Deer Park Renovation	0	486,789	384,524	102,265
Blythe Bower School Park	0	81,835	32,034	49,801
Blythe Bower Park trees	0	17,820	15,920	1,900
Tennis courts at Tinsley Park	0	636,305	691,112	(54,807)
Flail mower	0	8,678	8,610	68
Tinsley Park paving	0	148,912	0	148,912
Equipment - donations	0	346	0	346
Equipment replacement	65,000	1,893	1,865	28
Tinsley Park sign	20,000	19,500	0	19,500
CDBG:				
Blythe old field equipment	0	2,424	2,424	0
Education:				
New elementary	0	7,193,209	5,946,075	1,247,134
Debt service:				
Interest and fiscal charges	0	169,454	138,962	30,492
Total expenditures	<u>\$ 1,135,000</u>	<u>\$ 24,692,478</u>	<u>\$ 9,149,989</u>	<u>\$ 15,542,489</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,135,000)</u>	<u>\$ (12,738,733)</u>	<u>\$ (6,300,828)</u>	<u>\$ 6,437,905</u>
Other financing sources (uses):				
Transfers in	\$ 1,135,000	\$ 1,419,289	\$ 1,419,289	\$ 0
Bonds issued	0	12,149,105	9,885,000	(2,264,105)
Premium on bonds issued	0	0	509,653	509,653
Total other financing sources (uses)	<u>\$ 1,135,000</u>	<u>\$ 13,568,394</u>	<u>\$ 11,813,942</u>	<u>\$ (1,754,452)</u>
Net change in fund balance	\$ 0	\$ 829,661	\$ 5,513,114	\$ 4,683,453
Fund balance at beginning of year	<u>907,928</u>	<u>907,928</u>	<u>907,928</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 907,928</u></u>	<u><u>\$ 1,737,589</u></u>	<u><u>\$ 6,421,042</u></u>	<u><u>\$ 4,683,453</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 1,500	\$ 5,500	\$ 5,230	\$ (270)
Total revenues	<u>\$ 1,500</u>	<u>\$ 5,500</u>	<u>\$ 5,230</u>	<u>\$ (270)</u>
Excess of revenues over expenditures	\$ 1,500	\$ 5,500	\$ 5,230	\$ (270)
Fund balance at beginning of year	<u>476,419</u>	<u>476,419</u>	<u>476,419</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 477,919</u></u>	<u><u>\$ 481,919</u></u>	<u><u>\$ 481,649</u></u>	<u><u>\$ (270)</u></u>

INTERNAL SERVICE FUND

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

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

CITY OF CLEVELAND, TENNESSEE
HEALTH INSURANCE TRUST FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for services	\$ 3,974,364	\$ 4,483,113	\$ 4,478,181	\$ (4,932)
Total operating revenues	<u>\$ 3,974,364</u>	<u>\$ 4,483,113</u>	<u>\$ 4,478,181</u>	<u>\$ (4,932)</u>
Operating Expenses:				
General and administrative:				
Health insurance claims	\$ 3,144,262	\$ 3,290,725	\$ 3,529,501	\$ (238,776)
Administrative services	686,884	687,619	731,219	(43,600)
Total operating expenses	<u>\$ 3,831,146</u>	<u>\$ 3,978,344</u>	<u>\$ 4,260,720</u>	<u>\$ (282,376)</u>
Operating income	<u>\$ 143,218</u>	<u>\$ 504,769</u>	<u>\$ 217,461</u>	<u>\$ (287,308)</u>
Non Operating Revenues (Expenses):				
Interest income	\$ 0	\$ 10,000	\$ 15,894	\$ 5,894
Total non operating revenues (expenses)	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 15,894</u>	<u>\$ 5,894</u>
Change in net position	\$ 143,218	\$ 514,769	\$ 233,355	\$ (281,414)
Total net position - beginning	<u>565,485</u>	<u>565,485</u>	<u>565,485</u>	<u>0</u>
Total net position - ending	<u>\$ 708,703</u>	<u>\$ 1,080,254</u>	<u>\$ 798,840</u>	<u>\$ (281,414)</u>

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CAPITAL ASSETS

CITY OF CLEVELAND, TENNESSEE
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULE BY SOURCE(1)
 June 30, 2019 and 2018

	2019	2018
Governmental funds capital assets:		
Land	\$ 37,347,873	\$ 37,347,873
Buildings	139,665,956	123,702,810
Public improvements other than buildings	21,541,852	20,210,887
Infrastructure	70,421,006	69,422,822
Furniture, fixtures, equipment and vehicles	40,106,532	39,009,010
Total governmental funds capital assets	\$ 309,083,219	\$ 289,693,402
 Investment in governmental funds capital assets:		
Total governmental funds capital assets	\$ 309,083,219	\$ 289,693,402

(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, 2019

Function and Activity	Total Capital Assets	Land	Buildings	Other Improve- ments	Infrastructure	Equipment
General Government:						
Administration and finance	\$ 1,760,028	\$ 1,800	\$ 401,565	\$ 263,343	\$ 0	\$ 1,093,320
General government	813,413	180,600	185,251	370,027	0	77,535
Community development	958,858	101,746	417,664	52,566	0	386,882
Library	9,837,698	324,286	5,477,659	77,676	0	3,958,077
Total General Government	\$ 13,369,997	\$ 608,432	\$ 6,482,139	\$ 763,612	\$ 0	\$ 5,515,814
Public Safety:						
Police	\$ 12,398,998	\$ 290,097	\$ 5,179,696	\$ 67,635	\$ 0	\$ 6,861,570
Fire	13,563,818	461,500	5,688,473	257,997	0	7,155,848
911 Center	867,618	0	867,618	0	0	0
Total Public Safety	\$ 26,830,434	\$ 751,597	\$ 11,735,787	\$ 325,632	\$ 0	\$ 14,017,418
Public Works:						
Street Department	\$ 5,677,689	\$ 249,715	\$ 318,738	\$ 90,681	\$ 0	\$ 5,018,555
Engineering	264,461	0	0	35,130	0	229,331
Fleet	1,610,699	108,291	1,207,137	74,216	0	221,055
Old City Landfill	92,500	63,500	25,000	4,000	0	0
Jetport	43,074,305	26,899,869	4,940,117	10,470,230	0	764,089
Primary Roads	10,782,474	67,965	0	0	10,714,509	0
Secondary Roads	48,671,430	378,887	0	0	48,292,543	0
Drainage	5,340,816	12,147	0	0	5,328,669	0
Detention Ponds	3,613,911	770,558	0	0	2,843,353	0
Sidewalks	3,044,940	0	0	0	3,044,940	0
Bridges	196,992	0	0	0	196,992	0
Total Public Works	\$ 122,370,217	\$ 28,550,932	\$ 6,490,992	\$ 10,674,257	\$ 70,421,006	\$ 6,233,030
Parks and Recreation:						
Recreation Office	\$ 2,088,184	\$ 0	\$ 0	\$ 199,687	\$ 0	\$ 1,888,497
Tinsley Park	3,468,053	211,980	165,860	2,867,191	0	223,022
Waterville Golf Course	2,284,931	256,816	521,641	1,268,122	0	238,352
College Hill Center	1,315,390	76,890	231,658	847,773	0	159,069
Cleveland Community Center	856,372	47,000	421,769	248,964	0	138,639
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	27,263	0	17,732	9,531	0	0
E.L. Ross Craigmile Park	9,880	0	0	9,880	0	0
East Cleveland Neighborhood	83,698	10,000	3,577	70,121	0	0
Greenway Project	2,963,224	0	319,839	2,446,101	0	197,284
Fletcher Park	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	\$ 15,491,250	\$ 1,166,528	\$ 1,819,779	\$ 9,660,080	\$ 0	\$ 2,844,863

CITY OF CLEVELAND, TENNESSEE
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY(1)
 June 30, 2019

(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	350,111	0	95,301	73,147	0	181,663
Kaufman - Second Street parking lot	33,000	27,500	0	5,500	0	0
Hargis - First Street parking lot	33,000	27,500	0	5,500	0	0
Urban renewal lots	87,330	87,330	0	0	0	0
Hill Street building	18,976	0	1,074	17,902	0	0
Seventh and Church Street parking lot	21,202	13,780	0	7,422	0	0
Total Miscellaneous Properties	\$ 855,755	\$ 448,110	\$ 107,711	\$ 118,271	\$ 0	\$ 181,663
Cleveland City Schools:						
School Property	\$ 128,850,522	\$ 5,822,274	\$ 113,029,548	\$ 0	\$ 0	\$ 9,998,700
Food Service	1,315,044	0	0	0	0	1,315,044
Total City Schools	\$ 130,165,566	\$ 5,822,274	\$ 113,029,548	\$ 0	\$ 0	\$ 11,313,744
Total Capital Assets	\$ 309,083,219	\$ 37,347,873	\$ 139,665,956	\$ 21,541,852	\$ 70,421,006	\$ 40,106,532

(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, 2019

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
General Government:				
Administration and finance	\$ 1,760,525	\$ 17,966	\$ 18,463	\$ 1,760,028
General government	798,212	15,201	0	813,413
Community development	949,668	9,190	0	958,858
Library	9,680,422	172,030	14,755	9,837,698
Total General Government	\$ 13,188,827	\$ 214,387	\$ 33,218	\$ 13,369,997
Public Safety:				
Police	\$ 11,984,138	\$ 560,638	\$ 145,778	\$ 12,398,998
Fire	10,851,445	2,714,038	1,665	13,563,818
911 Center	867,618	0	0	867,618
Total Public Safety	\$ 23,703,201	\$ 3,274,676	\$ 147,443	\$ 26,830,434
Public Works:				
Street Department	\$ 5,362,682	\$ 453,402	\$ 138,395	\$ 5,677,689
Engineering	264,461	0	0	264,461
Fleet	1,578,061	32,638	0	1,610,699
Old City Landfill	92,500	0	0	92,500
Jetport	43,063,852	10,453	0	43,074,305
Primary Roads	10,672,362	110,112	0	10,782,474
Secondary Roads	47,724,988	1,080,557	134,115	48,671,430
Drainage	5,395,513	0	54,697	5,340,816
Detention Ponds	3,613,911	0	0	3,613,911
Sidewalks	3,048,613	21,327	25,000	3,044,940
Bridges	196,992	0	0	196,992
Total Public Works	\$ 121,013,935	\$ 1,708,489	\$ 352,207	\$ 122,370,217
Parks and Recreation:				
Recreation Office	\$ 2,059,161	\$ 60,649	\$ 31,626	\$ 2,088,184
Tinsley Park	2,184,391	1,283,662	0	3,468,053
Waterville Golf Course	2,284,931	0	0	2,284,931
College Hill Center	1,306,834	8,556	0	1,315,390
Cleveland Community Center	854,227	2,145	0	856,372
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	17,732	0	27,263
E.L. Ross Craigmile Park	9,880	0	0	9,880
East Cleveland Neighborhood	83,698	0	0	83,698
Greenway Project	2,963,224	0	0	2,963,224
Fletcher Park	663,076	0	0	663,076
1st Street Square Park	535,363	0	0	535,363
Soccer Complex	394,492	0	0	394,492
Total Parks and Recreation	\$ 14,150,132	\$ 1,372,744	\$ 31,626	\$ 15,491,250

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, 2019

<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	351,111	2,090	3,090	350,111
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	17,902	0	18,976
Seventh and Church Street parking lot	21,202	0	0	21,202
Total Miscellaneous Properties	\$ 838,853	\$ 19,992	\$ 3,090	\$ 855,755
Cleveland City Schools:				
School Property	\$ 115,502,826	\$ 13,703,245	\$ 355,549	\$ 128,850,522
Food Service	1,295,628	19,416	0	1,315,044
Total City Schools	\$ 116,798,454	\$ 13,722,661	\$ 355,549	\$ 130,165,566
Total Capital Assets	\$ 289,693,402	\$ 20,312,949	\$ 923,133	\$ 309,083,219

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

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	158
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.	168
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.	180
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.	187
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.	191

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$ 57,893,731	\$ 66,391,099	\$ 66,979,125	\$ 68,705,499
Restricted	473,440	2,926,017	6,449,583	4,903,327
Unrestricted	<u>17,372,612</u>	<u>12,436,686</u>	<u>14,134,054</u>	<u>13,058,791</u>
Total governmental activities net assets	<u>\$ 75,739,783</u>	<u>\$ 81,753,802</u>	<u>\$ 87,562,762</u>	<u>\$ 86,667,617</u>
Business-type activities				
Net investment in capital assets	\$ 120,603,787	\$ 132,342,820	\$ 143,097,174	\$ 161,335,056
Unrestricted	<u>12,830,051</u>	<u>13,179,002</u>	<u>10,789,348</u>	<u>3,654,232</u>
Total business-type activities	<u>\$ 133,433,838</u>	<u>\$ 145,521,822</u>	<u>\$ 153,886,522</u>	<u>\$ 164,989,288</u>
Primary government				
Net investment in capital assets	\$ 178,497,518	\$ 198,733,919	\$ 210,076,299	\$ 230,040,555
Restricted	473,440	2,926,017	6,449,583	4,903,327
Unrestricted	<u>30,202,663</u>	<u>25,615,688</u>	<u>24,923,402</u>	<u>16,713,023</u>
Total primary government net assets	<u>\$ 209,173,621</u>	<u>\$ 227,275,624</u>	<u>\$ 241,449,284</u>	<u>\$ 251,656,905</u>

Source: Official record of Office of City Clerk.

2014	2015	2016	2017	2018	2019
\$ 108,313,394	\$ 115,117,684	\$ 118,815,347	\$ 119,211,701	\$ 128,504,578	\$ 138,614,753
3,627,607	4,230,289	3,960,956	4,509,812	5,292,915	14,863,506
9,398,036	(6,550,745)	(1,239,172)	392,152	(22,478,971)	(22,786,778)
<u>\$ 121,339,037</u>	<u>\$ 112,797,228</u>	<u>\$ 121,537,131</u>	<u>\$ 124,113,665</u>	<u>\$ 111,318,522</u>	<u>\$ 130,691,481</u>
\$ 124,523,849	\$ 124,243,205	\$ 126,677,290	\$ 132,437,432	\$ 141,210,570	\$ 140,264,453
8,413,181	(1,508,685)	2,226,781	5,868,185	(191,774)	8,631,096
<u>\$ 132,937,030</u>	<u>\$ 122,734,520</u>	<u>\$ 128,904,071</u>	<u>\$ 138,305,617</u>	<u>\$ 141,018,796</u>	<u>\$ 148,895,549</u>
\$ 232,837,243	\$ 239,360,889	\$ 245,492,637	\$ 251,649,133	\$ 269,715,148	\$ 278,879,206
3,627,607	4,230,289	3,960,956	4,509,812	5,292,915	14,863,506
17,811,217	(8,059,430)	987,609	6,260,337	(22,670,745)	(14,155,682)
<u>\$ 254,276,067</u>	<u>\$ 235,531,748</u>	<u>\$ 250,441,202</u>	<u>\$ 262,419,282</u>	<u>\$ 252,337,318</u>	<u>\$ 279,587,030</u>

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

	2010	2011	2012
EXPENSES			
Governmental activities:			
General government	\$ 4,294,917	\$ 3,396,302	\$ 3,463,066
Development and Engineering	867,709	1,373,602	1,481,745
Public safety	18,190,814	18,488,592	18,523,073
Public works	9,913,297	9,725,715	10,047,079
Health and welfare	680,086	699,095	725,353
Culture and recreation	4,014,995	3,864,303	4,638,754
Education	42,725,119	46,137,209	46,792,601
Interest on long-term debt	2,298,214	2,814,385	2,822,451
Total governmental activities	<u>\$ 82,985,151</u>	<u>\$ 86,499,203</u>	<u>\$ 88,494,122</u>
Business-type activities:			
Water and sewer	\$ 20,890,587	\$ 21,254,266	\$ 21,547,173
Electric	83,803,232	92,666,017	91,125,591
Stormwater management	0	0	0
Brush Chipping	159,000	0	0
Airport	263,379	62,617	51,203
Total business-type activities expenses	<u>\$ 105,116,198</u>	<u>\$ 113,982,900</u>	<u>\$ 112,723,967</u>
Total primary government expenses	<u>\$ 188,101,349</u>	<u>\$ 200,482,103</u>	<u>\$ 201,218,089</u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services	\$ 7,331,254	\$ 7,618,007	\$ 7,308,364
Operating grants and contributions	37,462,812	42,206,859	42,136,892
Capital grants and contributions	2,302,461	5,806,175	2,823,302
Total governmental activities program revenues	<u>\$ 47,096,527</u>	<u>\$ 55,631,041</u>	<u>\$ 52,268,558</u>
Business-type activities:			
Charges for services:			
Water and sewer	\$ 20,356,004	\$ 21,846,514	\$ 23,391,403
Electric	86,785,472	96,353,160	94,456,322
Stormwater management	0	0	0
Airport	16,775	11,645	15,719
Operating grants and contributions	3,549	5,569	174,663
Capital grants and contributions	4,882,848	9,401,737	4,800,720
Total business-type activities program revenues	<u>\$ 112,044,648</u>	<u>\$ 127,618,625</u>	<u>\$ 122,838,827</u>
Total primary government program revenues	<u>\$ 159,141,175</u>	<u>\$ 183,249,666</u>	<u>\$ 175,107,385</u>
Net (Expense) Revenue			
Governmental activities	\$ (35,888,624)	\$ (30,868,162)	\$ (36,225,564)
Business-type activities	6,928,450	13,635,725	10,114,860
Total primary government net expense	<u>\$ (28,960,174)</u>	<u>\$ (17,232,437)</u>	<u>\$ (26,110,704)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Property taxes	\$ 16,465,931	\$ 16,629,270	\$ 16,497,090
Interest and penalty on taxes	194,301	275,607	270,429
In lieu of taxes	90,822	77,898	281,289
Local sales tax	9,840,465	10,173,414	11,726,645
Wholesale beer tax	1,245,869	1,303,212	1,490,010
Gross receipts tax	913,170	962,609	1,103,755
Franchise tax	953,496	843,753	790,234
State sales tax	2,397,165	2,505,215	2,803,138
Other state taxes	1,298,234	1,685,668	2,046,650
Grants and contributions not restricted	536,334	605,104	708,181
Unrestricted investment earnings	27,007	50,070	58,173
Gain on sale of capital assets	(59,455)	(22,362)	4,085
Transfers	1,722,261	1,792,723	1,893,518
Total governmental activities	<u>\$ 35,625,600</u>	<u>\$ 36,882,181</u>	<u>\$ 39,673,197</u>
Business-type activities:			
Unrestricted investment earnings	\$ 290,668	\$ 244,982	\$ 143,358
Transfers	(1,722,261)	(1,792,723)	(1,893,518)
Total business-type activities	<u>\$ (1,431,593)</u>	<u>\$ (1,547,741)</u>	<u>\$ (1,750,160)</u>
Total primary government	<u>\$ 34,194,007</u>	<u>\$ 35,334,440</u>	<u>\$ 37,923,037</u>
CHANGE IN NET POSITION			
Governmental activities	\$ (263,024)	\$ 6,014,019	\$ 3,447,633
Business-type activities	5,496,857	12,087,984	8,364,700
Total primary government	<u>\$ 5,233,833</u>	<u>\$ 18,102,003</u>	<u>\$ 11,812,333</u>

Source: Official record of Office of City Clerk.

2013	2014	2015	2016	2017	2018	2019
\$ 6,338,456	\$ 3,285,177	\$ 3,356,106	\$ 3,765,394	\$ 4,442,261	\$ 8,987,210	\$ 4,756,220
1,140,908	1,498,726	1,473,844	1,940,024	2,166,719	2,621,363	2,302,965
18,702,183	19,610,293	18,688,453	19,057,323	20,587,764	21,827,824	23,014,134
9,539,339	10,767,515	11,340,866	11,240,255	9,882,476	13,599,981	10,091,513
829,343	740,903	638,456	671,684	659,284	710,483	690,927
4,734,464	5,150,586	4,397,406	4,371,397	5,328,380	3,814,500	5,572,087
46,972,946	49,017,773	46,678,450	49,400,437	53,648,372	54,436,127	47,636,980
2,878,690	2,999,643	3,356,042	3,296,175	3,198,147	3,216,493	3,183,652
<u>\$ 91,136,329</u>	<u>\$ 93,070,616</u>	<u>\$ 89,929,623</u>	<u>\$ 93,742,689</u>	<u>\$ 99,913,403</u>	<u>\$ 109,213,981</u>	<u>\$ 97,248,478</u>
\$ 22,183,642	\$ 22,606,739	\$ 22,015,051	\$ 23,781,528	\$ 24,601,946	\$ 25,034,761	\$ 26,551,551
93,526,162	95,535,206	96,987,194	94,002,316	95,625,776	95,471,898	97,751,476
0	0	0	422,576	510,855	598,400	452,761
0	0	0	0	0	0	0
573,288	0	0	0	0	0	0
<u>\$ 116,283,092</u>	<u>\$ 118,141,945</u>	<u>\$ 119,002,245</u>	<u>\$ 118,206,420</u>	<u>\$ 120,738,577</u>	<u>\$ 121,105,059</u>	<u>\$ 124,755,788</u>
<u>\$ 207,419,421</u>	<u>\$ 211,212,561</u>	<u>\$ 208,931,868</u>	<u>\$ 211,949,109</u>	<u>\$ 220,651,980</u>	<u>\$ 230,319,040</u>	<u>\$ 222,004,266</u>
\$ 6,394,007	\$ 5,719,960	\$ 5,792,117	\$ 5,546,286	\$ 5,088,039	\$ 5,577,962	\$ 5,715,943
42,650,493	42,755,489	45,485,420	47,705,172	49,701,112	52,477,210	53,644,483
1,622,538	2,805,953	1,459,698	4,452,957	1,885,608	8,548,702	2,745,004
<u>\$ 50,667,038</u>	<u>\$ 51,281,402</u>	<u>\$ 52,737,235</u>	<u>\$ 57,704,415</u>	<u>\$ 56,674,759</u>	<u>\$ 66,603,874</u>	<u>\$ 62,105,430</u>
\$ 23,006,832	\$ 24,232,749	\$ 25,710,183	\$ 27,147,284	\$ 28,942,827	\$ 28,950,628	\$ 29,178,469
96,146,039	98,249,509	99,094,672	97,005,448	101,077,357	100,914,277	103,154,714
0	0	0	865,814	1,485,629	1,502,917	1,522,529
123,841	0	0	0	0	0	0
45,097	48,977	47,532	55,537	57,620	108,040	226,316
9,622,580	961,210	515,643	1,494,135	828,652	648,269	619,693
<u>\$ 128,944,389</u>	<u>\$ 123,492,445</u>	<u>\$ 125,368,030</u>	<u>\$ 126,568,218</u>	<u>\$ 132,392,085</u>	<u>\$ 132,124,131</u>	<u>\$ 134,701,721</u>
<u>\$ 179,611,427</u>	<u>\$ 174,773,847</u>	<u>\$ 178,105,265</u>	<u>\$ 184,272,633</u>	<u>\$ 189,066,844</u>	<u>\$ 198,728,005</u>	<u>\$ 196,807,151</u>
\$ (40,469,291)	\$ (41,789,214)	\$ (37,192,388)	\$ (36,038,274)	\$ (43,238,644)	\$ (42,610,107)	\$ (35,143,048)
12,661,297	5,350,500	6,365,785	8,361,798	11,653,508	11,019,072	9,945,933
<u>\$ (27,807,994)</u>	<u>\$ (36,438,714)</u>	<u>\$ (30,826,603)</u>	<u>\$ (27,676,476)</u>	<u>\$ (31,585,136)</u>	<u>\$ (31,591,035)</u>	<u>\$ (25,197,115)</u>
\$ 16,598,001	\$ 19,016,017	\$ 19,653,207	\$ 19,607,993	\$ 20,024,551	\$ 26,342,150	\$ 26,096,750
232,829	215,627	217,448	194,097	218,748	255,801	224,048
247,400	501,661	239,618	285,008	336,281	445,005	490,530
11,842,883	11,976,829	12,516,655	13,138,559	13,693,221	13,610,741	14,495,529
1,514,062	1,555,503	1,588,040	1,584,441	1,509,444	1,469,337	1,466,678
1,139,178	956,672	1,176,363	1,244,796	1,315,875	1,323,129	1,353,244
874,574	933,173	989,949	904,420	879,433	925,773	903,349
2,857,391	2,953,870	3,130,831	3,342,791	3,424,704	3,580,003	3,714,029
1,955,994	1,742,735	4,095,349	1,638,355	1,385,722	1,616,480	1,577,116
566,435	407,799	775,098	394,752	494,787	394,864	435,038
79,556	79,985	96,088	131,389	208,210	539,780	987,484
49,317	42,835	650,321	14,600	(113,458)	19,814	52,875
1,616,526	2,198,373	2,247,105	2,322,340	2,437,660	2,641,293	2,719,337
<u>\$ 39,574,146</u>	<u>\$ 42,581,079</u>	<u>\$ 47,376,072</u>	<u>\$ 44,803,541</u>	<u>\$ 45,815,178</u>	<u>\$ 53,164,170</u>	<u>\$ 54,516,007</u>
\$ 55,945	\$ 65,171	\$ 82,174	\$ 104,729	\$ 185,698	\$ 399,322	\$ 650,157
(1,616,526)	(2,198,373)	(2,247,105)	(2,322,340)	(2,437,660)	(2,641,293)	(2,719,337)
<u>\$ (1,560,581)</u>	<u>\$ (2,133,202)</u>	<u>\$ (2,164,931)</u>	<u>\$ (2,217,611)</u>	<u>\$ (2,251,962)</u>	<u>\$ (2,241,971)</u>	<u>\$ (2,069,180)</u>
<u>\$ 38,013,565</u>	<u>\$ 40,447,877</u>	<u>\$ 45,211,141</u>	<u>\$ 42,585,930</u>	<u>\$ 43,563,216</u>	<u>\$ 50,922,199</u>	<u>\$ 52,446,827</u>
\$ (895,145)	\$ 791,865	\$ 10,183,684	\$ 8,765,267	\$ 2,576,534	\$ 10,554,063	\$ 19,372,959
11,100,716	3,217,298	4,200,854	6,144,187	9,401,546	8,777,101	7,876,753
<u>\$ 10,205,571</u>	<u>\$ 4,009,163</u>	<u>\$ 14,384,538</u>	<u>\$ 14,909,454</u>	<u>\$ 11,978,080</u>	<u>\$ 19,331,164</u>	<u>\$ 27,249,712</u>

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

Function/Program	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:				
General government	\$ 379,084	\$ 234,666	\$ 116,736	\$ 134,104
Development and Engineering	656,137	1,472,042	1,548,127	1,509,789
Public safety	3,780,466	3,488,411	3,516,915	2,526,039
Public works	3,556,569	5,889,898	5,431,881	4,909,092
Health and welfare	376,131	356,526	353,828	428,573
Culture and recreation	1,349,080	948,610	1,041,708	933,323
Education	<u>36,999,060</u>	<u>43,240,888</u>	<u>40,259,363</u>	<u>40,226,118</u>
 Subtotal governmental activities	 <u>\$ 47,096,527</u>	 <u>\$ 55,631,041</u>	 <u>\$ 52,268,558</u>	 <u>\$ 50,667,038</u>
 Business-type activities:				
Water and sewer	\$ 21,801,228	\$ 22,650,899	\$ 24,677,843	\$ 23,149,324
Electric	86,785,871	96,353,979	94,477,235	96,521,141
Stormwater management	0	0	0	0
Airport	<u>3,457,549</u>	<u>8,613,747</u>	<u>3,683,749</u>	<u>9,273,924</u>
 Subtotal business-type activities	 <u>\$ 112,044,648</u>	 <u>\$ 127,618,625</u>	 <u>\$ 122,838,827</u>	 <u>\$ 128,944,389</u>
 Total primary government	 <u>\$ 159,141,175</u>	 <u>\$ 183,249,666</u>	 <u>\$ 175,107,385</u>	 <u>\$ 179,611,427</u>

Source: Official record of Office of City Clerk.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 122,688	\$ 167,161	\$ 368,176	\$ 454,229	\$ 398,678	\$ 540,216
993,896	624,031	743,144	619,475	1,127,552	1,070,335
1,094,936	1,212,259	1,183,264	1,579,472	1,378,931	1,298,804
6,529,526	6,087,104	8,832,654	5,494,157	8,074,094	5,656,523
226,117	47,810	36,540	47,057	61,628	51,578
1,139,580	1,178,229	1,158,832	1,052,964	1,467,632	1,145,555
<u>41,174,659</u>	<u>43,450,641</u>	<u>45,381,805</u>	<u>47,427,405</u>	<u>54,095,359</u>	<u>52,342,419</u>
<u>\$ 51,281,402</u>	<u>\$ 52,767,235</u>	<u>\$ 57,704,415</u>	<u>\$ 56,674,759</u>	<u>\$ 66,603,874</u>	<u>\$ 62,105,430</u>
\$ 25,045,728	\$ 26,043,419	\$ 28,337,385	\$ 29,435,064	\$ 29,458,233	\$ 29,526,908
98,446,717	99,324,611	97,364,119	101,465,440	101,162,981	103,652,284
0	0	866,714	1,491,581	1,502,917	1,522,529
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 123,492,445</u>	<u>\$ 125,368,030</u>	<u>\$ 126,568,218</u>	<u>\$ 132,392,085</u>	<u>\$ 132,124,131</u>	<u>\$ 134,701,721</u>
<u>\$ 174,773,847</u>	<u>\$ 178,135,265</u>	<u>\$ 184,272,633</u>	<u>\$ 189,066,844</u>	<u>\$ 198,728,005</u>	<u>\$ 196,807,151</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Nonspendable	\$ 0	\$ 4,067	\$ 4,193	\$ 4,079
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	10,152,078	11,955,804	12,388,007
Unreserved	<u>9,115,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	<u>\$ 9,115,200</u>	<u>\$ 10,156,145</u>	<u>\$ 11,959,997</u>	<u>\$ 12,392,086</u>
All Other Governmental Funds:				
Nonspendable	\$ 0	\$ 473,636	\$ 473,636	\$ 473,636
Restricted	0	2,452,381	3,068,100	3,101,853
Committed	0	812,939	869,249	728,768
Assigned	0	7,165,754	9,287,308	10,357,450
Reserved	2,322,595	0	0	0
Unreserved, reported in:				
Special revenue funds	3,542,121	0	0	0
Debt service funds	3,246,244	0	0	0
Capital projects funds	3,133,624	0	0	0
Permanent funds	<u>521</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total all other governmental funds	<u>\$ 12,245,105</u>	<u>\$ 10,904,710</u>	<u>\$ 13,698,293</u>	<u>\$ 14,661,707</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.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 47,629	\$ 53,174	\$ 41,762	\$ 0	\$ 242,025	\$ 230,996
0	26,897	5,148	0	0	9,200
10,666,100	5,878,509	0	0	0	0
2,098,326	3,766,227	10,800,152	11,548,699	13,995,070	16,638,164
0	0	0	0	0	0
<u>\$ 12,812,055</u>	<u>\$ 9,724,807</u>	<u>\$ 10,847,062</u>	<u>\$ 11,548,699</u>	<u>\$ 14,237,095</u>	<u>\$ 16,878,360</u>
\$ 473,636	\$ 473,636	\$ 673,509	\$ 760,148	\$ 515,305	\$ 497,121
3,153,971	3,710,430	3,482,172	4,036,176	4,522,253	12,032,694
494,210	614,333	699,329	740,978	913,328	784,396
8,854,163	12,795,459	15,153,991	16,250,478	17,890,590	12,445,305
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 12,975,980</u>	<u>\$ 17,593,858</u>	<u>\$ 20,009,001</u>	<u>\$ 21,787,780</u>	<u>\$ 23,841,476</u>	<u>\$ 25,759,516</u>

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

	2010	2011	2012	2013
REVENUES				
Taxes	\$ 29,323,204	\$ 30,419,645	\$ 31,817,105	\$ 34,059,819
Licenses and permits	377,132	584,538	427,088	432,178
Intergovernmental	43,498,396	51,877,725	49,795,300	49,121,532
Fines and forfeitures	958,249	872,680	716,361	548,657
Charges for services	6,010,112	6,160,788	6,164,915	5,412,247
Interest	27,007	50,905	58,173	79,614
Miscellaneous	1,236,941	833,158	689,868	748,627
Total Revenues	\$ 81,431,041	\$ 90,799,439	\$ 89,668,810	\$ 90,402,674
EXPENDITURES				
General government	\$ 2,429,060	\$ 2,376,498	\$ 2,243,393	\$ 2,286,876
Development and Engineering	783,855	760,472	828,940	926,915
Public safety	15,793,335	16,638,957	16,334,062	16,364,461
Public works	8,075,972	8,412,481	8,242,610	7,917,343
Health and welfare	506,882	533,470	548,043	654,628
Culture and recreation	3,188,748	3,254,143	3,352,727	3,864,417
Education	40,237,280	43,728,161	43,685,843	44,673,856
Appropriations	1,072,554	1,070,897	1,070,066	1,074,137
Capital outlay	7,708,385	11,792,319	8,380,283	12,573,516
Debt service:				
Interest	1,939,428	2,282,667	2,477,857	2,691,153
Principal	2,896,597	2,748,022	2,771,273	2,856,470
Total Expenditures	\$ 84,632,096	\$ 93,598,087	\$ 89,935,097	\$ 95,883,772
Excess of revenues over (under) expenditures	\$ (3,201,055)	\$ (2,798,648)	\$ (266,287)	\$ (5,481,098)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 13,766,312	\$ 14,513,077	\$ 14,792,877	\$ 14,716,372
Transfers out	(12,044,051)	(12,720,354)	(12,899,360)	(13,099,846)
Notes issued	4,160,000	312,203	2,615,335	5,260,075
Bonds issued	0	0	0	0
Capital leases issued	0	394,272	354,870	0
Refunding bonds issued	24,960,000	0	0	0
Premium on bonds issued	265,800	0	0	0
Payment to refunding bond escrow agent	(24,652,000)	0	0	0
Total other financing sources (uses)	\$ 6,456,061	\$ 2,499,198	\$ 4,863,722	\$ 6,876,601
Net change in fund balances	\$ 3,255,006	\$ (299,450)	\$ 4,597,435	\$ 1,395,503
Debt service as a percent of noncapital expenditures	6.29%	6.18%	6.28%	6.43%

Source: Official record of Office of City Clerk.

2014	2015	2016	2017	2018	2019
\$ 35,733,289	\$ 36,910,848	\$ 37,144,740	\$ 37,905,053	\$ 44,169,660	\$ 45,073,641
353,841	492,000	490,234	628,772	712,300	735,474
50,130,677	53,062,532	57,391,236	56,284,038	65,580,623	61,304,401
537,317	665,896	565,843	527,112	636,898	609,350
4,832,380	4,617,463	4,442,072	3,949,204	4,228,762	4,357,213
82,638	96,088	137,225	208,210	539,781	987,484
698,215	2,202,082	862,571	903,685	797,077	622,151
<u>\$ 92,368,357</u>	<u>\$ 98,046,909</u>	<u>\$ 101,033,921</u>	<u>\$ 100,406,074</u>	<u>\$ 116,665,101</u>	<u>\$ 113,689,714</u>
\$ 2,436,907	\$ 2,602,422	\$ 3,084,380	\$ 3,179,666	\$ 3,431,332	\$ 3,936,786
1,346,723	1,421,401	1,847,168	1,839,944	1,664,882	1,778,770
16,616,921	16,976,679	17,587,413	17,973,900	18,606,166	20,420,104
8,689,791	8,676,635	8,460,640	7,633,818	8,310,518	8,985,878
566,625	483,389	501,236	521,479	542,897	518,977
4,077,475	4,164,402	4,028,549	4,269,135	4,342,420	4,486,157
46,062,827	46,715,950	48,423,074	51,046,808	53,540,925	55,004,608
1,185,501	1,091,983	1,098,651	1,192,403	1,304,181	1,332,364
8,762,567	10,348,141	14,401,524	9,035,158	29,336,764	16,892,485
2,699,740	4,040,333	4,164,233	4,514,324	5,106,995	6,048,024
3,337,925	2,384,230	2,340,075	2,228,124	2,246,893	3,231,706
<u>\$ 95,783,002</u>	<u>\$ 98,905,565</u>	<u>\$ 105,936,943</u>	<u>\$ 103,434,759</u>	<u>\$ 128,433,973</u>	<u>\$ 122,635,859</u>
<u>\$ (3,414,645)</u>	<u>\$ (858,656)</u>	<u>\$ (4,903,022)</u>	<u>\$ (3,028,685)</u>	<u>\$ (11,768,872)</u>	<u>\$ (8,946,145)</u>
\$ 15,329,355	\$ 21,688,975	\$ 15,751,495	\$ 16,450,779	\$ 21,172,739	\$ 19,927,702
(13,130,982)	(19,441,870)	(13,429,155)	(14,013,119)	(18,531,446)	(17,208,365)
4,600,000	0	6,040,200	2,628,550	5,408,580	0
0	0	0	0	0	9,885,000
127,220	142,181	0	442,891	8,222,294	69,475
25,306,480	0	13,057,880	0	0	34,780,000
0	0	0	0	0	6,161,337
<u>(25,173,537)</u>	<u>0</u>	<u>(12,980,000)</u>	<u>0</u>	<u>0</u>	<u>(40,109,699)</u>
<u>\$ 7,058,536</u>	<u>\$ 2,389,286</u>	<u>\$ 8,440,420</u>	<u>\$ 5,509,101</u>	<u>\$ 16,272,167</u>	<u>\$ 13,505,450</u>
<u>\$ 3,643,891</u>	<u>\$ 1,530,630</u>	<u>\$ 3,537,398</u>	<u>\$ 2,480,416</u>	<u>\$ 4,503,295</u>	<u>\$ 4,559,305</u>
6.88%	7.27%	7.02%	7.07%	6.92%	9.67%

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

Fiscal Year	Property	Interest & Penalty	In lieu	Local Sales	Wholesale Beer	Gross Receipts	Franchise	Total
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
2016	19,609,561	194,097	285,008	13,322,417	1,584,441	1,244,796	904,420	37,144,740
2017	19,952,051	218,748	336,281	13,693,221	1,509,444	1,315,875	879,433	37,905,053
2018	26,139,874	255,801	445,005	13,610,741	1,469,337	1,323,129	925,773	44,169,660
2019	26,140,263	224,048	490,530	14,495,529	1,466,678	1,353,244	903,349	45,073,641
Change								
2010-2019	62.4%	15.3%	440.1%	47.3%	17.7%	50.7%	-5.3%	53.7%

Source: Official record of Office of City Clerk.

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

Fiscal Year	Residential Property	Commercial Industrial Property	Personal Property
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
2016	412,602,974	507,098,128	166,516,773
2017	419,022,912	518,576,938	173,731,683
2018	460,865,137	602,825,863	192,128,839
2019	473,282,934	594,411,038	187,980,925

Source: Bradley County Assessor of Property.

- (1) The State of Tennessee, Division of Property Assessment has conducted a comprehensive reappraisal for tax year 2009, 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.
- (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
\$ 24,313,598	\$ 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
22,751,495	1,108,969,370	1.7655	3,528,569,562	31.4
21,491,799	1,132,823,332	1.7655	3,603,931,085	31.4
20,792,525	1,276,612,364	2.0600	4,041,544,754	31.6
20,250,570	1,275,925,467	2.0600	4,056,388,839	31.4

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	
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	
2016	1.7655	0.5349	0.0277	0.1276	0.5624	0.2985	
2017	1.7655	0.5339	0.0250	0.1244	0.5533	0.2941	
2018	2.0600	0.4298	0.0228	0.1135	0.4964	0.2774	
2019	2.0600	0.4298	0.0228	0.1135	0.4964	0.2774	

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		
\$ 0.2355	\$ -	\$ 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	
0.2674	-	0.0016	0.0520	1.8721	3.6376	
0.2414	0.0414	-	0.0580	1.8715	3.6370	
0.3449	0.0236	-	-	1.7084	3.7684	
0.3449	0.0236	-	-	1.7084	3.7684	

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

Schedule 9

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Mars Snackfoods	\$ 29,099,470	1	2.32%	\$ 32,434,320	1	3.00%
Cleveland Tennessee Hospital	27,696,740	2	2.21	29,677,594	2	2.75
Life Care Centers of America	25,818,641	3	1.91	21,562,346	4	2.00
Duracall Company	22,502,180	4	1.79	-	-	-
Merck	20,849,940	5	1.66	15,843,787	6	1.47
Whirlpool	13,979,690	6	1.11	22,522,543	3	2.09
Pinnacle Corner at Paul Huff	11,220,885	7	0.89	-	-	-
Walmart	10,263,684	8	0.82	9,754,529	8	0.90
Peyton's Southeastern	10,090,070	9	0.80	12,714,069	7	1.18
Jones Properties	9,571,645	10	0.76	-	-	-
Procter & Gamble				18,832,034	5	1.74
Southeastern Container	-	-	-	6,164,243	10	0.57
Bellsouth	-	-	-	9,719,435	9	0.90
Totals	\$ 181,092,945		14.43%	\$ 179,224,900		16.60%

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
2010	\$ 16,491,558	\$ 14,982,438	90.8 %	1,466,698	\$ 16,449,136	99.7 %
2011	16,608,494	15,383,696	92.6	1,194,024	16,577,720	99.8
2012	16,294,716	15,299,096	93.9	972,136	16,271,232	99.9
2013	16,699,031	15,612,473	93.5	1,039,886	16,652,359	99.7
2014	18,859,181	17,898,630	94.9	920,568	18,819,198	99.8
2015	19,550,308	18,561,193	94.9	923,216	19,484,409	99.7
2016	19,557,553	18,745,766	95.8	721,232	19,466,998	99.5
2017	20,008,944	18,941,986	94.7	931,295	19,873,281	99.3
2018	26,305,375	25,026,206	95.1	846,056	25,872,262	98.4
2019	26,471,584	25,305,334	95.6	0	25,305,334	95.6

Source: Official records of Office of City Clerk.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Apparel Stores	\$ 23,196,641	\$ 22,968,582	\$ 23,696,309	\$ 24,874,164
General Merchandise Stores	211,669,093	212,408,304	218,850,296	220,486,064
Food Stores	83,313,624	81,734,875	89,648,300	93,245,397
Eating and Drinking Places	113,360,467	115,354,893	125,492,706	136,648,212
Furniture Stores	20,378,691	18,206,730	24,584,741	17,588,750
Building Materials	64,311,183	64,449,914	72,925,808	78,397,949
MV Dealers and Service Stations	58,349,439	63,719,429	69,025,064	71,337,280
Other Retail	54,525,312	56,470,758	59,093,623	61,405,593
All Other Outlets	<u>114,423,011</u>	<u>114,343,520</u>	<u>126,459,065</u>	<u>139,311,618</u>
Total	<u>\$ 743,527,461</u>	<u>\$ 749,657,005</u>	<u>\$ 809,775,912</u>	<u>\$ 843,295,027</u>
 City direct sales tax rate	 2.25%/2.75%	 2.75%	 2.75%	 2.75%

Source: Tennessee Department of Revenue, Research Division.

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

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.

2013	2014	2015	2016	2017	2018
\$ 25,648,895	\$ 26,695,892	\$ 28,868,016	\$ 28,132,195	\$ 27,918,226	\$ 28,843,900
220,277,745	222,347,406	233,711,647	234,275,628	236,973,640	239,534,929
95,135,145	106,471,779	112,096,356	113,083,863	118,198,143	128,143,567
138,642,092	147,161,813	158,677,432	160,746,625	166,516,682	164,364,615
17,814,109	17,743,880	16,312,162	16,227,883	19,756,667	18,676,282
76,136,640	72,538,049	60,732,654	84,841,122	97,258,126	98,552,022
74,355,981	83,823,948	96,437,981	101,579,505	96,921,414	100,052,636
63,159,468	65,775,334	69,919,188	70,057,002	67,335,168	62,469,762
141,967,597	152,692,339	164,536,138	158,214,097	173,013,473	186,282,459
<u>\$ 853,137,672</u>	<u>\$ 895,250,440</u>	<u>\$ 941,291,574</u>	<u>\$ 967,157,920</u>	<u>\$ 1,003,891,539</u>	<u>\$ 1,026,920,172</u>
2.75%	2.75%	2.75%	2.75%	2.75%	2.75%

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

<u>Fiscal Year</u>	<u>City of Cleveland and Bradley County Rate</u>
2010	2.75 %
2011	2.75
2012	2.75
2013	2.75
2014	2.75
2015	2.75
2016	2.75
2017	2.75
2018	2.75
2019	2.75

Source: Official records of Office of City Clerk.

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

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CITY OF CLEVELAND, TENNESSEE
 LOCAL SALES TAX REVENUE BY INDUSTRY
 FISCAL YEARS 2010 AND 2019

	Fiscal Year 2010			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Retail Trade	857	58.02 %	\$ 17,271,176	85.05 %
2 Services	349	23.63	1,360,504	6.70
3 Manufacturing	97	6.57	557,001	2.74
4 Wholesale Trade	78	5.28	576,669	2.84
5 Construction	13	0.88	19,420	0.10
6 Finance Insurance Real Estate	25	1.69	33,373	0.16
7 Transportation and Utilities	11	0.74	126,910	0.62
8 Agriculture	10	0.68	35,697	0.18
9 Other, Non Classified	37	2.51	326,199	1.61
Total	1,477	100.00 %	\$ 20,306,949	100.00 %

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 2019			
<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
564	43.28 %	\$ 23,377,507	81.67 %
223	17.11	1,781,355	6.22
69	5.30	360,398	1.26
68	5.22	1,071,797	3.74
10	0.77	25,741	0.09
19	1.46	40,490	0.14
12	0.92	231,895	0.81
7	0.54	16,029	0.06
<u>331</u>	<u>25.40</u>	<u>1,717,451</u>	<u>6.00</u>
<u>1,303</u>	<u>100.00 %</u>	<u>\$ 28,622,663</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
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
2016	0	54,915,950	21,867,578	241,845
2017	0	51,933,508	23,141,751	488,149
2018	0	48,854,946	26,693,400	8,519,859
2019	9,974,170	49,286,033	21,253,921	8,103,790

Source: Official record of Office of City Clerk.

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

Business-type Activities

Revenue Bonds	Notes	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 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
43,399,301	23,383,573	143,808,247	3.05	3,273
39,282,580	26,835,112	141,681,100	3.18	3,147
35,210,501	28,376,767	147,655,473	3.15	3,175
37,734,430	33,912,191	160,264,535	2.96	3,378

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

Fiscal Year	General Obligation Bonds Outstanding	Actual Taxable Value of Property	Population	Percentage of Actual taxable Value of Property	Debt Per Capita
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
2016	54,915,950	3,528,569,562	43,898	1.6	1,251
2017	51,933,508	3,603,931,085	44,337	1.4	1,171
2018	48,854,946	4,041,544,754	44,780	1.2	1,091
2019	59,260,203	4,056,388,839	44,974	1.4	1,318

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, 2019

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	\$ 88,617,914	100.00%	\$ 88,617,914
Bradley County, Tennessee	<u>75,546,003</u>	71.58%	<u>54,075,829</u>
Total direct and overlapping debt	<u>\$ 164,163,917</u>		<u>\$ 142,693,743</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 110,539,912	\$ 111,465,762	\$ 109,359,910	\$ 112,073,394
Total net debt applicable to limit	<u>67,053,472</u>	<u>65,804,739</u>	<u>66,667,364</u>	<u>69,103,328</u>
Legal debt margin	<u>\$ 43,486,440</u>	<u>\$ 45,661,023</u>	<u>\$ 42,692,546</u>	<u>\$ 42,970,066</u>
Total net debt applicable to limit as a percentage of debt limit	60.66%	59.04%	60.96%	61.66%

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 107,609,460	\$ 108,653,123	\$ 108,621,788	\$ 113,282,233	\$ 125,581,984	\$ 125,567,490
<u>75,438,027</u>	<u>71,174,432</u>	<u>72,563,860</u>	<u>70,824,771</u>	<u>78,741,687</u>	<u>75,737,287</u>
<u>\$ 32,171,433</u>	<u>\$ 37,478,691</u>	<u>\$ 36,057,928</u>	<u>\$ 42,457,462</u>	<u>\$ 46,840,297</u>	<u>\$ 49,830,203</u>
70.10%	65.51%	66.80%	62.52%	62.70%	60.32%

Legal Debt Margin Calculation for Fiscal Year 2019

Total assessed value		<u>\$ 1,255,674,897</u>
Legal debt margin:		
Debt limitation - 10% of total assessed value as adopted by resolution		\$ 125,567,490
Debt applicable to limit:		
Total bonded debt	\$ 152,511,902	
Less: Revenue bonds	69,937,191	
Amount available for repayment of general obligation bonds	<u>6,837,424</u>	
Total debt applicable to limit		<u>75,737,287</u>
Legal debt margin		<u>\$ 49,830,203</u>

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

Fiscal Year	Gross (1) Revenue	Direct Operating (2) Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	(3) Interest	Total	
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	2.25
2016	28,337,385	16,622,259	11,715,126	3,555,604	1,554,694	5,110,298	2.29
2017	29,435,064	17,383,154	12,051,910	3,921,451	1,433,130	5,354,581	2.25
2018	29,458,233	17,764,229	11,694,004	4,095,825	1,407,090	5,502,915	2.13
2019	29,526,908	18,602,302	10,924,606	3,505,000	1,545,084	5,050,084	2.16

Source: From official records of Office of City Clerk.

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

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

Calendar Year	Population	Personal Income	Per Capita Personal Income	Median Age
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
2015	43,898	4,392,733	36,344	35
2016	44,337	4,502,889	37,134	34
2017	44,780	4,650,000	38,016	34
2018	44,974	4,743,600	38,371	35

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 %	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
85	23	5,302	4.8
83	24	5,638	2.8
83	24	5,747	3.8
84	24	5,528	3.4

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

Employer	2019		
	Employees	Rank	Percentage of Total Labor Force Bradley County
Whirlpool/Maytag	1,503	1	2.54 %
Bradley County Schools	1,200	2	2.03
Tennova	1,157	3	1.96
Peyton's Southeastern	1,100	4	1.86
Jackson Furniture Industries	1,090	5	1.85
City Government	1,004	6	1.70
Wal-Mart	850	7	1.44
Bradley County Government	620	8	1.05
Mars Chocolate	575	9	0.98
Lee University	501	10	0.85
Schering-Plough Inc.	N/A	N/A	N/A
Total	<u>9,600</u>		<u>16.26 %</u>

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.

2010		
<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Labor Force Bradley County</u>
1,386	1	2.95 %
1,200	2	2.55
1,199	3	2.55
917	5	1.95
-	-	-
999	4	2.13
763	6	1.62
620	8	1.32
495	9	1.05
763	7	1.62
465	10	0.99
<u>8,807</u>		<u>18.73 %</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government										
City Council and legislative Administration and finance	1	1	1	1	1	1	1	1	1	1
Community development	8	8	8	8	14	14	15	15	15	15
Cleveland Regional Jetport	0	0	0	0	1	1	1	1	1	1
Police										
Officers	88	94	95	85	91	91	92	91	97	97
Civilians	11	12	12	11	12	12	12	12	12	12
Fire										
Firefighters and officers	94	94	94	89	91	91	91	91	104	104
Civilians	1	1	1	1	1	1	1	1	1	1
Public works										
Operations	25	26	26	20	21	21	21	21	25	25
Engineering	7	7	5	4	0	0	0	0	0	0
Landscaping maintenance	10	0	0	0	0	0	0	0	0	0
Solid waste management	14	14	14	13	13	13	13	13	13	13
Stormwater management fund	2	2	2	2	2	2	3	3	3	2
State street aid	11	11	11	10	11	11	11	11	11	11
Fleet management	8	8	8	8	7	7	6	6	6	6
Brush chipping	0	0	0	0	0	0	0	0	0	0
Parks and recreation										
Administration and maintenance	9	9	9	9	9	9	10	10	10	10
Landscaping maintenance	0	7	7	7	7	7	9	10	10	10
College Hill Recreation Center	3	3	3	3	3	3	4	4	4	4
Cleveland Community Center	4	4	4	4	4	4	4	4	4	4
Waterville Golf Course	6	6	6	6	6	6	0	0	0	0
Animal control										
Administration and operations	8	8	8	8	8	6	6	6	6	6
Community development block grant	2	2	2	2	2	2	2	2	1	2
Subtotal	328	332	330	305	318	316	325	326	349	350
Cleveland Utilities										
Electric division	91	89	88	84	83	82	76	83	83	85
Water/wastewater division	109	102	98	98	103	100	108	114	115	116
City schools										
Certificated staff	383	387	397	407	423	432	434	445	454	449
Non-certificated personnel	268	270	274	277	283	290	294	308	294	296
Library	10	10	11	11	11	11	11	11	11	11
Total	1,189	1,190	1,198	1,182	1,221	1,231	1,248	1,287	1,306	1,307

Source: City Finance Department.

Note - A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave) except City School certificated staff.

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

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government				
Building permits issued	286	217	360	350
Value of construction permitted	\$41,805,750	\$43,490,568	\$63,587,030	\$59,121,927
Police				
Parking violations	1,659	1,669	1,130	974
Traffic violations	7,617	8,771	5,603	4,060
Fire				
Emergency responses (city only)	2,497	2,969	2,939	2,429
Fires extinguished (city only)	150	245	136	169
Fire inspections	2,713	3,162	2,454	2,208
Public works				
Street resurfacing (tonnage)	3,773	8,669	9,967	18,898
Utility cut permits (number excavations)	290	293	228	229
Drainage pipe installed (linear ft.)	3,166	5,054	3,901	5,919
Tons of brush chipped	5,507	8,523	6,446	8,282
Parks and recreation				
Softball league participants	1,820	1,155	1,440	1,500
Basketball league participants	220	200	216	230
Football league participants	258	150	74	80
Soccer league participants	950	950	950	1,000
Rounds of golf played	9,600	3,500	4,000	5,000
Library				
Volumes in collection	149,867	152,407	156,934	161,836
Circulation	361,590	389,603	421,792	409,206
Attendants	261,118	269,262	307,291	270,860
City Schools				
Average Daily Membership				
High School	1,224	1,254	1,297	1,339
Middle School	1,117	1,124	1,147	1,200
Elementary Schools	2,380	2,514	2,567	2,884
Ungraded - Special Education	81	81	81	81
ACT composite scores	20	21	20	20
Percent of High School graduates	88	81	82	86
Electric				
Class of Service number of Customers				
Residential	24,720	25,003	25,170	25,420
Small lighting and power	3,652	3,669	3,706	3,720
Large lighting and power	624	647	609	608
Street and outdoor lighting	110	108	188	189
Kilowatt-hours purchased	1,112,981,850	1,118,790,042	1,090,315,133	1,103,372,115
Kilowatt-hours sold	1,078,380,377	1,095,719,182	1,051,139,979	1,072,904,012
Line losses and kilowatt-hours unaccounted for	34,601,473	23,070,860	39,175,154	30,468,103
Percentage of losses and unaccounted for kilowatt-hours to purchases	3.11%	2.06%	3.59%	2.76%

2014	2015	2016	2017	2018	2019
379	403	289	415	370	337
\$37,240,586	\$65,893,431	\$70,217,886	\$61,147,619	\$96,885,426	\$79,375,008
1,309	1,631	975	939	959	1,409
4,410	5,766	4,744	3,906	4,759	4,061
2,872	2,665	2,909	2,898	2,891	3,173
242	126	173	249	221	137
2,055	2,263	1,634	3,078	3,154	2,168
12,107	9,176	17,795	12,598	12,790	10,852
226	244	185	234	270	177
4,690	6,936	6,706	5,529	5,340	6,173
8,644	12,117	8,633	10,721	14,028	13,353
1,455	1,650	450	425	430	150
204	202	220	220	196	76
70	65	150	150	146	150
850	1,045	2,067	2,169	2,092	2,206
8,289	3,236	0	0	0	0
164,078	168,061	174,614	179,345	180,495	185,981
401,430	402,064	404,869	384,655	394,960	417,433
277,185	241,778	225,411	223,416	210,914	199,230
1,398	1,448	1,451	1,586	1,578	1,639
1,231	1,227	1,269	1,310	1,320	1,331
2,811	2,850	2,582	2,500	2,753	2,370
81	81	103	96	96	131
20	19	20	20	20	21
84	86	90	89	89	90
25,806	26,190	26,487	26,872	27,052	27,191
3,789	3,809	3,829	3,846	3,897	3,931
613	624	621	612	605	587
188	185	181	177	172	167
1,124,822,813	1,124,645,838	1,092,690,922	1,093,318,270	1,081,144,905	1,069,273,479
1,092,325,754	1,093,701,541	1,059,898,637	1,059,807,534	1,056,079,493	1,040,483,760
32,497,059	30,944,297	32,792,285	33,510,736	25,065,412	28,789,719
2.89%	2.75%	3.00%	3.07%	2.32%	2.69%

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

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Water				
Class of Service number of Customers				
Residential	26,465	26,096	26,327	26,496
Commercial & Industrial	3,034	3,611	3,639	3,671
Gallons purchased	1,827,886,130	1,860,475,140	1,845,875,000	1,759,640,000
Gallons pumped	1,664,898,520	1,785,496,000	1,874,042,670	1,789,485,000
Gallons sold	2,668,847,250	2,937,399,663	2,959,307,166	2,814,193,000
Line losses and gallons unaccounted for	823,937,400	708,571,477	760,610,504	709,217,000
Percentage of losses and unaccounted for gallons to total provided	23.59%	19.43%	20.45%	19.98%
Average daily water consumption (gallons)	7,311,910	8,047,670	7,904,814	7,710,118
Wastewater				
Class of Service number of Customers				
Residential	14,792	14,989	15,156	15,267
Commercial & Industrial	2,517	2,543	2,553	2,592
Capacity daily (thousands of gallons)	21,600	21,600	21,600	21,600
Treatment during fiscal year (gallons)	3,955,870,000	3,499,120,000	3,615,480,000	3,995,860,000

Sources: Various city departments.

2014	2015	2016	2017	2018	2019
26,811	27,200	27,514	27,874	28,144	28,427
3,707	3,728	3,708	3,712	3,745	3,776
1,717,178,040	1,737,814,650	1,781,982,285	1,830,881,097	1,553,131,140	1,753,470,750
1,965,420,000	1,919,504,751	1,985,954,794	2,269,121,474	2,438,184,139	2,344,888,000
2,706,972,750	2,733,381,750	2,838,000,000	3,076,149,000	2,892,261,750	2,950,904,238
902,184,898	923,937,651	929,937,079	1,023,853,571	1,099,053,529	1,147,454,512
24.50%	25.26%	24.68%	24.97%	27.54%	28.00%
7,416,364	7,488,717	7,775,343	8,427,805	7,924,005	8,084,669
15,469	15,785	15,981	16,197	16,382	16,612
2,626	2,655	2,637	2,635	2,674	2,688
21,600	21,600	21,600	21,600	21,600	21,600
3,684,650,000	3,285,830,000	4,005,970,000	3,350,999,000	2,599,430,000	4,302,393,000

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

Schedule 23

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</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	85	95	112	120	118	120	120	120	120	110
Fire										
Stations	5	5	5	5	5	5	5	5	5	6
Fire Trucks (pumpers, ladders & tankers)	16	14	14	14	14	14	14	12	14	14
Public works										
Street (miles)	323	346	347	348	348	349	352	356	356	359
Knucklebooms	6	6	6	6	8	9	9	9	9	8
Parks and recreation										
Acreage	289	289	289	289	289	289	289	289	289	289
Playgrounds	8	8	8	8	8	8	8	9	9	10
Softball fields	5	5	5	5	5	5	5	5	5	5
Soccer fields	16	16	16	16	16	16	16	16	16	16
Tennis courts	8	8	8	8	8	8	8	8	7	7
Community centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	3	3	3	3	3	3	3	3	3	3
Golf courses	1	1	1	1	1	0	0	0	0	0
Schools										
Elementary schools	6	6	6	6	6	6	6	6	6	7
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1
Library										
Bookmobiles	1	1	1	1	1	1	1	1	1	1
Electric										
Electric lines (miles)	528	528	534	537	539	540	543	542	567	570
Substations	15	15	15	15	15	15	15	15	15	15
Street lights	5,714	5,734	5,844	5,801	5,882	6,099	6,098	6,061	6,006	6,003
Traffic signals	595	599	604	613	619	646	656	676	678	693
Pedestrians signals	70	70	70	72	80	80	80	88	88	96
Water										
Water mains (miles)	738	741	743	750	760	767	754	753	757	763
Fire hydrants	2,510	2,565	2,571	2,575	2,627	2,657	2,700	2,732	2,764	2,810
Storage capacity (thousands of gal)	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,800
Wastewater										
Sanitary sewers (miles)	355	355	356	359	359	360	364	364	365	371
Treatment capacity (thousands of gal)	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600

Sources: Various city departments and City of Cleveland Utilities Electric, Water and Sewer Divisions.

Notes: No capital asset indicators are available for the general government function.

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OTHER

INSURANCE IN FORCE

ALL FUND TYPES EXCLUDING CLEVELAND UTILITIES

For the Fiscal Year Ended June 30, 2019

<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	9/1/2018 to 8/31/2019	Buildings, contents, boilers, fired vessels electric steam generators. Theft, disappearance and destruction. Radio, video equipment, mobile equip- ment, police dogs.	\$ 67,128,545	\$ 117,038
Comprehensive Liability TML Risk Management Pool	TML-026R	7/1/2018 to 6/30/2019	General and public officials liability, auto liability, auto physical damage, personal injury. Excess auto physical damage. Airport liability	As per schedule	\$ 522,791
Worker's Compensation TML Risk Management Pool	TWC-0187	7/1/2018 to 6/30/2019	Job related injuries, employees	\$ 1,000,000 \$ 1,000 ded.	\$ 545,810
Property (School Buildings and Contents, Boiler, Vehicles) Tennessee Risk Management Trust	TNRMT	7/1/2018 to 7/1/2019	Property Equipment Liability	Various	\$ 372,479
Worker's Compensation Tennessee Risk Management Trust	TNRMT	7/1/2018 to 7/1/2019	Job related injuries, employees	\$ 1,000,000	\$ 233,547

INSURANCE IN FORCE

CLEVELAND UTILITIES

For the Fiscal Year Ended June 30, 2019

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
Affiliated FM	Real property	\$ 143,000,000
Hartford	Machinery and equipment breakdown	\$ 50,000,000
Global Aerospace	Drone Liability & Physical Damage	\$ 5,000,000
Distributors Insurance Co.	General liability (primary)	\$ 750,000 (1)
Chubb	General liability (excess)	\$ 2,250,000 (1)
Chubb	Auto liability and physical damage	\$ 1,000,000
Chubb	Public official and employees	\$ 10,000,000
Travelers Casualty & Surety Co.	Commercial crime	\$ 1,000,000
Crum & Foster	Umbrella liability	\$ 15,000,000
Lloyd's	Cyber and privacy protection	\$ 2,000,000
DIC/Illinois Union	Pollution	\$ 6,000,000

- (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, 2019

Table 3

<u>Property Taxes</u>	<u>Balance 7/1/2017</u>	<u>Levies</u>	<u>Collections & Adjustments</u>	<u>Balance 6/30/2018</u>
2018	\$ 0	\$ 26,471,584	\$ 25,305,334	\$ 1,166,250
2017	1,279,169	0	846,056	433,113
2016	267,263	0	131,600	135,663
2015	128,952	0	38,397	90,555
2014	99,318	0	33,419	65,899
2013	62,558	0	22,575	39,983
2012	48,800	0	2,128	46,672
2011	24,553	0	1,069	23,484
2010	31,189	0	415	30,774
2009	43,070	0	648	42,422
2008	40,066	0	40,066	0
	<u>\$ 2,024,938</u>	<u>\$ 26,471,584</u>	<u>\$ 26,421,707</u>	<u>\$ 2,074,815</u>

Note - Property taxes receivable also include the 2019 levy reported as deferred revenue in the amount of \$25,921,708.

CITY OF CLEVELAND, TENNESSEE
 CHANGES IN LONG-TERM DEBT BY ISSUE
 June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
GOVERNMENTAL ACTIVITIES				
<u>BONDS PAYABLE</u>				
<u>Payable through the Debt Service Fund:</u>				
General Obligation, Refunding, Series 2009C	16,335,000	2 to 4%	08/12/09	06/01/31
General Obligation, Refunding, Series 2009D	8,645,000	2 to 4%	08/26/09	06/01/28
General Obligation, Refunding, Series 2014A	21,206,480	2.51%	04/01/14	05/25/30
General Obligation, Refunding, Series 2015	8,470,520	2.80%	07/03/15	06/01/24
General Obligation, Refunding, Series 2016A	4,587,360	3.14%	07/01/16	06/01/36
General Obligation, Series 2018	9,885,000	2 to 5%	07/24/18	06/01/38
General Obligation, Refunding, Series 2019	34,780,000	2 to 5%	03/26/19	12/01/33
Total Bonds Payable				
<u>NOTES PAYABLE</u>				
<u>Payable through Debt Service Fund:</u>				
Public Building Authority Clarksville, TN - TMBF Series 2008	1,812,700	Variable	11/25/08	05/25/28
Public Building Authority Clarksville, TN - TMBF Series 2012	1,006,000	Variable	04/18/12	05/25/26
Public Building Authority Clarksville, TN - TMBF Series 2012	6,000,000	Variable	12/19/12	05/25/28
Public Building Authority Clarksville, TN - TMBF Series 2012	1,509,000	Variable	03/30/12	05/25/27
Public Building Authority Clarksville, TN - TMBF Series 2014	4,300,000	2.64%	06/20/14	06/01/34
Public Building Authority Clarksville, TN - TMBF Series 2015 (1)	1,000,000	Variable	02/25/16	05/21/36
Public Building Authority Clarksville, TN - TMBF Series 2015	5,734,200	Variable	08/31/15	05/25/35
Public Building Authority Clarksville, TN - TMBF Series 2015	3,000,000	3.89%	08/02/17	08/01/37
Public Building Authority Clarksville, TN - TMBF Series 2017 (2)	5,200,000	Variable	09/30/16	09/01/36
Total Notes Payable through Debt Service Fund				
<u>Payable through the Sales Tax Fund:</u>				
Public Building Authority Clarksville, TN - TMBF Series 2012	1,354,000	Fixed for 5 yrs	04/18/17	04/01/32
Qualified School Construction Loan (QSCB) Series 2009	4,160,000	1.15%	03/01/10	07/01/26
Greenfield Turf Series 2017	774,628	4.00%	04/10/17	04/10/19
Total Notes Payable through Sales Tax Fund				
Total Notes Payable				
<u>CAPITAL LEASES PAYABLE</u>				
<u>Payable through the General Fund:</u>				
John Deere	38,779	5.75%	11/05/18	11/05/20
KS Bank	30,697	9.82%	08/08/18	08/08/20
Total Capital Leases Payable through the General Fund				
<u>Payable through the General Purpose School Fund</u>				
Excel Energy Group	393,451	4.20%	08/01/10	08/01/19
Apple, Inc.	442,891	2.79%	04/06/17	04/06/20
Bank of America - ESG Series 2018	8,222,294	3.14%	02/16/18	02/16/38
Total Capital Leases Payable through the General Purpose School Fund				
Total Capital Leases				

Notes to Schedule

- (1) \$428,920 of loan proceeds have not been drawn down at June 30, 2019
 (2) \$1,349,730 of loan proceeds have not been drawn down at June 30, 2019.

Table 4

Outstanding 7/1/2018	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2019
\$ 13,675,000	\$ -	\$ 25,000	\$ 13,650,000	\$ -
3,970,000	-	910,000	3,060,000	-
20,931,000	-	979,000	19,952,000	-
6,173,000	-	931,000	-	5,242,000
4,009,000	-	304,000	-	3,705,000
-	9,885,000	395,000	-	9,490,000
-	34,780,000	-	-	34,780,000
\$ 48,758,000	\$ 44,665,000	\$ 3,544,000	\$ 36,662,000	\$ 53,217,000
\$ 1,132,000	\$ -	\$ 90,000	\$ -	\$ 1,042,000
572,135	-	64,000	-	508,135
4,376,000	-	365,000	-	4,011,000
1,009,000	-	95,000	-	914,000
3,606,000	-	185,000	3,421,000	-
525,080	-	46,000	-	479,080
5,188,000	-	278,000	-	4,910,000
3,000,000	-	102,000	-	2,898,000
3,659,269	-	212,000	-	3,447,269
\$ 23,067,484	\$ -	\$ 1,437,000	\$ 3,421,000	\$ 18,209,484
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,277,000	\$ -	\$ 78,000	\$ -	\$ 1,199,000
2,105,014	-	259,577	-	1,845,437
243,902	-	243,902	-	-
\$ 3,625,916	\$ -	\$ 581,479	\$ -	\$ 3,044,437
\$ 26,693,400	\$ -	\$ 2,018,479	\$ 3,421,000	\$ 21,253,921
\$ -	\$ 38,778	\$ 13,674	\$ -	\$ 25,104
-	30,696	11,204	-	19,492
\$ -	\$ 69,474	\$ 24,878	\$ -	\$ 44,596
\$ 76,203	\$ -	\$ 50,272	\$ -	\$ 25,931
221,362	-	109,158	-	112,204
8,222,294	-	301,235	-	7,921,059
\$ 8,519,859	\$ -	\$ 460,665	\$ -	\$ 8,059,194
\$ 8,519,859	\$ 69,474	\$ 485,543	\$ -	\$ 8,103,790

CITY OF CLEVELAND, TENNESSEE
 CHANGES IN LONG-TERM DEBT BY ISSUE
 June 30, 2019

Description of Indebtedness	Division	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
BUSINESS-TYPE ACTIVITIES					
<u>BONDS PAYABLE</u>					
<u>Payable through the Electric Division:</u>					
General Obligation, Refunding, Series 2009D	Electric	7,960,000	3.59%	08/26/09	06/01/24
General Obligation, Series 2010	Electric	6,500,000	1 to 5.75%	12/15/10	06/01/31
General Obligation, Refunding Series 2016B	Electric	885,283	3.14%	05/27/16	06/01/36
General Obligation, Series 2018B	Electric	2,385,000	3 to 5%	12/07/18	06/01/39
General Obligation, Refunding Series 2019	Electric	2,510,000	2 to 5%	03/26/19	06/30/28
Total Bonds Payable Electric Division					
<u>Payable through the Water Division:</u>					
General Obligation, Refunding, Series 2009C	Water/Wastewater	12,540,000	3.74%	08/12/09	06/01/28
General Obligation, Refunding, Series 2009D	Water/Wastewater	11,565,000	3.59%	08/26/09	06/01/24
General Obligation, Series 2010	Water	2,250,000	1 to 5.75%	12/15/10	06/01/31
General Obligation, Series 2014	Water/Wastewater	8,835,000	3.45%	03/18/14	09/01/28
General Obligation, Series 2016B	Water/Wastewater	6,599,357	3.14%	05/27/16	06/01/36
General Obligation, Series 2018B	Water	3,335,000	3 to 5%	12/07/18	06/01/39
General Obligation, Refunding, Series 2019	Water/Wastewater	11,360,000	2 to 5%	03/26/19	06/30/28
Total Bonds Payable Water Division					
Total Bonds Payable					
<u>NOTES PAYABLE</u>					
<u>Payable through Electric Division:</u>					
Tennessee Municipal Bond Fund - 2014 TMBF	Electric	3,625,000	.75 to 3%	02/27/14	05/25/34
Tennessee Municipal Bond Fund - 2015 TMBF	Electric	2,750,000	.75 to 3%	12/30/14	05/25/35
Total Notes Payable Electric Division					
<u>Payable through Water Division:</u>					
Tennessee Municipal Bond Fund - 2012 TMBF	Water	3,750,000	.75 to 3%	09/12/12	06/01/32
Tennessee Municipal Bond Fund - 2014 TMBF	Water	2,750,000	.75 to 3%	05/01/14	05/25/34
Tennessee Municipal Bond Fund - 2015 TMBF	Water	3,000,000	.75 to 3%	12/30/14	05/25/35
State Revolving Loans - SRF	Wastewater	679,499	.75 to 3%	05/01/10	06/01/31
State Revolving Loans - ARRA	Wastewater	135,900	2.08%	05/01/10	06/01/31
State Revolving Loans - CWO 13-319	Wastewater	1,374,972	1.15%	12/05/13	02/20/37
State Revolving Loans - CWO 13-320	Wastewater	8,174,000	1.15%	12/05/13	06/20/37
State Revolving Loans - DG2 14-151	Water	2,000,000	1.50%	10/21/14	06/01/36
State Revolving Loans - CG4 15-349	Water	2,325,000	1.38%	02/26/15	06/01/36
State Revolving Loans - DWF 16-172	Water	3,725,000	1.10%	06/09/16	06/20/37
State Revolving Loans - CG3 17-379	Water	104,897	0.88%	01/09/17	06/20/37
State Revolving Loans - DW6 17-192	Water	800,000	1.60%	06/22/17	06/20/37
State Revolving Loans - DWF 17-193	Water	195,000	1.60%	06/22/17	06/20/37
State Revolving Loans - DWF 18-205	Water	430,000	1.31%	01/25/18	06/20/38
State Revolving Loans - CW618-415 (1)	Wastewater	900,000	1.56%	06/19/18	06/01/38
State Revolving Loans - SRF 18-416 (2)	Wastewater	730,000	1.56%	02/08/19	06/01/39
State Revolving Loans - SRF 18-417 (3)	Wastewater	10,000,000	1.58%	03/13/18	06/01/38
Total Notes Payable Water Division					
Total Notes Payable					

Notes to Schedule

- (1) \$126,491, of loan proceeds have not been drawn down at June 30, 2019.
- (2) \$722,500, of loan proceeds have not been drawn down at June 30, 2019.
- (3) \$6,381,693, of loan proceeds have not been drawn down at June 30, 2019.

Table 4
(Continued)

Outstanding 7/1/2018	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2019
\$ 3,175,000	\$ -	\$ 455,000	\$ 2,720,000	\$ -
4,225,000	-	325,000	-	3,900,000
828,551	-	30,753	-	797,798
-	2,385,000	-	-	2,385,000
-	2,510,000	-	-	2,510,000
\$ 8,228,551	\$ 4,895,000	\$ 810,753	\$ 2,720,000	\$ 9,592,798
\$ 7,295,000	\$ -	\$ 475,000	\$ 6,820,000	\$ -
6,735,000	-	1,090,000	5,645,000	-
1,630,000	-	100,000	-	1,530,000
5,060,000	-	800,000	-	4,260,000
6,176,449	-	229,247	-	5,947,202
-	3,335,000	-	-	3,335,000
-	11,360,000	-	-	11,360,000
\$ 26,896,449	\$ 14,695,000	\$ 2,694,247	\$ 12,465,000	\$ 26,432,202
\$ 35,125,000	\$ 19,590,000	\$ 3,505,000	\$ 15,185,000	\$ 36,025,000
\$ 2,900,000	\$ -	\$ 181,250	\$ -	\$ 2,718,750
2,377,000	-	127,000	-	2,250,000
\$ 5,277,000	\$ -	\$ 308,250	\$ -	\$ 4,968,750
\$ 2,625,000	\$ -	\$ 187,500	\$ -	\$ 2,437,500
2,200,000	-	137,500	-	2,062,500
2,593,000	-	139,000	-	2,454,000
460,222	-	32,276	-	427,946
92,044	-	6,455	-	85,589
1,292,812	-	62,448	-	1,230,364
6,721,274	1,448,114	182,178	-	7,987,210
1,774,110	-	89,820	-	1,684,290
2,120,292	-	104,496	-	2,015,796
2,791,866	-	132,731	-	2,659,135
98,461	-	4,872	-	93,589
137,486	661,270	8,502	-	790,254
193,200	1,800	2,764	-	192,236
-	430,000	6,284	-	423,716
-	773,509	-	-	773,509
-	7,500	-	-	7,500
-	3,618,307	-	-	3,618,307
\$ 23,099,767	\$ 6,940,500	\$ 1,096,826	\$ -	\$ 28,943,441
\$ 28,376,767	\$ 6,940,500	\$ 1,405,076	\$ -	\$ 33,912,191

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CITY OF CLEVELAND, TENNESSEE
 UNCOLLECTED DELINQUENT PROPERTY TAXES FILED
 June 30, 2019

Table 5

<u>Tax Year</u>	<u>Original Amount Filed</u>	<u>Unpaid Balance</u>	<u>Percentage Collected</u>
2009	\$ 614,201	\$ 42,422	93.1 %
2010	501,912	30,774	93.9
2011	371,448	23,484	93.7
2012	396,806	46,672	88.2
2013	335,054	39,983	88.1
2014	427,004	65,899	84.6
2015	340,650	90,555	73.4
2016	311,659	135,663	56.5

CITY OF CLEVELAND, TENNESSEE
 BOND PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES
 June 30, 2019

Fiscal Year	2015 Series		2016A Series		2018 Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 966,000	\$ 146,776	\$ 314,000	\$ 116,337	\$ 355,000	\$ 342,288
2021	1,006,000	119,728	329,000	106,477	365,000	331,637
2022	1,056,000	91,560	343,000	96,147	375,000	320,688
2023	1,081,000	61,992	358,000	85,377	390,000	309,437
2024	1,133,000	31,724	363,000	74,135	400,000	297,738
2025			383,000	62,737	410,000	285,737
2026			390,000	50,711	425,000	273,438
2027			415,000	38,465	445,000	252,187
2028			80,000	25,434	470,000	229,938
2029			85,000	22,922	490,000	206,437
2030			85,000	20,253	515,000	181,938
2031			85,000	17,584	535,000	161,337
2032			90,000	14,915	560,000	139,938
2033			90,000	12,089	580,000	117,537
2034			95,000	9,263	595,000	100,138
2035			100,000	6,280	615,000	82,287
2036			100,000	3,140	635,000	63,069
2037					655,000	43,225
2038					675,000	21,937.00
Total	\$ 5,242,000	\$ 451,780	\$ 3,705,000	\$ 762,266	\$ 9,490,000	\$ 3,760,931

Table 6

2019		Total	
Series		Principal	Interest
Principal	Interest		
\$ 1,445,000	\$ 1,871,874	\$ 3,080,000	\$ 2,477,275
1,760,000	1,499,938	3,460,000	2,057,780
1,805,000	1,410,812	3,579,000	1,919,207
1,835,000	1,347,338	3,664,000	1,804,144
1,880,000	1,281,987	3,776,000	1,685,584
3,165,000	1,155,863	3,958,000	1,504,337
3,265,000	995,112	4,080,000	1,319,261
3,755,000	819,613	4,615,000	1,110,265
3,735,000	632,362	4,285,000	887,734
4,205,000	433,863	4,780,000	663,222
3,990,000	228,987	4,590,000	431,178
3,195,000	77,319	3,815,000	256,240
240,000	21,500	890,000	176,353
245,000	12,700	915,000	142,326
260,000	3,900	950,000	113,301
		715,000	88,567
		735,000	66,209
		655,000	43,225
		675,000	21,937.00
\$ 34,780,000	\$ 11,793,168	\$ 53,217,000	\$ 16,768,145

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES
 June 30, 2019

Fiscal Year	Note Payable - Public Building Authority of Clarksville TN 2008 TMBF Series		Note Payable - Public Building Authority of Clarksville, TN 2012 Series		Note Payable - Public Building Authority of Clarksville, TN 2012 Series	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 94,000	\$ 52,100	\$ 66,135	\$ 24,360	\$ 80,000
2021	99,000	47,400	69,000	21,720	82,000	25,961
2022	104,000	42,450	72,000	18,960	84,000	24,058
2023	109,000	37,250	74,000	16,080	86,000	22,110
2024	115,000	31,800	77,000	13,120	88,000	20,114
2025	121,000	26,050	80,000	10,040	90,000	18,073
2026	127,000	20,000	70,000	6,840	92,000	15,985
2027	133,000	13,650		3,480	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						
2035						
2036						
2037						
2038						
	<u>\$ 1,042,000</u>	<u>\$ 277,700</u>	<u>\$ 508,135</u>	<u>\$ 114,600</u>	<u>\$ 1,199,000</u>	<u>\$ 203,510</u>

- (1) Variable rates of 4% have been assumed on loans through Blount Counties and Clarksville, TN.
 (2) \$428,920 of loan proceeds have not been drawn down at June 30, 2019.
 (3) \$1,349,730 of loan proceeds have not been drawn down at June 30, 2019.

Note Payable - Public Building Authority of Clarksville, TN 2012 Series		Note Payable - Public Building Authority of Clarksville, TN 2012 (Jetport) Series		2009 QSCB Series	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 379,000	\$ 160,440	\$ 99,000	\$ 36,560	\$ 237,947	\$ 67,184
394,000	145,280	103,000	32,600	259,577	67,184
410,000	129,520	107,000	28,480	259,577	67,184
426,000	113,120	112,000	24,200	259,577	67,184
443,000	96,080	116,000	19,720	259,578	67,184
461,000	78,360	121,000	15,080	259,578	67,184
480,000	59,920	125,000	10,240	285,130	67,184
499,000	40,720	131,000	5,240	24,472	6,292
519,000	20,760				
<u>\$ 4,011,000</u>	<u>\$ 844,200</u>	<u>\$ 914,000</u>	<u>\$ 172,120</u>	<u>\$ 1,845,436</u>	<u>\$ 476,580</u>

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES
 June 30, 2019

Fiscal Year	Note Payable - Public Building Authority of Clarksville, TN 2015 (Jetport) Series (2)		Note Payable - Public Building Authority of Clarksville, TN 2015 (Schools) Series		Note Payable - Public Building Authority of Clarksville, TN 2017 Series (3)	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 47,000	\$ 27,240	\$ 282,000	\$ 147,300	\$ 217,000
2021	48,000	25,830	285,000	138,840	222,000	105,022
2022	49,000	24,390	288,000	130,290	227,000	99,746
2023	49,000	22,920	291,000	121,650	233,000	94,341
2024	50,000	21,450	295,000	112,920	238,000	88,807
2025	51,000	19,950	298,000	104,070	244,000	83,143
2026	52,000	18,420	301,000	95,130	250,000	77,339
2027	52,000	16,860	305,000	86,100	256,000	71,393
2028	53,000	15,300	308,000	76,950	261,000	65,318
2029	54,000	13,710	312,000	67,710	268,000	59,103
2030	55,000	12,090	315,000	58,350	274,000	52,734
2031	56,000	10,440	319,000	48,900	280,000	46,224
2032	57,000	8,760	322,000	39,330	287,000	39,562
2033	58,000	7,050	326,000	29,670	294,000	32,736
2034	58,000	5,310	330,000	19,890	301,000	25,744
2035	59,000	3,570	333,000	9,990	308,000	18,589
2036	60,000	1,800			315,000	11,269
2037					322,000	3,784
2038						
	<u>\$ 908,000</u>	<u>\$ 255,090</u>	<u>\$ 4,910,000</u>	<u>\$ 1,287,090</u>	<u>\$ 4,797,000</u>	<u>\$ 1,085,034</u>

Table 7
(Continued)

Note Payable - Public Building Authority of Clarksville, TN 2017 (Spring Branch) Series			Total	
Principal	Interest		Principal	Interest (1)
\$ 106,000	110,671		\$ 1,608,082	\$ 763,852
110,000	106,469		1,671,577	716,306
114,000	102,113		1,714,577	667,191
119,000	97,581		1,758,577	616,436
123,000	92,874		1,804,578	564,069
128,000	87,992		1,853,578	509,942
133,000	82,915		1,915,130	453,973
138,000	77,644		1,632,472	335,229
144,000	72,159		1,521,000	269,157
149,000	66,461		881,000	216,426
155,000	60,548		900,000	190,891
161,000	54,402		919,000	164,791
167,000	48,022		938,000	138,110
174,000	41,390		852,000	110,846
181,000	34,485		870,000	85,429
188,000	27,308		888,000	59,456
195,000	19,858		570,000	32,927
203,000	12,117		525,000	15,901
210,000	4,084		210,000	4,084
<u>\$ 2,898,000</u>	<u>\$ 1,199,093</u>		<u>\$ 23,032,571</u>	<u>\$ 5,915,016</u>

CITY OF CLEVELAND, TENNESSEE
 BOND PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES
 June 30, 2019

Electric, Water and Sewer Revenue and Tax Bonds

Fiscal Year	2010 Series		2014 Series		2016B Series	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 430,000	\$ 172,732	\$ 445,000	\$ 139,294	\$ 365,000
2021	435,000	161,552	440,000	124,028	375,000	200,332
2022	435,000	150,102	435,000	108,934	395,000	188,557
2023	440,000	138,084	435,000	93,926	410,000	176,154
2024	445,000	125,358	430,000	79,005	430,000	163,280
2025	450,000	111,908	425,000	64,256	445,000	149,778
2026	455,000	97,721	420,000	49,680	345,000	135,805
2027	460,000	82,934	415,000	35,276	350,000	124,972
2028	465,000	67,535	410,000	21,045	355,000	113,982
2029	465,000	51,516	405,000	6,986	375,000	102,835
2030	475,000	35,043			380,000	91,060
2031	475,000	17,753			405,000	79,128
2032					410,000	66,411
2033					415,000	53,537
2034					420,000	40,506
2035					430,000	27,318
2036					440,000	13,816
2037						
2038						
2039						
Total	\$ 5,430,000	\$ 1,212,238	\$ 4,260,000	\$ 722,430	\$ 6,745,000	\$ 1,939,264

Table 8

2018B Series		2019 Series		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 185,000	\$ 239,200	\$ 1,985,000	\$ 699,496	\$ 3,410,000	\$ 1,462,515
195,000	229,950	2,305,000	477,675	3,750,000	1,193,537
205,000	220,200	2,300,000	362,550	3,770,000	1,030,343
215,000	209,950	1,965,000	285,400	3,465,000	903,514
220,000	203,500	1,405,000	230,625	2,930,000	801,768
230,000	196,900	1,255,000	164,125	2,805,000	686,967
235,000	190,000	980,000	108,250	2,435,000	581,456
245,000	178,250	905,000	61,125	2,375,000	482,557
260,000	166,000	770,000	19,250	2,260,000	387,812
270,000	153,000			1,515,000	314,337
285,000	139,500			1,140,000	265,603
300,000	125,250			1,180,000	222,131
310,000	113,250			720,000	179,661
325,000	100,850			740,000	154,387
340,000	87,850			760,000	128,356
350,000	74,250			780,000	101,568
365,000	62,000			805,000	75,816
380,000	47,400			380,000	47,400
395,000	32,200			395,000	32,200
410,000	16,400			410,000	16,400
<u>\$ 5,720,000</u>	<u>\$ 2,785,900</u>	<u>\$ 13,870,000</u>	<u>\$ 2,408,496</u>	<u>\$ 36,025,000</u>	<u>\$ 9,068,328</u>

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES
 June 30, 2019

Fiscal Year	Tennessee Municipal Bond Fund Series 2012		Tennessee Municipal Bond Fund Series 2014		Tennessee Municipal Bond Fund Series 2015	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 187,500	\$ 97,500	\$ 318,750	\$ 191,250	\$ 269,000
2021	187,500	90,000	318,750	178,500	272,000	94,024
2022	187,500	82,500	318,750	165,750	276,000	88,256
2023	187,500	75,000	318,750	153,000	278,000	82,404
2024	187,500	67,500	318,750	140,250	282,000	76,512
2025	187,500	60,000	318,750	127,500	285,000	70,536
2026	187,500	52,500	318,750	114,750	289,000	64,488
2027	187,500	45,000	318,750	102,000	292,000	58,357
2028	187,500	37,500	318,750	89,250	295,000	52,173
2029	187,500	30,000	318,750	76,500	299,000	45,918
2030	187,500	22,500	318,750	63,750	303,000	39,579
2031	187,500	15,000	318,750	51,000	306,000	33,157
2032	187,500	7,500	318,750	38,250	309,000	26,663
2033			318,750	25,500	313,000	20,116
2034			318,750	12,750	316,000	13,486
2035					320,000	6,785
2036						
2037						
2038						
2039						
	<u>\$ 2,437,500</u>	<u>\$ 682,500</u>	<u>\$ 4,781,250</u>	<u>\$ 1,530,000</u>	<u>\$ 4,704,000</u>	<u>\$ 872,174</u>

State of Tennessee Revolving Loan Fund		State of Tennessee Revolving Loan Fund 13-319		State of Tennessee Revolving Loan Fund 13-320 (1)	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 39,557	\$ 10,454	\$ 63,168	\$ 13,824	\$ 367,524	\$ 89,916
40,399	9,612	63,900	13,092	371,772	85,668
41,261	8,750	64,644	12,348	376,068	81,372
42,139	7,872	65,388	11,604	380,412	77,028
43,037	6,974	66,144	10,848	384,816	72,624
43,954	6,058	66,912	10,080	389,268	68,172
44,891	5,120	67,680	9,312	393,756	63,684
45,847	4,164	68,472	8,520	398,316	59,124
46,824	3,187	69,264	7,728	402,912	54,528
47,821	2,190	70,056	6,936	407,580	49,860
48,840	1,171	70,872	6,120	412,296	45,144
28,965	204	71,688	5,304	417,060	40,380
		72,516	4,476	421,872	35,568
		73,356	3,636	426,756	30,684
		74,208	2,784	431,688	25,752
		75,060	1,932	436,680	20,760
		75,936	1,056	441,720	15,720
		51,100	223	446,832	10,608
				451,992	5,448
				227,890	766
<u>\$ 513,535</u>	<u>\$ 65,756</u>	<u>\$ 1,230,364</u>	<u>\$ 129,823</u>	<u>\$ 7,987,210</u>	<u>\$ 932,806</u>

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES
 June 30, 2019

Fiscal Year	State of Tennessee Revolving Loan Fund DG2		State of Tennessee Revolving Loan Fund CG4 15-349		State of Tennessee Revolving Loan Fund DWF 16-172	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 91,176	\$ 24,635	\$ 105,936	\$ 27,156	\$ 130,872
2021	92,556	23,256	107,412	25,679	132,324	27,396
2022	93,948	21,864	108,900	24,192	133,800	25,920
2023	95,364	20,448	110,412	22,680	135,300	24,420
2024	96,804	19,008	111,948	21,144	136,812	22,908
2025	98,268	17,544	113,508	19,584	138,336	21,384
2026	99,756	16,056	115,080	18,012	139,872	19,848
2027	101,256	14,556	116,676	16,416	141,432	18,288
2028	102,792	13,020	118,296	14,796	143,016	16,704
2029	104,340	11,472	119,940	13,152	144,612	15,108
2030	105,912	9,900	121,608	11,484	146,220	13,500
2031	107,520	8,292	123,300	9,792	147,852	11,868
2032	109,140	6,672	125,016	8,076	149,508	10,212
2033	110,784	5,028	126,744	6,348	151,176	8,544
2034	112,464	3,348	128,508	4,584	152,856	6,864
2035	114,156	1,656	130,296	2,796	154,560	5,160
2036	48,054	180	132,216	957	156,288	3432
2037					158,028	1692
2038					66,271	184
2039						
	<u>\$ 1,684,290</u>	<u>\$ 216,935</u>	<u>\$ 2,015,796</u>	<u>\$ 246,848</u>	<u>\$ 2,659,135</u>	<u>\$ 282,280</u>

Table 9
(Cont.)

State of Tennessee Revolving Loan Fund CG3 17-379		State of Tennessee Revolving Loan Fund DW6 17-192		State of Tennessee Revolving Loan Fund DWF 17-193	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 4,920	\$ 804	\$ 34,356	\$ 12,408	\$ 8,388	\$ 3,012
4,968	756	34,908	11,856	8,520	2,880
5,004	720	35,472	11,292	8,652	2,748
5,052	672	36,036	10,728	8,796	2,604
5,100	624	36,624	10,140	8,940	2,460
5,136	588	37,212	9,552	9,084	2,316
5,184	540	37,812	8,952	9,228	2,172
5,232	492	38,424	8,340	9,372	2,028
5,280	444	39,036	7,728	9,528	1,872
5,328	396	39,672	7,092	9,684	1,716
5,376	348	40,308	6,456	9,840	1,560
5,424	300	40,956	5,808	9,996	1,404
5,472	252	41,616	5,148	10,164	1,236
5,520	204	42,288	4,476	10,320	1,080
5,568	156	42,972	3,792	10,488	912
5,616	108	43,656	3,108	10,656	744
5,664	60	44,364	2,400	10,836	564
3,745	14	45,072	1,692	11,004	396
		45,804	960	11,184	216
		33,666	237	7,556	43
<u>\$ 93,589</u>	<u>\$ 7,478</u>	<u>\$ 790,254</u>	<u>\$ 132,165</u>	<u>\$ 192,236</u>	<u>\$ 31,963</u>

CITY OF CLEVELAND, TENNESSEE
 NOTE PRINCIPAL AND INTEREST
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES
 June 30, 2019

Fiscal Year	State of Tennessee Revolving Loan Fund DWF 18-205		State of Tennessee Revolving Loan Fund CW6 18-415 (1)		State of Tennessee Revolving Loan Fund DWF 18-416 (2)	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 19,020	\$ 5,436	\$ 38,652	\$ 13,764	\$ 31,344
2021	19,272	5,184	39,252	13,164	31,848	10,668
2022	19,524	4,932	39,876	12,540	32,340	10,176
2023	19,776	4,680	40,500	11,916	32,844	9,672
2024	20,040	4,416	41,136	11,280	33,372	9,144
2025	20,304	4,152	41,784	10,632	33,888	8,628
2026	20,568	3,888	42,444	9,972	34,416	8,100
2027	20,844	3,612	43,104	9,312	34,968	7,548
2028	21,120	3,336	43,788	8,628	35,520	6,996
2029	21,396	3,060	44,472	7,944	36,072	6,444
2030	21,684	2,772	45,168	7,248	36,636	5,880
2031	21,960	2,496	45,876	6,540	37,212	5,304
2032	22,260	2,196	46,596	5,820	37,800	4,716
2033	22,548	1,908	47,340	5,076	38,388	4,128
2034	22,848	1,608	48,084	4,332	39,000	3,516
2035	23,148	1,308	48,840	3,576	39,612	2,904
2036	23,448	1,008	49,596	2,820	40,236	2,280
2037	23,760	696	50,376	2,040	40,860	1,656
2038	24,072	384	51,168	1,248	41,508	1,008
2039	16,124	79	51,948	435	42,136	356
	<u>\$ 423,716</u>	<u>\$ 57,151</u>	<u>\$ 900,000</u>	<u>\$ 148,287</u>	<u>\$ 730,000</u>	<u>\$ 120,296</u>

- (1) \$126,491 of loan proceeds have not been drawn down at June 30, 2019.
- (2) \$722,500 of loan proceeds have not been drawn down at June 30, 2019.
- (3) \$6,381,693 of loan proceeds have not been drawn down at June 30, 2019.

Table 9
(Cont.)

State of Tennessee		Total	
Revolving			
Loan Fund SRF 18-417 (3)			
Principal	Interest	Principal	Interest
\$ 428,568	\$ 154,908	\$ 2,138,731	\$ 784,807
435,396	148,080	2,160,777	739,815
442,320	141,156	2,184,059	694,516
449,364	134,112	2,205,633	648,840
456,516	126,960	2,229,539	602,792
463,776	119,700	2,252,680	556,426
471,156	112,320	2,277,093	509,714
478,656	104,820	2,300,849	462,577
486,276	97,200	2,324,902	415,090
494,016	89,460	2,350,239	367,248
501,876	81,600	2,375,886	319,012
509,856	73,620	2,379,915	270,469
517,980	65,496	2,375,190	222,281
526,224	57,252	2,213,194	173,980
534,600	48,876	2,238,034	132,760
543,108	40,368	1,945,388	91,205
551,748	31,728	1,580,106	62,205
560,532	22,944	1,391,309	41,961
569,448	14,028	1,261,447	23,476
578,584	4,970	957,904	6,886
<u>\$ 10,000,000</u>	<u>\$ 1,669,598</u>	<u>\$ 41,142,875</u>	<u>\$ 7,126,060</u>

CITY OF CLEVELAND, TENNESSEE
INVESTMENTS
June 30, 2019

Table 10

Description		Cost	Fair Value
Investment in Certificates of Deposit:			
First Tennessee Bank	2.30%	\$ 13,694	\$ 13,694
First Tennessee Bank	2.41%	25,001	25,001
First Tennessee Bank	2.10%	30,327	30,327
First Tennessee Bank	2.10%	14,993	14,993
First Tennessee Bank	2.10%	29,987	29,987
First Tennessee Bank	0.15%	20,000	20,000
First Tennessee Bank	2.53%	58,733	58,733
First Tennessee Bank	2.53%	5,991	5,991
First Tennessee Bank	2.10%	40,528	40,528
First Tennessee Bank	2.50%	209,936	209,936
SunTrust Bank	1.51%	250,000	250,000
		<u>699,190</u>	<u>699,190</u>
Total Certificates of Deposit		<u>\$ 699,190</u>	<u>\$ 699,190</u>
		<u>699,190</u>	<u>699,190</u>
Total Investments		<u>\$ 699,190</u>	<u>\$ 699,190</u>
 Investments in Fiduciary Fund:			
Mutual Funds:			
American Beacon Small Cap Value Fund		\$ 62,597	\$ 50,834
BNY Mellon Global Real Return Fund		53,106	55,900
Federated Total Return Bond Fund		52,655	54,326
Invesco Oppenheimer Intl Growth Fund		69,438	72,191
Lord Abbett Short Duration Income Fund		95,293	95,355
MFS International Value I		66,694	72,539
Pimco Global Bond Fund		41,957	42,661
T. Rowe Price Emerging Markets Stock Fund		48,924	54,510
The Hartford Small Cap Growth I		60,855	52,591
Thornburg Limited Term Income Fund		104,296	106,821
Vanguard Growth Index Fund		121,016	139,395
Vanguard High Yield index Fund		125,424	132,663
Vanguard Mid-Cap Growth Index Fund		28,673	33,406
Victory Sycamore Established Value I		66,933	65,259
Voya Midcap Opportunities Fund		35,867	33,187
		<u>1,033,728</u>	<u>1,061,638</u>
Total Fiduciary Fund Investments		<u>\$ 1,033,728</u>	<u>\$ 1,061,638</u>

TRANSFERS

For the Fiscal Year Ended June 30, 2019

<u>Transfers In:</u>	<u>Transfers Out:</u>	<u>Amount</u>
Capital Improvement Program Fund	General Fund	\$ 1,419,289
Community Development Block Grant Fund	General Fund	20,000
Debt Service Fund	General Fund	6,249,504
Debt Service Fund	School Fund	555,519
Debt Service Fund	State Street Aid Fund	440,618
Debt Service Fund	Spring Branch Industrial Park Fund	1,442,000
General Fund	Cleveland Utilities - Electric Division	2,265,314
General Fund	Cleveland Utilities - Water Division	454,023
General Fund	Greenway Fund	12,735
Library Fund	General Fund	654,000
Metropolitan Transportation Planning Organization	General Fund	57,000
Recycling Grant Fund	Solid Waste Management Fund	10,000
School Fund	General Fund	5,273,600
Solid Waste Management Fund	General Fund	1,074,100
	<u>Total</u>	<u>\$ 19,927,702</u>

AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
 American Water Works Association

[Click to access definition](#)

[Click to add a comment](#)

Water Audit Report for: Cleveland Utilities (TN0000117)

Reporting Year: FY 2018/2019 7/2018 - 6/2019

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

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

WATER SUPPLIED

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

Volume from own sources:	8	2,344.888	MG/Yr
Water imported:	8	1,753.470	MG/Yr
Water exported:	8	24.273	MG/Yr
WATER SUPPLIED:		4,074.085	MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	● ○	Value:	MG/Yr
	● ○		MG/Yr
	● ○		MG/Yr

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

AUTHORIZED CONSUMPTION

Billed metered:	9	2,765.410	MG/Yr
Billed unmetered:	?		MG/Yr
Unbilled metered:	10	147.615	MG/Yr
Unbilled unmetered:	8	13.576	MG/Yr
AUTHORIZED CONSUMPTION:		2,926.601	MG/Yr

Click here: [?](#) for help using option buttons below

Use buttons to select percentage of water supplied OR value

Pcnt:	○ ●	Value:	MG/Yr
	○ ●		MG/Yr
	○ ●		MG/Yr
	○ ●		MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

		1,147.484	MG/Yr
--	--	------------------	-------

Apparent Losses

Unauthorized consumption:	?	10.185	MG/Yr
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed			
Customer metering inaccuracies:	8	153.317	MG/Yr
Systematic data handling errors:	?	6.914	MG/Yr
Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed			
Apparent Losses:		170.416	MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:	?	977.068	MG/Yr
WATER LOSSES:		1,147.484	MG/Yr

NON-REVENUE WATER

	?	1,308.675	MG/Yr
--	---	------------------	-------

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	9	757.7	miles
Number of active AND inactive service connections:	8	32,203	
Service connection density:	?	43	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 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	\$15,239,848	\$/Year
Customer retail unit cost (applied to Apparent Losses):	8	\$5.15	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	9	\$1,020.00	\$/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

- 221 -

AWWA Free Water Audit Software: System Attributes and Performance Indicators		WAS v5.0 American Water Works Association
Water Audit Report for: Cleveland Utilities (TN0000117)		
Reporting Year: FY 2018/2019 7/2018 - 6/2019		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 ***		
System Attributes:		
	Apparent Losses:	170.416 MG/Yr
	+ Real Losses:	977.068 MG/Yr
	= Water Losses:	1,147.484 MG/Yr
	Unavoidable Annual Real Losses (UARL):	293.34 MG/Yr
	Annual cost of Apparent Losses:	\$877,642
	Annual cost of Real Losses:	\$996,610
		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:	32.1%
	Non-revenue water as percent by cost of operating system:	13.4% Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	14.50 gallons/connection/day
	Real Losses per service connection per day:	83.13 gallons/connection/day
	Real Losses per length of main per day*:	N/A
	Real Losses per service connection per day per psi pressure:	0.92 gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	977.07 million gallons/year
	Infrastructure Leakage Index (ILI) [CARL/UARL]:	3.33
* 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
 SURETY BONDS OF PRINCIPAL OFFICIALS
 For the Year Ended June 30, 2019

Table 13

<u>Name</u>	<u>Office</u>	<u>Amount of Bond</u>
Kevin Brooks	Mayor	\$ 600,000
Avery Johnson, Sr.	Vice Mayor	600,000
William Estes	Councilman	0
Dale Hughes	Councilman	0
Tom Cassada	Councilman	0
David May, Jr.	Councilman	0
Charles McKenzie	Councilman	0
Ken Webb	Councilman	0
Joe Fivas	City Manager	600,000
Melinda Carroll	Assistant City Manager	150,000
Shawn McKay	Assistant City Manager/CFO	1,150,000

CITY OF CLEVELAND, TENNESSEE
 SCHEDULE OF CASH SHORTAGES AND OTHER THEFTS
 For the Year Ended June 30, 2019

Table 14

<u>Fiscal Year First Reported</u>	<u>Department</u>	<u>Original Audit Finding Number</u>	<u>Original Amount of Shortage</u>	<u>Beginning/ Carry- Forward Balance</u>	<u>Current Year Shortage</u>	<u>Current Year Reductions</u>	<u>End of Year Balance</u>
1 2019	Information Technology Cleveland Utilities	2019-001	\$5,415	\$0	\$5,415	\$5,415	\$0

Explanation of Cash Shortages

1 The Office of the Comptroller of the Treasury conducted an investigation of selected records of Cleveland Utilities and determined that a former information technology clerk misappropriated utilities funds totaling \$5,415. The clerk used utilities funds to purchase at least 92 items for her personal use.

Disposition: As of June 30, 2019, complete restitution has been made. The employee was required to repay the amount and was dismissed from employment.

SINGLE AUDIT SECTION

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CITY OF CLEVELAND, TENNESSEE
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY
 For the Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
FEDERAL AWARDS:		
U.S. DEPARTMENT OF AGRICULTURE		
Passed through the TN Department of Education:		
Child Nutrition Cluster		
School Breakfast Program	10.553 *	N/A
National School Lunch Program	10.555 *	N/A
Equipment Assistance	10.579	N/A
USDA Fresh Fruits and Vegetables	10.582	N/A
Total U.S. Department of Agriculture		
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Community Development Block Grant	14.218	N/A
Passed through the TN Housing Development Agency:		
Emergency Shelter Grant	14.231	ESG-09-24
HOME Investment Partnership Program	14.239	N/A
Total U.S. Department of Housing and Urban Development		
U.S. DEPARTMENT OF JUSTICE		
Protective vests	16.607	N/A
Byrne Memorial Assistance Grant	16.738	N/A
Total U.S. Department of Justice		
U.S. DEPARTMENT OF TRANSPORTATION		
Passed through the TN Department of Transportation		
Jetport - North Property	20.106	AERO-18230
Taxiway & Repair	20.106	AERO-19254
Subtotal Program 20.106		
Transportation Planning	20.205 *	Z-07036293
Intersection Improvement Georgetown Rd	20.205 *	STP-M-6023
Misc Impr to 17th St	20.205 *	STP-M--4472
Gaut Street Sidewalks	20.205 *	170087
Resurfacing and Safety Improvements - Central Ave	20.205 *	STP-M-9203(22)
Ocoee Greenway Connector	20.205 *	STP-M-9203(19)
Resurfacing and Safety Improvements - Normal Chapel Rd	20.205 *	STP-2-9203
Subtotal Program 20.205		
High Visibility Enforcement	20.607	Z17THS131
Total U.S. Department of Transportation		
NATIONAL ENDOWMENT FOR THE HUMANAITIES		
Passed through the TN State Library and Archives:		
Technology Grant	45.310	N/A
Total National Endowment for the Humanities		

(Continued)

Accrued (Unearned) Grant Revenues July 1, 2018	Cash Receipts	Expend- itures	Accrued (Unearned) Grant Revenues June 30, 2019
\$ 0	\$ 857,471	\$ 857,471	\$ 0
0	1,994,891	1,994,891	0
0	10,444	10,444	0
<u>(5,335)</u>	<u>51,668</u>	<u>46,333</u>	<u>0</u>
<u>\$ (5,335)</u>	<u>\$ 2,914,474</u>	<u>\$ 2,909,139</u>	<u>\$ 0</u>
\$ 0	\$ 255,065	\$ 361,199	\$ (106,134)
(10,526)	50,705	134,970	(94,791)
<u>(18,000)</u>	<u>117,414</u>	<u>135,106</u>	<u>(35,692)</u>
<u>\$ (28,526)</u>	<u>\$ 423,184</u>	<u>\$ 631,275</u>	<u>\$ (236,617)</u>
\$ (1,448)	\$ 1,448	\$ 11,441	\$ (11,441)
0	36,481	36,481	0
<u>\$ (1,448)</u>	<u>\$ 37,929</u>	<u>\$ 47,922</u>	<u>\$ (11,441)</u>
\$ (20,001)	\$ 52,476	\$ 32,475	\$ 0
0	216	216	0
<u>(20,001)</u>	<u>\$ 52,692</u>	<u>\$ 32,691</u>	<u>\$ 0</u>
\$ (52,509)	\$ 83,698	\$ 159,551	\$ (128,362)
(249,552)	0	266,959	(516,511)
(2,534)	32,000	81,718	(52,252)
(43,324)	69,605	42,068	(15,787)
(9,158)	9,158	10,337	(10,337)
(217,052)	424,295	207,243	0
0	118	236	(118)
<u>\$ (574,129)</u>	<u>\$ 618,874</u>	<u>\$ 768,112</u>	<u>\$ (723,367)</u>
\$ 0	\$ 636	\$ 5,202	\$ (4,566)
<u>\$ (594,130)</u>	<u>\$ 672,202</u>	<u>\$ 806,005</u>	<u>\$ (727,933)</u>
\$ 0	\$ 3,091	\$ 3,091	\$ 0
<u>\$ 0</u>	<u>\$ 3,091</u>	<u>\$ 3,091</u>	<u>\$ 0</u>

CITY OF CLEVELAND, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY
For the Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
FEDERAL AWARDS (Continued):		
U.S. ENVIRONMENTAL PROTECTION AGENCY		
Grants for Drinking Water - State Revolving Loan		
- Loan DW6 17-192	66.468	N/A
- Loan Forgiveness DW6 17-192	66.468	N/A
Subtotal Program 66.468		
Total U.S. Environmental Protection Agency		
U.S. DEPARTMENT OF EDUCATION		
Passed through the TN Department of Education:		
Special Education Cluster:		
Special Education - Grants to States	84.027 *	N/A
Special Education - Preschool Grants	84.173 *	N/A
Title I Grant to Local Educational Agencies	84.010 *	N/A
Vocational Improvement	84.048	N/A
English Language Acquisition Enhancement Title III	84.365	N/A
Teacher and Principal Training & Recruiting Title II-A	84.367	N/A
Title IV Student Support and Academic Achievement Grants	84.424	N/A
Total U.S. Department of Education		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through the TN Department of Education:		
Read to be Ready	93.575	N/A
Total U.S. Department of Health and Human Services		
U.S. DEPARTMENT OF HOMELAND SECURITY		
Passed through the TN Emergency Management Agency:		
Flood Mitigation Assistance Program	97.029	N/A
Total U.S.. Department of Homeland Security		
TOTAL FEDERAL AWARDS		
STATE AWARDS		
TN Department of Education:		
Safe Schools Act	N/A	N/A
Coordinated School Health	N/A	N/A
Alternative Breakfast grant	N/A	N/A
TN Department of Health and Human Services		
Child Safety Grant	N/A	N/A

(Continued)

<u>Accrued (Unearned) Grant Revenues July 1, 2018</u>	<u>Cash Receipts</u>	<u>Expend- itures</u>	<u>Accrued (Unearned) Grant Revenues June 30, 2019</u>
\$ 0	\$ 6,011	\$ 6,011	\$ 0
0	24,044	24,044	0
<u>\$ 0</u>	<u>\$ 30,055</u>	<u>\$ 30,055</u>	<u>\$ 0</u>
<u>\$ 0</u>	<u>\$ 30,055</u>	<u>\$ 30,055</u>	<u>\$ 0</u>
\$ (4,948)	\$ 1,292,702	\$ 1,289,443	\$ (1,689)
0	32,890	51,671	(18,781)
(58,208)	1,745,612	1,718,666	(31,262)
(16,515)	115,460	105,748	(6,803)
(2,701)	65,641	64,594	(1,654)
(12,670)	349,064	346,766	(10,372)
(9,958)	67,407	57,449	0
<u>\$ (105,000)</u>	<u>\$ 3,668,776</u>	<u>\$ 3,634,337</u>	<u>\$ (70,561)</u>
<u>\$ (34,809)</u>	<u>\$ 159,269</u>	<u>\$ 203,941</u>	<u>\$ (79,481)</u>
<u>\$ (34,809)</u>	<u>\$ 159,269</u>	<u>\$ 203,941</u>	<u>\$ (79,481)</u>
<u>\$ 427</u>	<u>\$ 16,783</u>	<u>\$ 17,210</u>	<u>\$ 0</u>
<u>\$ 427</u>	<u>\$ 16,783</u>	<u>\$ 17,210</u>	<u>\$ 0</u>
<u>\$ (768,821)</u>	<u>\$ 7,925,763</u>	<u>\$ 8,282,975</u>	<u>\$ (1,126,033)</u>
\$ 0	\$ 102,915	\$ 201,500	\$ (98,585)
0	125,000	125,000	0
0	5,000	5,000	0
0	4,205	4,205	0

CITY OF CLEVELAND, TENNESSEE
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY
 For the Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
STATE AWARDS - (Continued)		
TN Department of Economic and Community Development:		
Tinsley Park Tennis Court Renovation	N/A	50470
Greenway Stage Sound & Lighting	N/A	57822
TN Department of Transportation:		
Jetport - 700' Runway Extension Construction	N/A	AERO-17224
Jetport - North Property	N/A	AERO-18230
Jetport - Airport Maintenance	N/A	AERO-101776
Jetport - Airport Maintenance	N/A	
Jetport - Airport Layout Plan	N/A	AERO-18215
Jetport - Taxiway & Repair (State Portion)	N/A	AERO-19254
Local Interstate Connector, Stone Lake Road	N/A	113131
Multi-Modal Access Grant	N/A	140160
TN Department of Environment and Conservation:		
Grants for Clean Water State Revolving Loan:		
- Loan SRF 13-320	N/A	N/A
- Loan SRF 18-415	N/A	N/A
- Loan Forgiveness SRF 18-415	N/A	N/A
- Loan SRF 18-416	N/A	N/A
- Loan SRF 18-417	N/A	N/A
Grants for Drinking Water State Revolving Loan:		
- Loan DWG 17-192	N/A	N/A
- Loan Forgiveness DW6 17-192	N/A	N/A
- Loan DWF 17-193	N/A	N/A
- Loan DWF 18-205	N/A	N/A

TOTAL STATE AWARDS

TOTAL FEDERAL AND STATE AWARDS

*Denotes major programs

Note 1: Expenditures under the U.S. Department of Agriculture Food Distribution grant received by the Board of Education represent receipts and expenditures of noncash commodities as value based on equivalent purchased product.

Note 2: Basis of presentation: The accompanying Schedule of Federal and State Financial Assistance reports cash receipts when received and expenditures when incurred. Bracketed amounts represent grant revenues receivable from the grantor.

Note 3: The City did not elect to use the 10-percent de minimis indirect cost rate.

(Continued)

<u>Accrued (Unearned) Grant Revenues July 1, 2018</u>	<u>Cash Receipts</u>	<u>Expend- itures</u>	<u>Accrued (Unearned) Grant Revenues June 30, 2019</u>
\$ (131,503)	\$ 366,874	\$ 235,371	\$ 0
0	8,910	8,910	0
(132,931)	270,813	146,686	(8,804)
(1,111)	2,915	1,804	0
(5,257)	5,257	0	0
0	9,803	13,585	(3,782)
0	73,601	73,601	0
0	42,268	44,268	(2,000)
0	8,830	82,876	(74,046)
0	10,613	10,732	(119)
0	1,448,114	1,448,114	0
0	773,509	773,509	0
0	85,945	85,945	0
0	7,500	7,500	0
0	2,759,381	3,618,315	(858,934)
0	637,226	637,226	0
0	159,307	159,307	0
(193,201)	195,000	1,799	0
0	430,000	430,000	0
<u>\$ (464,003)</u>	<u>\$ 7,532,986</u>	<u>\$ 8,115,253</u>	<u>\$ (1,046,270)</u>
<u>\$ (1,232,824)</u>	<u>\$ 15,458,749</u>	<u>\$ 16,398,228</u>	<u>\$ (2,172,303)</u>

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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, 2019, 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 18, 2019.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Cleveland, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland, Tennessee's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. These items are listed as item 2019-1 and 2019-2.

Compliance and Other Matters

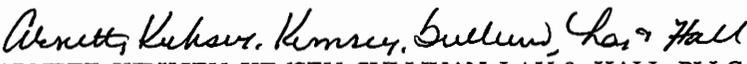
As part of obtaining reasonable assurance about whether the City of Cleveland, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs at item 2019-002.

City of Cleveland, Tennessee's Response to Findings

The City of Cleveland, Tennessee's response to findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Cleveland, Tennessee's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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, PLLC
Certified Public Accountants

December 18, 2019

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2019. 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 federal statutes, regulations, and other terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2019.

Report on 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 and performing 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 the Uniform Guidance, 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* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


ARNETT, KIRKSEY, KIMSEY, SULLIVAN, LAY & HALL, PLLC
Certified Public Accountants

December 18, 2019

CITY OF CLEVELAND, TENNESSEE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2019

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the City of Cleveland, Tennessee.
2. The audit of the financial statements of the City of Cleveland, Tennessee, disclosed two significant deficiencies in internal control. These deficiencies were not considered to be a material weaknesses.
3. The audit disclosed one instances of noncompliance that was material to the financial statements.
4. No significant deficiencies relating to the audit of the major federal award programs were reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that were required to be reported in accordance with 2 CFR 200.516(a).
7. The programs tested as major programs included:

	CFDA#
Title I Grants to Local Educational Agencies	84.010
(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
Transportation Grants	20.205

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The City of Cleveland, Tennessee, was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2019-1 Budget Violation

Condition: In the General Purpose School Fund and the Debt Service Fund actual expenditures exceeded budgeted exceeded budgeted expenditures.

	Budget	Actual
General Purpose School Fund	48,642,721	53,322,741
Debt Service Fund	5,109,538	7,705,083

Criteria: Fund expenditures cannot exceed amounts budgeted by the government.

Effect: Unauthorized expenditures were incurred by the government.

Recommendation: Management should take steps to make sure that actual expenditures do not exceed budgeted amounts.

Response: Management realized before year end that actual expenditures were going to exceed budgeted amounts, but was not able to process budget amendments before year end. Steps will be taken in the future to ensure that actual expenditures do not exceed budgeted amounts.

2019-2 Segregation of duties/Misappropriation of funds

Condition: Management became suspicious of certain purchases made by a department of the Board of Public Utilities. After investigation by The Office of the Comptroller of the Treasury, it was determined that a former information technology clerk misappropriated utilities funds totaling at least \$5,415. The clerk used several methods to perpetrate and conceal her misappropriation. Because the clerk's duties included requisitioning, purchasing, and receiving items for the information technology department, the clerk was able to continue their fraudulent purchasing scheme without prompt detection. The clerk's employment was terminated May 2, 2018.

Criteria: Segregation of duties, with appropriate oversight, should be in place to allow errors or fraud to be detected by employees in the normal course of their work in a timely manner.

Effect: Lack of segregation of duties prevents errors and fraud to be detected by employees in the normal course of their work.

Recommendation: Purchase orders should be properly completed and authorized by management to ensure that purchases are for necessary items.

Management Response:

Secondary controls identified a suspicious pattern of purchasing by the IT clerk in question. Upon further investigation, it was found that the IT clerk who's responsibility was to request and prepare purchase orders, was also receiving those purchases and signing off approved for payment. Although the purchase order was approved by a Department Manager as required by purchasing controls, the approving manager was not approving the invoice for payment and verifying the purchase was the actual item approved in the original purchase order. Management performed training with all purchase order approving managers and supervisors to ensure that proper sign offs and verification were taking place with all purchase orders, as per the purchasing control manual. Per this manual, all purchase orders are to be approved by an approved manager, supervisor, or vice president. This approval includes verifying the item is appropriate for the use by management, ensuring that the item purchased is received and placed in use per the reasoning given on the purchase order, and finally ensuring that the item purchased is invoiced at the agreed upon pricing per the approved purchase order. Any variances in this process must be approved by the managing area vice president or CEO.

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

U.S. Department of Education:

Title I Grants to Local Educational Agencies	84.010
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 Transportation

Highway Planning and Construction	20.205
	NONE

CITY OF CLEVELAND, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2019

A. FINANCIAL STATEMENT AUDIT

Finding 2018-1 was repeated in the current year finding 2019-1.

B. MAJOR FEDERAL AWARD PROGRAMS AUDIT

None from prior year.

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City of Cleveland

CLEVELAND, TENNESSEE

Shawn McKay
Assistant City Manager/CFO
smckay@clevelandtn.gov
Phone (423) 472.4551
Fax (423) 559.3302



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

December 18, 2019

U.S. Department of Education

The City of Cleveland, Tennessee respectfully submits the following corrective action plan for the year ended June 30, 2019.

Name and address of independent public accounting firm: Arnett, Kirksey, Kimsey, Sullivan, Lay & Hall, PLLC, Certified Public Accountants, 4395 North Ocoee Street, Cleveland, Tennessee, 37312.

Audit Period: July 1, 2018 to June 30, 2019

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FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. Department of Education:

Title I Grants to Local Educational Agencies	84.010
Special Education - Grants to States	84.027
Special Education - Preschool Grants	84.173
NONE	

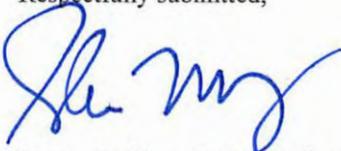
U.S. Department of Agriculture

School Breakfast Program	10.553
School Lunch Program	10.555
NONE	

U.S. Department of Transportation

Highway Planning and Construction	20.205
NONE	

Respectfully submitted,



Shawn McKay, Assistant City Manager/CFO
City of Cleveland, Tennessee