

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



**CLEVELAND**  
TENNESSEE

EST. 1842



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**CITY OF CLEVELAND, TENNESSEE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Year Ended June 30, 2021**

**Prepared by:**  
**Department of Finance**

CITY OF CLEVELAND, TENNESSEE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021

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## **INTRODUCTORY SECTION**

# City of Cleveland

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



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

January 25, 2022

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audit in accordance with generally accepted auditing standards by a firm licensed certified public accountant. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Cleveland for the fiscal year ended June 30, 2021.

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

The City of Cleveland's financial statements have been audited by Wedgewood Accounting, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Cleveland, for the fiscal year ended June 30, 2021, 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, 2021, 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 Annual Comprehensive 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 31<sup>st</sup> and operating budget requests to the chief financial officer by March 1<sup>st</sup> each year. The chief financial officer makes revenue estimates for the upcoming fiscal year. A budget work session is held in late March or early April, at which time department heads and the city manager make presentations to the council. The chief financial officer and city manager provide projections for the current fiscal year's budget and the coming year's proposed operating budget for council review. In addition, the city manager presents the council with his recommendation for a six-year capital improvements program based upon the strategic planning session in January held by the city council, city manager, and department heads. After much review and debate among the council, the budget is revised to include any recommendations of the city council. A proposed budget is submitted to the city council by the second council meeting in May. The council is required to hold public hearings on the proposed budget and to adopt a final budget and tax rate by June 30<sup>th</sup> each year, which is the close of the city's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Departmental budget officers, with approval of the department head and finance director, may make transfers of appropriations within a department. However, transfers of appropriations between funds require approval of the city council. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 24-47 as part of the basic financial statements for the governmental funds. The school fund comparison is presented on pages 48-57. For nonmajor governmental funds, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 136.

### **Factors Affecting Financial Condition**

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

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

In its 2021 edition of Best Places to Work in Manufacturing, Smart Asset ranked Cleveland fifth out of 378 metropolitan areas, based on a series of metrics including job growth, income growth, percentage of manufacturing jobs and housing affordability.

In Best Performing Cities 2021 issued by the Milken Institute, Cleveland, Tennessee, experienced the largest change of all cities – large and small – rising 186 ranks, experiencing a recent economic surge reflected in one-year gains in jobs and wages as had higher housing affordability than the median.

The Chattanooga Times Free Press reported that the Global Business Alliance named Tennessee the second fastest growing state for foreign investment in the past five years. Tennessee ranked second to Minnesota in job growth from foreign investment. Japan, Germany, United Kingdom, Canada and France were the top countries with direct investment in the state.

USA Today reported in March 2021 that a study by 24/7 Wall Street that reviewed data from the US Bureau of Labor Statistics of nearly 400 metropolitan areas found that employment increased throughout the pandemic in only 28, with the Cleveland Metro area ranking as the 11<sup>th</sup> highest growth rate.

Cleveland's strong economy is evidenced by the following:

- The first tenant on the Spring Branch Industrial Park, Cannon Automotive Solutions, a Canadian automotive supplier, is nearing completion of a 238,000 square foot manufacturing plant to produce structural components for the automotive industry. The company plans on creating 197 jobs paying an average wage of \$22.00 per hour.
- Cleveland State Community College opened its state-of-the-art Health and Science Center. This \$27.5 million facility will further expand the college's nursing program, attracting student from the surrounding region.
- Lee University completed the Ray Conn Multi-Sports Complex at the north end of Parker Avenue. The home to the track and field teams includes an eight-lane track and turf field. The 119-acre campus serves over 5,000 students from across the United States and 52 countries.
- Four requests for annexation were approved by the City Council in FY21, with an estimated 500 housing units to be constructed.
- Retail development continues along the Paul Huff Parkway corridor including TJ Maxx, Pet Smart, Harbor Freight and numerous restaurants.
- Various commercial developments valued at \$49.6 million have begun during FY2020. This compares to \$106.3 million in FY2020. New residential development totaled \$45.0 million compared to \$50.4million for FY2020.

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

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

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

## **Financial Policies**

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

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

These policies along with Cleveland's budgetary flexibility and strong liquidity 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**

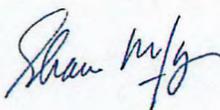
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the thirty-first consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the city published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the last twenty-two 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 ACFR on a timely basis was made possible by the dedicated service of the employees of the finance department. We would like to express our appreciation to all staff members who have assisted and contributed to this report, in addition to the City's independent certified public accountants. Credit must also be given to the mayor and city council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Cleveland's finances.

Respectfully submitted,



Shawn McKay  
Assistant City Manager/Chief Financial Officer



Joe Fivas  
City Manager



Government Finance Officers Association

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

Presented to

**City of Cleveland  
Tennessee**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

CITY OF CLEVELAND, TENNESSEE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
CITY OFFICIALS  
June 30, 2021

Kevin Brooks  
Mayor

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

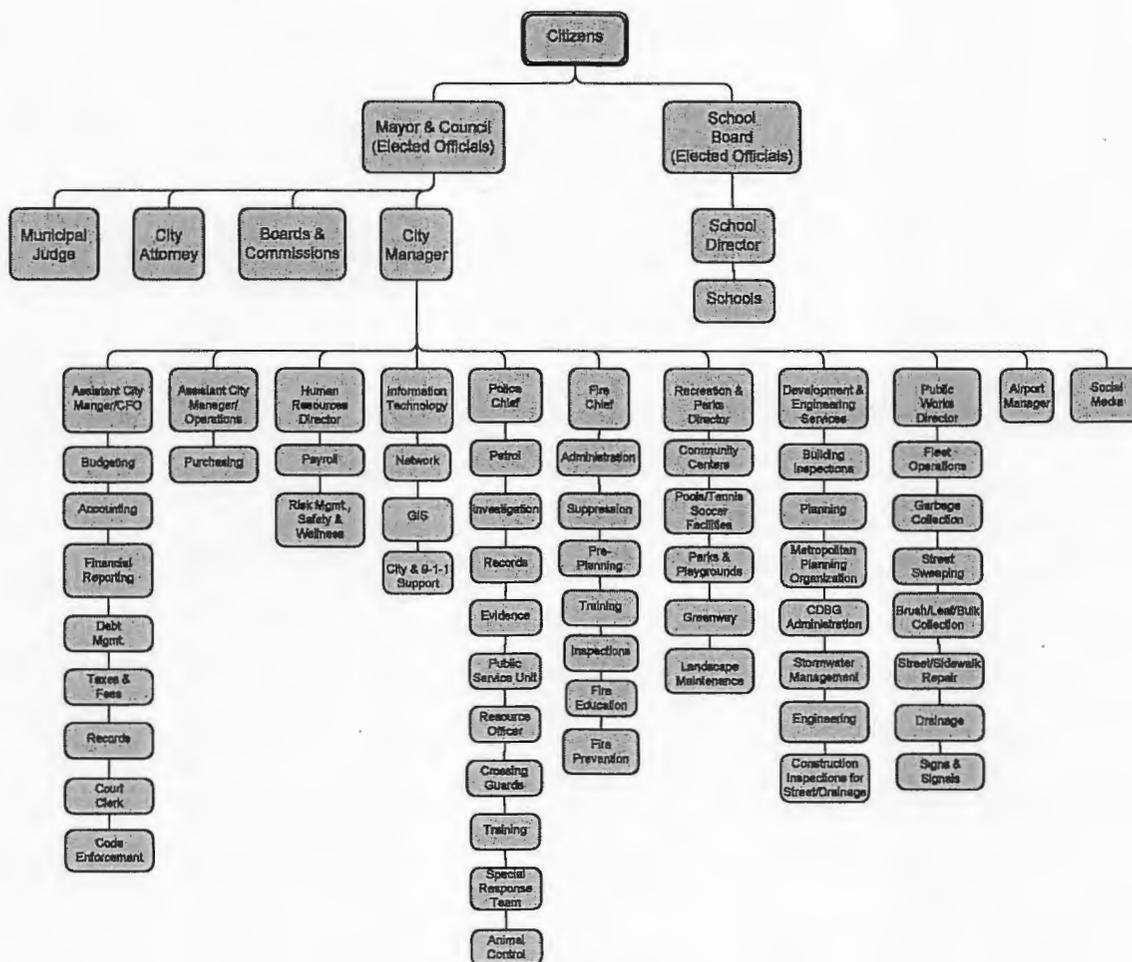
Joe Fivas  
Shawn McKay, CMFO

City Manager  
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
Kim Miller	Human Resources
Kris Miller	Information Technology
Tommy Myers	Public Works Director
Barrett Painter	City Judge
Patti Petitt	Parks and Recreation Director

## City of Cleveland Organizational Chart



## **FINANCIAL SECTION**

**WEDGEWOOD ACCOUNTING, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM B. KIRKSEY, CPA  
MARK A. LAY, CPA  
SCOTT D. HALL, CPA  
ANGELA KEY RITCHEY, CPA  
BRANDON H. BARNES, CPA

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

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

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, 2021, 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, 2021, 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 111 through 127 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 January 24, 2022, on our consideration of the City of Cleveland, Tennessee'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 effectiveness of the City of Cleveland, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cleveland, Tennessee's internal control over financial reporting and compliance.

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

January 24, 2022

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## Management's Discussion and Analysis

As management of the City of Cleveland, we offer readers of the city's financial statements this narrative overview and analysis of the financial activities of the City of Cleveland for the fiscal year ended June 30, 2021. 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, 2021 by \$340,192,293 (net position).
- Net position (defined as the difference in revenues and expenses) increased by \$40,549,567. The City of Cleveland's changes in net position is detailed in the chart on page eight of this report. Total revenues increased \$20,350,813 which included increases in operating grants for education and service charges for public works. Expenses increased \$400,375 from last fiscal year primarily in education and public works.
- 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 increased to \$7.95 per month.
- As of the close of the current fiscal year, the City of Cleveland's governmental funds reported combined ending fund balances of \$65,530,570.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$27,227,900. Expenditures do not include transfers to other funds, which totaled \$14,929,298 in the city's general fund.
- Long-term debt increased approximately \$1,200,382.

### 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 128.

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 20-57 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 58-61 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 62-63 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 64-110 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 111-127 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 128-158 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 \$340,192,293 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>	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Current assets	\$109,415,384	\$91,112,686	\$60,801,322	\$51,351,440	\$170,216,706	\$142,464,126
Receivables and other noncurrent assets	5,557,089	7,045,924	2,885,432	2,831,604	8,442,521	9,877,528
Deferred charges	0	0	0	0	0	0
Capital assets	230,606,000	219,882,473	227,951,856	216,877,195	458,557,856	436,759,668
<b>Total assets</b>	<b>345,578,473</b>	<b>318,041,083</b>	<b>291,638,610</b>	<b>271,060,239</b>	<b>637,217,083</b>	<b>589,101,322</b>
Total deferred outflows of Resources	19,612,994	19,121,788	8,874,819	8,276,082	28,487,813	27,397,870
Long-term liabilities Outstanding	145,320,190	145,201,229	96,961,568	90,097,361	242,281,758	235,298,590
Other liabilities	14,088,801	12,246,140	25,118,184	25,020,424	39,206,985	37,266,564
<b>Total liabilities</b>	<b>159,408,991</b>	<b>157,447,369</b>	<b>122,079,752</b>	<b>115,117,785</b>	<b>281,488,743</b>	<b>272,565,154</b>
Total deferred inflows of Resources	41,539,953	46,417,072	2,483,907	3,182,003	44,023,860	49,599,075
Net position:						
Net investment in capital assets	150,289,044	135,819,612	155,930,891	149,656,134	306,219,936	285,475,746
Restricted	26,089,661	19,972,043	0	0	26,089,661	19,972,043
Unrestricted	(12,609,818)	(22,493,225)	20,018,879	11,380,399	7,409,061	(11,112,826)
<b>Total net position</b>	<b>\$164,242,523</b>	<b>\$133,298,430</b>	<b>\$175,949,770</b>	<b>\$161,036,533</b>	<b>\$340,192,293</b>	<b>\$294,334,963</b>

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

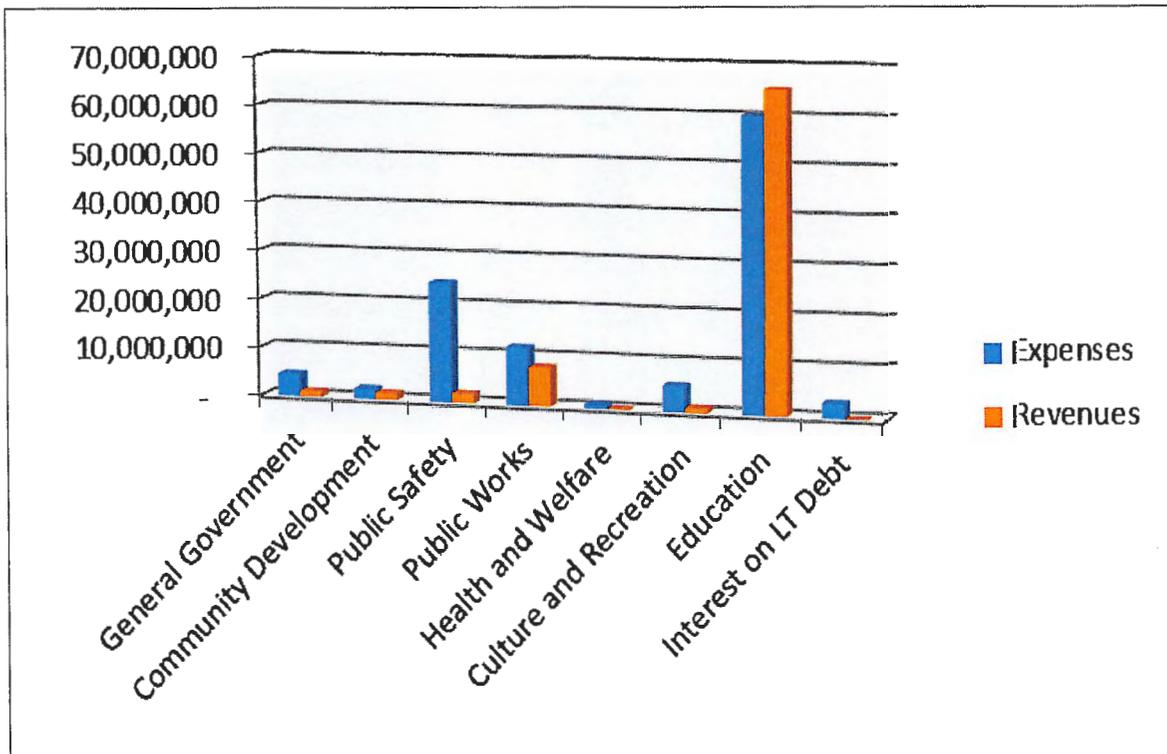
**Governmental activities.** Governmental activities increased the City of Cleveland's net position by \$25,636,330 detailed as follows:

**City of Cleveland's Changes in Net Position**

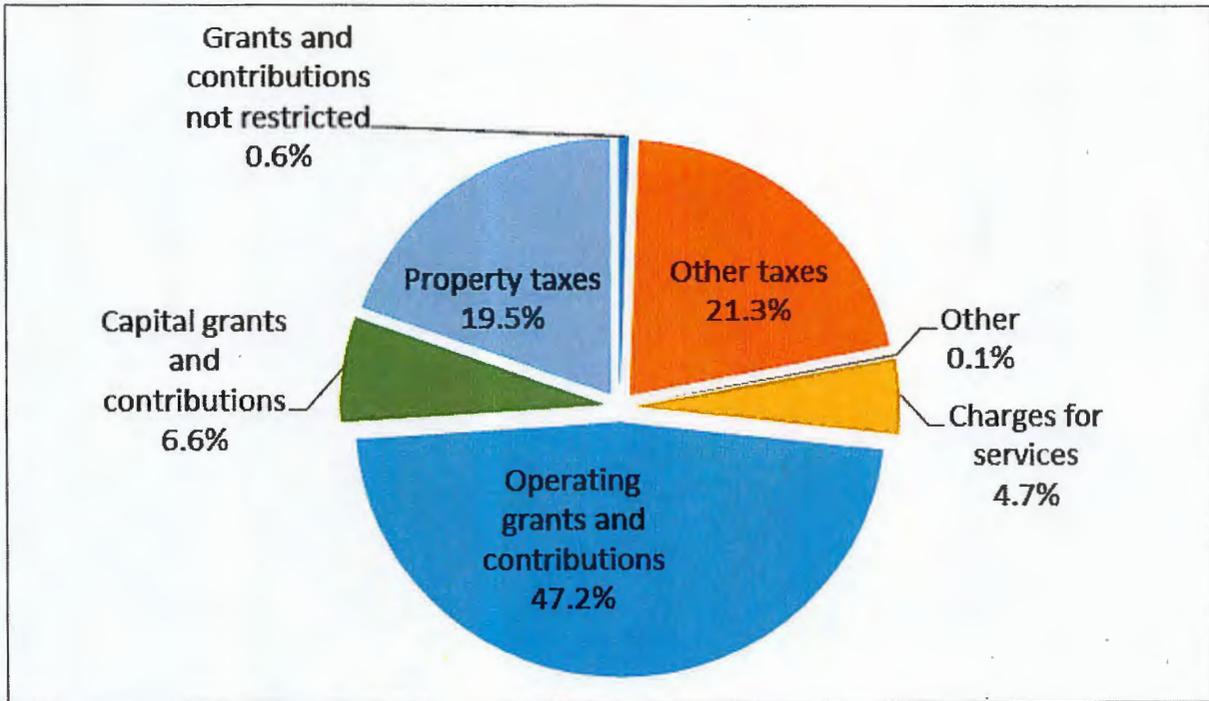
	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Revenues:						
Program revenues:						
Charges for services	\$6,343,633	\$6,220,987	\$134,929,104	\$132,854,223	\$141,272,737	\$139,075,210
Operating grants and Contributions	63,396,173	54,514,548	276,966	251,568	63,673,139	54,766,116
Capital grants and contributions	8,863,133	2,571,298	1,735,300	1,131,949	10,598,433	3,703,247
General revenues:						
Property taxes	26,167,522	26,546,377	0	0	26,167,522	26,546,377
Other taxes	28,643,990	25,218,952	0	0	28,643,990	25,218,952
Grants and contributions not restricted to specific programs	808,113	500,455	0	0	808,113	500,455
Other	147,581	728,425	57,289	479,209	204,870	1,207,634
<b>Total revenues</b>	<b>134,370,145</b>	<b>116,301,042</b>	<b>136,998,659</b>	<b>134,716,949</b>	<b>271,368,804</b>	<b>251,017,991</b>
Expenses:						
General government	4,475,964	4,659,380	0	0	4,475,964	4,659,380
Planning and inspection	2,055,406	2,322,324	0	0	2,055,406	2,332,324
Public safety	24,382,352	24,420,737	0	0	24,382,352	24,420,737
Public works	11,760,654	11,587,164	0	0	11,760,654	11,587,164
Health and welfare	716,655	691,826	0	0	716,655	691,826
Culture and recreation	5,246,725	5,534,056	0	0	5,246,725	5,534,056
Education	60,039,485	58,580,908	0	0	60,039,485	58,580,908
Interest on long-term debt	3,029,596	2,900,897	0	0	3,029,596	2,900,897
Water and sewer	0	0	28,485,251	26,863,384	28,485,251	26,863,384
Electric	0	0	90,020,984	92,020,973	90,020,984	92,020,973
Stormwater	0	0	606,165	827,213	606,165	827,219
<b>Total expenses</b>	<b>111,706,837</b>	<b>110,707,292</b>	<b>119,112,400</b>	<b>119,711,570</b>	<b>230,819,237</b>	<b>230,418,862</b>
Increase (decrease) in net position before transfers	22,663,308	5,593,750	17,886,259	15,005,379	40,549,567	20,599,129
Transfers	2,973,022	2,864,395	(2,973,022)	(2,864,395)	0	0
Increase (decrease) in net position	25,636,330	8,458,145	14,913,237	12,140,984	40,549,567	20,599,129
Net position – beginning	133,298,430	130,691,481	161,036,533	148,895,549	294,334,963	279,587,030
Prior period adjustment	5,307,763	(5,851,196)	0	0	5,307,763	(5,581,196)
Net position – restated	138,606,193	124,840,285	161,036,533	148,895,549	299,642,726	273,735,834
Net position – ending	<b>\$164,242,523</b>	<b>\$133,298,430</b>	<b>\$175,949,770</b>	<b>\$161,036,533</b>	<b>\$340,192,293</b>	<b>\$294,334,963</b>

- The city's property tax rate remained at \$2.060 per \$100 of assessed value in fiscal year 2021. Tax revenues increased \$3,046,183 from FY2020.
- Operating grants and contributions increased \$8,907,023 due to a combination of increases in federal, state and local funds received for education and public safety.
- Capital grants and contributions increased \$6,895,186 relating to education and public works projects.
- Cleveland's second largest revenue source is local sales tax which increased \$1,841,699. In Tennessee, the first half of local sales tax goes to education based upon average daily attendance. The second half is generally distributed between cities and counties based upon whether the sale occurred in the city or the county; however, Cleveland and Bradley County's local sales tax (second half) is distributed according to a local agreement, instead of the state's situs-based formula. However, the 2010 half cent increase is outside this agreement and follows the state formula.
- Expenses increased \$400,375 primarily for education and public works.

**Expenses and Program Revenues – Governmental Activities**



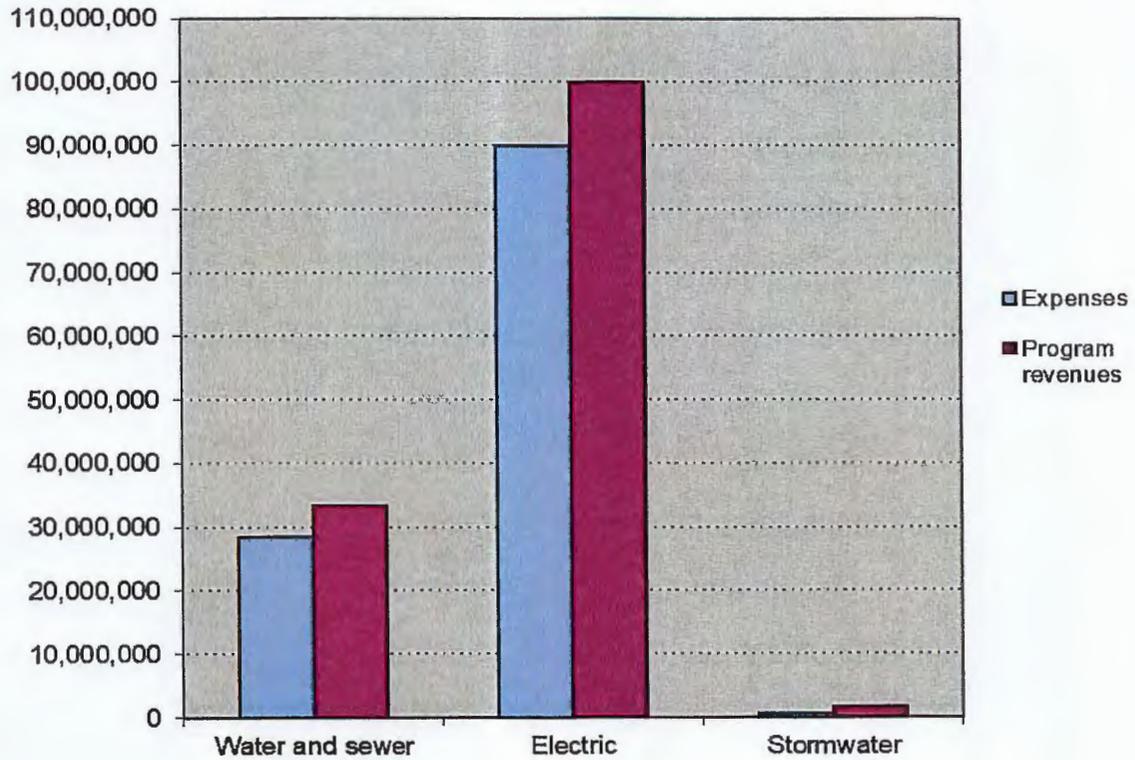
### Revenues by Source – Governmental Activities



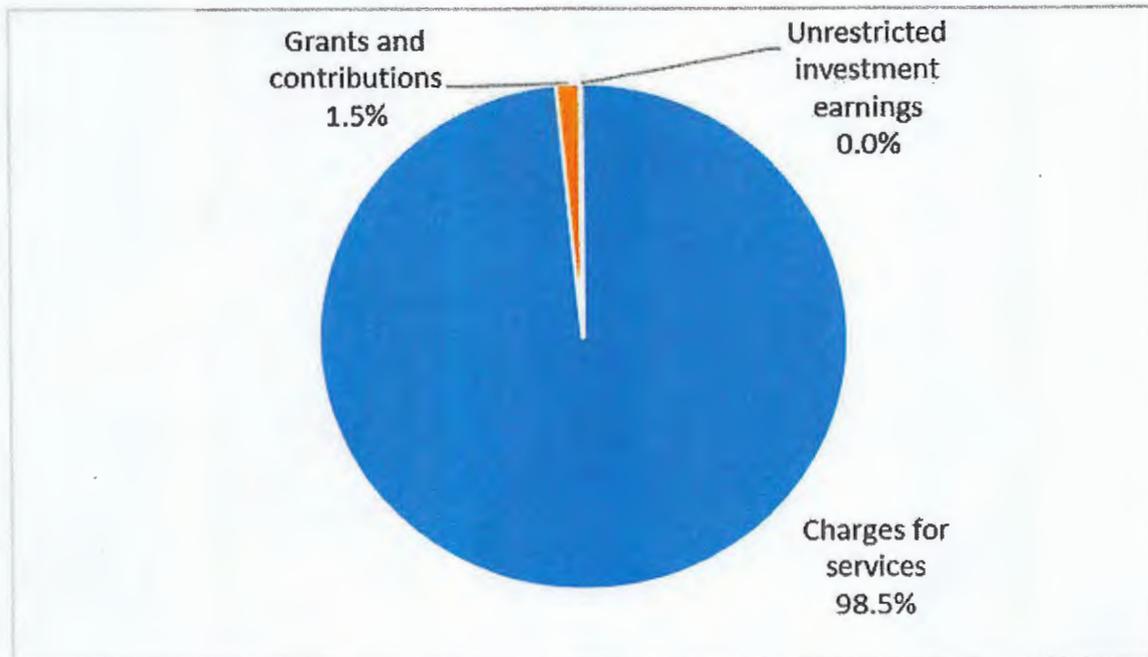
**Business-type activities.** Business-type activities increased the City of Cleveland's net position by \$14,913,237.

- Charges for services increased \$2,074,881. This increase is attributed primarily to the water and sewer division of Cleveland Utilities.
- Capital grants and contributions increased \$603,351 primarily for water, sewer and electric projects.
- Expenses for business-type activities decreased \$599,170. The most significant changes in expenses were in the electric division of Cleveland Utilities.

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



### Revenues by Source – Business-type Activities



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

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

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

As of the end of the current fiscal year, the City of Cleveland's governmental funds reported combined ending fund balances of \$65,530,570, an increase of \$17,092,922. The combined fund balance is broken down as follows:

- \$766,627 is non-spendable consisting of inventories and permanent fund principal
- \$20,937,312 is restricted for limited use in law enforcement, community development, street improvements, capital outlay, education, animal control and retirement funds
- \$1,262,417 is committed by the City Council for use by Solid Waste Management
- \$15,336,314 is assigned for designated use for education, the library, debt service and capital outlay
- \$27,227,900 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 \$27,227,900. Unassigned fund balance represents 75.8% of general fund expenditures. However, the unassigned fund balance only represents 53.5% 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 \$6,637,296 during the current fiscal year. City revenues were \$3,163,476 higher than final budgeted amounts. City departments kept expenditures under budget by \$3,148,091. The fund balance of the School Fund increased \$2,493,244.

The debt service fund has a total fund balance of \$5,986,879. The net decrease in fund balance during the current year was \$521,455.

**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 \$4,480,751 for the Cleveland Utilities Water Division, \$13,764,621 for Cleveland Utilities Electric Division, \$1,773,507 for Stormwater Management and \$913,859 for the Health Insurance Trust Fund.

## **General Fund Budgetary Highlights**

General fund revenues were amended during the year to increase \$991,824. General fund expenditures were amended to increase \$167,930 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 \$3,163,476. This was primarily due to higher tax collections and intergovernmental revenues.

Differences between the final amended budget and actual expenditures were \$3,148,091. 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, 2021 amounts to \$458,557,856 (net of accumulated depreciation), which is a \$21,798,188 increase over last fiscal year. This investment in capital assets includes land, buildings, other improvements, equipment, and infrastructure.

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

- General government added \$1,260,128 in equipment and improvements.
- Public Safety added \$1,431,999 in police patrol units and equipment for the fire department.
- Public Works added \$4,768,610 primarily in road and sidewalk infrastructure and other improvements.
- Parks and Recreation added \$371,675 in parks, equipment and recreation center improvements.
- Cleveland City Schools added \$9,481,788 in building improvements and equipment.

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

	Governmental Activities		Business-type Activities		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Land	\$ 38,073,782	\$ 37,543,154	\$ 3,302,702	\$ 3,175,470	\$ 41,376,484	\$ 40,718,624
Buildings and Systems	107,096,420	101,191,352	203,408,450	194,761,370	310,504,870	295,952,722
Improvements other than buildings	18,428,178	16,439,267	0	0	18,428,178	16,439,267
Furniture, fixtures, equipment & vehicles	12,059,694	8,037,842	0	0	12,059,694	8,037,842
Infrastructure	47,017,145	45,127,494	0	0	47,017,145	45,127,494
Construction in Progress	7,930,781	11,543,364	21,240,704	18,940,355	29,171,485	30,483,719
<b>Total</b>	<b>\$230,606,000</b>	<b>\$219,882,473</b>	<b>\$227,951,856</b>	<b>\$216,877,195</b>	<b>\$458,557,856</b>	<b>\$436,759,668</b>

Additional information on the City of Cleveland's capital assets can be found in Note 4 on pages 76-77 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Cleveland had total debt outstanding of \$152,845,744. Of this amount, \$68,677,000 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 \$42,300,000 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 \$3,018,878 for city general projects and \$24,747,236 for Cleveland Utilities. The City had no capital leases outstanding at the end of the year.

## 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	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
General obligation bonds	68,677,000	50,137,000	0	0	68,677,000	50,137,000
Long-term notes issued through various agencies in TN	3,018,878	20,755,139	24,747,236	33,348,101	27,766,114	54,103,240
Capital leases	0	7,633,437	0	0	0	7,633,437
Revenue bonds	0	0	42,300,000	32,615,000	42,300,000	32,615,000
Less bond discount/ Premiums	8,989,151	5,623,246	5,113,479	1,533,439	14,102,630	7,156,685
<b>Total</b>	<b>80,685,029</b>	<b>84,148,822</b>	<b>72,160,715</b>	<b>67,496,540</b>	<b>152,845,744</b>	<b>151,645,362</b>

In November 2020, the City of Cleveland issued debt in the principal amount of \$27,450,000 to currently refund debt with an outstanding balance of \$30,423,323. The bonds issued are at a fixed rate and mature December 1, 2037.

Also in November 2020, the City of Cleveland on behalf of Cleveland Utilities issued debt with a par value of \$22,425,000. The bonds will provide \$6,000,000 in new loan proceeds and refund existing debt of \$19,522,500. The bonds are at a fixed rate and will mature December 1, 2037.

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

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

State statutes do not limit the amount of general obligation debt a governmental entity may issue; however, the city has adopted a financial policy which limits long-term debt to 10 percent of its total assessed valuation. This calculation does not include revenue bonds issued for improvements in the electric and water systems. The city's legal debt margin at June 30, 2021 is \$59,570,361 and is calculated on page 191 of this report.

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

- The June 2021 unemployment rate for Cleveland was 5.6 percent, which is an increase from 1.2 percent as of June 2020. Bradley County's unemployment rate decreased increased to 5.6 percent from 8.8 percent the previous year. Tennessee's average unemployment rate was 4.9 percent and the national average rate was 5.9 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 1.6 percent over FY2020. 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 2022 fiscal year. Management has again been conservative in estimating revenues for 2022.

## **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.

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## **BASIC FINANCIAL STATEMENTS**

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF NET POSITION  
June 30, 2021

	Primary Government		
	Governmental Activities	Business- type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 60,425,115	\$ 39,890,231	\$ 100,315,346
Cash and cash equivalents - restricted	0	9,314	9,314
Investments	254,874	0	254,874
Investments - restricted	459,936	0	459,936
Accounts receivable - net	1,451,832	19,036,701	20,488,533
Property taxes receivable - net	27,432,436	0	27,432,436
Sales tax receivable	4,340,212	0	4,340,212
Due from other government agencies	13,822,306	0	13,822,306
Internal balances	935,000	(935,000)	0
Inventories	252,419	2,503,373	2,755,792
Prepays	41,254	296,703	337,957
Total current assets	<u>\$ 109,415,384</u>	<u>\$ 60,801,322</u>	<u>\$ 170,216,706</u>
<b>Noncurrent assets:</b>			
Receivable from customers for conservation loans	\$ 0	\$ 1,404,503	\$ 1,404,503
Other noncurrent assets	0	1,480,929	1,480,929
Net pension asset - restricted	5,152,351	0	5,152,351
<b>Restricted assets:</b>			
Amounts accumulated for pension benefits	404,738	0	404,738
<b>Capital assets:</b>			
Land and construction in progress	46,004,563	24,543,406	70,547,969
Other capital assets, net of accumulated depreciation	184,601,437	203,408,450	388,009,887
Total noncurrent assets	<u>\$ 236,163,089</u>	<u>\$ 230,837,288</u>	<u>\$ 467,000,377</u>
Total Assets	<u>\$ 345,578,473</u>	<u>\$ 291,638,610</u>	<u>\$ 637,217,083</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	\$ 415,756	\$ 429,909	\$ 845,665
Deferred outflows - pensions	11,726,874	7,466,236	19,193,110
Deferred outflows - opeb	7,470,364	978,674	8,449,038
Total Deferred Outflows of Resources	<u>\$ 19,612,994</u>	<u>\$ 8,874,819</u>	<u>\$ 28,487,813</u>

	Primary Government		
	Governmental Activities	Business- type Activities	Total
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accrued liabilities	\$ 5,528,887	\$ 3,742,858	\$ 9,271,745
Accounts payable	3,138,223	11,736,100	14,874,323
Customer deposits	0	3,870,230	3,870,230
Bonds, notes and capital leases - current	5,168,423	5,768,996	10,937,419
Compensated absences payable - current	253,268	0	253,268
<b>Total current liabilities</b>	<b>\$ 14,088,801</b>	<b>\$ 25,118,184</b>	<b>\$ 39,206,985</b>
<b>Long-term liabilities:</b>			
Conservation advances from TVA	\$ 0	\$ 1,466,052	\$ 1,466,052
Other noncurrent liabilities	0	1,841,350	1,841,350
Bonds, notes and capital leases payable	75,516,606	66,391,719	141,908,325
Compensated absences payable	2,279,411	0	2,279,411
Post-employment benefits payable	55,430,835	14,294,973	69,725,808
Net pension liability	12,093,338	12,967,474	25,060,812
<b>Total long-term liabilities</b>	<b>\$ 145,320,190</b>	<b>\$ 96,961,568</b>	<b>\$ 242,281,758</b>
<b>Total Liabilities</b>	<b>\$ 159,408,991</b>	<b>\$ 122,079,752</b>	<b>\$ 281,488,743</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	\$ 32,930,685	\$ 0	\$ 32,930,685
Deferred revenue - other	9,880	0	9,880
Deferred charge on refunding	47,683	299,473	347,156
Deferred inflows - pensions	2,451,142	44,431	2,495,573
Deferred inflows - opeb	6,100,563	2,140,003	8,240,566
<b>Total Deferred Inflows of Resources</b>	<b>\$ 41,539,953</b>	<b>\$ 2,483,907</b>	<b>\$ 44,023,860</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 150,289,044	\$ 155,930,891	\$ 306,219,935
Restricted for:			
Law enforcement	237,308	0	237,308
Community development - federal grants	46,068	0	46,068
Street improvements	2,266,000	0	2,266,000
Capital outlay	17,941,898	0	17,941,898
Education	41,300	0	41,300
Pension	5,557,087	0	5,557,087
Perpetual care:			
Nonexpendable	473,636	0	473,636
Unrestricted	(12,609,818)	20,018,879	7,409,061
<b>Total Net Position</b>	<b>\$ 164,242,523</b>	<b>\$ 175,949,770</b>	<b>\$ 340,192,293</b>

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position	
	Charges for Services		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
	Expenses						
Primary government:							
Governmental activities:							
General government	\$ 4,475,964	\$ 935,587	\$ 146,796	\$ 0	\$ (3,393,581)	\$ 0	\$ (3,393,581)
Development and engineering	2,055,406	536,627	350,355	402,687	(765,737)	0	(765,737)
Public safety	24,382,352	986,320	876,908	0	(22,519,124)	0	(22,519,124)
Public works	11,760,654	3,592,220	1,494,081	2,822,457	(3,851,896)	0	(3,851,896)
Health and welfare	716,655	37,552	137	0	(678,966)	0	(678,966)
Culture and recreation	5,246,725	75,561	716,349	117,962	(4,336,853)	0	(4,336,853)
Education	60,039,485	179,766	59,811,547	5,520,027	5,471,855	0	5,471,855
Interest on long-term debt	3,029,596	0	0	0	(3,029,596)	0	(3,029,596)
Total governmental activities	\$ 111,706,837	\$ 6,343,633	\$ 63,396,173	\$ 8,863,133	\$ (33,103,898)	\$ 0	\$ (33,103,898)
Business-type activities:							
Water and sewer	\$ 28,485,251	\$ 33,314,124	\$ 0	\$ 1,332,427	\$ 0	\$ 6,161,300	\$ 6,161,300
Electric	90,020,984	100,050,298	276,966	402,873	0	10,709,153	10,709,153
Stormwater management	606,165	1,564,682	0	0	0	958,517	958,517
Total business-type activities	\$ 119,112,400	\$ 134,929,104	\$ 276,966	\$ 1,735,300	\$ 0	\$ 17,828,970	\$ 17,828,970
Total primary government	\$ 230,819,237	\$ 141,272,737	\$ 63,673,139	\$ 10,598,433	\$ (33,103,898)	\$ 17,828,970	\$ (15,274,928)
General revenues:							
Property taxes					\$ 26,167,522	\$ 0	\$ 26,167,522
Interest and penalty on taxes					230,767	0	230,767
In lieu of taxes					1,085,511	0	1,085,511
Local sales tax					17,448,218	0	17,448,218
Wholesale beer tax					1,553,649	0	1,553,649
Gross receipts tax					1,617,969	0	1,617,969
Franchise tax					901,996	0	901,996
State sales tax - unrestricted					4,441,358	0	4,441,358
Other state taxes - unrestricted					1,364,522	0	1,364,522
Grants and contributions not restricted to specific programs					808,113	0	808,113
Unrestricted investment earnings					204,974	57,289	262,263
Loss on disposal of capital assets					(57,393)	0	(57,393)
Transfers					2,973,022	(2,973,022)	0
Total general revenues and transfers					\$ 58,740,228	\$ (2,915,733)	\$ 55,824,495
Change in net position					\$ 25,636,330	\$ 14,913,237	\$ 40,549,567
Net position - beginning					\$ 133,298,430	\$ 161,036,533	\$ 294,334,963
Prior Period Adjustment					5,307,763	0	5,307,763
Net position - beginning (restated)					\$ 138,606,193	\$ 161,036,533	\$ 299,642,726
Net position - ending					\$ 164,242,523	\$ 175,949,770	\$ 340,192,293

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

CITY OF CLEVELAND, TENNESSEE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	General Fund	School Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 24,836,340	\$ 7,328,667	\$ 27,023,116	\$ 59,188,123
Investments	0	0	254,874	254,874
Investments - restricted	0	0	459,936	459,936
Accounts receivable - net	1,058,982	0	384,023	1,443,005
Property taxes receivable - net	27,432,436	0	0	27,432,436
Sales tax receivable	3,010,061	1,330,151	0	4,340,212
Due from other government agencies	454,477	8,153,834	5,213,995	13,822,306
Due from other funds	814	2,687,624	935,000	3,623,438
Inventories	252,419	0	0	252,419
Prepays	682	0	40,572	41,254
Restricted assets	0	404,738	0	404,738
<b>Total Assets</b>	<b>\$ 57,046,211</b>	<b>\$ 19,905,014</b>	<b>\$ 34,311,516</b>	<b>\$ 111,262,741</b>
<b>LIABILITIES</b>				
Accrued liabilities	\$ 1,502,690	\$ 3,514,284	\$ 359,451	\$ 5,376,425
Accounts payable	554,988	519,787	1,731,486	2,806,261
Due to other funds	0	0	2,688,438	2,688,438
Unearned revenue	0	0	9,880	9,880
<b>Total Liabilities</b>	<b>\$ 2,057,678</b>	<b>\$ 4,034,071</b>	<b>\$ 4,789,255</b>	<b>\$ 10,881,004</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - current property taxes	\$ 25,707,733	\$ 7,256,168	\$ 0	\$ 32,963,901
Unavailable revenue - delinquent property taxes	1,621,629	66,498	0	1,688,127
Unavailable revenue - other	169,902	29,237	0	199,139
<b>Total Deferred Inflows of Resources</b>	<b>\$ 27,499,264</b>	<b>\$ 7,351,903</b>	<b>\$ 0</b>	<b>\$ 34,851,167</b>
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Inventory	\$ 252,419	\$ 0	\$ 0	\$ 252,419
Prepaid items	0	0	40,572	40,572
Permanent fund principal	0	0	473,636	473,636
<b>Restricted for:</b>				
Law enforcement	0	0	237,308	237,308
Community development - federal grants	0	0	46,068	46,068
Street improvements	0	0	2,266,000	2,266,000
Capital outlay	8,950	0	17,932,948	17,941,898
Education	0	26,044	15,256	41,300
Animal Control	0	0	0	0
Hybrid retirement stabilization funds	0	404,738	0	404,738
<b>Committed to:</b>				
Solid Waste	0	0	1,262,417	1,262,417
<b>Assigned to:</b>				
Education	0	8,088,258	685,867	8,774,125
Library	0	0	533,942	533,942
Debt service	0	0	5,986,879	5,986,879
Capital outlay	0	0	41,368	41,368
Unassigned	27,227,900	0	0	27,227,900
<b>Total Fund Balances</b>	<b>\$ 27,489,269</b>	<b>\$ 8,519,040</b>	<b>\$ 29,522,261</b>	<b>\$ 65,530,570</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 57,046,211</b>	<b>\$ 19,905,014</b>	<b>\$ 34,311,516</b>	<b>\$ 111,262,741</b>

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

CITY OF CLEVELAND, TENNESSEE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2021

Total fund balances per governmental funds balance sheet	\$	65,530,570
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		230,606,000
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.		(145,741,992)
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.		913,859
The net difference on debt refunding is deferred and expensed over the life of the refunding debt issue.		368,071
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.		9,275,732
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.		1,369,801
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		1,920,482
Net position of governmental activities	<u>\$</u>	<u>164,242,523</u>

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2021

	General Fund	School Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 44,446,539	\$ 0	\$ 4,907,348	\$ 49,353,887
Licenses and permits	1,409,179	0	0	1,409,179
Intergovernmental	6,721,889	48,064,655	22,782,292	77,568,836
Fines and forfeitures	389,243	0	57,481	446,724
Charges for services	1,227,094	110,155	3,142,814	4,480,063
Interest	23,791	108,306	72,876	204,973
Miscellaneous	306,965	541,900	591,018	1,439,883
<b>Total revenues</b>	<b>\$ 54,524,700</b>	<b>\$ 48,825,016</b>	<b>\$ 31,553,829</b>	<b>\$ 134,903,545</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 3,700,039	\$ 0	\$ 216,897	\$ 3,916,936
Development and engineering	1,614,337	0	391,173	2,005,510
Public safety	21,466,173	0	34,847	21,501,020
Public works	4,662,314	0	4,310,535	8,972,849
Health and welfare	528,060	0	0	528,060
Culture and recreation	2,622,113	0	1,385,668	4,007,781
Education	0	50,915,113	10,955,584	61,870,697
Appropriations	1,338,092	0	0	1,338,092
Capital outlay	0	6,000	9,392,114	9,398,114
<b>Debt service:</b>				
Principal retirement	0	141,506	5,229,047	5,370,553
Interest and fiscal charges	0	20,740	3,533,613	3,554,353
<b>Total expenditures</b>	<b>\$ 35,931,128</b>	<b>\$ 51,083,359</b>	<b>\$ 35,449,478</b>	<b>\$ 122,463,965</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 18,593,572</b>	<b>\$ (2,258,343)</b>	<b>\$ (3,895,649)</b>	<b>\$ 12,439,580</b>
<b>Other financing sources (uses):</b>				
Transfers in	\$ 2,973,022	\$ 5,432,806	\$ 10,178,395	\$ 18,584,223
Transfers out	(14,929,298)	(681,219)	(450,684)	(16,061,201)
Notes issued	0	0	1,514,178	1,514,178
Refunding bonds issued	0	0	27,450,000	27,450,000
Premiums on bonds issues	0	0	3,913,381	3,913,381
Payment to refunding escrow agent	0	0	(30,747,239)	(30,747,239)
<b>Total other financing sources (uses)</b>	<b>\$ (11,956,276)</b>	<b>\$ 4,751,587</b>	<b>\$ 11,858,031</b>	<b>\$ 4,653,342</b>
<b>Net change in fund balances</b>	<b>\$ 6,637,296</b>	<b>\$ 2,493,244</b>	<b>\$ 7,962,382</b>	<b>\$ 17,092,922</b>
<b>Fund balance at beginning of year</b>	<b>20,851,973</b>	<b>6,025,796</b>	<b>21,559,879</b>	<b>48,437,648</b>
<b>Fund balance at end of year</b>	<b>\$ 27,489,269</b>	<b>\$ 8,519,040</b>	<b>\$ 29,522,261</b>	<b>\$ 65,530,570</b>

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, 2021

Net change in fund balances for total governmental funds \$ 17,092,922

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. 5,745,504

Governmental funds report only the proceeds from the sale of assets and do not take into effect the cost of capital assets sold. (329,740)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (443,821)

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. 36,117,792

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. (32,877,559)

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. 22,047

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net change in accrued interest	\$	19,084	
Amortization of deferred outflows		(41,803)	
Amortization of bond premiums		547,476	
Change in compensated absences		84,635	
Change in net pension asset		(1,685,242)	
Change in net pension liability		(858,294)	
Change in opeb liability		(2,492,594)	
Change in deferred outflows related to pensions		183,350	
Change in deferred outflows related to opeb		29,411	
Change in deferred inflows related to pensions		4,652,149	
Change in deferred inflows related to opeb		(128,987)	
Total additional expenditures		309,185	

Change in net position of governmental activities \$ 25,636,330

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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
<b>Taxes:</b>				
Property taxes - real estate	\$ 26,350,000	\$ 25,850,000	\$ 26,113,900	\$ 263,900
Property taxes - utility	425,000	425,000	401,876	(23,124)
Interest and penalty on taxes	225,000	225,000	230,767	5,767
In lieu of taxes	425,000	1,085,511	1,085,511	0
Local sales tax	10,400,000	10,400,000	12,540,871	2,140,871
Wholesale beer tax	1,550,000	1,550,000	1,553,649	3,649
Gross receipts tax	1,350,000	1,350,000	1,617,969	267,969
Franchise taxes - gas	450,000	450,000	414,184	(35,816)
Franchise taxes - charter	525,000	525,000	487,812	(37,188)
Total taxes	<u>\$ 41,700,000</u>	<u>\$ 41,860,511</u>	<u>\$ 44,446,539</u>	<u>\$ 2,586,028</u>
<b>Licenses and permits:</b>				
Beer licenses	\$ 4,000	\$ 4,000	\$ 2,300	\$ (1,700)
Beer renewal fee	15,500	15,500	14,050	(1,450)
Liquor renewal license	44,000	44,000	41,375	(2,625)
Alcohol inspection fee	625,000	625,000	745,019	120,019
Building permits	325,000	325,000	323,626	(1,374)
Electrical permits	12,500	27,500	29,995	2,495
Electricians' licenses	18,000	18,000	18,635	635
Mechanical permits	23,000	23,000	29,140	6,140
Mechanical licenses	8,500	8,500	9,600	1,100
Plumbing permits	47,500	47,500	57,081	9,581
Plumbing licenses	10,000	10,000	9,875	(125)
Natural gas permits	5,000	5,000	6,526	1,526
Street cut permits	75,000	75,000	60,967	(14,033)
Pud rezoning fee	7,000	7,000	4,050	(2,950)
Zoning appeal fee	4,000	4,000	2,700	(1,300)
Zoning letter fee	1,200	1,200	675	(525)
Minor encroachment fee	500	500	100	(400)
Certificate of appropriateness	1,000	1,000	740	(260)
Recreation permits and maintenance fee	9,000	9,000	8,841	(159)
Plat review fee	4,800	4,800	4,305	(495)
Plans review fee	30,000	30,000	25,329	(4,671)
Certificate of occupancy	10,000	10,000	13,050	3,050
Alley or street abandonment fee	300	300	150	(150)
Wrecker permit fees	1,800	1,800	1,050	(750)
Taxicab driver fees	700	700	0	(700)
Total licenses and permits	<u>\$ 1,283,300</u>	<u>\$ 1,298,300</u>	<u>\$ 1,409,179</u>	<u>\$ 110,879</u>
<b>Intergovernmental revenues:</b>				
Federal grant - protective vest	\$ 0	\$ 10,924	\$ 14,149	\$ 3,225
Police training supplement	84,000	84,000	78,400	(5,600)
Fire training supplement	60,000	82,400	82,400	0
State - Highway Safety Grant	0	45,000	25,423	(19,577)
State - Child Safety Grant	0	0	1,926	1,926
State - TN Cares Act	0	0	674,610	674,610

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Intergovernmental revenues - (Continued):				
State sales tax	\$ 3,750,000	\$ 3,750,000	\$ 4,441,358	\$ 691,358
State income tax	125,000	125,000	186,569	61,569
State beer tax	22,500	22,500	19,546	(2,954)
State mixed drink tax	145,000	145,000	172,069	27,069
State gas inspection tax	91,300	91,300	81,963	(9,337)
State sports gaming	0	0	23,908	23,908
State highway maintenance tax	175,000	175,000	171,805	(3,195)
TVA - In lieu of taxes	500,000	500,000	472,674	(27,326)
Excise tax	185,000	275,089	275,089	0
Total intergovernmental revenues	<u>\$ 5,137,800</u>	<u>\$ 5,306,213</u>	<u>\$ 6,721,889</u>	<u>\$ 1,415,676</u>
Fines and forfeitures:				
Traffic tickets	\$ 400,000	\$ 225,000	\$ 107,883	\$ (117,117)
Parking tickets	25,000	12,500	3,510	(8,990)
Animal Control tickets	1,500	1,500	1,000	(500)
Code enforcement fines	7,500	7,500	1,280	(6,220)
Fines and costs partial payments	0	0	1,489	1,489
Court clerk fees	5,200	5,200	57,900	52,700
Drug fines	21,000	21,000	26,964	5,964
Sessions court	55,000	55,000	71,556	16,556
Circuit court	15,000	15,000	10,014	(4,986)
Officers - sessions court	84,000	84,000	87,202	3,202
Officers - circuit court	7,500	7,500	6,840	(660)
State refunds	6,000	6,000	2,755	(3,245)
Arson fines	0	0	50	50
Sex offender registry	10,000	10,200	10,800	600
Total fines and forfeitures	<u>\$ 637,700</u>	<u>\$ 450,400</u>	<u>\$ 389,243</u>	<u>\$ (61,157)</u>
Charges for services:				
Police protection	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
Fire inspection fees	1,000	1,400	1,600	200
Police accidents report	7,500	7,500	0	(7,500)
Police department contracted services	25,000	150,000	153,600	3,600
Contracted services E911	145,000	145,000	131,563	(13,437)
Jetport maintenance	0	15,000	15,000	0
Fleet Management - city services	110,000	110,000	48,185	(61,815)
Fleet Management - outside services	75,000	85,000	0	(85,000)
GIS services stormwater	30,000	30,000	30,000	0
GIS services 911 center	6,000	6,000	6,000	0
Stormwater fees	105,000	105,000	105,000	0
Animal Control - boarding fees	48,500	48,500	33,230	(15,270)
Tinsley pool gate	17,000	17,000	4,043	(12,957)
Tinsley pool rental	4,000	4,000	0	(4,000)
Tinsley Park concessions	7,500	7,500	4,818	(2,682)
Tinsley Park rental	500	500	150	(350)

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Charges for services - (Continued):				
Cleveland Community Center	\$ 17,000	\$ 17,000	\$ 0	\$ (17,000)
College Hill concessions	15,000	15,000	2,429	(12,571)
College Hill cheerleading	3,600	3,600	0	(3,600)
Recreational program fees	0	30,000	33,641	3,641
College Hill program fees	8,000	8,000	135	(7,865)
Park and recreation miscellaneous	10,000	10,060	275	(9,785)
Jetport-ground/land lease	153,000	153,000	165,700	12,700
Jetport T/hangar rent	35,000	35,000	30,900	(4,100)
Jetport terminal bldg rental	7,000	7,000	2,385	(4,615)
Jetport community hangars	24,000	24,000	29,750	5,750
Jetport donations	17,500	17,500	0	(17,500)
Jetport video adv	5,000	5,000	5,000	0
Jetport special events	0	0	2,970	2,970
Fuel flowage fee (.12 cents)	35,000	35,000	23,433	(11,567)
Variable rent - CFM (.10 cents)	27,000	27,000	16,611	(10,389)
SRO - schools	350,000	350,000	330,676	(19,324)
Total charges for services	<u>\$ 1,339,100</u>	<u>\$ 1,519,560</u>	<u>\$ 1,227,094</u>	<u>\$ (292,466)</u>
Interest:				
Interest - checking	\$ 220,000	\$ 30,000	\$ 23,691	\$ (6,309)
Interest - payroll	5,000	0	100	100
Total interest	<u>\$ 225,000</u>	<u>\$ 30,000</u>	<u>\$ 23,791</u>	<u>\$ (6,209)</u>
Miscellaneous revenues:				
Sale of plans	\$ 0	\$ 0	\$ 750	\$ 750
Sale of scrap metal	0	0	2,005	2,005
Donations - memorial tree fund	0	10,090	11,490	1,400
Old timers banquet	3,000	3,000	0	(3,000)
Sign and decal reimbursement	3,000	3,000	1,996	(1,004)
Donations - Cleveland police department	0	0	400	400
TML safety grant matching	2,000	3,996	3,996	0
TML package bonus	5,000	5,000	5,000	0
TML driver safety grant	5,000	5,000	5,000	0
TML property conservation grant	0	5,000	5,000	0
Greenway Pavilion rental	5,000	5,000	4,345	(655)
Greenway benches donations	0	8,950	8,950	0
Miscellaneous insurance	0	11,248	18,940	7,692
CPD basic SWAT class	0	6,000	500	(5,500)
Animal Control pet adoptions	0	3,131	3,322	191
TML reimbursement for police vehicles	0	0	6,690	6,690
Fire miscellaneous reports	0	0	85	85
TML reimbursement for property damage	0	0	30,055	30,055
TML salary reimbursement	0	0	895	895
Miscellaneous income	7,500	807,117	151,682	(655,435)

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues - (Continued):				
Miscellaneous revenues - (Continued):				
Sundry income - clerk and master	\$ 16,000	\$ 16,000	\$ 10,649	\$ (5,351)
Other sundry	0	3,708	35,215	31,507
Total miscellaneous revenues	<u>\$ 46,500</u>	<u>\$ 896,240</u>	<u>\$ 306,965</u>	<u>\$ (589,275)</u>
Total revenues	<u>\$ 50,369,400</u>	<u>\$ 51,361,224</u>	<u>\$ 54,524,700</u>	<u>\$ 3,163,476</u>
Expenditures:				
Current :				
General government:				
Legislative and judicial:				
Salaries - administrative	\$ 206,330	\$ 206,330	\$ 202,776	\$ 3,554
Service awards	100	100	100	0
Longevity	4,300	4,300	4,125	175
Sold vacations	3,650	3,650	3,639	11
Christmas bonus	450	450	325	125
Sick pay incentive	300	300	300	0
Dental insurance	6,650	6,650	6,454	196
Social security	17,000	17,000	15,351	1,649
Health insurance	95,500	95,500	94,296	1,204
Retirement	37,000	37,000	34,096	2,904
Life and disability insurance	2,500	2,500	1,773	727
Vision insurance	1,600	1,600	1,178	422
Election	15,000	5,503	68	5,435
Postage	500	500	10	490
Subscriptions and memberships	2,500	2,500	275	2,225
Advertising	2,000	2,000	1,107	893
Telephone and pager	20,000	20,000	16,395	3,605
Contracted services	2,500	2,500	1,653	847
Professional services	0	0	1,057	(1,057)
Equipment maintenance	1,000	500	0	500
Building and grounds maintenance	500	9,724	10,150	(426)
Emergency repairs	10,000	10,000	5,597	4,403
Professional development	3,000	3,000	409	2,591
Departmental work sessions	4,500	4,503	461	4,042
Office	10,200	10,200	7,673	2,527
Insurance - general liability	2,500	1,300	1,257	43
Insurance - worker's compensation	500	773	773	0
Employee appreciation	11,500	11,500	11,500	0
Miscellaneous	500	500	554	(54)
Equipment	1,500	300	0	300
Hardware	1,500	4,400	3,374	1,026
Software	150	150	0	150
Total legislative and judicial	<u>\$ 465,230</u>	<u>\$ 465,233</u>	<u>\$ 426,726</u>	<u>\$ 38,507</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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Administration:				
Salaries	\$ 435,500	\$ 415,500	\$ 320,863	\$ 94,637
Overtime wages	2,000	2,000	0	2,000
Part time wages	18,000	18,000	400	17,600
Longevity	6,000	6,000	5,925	75
Sold vacations	9,500	9,500	7,528	1,972
Christmas bonus	700	700	426	274
College pay	500	500	0	500
Sick pay incentive	1,600	1,600	775	825
Dental insurance	5,100	5,100	4,397	703
Social security	37,900	37,900	25,077	12,823
Health insurance	79,000	79,000	60,795	18,205
Retirement	80,700	80,700	61,276	19,424
Life and disability insurance	5,600	5,600	3,540	2,060
Vision insurance	1,000	1,000	600	400
Employee assistance program	9,500	0	0	0
Laundry and dry cleaning	2,600	2,600	118	2,482
Postage	2,000	2,008	1,612	396
GPS service	200	200	66	134
Public education programs	8,000	7,400	108	7,292
Subscriptions and memberships	6,000	6,000	3,023	2,977
Advertising	9,000	2,500	2,452	48
Utilities	15,500	19,100	27,208	(8,108)
Telephone	12,000	12,000	6,356	5,644
Professional services	0	16,500	13,953	2,547
Vehicle maintenance	1,000	1,000	39	961
Building and grounds maintenance	11,100	11,100	7,316	3,784
Car allowance	9,000	8,612	4,650	3,962
Professional development	7,000	4,000	592	3,408
Department work sessions	1,000	1,000	990	10
Office supplies	14,200	14,371	4,956	9,415
Uniforms	0	600	505	95
Gasoline	1,500	1,500	114	1,386
Insurance - buildings and contents	6,600	6,658	6,657	1
Insurance - vehicles	300	300	235	65
Insurance - general liability	5,000	3,000	2,319	681
Insurance - worker's compensation	2,000	2,388	3,556	(1,168)
Insurance - professional liability	35,000	34,942	34,172	770
Security	1,000	1,000	0	1,000
Miscellaneous	500	500	842	(342)
Equipment	6,000	6,000	0	6,000
Hardware	3,000	3,000	322	2,678
Software	6,000	1,000	0	1,000
Total administration	<u>\$ 858,100</u>	<u>\$ 832,379</u>	<u>\$ 613,763</u>	<u>\$ 218,616</u>

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Finance:				
Salaries	\$ 482,200	\$ 482,200	\$ 432,945	\$ 49,255
Overtime wages	15,000	18,000	19,854	(1,854)
Part time wages	5,000	2,000	0	2,000
Service awards	350	350	250	100
Longevity	6,700	6,700	6,675	25
Sold vacations	6,500	8,300	8,256	44
Christmas bonus	1,100	1,100	975	125
Sick pay incentive	1,800	1,800	1,800	0
Dental insurance	4,600	4,600	4,828	(228)
Social security	39,700	39,700	36,639	3,061
Health insurance	88,000	88,000	88,177	(177)
Retirement	84,000	84,000	79,315	4,685
Life and disability insurance	6,100	6,100	5,112	988
Vision insurance	1,400	1,400	1,292	108
Pre-employment	0	180	180	0
Laundry and dry cleaning	600	420	0	420
Postage	9,000	9,000	5,059	3,941
GPS service	200	200	66	134
Subscriptions and memberships	2,000	2,000	1,637	363
Advertising	4,500	4,500	4,401	99
Utilities	12,000	12,000	8,333	3,667
Telephone	9,000	9,485	10,631	(1,146)
Legal fees	91,000	91,000	76,451	14,549
Audit fees	49,000	46,000	46,000	0
Reappraisal fee	55,000	53,700	53,700	0
Professional services	10,000	10,000	10,750	(750)
Vehicle maintenance	500	500	40	460
Building and grounds maintenance	9,100	12,100	10,373	1,727
Car allowance	4,200	4,200	4,300	(100)
Professional development	8,000	6,600	1,395	5,205
Department work sessions	1,000	1,000	0	1,000
Credit card fees	55,000	55,000	48,525	6,475
Office	35,500	35,500	29,714	5,786
OSHA supplies	100	100	0	100
Uniforms	0	1,400	1,400	0
Gasoline and oil	600	600	83	517
Insurance - buildings and contents	800	715	712	3
Insurance - vehicles	300	285	235	50
Insurance - general liability	4,700	3,543	3,543	0
Insurance - worker's compensation	1,200	800	726	74
Insurance - professional liability	34,000	34,172	34,172	0
Insurance - employee bonds	300	300	150	150

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Finance - (Continued):				
Miscellaneous	\$ 500	\$ 500	\$ 364	\$ 136
Bad debt	45,000	45,000	40,696	4,304
Equipment	7,500	2,900	0	2,900
Hardware	5,000	10,100	9,429	671
Software	113,200	0	0	0
Total finance	<u>\$ 1,311,250</u>	<u>\$ 1,198,050</u>	<u>\$ 1,089,183</u>	<u>\$ 108,867</u>
Human Resources:				
Salaries	\$ 196,515	\$ 196,515	\$ 195,994	\$ 521
Overtime	0	500	0	500
Part time employees	10,500	10,500	9,915	585
Service awards	0	75	75	0
Longevity	2,400	2,400	2,400	0
Sold vacation	5,600	5,600	3,584	2,016
Christmas bonus	324	434	433	1
College pay	280	280	280	0
Sick pay incentive	900	650	650	0
Dental insurance	1,250	1,250	1,014	236
Social security	15,100	15,100	17,016	(1,916)
Health insurance	33,000	33,000	24,136	8,864
Retirement	33,800	33,800	37,652	(3,852)
Life and disability insurance	2,000	2,250	2,303	(53)
Vision insurance	400	400	246	154
Employee assistance	0	9,500	12,672	(3,172)
Flex spending-City wide	12,000	12,225	11,634	591
Laundry and dry cleaning	300	300	163	137
Car allowance	4,200	4,200	4,300	(100)
Drug and alcohol testing	8,000	3,000	2,460	540
Telephone	1,200	3,500	3,288	212
Professional services	21,200	26,200	25,821	379
Equipment maintenance	11,500	11,500	10,743	757
Building and grounds maintenance	4,500	2,500	2,516	(16)
Professional development	4,000	(500)	0	(500)
Recruitment and training	3,000	3,000	2,581	419
Office supplies	3,200	5,400	4,918	482
OSHA supplies	100	100	13	87
Uniforms	700	700	700	0
Gasoline and oil	200	200	142	58
Grants	21,000	21,000	17,631	3,369
Insurance - general liability	800	1,115	1,115	0
Insurance - workers comp	300	1,300	1,198	102
Employee appreciation	10,000	10,000	4,296	5,704
Miscellaneous	500	500	393	107

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Human Resources - (Continued):				
Equipment	\$ 1,000	\$ 1,000	\$ 0	\$ 1,000
Hardware	2,000	2,000	1,718	282
Software	1,000	1,000	0	1,000
Total human resources	<u>\$ 412,769</u>	<u>\$ 422,494</u>	<u>\$ 404,000</u>	<u>\$ 18,494</u>
Codes Enforcement Division:				
Salaries	\$ 141,400	\$ 141,400	\$ 132,540	\$ 8,860
Overtime wages	1,000	1,000	0	1,000
Service awards	300	300	300	0
Longevity pay	3,400	3,400	3,375	25
Vacation pay	1,600	1,600	1,018	582
Christmas bonus	400	400	325	75
Sick pay incentive	600	600	250	350
Dental insurance	1,500	1,500	1,302	198
Social security tax	11,500	11,500	10,815	685
Health insurance	33,000	32,500	30,102	2,398
Retirement	25,600	25,600	25,291	309
Life and disability insurance	1,700	2,200	1,633	567
Vision insurance	400	400	350	50
Worker's comp claims	1,500	0	0	0
Laundry and dry cleaning	1,000	1,000	625	375
Postage	1,000	1,000	574	426
GPS services	1,200	1,200	526	674
Advertising	1,500	1,000	0	1,000
Telephone	4,500	4,800	5,840	(1,040)
Vehicle maintenance	3,000	3,000	2,745	255
Small equipment repairs/replacement	1,000	500	482	18
Professional development	3,000	200	0	200
Office supplies	3,100	3,100	1,972	1,128
Uniforms	1,500	1,600	1,565	35
Gasoline	2,000	2,000	1,328	672
Insurance - vehicles	1,500	700	636	64
Insurance - worker's compensation	400	6,610	6,608	2
Miscellaneous	500	290	0	290
Hardware	1,500	1,200	231	969
Software	8,600	8,600	8,600	0
Total codes enforcement division	<u>\$ 259,200</u>	<u>\$ 259,200</u>	<u>\$ 239,033</u>	<u>\$ 20,167</u>
Information Technology:				
Salaries	\$ 346,900	\$ 346,900	\$ 347,360	\$ (460)
Overtime wages	21,700	21,700	12,771	8,929
Part-time wages	10,400	10,400	678	9,722
Service awards	100	100	75	25
Longevity wages	4,200	4,200	4,200	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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
General government - (Continued):				
Information Technology - (Continued):				
Sold vacation pay	\$ 11,000	\$ 11,000	\$ 8,640	\$ 2,360
Christmas bonus	550	550	541	9
Sick pay incentive	1,200	1,200	1,150	50
Dental insurance	2,800	2,800	2,692	108
Social security taxes	30,800	30,800	28,786	2,014
Health insurance	66,000	66,000	63,037	2,963
Retirement	67,300	67,300	68,970	(1,670)
Life/disability insurance	4,600	4,600	3,911	689
Vision insurance	800	800	713	87
Laundry and dry cleaning	1,200	16	16	0
GPS service	300	300	131	169
Subscriptions and memberships	1,000	1,000	119	881
Telephone	6,500	10,984	10,646	338
GIS Services	69,000	69,000	52,277	16,723
Vehicle maintenance	500	200	65	135
Car allowance	4,200	4,200	4,231	(31)
Professional development	6,000	0	0	0
Dept work sessions	500	0	0	0
Office supplies	2,000	2,000	209	1,791
Uniforms	0	1,750	1,750	0
Gasoline	1,000	300	51	249
Insurance - vehicles	400	429	429	0
Insurance - general liability	4,100	2,871	2,791	80
Insurance - workers compensation	450	350	329	21
Miscellaneous	500	500	0	500
Hardware	20,000	23,750	19,378	4,372
Software	235,000	235,000	291,388	(56,388)
Total information technology	\$ 921,000	\$ 921,000	\$ 927,334	\$ (6,334)
Total general government	\$ 4,227,549	\$ 4,098,356	\$ 3,700,039	\$ 398,317
Development and engineering:				
Salaries	\$ 868,600	\$ 868,600	\$ 893,037	\$ (24,437)
Overtime wages	500	500	487	13
Service awards	800	900	875	25
Longevity	13,100	14,400	14,325	75
Sold vacations	18,000	18,000	17,309	691
Christmas bonus	1,800	1,800	1,624	176
College pay	700	700	625	75
Sick pay incentive	4,000	4,000	3,625	375
Dental insurance	13,100	13,100	11,267	1,833
Social security	70,000	70,000	71,690	(1,690)
Health insurance	235,000	235,000	197,829	37,171
Retirement	156,000	164,900	171,584	(6,684)

CITY OF CLEVELAND, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Development and engineering - (Continued):				
Life and disability insurance	\$ 11,800	\$ 12,000	\$ 10,328	\$ 1,672
Vision insurance	3,100	3,100	2,277	823
Unemployment compensation	0	100	43	57
Education reimbursement	9,500	0	0	0
Worker's compensation claims	1,000	0	0	0
Laundry and dry cleaning	2,800	2,700	1,022	1,678
Postage	1,200	1,200	409	791
GPS services	2,500	2,500	1,052	1,448
Public education programs	1,000	1,000	0	1,000
Subscriptions and memberships	5,000	6,000	3,546	2,454
Advertising	1,500	1,500	1,095	405
Utilities	17,000	17,000	17,798	(798)
Telephone	22,000	22,000	23,878	(1,878)
Professional services	23,400	3,000	3,000	0
Permits & fees	3,000	200	110	90
Vehicle maintenance	6,000	6,000	3,358	2,642
Office equipment maintenance	7,000	7,000	5,935	1,065
Building and grounds maintenance	19,800	19,800	12,513	7,287
Car allowance	4,200	4,200	4,080	120
Professional development	5,000	800	369	431
Departmental work session	5,300	5,300	4,963	337
Credit card fees	8,000	13,000	13,154	(154)
Landfill	30,000	200	200	0
Office supplies	12,500	17,200	16,635	565
Operating	2,000	2,000	1,383	617
OSHA first aid kits	300	300	110	190
Uniforms	4,000	5,000	4,792	208
Gasoline and oil	5,000	5,000	4,084	916
Insurance - buildings and contents	2,100	2,100	1,596	504
Insurance - vehicles and equipment	3,200	3,200	2,579	621
Insurance - general liability	7,000	4,500	4,444	56
Insurance - worker's compensation	9,000	6,400	6,313	87
Insurance - employee bonds	100	0	0	0
Miscellaneous	500	600	501	99
Vehicles	0	55,300	55,296	4
Equipment	2,000	0	0	0
Hardware	3,000	5,000	2,269	2,731
Software	22,000	22,000	20,928	1,072
Total development and engineering	\$ 1,644,400	\$ 1,649,100	\$ 1,614,337	\$ 34,763

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety:				
Police department:				
Salaries	\$ 5,907,000	\$ 5,872,000	\$ 5,628,715	\$ 243,285
Overtime wages	322,000	322,000	144,296	177,704
Part time wages	16,000	62,600	62,573	27
Supplemental pay	1,800	1,800	1,117	683
State grant - in service training	84,000	78,900	78,400	500
Extra duty pay	0	150,000	115,958	34,042
Service awards	1,500	2,175	2,175	0
Longevity	79,600	79,850	79,832	18
Sold vacations	85,000	77,750	76,969	781
Christmas bonus	14,500	14,500	14,185	315
College pay	1,030	1,030	1,030	0
Sick pay incentive	29,000	28,325	27,700	625
Dental insurance	73,000	71,125	71,528	(403)
Social security	480,000	480,000	473,592	6,408
Health insurance	1,500,000	1,500,000	1,344,439	155,561
Retirement	1,313,100	1,313,100	1,277,533	35,567
Life and disability insurance	68,400	68,400	66,767	1,633
Vision insurance	17,000	17,000	16,488	512
Unemployment compensation	500	4,000	1,370	2,630
Education reimbursement	16,700	16,700	9,552	7,148
Worker's compensation claims	9,000	9,000	5,967	3,033
Laundry and dry cleaning	18,000	18,000	15,942	2,058
Employee physicals	12,000	12,000	5,943	6,057
Pre-employment tests	3,500	3,500	1,386	2,114
Postage	1,200	1,200	1,175	25
GPS service	20,000	20,000	15,897	4,103
Radio communications	27,400	27,400	23,645	3,755
Public education programs	3,000	5,000	4,159	841
Subscriptions and memberships	3,000	3,000	2,296	704
Accreditation	9,000	7,000	5,245	1,755
Investigative funds	1,500	1,500	0	1,500
Advertising	500	500	153	347
Utilities	75,000	75,000	57,610	17,390
Telephone	122,300	127,100	129,562	(2,462)
Contracted services	2,000	0	0	0
Vehicle maintenance	154,700	160,182	130,850	29,332
Equipment maintenance	2,000	300	82	218
Specialized equipment maintenance	24,000	23,400	23,369	31
Building maintenance	69,400	80,600	77,548	3,052
Professional development	70,000	89,200	87,859	1,341
Recruiting	9,000	6,400	6,330	70
Department work sessions	3,500	1,500	512	988
Protective vests	26,000	33,000	32,624	376
Crime scene unit supplies	7,000	6,000	5,667	333

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Police department - (Continued):				
SRT supplies	\$ 12,000	\$ 7,500	\$ 7,054	\$ 446
Office	33,500	33,500	32,637	863
Operating supplies	15,000	26,393	26,254	139
OSHA safety supplies	2,500	2,000	1,587	413
Uniforms	68,500	63,500	51,486	12,014
Ammunition	38,000	13,000	12,756	244
Gasoline and oil	185,000	174,570	157,122	17,448
Sex offender registry	0	13,449	5,570	7,879
Canine fees	8,000	8,000	4,235	3,765
Volunteer services	2,500	2,500	340	2,160
Insurance - buildings and contents	16,000	16,000	15,883	117
Insurance - vehicles and equipment	100,000	104,170	104,169	1
Insurance - general liability	71,700	76,405	76,403	2
Insurance - worker's compensation	230,000	218,000	215,782	2,218
Insurance - employee bonds	500	500	500	0
Miscellaneous	500	500	579	(79)
Equipment	69,000	144,455	10,483	133,972
Hardware	40,000	46,500	45,925	575
Software	120,850	92,350	77,455	14,895
Total police department	\$ 11,696,680	\$ 11,915,329	\$ 10,974,260	\$ 941,069
Fire department:				
Salaries	\$ 5,752,600	\$ 5,715,600	\$ 5,558,228	\$ 157,372
Overtime wages	258,400	299,400	296,012	3,388
Fire runs	4,000	0	0	0
Supplemental pay	77,400	77,400	81,200	(3,800)
State grant - in service training	60,000	82,400	82,400	0
Service awards	2,200	2,200	2,150	50
Longevity	84,900	89,720	91,667	(1,947)
Sold vacations	65,000	60,180	20,324	39,856
Christmas bonus	11,700	11,700	11,153	547
College pay	200	200	125	75
Sick pay incentive	25,200	25,200	24,450	750
Dental insurance	80,200	80,200	78,709	1,491
Social security	494,900	494,900	467,852	27,048
Health insurance	1,425,500	1,425,500	1,439,467	(13,967)
Retirement	1,323,800	1,323,800	1,316,533	7,267
Life and disability insurance	74,600	74,600	64,967	9,633
Vision insurance	17,600	17,600	17,778	(178)
Education reimbursement	14,400	16,844	16,843	1
Worker's compensation claims	7,300	7,300	2,265	5,035
Laundry and dry cleaning	26,400	24,900	14,538	10,362

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public safety - (Continued):				
Fire department - (Continued):				
Immunization and physicals	\$ 50,000	\$ 46,951	\$ 280	\$ 46,671
Pre-employment testing	38,800	38,800	0	38,800
Postage	500	500	178	322
Radio communications	8,600	19,600	4,640	14,960
Subscriptions and memberships	4,200	4,200	3,626	574
Accreditation	3,600	3,600	3,399	201
Advertising	600	600	0	600
Utilities	121,300	121,300	114,982	6,318
Telephone	61,300	61,300	56,998	4,302
Apparatus equipment testing	4,600	4,600	4,591	9
Vehicle maintenance	90,000	113,000	104,895	8,105
Equipment maintenance	6,000	6,000	1,355	4,645
Specialized equipment maintenance	4,400	4,400	4,077	323
Building and grounds maintenance	67,500	67,502	66,104	1,398
Professional development	17,500	13,500	10,208	3,292
Training/education material	7,000	7,000	5,876	1,124
Department work sessions	2,000	2,000	1,282	718
Office supplies	10,000	10,000	9,351	649
Operating supplies	15,100	15,120	11,949	3,171
OSHA supplies	3,200	1,200	1,144	56
Medical supplies/equipment	6,000	10,000	8,611	1,389
Uniforms	34,500	34,500	29,365	5,135
Gasoline	48,000	33,000	33,509	(509)
PPE equipment gear	100,000	100,000	98,574	1,426
Hazmat supplies	6,000	4,000	610	3,390
Honor guard	2,000	2,000	30	1,970
Donation	0	6,486	1,846	4,640
Insurance - building and contents	15,000	17,105	17,104	1
Insurance - vehicles and equipment	54,100	62,332	62,332	0
Insurance - general liability	55,500	39,268	38,901	367
Insurance - worker's compensation	155,000	155,000	139,927	15,073
Miscellaneous	500	500	72	428
Equipment	63,500	48,500	44,468	4,032
Hardware	11,000	15,500	15,500	0
Software	17,300	20,800	9,468	11,332
Total fire department	<u>\$ 10,890,900</u>	<u>\$ 10,919,808</u>	<u>\$ 10,491,913</u>	<u>\$ 427,895</u>
Total public safety	<u>\$ 22,587,580</u>	<u>\$ 22,835,137</u>	<u>\$ 21,466,173</u>	<u>\$ 1,368,964</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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works:				
Operations division:				
Salaries	\$ 1,087,200	\$ 1,044,158	\$ 861,714	\$ 182,444
Overtime wages	21,000	21,000	12,031	8,969
Seasonal leaf employees	25,000	36,042	35,933	109
Part time wages	9,200	9,200	9,077	123
Supplemental pay	700	700	595	105
Service awards	650	400	400	0
Longevity	20,850	22,125	22,595	(470)
Sold vacations	11,900	11,900	13,903	(2,003)
Christmas bonus	2,800	2,492	2,490	2
College pay	200	125	125	0
Sick pay incentive	3,500	3,675	3,675	0
Dental insurance	14,000	14,000	11,816	2,184
Social security	89,000	89,000	72,947	16,053
Health insurance	295,000	295,000	203,125	91,875
Retirement	200,350	200,350	158,125	42,225
Life and disability insurance	13,700	13,700	10,478	3,222
Vision insurance	3,600	3,600	2,563	1,037
Education reimbursement	2,400	0	0	0
Worker's compensation claims	2,000	2,000	1,301	699
Laundry and dry cleaning	600	600	0	600
Pre-employment drug testing	1,600	1,600	671	929
Safety shoes	3,500	3,500	2,815	685
Postage	200	200	34	166
GPS services	6,300	6,300	2,672	3,628
Radio communications	3,000	3,000	2,000	1,000
Subscriptions and memberships	500	500	241	259
Advertising	300	300	163	137
Utilities	40,000	40,000	33,053	6,947
Telephone	21,000	21,000	18,841	2,159
Professional services	3,000	1,725	0	1,725
Building and grounds maintenance	13,700	13,700	9,843	3,857
Car allowance	0	1,400	1,150	250
Professional development	1,500	1,500	750	750
Departmental work sessions	200	200	0	200
Office	5,200	5,200	4,905	295
Operating supplies	8,000	8,000	5,172	2,828
OSHA supplies	4,000	5,458	5,433	25
Uniforms	8,700	8,745	8,569	176
Gasoline and oil	91,000	91,000	56,519	34,481
Repairs and parts	110,000	142,000	134,056	7,944
Sign shop supplies	44,500	44,500	22,325	22,175
Major safety markings	55,000	14,627	17,044	(2,417)

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Operations division - (Continued)				
Thermoplastic contract	\$ 30,000	\$ 0	\$ 257	\$ (257)
Paving and materials	300,000	316,085	266,059	50,026
Insurance - building and contents	8,000	8,000	7,929	71
Insurance - vehicle and equipment	13,700	17,600	17,551	49
Insurance - general liability	21,000	17,100	11,603	5,497
Insurance - worker's compensation	49,000	51,000	49,730	1,270
Employee appreciation	3,000	3,000	2,235	765
Miscellaneous	800	800	480	320
Equipment	3,300	3,300	1,149	2,151
Hardware	3,000	3,000	2,942	58
Software	4,500	2,500	2,129	371
<b>Total operations division</b>	<b>\$ 2,661,150</b>	<b>\$ 2,606,907</b>	<b>\$ 2,111,213</b>	<b>\$ 495,694</b>
Street lighting and signals:				
Utilities	\$ 870,000	\$ 870,000	\$ 810,237	\$ 59,763
Traffic light utility service	25,000	22,300	14,968	7,332
Pole attachments	5,500	8,200	8,104	96
ITS maintenance services	44,000	44,000	33,300	10,700
Traffic light repair maintenance	669,000	669,000	782,483	(113,483)
Equipment	10,000	10,000	0	10,000
<b>Total street lighting and signals</b>	<b>\$ 1,623,500</b>	<b>\$ 1,623,500</b>	<b>\$ 1,649,092</b>	<b>\$ (25,592)</b>
Cleveland Regional Jetport Operations:				
Salaries	\$ 87,100	\$ 87,100	\$ 87,616	\$ (516)
Part time salaries	7,500	7,500	2,252	5,248
Longevity pay	600	600	600	0
Sold vacations	1,700	1,700	0	1,700
Christmas bonus	200	200	108	92
Sick pay incentive	300	300	275	25
Dental insurance	700	700	664	36
Social security tax	7,500	7,500	7,446	54
Health insurance	17,000	17,000	15,773	1,227
Retirement	16,800	16,800	16,695	105
Life and disability insurance	1,200	1,200	983	217
Vision insurance	200	200	173	27
Worker's compensation claims	250	250	0	250
Laundry and dry cleaning	250	250	0	250
Car allowance	4,200	4,200	4,300	(100)
Postage	100	300	301	(1)
Subscriptions and memberships	1,500	1,335	844	491

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Cleveland Regional Jetport Operations - (Continued):				
Advertising	\$ 3,000	\$ 2,600	\$ 1,005	\$ 1,595
Utilities	42,500	42,500	33,729	8,771
Telephone	11,500	11,500	12,829	(1,329)
Contracted services	0	36,000	36,000	0
Professional services	0	20,000	8,713	11,287
Building and grounds maintenance	25,000	25,000	18,933	6,067
Professional development	1,500	1,500	114	1,386
Department work sessions	500	135	0	135
Credit card fees	0	330	350	(20)
Office	1,000	1,000	798	202
Operating supplies	500	500	0	500
Uniforms	350	350	350	0
Gasoline	1,000	1,000	281	719
Repairs and parts	10,000	10,000	4,506	5,494
Insurance - building and contents	13,300	13,500	13,459	41
Insurance - vehicles and equipment	300	300	0	300
Insurance - general liability	1,600	1,400	0	1,400
Insurance - worker's compensation	2,000	2,400	2,331	69
Miscellaneous	500	500	21	479
Equipment	1,700	1,700	0	1,700
Hardware	1,500	1,500	0	1,500
Software	200	200	0	200
Total Cleveland regional jetport	\$ 265,050	\$ 321,050	\$ 271,449	\$ 49,601
Fleet management:				
Salaries	\$ 351,500	\$ 351,500	\$ 349,124	\$ 2,376
Overtime wages	6,000	6,000	3,771	2,229
Longevity wages	7,800	7,800	7,275	525
Sold vacation pay	8,000	8,250	8,247	3
Christmas bonus	700	700	650	50
Sick pay incentive	800	850	850	0
Dental insurance	3,400	3,400	3,356	44
Social security taxes	28,800	28,800	28,282	518
Health insurance	78,000	78,000	64,496	13,504
Retirement	64,500	64,500	66,925	(2,425)
Life/disability insurance	4,500	4,500	3,994	506
Vision insurance	1,000	1,000	886	114
Worker's compensation claims	500	200	0	200
Postage	200	200	122	78
Subscriptions and memberships	4,000	4,160	4,159	1
Advertising	200	0	0	0
Utilities	22,900	22,900	20,334	2,566

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Fleet management - (Continued):				
Telephone	\$ 8,200	\$ 8,200	\$ 8,117	\$ 83
Contracted services	85,000	74,500	0	74,500
Vehicle maintenance	0	500	531	(31)
Equipment maintenance	4,000	10,200	8,363	1,837
Building and grounds maintenance	8,100	12,940	11,539	1,401
Professional development	500	0	0	0
Office supplies	3,000	3,000	2,411	589
OSHA supplies	2,500	2,500	1,691	809
Uniform	2,500	2,500	1,958	542
Gasoline	3,000	3,000	1,113	1,887
Repairs and parts	2,500	2,000	1,459	541
Insurance - building and contents	3,500	3,500	3,252	248
Insurance - vehicles and equipment	1,200	1,250	1,205	45
Insurance - general liability	3,400	3,350	1,995	1,355
Insurance - worker's compensation	10,500	8,100	8,027	73
Miscellaneous	500	2,900	2,715	185
Equipment	2,000	2,000	603	1,397
Hardware	2,000	2,000	0	2,000
Software	13,000	13,000	13,110	(110)
Total fleet management	<u>\$ 738,200</u>	<u>\$ 738,200</u>	<u>\$ 630,560</u>	<u>\$ 107,640</u>
Total public works	<u>\$ 5,287,900</u>	<u>\$ 5,289,657</u>	<u>\$ 4,662,314</u>	<u>\$ 627,343</u>
Health and welfare:				
Animal Control:				
Salaries	\$ 258,175	\$ 258,175	\$ 248,608	\$ 9,567
Overtime wages	16,300	16,300	11,868	4,432
Service awards	325	400	400	0
Longevity	5,625	6,425	6,406	19
Sold vacations	4,500	4,225	3,064	1,161
Christmas bonus	760	760	541	219
Sick pay incentive	1,600	1,000	950	50
Dental insurance	3,300	3,300	2,749	551
Social security	22,500	22,500	21,350	1,150
Health insurance	56,800	56,800	56,882	(82)
Retirement	50,000	50,000	47,887	2,113
Life and disability insurance	3,700	3,700	2,648	1,052
Vision insurance	725	725	713	12
Worker's compensation claims	1,500	1,500	163	1,337
Laundry and dry cleaning	2,000	2,000	706	1,294
Employee physicals	1,150	1,150	110	1,040
Postage	200	200	85	115

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Health and welfare - (Continued):				
Animal Control - (Continued):				
GPS services	\$ 1,900	\$ 1,900	\$ 789	\$ 1,111
Radio communications	500	500	0	500
Subscriptions and memberships	750	750	590	160
Advertising	300	300	228	72
Utilities and pager	9,500	9,500	7,734	1,766
Telephone	9,000	9,000	8,971	29
Spay and neuter	30,000	45,000	42,323	2,677
Veterinary	46,000	19,900	4,859	15,041
Vehicle maintenance	7,000	5,000	0	5,000
Building and grounds maintenance	18,200	30,600	26,162	4,438
Professional development	1,500	1,500	432	1,068
Credit card fees	1,000	1,000	1,015	(15)
Landfill	800	800	544	256
Office	4,050	4,050	2,801	1,249
OSHA safety supplies	500	600	558	42
Uniforms	3,500	3,500	2,710	790
Ammunition	250	250	88	162
Gasoline and oil	7,200	7,200	5,407	1,793
Animal supplies	5,800	8,931	4,947	3,984
Volunteer services	500	500	0	500
Insurance - building and contents	600	800	630	170
Insurance - vehicles and equipment	1,600	1,600	1,529	71
Insurance - general liability	2,700	2,700	1,610	1,090
Insurance - worker's compensation	8,000	6,400	5,329	1,071
Miscellaneous	500	500	457	43
Equipment	3,000	1,500	361	1,139
Hardware	2,000	3,500	2,856	644
Total animal control	<u>\$ 595,810</u>	<u>\$ 596,941</u>	<u>\$ 528,060</u>	<u>\$ 68,881</u>
Total health and welfare	<u>\$ 595,810</u>	<u>\$ 596,941</u>	<u>\$ 528,060</u>	<u>\$ 68,881</u>
Culture and recreation:				
College Hill Recreation Center:				
Salaries	\$ 151,100	\$ 151,047	\$ 109,800	\$ 41,247
Overtime wages	6,000	6,000	924	5,076
Part time wages	35,000	33,500	0	33,500
Longevity	3,400	4,638	4,638	0
Sold vacations	3,000	3,000	1,326	1,674
Christmas bonus	500	500	325	175
Sick pay incentive	1,200	825	525	300
Dental insurance	1,800	1,800	1,586	214
Social security	15,500	15,500	9,266	6,234
Health insurance	33,100	33,100	24,722	8,378

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
College Hill Recreation - (Continued):				
Retirement	\$ 32,500	\$ 32,500	\$ 21,724	\$ 10,776
Life and disability insurance	1,700	1,700	1,253	447
Vision insurance	500	500	344	156
Unemployment compensation	500	1,190	642	548
Worker's compensation claims	200	200	0	200
Advertising	100	100	0	100
Utilities	62,000	62,000	42,273	19,727
Telephone	9,000	9,000	8,080	920
Vehicle maintenance	0	31	31	0
Equipment maintenance	1,000	1,000	825	175
Building and grounds maintenance	41,000	34,426	26,727	7,699
Professional development	2,000	2,000	75	1,925
Office	1,800	260	257	3
Gasoline	400	369	33	336
Pool	15,000	15,000	8,981	6,019
Concession supplies	1,500	618	0	618
Insurance - building and contents	5,000	7,155	7,155	0
Insurance - general liability	5,100	3,849	3,849	0
Insurance - worker's compensation	5,000	5,097	5,096	1
Security	1,600	1,578	1,578	0
Program development	23,600	23,503	8,257	15,246
Miscellaneous	500	500	0	500
Equipment	0	6,574	6,574	0
Hardware	0	1,540	1,033	507
<b>Total College Hill Recreation Center</b>	<b>\$ 460,600</b>	<b>\$ 460,600</b>	<b>\$ 297,899</b>	<b>\$ 162,701</b>
Parks and recreation:				
Salaries	\$ 489,800	\$ 489,800	\$ 493,053	\$ (3,253)
Overtime wages	6,000	13,000	11,803	1,197
Part time wages	11,000	4,000	4,000	0
Longevity	7,800	7,800	7,800	0
Sold vacation	7,600	7,600	7,065	535
Christmas bonus	1,300	1,300	1,299	1
College pay	125	125	125	0
Sick pay incentive	3,600	2,925	2,925	0
Dental insurance	5,800	5,800	5,754	46
Social security	40,500	40,500	39,513	987
Health insurance	142,000	142,000	147,543	(5,543)
Retirement	88,700	88,700	95,561	(6,861)
Life and disability insurance	6,200	6,200	5,810	390
Vision insurance	1,400	1,400	1,499	(99)
Unemployment compensation	0	3,150	138	3,012
Worker's compensation claims	2,000	2,000	0	2,000

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Parks and recreation - (Continued):				
Laundry and dry cleaning	\$ 800	\$ 500	\$ 98	\$ 402
Pre-employment testing	200	200	0	200
Car allowance	4,200	4,200	4,300	(100)
Postage	200	200	11	189
GPS services	4,700	4,700	2,834	1,866
Subscriptions and memberships	1,000	1,000	675	325
Advertising	300	300	300	0
Utilities	61,000	61,675	104,590	(42,915)
Telephone	10,700	10,700	13,042	(2,342)
Contracted services	0	50,000	50,000	0
Vehicle maintenance	27,500	27,500	14,700	12,800
Equipment maintenance	3,500	3,277	2,902	375
Building and grounds maintenance	108,000	111,182	72,710	38,472
Professional development	4,000	4,000	829	3,171
Credit card fees	500	800	811	(11)
Office	1,500	1,723	1,722	1
Operating supplies	10,000	10,000	9,477	523
Uniforms	4,350	4,350	4,251	99
Gasoline and oil	27,500	27,500	14,191	13,309
Donation	0	11,000	6,248	4,752
Insurance - building and contents	10,000	10,540	10,539	1
Insurance - vehicles and equipment	1,500	1,593	1,593	0
Insurance - general liability	12,000	11,367	9,628	1,739
Insurance - worker's compensation	7,700	4,550	3,562	988
Program development	33,000	33,000	30,715	2,285
Miscellaneous	500	560	499	61
Hardware	3,000	3,000	949	2,051
Software	575	575	0	575
Total parks and recreation	\$ 1,152,050	\$ 1,216,292	\$ 1,185,064	\$ 31,228
Landscaping maintenance:				
Salaries	\$ 406,800	\$ 406,800	\$ 400,393	\$ 6,407
Overtime wages	4,500	4,500	1,301	3,199
Part time	25,000	1,500	473	1,027
Service awards	400	470	469	1
Longevity	8,700	7,875	7,875	0
Sold vacations	2,500	3,047	3,047	0
Christmas bonus	1,000	1,000	975	25
Sick pay incentive	2,500	1,975	1,925	50
Dental insurance	5,600	5,600	4,439	1,161
Social security	34,800	34,800	32,360	2,440
Health Insurance	108,500	108,500	88,649	19,851

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Landscaping maintenance - (Continued):				
Retirement	\$ 77,600	\$ 77,600	\$ 74,693	\$ 2,907
Life and disability insurance	5,400	5,400	4,819	581
Vision insurance	1,500	1,500	1,217	283
Worker's compensation claims	2,000	2,000	161	1,839
Pre-employment testing	200	200	160	40
Car allowance	0	0	100	(100)
Postage	50	50	25	25
GPS Services	4,700	3,500	1,765	1,735
Subscriptions and memberships	500	585	585	0
Utilities	3,000	4,000	3,853	147
Telephone	6,400	6,400	5,155	1,245
Contracted mowing	25,000	25,000	23,555	1,445
Vehicle maintenance	20,000	48,386	41,534	6,852
Equipment maintenance	1,300	448	417	31
Professional development	3,000	0	0	0
Department work sessions	1,000	300	224	76
Office	500	500	492	8
Operating supplies	12,000	10,800	8,730	2,070
Uniforms	3,750	3,822	3,687	135
Trees	7,000	7,819	7,818	1
Gasoline	14,000	13,500	14,184	(684)
Donation	0	22,685	9,243	13,442
Insurance - vehicle and equipment	5,000	8,100	8,096	4
Insurance - general liability	7,500	4,400	2,177	2,223
Insurance - worker's compensation	1,200	2,964	2,803	161
Miscellaneous	500	0	0	0
Equipment	1,000	1,110	1,110	0
Hardware	1,000	1,000	0	1,000
Software	200	200	0	200
<b>Total landscaping maintenance</b>	<b>\$ 805,600</b>	<b>\$ 828,336</b>	<b>\$ 758,509</b>	<b>\$ 69,827</b>
Cleveland Community Center:				
Salaries	\$ 136,400	\$ 136,187	\$ 53,560	\$ 82,627
Part time wages	40,000	37,088	0	37,088
Overtime wages	5,000	5,000	0	5,000
Service awards	100	75	75	0
Longevity	1,300	1,894	1,894	0
Sold vacations	3,000	1,000	0	1,000
Christmas bonus	500	217	217	0
Sick pay incentive	1,200	400	400	0
Dental insurance	2,500	2,500	1,871	629
Social security	14,500	14,500	3,238	11,262

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Cleveland Community Center - (Continued):				
Health insurance	\$ 47,800	\$ 47,800	\$ 30,408	\$ 17,392
Retirement	29,200	29,200	10,538	18,662
Life and disability insurance	1,900	1,900	930	970
Vision insurance	500	500	338	162
Unemployment compensation	500	3,031	2,551	480
Worker's compensation claims	200	200	0	200
Advertising	100	100	0	100
Utilities	34,000	34,000	25,666	8,334
Telephone	6,700	6,700	5,501	1,199
Vehicle maintenance	500	250	0	250
Equipment repairs	500	500	0	500
Building and grounds maintenance	41,000	34,426	23,107	11,319
Professional development	3,000	800	70	730
Office	1,500	710	484	226
Gasoline	400	400	0	400
Pool	12,000	17,616	11,125	6,491
Insurance - building and contents	4,400	4,803	4,802	1
Insurance - general liability	4,900	4,497	3,530	967
Insurance - workers compensation	5,200	5,200	3,679	1,521
Security	1,300	1,242	1,242	0
Program development	21,800	21,800	0	21,800
Miscellaneous	500	500	0	500
Equipment	0	6,574	6,574	0
Hardware	0	790	395	395
<b>Total Cleveland Community Center</b>	<b>\$ 422,400</b>	<b>\$ 422,400</b>	<b>\$ 192,195</b>	<b>\$ 230,205</b>
Tinsley Park:				
Salaries	\$ 170,000	\$ 0	\$ 0	\$ 0
Part-time wages	0	111,094	42,447	68,647
Overtime	10,000	10,000	3,615	6,385
Social security	14,000	14,000	3,686	10,314
Unemployment compensation	0	2,601	1,446	1,155
Utilities	75,000	75,000	61,195	13,805
Telephone	1,000	1,000	618	382
Building and grounds maintenance	46,500	46,500	31,282	15,218
Professional development	6,000	5,413	0	5,413
Pool	25,000	25,000	18,391	6,609
Concession supplies	4,000	4,000	2,908	1,092
Insurance - building and contents	5,000	6,507	6,506	1
Insurance - general liability	4,000	3,080	3,080	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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Culture and recreation - (Continued):				
Tinsley Park - (Continued):				
Insurance - worker's compensation	\$ 4,000	\$ 10,305	\$ 10,305	\$ 0
Program development	4,000	4,000	2,967	1,033
Total Tinsley Park	<u>\$ 368,500</u>	<u>\$ 318,500</u>	<u>\$ 188,446</u>	<u>\$ 130,054</u>
Total culture and recreation	<u>\$ 3,209,150</u>	<u>\$ 3,246,128</u>	<u>\$ 2,622,113</u>	<u>\$ 624,015</u>
Appropriations:				
Regional Museum	\$ 42,300	\$ 42,300	\$ 42,300	\$ 0
Municipal League dues	10,200	10,200	10,200	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	54,243	5,157
Keep America Beautiful	28,200	28,200	28,200	0
Juvenile Court match	1,100	1,100	1,100	0
United Way supporters	1,000	1,000	0	1,000
SETHRA transit	135,000	135,000	135,000	0
Communications Center	650,000	650,000	650,000	0
Emergency Management	108,000	108,000	104,649	3,351
Mainstreet projects	4,000	9,000	9,000	0
SETDD legal fees	1,000	330	0	330
Veterans Affairs Office	31,500	31,500	28,544	2,956
Behavioral Research	2,000	2,000	0	2,000
HVAC at Museum Center	12,000	12,000	12,000	0
Life Bridges	6,200	6,200	6,200	0
Community Services Agency	97,000	97,000	94,400	2,600
Museum Rowland's exhibit	0	5,000	5,000	0
Cleveland Youth Football	8,000	8,000	8,000	0
Aqua Tigers equipment	2,000	2,000	2,000	0
Boys and Girls Club	13,000	13,000	5,426	7,574
Waterdogs	2,000	2,000	2,000	0
Greater Cleveland Soccer Association	5,000	5,000	5,000	0
Soccer Association - land	5,000	5,000	5,000	0
Community Services Agency	15,000	15,000	15,000	0
July 4th Celebration	5,000	0	0	0
Vocational School	27,000	27,000	26,160	840
Total appropriations	<u>\$ 1,358,900</u>	<u>\$ 1,363,900</u>	<u>\$ 1,338,092</u>	<u>\$ 25,808</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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Total expenditures	\$ 38,911,289	\$ 39,079,219	\$ 35,931,128	\$ 3,148,091
Excess of revenues over expenditures	\$ 11,458,111	\$ 12,282,005	\$ 18,593,572	\$ 6,311,567
Other financing sources (uses):				
Transfers in	\$ 2,923,806	\$ 2,973,021	\$ 2,973,022	\$ 1
Transfers out	(14,340,325)	(14,929,298)	(14,929,298)	0
Total other financing sources (uses)	\$ (11,416,519)	\$ (11,956,277)	\$ (11,956,276)	\$ 1
Net change in fund balances	\$ 41,592	\$ 325,728	\$ 6,637,296	\$ 6,311,568
Fund balance at beginning of year	20,851,973	20,851,973	20,851,973	0
Fund balance at end of year	\$ 20,893,565	\$ 21,177,701	\$ 27,489,269	\$ 6,311,568

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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
<b>Federal government:</b>				
Education of the handicapped	\$ 29,006	\$ 58,231	\$ 58,231	\$ 0
<b>Total federal government</b>	<b>\$ 29,006</b>	<b>\$ 58,231</b>	<b>\$ 58,231</b>	<b>\$ 0</b>
<b>State of Tennessee:</b>				
Basic education program	\$ 30,112,000	\$ 30,564,000	\$ 30,519,060	\$ (44,940)
School food service	27,595	27,453	27,453	0
Other state education funds	125,000	1,927,876	608,892	(1,318,984)
Career ladder program	83,491	61,991	60,257	(1,734)
Other state grants	922,453	910,957	910,957	0
State mixed drink tax	108,990	118,990	132,771	13,781
State income tax	14,578	24,073	59,017	34,944
On-behalf contributions for opeb	0	0	156,797	156,797
Remote technology grant	0	310,740	310,740	0
Internet connectivity grant	0	7,500	7,500	0
Other grants	0	0	173,759	173,759
<b>Total State of Tennessee</b>	<b>\$ 31,394,107</b>	<b>\$ 33,953,580</b>	<b>\$ 32,967,203</b>	<b>\$ (986,377)</b>
<b>Bradley County:</b>				
Property taxes - current	\$ 6,350,000	\$ 6,350,000	\$ 6,607,969	\$ 257,969
Property taxes - prior	182,061	182,061	160,877	(21,184)
Clerk and master	116,000	116,000	109,023	(6,977)
Interest and penalty	31,369	31,369	34,559	3,190
In lieu of taxes - local utilities	3,805	3,805	2,388	(1,417)
In lieu of taxes - other utilities	487,000	487,000	527,632	40,632
Marriage license	2,825	2,825	3,742	917
Bank excise tax	28,376	28,376	37,742	9,366
Interstate telecommunications tax	2,126	0	0	0
Local sales tax	6,090,355	6,377,650	7,555,289	1,177,639
<b>Total Bradley County</b>	<b>\$ 13,293,917</b>	<b>\$ 13,579,086</b>	<b>\$ 15,039,221</b>	<b>\$ 1,460,135</b>
<b>Total Intergovernmental</b>	<b>\$ 44,717,030</b>	<b>\$ 47,590,897</b>	<b>\$ 48,064,655</b>	<b>\$ 473,758</b>
<b>Charges for services:</b>				
Tuition	\$ 101,935	\$ 101,935	\$ 108,115	\$ 6,180
Criminal background fee	4,800	4,800	2,040	(2,760)
<b>Total charges for services</b>	<b>\$ 106,735</b>	<b>\$ 106,735</b>	<b>\$ 110,155</b>	<b>\$ 3,420</b>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues - (Continued)				
Interest	\$ 13,250	\$ 13,250	\$ 108,306	\$ 95,056
Miscellaneous:				
Miscellaneous refunds	\$ 98,841	\$ 98,841	\$ 87,201	\$ (11,640)
E Rate funding	0	0	53,653	53,653
Sale of equipment	6,900	6,900	338	(6,562)
Damages recovered	1,800	1,800	799	(1,001)
Contributions	72,896	383,162	397,969	14,807
Other	7,461	7,461	1,940	(5,521)
Total miscellaneous	\$ 187,898	\$ 498,164	\$ 541,900	\$ 43,736
Total revenues	\$ 45,024,913	\$ 48,209,046	\$ 48,825,016	\$ 615,970
Expenditures:				
Current:				
Education:				
Regular instruction:				
Teachers	\$ 17,752,534	\$ 18,467,422	\$ 18,460,990	\$ 6,432
Career ladder program	47,500	25,500	25,275	225
Homebound teachers	69,349	69,349	72,416	(3,067)
Assistants	1,253,397	1,210,726	1,213,933	(3,207)
Other salaries and wages	160,520	186,520	196,451	(9,931)
Certified substitute teachers	119,875	119,875	95,825	24,050
Non-certified substitute teachers	118,405	118,405	148,895	(30,490)
Social security	1,196,767	1,229,553	1,157,282	72,271
State retirement	2,050,528	1,877,989	1,855,685	22,304
Life insurance	29,939	24,818	29,981	(5,163)
Medical insurance	2,824,558	2,787,893	2,808,269	(20,376)
Unemployment compensation	8,000	23,000	20,627	2,373
Employer medicare liability	279,889	287,557	273,019	14,538
Retirement - hybrid stabilization	91,499	116,242	0	116,242
Other fringe benefits	144,000	89,285	87,164	2,121
Operating lease payments	448,589	931,049	749,961	181,088
Maintenance and repair	13,700	13,700	8,057	5,643
Other contracted services	165,885	165,885	135,918	29,967
Instructional supplies	249,531	271,105	220,088	51,017
Electronic textbooks	126,563	148,013	21,626	126,387
Textbooks	726,433	726,433	918,311	(191,878)
Other supplies and materials	93,247	242,501	172,124	70,377
Other charges	5,100	5,100	4,349	751
Regular instruction equipment	44,695	194,765	200,827	(6,062)
Total regular instruction	\$ 28,020,503	\$ 29,332,685	\$ 28,877,073	\$ 455,612
Special education:				
Teachers	\$ 2,093,189	\$ 2,081,658	\$ 1,972,186	\$ 109,472
Career ladder program	10,000	7,000	7,000	0
Homebound teachers	1,000	2,500	6,528	(4,028)
Assistants	427,258	419,970	426,984	(7,014)
Speech pathologist	287,127	287,127	296,942	(9,815)

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Special education - (Continued):				
Other salaries and wages	\$ 43,659	\$ 43,659	\$ 41,015	\$ 2,644
Certified substitute teachers	9,000	9,000	2,165	6,835
Non-certified substitute teachers	8,000	8,000	3,440	4,560
Social security	177,079	177,079	156,338	20,741
State retirement	326,492	303,973	289,670	14,303
Life insurance	4,386	4,523	5,396	(873)
Medical insurance	446,233	437,490	423,646	13,844
Employer medicare liability	41,414	41,414	36,917	4,497
Contracts with private agencies	22,102	22,102	20,996	1,106
Maintenance and other repair services	1,700	1,700	59	1,641
Instructional supplies	26,750	26,750	24,445	2,305
Other supplies and materials	6,950	6,950	3,229	3,721
Special education equipment	7,400	7,400	2,274	5,126
Total special education	<u>\$ 3,939,739</u>	<u>\$ 3,888,295</u>	<u>\$ 3,719,230</u>	<u>\$ 169,065</u>
Vocational education:				
Teachers	\$ 1,008,257	\$ 986,316	\$ 977,479	\$ 8,837
Certified substitute teachers	4,000	4,000	960	3,040
Non-certified substitute teachers	2,500	2,500	1,742	758
Social security	62,514	62,514	55,511	7,003
State retirement	103,548	96,991	95,863	1,128
Life insurance	1,107	1,187	1,426	(239)
Medical insurance	155,709	156,880	157,047	(167)
Employer medicare liability	14,620	14,620	12,988	1,632
Maintenance and repair services	8,500	8,500	1,448	7,052
Tuition	375	375	0	375
Other contracted services	4,500	4,500	8,372	(3,872)
Instructional supplies	33,200	33,200	44,027	(10,827)
Other supplies and materials	2,300	2,300	62,943	(60,643)
Vocational instruction equipment	66,667	1,082,392	16,741	1,065,651
Total vocational education	<u>\$ 1,467,797</u>	<u>\$ 2,456,275</u>	<u>\$ 1,436,547</u>	<u>\$ 1,019,728</u>
Students:				
Attendance:				
Supervisor	\$ 49,944	\$ 49,944	\$ 49,944	\$ 0
Other salaries and wages	33,642	33,642	33,642	0
Social security	5,182	4,938	4,922	16
State retirement	10,909	10,939	10,939	0
Life insurance	110	119	119	0
Medical insurance	7,824	7,903	9,631	(1,728)
Employer medicare liability	1,212	1,155	1,151	4
Other contracted services	9,000	0	0	0
Other supplies and materials	7,500	7,500	1,332	6,168
Total attendance	<u>\$ 125,323</u>	<u>\$ 116,140</u>	<u>\$ 111,680</u>	<u>\$ 4,460</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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Students - (Continued):				
Health services:				
Supervisor/Director	\$ 67,137	\$ 69,087	\$ 69,087	\$ 0
Medical personnel	272,864	272,864	259,508	13,356
Other salaries and wages	1,500	1,500	1,500	0
Certified substitute teachers	1,800	180	0	180
Social security	19,735	19,183	17,793	1,390
State retirement	46,761	46,719	43,894	2,825
Life insurance	568	675	794	(119)
Medical insurance	49,516	63,600	63,600	0
Employer medicare liability	4,616	4,487	4,184	303
Travel	5,000	150	87	63
Drugs and medical supplies	2,000	2,000	1,967	33
Other supplies and materials	22,398	30,917	30,607	310
Other charges	600	25	0	25
In service staff development	4,400	400	400	0
Other equipment	1,000	73,391	69,589	3,802
Total health services	<u>\$ 499,895</u>	<u>\$ 585,178</u>	<u>\$ 563,010</u>	<u>\$ 22,168</u>
Other student support:				
Career ladder program	\$ 6,000	\$ 3,000	\$ 3,000	\$ 0
Guidance personnel	929,882	929,882	929,248	634
Psychological personnel	124,388	124,388	124,101	287
Attendants	162,000	162,000	106,658	55,342
Other salaries and wages	62,513	62,513	62,513	0
Social security	79,359	79,359	70,279	9,080
State retirement	119,629	119,629	118,742	887
Life insurance	1,162	1,206	1,447	(241)
Medical insurance	144,020	143,079	143,370	(291)
Employer medicare liability	18,629	18,629	16,568	2,061
Evaluation and testing	90,870	90,870	129,037	(38,167)
Maintenance and repair services	100	100	901	(801)
Postal charges	1,000	1,000	0	1,000
Other contracted services	459,667	459,667	377,333	82,334
Other supplies and materials	7,600	11,100	7,638	3,462
Total other student support	<u>\$ 2,206,819</u>	<u>\$ 2,206,422</u>	<u>\$ 2,090,835</u>	<u>\$ 115,587</u>
Total students	<u>\$ 2,832,037</u>	<u>\$ 2,907,740</u>	<u>\$ 2,765,525</u>	<u>\$ 142,215</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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Instructional staff:				
Regular instruction program:				
Supervisor	\$ 340,578	\$ 340,578	\$ 339,378	\$ 1,200
Career ladder program	2,500	6,000	6,000	0
Librarians	620,087	620,087	622,970	(2,883)
Materials supervisor	50,410	50,410	51,610	(1,200)
Secretaries	154,885	154,885	151,071	3,814
Other salaries and wages	81,377	81,377	81,376	1
Social security	76,646	76,646	72,276	4,370
State retirement	150,330	150,330	143,325	7,005
Life insurance	119	1,442	1,588	(146)
Medical insurance	142,791	143,612	143,547	65
Employer medicare liability	17,883	17,883	16,903	980
Dues and subscriptions	4,000	4,000	305	3,695
Travel	32,000	32,000	3,750	28,250
Other contracted services	8,500	8,500	4,535	3,965
Library books	42,500	42,500	39,928	2,572
Other supplies and materials	21,500	21,500	21,189	311
In-service staff development	76,200	79,014	93,886	(14,872)
Other equipment	3,500	3,500	2,999	501
Total regular instruction program	<u>\$ 1,825,806</u>	<u>\$ 1,834,264</u>	<u>\$ 1,796,636</u>	<u>\$ 37,628</u>
Special education:				
Supervisor	\$ 98,686	\$ 99,503	\$ 99,503	\$ 0
Social security	6,119	5,846	5,846	0
State retirement	10,135	10,279	10,279	0
Life insurance	69	79	79	0
Medical insurance	15,648	15,806	15,806	0
Employer medicare liability	1,420	1,367	1,367	0
Consultants	500	500	0	500
Travel	1,500	1,500	1,052	448
Total special education	<u>\$ 134,077</u>	<u>\$ 134,880</u>	<u>\$ 133,932</u>	<u>\$ 948</u>
Vocational education:				
Supervisor	\$ 91,938	\$ 91,938	\$ 91,938	\$ 0
Secretaries	22,891	22,891	22,891	0
Social security	7,119	7,119	6,987	132
State retirement	13,375	13,375	13,430	(55)
Life insurance	106	146	159	(13)
Medical insurance	13,606	13,684	13,684	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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Instructional staff - (Continued):				
Vocational education - (Continued):				
Employer medicare liability	\$ 1,665	\$ 1,665	\$ 1,634	\$ 31
Travel	2,500	2,500	0	2,500
Total vocational education	<u>\$ 153,200</u>	<u>\$ 153,318</u>	<u>\$ 150,723</u>	<u>\$ 2,595</u>
Total instructional staff	<u>\$ 2,113,083</u>	<u>\$ 2,122,462</u>	<u>\$ 2,081,291</u>	<u>\$ 41,171</u>
General administration:				
Technology:				
Supervisor	\$ 93,798	\$ 93,798	\$ 93,798	\$ 0
Other salaries and wages	193,887	193,887	203,482	(9,595)
Social security	16,993	16,993	17,115	(122)
Retirement	48,589	48,589	40,026	8,563
Life insurance	322	479	489	(10)
Health insurance	54,372	51,160	52,410	(1,250)
Employer medicare	3,973	3,973	4,003	(30)
Internet connectivity	25,406	48,396	54,153	(5,757)
Travel	4,000	4,000	1,645	2,355
Other contracted services	123,149	145,797	103,162	42,635
Cabling	3,563	3,563	0	3,563
Software	127,282	127,282	124,748	2,534
Other supplies and materials	2,000	2,000	4,742	(2,742)
Other charges	5,000	5,000	3,642	1,358
Other equipment	11,761	15,561	33,100	(17,539)
Total technology	<u>\$ 714,095</u>	<u>\$ 760,478</u>	<u>\$ 736,515</u>	<u>\$ 23,963</u>
Board of education:				
Board and committee members' fees	\$ 52,800	\$ 52,800	\$ 52,800	\$ 0
Social security	3,274	3,274	3,274	0
Employer medicare	766	766	766	0
Other fringe benefits	757	757	0	757
Audit services	14,150	14,150	14,150	0
Dues and membership	7,106	7,106	7,106	0
Legal services	20,000	20,000	10,642	9,358
Liability insurance	61,460	62,407	62,407	0
Premiums on corporate surety bonds	14,899	40,327	40,327	0
Trustee's commission	118,520	118,520	148,715	(30,195)
Worker's compensation insurance	180,613	169,211	169,211	0
Criminal investigation	8,000	8,000	11,072	(3,072)
Refund for criminal investigation	2,000	2,000	914	1,086
Other charges	32,000	32,000	23,114	8,886
Total board of education	<u>\$ 516,345</u>	<u>\$ 531,318</u>	<u>\$ 544,498</u>	<u>\$ (13,180)</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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
General administration - (Continued):				
Office of the superintendent:				
Administrative officer	\$ 155,118	\$ 156,669	\$ 164,659	\$ (7,990)
Assistants	110,811	110,811	110,811	0
Career ladder program	0	1,000	1,000	0
Secretaries	66,462	66,462	68,705	(2,243)
Other salaries and wages	7,200	9,600	9,600	0
Social security	20,815	20,815	19,207	1,608
State retirement	39,381	39,381	40,523	(1,142)
Life insurance	304	314	274	40
Medical insurance	34,495	38,996	37,666	1,330
Employer medicare liability	4,868	4,868	4,932	(64)
Communication	127,000	127,000	116,851	10,149
Dues and memberships	7,611	7,964	11,458	(3,494)
Postal charges	6,500	6,500	3,306	3,194
Travel	13,000	4,185	4,809	(624)
Other contracted services	33,191	33,191	10,408	22,783
Office supplies	16,500	16,500	10,837	5,663
Other charges	16,900	16,900	17,511	(611)
Administrative equipment	5,000	5,000	7,071	(2,071)
Total office of superintendent	<u>\$ 665,156</u>	<u>\$ 666,156</u>	<u>\$ 639,628</u>	<u>\$ 26,528</u>
Total general administration	<u>\$ 1,895,596</u>	<u>\$ 1,957,952</u>	<u>\$ 1,920,641</u>	<u>\$ 37,311</u>
Office of the Principal:				
Principals	\$ 899,948	\$ 835,772	\$ 835,772	\$ 0
Career ladder program	4,000	6,000	6,000	0
Assistant principals	1,036,772	1,087,745	1,087,745	0
Secretaries	428,366	407,386	405,386	2,000
Social security	145,518	145,518	133,829	11,689
State retirement	272,700	272,700	266,816	5,884
Life insurance	2,472	2,674	3,005	(331)
Medical insurance	295,812	305,553	305,553	0
Employer medicare liability	34,032	34,032	31,399	2,633
Dues and memberships	700	700	1,369	(669)
Maintenance and repair services	7,825	7,825	4,959	2,866
Postal charges	4,550	4,550	3,915	635
Travel	5,100	5,100	0	5,100
Other contracted services	20,025	20,025	17,005	3,020
Office supplies	11,975	11,975	11,929	46
Administrative equipment	11,070	11,070	12,867	(1,797)
Total office of the principal	<u>\$ 3,180,865</u>	<u>\$ 3,158,625</u>	<u>\$ 3,127,549</u>	<u>\$ 31,076</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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Business administration:				
Bookkeepers	\$ 244,801	\$ 245,773	\$ 245,773	\$ 0
Social security	13,487	13,538	13,538	0
State retirement	42,057	41,811	41,811	0
Life insurance	300	318	318	0
Medical insurance	41,739	42,160	42,160	0
Employer medicare liability	3,550	3,166	3,166	0
Data processing services	33,625	40,049	40,049	0
Travel	1,000	1,000	226	774
Total business administration	<u>\$ 380,559</u>	<u>\$ 387,815</u>	<u>\$ 387,041</u>	<u>\$ 774</u>
Operation of plant:				
Operation of plant:				
Other salaries and wages	\$ 46,813	\$ 40,831	\$ 40,831	\$ 0
Social security	0	2,403	2,404	(1)
State retirement	0	4,453	4,453	0
Life insurance	0	40	40	0
Medical insurance	0	7,903	7,903	0
Employer medicare liability	679	562	563	(1)
Janitorial services	1,042,292	1,061,464	1,097,070	(35,606)
Other contracted services	136,547	136,547	169,427	(32,880)
Electricity	1,116,428	1,116,428	1,006,009	110,419
Natural gas	115,395	115,395	66,954	48,441
Water and sewer	198,695	198,695	206,747	(8,052)
Other supplies and materials	25,000	31,843	42,702	(10,859)
Boiler insurance	12,442	6,432	6,432	0
Building and contents insurance	232,861	241,963	241,963	0
Total operation of plant	<u>\$ 2,927,152</u>	<u>\$ 2,964,959</u>	<u>\$ 2,893,498</u>	<u>\$ 71,461</u>
Maintenance of plant:				
Supervisor	\$ 89,807	\$ 89,807	\$ 89,807	\$ 0
Maintenance personnel	520,438	520,438	519,437	1,001
Other salaries and wages	35,000	35,000	3,567	31,433
Social security	39,703	39,703	34,237	5,466
State retirement	104,840	104,840	95,883	8,957
Life insurance	975	1,022	1,001	21
Medical insurance	122,208	109,163	105,660	3,503
Employer medicare liability	9,356	9,356	8,070	1,286
Maintenance and repair services - building	90,140	90,140	32,242	57,898
Maintenance and repair services - equipment	2,000	2,000	64,422	(62,422)
Other contracted services	101,000	101,000	171,529	(70,529)
Equipment and machinery parts	5,200	5,200	21,068	(15,868)

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Maintenance of plant - (Continued):				
Other supplies and materials	\$ 190,000	\$ 190,000	\$ 88,004	\$ 101,996
Other charges	5,000	5,000	6,440	(1,440)
Administration equipment	0	93,443	93,673	(230)
Maintenance equipment	2,500	2,500	11,917	(9,417)
Total maintenance of plant	<u>\$ 1,318,167</u>	<u>\$ 1,398,612</u>	<u>\$ 1,346,957</u>	<u>\$ 51,655</u>
Total operation and maintenance	<u>\$ 4,245,319</u>	<u>\$ 4,363,571</u>	<u>\$ 4,240,455</u>	<u>\$ 123,116</u>
Transportation:				
Supervisor	\$ 42,611	\$ 42,611	\$ 49,197	\$ (6,586)
Mechanics	87,844	87,844	107,543	(19,699)
Bus drivers	591,398	591,398	529,420	61,978
Social security	44,755	44,755	41,891	2,864
State retirement	22,412	22,412	27,498	(5,086)
Life insurance	219	238	238	0
Medical insurance	27,512	26,240	26,240	0
Employer medicare	10,467	10,467	9,797	670
Contracts with parents	1,000	1,000	0	1,000
Medical and dental services	3,500	3,500	4,108	(608)
Travel	1,100	1,100	0	1,100
Other contracted services	22,500	22,500	53,910	(31,410)
Diesel fuel	189,088	189,088	90,084	99,004
Gasoline	20,000	20,000	17,304	2,696
Lubricants	2,000	2,000	3,808	(1,808)
Tires and tubes	17,290	17,290	17,981	(691)
Vehicle parts	79,440	79,440	64,304	15,136
Other supplies and materials	2,000	2,000	50,576	(48,576)
Vehicle and equipment insurance	67,047	60,491	60,491	0
Other charges	15,550	15,550	25,288	(9,738)
Total transportation	<u>\$ 1,247,733</u>	<u>\$ 1,239,924</u>	<u>\$ 1,179,678</u>	<u>\$ 60,246</u>
Food service:				
Other salaries and wages	\$ 62,182	\$ 62,280	\$ 60,400	\$ 1,880
Social security	3,855	3,477	3,426	51
State retirement	10,683	10,700	9,906	794
Life insurance	75	80	66	14
Medical insurance	9,540	9,633	8,012	1,621
Employer medicare liability	902	813	801	12
Total food service	<u>\$ 87,237</u>	<u>\$ 86,983</u>	<u>\$ 82,611</u>	<u>\$ 4,372</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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
Current - (Continued):				
Education - (Continued):				
Community services:				
Other contracted services	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
Total community services	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
Early Childhood Education:				
Contracts with other public agencies	\$ 922,453	\$ 910,957	\$ 910,675	\$ 282
Total early childhood education	\$ 922,453	\$ 910,957	\$ 910,675	\$ 282
Other Programs				
On-behalf payments of opeb	\$ 0	\$ 0	\$ 156,797	\$ (156,797)
Total other programs	\$ 0	\$ 0	\$ 156,797	\$ (156,797)
Total education	\$ 50,362,921	\$ 52,843,284	\$ 50,915,113	\$ 1,928,171
Capital Outlay				
Building improvements	\$ 0	\$ 6,000	\$ 6,000	\$ 0
Total capital outlay	\$ 0	\$ 6,000	\$ 6,000	\$ 0
Debt Service				
Principal on bonds	\$ 460,397	\$ 427,046	\$ 141,506	\$ 285,540
Interest on bonds	136,895	227,327	20,740	206,587
Interest on notes	194,700	194,700	0	194,700
Total debt service	\$ 791,992	\$ 849,073	\$ 162,246	\$ 686,827
Total expenditures	\$ 51,154,913	\$ 53,698,357	\$ 51,083,359	\$ 2,614,998
Excess (deficiency) of revenues over expenditures	\$ (6,130,000)	\$ (5,489,311)	\$ (2,258,343)	\$ 3,230,968
Other Financing Sources (Uses)				
Transfers in	\$ 5,432,000	\$ 5,433,814	\$ 5,432,806	\$ (1,008)
Transfers out	0	0	(681,219)	(681,219)
Notes issued	0	0	0	0
Total other financing sources(uses)	\$ 5,432,000	\$ 5,433,814	\$ 4,751,587	\$ (682,227)
Net change in fund balances	\$ (698,000)	\$ (55,497)	\$ 2,493,244	\$ 2,548,741
Fund balance at beginning of year (restated)	\$ 6,025,796	\$ 6,025,796	\$ 6,025,796	\$ 0
Fund balance at end of year	\$ 5,327,796	\$ 5,970,299	\$ 8,519,040	\$ 2,548,741

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2021

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 13,879,083	\$ 23,800,967	\$ 2,210,181	\$ 39,890,231	\$ 1,236,994
Cash and cash equivalents - restricted	4,413	4,901	0	9,314	0
Accounts receivable - net	3,838,563	15,064,600	133,538	19,036,701	8,827
Inventories	410,911	2,092,462	0	2,503,373	0
Prepays	122,073	174,630	0	296,703	0
<b>Total current assets</b>	<b>\$ 18,255,043</b>	<b>\$ 41,137,560</b>	<b>\$ 2,343,719</b>	<b>\$ 61,736,322</b>	<b>\$ 1,245,821</b>
<b>Noncurrent assets:</b>					
Receivable - conservation loans	\$ 0	\$ 1,404,503	\$ 0	\$ 1,404,503	\$ 0
Other assets	0	1,480,929	0	1,480,929	0
<b>Capital assets:</b>					
Land and construction in progress	19,915,326	2,242,440	2,385,640	24,543,406	0
Other capital assets, net of depreciation	122,697,294	79,916,623	794,533	203,408,450	0
<b>Total noncurrent assets</b>	<b>\$ 142,612,620</b>	<b>\$ 85,044,495</b>	<b>\$ 3,180,173</b>	<b>\$ 230,837,288</b>	<b>\$ 0</b>
<b>Total assets</b>	<b>\$ 160,867,663</b>	<b>\$ 126,182,055</b>	<b>\$ 5,523,892</b>	<b>\$ 292,573,610</b>	<b>\$ 1,245,821</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	\$ 404,995	\$ 24,914	\$ 0	\$ 429,909	\$ 0
Deferred outflows - pensions	3,345,760	4,095,443	25,033	7,466,236	0
Deferred outflows - opeb	526,883	391,788	60,003	978,674	0
<b>Total deferred outflows of resources</b>	<b>\$ 4,277,638</b>	<b>\$ 4,512,145</b>	<b>\$ 85,036</b>	<b>\$ 8,874,819</b>	<b>\$ 0</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 73,191	\$ 11,650,940	\$ 11,969	\$ 11,736,100	\$ 331,962
Customer deposits	0	3,870,230	0	3,870,230	0
Due to other funds	0	106,667	0	106,667	0
Current maturities of long-term debt	4,707,275	1,061,721	0	5,768,996	0
Other current liabilities	2,045,930	1,679,585	17,343	3,742,858	0
<b>Total current liabilities</b>	<b>\$ 6,826,396</b>	<b>\$ 18,369,143</b>	<b>\$ 29,312</b>	<b>\$ 25,224,851</b>	<b>\$ 331,962</b>
<b>Noncurrent liabilities:</b>					
Post-employment benefits payable	\$ 7,982,780	\$ 5,778,545	\$ 533,648	\$ 14,294,973	\$ 0
Pension benefits payable	6,294,981	6,610,504	61,989	12,967,474	0
Conservation advances from TVA	0	1,466,052	0	1,466,052	0
Due to other funds	0	828,333	0	828,333	0
Other noncurrent liabilities	0	1,841,350	0	1,841,350	0
Notes payable	23,348,240	0	0	23,348,240	0
Revenue bonds payable net of discount	29,442,885	13,600,594	0	43,043,479	0
<b>Total noncurrent liabilities</b>	<b>\$ 67,068,886</b>	<b>\$ 30,125,378</b>	<b>\$ 595,637</b>	<b>\$ 97,789,901</b>	<b>\$ 0</b>
<b>Total liabilities</b>	<b>\$ 73,895,282</b>	<b>\$ 48,494,521</b>	<b>\$ 624,949</b>	<b>\$ 123,014,752</b>	<b>\$ 331,962</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred charge on refunding	\$ 111,694	\$ 187,779	\$ 0	\$ 299,473	\$ 0
Deferred inflows - pensions	15,940	28,491	0	44,431	0
Deferred inflows - opeb	1,229,700	880,004	30,299	2,140,003	0
<b>Total deferred inflows of resources</b>	<b>\$ 1,357,334</b>	<b>\$ 1,096,274</b>	<b>\$ 30,299</b>	<b>\$ 2,483,907</b>	<b>\$ 0</b>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 85,411,934	\$ 67,338,784	\$ 3,180,173	\$ 155,930,891	\$ 0
Unrestricted	4,480,751	13,764,621	1,773,507	20,018,879	913,859
<b>Total net position</b>	<b>\$ 89,892,685</b>	<b>\$ 81,103,405</b>	<b>\$ 4,953,680</b>	<b>\$ 175,949,770</b>	<b>\$ 913,859</b>

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, 2021

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
<b>Operating Revenues:</b>					
Charges for services	\$ 30,118,422	\$ 98,310,781	\$ 1,564,682	\$ 129,993,885	\$ 4,689,913
Other operating revenues	3,195,702	1,739,517	0	4,935,219	0
<b>Total operating revenues</b>	<b>\$ 33,314,124</b>	<b>\$ 100,050,298</b>	<b>\$ 1,564,682</b>	<b>\$ 134,929,104</b>	<b>\$ 4,689,913</b>
<b>Operating Expenses:</b>					
Power purchased	\$ 0	\$ 71,322,321	\$ 0	\$ 71,322,321	\$ 0
Operation expenses	16,975,995	7,682,346	574,737	25,233,078	5,118,830
Maintenance expense	3,357,489	4,972,318	0	8,329,807	0
Depreciation and amortization	6,746,827	5,082,744	31,428	11,860,999	0
<b>Total operating expenses</b>	<b>\$ 27,080,311</b>	<b>\$ 89,059,729</b>	<b>\$ 606,165</b>	<b>\$ 116,746,205</b>	<b>\$ 5,118,830</b>
<b>Operating income (loss)</b>	<b>\$ 6,233,813</b>	<b>\$ 10,990,569</b>	<b>\$ 958,517</b>	<b>\$ 18,182,899</b>	<b>\$ (428,917)</b>
<b>Non Operating Revenues (Expenses):</b>					
Interest income	\$ 21,228	\$ 33,984	\$ 2,077	\$ 57,289	\$ 964
Interest expense	(1,387,600)	(558,382)	0	(1,945,982)	0
Plant cost recovered through contributions	0	(402,873)	0	(402,873)	0
Other income (expense)	(17,340)	276,966	0	259,626	0
<b>Total nonoperating revenues (expenses)</b>	<b>\$ (1,383,712)</b>	<b>\$ (650,305)</b>	<b>\$ 2,077</b>	<b>\$ (2,031,940)</b>	<b>\$ 964</b>
<b>Income before contributions and transfers</b>	<b>\$ 4,850,101</b>	<b>\$ 10,340,264</b>	<b>\$ 960,594</b>	<b>\$ 16,150,959</b>	<b>\$ (427,953)</b>
Capital contributions	1,332,427	402,873	0	1,735,300	0
Transfers in	0	0	0	0	450,000
Transfers out	(474,583)	(2,498,439)	0	(2,973,022)	0
<b>Change in net position</b>	<b>\$ 5,707,945</b>	<b>\$ 8,244,698</b>	<b>\$ 960,594</b>	<b>\$ 14,913,237</b>	<b>\$ 22,047</b>
<b>Total net position - beginning</b>	<b>84,184,740</b>	<b>72,858,707</b>	<b>3,993,086</b>	<b>161,036,533</b>	<b>891,812</b>
<b>Total net position - ending</b>	<b>\$ 89,892,685</b>	<b>\$ 81,103,405</b>	<b>\$ 4,953,680</b>	<b>\$ 175,949,770</b>	<b>\$ 913,859</b>

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2021

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 33,368,992	\$ 99,437,905	\$ 1,560,544	\$ 134,367,441	\$ 0
Receipts from interfund charges	0	0	0	0	4,681,086
Payments to suppliers	(15,977,426)	(70,982,132)	(699,136)	(87,658,694)	(5,226,126)
Payments to employees for services	(6,094,924)	(9,629,595)	(184,283)	(15,908,802)	0
Net cash provided by (used in) operating activities	<u>\$ 11,296,642</u>	<u>\$ 18,826,178</u>	<u>\$ 677,125</u>	<u>\$ 30,799,945</u>	<u>\$ (545,040)</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450,000
Transfers out	(474,583)	(2,498,439)	0	(2,973,022)	0
Net cash provided by (used in) financing activities	<u>\$ (474,583)</u>	<u>\$ (2,498,439)</u>	<u>\$ 0</u>	<u>\$ (2,973,022)</u>	<u>\$ 450,000</u>
<b>Cash flows from capital and related financing activities:</b>					
Additions to plants	\$ (11,454,922)	\$ (11,500,349)	\$ (784,263)	\$ (23,739,534)	\$ 0
Proceeds received for contributions in aid of construction	1,332,427	402,873	0	1,735,300	0
Removal cost	0	(633,233)	0	(633,233)	0
Salvage	5,000	178,789	0	183,789	0
Proceeds from issuance of debt	19,847,100	10,372,263	0	30,219,363	0
Payment of principal on long-term debt	(15,868,003)	(9,367,855)	0	(25,235,858)	0
Payment of interest on long-term debt	(1,642,058)	(481,430)	0	(2,123,488)	0
Net cash provided by (used in) capital and related financing activities	<u>\$ (7,780,456)</u>	<u>\$ (11,028,942)</u>	<u>\$ (784,263)</u>	<u>\$ (19,593,661)</u>	<u>\$ 0</u>
<b>Cash flows from investing activities:</b>					
Interest received	\$ 21,228	\$ 33,984	\$ 2,077	\$ 57,289	\$ 964
Other non-operating revenue (expense)	0	0	0	0	0
Net cash provided by investing activities	<u>\$ 21,228</u>	<u>\$ 33,984</u>	<u>\$ 2,077</u>	<u>\$ 57,289</u>	<u>\$ 964</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>\$ 3,062,831</u>	<u>\$ 5,332,781</u>	<u>\$ (105,061)</u>	<u>\$ 8,290,551</u>	<u>\$ (94,076)</u>
Cash and cash equivalents, beginning of year	10,820,665	18,473,087	2,315,242	31,608,994	1,331,070
Cash and cash equivalents, end of year	<u>\$ 13,883,496</u>	<u>\$ 23,805,868</u>	<u>\$ 2,210,181</u>	<u>\$ 39,899,545</u>	<u>\$ 1,236,994</u>

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

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2021

(Continued)

	Enterprise Funds				Internal Service Funds
	Cleveland Utilities Water Division	Cleveland Utilities Electric Division	Stormwater Management Fund	Total	
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 6,233,813	\$ 10,990,569	\$ 958,517	\$ 18,182,899	\$ (428,917)
revenues to net cash provided by operating activities:					
Depreciation	7,022,335	5,658,266	31,428	12,712,029	0
Other revenue (expense)	(17,339)	276,966	0	259,627	
Changes in operating assets and liabilities					
Accounts receivable	54,868	(951,513)	(4,138)	(900,783)	(8,827)
Allowance for doubtful accounts	0	(23,816)	0	(23,816)	0
Inventories	(82,832)	75,772	0	(7,060)	0
Receivable from customers for conservation loans	0	(97,729)	0	(97,729)	0
Prepays	38,998	(7,318)	0	31,680	0
Other assets	0	43,550	0	43,550	0
Accounts payable	(1,450,829)	1,641,301	(345,110)	(154,638)	(107,296)
Customer deposits	0	159,883	0	159,883	0
Other current liabilities	84,662	1,722,452	(4,327)	1,802,787	0
Pension benefits payable	(493,943)	(665,630)	15,176	(1,144,397)	0
Post-employment benefits payable	(93,091)	(107,751)	25,579	(175,263)	0
Conservation loans	0	111,176	0	111,176	0
Net cash provided by operating activities	\$ 11,296,642	\$ 18,826,178	\$ 677,125	\$ 30,799,945	\$ (545,040)

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF NET POSITION - FIDUCIARY FUND  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND - CLEVELAND UTILITIES  
June 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 102,535
Interest receivable	1,405
Investments, at fair value:	
Equity mutual funds	3,028,959
Total current assets	<u>\$ 3,132,899</u>
 Total assets	 <u><u>\$ 3,132,899</u></u>

NET POSITION

Net position restricted for other post-employment benefits	<u><u>\$ 3,132,899</u></u>
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CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND - CLEVELAND UTILITIES  
For the Fiscal Year Ended June 30, 2021

ADDITIONS

Employer contributions	\$ 1,404,235
Net investment income:	
Interest and dividend income	67,577
Net change in the fair value of assets	<u>544,561</u>
Total Additions	<u>\$ 2,016,373</u>

DEDUCTIONS

Benefits paid	<u>\$ 706,042</u>
Total Deductions	<u>\$ 706,042</u>
Change in Net Position Held in Trust for Other Post-Employment Benefits	\$ 1,310,331
Net position, held in trust beginning of year	<u>1,822,568</u>
Net position, held in trust end of year	<u><u>\$ 3,132,899</u></u>

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## **NOTES**

CITY OF CLEVELAND, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of significant policies:

A. Reporting Entity

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

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

Cleveland Board of Education

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

Cleveland Board of Public Utilities

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

Cleveland Public Library Board

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

C. Measurement focus, Basis of Accounting

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

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

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

D. Cash and Cash Equivalents

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

E. Investments

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

E. Investments - (Cont.)

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

F. Receivables and Payables

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

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

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

G. Inventories and Prepaid Items

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

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

H. Restricted Assets

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

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

I. Capital Assets

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

I. Capital Assets - (Cont.)

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

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

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

Cleveland Utilities

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

Cleveland Utilities uses a composite straight-line rate expressed as a percentage of average depreciable plant. The 2021 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 \$575,523, and \$275,508, 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	\$ 11,860,999
Depreciation charged to clearing account	<u>851,030</u>
Depreciation and amortization per statement of cash flows	<u>\$ 12,712,029</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 items that qualifies for reporting in this category. The first one is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding (loss) results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item relates to pension contributions made after the measurement date of the pension liability.

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 (2021 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:

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, 2021, outstanding debt proceeds totaled \$9,314.

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

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.
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.

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

N. Budgets and Budgetary Accounting - (Cont.)

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 \$22,121,088, increase budgeted expenditures by \$32,111,045, and increase budgeted expenses by \$904,661. The increase in revenues is primarily from federal grants and tax revenues received by the City. The increase in budgeted expenditures is a result of the additional funding.

O. Subsequent Events

Management has evaluated events and transactions that occurred between June 30, 2021, and January 24, 2022, 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.

	Cost	Investment Maturities	
		Less than One Year	One to Five Years
Certificates of Deposit	\$ 688,691	\$ 0	\$ 688,691
Local Government Investment Pool	26,119	26,119	0
	<u>\$ 714,810</u>	<u>\$ 26,119</u>	<u>\$ 688,691</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, 2021, 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, 2021.

American Beacon Small Cap Value Fund	\$ 194,133
Clearbridge International Growth	212,312
John Hancock Fund III - International Growth Fund	225,258
Lord Abbett Short Duration Income Fund	255,338
T. Rowe Price Emerging Markets Stock Fund	162,825
The Hartford Small Cap Growth I Fund	161,450
Thornburg Limited Term Income Fund	280,673
Vanguard Growth Index Fund	434,869
Vanguard High Dividend Yield Index Fund	427,928
Victory Sycamore Established Value I Fund	217,921

For the year ended June 30, 2021, the annual money-weighted rate of return on opeb plan investment expense was 23.16 %. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### INVESTMENTS - TCRS Stabilization Reserve Trust

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

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

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

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2021, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 - Unadjusted quoted prices for identical assets and liabilities in active markets that can be accessed at the measurement date.

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted process for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to principal market; an Level 1 assets or liabilities that are adjusted.

Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

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

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are value with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level are value using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are value using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraisers with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investments reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

On June 30, 2021, Cleveland City Schools had the following investments held by the trust on its behalf.

	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 125,469
Developed Market International Equity	N/A	N/A	56,663
Emerging Market International Equity	N/A	N/A	16,190
U.S. Fixed Income	N/A	N/A	80,948
Real Estate	N/A	N/A	40,474
Short-term Securities	N/A	N/A	4,047
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>80,948</u>
Total			<u>\$ 404,739</u>

Investment by Fair Value Level	Fair Value	Level 1	Level 2	Level 3	NAV
U.S. Equity	\$ 125,469	\$ 125,469	\$ 0	\$ 0	\$ 0
Developed Market					
International Equity	56,663	56,663	0	0	0
Emerging Market					
International Equity	16,190	16,190	0	0	0
U.S. Fixed Income	80,948	0	80,948	0	0
Real Estate	40,474	0	0	40,474	0
Short-term Securities	4,047	0	4,047	0	0
Private Equity & Strategic Lending	80,948	0	0	0	80,948
	<u>\$ 404,739</u>	<u>\$ 198,322</u>	<u>\$ 84,995</u>	<u>\$ 40,474</u>	<u>\$ 80,948</u>

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

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

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

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investment in a single issuer. The Cleveland City Schools places no limit on the amount the School may invest in one issuer.

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

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

Note 3 - RECEIVABLES

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

Receivable	Inter-governmental	Taxes	Customer Accounts	Other	Allowance for Uncollectibles	Net Receivables
General	\$ 114,178	\$ 32,232,446	\$ 0	\$ 90,422	\$ (481,090)	\$ 31,955,956
School	8,229,677	1,330,152	0	0	(75,844)	9,483,985
Water	0	0	3,838,563	0	0	3,838,563
Electric	0	0	15,183,441	0	(118,841)	15,064,600
Stormwater	0	0	133,538	0	0	133,538
Nonmajor	5,213,995	0	0	384,023	0	5,598,018
Internal Service	0	0	8,827	0	0	8,827
<b>Totals</b>	<b>\$ 13,557,850</b>	<b>\$ 33,562,598</b>	<b>\$ 19,155,542</b>	<b>\$ 474,445</b>	<b>\$ (675,775)</b>	<b>\$ 66,074,660</b>

Cleveland Utilities Electric and Water Divisions recognize revenues based on billings to customers on monthly meter-reading cycles and also an accrual for the estimate of unbilled revenue for service provided 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, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 37,543,154	\$ 530,628	\$ 0	\$ 38,073,782
Construction in progress	11,543,364	3,648,600	(7,261,183)	7,930,781
<b>Total capital assets not being depreciated</b>	<b>\$ 49,086,518</b>	<b>\$ 4,179,228</b>	<b>\$ (7,261,183)</b>	<b>\$ 46,004,563</b>
Capital assets, being depreciated:				
Buildings	\$ 149,333,884	\$ 6,616,063	\$ 0	\$ 155,949,947
Improvements other than buildings	24,901,354	2,272,236	(76,985)	27,096,605
Infrastructure	73,739,507	2,032,406	0	75,771,913
Furniture, fixtures, equipment and vehicles	39,328,154	5,870,850	(588,946)	44,610,058
<b>Total capital assets being depreciated</b>	<b>\$ 287,302,899</b>	<b>\$ 16,791,555</b>	<b>\$ (665,931)</b>	<b>\$ 303,428,523</b>
Less accumulated depreciation for:				
Buildings	\$ (45,802,224)	\$ (3,051,303)	\$ 0	\$ (48,853,527)
Improvements other than buildings	(7,973,718)	(699,614)	4,905	(8,668,427)
Infrastructure	(27,121,780)	(1,632,988)	0	(28,754,768)
Furniture, fixtures, equipment and vehicles	(30,301,459)	(2,580,191)	331,286	(32,550,364)
<b>Total accumulated depreciation</b>	<b>\$ (111,199,181)</b>	<b>\$ (7,964,096)</b>	<b>\$ 336,191</b>	<b>\$ (118,827,086)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 176,103,718</b>	<b>\$ 8,827,459</b>	<b>\$ (329,740)</b>	<b>\$ 184,601,437</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 225,190,236</b>	<b>\$ 13,006,687</b>	<b>\$ (7,590,923)</b>	<b>\$ 230,606,000</b>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land and land rights, easements	\$ 3,175,470	\$ 127,232	\$ 0	\$ 3,302,702
Construction work-in-progress	18,940,355	2,300,349	0	21,240,704
Total capital assets not being depreciated	<u>\$ 22,115,825</u>	<u>\$ 2,427,581</u>	<u>\$ 0</u>	<u>\$ 24,543,406</u>
Capital assets being depreciated:				
Plant in service	\$ 391,815,091	\$ 20,868,602	\$ (3,136,101)	\$ 409,547,592
Equipment	979,303	40,478	0	1,019,781
Total capital assets being depreciated	<u>\$ 392,794,394</u>	<u>\$ 20,909,080</u>	<u>\$ (3,136,101)</u>	<u>\$ 410,567,373</u>
Less accumulated depreciation for:				
Plant in service	\$ (197,838,619)	\$ (12,021,660)	\$ 2,926,604	\$ (206,933,675)
Equipment	(194,405)	(30,843)	0	(225,248)
Total accumulated depreciation	<u>\$ (198,033,024)</u>	<u>\$ (12,052,503)</u>	<u>\$ 2,926,604</u>	<u>\$ (207,158,923)</u>
Total capital assets being depreciated, net	<u>\$ 194,761,370</u>	<u>\$ 8,856,577</u>	<u>\$ (209,497)</u>	<u>\$ 203,408,450</u>
Business-type activities capital assets	<u>\$ 216,877,195</u>	<u>\$ 11,284,158</u>	<u>\$ (209,497)</u>	<u>\$ 227,951,856</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 149,363
Development and engineering	23,917
Public safety	1,103,452
Public works	2,502,555
Health and welfare	12,581
Culture and recreation	975,852
Education	3,196,376
Total depreciation expense - governmental activities	<u>\$ 7,964,096</u>

Note 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	Cleveland Utilities - Electric	\$ 935,000
General Fund	Blythe Sidewalks Diabetes	814
School Fund	School Federal Projects Fund	2,687,624
		<u>\$ 3,623,438</u>

Of the total interfund receivable/payable balances, \$2,795,105, 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	Internal Service Fund	
General fund	\$ 0	\$ 5,432,000	\$ 9,047,298	450,000	\$ 14,929,298
School fund	0	0	681,219	0	681,219
Cleveland Utilities - Electric	2,498,439	0	0	0	2,498,439
Cleveland Utilities - Water	474,583	0	0	0	474,583
Nonmajor Governmental	0	806	449,878	0	450,684
	<u>\$ 2,973,022</u>	<u>\$ 5,432,806</u>	<u>\$ 10,178,395</u>	<u>450,000</u>	<u>\$ 19,034,223</u>

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

Note 6 - LONG-TERM DEBT

General Obligation Bonds

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

Purpose	Interest Rates	Amount
Governmental activities	2.00 to 5.00%	\$ 8,770,000
Governmental activities - refunding	2.00 to 5.00%	\$ 59,907,000

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

Fiscal Year	Principal	Interest	Total Requirements
<u>Ending June 30,</u>			
2022	\$ 4,798,000	\$ 2,835,572	\$ 7,633,572
2023	4,993,000	2,632,952	7,625,952
2024	5,208,000	2,420,285	7,628,285
2025	5,508,000	2,167,887	7,675,887
2026	5,700,000	1,903,561	7,603,561
2027-2031	28,995,000	5,148,139	34,143,139
2032-2036	10,465,000	1,088,506	11,553,506
2037-2041	3,010,000	95,762	3,105,762
	<u>\$ 68,677,000</u>	<u>\$ 18,292,664</u>	<u>\$ 86,969,664</u>

Revenue Bonds

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

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Cleveland Utilities - Water Division	1.00-5.75%	\$ 29,434,729
Cleveland Utilities - Electric Division	1.00-5.75%	12,865,271

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2022	\$ 4,370,000	\$ 1,667,632	\$ 6,037,632
2023	4,100,000	1,493,329	5,593,329
2024	3,605,000	1,342,730	4,947,730
2025	3,510,000	1,177,878	4,687,878
2026	3,175,000	1,021,255	4,196,255
2027-2031	12,980,000	3,044,977	16,024,977
2032-2036	7,680,000	996,240	8,676,240
2037-2041	2,880,000	185,755	3,065,755
	<u>\$ 42,300,000</u>	<u>\$ 10,929,796</u>	<u>\$ 53,229,796</u>

Notes Payable - Direct Borrowing - Governmental

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

Capital outlay notes and other loans outstanding as of June 30, 2021, for governmental activities are as follows:

<u>Type</u>	<u>Interest</u> <u>Rate</u>	<u>Final</u> <u>Maturity</u>	<u>Original</u> <u>Amount</u> <u>of Issue</u>	<u>Balance</u> <u>6/30/2021</u>
<u>Direct Borrowing:</u>				
Public Building Authority - Clarksville TN	Variable	5/25/2028	1,812,700	849,000
Other Loans	1.15 to 2.45%	8/1/2033	5,026,457	2,169,878

Principal requirements to maturity for notes payable accounted for in the governmental activities for the fiscal year ended June 30, 2021, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2022	\$ 370,423	\$ 115,094	\$ 485,517
2023	544,676	127,800	672,476
2024	561,618	111,408	673,026
2025	571,929	101,348	673,277
2026	442,358	90,892	533,250
2027-2031	455,632	38,462	494,094
2032-2036	72,242	1,226	73,468
	<u>\$ 3,018,878</u>	<u>\$ 586,230</u>	<u>\$ 3,605,108</u>

Notes Payable - Direct Borrowing - Business Type

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

Capital outlay notes and other loans outstanding as of June 30, 2021, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6/30/2021
Direct Borrowing:				
TN State Revolving Loan Fund	.88 to 2.08%	06/01/41	32,352,769	24,747,236

Principal requirements to maturity for notes payable accounted for in the business-type activities for the fiscal year ended June 30, 2021, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Requirements
2022	\$ 1,398,996	\$ 380,175	\$ 1,779,171
2023	1,423,224	362,856	1,786,080
2024	1,442,760	343,320	1,786,080
2025	1,462,584	323,496	1,786,080
2026	1,482,624	303,456	1,786,080
2027-2031	7,724,220	2,106,180	9,830,400
2032-2036	8,202,306	660,597	8,862,903
2037-2041	5,196,130	165,168	5,361,298
2042-2046	7,103	19	7,122
	<u>\$ 28,339,947</u>	<u>\$ 4,645,267</u>	<u>\$ 32,985,214</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 50,137,000	\$ 27,450,000	\$ (8,910,000)	\$ 68,677,000	\$ 4,798,000
Notes payable	20,755,139	1,514,178	(19,250,439)	3,018,878	370,423
Capital leases	7,633,437	0	(7,633,437)	0	0
Compensated absences	2,617,314	1,592,290	(1,676,924)	2,532,680	253,268
Less bond discount/premium	5,623,246	3,913,381	(547,476)	8,989,151	0
<b>Total</b>	<b>\$ 86,766,136</b>	<b>\$ 34,469,849</b>	<b>\$ (38,018,276)</b>	<b>\$ 83,217,709</b>	<b>\$ 5,421,691</b>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Revenue bonds	\$ 32,615,000	\$ 22,425,000	\$ (12,740,000)	\$ 42,300,000	\$ 4,370,000
Notes payable	11,147,500	0	(11,147,500)	0	0
State revolving loan fund	22,200,601	3,894,993	(1,348,358)	24,747,236	1,398,996
Conservation advances	1,612,638	612,825	(501,649)	1,723,814	257,762
Less bond discount/premiums	1,533,439	3,921,910	(341,870)	5,113,479	0
	<b>\$ 69,109,178</b>	<b>\$ 30,854,728</b>	<b>\$ (26,079,377)</b>	<b>\$ 73,884,529</b>	<b>\$ 6,026,758</b>

As of June 30, 2021, a balance of \$3,592,711, is available in loan proceeds to be drawn down on notes as follows:

State revolving loan fund SRF 2018-417	\$ 2,086,021
State revolving loan fund SRF 2019-431	1,506,690
	<u>\$ 3,592,711</u>

On March 13, 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 2018-417", to finance the wastewater rehabilitation plan of 2018. The SRF CW6 2018-417 loan agreement was for \$10,000,000, in the form of a loan of \$10,000,000. The loan is to be paid back over a 20-year period with a fixed interest rate of 1.58 percent. As of June 30, 2021, the Division has drawn down \$7,913,979, of the loan proceeds.

On November 10, 2020, the City of Cleveland on behalf of the Water and Electric Divisions of Cleveland Utilities, issued debt with a par value of \$22,425,000. The bonds will provide \$6,000,000 in new loan proceeds and currently refund existing debt of \$19,522,500. The bonds are at a fixed rate of 2.0 to 5.0 percent and will mature December 1, 2040. The bonds and notes were currently refunded to reduce the total debt service payments over 20 years by \$1,399,420. The economic gain (difference between the present value of the debt service payments on the old and new debt) is \$1,221,609.

Also on November 10, 2020, the City of Cleveland issued debt in the principal amount of \$27,450,000, to currently refund debt with an outstanding balance of \$30,423,323. The bonds are at a fixed rate of 2.0 to 5.0 percent and will mature December 1, 2037. The debt was currently refunded to reduce the total debt service over 17 years by \$2,316,251. The economic gain (difference between the present value of the debt service payments on the old and new debt) is \$1,998,454.

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

Note 7 - JOINT VENTURES

The City of Cleveland, together with Bradley County and the City of Charleston, have created the Bradley County 911 Emergency Communications District to combine Emergency 911 services that were operated separately by each government. The District board consists of ten ex-officio members including: the County Mayor, the City of Cleveland Mayor, the City of Charleston Police Chief, the County Sheriff, the Cleveland Police Chief, the Cleveland Fire Chief, the Director of Emergency Medical Services, the Director of the Emergency Management Agency, Cleveland City Manager and Bradley County Fire Chief, along with three persons appointed by the County Mayor with the approval of the County Commission and the City of Cleveland Council. The City has constructed a building and purchased equipment for the District at a total cost of \$1,311,046. The City is financing this endeavor through loans from bond proceeds issued by the 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 8 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds, notes payable, compensated absences, post-employment benefits, pension liability and interest payable are not due and payable in the current period and therefore are not reported in the funds." The details of this \$145,741,992, are as follows:

Bonds payable	\$ 68,677,000
Notes payable	3,018,878
Compensated absences	2,532,679
Postemployment benefits	55,430,835
Net pension asset	(5,152,349)
Net pension liability	12,093,338
Interest payable	152,462
Premium on bonds payable	<u>8,989,149</u>
Net adjustment	<u>\$ 145,741,992</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 \$5,745,504, difference are as follows:

Capital outlay	\$ 13,709,599
Depreciation expense	<u>(7,964,095)</u>
Net adjustment	<u>\$ 5,745,504</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 \$36,117,792, difference are as follows:

Principal repayments:	
General obligation bonds	\$ 8,910,000
Notes payable	19,250,439
Capital leases payable	7,633,437
Prepayment penalty	<u>323,916</u>
Net adjustment	<u>\$ 36,117,792</u>

Note 9 - COMMITMENTS AND CONTINGENCIES

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

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

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

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

Note 10 - LITIGATION

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

Note 11 - TENNESSEE VALLEY AUTHORITY (TVA) CONSERVATION PROGRAMS

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

Note 12 - RISK MANAGEMENT

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

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

	Cleveland Utilities	Health Insurance Trust	Total
Claims liability at 6/30/20	\$ 136,637	\$ 439,258	\$ 575,895
Current year claims and estimate changes	3,479,378	4,265,828	7,745,206
Claims paid	<u>(3,504,119)</u>	<u>(4,373,124)</u>	<u>(7,877,243)</u>
Claims liability at 6/30/21	<u>\$ 111,896</u>	<u>\$ 331,962</u>	<u>\$ 443,858</u>

Note 13 - DEFERRED COMPENSATION PLAN

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

Note 14 - ESTIMATES

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

Note 15 - TAX ABATEMENTS

In recent years the City has entered into PILOT Programs with various industries as a way to stimulate the local economy, promote industrial expansion and create jobs. The Payment in Lieu of Taxes (PILOT) is designed as an incentive program which allows an industry to pay less than what is owed in property taxes for a period of time. This frees up funds which the business or industry agrees to invest in the local community. This PILOT Program is authorized under Tennessee Code Annotated 7-53-305. For each year the PILOT Program is in effect, businesses are billed based upon an agreed upon percentage of the total tax they would have paid. For the current fiscal year, four businesses paid taxes totaling \$1,077,229 based on a total potential tax of \$2,229,024.

Note 16 - RETIREMENT COMMITMENTS

THE TCRS PENSION PLAN

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

*Benefits provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits are early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

*Employees covered by benefit terms.* At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	507
Inactive employees entitled to but not yet receiving benefits	392
Active employees	756
	<u>1,655</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, 2021, employer contributions were 7,054,418, based on a rate of 20.68 percent of covered payroll for public safety employees and 17.18 percent of covered payroll for all other employees under the plan. By law, employer contributions are required to be paid. The TCRS may intercept Cleveland City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

THE TCRS PENSION PLAN - (Cont.)

Net Pension Liability

Cleveland City's net pension liability was measured as of June 30, 2020, 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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	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, 2020, 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 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.

THE TCRS PENSION PLAN - (Cont.)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 6/30/19	\$ 164,039,340	\$ 146,914,890	\$ 17,124,450
Changes for the year:			
Service cost	\$ 3,109,494	\$ 0	\$ 3,109,494
Interest	11,863,884	0	11,863,884
Difference between expected and actual experience	399,575	0	399,575
Changes in assumptions	0	0	0
Contributions - employer	0	6,777,880	(6,777,880)
Net investment income	0	7,279,540	(7,279,540)
Benefit payments	(7,018,107)	(7,018,107)	0
Administrative expenses	0	(65,005)	65,005
Net changes	<u>\$ 8,354,846</u>	<u>\$ 6,974,308</u>	<u>\$ 1,380,538</u>
Balance at 6/30/20	<u>\$ 172,394,186</u>	<u>\$ 153,889,198</u>	<u>\$ 18,504,988</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of Cleveland City calculated using the discount rate of 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	\$ 41,210,928	\$ 18,504,988	\$ (465,951)

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

*Pension expense.* For the year ended June 30, 2021, Cleveland City recognized pension expense of \$6,670,467.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2021, 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	\$ 2,484,426	\$ 0
Net difference between projected and actual earnings on pension plan investments	1,124,176	0
Change in assumptions	1,212,129	0
Contributions subsequent to the measurement date of June 30, 2020	<u>7,054,418</u>	<u>0</u>
Total	<u>\$ 11,875,149</u>	<u>\$ 0</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2020," will be recognized as a reduction to net pension liability in the following measurement period.

THE TCRS PENSION PLAN - (Cont.)

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

Year ended June 30:		
2022	\$	1,083,170
2023		1,755,991
2024		994,729
2025		920,245
2026		66,596
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, 2021, 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, 2020, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	2
Active employees	10
	<u>90</u>

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

*Contributions*. Contributions for employees are based on an actuarially determined amount. The contribution requirements of the Board are established and may be amended by the CSA Board of Directors. The employer's actuarially determined contribution (ADC) is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as amortized portion of any unfunded liability.

Net Pension Liability

Cleveland Utilities net pension liability was measured as of October 1, 2020, 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, 2020, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

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

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

*Changes in assumptions*. The Pub-2010 General Amount-Weighted table fully-generational with the production scale MP-2020 is being used for Mortality now. The prior valuation used RP-2000 Fully Generational with Scale AA. Incident of Disability now uses the 1985 CIDA Table-Class 2. The prior valuation used 50% 1952 Disability Table, Period 2 Benefit 5, with a 6 month waiting period. The salary scale changed from 3.00% per year to 3.50% per year.

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

Overtime is now based on 100% of the most recent 3-year average. The prior valuation used 100% of the prior year level. The assumption for married changed to assume that 50% of participants are married and that a male is 3 years older than his female spouse. The prior valuation assumed that 80% of participants were married.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 10/01/19	\$ 34,850,298	\$ 27,814,594	\$ 7,035,704
Changes for the year:			
Service cost	\$ 56,028	\$ 0	\$ 56,028
Interest	2,348,086	0	2,348,086
Difference between expected and actual experience	224,024	0	224,024
Assumption Changes	1,061,833	0	1,061,833
Contributions - employer	0	1,930,107	(1,930,107)
Net Investment income	0	2,246,887	(2,246,887)
Benefit payments	(2,724,486)	(2,724,486)	0
Other charges	0	(7,143)	7,143
Net changes	<u>\$ 965,485</u>	<u>\$ 1,445,365</u>	<u>\$ (479,880)</u>
Balance at 10/01/20	<u>\$ 35,815,783</u>	<u>\$ 29,259,959</u>	<u>\$ 6,555,824</u>

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
CSA plan net pension liability	\$ 9,937,650	\$ 6,555,824	\$ 3,650,670

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

*Pension expense.* For the year ended June 30, 2021, Cleveland Utilities recognized pension expense of \$1,116,307.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2021 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	\$ 655,699	\$ 44,431
Changes of assumption	915,819	0
Net difference between projected and actual earnings on pension plan investments	105,949	0
Contributions subsequent to the measurement date of October 1, 2020	<u>1,474,563</u>	<u>0</u>
Total	<u>\$ 3,152,030</u>	<u>\$ 44,431</u>

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

The amount shown above for "Contributions subsequent to the measurement date of October 1, 2020," 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:	
2022	\$ 524,742
2023	542,169
2024	374,551
2025	191,574
2026	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, 2021, no contributions were payable to the plan.

TEACHERS LEGACY PENSION PLAN OF TCRS

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

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

The Teacher Retirement Plan became effective July 1, 2014 for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

*Benefits provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agency (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Cleveland City Schools for the year ended June 30, 2021 to the Teacher Legacy Pension Plan were \$2,155,069, which is 10.27 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, 2021, The Cleveland City Schools reported an asset of \$4,907,554, for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, Cleveland City Schools' proportion was 0.643551 percent. The proportion measured as of June 30, 2019, was 0.642330 percent.

*Pension expense.* For the year ended June 30, 2020, Cleveland City Schools recognized pension expense of (\$543).

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2021, 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	\$ 186,563	\$ 2,359,465
Change in assumptions	445,828	0
Net difference between projected and actual earnings on pension plan investments	1,096,052	0
Changes in proportion of Net Pension Liability (Asset)	107,758	16,513
Contributions subsequent to the measurement date of June 30, 2020	2,155,069	0
Total	<u>\$ 3,991,270</u>	<u>\$ 2,375,978</u>

Cleveland City Schools employer contributions of \$2,155,069, 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, 2022. 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:	
2022	\$ (1,138,601)
2023	(160,374)
2024	33,144
2025	726,056
2026	0
Thereafter	0

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

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

*Actuarial assumptions.* The total pension liability as of the June 30, 2020, the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	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.

The actuarial assumptions used in the June 30, 2020, 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%
		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 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

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

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)	\$ 15,262,383	\$ (4,907,554)	\$ (21,633,169)

*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, 2021, no payments were payable to the plan.

TEACHERS RETIREMENT PLAN OF TCRS

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

Teachers employed by Cleveland City Schools with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. The Teacher Retirement Plan became effective July 1, 2014 for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

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

Benefits are determined by a formula using the member's highest five consecutive years average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated 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

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

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, 2021 to the Teacher Retirement Plan were \$135,611, which is 2.03 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, 2021, The Cleveland City Schools reported an asset of \$244,797, for its proportionate share of net pension asset. The net pension liability was measured as of June 30, 2020, 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, 2020, Cleveland City Schools' proportion was 0.430495 percent. The proportion measured as of June 30, 2019 was 0.413270 percent.

*Pension expense.* For the year ended June 30, 2021, Cleveland City Schools recognized pension expense of \$97,867.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2021, 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	\$ 9,094	\$ 61,346
Net difference between projected and actual earnings on pension plan investments	19,942	0
Change in assumptions	7,676	0
Changes in proportion of net pension liability (Asset)	2,338	13,818
Contributions subsequent to the measurement date of June 30, 2019	135,611	0
Total	\$ 174,661	\$ 75,164

Cleveland City Schools employer contributions of \$135,611, 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, 2022. 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:	
2022	\$ (3,121)
2023	(239)
2024	1,230
2025	1,649
2026	(5,106)
Thereafter	(30,527)

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

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

*Actuarial assumptions.* The total pension liability as of the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	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.

The actuarial assumptions used in the June 30, 2020, 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 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:

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 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

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

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)	\$ 190,412	\$ (244,797)	\$ (565,600)

*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, 2021, no payments were payable to the plan.

Defined Contribution Component of the Teachers Retirement Plan:

The Schools also have a defined contribution plan (administered by Great West Financial), under section 401(k) of the Internal Revenue Code, covering all teachers of the System. Benefit terms, including contribution requirements, for the Great West 401(k) pension plan are established and may be amended by the TCRS Board. Under the plan, the System contributes 5% to the accounts of teachers hired after July 1, 2014; these contributions are not subject to any matching employee contribution. These teachers are automatically enrolled in the plan with a 2% employee deferral and an opt-out feature through which they may make no contributions. In addition, teachers who participate in the Legacy Plan of TCRS have the option to make contributions to this defined contribution plan with no system matching contributions. After-tax Roth 401k employee contributions are permitted by the Plan up to limits imposed by the Internal Revenue Code. Employee contributions to the Plan totaled \$118,319, for the year ended June 30, 2021. The System recognized pension expense under the defined contribution plan of \$320,320, for the year ended June 30, 2021. Employees are immediately vested in their own contributions, employer contributions, and earnings on those contributions. As a result, there are no forfeitures to be recognized in pension expense.

AGGREGATION OF ALL PENSION PLANS

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,335,782	\$ 2,465,242
Net difference between projected and actual earnings on pension plan investments	2,346,119	0
Change in assumptions	2,581,452	0
Changes in proportion of net pension liability	110,096	30,331
Contributions subsequent to the measurement date	10,819,661	0
<b>Total</b>	<b>\$ 19,193,110</b>	<b>\$ 2,495,573</b>

Deferred outflows of resources related to 2021 contributions to pension plans subsequent to the measurement date (June 30, 2020 and October 1, 2020) will be recognized as a reduction of the net pension liability for the year ended June 30, 2022.

Note 16 - 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:	
2022	\$ 466,190
2023	2,137,547
2024	1,403,654
2025	1,839,524
2026	61,490
Thereafter	(30,527)

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	\$ 4,907,554	\$ 0
Teachers Retirement Plan of TCRS	244,797	0
TCRS Pension Plan	0	18,504,988
CSA Pension Plan	0	6,555,824
	<u>\$ 5,152,351</u>	<u>\$ 25,060,812</u>

Pension expense related to all plans were as follows:

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

Note 17 - POSTEMPLOYMENT BENEFITS

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES

PLAN DESCRIPTION

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

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

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

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

*Plan Membership.* At July 1, 2019, plan membership consisted of the following:

Inactive employees currently receiving benefit payments	107
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	340
	<u>447</u>

*Actuarial assumptions.* The total opeb liability in the June 30, 2019, 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	2.21%
Healthcare cost trend rates	7.50% decreasing to an ultimate rate of 4.50% in 2025.
Mortality	RPH-2014 headcount weighted mortality table with projection scale MP-2019

*Discount rate.* The discount rate used to measure the OPEB liability was 2.21 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 June 30, 2020	<u>\$ 45,362,084</u>
Changes for the year:	
Service cost	\$ 1,930,238
Interest	1,034,942
Changes in Benefit Terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	0
Benefit payments	(929,822)
Net changes	<u>\$ 2,035,358</u>
Balance at June 30, 2021	<u>\$ 47,397,442</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 (6.00%) decreasing to 3.50%)	Current (7.00%) decreasing to 4.50)	1% Increase (8.00%) decreasing to 5.50%)
<u>\$ 37,614,072</u>	<u>\$ 47,397,442</u>	<u>\$ 60,916,294</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 (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
<u>\$ 57,305,597</u>	<u>\$ 47,397,442</u>	<u>\$ 40,388,323</u>

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

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

*Opeb expense.* For the fiscal year ended June 30, 2021, the plan had opeb expense of \$3,255,215.

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, 2021, the plan reported deferred outflows of resources and deferred inflows of resources related to opeb from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 0	\$ 2,691,052
Net difference between projected and actual earnings on opeb plan investments	0	0
Change in assumptions	<u>5,329,340</u>	<u>0</u>
Total	<u>\$ 5,329,340</u>	<u>\$ 2,691,052</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:	
2022	\$ 290,035
2023	290,035
2024	290,035
2025	290,035
2026	290,035
Thereafter	1,188,113

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

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN

PLAN DESCRIPTION

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

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

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, 2019, are as follows:

	Medical	Dental
Pre-65 Retiree	\$ 659.72	\$ 26.09
Pre-65 Retiree and Spouse	1,739.49	63.02
Post-65 Retiree	301.00	26.09
Post-65 Retiree and Spouse	602.00	63.02

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, 2019, plan membership consisted of the following:

Inactive plan members	107
Active plan members	201
	<u>308</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, 2021, and the total opeb liability used to calculate net opeb liability was determined by an actuarial valuation as of July 1, 2019.

*Actuarial Assumptions.* The total Opeb liability was determined by an actuarial valuation as of July 1, 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	RPH-2014 Fully Generational with Scale MP2019

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

*Discount rate.* The discount rate used to measure the total opeb liability was 7.00%. The Board has not adopted a formal written funding policy. A contribution of \$698,193, was made during the fiscal year ended June 30, 2021. Future contributions at the Actuarial Determined Contribution (including direct benefit payments), are expected to generate a level funding that cash flow projections indicate will meet the funding requirements. This assumption will be reviewed as of the next measurement date and modified as appropriate.

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

Changes in the Net Opeb Liability:

	Actuarial Accrued Liability (a)	Plan Assets (b)	Unfunded Actuarial Accrued Liability (a) - (b)
Balance at June 30, 2020	\$ 15,535,242	\$ 1,822,568	\$ 13,712,674
Changes for the year:			
Normal	\$ 255,499	\$ 0	\$ 255,499
Interest	1,081,058	0	1,081,058
Difference between expected and actual experience	0	0	0
Contributions - employer	0	1,160,326	(1,160,326)
Net Investment income	0	127,580	(127,580)
Changes in assumptions	0	0	0
Benefit payments	(706,042)	(706,042)	0
Administrative expenses	0	0	0
Net changes	<u>\$ 630,515</u>	<u>\$ 581,864</u>	<u>\$ 48,651</u>
Balance at June 30, 2021	<u>\$ 16,165,757</u>	<u>\$ 2,404,432</u>	<u>\$ 13,761,325</u>

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

1% Decrease (6.50% decreasing to 3.50%)	Current (7.50% decreasing to 4.50%)	1% Increase (8.50% decreasing to 5.50%)
\$ 11,447,282	\$ 13,761,325	\$ 16,689,534

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

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
\$ 16,167,653	\$ 13,761,325	\$ 11,800,028

*Opeb expense.* For the year ended June 30, 2021, Cleveland Utilities recognized opeb expense of \$959,484.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2021, 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	\$ 1,825,187
Net difference between projected and actual earnings on opeb plan investments	0	0
Change in assumptions	24,598	0
	894,073	284,517
Total	<u>\$ 918,671</u>	<u>\$ 2,109,704</u>

CLEVELAND UTILITIES - POSTEMPLOYEMENT 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:

2022	\$ (249,493)
2023	(194,609)
2024	(144,292)
2025	(168,570)
2026	(171,095)
Thereafter	(262,974)

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

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP)

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

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

*Employees covered by benefit terms.* At July 1, 2020, 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	25
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	465
	<u>490</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 \$288,436 to the TGOP for OPEB benefits as they came due.

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

*Actuarial assumptions.* The collective total opeb liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.10%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates	9.02% for pre-65 in 2020, decreasing annually over a 10 year period to an ultimate rate of 4.50%. 7.56% for post-65 in 2020, decreasing annually over a 4 year period to an ultimate rate of 4.50%.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distribution of members among plans.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019 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 2.21 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, 2020	\$ 10,507,841
Changes for the year:	
Service cost	\$ 647,066
Interest	383,918
Changes of benefit terms	0
Differences between expected and actual experience	(977,622)
Changes in assumptions and other inputs	1,222,261
Benefit payments	(437,894)
Net changes	\$ 837,729
Balances at June 30, 2021	\$ 11,345,570

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

Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 2,778,529
Employer's proportionate share of the collective total opeb liability	\$ 8,567,041
Employer's proportionate share of the collective total opeb liability	75.51%

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 -1.45% from the prior measurement date. The Cleveland City School System recognized \$240,161, in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for School retirees.

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

*Changes in assumptions.* The discount rate was changed from 3.51% as of the beginning of the measurement period to 2.21% as of June 30, 2020. This change in assumption decreased the total opeb liability.

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

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Proportionate share of collective opeb liability	\$ 9,269,940	\$ 8,567,041	\$ 7,893,239

*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 (8.02%/6.56% decreasing to 3.50%)	Current (9.02%/7.56% decreasing to 4.50%)	1% Increase (10.02%/8.56% decreasing to 5.50%)
Proportionate share of collective total opeb liability	\$ 7,440,151	\$ 8,567,041	\$ 9,916,794

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

*Opeb expense.* For the fiscal year ended June 30, 2021, the Cleveland City School System recognized opeb expense of \$821,537.

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

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2021, 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	\$ 771,597	\$ 2,390,862
Changes in assumptions	1,140,994	727,680
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	321,268
Employer payments subsequent to the measurement date	288,436	0
Total	<u>\$ 2,201,027</u>	<u>\$ 3,439,810</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:	
2022	\$ (197,120)
2023	(197,120)
2024	(197,120)
2025	(197,120)
2026	(197,120)
Thereafter	(541,619)

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

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TNP)

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

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

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

*Employees covered by benefit terms.* At July 30, 2020, 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	116
Inactive employees entitled to but not yet receiving benefit payments	41
Active employees	<u>374</u>
	<u>531</u>

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

Total Opeb Liability

*Actuarial assumptions.* The collective total opeb liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
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, 2019, valuations were the same as those employed in the July 1, 2019, 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 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

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

Changes in the Collective Total Opeb Liability

	Total Opeb Liability (a)
Balances at June 30, 2019	<u>\$ 1,434,064</u>
Changes for the year:	
Service cost	\$ 26,804
Interest	50,156
Changes of benefit terms	0
Differences between expected and actual experience	(49,046)
Changes in assumptions	279,558
Benefit payments	<u>(64,403)</u>
Net changes	<u>\$ 243,069</u>
Balances at June 30, 2020	<u><u>\$ 1,677,133</u></u>
Nonemployer contributing entities proportionate share of the collective total Opeb liability	\$ 1,677,133
Employer's proportionate share of the collective total opeb liability	\$ 0
Employer's proportionate share of the collective total opeb liability	0.00%

The Cleveland City School System has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. The School's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion of 0% did not change from the prior measurement date. The Cleveland City Schools recognized \$92,657, 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 3.51% as of the beginning of the measurement period to 2.21% as of June 30, 2020. 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, 2021, the Cleveland City School System recognized opeb expense of \$92,657.

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	\$ 771,597	\$ 6,907,101
Net difference between projected and actual earnings on opeb plan investments	24,598	0
Change in assumptions	7,364,407	1,012,197
Changes in proportion of net opeb liability	0	321,268
Contributions subsequent to the measurement date	<u>288,436</u>	<u>0</u>
Total	<u><u>\$ 8,449,038</u></u>	<u><u>\$ 8,240,566</u></u>

Note 17 - POSTEMPLOYMENT BENEFITS (Cont.)

AGGREGATION OF ALL POSTEMPLOYMENT PLANS - (Cont.)

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

Year ended June 30:

2021	\$	(160,852)
2022		(160,852)
2023		(105,968)
2024		(55,651)
2025		(79,929)
Thereafter		288,729

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	\$ 47,397,442
Cleveland Utilities Plan	13,761,325
City Schools TGOP Plan	8,567,041
	<u>\$ 69,725,808</u>

Opeb expense related to all plans were as follows:

City Plan	\$ 3,255,215
Cleveland Utilities Plan	959,484
City Schools TGOP Plan	821,537
City Schools TNP Plan	92,657
	<u>\$ 5,128,893</u>

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

Note 18 - RELATED PARTY ACTIVITY

For the years ended June 30, 2021, Cleveland Utilities made purchases of \$116,337 from an auto dealership that was operated by a board member. The purchases involved trucks that were appropriately bid.

Note 19 - PRIOR PERIOD ADJUSTMENT

Accumulated depreciation reported on the Statement of Net Position for the Governmental Activities was overstated by \$5,307,763, on the prior year statement. This adjustment increases beginning capital assets and net investment in capital assets.

**REQUIRED SUPPLEMENTARY INFORMATION**

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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
<b>Total Pension Liability</b>		
Service cost	\$ 2,222,760	\$ 2,274,025
Interest	8,465,079	8,925,860
Changes in benefit terms	0	0
Differences between actual and expected experience	(254,944)	717,782
Change of assumptions	0	0
Benefit payments	(4,198,654)	(4,482,162)
Net change in total pension liability	\$ 6,234,241	\$ 7,435,505
Total pension liability - beginning	112,744,286	118,978,527
Total pension liability - ending (a)	\$ 118,978,527	\$ 126,414,032
 <b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 5,089,188	\$ 5,321,904
Contributions - employee	165	186
Net investment income	15,038,653	3,287,610
Benefit payable	(4,198,654)	(4,482,162)
Administrative expense	(29,562)	(34,427)
Net change in plan fiduciary net position	\$ 15,899,790	\$ 4,093,111
Plan fiduciary net position - beginning	90,319,171	106,218,961
Plan fiduciary net position - ending (b)	\$ 106,218,961	\$ 110,312,072
 Net Pension Liability - ending (a) - (b)	\$ 12,759,566	\$ 16,101,960
 Plan fiduciary net position as a percentage of total pension liability	89.28%	87.26%
 Covered payroll	\$ 28,771,684	\$ 30,014,667
 Net pension liability as a percentage of covered payroll	44.35%	53.65%

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	2,363,997	\$ 2,442,734	\$ 2,829,546	\$ 2,842,378	\$ 3,109,494
	9,467,115	10,043,766	10,660,549	11,237,054	11,863,884
	0	0	0	0	0
	1,198,307	2,524,249	768,592	1,089,026	399,575
	0	3,636,385	0	0	0
	<u>(5,099,666)</u>	<u>(5,739,270)</u>	<u>(6,078,280)</u>	<u>(6,561,174)</u>	<u>(7,018,107)</u>
\$	7,929,753	\$ 12,907,864	\$ 8,180,407	\$ 8,607,284	\$ 8,354,846
	126,414,032	134,343,785	147,251,649	155,432,056	164,039,340
\$	<u>134,343,785</u>	<u>\$ 147,251,649</u>	<u>\$ 155,432,056</u>	<u>\$ 164,039,340</u>	<u>\$ 172,394,186</u>
\$	5,426,173	\$ 5,744,012	\$ 6,173,935	\$ 6,489,131	\$ 6,777,880
	1,998	0	0	0	0
	2,936,077	12,875,142	10,488,825	10,185,877	7,279,540
	(5,099,666)	(5,739,270)	(6,078,280)	(6,561,174)	(7,018,107)
	<u>(51,102)</u>	<u>(57,272)</u>	<u>(67,134)</u>	<u>(64,454)</u>	<u>(65,005)</u>
\$	3,213,480	\$ 12,822,612	\$ 10,517,346	\$ 10,049,380	\$ 6,974,308
	110,312,072	113,525,552	126,348,164	136,865,510	146,914,890
\$	<u>113,525,552</u>	<u>\$ 126,348,164</u>	<u>\$ 136,865,510</u>	<u>\$ 146,914,890</u>	<u>\$ 153,889,198</u>
\$	<u>20,818,233</u>	<u>\$ 20,903,485</u>	<u>\$ 18,566,546</u>	<u>\$ 17,124,450</u>	<u>\$ 18,504,988</u>
	84.50%	85.80%	88.05%	89.56%	89.27%
\$	30,709,795	\$ 32,410,047	\$ 34,163,265	\$ 35,887,908	\$ 38,505,535
	67.79%	64.50%	54.35%	47.72%	48.06%

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Notes to Schedule

*Valuation date:* Actuarially determined contribution rates for 2020 were calculated based on the June 30, 2018 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

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified mortality assumptions.

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

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 98,869	\$ 88,263	\$ 68,316	\$ 63,605	\$ 56,028
2,210,999	2,270,713	2,304,139	2,351,768	2,348,086
0	0	0	0	0
797,655	460,253	645,393	75,248	224,024
27,058	48,168	64,119	51,789	1,061,833
<u>(2,145,295)</u>	<u>(2,396,553)</u>	<u>(2,343,308)</u>	<u>(2,450,385)</u>	<u>(2,724,486)</u>
\$ 989,286	\$ 470,844	\$ 738,659	\$ 92,025	\$ 965,485
32,559,484	33,548,770	34,019,614	34,758,273	34,850,298
<u>\$ 33,548,770</u>	<u>\$ 34,019,614</u>	<u>\$ 34,758,273</u>	<u>\$ 34,850,298</u>	<u>\$ 35,815,783</u>
\$ 1,703,144	\$ 1,764,776	\$ 1,875,916	\$ 1,840,214	\$ 1,930,107
0	0	26,816	0	0
1,908,220	2,454,931	1,681,631	1,103,368	2,246,887
<u>(2,145,295)</u>	<u>(2,396,553)</u>	<u>(2,343,308)</u>	<u>(2,450,385)</u>	<u>(2,724,486)</u>
0	0	0	0	(7,143)
\$ 1,466,069	\$ 1,823,154	\$ 1,241,055	\$ 493,197	\$ 1,445,365
22,791,119	24,257,188	26,080,342	27,321,397	27,814,594
<u>\$ 24,257,188</u>	<u>\$ 26,080,342</u>	<u>\$ 27,321,397</u>	<u>\$ 27,814,594</u>	<u>\$ 29,259,959</u>
<u>\$ 9,291,582</u>	<u>\$ 7,939,272</u>	<u>\$ 7,436,876</u>	<u>\$ 7,035,704</u>	<u>\$ 6,555,824</u>
72.30%	76.66%	76.66%	79.81%	81.70%
\$ 1,940,346	\$ 1,699,467	\$ 1,548,112	\$ 1,328,225	\$ 1,069,072
478.86%	467.16%	480.38%	529.71%	613.23%

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

	2015	2016
Actuarially determined contribution	\$ 1,558,833	\$ 1,567,533
Contributions in relation to the actuarially determined contribution	1,698,192	1,699,430
Contribution deficiency (excess)	\$ (139,359)	\$ (131,897)
Covered payroll	\$ 2,093,809	\$ 1,981,430
Contribution as a percentage covered payroll	81.11%	85.77%

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, 2019
Discount rate	7.00%
Cost method	Individual Entry Age Normal
Mortality	Pub 2010 General Amount-weighted table fully-generational with projection scale.
Incident of disability	1985 CIDA Table - Class 2
Turnover	For all employees: Sarason T-3 table.
Salary scale	3.5% per year
Cost of living increases	N/A
Date of participation freeze	10/14/1993
Overtime	It is assumed that overtime will continue to be earned at 100% of the level of the most recent 3-year average.
Assumed retirement age	25% at ages 57-61; 50% at ages 62-64; 100% at age 65.
Valuation of Assets:	
GASB 68	Market Value
Funding	Actuarial Value (5-year smoothing)

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,663,122	\$ 1,712,348	\$ 1,773,627	\$ 1,824,417	\$ 1,946,847
<u>1,725,980</u>	<u>1,870,153</u>	<u>1,854,331</u>	<u>1,901,746</u>	<u>1,961,589</u>
<u><u>\$ (62,858)</u></u>	<u><u>\$ (157,805)</u></u>	<u><u>\$ (80,704)</u></u>	<u><u>\$ (77,329)</u></u>	<u><u>\$ (14,742)</u></u>
\$ 1,759,687	\$ 1,585,955	\$ 1,435,507	\$ 1,151,339	\$ 1,151,339
98.08%	117.92%	129.18%	165.18%	170.37%

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>
Cleveland City Schools' proportion of the net pension liability (asset)	0.536236%	0.537318%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (87,136)	\$ 220,104
Cleveland City Schools' covered payroll	\$ 21,047,222	\$ 20,114,516
Cleveland City Schools' proportionate share of the net pension asset as a percentage of its covered payroll	-0.41%	1.09%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%

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

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.569952%	0.590148%	0.613389%	0.642330%	0.643551%
\$ 3,561,884	\$ (193,086)	\$ (2,158,465)	\$ (6,604,306)	\$ (4,907,554)
\$ 20,574,118	\$ 20,803,880	\$ 21,478,886	\$ 21,538,232	\$ 21,419,053
17.31%	-0.93%	-10.05%	-30.66%	-22.91%
97.14%	100.14%	101.49%	104.28%	103.09%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,859,723	\$ 1,885,875	\$ 1,954,073	\$ 2,252,900	\$ 2,274,144	\$ 2,155,069
<u>1,859,723</u>	<u>1,885,875</u>	<u>1,954,073</u>	<u>2,252,900</u>	<u>2,274,144</u>	<u>2,155,069</u>
<u>\$ 0</u>					
\$ 20,574,118	\$ 20,803,880	\$ 21,478,886	\$ 21,538,232	\$ 21,193,791	\$ 20,969,382
9.04%	9.07%	9.10%	10.46%	10.63%	10.28%

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,\*

	2016	2017
Cleveland City Schools' proportion of the net pension liability (asset)	0.416856%	0.378257%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (16,770)	\$ (39,378)
Cleveland City Schools' covered payroll	\$ 866,121	\$ 1,664,349
Cleveland City Schools' proportionate share of of the net pension liability (asset) as a percentage of its covered payroll	-1.94%	-2.37%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%

\*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

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

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

Changes of assumptions. In 2017, the following assumptions were changed; decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified mortality assumptions.

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

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.393963%	0.417866%	0.413270%	0.430495%
\$ (103,940)	\$ (189,514)	\$ (233,285)	\$ (244,797)
\$ 2,643,292	\$ 3,651,627	\$ 4,373,249	\$ 5,432,452
-3.93%	-5.19%	-5.33%	-4.51%
126.81%	126.97%	123.07%	116.52%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 105,732	\$ 146,066	\$ 84,841	\$ 110,280	\$ 135,611
<u>105,732</u>	<u>146,066</u>	<u>84,841</u>	<u>110,280</u>	<u>135,611</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 2,643,292	\$ 3,651,627	\$ 4,373,249	\$ 5,432,452	\$ 6,673,043
4.00%	4.00%	1.94%	2.03%	2.03%

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

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,

	2017	2018	2019	2020	2021
<b>Total Opeb Liability</b>					
Service cost	\$ 295,896	\$ 229,164	\$ 234,893	\$ 228,621	\$ 255,499
Interest	1,020,431	1,144,551	1,153,072	1,038,874	1,081,058
Differences from experience	(3,991)	(2,102,456)	0	(1,355,935)	0
Change of assumptions	0	1,470,517	468,861	(375,515)	0
Benefit payments	(626,601)	(637,980)	(629,622)	(676,531)	(706,042)
Net change in total opeb liability	\$ 685,735	\$ 103,796	\$ 1,227,204	\$ (1,140,486)	\$ 630,515
Total opeb liability - beginning	13,619,452	15,344,728	15,448,524	16,675,728	15,535,242
Other	1,039,541	0	0	0	0
Total opeb liability - ending (a)	<u>\$ 15,344,728</u>	<u>\$ 15,448,524</u>	<u>\$ 16,675,728</u>	<u>\$ 15,535,242</u>	<u>\$ 16,165,757</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 959,681	\$ 637,980	\$ 1,287,545	\$ 1,361,034	\$ 1,160,326
Net investment income	25,731	26,910	29,149	79,512	127,580
Benefit payable	(626,601)	(637,980)	(629,622)	(676,531)	(706,042)
Difference from experience	0	2,926	13,503	(30,669)	0
Administrative expense	0	0	0	0	0
Net change in plan fiduciary net position	\$ 358,811	\$ 29,836	\$ 700,575	\$ 733,346	\$ 581,864
Plan fiduciary net position - beginning	0	358,811	388,647	1,089,222	1,822,568
Plan fiduciary net position - ending (b)	<u>\$ 358,811</u>	<u>\$ 388,647</u>	<u>\$ 1,089,222</u>	<u>\$ 1,822,568</u>	<u>\$ 2,404,432</u>
Net Pension Liability - ending (a) - (b)	<u>\$ 14,985,917</u>	<u>\$ 15,059,877</u>	<u>\$ 15,586,506</u>	<u>\$ 13,712,674</u>	<u>\$ 13,761,325</u>
Plan fiduciary net position as a percentage of total opeb liability	2.34%	2.52%	6.53%	11.73%	14.87%
Covered payroll	\$ 11,561,465	\$ 12,496,462	\$ 12,808,874	\$ 13,195,712	\$ 15,724,519
Net opeb liability as a percentage of covered payroll	129.62%	120.51%	121.69%	103.92%	87.52%
Assumption changes:					
Discount rate	7.50%	7.50%	7.30%	7.00%	7.00%
Healthcare Trend rates	9.00%	9.00%	8.00%	7.50%	7.00%
Mortality Table	RP2000 Scale BB	RP2000 Scale BB	RP2000 Scale BB	RPH-2014 Scale MP2019	RPH-2014 Scale MP2019

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	2020	2021
Actuarially determined contribution	\$ 959,681	\$ 1,160,104	\$ 1,185,998	\$ 1,157,071	\$ 1,160,326
Contributions in relation to the actuarially determined contribution	959,681	637,980	1,287,545	1,361,034	1,404,235
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 522,124</u>	<u>\$ (101,547)</u>	<u>\$ (203,963)</u>	<u>\$ (243,909)</u>
Covered payroll	\$ 11,561,465	\$ 12,496,462	\$ 12,808,874	\$ 13,195,712	\$ 15,724,519
Contribution as a percentage of covered payroll	8.30%	5.11%	10.05%	10.31%	8.93%

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

	2017	2018	2019	2020	2021
<i>Methods and assumptions used to determine contribution rates:</i>					
Actuarial cost method	Entry Age Normal				
Amortization method	Level percentage of payroll				
Remaining amortization period	27 years				
Asset valuation	Market Value				
Inflation	2.5 percent				
Healthcare trend rates	7.5 initial, decreasing to an ultimate rate of 4.5%.				
Salary increases	4%				
Investment rate of return	7.3%				
Healthcare trend rates	9.00% decreasing to 5.0% in 2021	9.00% decreasing to 5.0% in 2021	8.00% decreasing to 5.0% in 2021	7.50% decreasing to 4.5% in 2025	7.00% decreasing to 4.5% in 2025
Average assumed retirement age	63	63	63	61	61
Mortality table:	RP2000 with Scale BB	RP2000 with Scale BB	RP2000 with Scale BB	RPH2014 with Scale MP2019	RPH2014 with Scale MP2019

SCHEDULE OF INVESTMENT RETURNS  
FISCAL YEAR ENDING JUNE 30,

	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	10.1%	8.0%	4.3%	2.9%	23.2%

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

Notes to Schedule

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

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

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

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to Schedule

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

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## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

### Debt Service

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

## **Capital Projects**

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

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

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

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

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

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

## **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, 2021

	Special Revenue			
	State Street Aid Fund	Solid Waste Management Fund	School Federal Projects Fund	School Food Services Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,017,160	\$ 1,061,579	\$ 0	\$ 703,763
Investments	0	0	0	0
Investments - restricted	0	0	0	0
Accounts receivable	0	257,259	0	0
Due from other government agencies	275,125	0	2,969,606	0
Due from other funds	0	0	0	0
Prepays	0	0	0	0
<b>Total Assets</b>	<b>\$ 2,292,285</b>	<b>\$ 1,318,838</b>	<b>\$ 2,969,606</b>	<b>\$ 703,763</b>
<b>LIABILITIES</b>				
Accrued liabilities	\$ 26,285	\$ 40,277	\$ 266,726	\$ 8,016
Accounts payable	0	16,144	0	0
Due to other funds	0	0	2,687,624	0
Unearned revenue	0	0	0	9,880
<b>Total Liabilities</b>	<b>\$ 26,285</b>	<b>\$ 56,421</b>	<b>\$ 2,954,350</b>	<b>\$ 17,896</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ 0	\$ 0	\$ 0	\$ 0
Permanent fund principal	0	0	0	0
Restricted for:				
Law enforcement	0	0	0	0
Community development - federal grants	0	0	0	0
Street improvements	2,266,000	0	0	0
Capital outlay	0	0	0	0
Animal Control	0	0	0	0
Education	0	0	15,256	0
Committed to:				
Solid Waste	0	1,262,417	0	0
Assigned to:				
Education	0	0	0	685,867
Library	0	0	0	0
Debt service	0	0	0	0
Capital outlay	0	0	0	0
<b>Total Fund Balances</b>	<b>\$ 2,266,000</b>	<b>\$ 1,262,417</b>	<b>\$ 15,256</b>	<b>\$ 685,867</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,292,285</b>	<b>\$ 1,318,838</b>	<b>\$ 2,969,606</b>	<b>\$ 703,763</b>

Special Revenue

Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund	Community Development Block Grant Fund
\$ 334,389	\$ 206,073	\$ 129,229	\$ 115,357
219,254	0	0	0
0	0	0	0
0	0	0	0
0	2,417	56,378	18,170
0	0	0	0
0	0	0	0
<u>\$ 553,643</u>	<u>\$ 208,490</u>	<u>\$ 185,607</u>	<u>\$ 133,527</u>
\$ 0	\$ 0	\$ 9,798	\$ 6,252
6,001	0	11,252	81,207
0	0	0	0
0	0	0	0
<u>\$ 6,001</u>	<u>\$ 0</u>	<u>\$ 21,050</u>	<u>\$ 87,459</u>
\$ 0	\$ 0	\$ 0	\$ 0
13,700	0	0	0
0	208,490	0	0
0	0	0	46,068
0	0	0	0
0	0	164,557	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
533,942	0	0	0
0	0	0	0
0	0	0	0
<u>\$ 547,642</u>	<u>\$ 208,490</u>	<u>\$ 164,557</u>	<u>\$ 46,068</u>
<u>\$ 553,643</u>	<u>\$ 208,490</u>	<u>\$ 185,607</u>	<u>\$ 133,527</u>

CITY OF CLEVELAND, TENNESSEE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 June 30, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
	E-Ticketing Grant Fund	Debt Service Fund	THDA Cleveland Home Grant	Sales Tax Capital Projects Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 28,818	\$ 4,988,861	\$ 0	\$ 4,682,663
Investments	0	0	0	0
Investments - restricted	0	0	0	0
Accounts receivable	0	125,700	0	0
Due from other government agencies	0	0	22,222	881,767
Due from other funds	0	935,000	0	0
Prepays	0	0	0	0
<b>Total Assets</b>	<b>\$ 28,818</b>	<b>\$ 6,049,561</b>	<b>\$ 22,222</b>	<b>\$ 5,564,430</b>
<b>LIABILITIES</b>				
Accrued liabilities	\$ 0	\$ 2,097	\$ 0	\$ 0
Accounts payable	0	60,585	22,222	61,124
Due to other funds	0	0	0	0
Unearned revenue	0	0	0	0
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 62,682</b>	<b>\$ 22,222</b>	<b>\$ 61,124</b>
<b>FUND BALANCES:</b>				
Nonspendable:				
Prepaid items	\$ 0	\$ 0	\$ 0	\$ 0
Permanent fund principal	0	0	0	0
Restricted for:				
Law enforcement	28,818	0	0	0
Community development - federal grants	0	0	0	0
Street improvements	0	0	0	0
Capital outlay	0	0	0	5,503,306
Animal Control	0	0	0	0
Education	0	0	0	0
Committed to:				
Solid Waste	0	0	0	0
Assigned to:				
Education	0	0	0	0
Library	0	0	0	0
Debt service	0	5,986,879	0	0
Capital outlay	0	0	0	0
<b>Total Fund Balances</b>	<b>\$ 28,818</b>	<b>\$ 5,986,879</b>	<b>\$ 0</b>	<b>\$ 5,503,306</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 28,818</b>	<b>\$ 6,049,561</b>	<b>\$ 22,222</b>	<b>\$ 5,564,430</b>

Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
Blythe Sidewalks Diabetes Initiative	Capital Improvement Program Fund	School Capital Improvement Projects Fund	Meiler Estate Animal Shelter Trust Fund	
\$ 0	\$ 7,392,019	\$ 5,332,402	\$ 30,803	\$ 27,023,116
0	26,119	0	9,501	254,874
0	0	0	459,936	459,936
0	0	0	1,064	384,023
63,758	924,552	0	0	5,213,995
0	0	0	0	935,000
0	40,572	0	0	40,572
<u>\$ 63,758</u>	<u>\$ 8,383,262</u>	<u>\$ 5,332,402</u>	<u>\$ 501,304</u>	<u>\$ 34,311,516</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 359,451
62,944	1,200,627	209,380	0	1,731,486
814	0	0	0	2,688,438
0	0	0	0	9,880
<u>\$ 63,758</u>	<u>\$ 1,200,627</u>	<u>\$ 209,380</u>	<u>\$ 0</u>	<u>\$ 4,789,255</u>
\$ 0	\$ 40,572	\$ 0	\$ 0	\$ 40,572
0	0	0	459,936	473,636
0	0	0	0	237,308
0	0	0	0	46,068
0	0	0	0	2,266,000
0	7,142,063	5,123,022	0	17,932,948
0	0	0	0	0
0	0	0	0	15,256
0	0	0	0	1,262,417
0	0	0	0	685,867
0	0	0	0	533,942
0	0	0	0	5,986,879
0	0	0	41,368	41,368
<u>\$ 0</u>	<u>\$ 7,182,635</u>	<u>\$ 5,123,022</u>	<u>\$ 501,304</u>	<u>\$ 29,522,261</u>
<u>\$ 63,758</u>	<u>\$ 8,383,262</u>	<u>\$ 5,332,402</u>	<u>\$ 501,304</u>	<u>\$ 34,311,516</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, 2021

	Special Revenue			
	State Street Aid Fund	Solid Waste Management Fund	School Federal Projects Fund	School Food Services Fund
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	1,494,081	0	7,856,596	3,274,792
Fines and forfeitures	0	0	0	0
Charges for services	0	3,056,319	0	69,611
Interest	1,801	1,087	0	178
Miscellaneous	784	809	0	33,842
<b>Total revenues</b>	<b>\$ 1,496,666</b>	<b>\$ 3,058,215</b>	<b>\$ 7,856,596</b>	<b>\$ 3,378,423</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Development and engineering	0	0	0	0
Public safety	0	0	0	0
Public works	567,534	3,743,001	0	0
Culture and recreation	0	0	0	0
Education	0	0	7,840,534	3,115,050
Capital Outlay	99,939	146,704	0	0
Debt Service	0	0	0	0
<b>Total expenditures</b>	<b>\$ 667,473</b>	<b>\$ 3,889,705</b>	<b>\$ 7,840,534</b>	<b>\$ 3,115,050</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 829,193</b>	<b>\$ (831,490)</b>	<b>\$ 16,062</b>	<b>\$ 263,373</b>
<b>Other financing sources (uses):</b>				
Transfers in	\$ 0	\$ 950,000	\$ 0	\$ 0
Transfers out	(449,878)	0	(806)	0
Notes issued	0	0	0	0
Refunding bonds issued	0	0	0	0
Premium on bonds issued	0	0	0	0
Payment to refunding escrow agent	0	0	0	0
<b>Total other financing sources sources (uses)</b>	<b>\$ (449,878)</b>	<b>\$ 950,000</b>	<b>\$ (806)</b>	<b>\$ 0</b>
<b>Net change in fund balances</b>	<b>\$ 379,315</b>	<b>\$ 118,510</b>	<b>\$ 15,256</b>	<b>\$ 263,373</b>
<b>Fund balances at beginning of year</b>	<b>1,886,685</b>	<b>1,143,907</b>	<b>0</b>	<b>422,494</b>
<b>Fund balances at end of year</b>	<b>\$ 2,266,000</b>	<b>\$ 1,262,417</b>	<b>\$ 15,256</b>	<b>\$ 685,867</b>

Special Revenue

Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund	Community Development Block Grant Fund
\$ 0	\$ 0	\$ 0	\$ 0
689,131	0	146,796	711,130
0	54,746	0	0
16,884	0	0	0
1,526	183	0	0
27,280	0	0	0
<u>\$ 734,821</u>	<u>\$ 54,929</u>	<u>\$ 146,796</u>	<u>\$ 711,130</u>
\$ 0	\$ 0	\$ 216,897	\$ 0
0	0	0	391,173
0	34,144	0	0
0	0	0	0
1,385,668	0	0	0
0	0	0	0
6,160	0	0	402,687
0	0	0	0
<u>\$ 1,391,828</u>	<u>\$ 34,144</u>	<u>\$ 216,897</u>	<u>\$ 793,860</u>
<u>\$ (657,007)</u>	<u>\$ 20,785</u>	<u>\$ (70,101)</u>	<u>\$ (82,730)</u>
\$ 673,600	\$ 0	\$ 44,500	\$ 30,000
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
<u>\$ 673,600</u>	<u>\$ 0</u>	<u>\$ 44,500</u>	<u>\$ 30,000</u>
\$ 16,593	\$ 20,785	\$ (25,601)	\$ (52,730)
531,049	187,705	190,158	98,798
<u>\$ 547,642</u>	<u>\$ 208,490</u>	<u>\$ 164,557</u>	<u>\$ 46,068</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, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
	E-Ticketing Grant Fund	Debt Service Fund	THDA Cleveland Home Grant	Sales Tax Capital Projects Fund
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 4,907,348
Intergovernmental	0	107,408	41,912	0
Fines and forfeitures	2,735	0	0	0
Charges for services	0	0	0	0
Interest	0	13,678	0	39,969
Miscellaneous	0	0	0	5,073
<b>Total revenues</b>	<b>\$ 2,735</b>	<b>\$ 121,086</b>	<b>\$ 41,912</b>	<b>\$ 4,952,390</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Development and engineering	0	0	0	0
Public safety	703	0	0	0
Public works	0	0	0	0
Culture and recreation	0	0	0	0
Education	0	0	0	0
Capital Outlay	0	0	41,912	3,132,403
Debt Service	0	8,100,005	0	662,655
<b>Total expenditures</b>	<b>\$ 703</b>	<b>\$ 8,100,005</b>	<b>\$ 41,912</b>	<b>\$ 3,795,058</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 2,032</b>	<b>\$ (7,978,919)</b>	<b>\$ 0</b>	<b>\$ 1,157,332</b>
<b>Other financing sources (uses):</b>				
Transfers in	\$ 0	\$ 6,841,322	\$ 0	\$ 0
Transfers out	0	0	0	0
Notes issued	0	0	0	0
Refunding bonds issued	0	27,450,000	0	0
Premium on bonds issued	0	3,913,381	0	0
Payment to refunding escrow agent	0	(30,747,239)	0	0
<b>Total other financing sources (uses)</b>	<b>\$ 0</b>	<b>\$ 7,457,464</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net change in fund balances</b>	<b>\$ 2,032</b>	<b>\$ (521,455)</b>	<b>\$ 0</b>	<b>\$ 1,157,332</b>
<b>Fund balances at beginning of year</b>	<b>26,786</b>	<b>6,508,334</b>	<b>0</b>	<b>4,345,974</b>
<b>Fund balances at end of year</b>	<b>\$ 28,818</b>	<b>\$ 5,986,879</b>	<b>\$ 0</b>	<b>\$ 5,503,306</b>

Capital Projects			Permanent Fund	
Blythe Sidewalks Diabetes Initiative	Capital Improvement Program Fund	School Capital Improvement Projects Fund	Meiler Estate Animal Shelter Trust Fund	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,907,348
117,962	2,822,457	5,520,027	0	22,782,292
0	0	0	0	57,481
0	0	0	0	3,142,814
0	6,409	3,510	4,535	72,876
0	241,473	281,757	0	591,018
<u>\$ 117,962</u>	<u>\$ 3,070,339</u>	<u>\$ 5,805,294</u>	<u>\$ 4,535</u>	<u>\$ 31,553,829</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 216,897
0	0	0	0	391,173
0	0	0	0	34,847
0	0	0	0	4,310,535
0	0	0	0	1,385,668
0	0	0	0	10,955,584
117,962	4,762,075	682,272	0	9,392,114
0	0	0	0	8,762,660
<u>\$ 117,962</u>	<u>\$ 4,762,075</u>	<u>\$ 682,272</u>	<u>\$ 0</u>	<u>\$ 35,449,478</u>
<u>\$ 0</u>	<u>\$ (1,691,736)</u>	<u>\$ 5,123,022</u>	<u>\$ 4,535</u>	<u>\$ (3,895,649)</u>
\$ 0	\$ 1,638,973	\$ 0	\$ 0	\$ 10,178,395
0	0	0	0	(450,684)
0	1,514,178	0	0	1,514,178
0	0	0	0	27,450,000
0	0	0	0	3,913,381
0	0	0	0	(30,747,239)
<u>\$ 0</u>	<u>\$ 3,153,151</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,858,031</u>
\$ 0	\$ 1,461,415	\$ 5,123,022	\$ 4,535	\$ 7,962,382
0	5,721,220	0	496,769	21,559,879
<u>\$ 0</u>	<u>\$ 7,182,635</u>	<u>\$ 5,123,022</u>	<u>\$ 501,304</u>	<u>\$ 29,522,261</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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental:				
State gas tax	\$ 1,425,000	\$ 1,425,000	\$ 1,494,081	\$ 69,081
Interest	15,000	5,000	1,801	(3,199)
Miscellaneous	0	0	784	784
Total revenues	<u>\$ 1,440,000</u>	<u>\$ 1,430,000</u>	<u>\$ 1,496,666</u>	<u>\$ 66,666</u>
<b>Expenditures:</b>				
Current:				
Public works:				
Salaries	\$ 446,500	\$ 446,500	\$ 347,867	\$ 98,633
Overtime wages	7,900	7,900	1,663	6,237
Service awards	350	550	550	0
Longevity	10,125	10,125	10,125	0
Sold vacations	4,800	4,800	1,488	3,312
Christmas bonus	1,200	1,000	866	134
Sick pay incentive	2,000	2,000	1,250	750
Dental insurance	5,400	5,400	5,266	134
Social security	36,200	36,200	28,307	7,893
Health insurance	118,300	118,300	71,625	46,675
Retirement	81,500	81,500	66,149	15,351
Life and disability insurance	5,600	5,600	4,272	1,328
Vision insurance	1,400	1,400	939	461
Worker's compensation claims	1,000	1,000	1,276	(276)
Pre-employment testing	500	500	0	500
Safety shoes	1,700	1,700	1,068	632
Worker's compensation	28,500	28,500	24,823	3,677
Capital outlay:				
Equipment replacement	0	100,000	99,939	61
Total expenditures	<u>\$ 752,975</u>	<u>\$ 852,975</u>	<u>\$ 667,473</u>	<u>\$ 185,502</u>
Excess of revenues over expenditures	<u>\$ 687,025</u>	<u>\$ 577,025</u>	<u>\$ 829,193</u>	<u>\$ 252,168</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>\$ (449,878)</u>	<u>\$ (449,878)</u>	<u>\$ (449,878)</u>	<u>\$ 0</u>
Total other financing sources (uses)	<u>\$ (449,878)</u>	<u>\$ (449,878)</u>	<u>\$ (449,878)</u>	<u>\$ 0</u>
Net change in fund balance	\$ 237,147	\$ 127,147	\$ 379,315	\$ 252,168
Fund balance at beginning of year	<u>1,886,685</u>	<u>1,886,685</u>	<u>1,886,685</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 2,123,832</u></u>	<u><u>\$ 2,013,832</u></u>	<u><u>\$ 2,266,000</u></u>	<u><u>\$ 252,168</u></u>

CITY OF CLEVELAND, TENNESSEE  
SOLID WASTE MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Charges for services:				
Commercial garbage	\$ 1,207,000	\$ 1,302,687	\$ 1,313,644	\$ 10,957
Residential garbage	1,658,000	1,737,775	1,742,675	4,900
Interest	17,000	7,000	1,087	(5,913)
Miscellaneous	0	0	809	809
<b>Total revenues</b>	<b>\$ 2,882,000</b>	<b>\$ 3,047,462</b>	<b>\$ 3,058,215</b>	<b>\$ 10,753</b>
<b>Expenditures:</b>				
Current:				
Public works:				
Salaries	\$ 597,000	\$ 597,000	\$ 506,953	\$ 90,047
Overtime wages	20,000	20,000	11,645	8,355
Supplement pay	700	700	595	105
Service awards	200	325	325	0
Longevity	17,550	17,550	17,587	(37)
Sold vacation	7,600	7,600	4,118	3,482
Christmas bonus	1,500	1,375	1,299	76
Sick pay incentive	2,500	2,500	2,050	450
Dental insurance	6,500	6,500	6,300	200
Social security	49,500	49,500	41,880	7,620
Health insurance	151,000	151,000	120,059	30,941
Retirement	111,100	111,100	96,628	14,472
Life and disability insurance	6,700	6,700	5,997	703
Vision insurance	2,100	2,100	1,602	498
Unemployment compensation	0	100	94	6
Worker's compensation claims	2,000	2,000	1,104	896
Pre-employment testing	600	500	15	485
Safety shoes	1,700	1,700	1,518	182
Postage	100	100	0	100
GPS services	3,900	3,900	1,565	2,335
Printing	200	0	0	0
Subscriptions and memberships	100	100	0	100
Advertising	200	200	0	200
Litter and recycling	10,000	10,000	0	10,000
Building and grounds maintenance	0	300	278	22
Professional development	400	400	0	400
Tire disposal	3,000	3,000	0	3,000
Landfill	485,000	485,000	361,479	123,521
Residential account	1,057,500	1,075,000	1,074,671	329
Commercial account	1,093,000	1,159,314	1,161,437	(2,123)
Commercial recycling	79,000	88,650	88,184	466
Office expenditures	500	700	333	367
Operating supplies	3,500	3,500	3,373	127

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Public works - (Continued):				
Safety supplies	\$ 500	\$ 500	\$ 484	\$ 16
Janitorial supplies	300	0	0	0
Uniforms	4,000	4,000	3,470	530
Gasoline and oil	62,000	62,000	47,674	14,326
Repairs and parts	85,000	135,000	119,277	15,723
Insurance - property	500	695	694	1
Insurance - vehicle	11,000	12,900	12,890	10
Insurance - general liability	15,500	13,405	10,625	2,780
Insurance - workers compensation	27,000	27,000	26,798	202
Miscellaneous	500	500	0	500
Bradley County recycling	10,000	10,000	10,000	0
Capital outlay:				
Equipment	800	147,505	146,704	801
Total expenditures	<u>\$ 3,931,750</u>	<u>\$ 4,221,919</u>	<u>\$ 3,889,705</u>	<u>\$ 332,214</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,049,750)</u>	<u>\$ (1,174,457)</u>	<u>\$ (831,490)</u>	<u>\$ 342,967</u>
Other financing sources:				
Transfers in	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 0</u>
Total other financing sources	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 0</u>
Net change in fund balance	\$ (99,750)	\$ (224,457)	\$ 118,510	\$ 342,967
Fund balance at beginning of year	<u>1,143,907</u>	<u>1,143,907</u>	<u>1,143,907</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 1,044,157</u></u>	<u><u>\$ 919,450</u></u>	<u><u>\$ 1,262,417</u></u>	<u><u>\$ 342,967</u></u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL FEDERAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government	\$ 10,653,608	\$ 11,089,858	\$ 7,856,596	\$ (3,233,262)
Total revenues	<u>\$ 10,653,608</u>	<u>\$ 11,089,858</u>	<u>\$ 7,856,596</u>	<u>\$ (3,233,262)</u>
Expenditures:				
Current:				
Education:				
Regular instruction	\$ 5,846,692	\$ 5,699,820	\$ 4,537,651	\$ 1,162,169
Special education	1,058,192	1,205,713	994,816	210,897
Vocational education	131,371	165,057	165,056	1
Support services	2,241,275	2,862,454	1,979,391	883,063
Capital outlay:				
Building improvements	1,375,000	1,155,000	163,620	991,380
Total expenditures	<u>\$ 10,652,530</u>	<u>\$ 11,088,044</u>	<u>\$ 7,840,534</u>	<u>\$ 3,247,510</u>
Excess of revenues over expenditures	\$ 1,078	\$ 1,814	\$ 16,062	\$ 14,248
Other financing sources (uses):				
Transfers out	\$ (1,078)	\$ (1,814)	\$ (806)	\$ 1,008
Total other financing sources (uses)	<u>\$ (1,078)</u>	<u>\$ (1,814)</u>	<u>\$ (806)</u>	<u>\$ 1,008</u>
Net change in fund balance	\$ 0	0	15,256	15,256
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>\$ 15,256</u></u>	<u><u>\$ 15,256</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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental:				
USDA reimbursements	\$ 3,376,771	\$ 3,128,897	\$ 3,274,792	\$ 145,895
Charges for services	57,875	64,000	69,611	5,611
Interest	500	500	178	(322)
Miscellaneous	0	37,000	33,842	(3,158)
Total revenues	<u>\$ 3,435,146</u>	<u>\$ 3,230,397</u>	<u>\$ 3,378,423</u>	<u>\$ 148,026</u>
<b>Expenditures:</b>				
Current:				
Education:				
Clerical personnel	\$ 60,000	\$ 56,000	\$ 59,517	\$ (3,517)
Cafeteria personnel	1,183,500	1,100,000	1,048,666	51,334
In-service training	2,000	0	0	0
Social security	74,000	60,500	67,177	(6,677)
State retirement	166,675	145,000	151,609	(6,609)
Life insurance	3,600	3,600	3,505	95
Medical insurance	256,500	300,000	259,451	40,549
Unemployment compensation	500	35,297	35,297	0
Employer medicare liability	17,275	17,275	15,711	1,564
Other fringe benefits	44,000	56,500	54,408	2,092
Communication	1,300	1,300	0	1,300
Dues and membership	1,200	1,200	1,041	159
Maintenance and repair services	40,000	35,000	25,042	9,958
Transportation	3,000	3,000	1,868	1,132
Travel	3,500	3,500	0	3,500
Other contracted services	972,986	680,000	547,423	132,577
Food supplies	695,088	776,707	541,077	235,630
Office supplies	1,500	1,500	1,140	360
Uniforms	850	850	395	455
In-service staff development	1,000	1,000	0	1,000
Food commodities	223,491	223,491	224,353	(862)
Other supplies and materials	76,755	113,755	75,048	38,707
Applicant investigation	600	600	105	495
Food service equipment	20,000	20,000	2,217	17,783
Total expenditures	<u>\$ 3,849,320</u>	<u>\$ 3,636,075</u>	<u>\$ 3,115,050</u>	<u>\$ 521,025</u>
Excess of revenues over expenditures	\$ (414,174)	\$ (405,678)	\$ 263,373	\$ 669,051
Fund balance at beginning of year	<u>422,494</u>	<u>422,494</u>	<u>422,494</u>	<u>0</u>
Fund balance at end of year	<u>\$ 8,320</u>	<u>\$ 16,816</u>	<u>\$ 685,867</u>	<u>\$ 669,051</u>

CITY OF CLEVELAND, TENNESSEE  
LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental:				
Federal technology grant	\$ 0	\$ 7,000	\$ 7,031	\$ 31
Private foundation grants	0	9,250	8,500	(750)
Bradley County	673,600	673,600	673,600	0
Charges for services	50,000	16,000	16,884	884
Interest	0	1,200	1,526	326
Miscellaneous:				
Gifts	70,000	140,000	27,280	(112,720)
Total revenues	<u>\$ 793,600</u>	<u>\$ 847,050</u>	<u>\$ 734,821</u>	<u>\$ (112,229)</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation:				
Salaries	\$ 786,500	\$ 743,300	\$ 733,441	\$ 9,859
Employee benefits	281,100	275,100	270,321	4,779
Materials and online	126,900	126,900	131,836	(4,936)
Utilities	88,500	83,100	69,096	14,004
Equipment maintenance	15,500	18,100	34,071	(15,971)
Building and grounds maintenance	17,200	17,200	19,048	(1,848)
Office	67,500	71,000	76,079	(5,079)
Grant expenditures	0	16,250	11,653	4,597
Insurance	26,000	26,000	25,731	269
Gift and memorial expenditures	70,000	70,000	14,392	55,608
Capital Outlay:				
Building improvements	0	70,000	3,242	66,758
Furniture	1,500	2,500	2,413	87
Equipment	0	0	505	(505)
Total expenditures	<u>\$ 1,480,700</u>	<u>\$ 1,519,450</u>	<u>\$ 1,391,828</u>	<u>\$ 127,622</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (687,100)</u>	<u>\$ (672,400)</u>	<u>\$ (657,007)</u>	<u>\$ 15,393</u>
<b>Other financing sources:</b>				
Transfers in	<u>\$ 673,600</u>	<u>\$ 673,600</u>	<u>\$ 673,600</u>	<u>\$ 0</u>
Total other financing sources	<u>\$ 673,600</u>	<u>\$ 673,600</u>	<u>\$ 673,600</u>	<u>\$ 0</u>
Net change in fund balance	\$ (13,500)	\$ 1,200	\$ 16,593	\$ 15,393
Fund balance at beginning of year	<u>531,049</u>	<u>531,049</u>	<u>531,049</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 517,549</u></u>	<u><u>\$ 532,249</u></u>	<u><u>\$ 547,642</u></u>	<u><u>\$ 15,393</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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 9,500	\$ 33,832	\$ 54,746	\$ 20,914
Interest	100	100	183	83
<b>Total revenues</b>	<u>\$ 9,600</u>	<u>\$ 33,932</u>	<u>\$ 54,929</u>	<u>\$ 20,997</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public safety:</b>				
Seized vehicles	\$ 7,500	\$ 24,500	\$ 23,245	\$ 1,255
Investigative funds	10,000	10,000	10,000	0
Equipment	1,100	1,100	899	201
<b>Total expenditures</b>	<u>\$ 18,600</u>	<u>\$ 35,600</u>	<u>\$ 34,144</u>	<u>\$ 1,456</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	<u>\$ (9,000)</u>	<u>\$ (1,668)</u>	<u>\$ 20,785</u>	<u>\$ 22,453</u>
<b>Fund balance at beginning of year</b>	<u>187,705</u>	<u>187,705</u>	<u>187,705</u>	<u>0</u>
<b>Fund balance at end of year</b>	<u><u>\$ 178,705</u></u>	<u><u>\$ 186,037</u></u>	<u><u>\$ 208,490</u></u>	<u><u>\$ 22,453</u></u>

CITY OF CLEVELAND, TENNESSEE  
METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 178,100	\$ 178,100	\$ 146,796	\$ (31,304)
Total revenues	<u>\$ 178,100</u>	<u>\$ 178,100</u>	<u>\$ 146,796</u>	<u>\$ (31,304)</u>
Expenditures:				
Current:				
General government:				
Salaries	\$ 168,600	\$ 158,900	\$ 91,385	\$ 67,515
Benefits	46,900	46,900	38,696	8,204
Postage and shipping	1,000	200	0	200
Telephone	2,000	2,000	1,577	423
Contracted services	55,000	75,000	68,350	6,650
Professional development	9,300	500	429	71
Office	5,000	4,300	4,460	(160)
Equipment	0	6,500	6,500	0
Software	12,000	5,500	5,500	0
Total expenditures	<u>\$ 299,800</u>	<u>\$ 299,800</u>	<u>\$ 216,897</u>	<u>\$ 82,903</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (121,700)</u>	<u>\$ (121,700)</u>	<u>\$ (70,101)</u>	<u>\$ 51,599</u>
Other financing sources:				
Transfers in	<u>\$ 44,500</u>	<u>\$ 44,500</u>	<u>\$ 44,500</u>	<u>\$ 0</u>
Total other financing sources	<u>\$ 44,500</u>	<u>\$ 44,500</u>	<u>\$ 44,500</u>	<u>\$ 0</u>
Net change in fund balance	<u>\$ (77,200)</u>	<u>\$ (77,200)</u>	<u>\$ (25,601)</u>	<u>\$ 51,599</u>
Fund balance at beginning of year	<u>190,158</u>	<u>190,158</u>	<u>190,158</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 112,958</u></u>	<u><u>\$ 112,958</u></u>	<u><u>\$ 164,557</u></u>	<u><u>\$ 51,599</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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Community Development Block Grant-2017	\$ 0	\$ 12,314	\$ 9,716	\$ (2,598)
Community Development Block Grant-2018	180,000	205,599	100,999	(104,600)
Community Development Block Grant-2019	184,000	247,494	187,594	(59,900)
Community Development Block Grant-2020	375,000	392,386	225,546	(166,840)
COVID funds	0	584,171	187,275	(396,896)
	<u>0</u>	<u>584,171</u>	<u>187,275</u>	<u>(396,896)</u>
<b>Total revenues</b>	<b>\$ 739,000</b>	<b>\$ 1,441,964</b>	<b>\$ 711,130</b>	<b>\$ (730,834)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Community development:</b>				
<b>Administration:</b>				
Salaries	\$ 46,483	\$ 46,483	\$ 47,111	\$ (628)
Christmas bonus	76	100	76	24
Sick pay incentive	210	250	175	75
Dental insurance	249	249	244	5
Social security	3,578	3,578	3,882	(304)
Health insurance	5,738	5,738	5,467	271
Retirement	8,035	8,035	8,446	(411)
Life insurance and disability	585	585	729	(144)
Vision insurance	71	71	68	3
Public education program - covid	0	50,000	0	50,000
Advertising	600	1,172	1,172	0
Telephone	1,200	1,000	750	250
Contracted services	0	140,000	140,000	0
Professional services	0	28,000	28,000	0
Permits and easements	0	77,394	76,990	404
Professional development	2,100	11,994	1,769	10,225
Office supplies	1,600	842	588	254
Operating supplies - covid	0	18,000	16,349	1,651
Uniforms	0	245	245	0
Gasoline	500	252	59	193
Administrative costs	0	12,828	3,755	9,073
Down payment assistance	0	72,000	30,000	42,000
Miscellaneous - COVID	0	110,828	0	110,828
Miscellaneous	1,500	1,225	160	1,065
Hardware	0	75	55	20
<b>Codes Enforcement:</b>				
Salaries	41,187	18,356	16,744	1,612
Christmas bonus	109	0	0	0
Sick pay incentive	300	0	0	0
Dental insurance	696	192	170	22
Social security tax	3,217	1,310	1,347	(37)
Health insurance	16,496	2,599	2,656	(57)
Retirement	7,224	5,572	2,822	2,750
Life insurance	526	526	185	341

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, 2021

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures - (Continued):				
Current - (Continued):				
Community development - (Continued):				
Codes Enforcement - (Continued):				
Vision insurance	\$ 182	\$ 182	\$ 45	\$ 137
Advertising	200	200	0	200
Telephone	1,400	1,200	151	1,049
Legal services	300	300	0	300
Vehicle maintenance	700	700	100	600
Professional development	500	0	0	0
Office supplies	800	638	0	638
Uniforms	500	500	350	150
Gasoline	1,000	1,000	175	825
Insurance - vehicles	525	525	338	187
Miscellaneous	500	500	0	500
Capital outlay:				
Projects to be determined	226,113	50	0	50
Avery Johnson Park	0	12,314	9,420	2,894
Blythe sidewalks	0	187,722	111,129	76,593
Avery Johnson Park 2	0	116,750	98,900	17,850
Avery Johnson Park 3	0	210,326	181,738	28,588
Mosby Park	0	75,000	1,500	73,500
Mosby Park - covid	0	265,343	0	265,343
Total Expenditures	\$ 375,000	\$ 1,492,749	\$ 793,860	\$ 698,889
Excess (deficiency) of revenues over expenditures	\$ 364,000	\$ (50,785)	\$ (82,730)	\$ (31,945)
Other financing sources:				
Transfers in	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
Total other financing sources	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
Net change in fund balance	\$ 394,000	\$ (20,785)	\$ (52,730)	\$ (31,945)
Fund balance at beginning of year	98,798	98,798	98,798	0
Fund balance at end of year	\$ 492,798	\$ 78,013	\$ 46,068	\$ (31,945)

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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures:				
Citation fee	\$ 0	\$ 2,800	\$ 2,735	\$ (65)
Total revenues	\$ 0	\$ 2,800	\$ 2,735	\$ (65)
Expenditures:				
Current:				
Public safety:				
Technical fees and materials	\$ 0	\$ 12,931	\$ 703	\$ 12,228
Technical supplies - Court Clerk	0	16,655	0	16,655
Total expenditures	\$ 0	\$ 29,586	\$ 703	\$ 28,883
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (26,786)	\$ 2,032	\$ 28,818
Fund balance at beginning of year	26,786	26,786	26,786	0
Fund balance at end of year	\$ 26,786	\$ 0	\$ 28,818	\$ 28,818

CITY OF CLEVELAND, TENNESSEE  
 BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 0	\$ 38,036	\$ 0	\$ (38,036)
Total revenues	\$ 0	\$ 38,036	\$ 0	\$ (38,036)
Expenditures:				
Current:				
Public safety:				
Bradley County disparate	\$ 0	\$ 12,821	\$ 0	\$ 12,821
In-car cameras	0	25,215	0	25,215
Total expenditures	\$ 0	\$ 38,036	\$ 0	\$ 38,036
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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental:				
Bradley County	\$ 146,400	\$ 146,400	\$ 107,408	\$ (38,992)
Interest	75,000	21,870	13,678	(8,192)
Total revenues	<u>\$ 221,400</u>	<u>\$ 168,270</u>	<u>\$ 121,086</u>	<u>\$ (47,184)</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	\$ 7,118,115	\$ 6,953,115	\$ 4,648,115	\$ 2,305,000
Interest and fiscal charges	3,161,341	4,058,302	3,451,890	606,412
Total expenditures	<u>\$ 10,279,456</u>	<u>\$ 11,011,417</u>	<u>\$ 8,100,005</u>	<u>\$ 2,911,412</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (10,058,056)</u>	<u>\$ (10,843,147)</u>	<u>\$ (7,978,919)</u>	<u>\$ 2,864,228</u>
<b>Other financing sources (uses):</b>				
Transfers in	\$ 9,548,297	\$ 11,071,102	\$ 6,841,322	\$ (4,229,780)
Refunding bonds issued	0	191,789	27,450,000	27,258,211
Premium on bonds issued	0	0	3,913,381	3,913,381
Payment to refunding bond escrow agent	0	0	(30,747,239)	(30,747,239)
Total other financing sources	<u>\$ 9,548,297</u>	<u>\$ 11,262,891</u>	<u>\$ 7,457,464</u>	<u>\$ (3,805,427)</u>
Net change in fund balance	\$ (509,759)	\$ 419,744	\$ (521,455)	\$ (941,199)
Fund balance at beginning of year	<u>6,508,334</u>	<u>6,508,334</u>	<u>6,508,334</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 5,998,575</u></u>	<u><u>\$ 6,928,078</u></u>	<u><u>\$ 5,986,879</u></u>	<u><u>\$ (941,199)</u></u>

CITY OF CLEVELAND, TENNESSEE  
 THDA CLEVELAND HOME GRANT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal grant	\$ 0	\$ 252,942	\$ 41,912	\$ (211,030)
Total revenues	<u>\$ 0</u>	<u>\$ 252,942</u>	<u>\$ 41,912</u>	<u>\$ (211,030)</u>
Expenditures:				
Capital outlay:				
Housing Rehabilitation	\$ 0	\$ 237,847	\$ 39,380	\$ 198,467
Administrative Fees	0	15,095	2,532	12,563
Total expenditures	<u>\$ 0</u>	<u>\$ 252,942</u>	<u>\$ 41,912</u>	<u>\$ 211,030</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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
<b>Taxes:</b>				
Local 1/2 cent sales tax	\$ 3,075,000	\$ 3,175,702	\$ 3,611,995	\$ 436,293
School 1/2 cent sales tax	1,000,000	1,000,000	1,295,353	295,353
Interest	13,000	13,000	39,969	26,969
Miscellaneous	0	0	5,073	5,073
<b>Total revenues</b>	<b>\$ 4,088,000</b>	<b>\$ 4,188,702</b>	<b>\$ 4,952,390</b>	<b>\$ 763,688</b>
<b>Expenditures:</b>				
<b>Capital outlay:</b>				
Municipal building	\$ 0	\$ 50,000	\$ 0	\$ 50,000
Downtown redevelopment	0	39,403	0	39,403
Cleveland State Community College	80,000	80,000	80,000	0
Vehicles - legislative and judicial	0	40,000	0	40,000
GIS	26,000	105,393	48,301	57,092
Inman Survey	0	24,000	0	24,000
Greenway Phase 6	0	50,000	10,847	39,153
CMAQ Park and Ride	50,000	240,000	0	240,000
Vehicles - police department	300,000	327,048	326,620	428
Apparatus replacement - fire department	300,000	508,275	0	508,275
Taylor Springs	0	73,566	73,429	137
Various closeouts	25,000	275,308	20,558	254,750
Indian Hills	300,000	300,000	146,265	153,735
Multi-modal access	0	36,508	26	36,482
Kile Lane	0	150,000	150,000	0
LIC	0	1,156,145	2,808	1,153,337
Peerless extension	150,000	326,978	85,688	241,290
Roadscapes 3	0	29,531	0	29,531
25th and Georgetown	0	13,688	10,407	3,281
20th and Tasso	0	16,210	0	16,210
Central Avenue	50,000	164,203	220	163,983
17th and 20th Street	152,000	275,804	174,439	101,365
Paving	1,000,000	1,001,416	981,960	19,456
Vehicles - public works	0	99,244	99,244	0
Sidewalks	65,000	144,573	84,488	60,085
Equipment - public works	150,000	315,151	157,218	157,933
Capital projects - jetport	45,000	45,000	0	45,000
Drainage projects - jetport	0	22,850	0	22,850
Equipment - jetport	0	6,358	0	6,358
Avery Johnson Park	0	72,000	23,031	48,969
Greenway Willow Street extension	0	29,438	0	29,438
Tinsley Park - building	0	13,838	0	13,838
Tinsley Park - improvements	0	100,000	37,600	62,400
Equipment replacement - parks and recreation	120,000	176,384	114,761	61,623
Capital projects - schools	289,621	504,493	504,493	0

CITY OF CLEVELAND, TENNESSEE  
 SALES TAX CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued):				
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	82,000	82,000	65,000	17,000
Arnold School renovation - interest	23,835	23,835	14,539	9,296
ESG equipment facility - principal	160,269	256,355	256,355	0
ESG equipment facility - interest	120,015	0	0	0
Total expenditures	<u>\$ 3,816,000</u>	<u>\$ 7,502,255</u>	<u>\$ 3,795,058</u>	<u>\$ 3,707,197</u>
Excess (deficiency) of revenues over expenditures	\$ 272,000	\$ (3,313,553)	\$ 1,157,332	\$ 4,470,885
Fund balance at beginning of year	<u>4,345,974</u>	<u>4,345,974</u>	<u>4,345,974</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 4,617,974</u></u>	<u><u>\$ 1,032,421</u></u>	<u><u>\$ 5,503,306</u></u>	<u><u>\$ 4,470,885</u></u>

CITY OF CLEVELAND, TENNESSEE  
 BLYTHE SIDEWALKS DIABETES INITIATIVE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State grant	\$ 0	\$ 150,000	\$ 117,962	\$ (32,038)
Total revenues	\$ 0	\$ 150,000	\$ 117,962	\$ (32,038)
Expenditures:				
Capital outlay:				
Sidewalk improvement projects	\$ 0	\$ 150,000	\$ 117,962	\$ 32,038
Total expenditures	\$ 0	\$ 150,000	\$ 117,962	\$ 32,038
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	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL IMPROVEMENT PROGRAM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Federal grant - Cares Act Part 4	\$ 0	\$ 69,000	\$ 15,319	\$ (53,681)
Federal grant - 25th St/Georgetown	0	167,031	41,631	(125,400)
Federal grant - 20th St/Tasso	0	216,160	0	(216,160)
Federal grant - 17th and 20th	0	2,830,555	811,977	(2,018,578)
Federal grant - Gaut Improvement	0	7,039	1,810	(5,229)
Federal grant - Norman Chapel Road	0	0	13,929	13,929
Federal grant - Central Avenue	0	867,304	441	(866,863)
Federal grant - North Property Development	0	910,758	656,596	(254,162)
State grant - Multi-Modal Access	0	818,777	315	(818,462)
State grant - Peerless sidewalk	0	224,908	0	(224,908)
State grant - Barney Lane Bridge	0	270,588	198,800	(71,788)
State grant - Jetport north property design	0	15,072	16,746	1,674
State grant - Jetport runway extension	0	164,853	41,814	(123,039)
State grant - Jetport land easement	0	10,950	0	(10,950)
State grant - Ocoee Greenway	0	120,003	0	(120,003)
State grant - Adkisson Drive	0	1,086,144	0	(1,086,144)
State grant - Roadscapes phase III	0	117,850	0	(117,850)
State grant - Covid MPO	0	387,085	0	(387,085)
State grant - LIC	0	781,784	571	(781,213)
State appropriation	0	1,000,000	1,022,508	22,508
Bradley County - LIC	0	200,000	0	(200,000)
Interest	0	0	6,409	6,409
<b>Miscellaneous:</b>				
Sale of public works equipment	0	0	3,202	3,202
TML Reimbursement - equipment	0	0	4,920	4,920
TML Reimbursement - vehicles	0	39,573	72,919	33,346
Sundry income	0	154,551	160,432	5,881
<b>Total revenues</b>	<b>\$ 0</b>	<b>\$ 10,459,985</b>	<b>\$ 3,070,339</b>	<b>\$ (7,389,646)</b>
<b>Expenditures:</b>				
<b>Capital outlay:</b>				
<b>Legislative and judicial:</b>				
Capital projects	\$ 0	\$ 81,091	\$ 0	\$ 81,091
Whirlpool/Downtown initiative	600,000	2,231,328	934,186	1,297,142
<b>Administration and finance:</b>				
Vehicles	0	13,741	13,741	0
<b>Finance:</b>				
Various capital projects	0	613,200	310,610	302,590
Equipment	0	2,530	0	2,530
<b>Development and engineering:</b>				
Various capital projects	0	73,922	51,984	21,938
Transportation projects	0	26,119	2,123	23,996
Infrastructure	0	252,934	0	252,934
<b>Police department:</b>				
Vehicles	0	83,785	0	83,785
Motorola radios	0	466,457	466,457	0

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL IMPROVEMENT PROGRAM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2021

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Expenditures - (Continued)				
Capital outlay - (Continued)				
Animal Control:				
Various capital projects	\$ 0	\$ 38,790	\$ 0	\$ 38,790
Fire department:				
Apparatus replacement	0	18,458	0	18,458
Public works - street department:				
Various capital projects	0	9,929	0	9,929
Various transportation projects	0	7,500	6,010	1,490
Transportation projects	0	6,082	51,030	(44,948)
25th & Peerless intersection	0	327,531	0	327,531
Adkisson Drive widening	0	1,152,346	0	1,152,346
Multi Modal Access	0	1,411,419	11,402	1,400,017
LIC North on APD 40	0	1,434,057	10,131	1,423,926
Mouse Creek intersection	0	926,000	51,863	874,137
Paul Huff & Peerless intersection	0	300,000	0	300,000
Roadscapes III	0	147,300	0	147,300
25th & Georgetown	0	52,628	41,632	10,996
20th & Tasso	0	251,360	0	251,360
Central Avenue project	0	893,495	880	892,615
17th and 20th Street project	0	3,597,055	840,899	2,756,156
Ocoee Crossing Greenway	0	142,275	0	142,275
20th St and Barney Ln/ Culvert	0	280,864	185,956	94,908
MPO: Gaut Improv	0	8,449	2,263	6,186
Parker Street sidewalks	0	200,000	76,186	123,814
Paving	0	622,369	292,018	330,351
Improvements	0	70,373	0	70,373
Sidewalks	0	260,000	0	260,000
Cleveland Regional Jetport:				
Capital projects	0	69,000	86,483	(17,483)
North property design	0	16,746	16,746	0
Land easement	0	6,000	0	6,000
Runway extension construction	0	155,276	41,814	113,462
North Property - construction	0	1,013,693	904,073	109,620
Parks and recreation:				
Capital projects	0	24,212	0	24,212
Avery Johnson Park	0	101,451	55,710	45,741
Candies Greenway	0	108,382	7,750	100,632
Improvements	0	293,761	0	293,761
Education:				
Capital projects	0	402,535	300,128	102,407
Total expenditures	<u>\$ 600,000</u>	<u>\$ 18,194,443</u>	<u>\$ 4,762,075</u>	<u>\$ 13,432,368</u>

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL IMPROVEMENT PROGRAM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2021

(Continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over expenditures	\$ (600,000)	\$ (7,734,458)	\$ (1,691,736)	\$ 6,042,722
Other financing sources (uses):				
Transfers in	\$ 1,450,000	\$ 1,638,973	\$ 1,638,973	\$ 0
Notes issued	0	1,370,178	1,514,178	144,000
Total other financing sources (uses)	\$ 1,450,000	\$ 3,009,151	\$ 3,153,151	\$ 144,000
Net change in fund balance	\$ 850,000	\$ (4,725,307)	\$ 1,461,415	\$ 6,186,722
Fund balance at beginning of year	5,721,220	5,721,220	5,721,220	0
Fund balance at end of year	<u>\$ 6,571,220</u>	<u>\$ 995,913</u>	<u>\$ 7,182,635</u>	<u>\$ 6,186,722</u>

CITY OF CLEVELAND, TENNESSEE  
SCHOOL CAPITAL IMPROVEMENT PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental:				
Bradley County	\$ 0	\$ 5,520,027	\$ 5,520,027	\$ 0
Interest	0	2,028	3,510	1,482
Miscellaneous:				
Sale of land	0	272,347	272,347	0
Other	0	9,410	9,410	0
Total revenues	<u>\$ 0</u>	<u>\$ 5,803,812</u>	<u>\$ 5,805,294</u>	<u>\$ 1,482</u>
<b>Expenditures:</b>				
Capital outlay:				
Land	\$ 0	\$ 350,000	\$ 307,732	\$ 42,268
Improvements	0	700,000	374,540	325,460
Capital projects	0	4,553,812	0	4,553,812
Equipment	0	200,000	0	200,000
Total expenditures	<u>\$ 0</u>	<u>\$ 5,803,812</u>	<u>\$ 682,272</u>	<u>\$ 5,121,540</u>
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 0	\$ 5,123,022	\$ 5,123,022
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,123,022</u>	<u>\$ 5,123,022</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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 500	\$ 3,500	\$ 4,535	\$ 1,035
Total revenues	<u>\$ 500</u>	<u>\$ 3,500</u>	<u>\$ 4,535</u>	<u>\$ 1,035</u>
Excess of revenues over expenditures	\$ 500	\$ 3,500	\$ 4,535	\$ 1,035
Fund balance at beginning of year	<u>496,769</u>	<u>496,769</u>	<u>496,769</u>	<u>0</u>
Fund balance at end of year	<u><u>\$ 497,269</u></u>	<u><u>\$ 500,269</u></u>	<u><u>\$ 501,304</u></u>	<u><u>\$ 1,035</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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Operating Revenues:</b>				
Charges for services	\$ 5,004,533	\$ 5,004,533	\$ 4,689,913	\$ (314,620)
Total operating revenues	<u>\$ 5,004,533</u>	<u>\$ 5,004,533</u>	<u>\$ 4,689,913</u>	<u>\$ (314,620)</u>
<b>Operating Expenses:</b>				
General and administrative:				
Health insurance claims	\$ 3,882,451	\$ 3,882,451	\$ 4,265,828	\$ (383,377)
Administrative services	765,323	765,323	853,002	(87,679)
Total operating expenses	<u>\$ 4,647,774</u>	<u>\$ 4,647,774</u>	<u>\$ 5,118,830</u>	<u>\$ (471,056)</u>
Operating income (loss)	<u>\$ 356,759</u>	<u>\$ 356,759</u>	<u>\$ (428,917)</u>	<u>\$ (785,676)</u>
<b>Non Operating Revenues (Expenses):</b>				
Interest income	\$ 5,000	\$ 5,000	\$ 964	\$ (4,036)
Total non operating revenues (expenses)	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 964</u>	<u>\$ (4,036)</u>
Income (loss) before contributions and transfers	\$ 361,759	\$ 361,759	\$ (427,953)	\$ (789,712)
Transfers in	<u>0</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Change in net position	\$ 0	\$ 811,759	\$ 22,047	\$ (789,712)
Total net position - beginning	<u>891,812</u>	<u>891,812</u>	<u>891,812</u>	<u>0</u>
Total net position - ending	<u><u>\$ 891,812</u></u>	<u><u>\$ 1,703,571</u></u>	<u><u>\$ 913,859</u></u>	<u><u>\$ (789,712)</u></u>

## **CAPITAL ASSETS**

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 COMPARATIVE SCHEDULE BY SOURCE(1)  
 June 30, 2021 and 2020

	2021	2020
<b>Governmental funds capital assets:</b>		
Land	\$ 38,073,782	\$ 37,543,155
Buildings	155,949,947	149,333,884
Public improvements other than buildings	27,096,605	24,901,354
Infrastructure	75,771,913	73,739,507
Furniture, fixtures, equipment and vehicles	44,610,058	39,328,154
 Total governmental funds capital assets	 \$ 341,502,305	 \$ 324,846,054
 <b>Investment in governmental funds capital assets:</b>		
 Total governmental funds capital assets	 \$ 341,502,305	 \$ 324,846,054

(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, 2021

<u>Function and Activity</u>	<u>Total Capital Assets</u>	<u>Land</u>	<u>Buildings</u>	<u>Other Improve- ments</u>	<u>Infrastructure</u>	<u>Equipment</u>
<b>General Government:</b>						
Administration and finance	\$ 1,169,204	\$ 1,800	\$ 401,565	\$ 263,343	\$ 0	\$ 502,496
General government	2,250,792	221,845	1,119,437	410,985	0	498,525
Community development	910,430	101,746	417,664	52,566	0	338,454
Library	9,988,418	324,286	5,477,659	77,676	0	4,108,797
<b>Total General Government</b>	<b>\$ 14,318,844</b>	<b>\$ 649,677</b>	<b>\$ 7,416,325</b>	<b>\$ 804,570</b>	<b>\$ 0</b>	<b>\$ 5,448,272</b>
<b>Public Safety:</b>						
Police	\$ 12,396,221	\$ 290,097	\$ 5,210,273	\$ 85,412	\$ 0	\$ 6,810,439
Fire	14,831,519	461,500	6,213,972	314,327	0	7,841,720
911 Center	867,618	0	867,618	0	0	0
<b>Total Public Safety</b>	<b>\$ 28,095,358</b>	<b>\$ 751,597</b>	<b>\$ 12,291,863</b>	<b>\$ 399,739</b>	<b>\$ 0</b>	<b>\$ 14,652,159</b>
<b>Public Works:</b>						
Street department	\$ 8,483,829	\$ 591,262	\$ 318,738	\$ 2,191,010	\$ 0	\$ 5,382,819
Engineering	244,221	0	0	47,301	0	196,920
Fleet	1,590,024	108,291	1,207,137	74,216	0	200,380
Old City Landfill	92,500	63,500	25,000	4,000	0	0
Jetport	45,502,225	26,899,869	4,940,117	12,761,296	0	900,943
Primary roads	11,170,880	67,965	0	0	11,102,915	0
Secondary roads	51,386,979	378,887	0	0	51,008,092	0
Drainage	5,352,972	12,147	0	0	5,340,825	0
Detention ponds	3,613,911	770,558	0	0	2,843,353	0
Sidewalks	4,723,915	0	0	0	4,723,915	0
Bridges	752,813	0	0	0	752,813	0
<b>Total Public Works</b>	<b>\$ 132,914,269</b>	<b>\$ 28,892,479</b>	<b>\$ 6,490,992</b>	<b>\$ 15,077,823</b>	<b>\$ 75,771,913</b>	<b>\$ 6,681,062</b>
<b>Parks and Recreation:</b>						
Recreation office	\$ 3,065,958	\$ 0	\$ 0	\$ 1,043,057	\$ 0	\$ 2,022,901
Tinsley Park	3,663,084	211,980	165,860	3,049,676	0	235,568
Waterville Golf Course	2,201,153	256,816	521,641	1,268,122	0	154,574
College Hill Center	1,328,271	76,890	231,658	858,040	0	161,683
Cleveland Community Center	857,446	47,000	421,769	248,964	0	139,713
Johnston Park	425,000	175,000	0	250,000	0	0
Deer Park	272,642	90,000	0	175,740	0	6,902
Arnold Mini Park	14,565	0	0	14,565	0	0
Mayfield Mini Park	14,000	0	0	14,000	0	0
Blythe Mini Park	20,044	9,874	0	10,170	0	0
Bower Mini Park	61,975	0	14,800	47,175	0	0
Stuart Mini Park	27,263	0	17,732	9,531	0	0
E.L. Ross Craigmile Park	9,880	0	0	9,880	0	0
East Cleveland Neighborhood	83,698	10,000	3,577	70,121	0	0
Greenway Project	2,963,224	0	319,839	2,446,101	0	197,284
Fletcher Park	693,024	64,373	118,973	479,730	0	29,948
1st Street Square Park	535,363	174,595	0	360,768	0	0
Soccer Complex	525,248	50,000	12,820	340,562	0	121,866
<b>Total Parks and Recreation</b>	<b>\$ 16,761,838</b>	<b>\$ 1,166,528</b>	<b>\$ 1,828,669</b>	<b>\$ 10,696,202</b>	<b>\$ 0</b>	<b>\$ 3,070,439</b>

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

(Continued)

June 30, 2021

<u>Function and Activity</u>	<u>Total Capital Assets</u>	<u>Land</u>	<u>Buildings</u>	<u>Other Improve- ments</u>	<u>Infrastructure</u>	<u>Equipment</u>
<b>Miscellaneous Properties:</b>						
Central and Church parking lot	\$ 101,000	\$ 101,000	\$ 0	\$ 0	\$ 0	\$ 0
Fourth Street parking lot	45,500	45,500	0	0	0	0
Worth and Central parking lot	45,000	45,000	0	0	0	0
Inman Street parking lot	32,500	32,500	0	0	0	0
Second - Central parking lot	53,000	53,000	0	0	0	0
Blythe Day Care	35,136	15,000	11,336	8,800	0	0
Animal Control	365,622	0	95,301	73,147	0	197,174
Kaufman - Second Street parking lot	33,000	27,500	0	5,500	0	0
Hargis - First Street parking lot	33,000	27,500	0	5,500	0	0
Urban renewal lots	87,330	87,330	0	0	0	0
Hill Street building	18,976	0	1,074	17,902	0	0
Seventh and Church Street parking lot	21,202	13,780	0	7,422	0	0
<b>Total Miscellaneous Properties</b>	<b>\$ 871,266</b>	<b>\$ 448,110</b>	<b>\$ 107,711</b>	<b>\$ 118,271</b>	<b>\$ 0</b>	<b>\$ 197,174</b>
<b>Cleveland City Schools:</b>						
School property	\$ 147,166,575	\$ 6,165,391	\$ 127,814,387	\$ 0	\$ 0	\$ 13,186,797
Food Service	1,374,155	0	0	0	0	1,374,155
<b>Total City Schools</b>	<b>\$ 148,540,730</b>	<b>\$ 6,165,391</b>	<b>\$ 127,814,387</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 14,560,952</b>
<b>Total Capital Assets</b>	<b>\$ 341,502,305</b>	<b>\$ 38,073,782</b>	<b>\$ 155,949,947</b>	<b>\$ 27,096,605</b>	<b>\$ 75,771,913</b>	<b>\$ 44,610,058</b>

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

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

For the Fiscal Year Ended June 30, 2021

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>General Government:</b>				
Administration and finance	\$ 1,123,441	\$ 78,784	\$ 33,021	\$ 1,169,204
General government	1,248,810	1,031,733	29,751	2,250,792
Community development	911,280	0	850	910,430
Library	9,852,469	149,611	13,662	9,988,418
<b>Total General Government</b>	<b>\$ 13,136,000</b>	<b>\$ 1,260,128</b>	<b>\$ 77,284</b>	<b>\$ 14,318,844</b>
<b>Public Safety:</b>				
Police	\$ 11,659,116	\$ 773,294	\$ 36,189	\$ 12,396,221
Fire	14,172,814	658,705	0	14,831,519
911 Center	867,618	0	0	867,618
<b>Total Public Safety</b>	<b>\$ 26,699,548</b>	<b>\$ 1,431,999</b>	<b>\$ 36,189</b>	<b>\$ 28,095,358</b>
<b>Public Works:</b>				
Street department	\$ 6,053,105	\$ 2,672,974	\$ 242,250	\$ 8,483,829
Engineering	238,271	5,950	0	244,221
Fleet	1,603,063	0	13,039	1,590,024
Old City Landfill	92,500	0	0	92,500
Jetport	45,444,945	57,280	0	45,502,225
Primary roads	11,170,880	0	0	11,170,880
Secondary roads	49,989,845	1,397,134	0	51,386,979
Drainage	5,340,816	12,156	0	5,352,972
Detention ponds	3,613,911	0	0	3,613,911
Sidewalks	4,656,620	67,295	0	4,723,915
Bridges	196,992	555,821	0	752,813
<b>Total Public Works</b>	<b>\$ 128,400,948</b>	<b>\$ 4,768,610</b>	<b>\$ 255,289</b>	<b>\$ 132,914,269</b>
<b>Parks and Recreation:</b>				
Recreation office	\$ 2,797,610	\$ 272,184	\$ 3,836	\$ 3,065,958
Tinsley Park	3,650,538	12,546	0	3,663,084
Waterville Golf Course	2,201,153	0	0	2,201,153
College Hill Center	1,328,271	0	0	1,328,271
Cleveland Community Center	854,728	2,718	0	857,446
Johnston Park	425,000	0	0	425,000
Deer Park	268,735	3,907	0	272,642
Arnold Mini Park	14,565	0	0	14,565
Mayfield Mini Park	14,000	0	0	14,000
Blythe Mini Park	20,044	0	0	20,044
Bower Mini Park	61,975	0	0	61,975
Stuart Mini Park	27,263	0	0	27,263
E.L. Ross Craigmile Park	9,880	0	0	9,880
East Cleveland Neighborhood	83,698	0	0	83,698
Greenway Project	2,963,224	0	0	2,963,224
Fletcher Park	679,876	13,148	0	693,024
1st Street Square Park	535,363	0	0	535,363
Soccer Complex	458,076	67,172	0	525,248
<b>Total Parks and Recreation</b>	<b>\$ 16,393,999</b>	<b>\$ 371,675</b>	<b>\$ 3,836</b>	<b>\$ 16,761,838</b>

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, 2021

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Miscellaneous Properties:</b>				
Central and Church parking lot	\$ 101,000	\$ 0	\$ 0	\$ 101,000
Fourth Street parking lot	45,500	0	0	45,500
Worth and Central parking lot	45,000	0	0	45,000
Inman Street parking lot	32,500	0	0	32,500
Second - Central parking lot	53,000	0	0	53,000
Blythe Day Care	35,136	0	0	35,136
Animal Control	357,641	7,981	0	365,622
Kaufman - Second Street parking lot	33,000	0	0	33,000
Hargis - First Street parking lot	33,000	0	0	33,000
Urban renewal lots	87,330	0	0	87,330
Hill Street building	18,976	0	0	18,976
Seventh and Church Street parking lot	21,202	0	0	21,202
<b>Total Miscellaneous Properties</b>	<b>\$ 863,285</b>	<b>\$ 7,981</b>	<b>\$ 0</b>	<b>\$ 871,266</b>
<b>Cleveland City Schools:</b>				
School property	\$ 137,977,454	\$ 9,478,741	\$ 289,620	\$ 147,166,575
Food Service	1,374,820	3,047	3,712	1,374,155
<b>Total City Schools</b>	<b>\$ 139,352,274</b>	<b>\$ 9,481,788</b>	<b>\$ 293,332</b>	<b>\$ 148,540,730</b>
<b>Total Capital Assets</b>	<b>\$ 324,846,054</b>	<b>\$ 17,322,181</b>	<b>\$ 665,930</b>	<b>\$ 341,502,305</b>

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

**STATISTICAL**

## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	164
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government’s most significant local revenue sources, the property tax and the local sales tax.	174
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	186
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	193
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	197

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 66,979,125	\$ 68,705,499	\$ 108,313,394	\$ 115,117,684
Restricted	6,449,583	4,903,327	3,627,607	4,230,289
Unrestricted	<u>14,134,054</u>	<u>13,058,791</u>	<u>9,398,036</u>	<u>(6,550,745)</u>
<b>Total governmental activities net assets</b>	<u>\$ 87,562,762</u>	<u>\$ 86,667,617</u>	<u>\$ 121,339,037</u>	<u>\$ 112,797,228</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 143,097,174	\$ 161,335,056	\$ 124,523,849	\$ 124,243,205
Unrestricted	<u>10,789,348</u>	<u>3,654,232</u>	<u>8,413,181</u>	<u>(1,508,685)</u>
<b>Total business-type activities</b>	<u>\$ 153,886,522</u>	<u>\$ 164,989,288</u>	<u>\$ 132,937,030</u>	<u>\$ 122,734,520</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 210,076,299	\$ 230,040,555	\$ 232,837,243	\$ 239,360,889
Restricted	6,449,583	4,903,327	3,627,607	4,230,289
Unrestricted	<u>24,923,402</u>	<u>16,713,023</u>	<u>17,811,217</u>	<u>(8,059,430)</u>
<b>Total primary government net assets</b>	<u>\$ 241,449,284</u>	<u>\$ 251,656,905</u>	<u>\$ 254,276,067</u>	<u>\$ 235,531,748</u>

Source: Official record of Office of City Clerk.

2016	2017	2018	2019	2020	2021
\$ 118,815,347	\$ 119,211,701	\$ 128,504,578	\$ 138,614,753	\$ 135,819,612	\$ 150,289,044
3,960,956	4,509,812	5,292,915	14,863,506	19,972,043	26,563,297
<u>(1,239,172)</u>	<u>392,152</u>	<u>(22,478,971)</u>	<u>(22,786,778)</u>	<u>(22,493,225)</u>	<u>(12,609,818)</u>
<u>\$ 121,537,131</u>	<u>\$ 124,113,665</u>	<u>\$ 111,318,522</u>	<u>\$ 130,691,481</u>	<u>\$ 133,298,430</u>	<u>\$ 164,242,523</u>
\$ 126,677,290	\$ 132,437,432	\$ 141,210,570	\$ 140,264,453	\$ 149,656,134	\$ 155,930,891
2,226,781	5,868,185	(191,774)	8,631,096	11,380,399	20,018,879
<u>\$ 128,904,071</u>	<u>\$ 138,305,617</u>	<u>\$ 141,018,796</u>	<u>\$ 148,895,549</u>	<u>\$ 161,036,533</u>	<u>\$ 175,949,770</u>
\$ 245,492,637	\$ 251,649,133	\$ 269,715,148	\$ 278,879,206	\$ 285,475,746	\$ 306,219,935
3,960,956	4,509,812	5,292,915	14,863,506	19,972,043	26,563,297
<u>987,609</u>	<u>6,260,337</u>	<u>(22,670,745)</u>	<u>(14,155,682)</u>	<u>(11,112,826)</u>	<u>7,409,061</u>
<u>\$ 250,441,202</u>	<u>\$ 262,419,282</u>	<u>\$ 252,337,318</u>	<u>\$ 279,587,030</u>	<u>\$ 294,334,963</u>	<u>\$ 340,192,293</u>

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

	2012	2013	2014
<b>EXPENSES</b>			
Governmental activities:			
General government	\$ 3,463,066	\$ 6,338,456	\$ 3,285,177
Development and Engineering	1,481,745	1,140,908	1,498,726
Public safety	18,523,073	18,702,183	19,610,293
Public works	10,047,079	9,539,339	10,767,515
Health and welfare	725,353	829,343	740,903
Culture and recreation	4,638,754	4,734,464	5,150,586
Education	46,792,601	46,972,946	49,017,773
Interest on long-term debt	2,822,451	2,878,690	2,999,643
Total governmental activities	<u>\$ 88,494,122</u>	<u>\$ 91,136,329</u>	<u>\$ 93,070,616</u>
Business-type activities:			
Water and sewer	\$ 21,547,173	\$ 22,183,642	\$ 22,606,739
Electric	91,125,591	93,526,162	95,535,206
Stormwater management	0	0	0
Airport	51,203	573,288	0
Total business-type activities expenses	<u>\$ 112,723,967</u>	<u>\$ 116,283,092</u>	<u>\$ 118,141,945</u>
Total primary government expenses	<u>\$ 201,218,089</u>	<u>\$ 207,419,421</u>	<u>\$ 211,212,561</u>
<b>PROGRAM REVENUES</b>			
Governmental activities:			
Charges for services	\$ 7,308,364	\$ 6,394,007	\$ 5,719,960
Operating grants and contributions	42,136,892	42,650,493	42,755,489
Capital grants and contributions	2,823,302	1,622,538	2,805,953
Total governmental activities program revenues	<u>\$ 52,268,558</u>	<u>\$ 50,667,038</u>	<u>\$ 51,281,402</u>
Business-type activities:			
Charges for services:			
Water and sewer	\$ 23,391,403	\$ 23,006,832	\$ 24,232,749
Electric	94,456,322	96,146,039	98,249,509
Stormwater management	0	0	0
Airport	15,719	123,841	0
Operating grants and contributions	174,663	45,097	48,977
Capital grants and contributions	4,800,720	9,622,580	961,210
Total business-type activities program revenues	<u>\$ 122,838,827</u>	<u>\$ 128,944,389</u>	<u>\$ 123,492,445</u>
Total primary government program revenues	<u>\$ 175,107,385</u>	<u>\$ 179,611,427</u>	<u>\$ 174,773,847</u>
Net (Expense) Revenue			
Governmental activities	\$ (36,225,564)	\$ (40,469,291)	\$ (41,789,214)
Business-type activities	10,114,860	12,661,297	5,350,500
Total primary government net expense	<u>\$ (26,110,704)</u>	<u>\$ (27,807,994)</u>	<u>\$ (36,438,714)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
Governmental activities:			
Property taxes	\$ 16,497,090	\$ 16,598,001	\$ 19,016,017
Interest and penalty on taxes	270,429	232,829	215,627
In lieu of taxes	281,289	247,400	501,661
Local sales tax	11,726,645	11,842,883	11,976,829
Wholesale beer tax	1,490,010	1,514,062	1,555,503
Gross receipts tax	1,103,755	1,139,178	956,672
Franchise tax	790,234	874,574	933,173
State sales tax	2,803,138	2,857,391	2,953,870
Other state taxes	2,046,650	1,955,994	1,742,735
Grants and contributions not restricted	708,181	566,435	407,799
Unrestricted investment earnings	58,173	79,556	79,985
Gain on sale of capital assets	4,085	49,317	42,835
Transfers	1,893,518	1,616,526	2,198,373
Total governmental activities	<u>\$ 39,673,197</u>	<u>\$ 39,574,146</u>	<u>\$ 42,581,079</u>
Business-type activities:			
Unrestricted investment earnings	\$ 143,358	\$ 55,945	\$ 65,171
Transfers	(1,893,518)	(1,616,526)	(2,198,373)
Total business-type activities	<u>\$ (1,750,160)</u>	<u>\$ (1,560,581)</u>	<u>\$ (2,133,202)</u>
Total primary government	<u>\$ 37,923,037</u>	<u>\$ 38,013,565</u>	<u>\$ 40,447,877</u>
<b>CHANGE IN NET POSITION</b>			
Governmental activities	\$ 3,447,633	\$ (895,145)	\$ 791,865
Business-type activities	8,364,700	11,100,716	3,217,298
Total primary government	<u>\$ 11,812,333</u>	<u>\$ 10,205,571</u>	<u>\$ 4,009,163</u>

Source: Official record of Office of City Clerk.

2015	2016	2017	2018	2019	2020	2021
\$ 3,356,106	\$ 3,765,394	\$ 4,442,261	\$ 8,987,210	\$ 4,756,220	\$ 4,659,380	\$ 4,475,964
1,473,844	1,940,024	2,166,719	2,621,363	2,302,965	2,332,324	2,055,406
18,688,453	19,057,323	20,587,764	21,827,824	23,014,134	24,420,737	24,382,352
11,340,866	11,240,255	9,882,476	13,599,981	10,091,513	11,587,164	11,760,654
638,456	671,684	659,284	710,483	690,927	691,826	716,655
4,397,406	4,371,397	5,328,380	3,814,500	5,572,087	5,534,056	5,246,725
46,678,450	49,400,437	53,648,372	54,436,127	47,636,980	58,580,908	60,039,485
3,356,042	3,296,175	3,198,147	3,216,493	3,183,652	2,900,897	3,029,596
<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>	<u>\$ 110,707,292</u>	<u>\$ 111,706,837</u>
\$ 22,015,051	\$ 23,781,528	\$ 24,601,946	\$ 25,034,761	\$ 26,551,551	\$ 26,863,384	\$ 28,485,251
96,987,194	94,002,316	95,625,776	95,471,898	97,751,476	92,020,973	90,020,984
0	422,576	510,855	598,400	452,761	827,213	606,165
0	0	0	0	0	0	0
<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>\$ 119,711,570</u>	<u>\$ 119,112,400</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>	<u>\$ 230,418,862</u>	<u>\$ 230,819,237</u>
\$ 5,792,117	\$ 5,546,286	\$ 5,088,039	\$ 5,577,962	\$ 5,715,943	\$ 6,220,987	\$ 6,343,633
45,485,420	47,705,172	49,701,112	52,477,210	53,644,483	54,514,548	63,396,173
1,459,698	4,452,957	1,885,608	8,548,702	2,745,004	2,571,298	8,863,133
<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>	<u>\$ 63,306,833</u>	<u>\$ 78,602,939</u>
\$ 25,710,183	\$ 27,147,284	\$ 28,942,827	\$ 28,950,628	\$ 29,178,469	\$ 30,978,458	\$ 33,314,124
99,094,672	97,005,448	101,077,357	100,914,277	103,154,714	100,343,044	100,050,298
0	865,814	1,485,629	1,502,917	1,522,529	1,532,721	1,564,682
0	0	0	0	0	0	0
47,532	55,537	57,620	108,040	226,316	251,568	276,966
515,643	1,494,135	828,652	648,269	619,693	1,131,949	1,735,300
<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>\$ 134,237,740</u>	<u>\$ 136,941,370</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>	<u>\$ 197,544,573</u>	<u>\$ 215,544,309</u>
\$ (37,192,388)	\$ (36,038,274)	\$ (43,238,644)	\$ (42,610,107)	\$ (35,143,048)	\$ (47,400,459)	\$ (33,103,898)
6,365,785	8,361,798	11,653,508	11,019,072	9,945,933	14,526,170	17,828,970
<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>	<u>\$ (32,874,289)</u>	<u>\$ (15,274,928)</u>
\$ 19,653,207	\$ 19,607,993	\$ 20,024,551	\$ 26,342,150	\$ 26,096,750	\$ 26,546,377	\$ 26,167,522
217,448	194,097	218,748	255,801	224,048	203,601	230,767
239,618	285,008	336,281	445,005	490,530	459,491	1,085,511
12,516,655	13,138,559	13,693,221	13,610,741	14,495,529	15,616,509	17,448,218
1,588,040	1,584,441	1,509,444	1,469,337	1,466,678	1,502,653	1,553,649
1,176,363	1,244,796	1,315,875	1,323,129	1,353,244	1,426,622	1,617,969
989,949	904,420	879,433	925,773	903,349	881,325	901,996
3,130,831	3,342,791	3,424,704	3,580,003	3,714,029	3,816,634	4,441,358
4,095,349	1,638,355	1,385,722	1,616,480	1,577,116	1,312,117	1,364,522
775,098	394,752	494,787	394,864	435,038	500,455	808,113
96,088	131,389	208,210	539,780	987,484	615,589	204,974
650,321	14,600	(113,458)	19,814	52,875	112,836	(57,393)
2,247,105	2,322,340	2,437,660	2,641,293	2,719,337	2,864,395	2,973,022
<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>	<u>\$ 55,858,604</u>	<u>\$ 58,740,228</u>
\$ 82,174	\$ 104,729	\$ 185,698	\$ 399,322	\$ 650,157	\$ 479,209	\$ 57,289
(2,247,105)	(2,322,340)	(2,437,660)	(2,641,293)	(2,719,337)	(2,864,395)	(2,973,022)
<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>\$ (2,385,186)</u>	<u>\$ (2,915,733)</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>	<u>\$ 53,473,418</u>	<u>\$ 55,824,495</u>
\$ 10,183,684	\$ 8,765,267	\$ 2,576,534	\$ 10,554,063	\$ 19,372,959	\$ 8,458,145	\$ 25,636,330
4,200,854	6,144,187	9,401,546	8,777,101	7,876,753	12,140,984	14,913,237
<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>	<u>\$ 20,599,129</u>	<u>\$ 40,549,567</u>

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

Function/Program	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities:</b>				
General government	\$ 116,736	\$ 134,104	\$ 122,688	\$ 167,161
Development and Engineering	1,548,127	1,509,789	993,896	624,031
Public safety	3,516,915	2,526,039	1,094,936	1,212,259
Public works	5,431,881	4,909,092	6,529,526	6,087,104
Health and welfare	353,828	428,573	226,117	47,810
Culture and recreation	1,041,708	933,323	1,139,580	1,178,229
Education	<u>40,259,363</u>	<u>40,226,118</u>	<u>41,174,659</u>	<u>43,450,641</u>
<b>Subtotal governmental activities</b>	<b>\$ 52,268,558</b>	<b>\$ 50,667,038</b>	<b>\$ 51,281,402</b>	<b>\$ 52,767,235</b>
<b>Business-type activities:</b>				
Water and sewer	\$ 24,677,843	\$ 23,149,324	\$ 25,045,728	\$ 26,043,419
Electric	94,477,235	96,521,141	98,446,717	99,324,611
Stormwater management	0	0	0	0
Airport	<u>3,683,749</u>	<u>9,273,924</u>	<u>0</u>	<u>0</u>
<b>Subtotal business-type activities</b>	<b>\$ 122,838,827</b>	<b>\$ 128,944,389</b>	<b>\$ 123,492,445</b>	<b>\$ 125,368,030</b>
<b>Total primary government</b>	<b><u>\$ 175,107,385</u></b>	<b><u>\$ 179,611,427</u></b>	<b><u>\$ 174,773,847</u></b>	<b><u>\$ 178,135,265</u></b>

Source: Official record of Office of City Clerk.

2016	2017	2018	2019	2020	2021
\$ 368,176	\$ 454,229	\$ 398,678	\$ 540,216	\$ 806,993	\$ 1,082,383
743,144	619,475	1,127,552	1,070,335	1,232,575	1,289,669
1,183,264	1,579,472	1,378,931	1,298,804	1,133,704	1,863,228
8,832,654	5,494,157	8,074,094	5,656,523	7,147,789	7,908,758
36,540	47,057	61,628	51,578	44,015	37,689
1,158,832	1,052,964	1,467,632	1,145,555	1,160,288	909,872
45,381,805	47,427,405	54,095,359	52,342,419	51,781,469	65,511,340
<u>\$ 57,704,415</u>	<u>\$ 56,674,759</u>	<u>\$ 66,603,874</u>	<u>\$ 62,105,430</u>	<u>\$ 63,306,833</u>	<u>\$ 78,602,939</u>
\$ 28,337,385	\$ 29,435,064	\$ 29,458,233	\$ 29,526,908	\$ 31,999,273	\$ 34,646,551
97,364,119	101,465,440	101,162,981	103,652,284	100,700,934	100,730,137
866,714	1,491,581	1,502,917	1,522,529	1,537,533	1,564,682
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 126,568,218</u>	<u>\$ 132,392,085</u>	<u>\$ 132,124,131</u>	<u>\$ 134,701,721</u>	<u>\$ 134,237,740</u>	<u>\$ 136,941,370</u>
<u>\$ 184,272,633</u>	<u>\$ 189,066,844</u>	<u>\$ 198,728,005</u>	<u>\$ 196,807,151</u>	<u>\$ 197,544,573</u>	<u>\$ 215,544,309</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund</b>				
Nonspendable	\$ 4,193	\$ 4,079	\$ 47,629	\$ 53,174
Restricted	0	0	0	26,897
Assigned	0	0	10,666,100	5,878,509
Unassigned	<u>11,955,804</u>	<u>12,388,007</u>	<u>2,098,326</u>	<u>3,766,227</u>
Total general fund	<u>\$ 11,959,997</u>	<u>\$ 12,392,086</u>	<u>\$ 12,812,055</u>	<u>\$ 9,724,807</u>
<b>All Other Governmental Funds:</b>				
Nonspendable	\$ 473,636	\$ 473,636	\$ 473,636	\$ 473,636
Restricted	3,068,100	3,101,853	3,153,971	3,710,430
Committed	869,249	728,768	494,210	614,333
Assigned	<u>9,287,308</u>	<u>10,357,450</u>	<u>8,854,163</u>	<u>12,795,459</u>
Total all other governmental funds	<u>\$ 13,698,293</u>	<u>\$ 14,661,707</u>	<u>\$ 12,975,980</u>	<u>\$ 17,593,858</u>

Source: Official record of Office of City Clerk.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 41,762	\$ 0	\$ 242,025	\$ 230,996	\$ 233,632	\$ 252,419
5,148	0	0	9,200	9,200	8,950
0	0	0	0	0	0
<u>10,800,152</u>	<u>11,548,699</u>	<u>13,995,070</u>	<u>16,638,164</u>	<u>20,609,141</u>	<u>27,227,900</u>
<u>\$ 10,847,062</u>	<u>\$ 11,548,699</u>	<u>\$ 14,237,095</u>	<u>\$ 16,878,360</u>	<u>\$ 20,851,973</u>	<u>\$ 27,489,269</u>
\$ 673,509	\$ 760,148	\$ 515,305	\$ 497,121	\$ 518,333	\$ 514,208
3,482,172	4,036,176	4,522,253	12,032,694	12,651,616	20,928,362
699,329	740,978	913,328	784,396	1,143,907	1,262,417
<u>15,153,991</u>	<u>16,250,478</u>	<u>17,890,590</u>	<u>12,445,305</u>	<u>13,271,819</u>	<u>15,336,314</u>
<u>\$ 20,009,001</u>	<u>\$ 21,787,780</u>	<u>\$ 23,841,476</u>	<u>\$ 25,759,516</u>	<u>\$ 27,585,675</u>	<u>\$ 38,041,301</u>

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

	2012	2013	2014	2015
<b>REVENUES</b>				
Taxes	\$ 31,817,105	\$ 34,059,819	\$ 35,733,289	\$ 36,910,848
Licenses and permits	427,088	432,178	353,841	492,000
Intergovernmental	49,795,300	49,121,532	50,130,677	53,062,532
Fines and forfeitures	716,361	548,657	537,317	665,896
Charges for services	6,164,915	5,412,247	4,832,380	4,617,463
Interest	58,173	79,614	82,638	96,088
Miscellaneous	689,868	748,627	698,215	2,202,082
<b>Total Revenues</b>	<b>\$ 89,668,810</b>	<b>\$ 90,402,674</b>	<b>\$ 92,368,357</b>	<b>\$ 98,046,909</b>
<b>EXPENDITURES</b>				
General government	\$ 2,243,393	\$ 2,286,876	\$ 2,436,907	\$ 2,602,422
Development and Engineering	828,940	926,915	1,346,723	1,421,401
Public safety	16,334,062	16,364,461	16,616,921	16,976,679
Public works	8,242,610	7,917,343	8,689,791	8,676,635
Health and welfare	548,043	654,628	566,625	483,389
Culture and recreation	3,352,727	3,864,417	4,077,475	4,164,402
Education	43,685,843	44,673,856	46,062,827	46,715,950
Appropriations	1,070,066	1,074,137	1,185,501	1,091,983
Capital outlay	8,380,283	12,573,516	8,762,567	10,348,141
Debt service:				
Principal	2,477,857	2,691,153	2,699,740	4,040,333
Interest	2,771,273	2,856,470	3,337,925	2,384,230
<b>Total Expenditures</b>	<b>\$ 89,935,097</b>	<b>\$ 95,883,772</b>	<b>\$ 95,783,002</b>	<b>\$ 98,905,565</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (266,287)</b>	<b>\$ (5,481,098)</b>	<b>\$ (3,414,645)</b>	<b>\$ (858,656)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 14,792,877	\$ 14,716,372	\$ 15,329,355	\$ 21,688,975
Transfers out	(12,899,360)	(13,099,846)	(13,130,982)	(19,441,870)
Notes issued	2,615,335	5,260,075	4,600,000	0
Bonds issued	0	0	0	0
Capital leases issued	354,870	0	127,220	142,181
Refunding bonds issued	0	0	25,306,480	0
Premium on bonds issued	0	0	0	0
Payment to refunding bond escrow agent	0	0	(25,173,537)	0
<b>Total other financing sources (uses)</b>	<b>\$ 4,863,722</b>	<b>\$ 6,876,601</b>	<b>\$ 7,058,536</b>	<b>\$ 2,389,286</b>
<b>Net change in fund balances</b>	<b>\$ 4,597,435</b>	<b>\$ 1,395,503</b>	<b>\$ 3,643,891</b>	<b>\$ 1,530,630</b>
Debt service as a percent of noncapital expenditures	6.28%	6.43%	6.88%	7.27%

Source: Official record of Office of City Clerk.

2016	2017	2018	2019	2020	2021
\$ 37,144,740	\$ 37,905,053	\$ 44,169,660	\$ 45,073,641	\$ 46,522,610	\$ 49,353,887
490,234	628,772	712,300	735,474	1,192,696	1,409,179
57,391,236	56,284,038	65,580,623	61,304,401	61,846,216	77,568,836
565,843	527,112	636,898	609,350	541,312	446,724
4,442,072	3,949,204	4,228,762	4,357,213	4,479,831	4,480,063
137,225	208,210	539,781	987,484	618,845	204,973
862,571	903,685	797,077	622,151	879,473	1,439,883
<u>\$ 101,033,921</u>	<u>\$ 100,406,074</u>	<u>\$ 116,665,101</u>	<u>\$ 113,689,714</u>	<u>\$ 116,080,983</u>	<u>\$ 134,903,545</u>
\$ 3,084,380	\$ 3,179,666	\$ 3,431,332	\$ 3,936,786	\$ 4,086,659	\$ 3,916,936
1,847,168	1,839,944	1,664,882	1,778,770	1,693,780	2,005,510
17,587,413	17,973,900	18,606,166	20,420,104	20,899,995	21,501,020
8,460,640	7,633,818	8,310,518	8,985,878	8,841,930	8,972,849
501,236	521,479	542,897	518,977	523,006	528,060
4,028,549	4,269,135	4,342,420	4,486,157	4,325,735	4,007,781
48,423,074	51,046,808	53,540,925	55,004,608	55,193,503	61,870,697
1,098,651	1,192,403	1,304,181	1,332,364	1,306,305	1,338,092
14,401,524	9,035,158	29,336,764	16,892,485	9,018,761	9,398,114
4,164,233	4,514,324	5,106,995	6,048,024	5,180,065	5,370,553
2,340,075	2,228,124	2,246,893	3,231,706	3,276,477	3,554,353
<u>\$ 105,936,943</u>	<u>\$ 103,434,759</u>	<u>\$ 128,433,973</u>	<u>\$ 122,635,859</u>	<u>\$ 114,346,216</u>	<u>\$ 122,463,965</u>
<u>\$ (4,903,022)</u>	<u>\$ (3,028,685)</u>	<u>\$ (11,768,872)</u>	<u>\$ (8,946,145)</u>	<u>\$ 1,734,767</u>	<u>\$ 12,439,580</u>
\$ 15,751,495	\$ 16,450,779	\$ 21,172,739	\$ 19,927,702	\$ 17,964,749	\$ 18,584,223
(13,429,155)	(14,013,119)	(18,531,446)	(17,208,365)	(15,100,354)	(16,061,201)
6,040,200	2,628,550	5,408,580	0	1,105,731	1,514,178
0	0	0	9,885,000	0	0
0	442,891	8,222,294	69,475	0	0
13,057,880	0	0	34,780,000	0	27,450,000
0	0	0	6,161,337	0	3,913,381
(12,980,000)	0	0	(40,109,699)	0	(30,747,239)
<u>\$ 8,440,420</u>	<u>\$ 5,509,101</u>	<u>\$ 16,272,167</u>	<u>\$ 13,505,450</u>	<u>\$ 3,970,126</u>	<u>\$ 4,653,342</u>
<u>\$ 3,537,398</u>	<u>\$ 2,480,416</u>	<u>\$ 4,503,295</u>	<u>\$ 4,559,305</u>	<u>\$ 5,704,893</u>	<u>\$ 17,092,922</u>
7.02%	7.07%	6.92%	9.67%	7.89%	8.21%

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
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
2020	26,432,409	203,600	459,491	15,616,509	1,502,653	1,426,622	881,326	46,522,610
2021	26,515,776	230,767	1,085,511	17,448,219	1,553,649	1,617,969	901,996	49,353,887
Change 2012-2021	58.8%	-14.7%	285.9%	56.1%	4.3%	46.6%	14.1%	55.1%

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
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
2020	475,674,645	605,106,904	189,105,258
2021	485,125,037	610,437,320	156,231,244

Source: Bradley County Assessor of Property.

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

	<u>Public Utilities</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
\$	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
	18,239,633	1,288,126,440	2.0600	4,091,415,783	31.5
	19,508,716	1,271,302,317	2.0600	4,040,136,051	31.5

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	
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	0.4993	0.0278	0.1135	0.4994	0.2744	
2020	2.0600	0.4993	0.0278	0.1135	0.4994	0.2744	
2021	2.0600	0.4993	0.0278	0.1135	0.4986	0.2752	

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	
0.2297	-	0.0017	0.0509	1.8254	3.3158	
0.2356	-	0.0017	0.0522	1.8721	3.6376	
0.2674	-	0.0016	0.0520	1.8721	3.6376	
0.2674	-	0.0016	0.0520	1.8721	3.6376	
0.2414	0.0414	-	0.0580	1.8715	3.6370	
0.3449	0.0236	-	-	1.7084	3.7684	
0.3199	0.0478	-	-	1.7821	3.8421	
0.3199	0.0478	-	-	1.7821	3.8421	
0.3199	0.0478	-	-	1.7821	3.8421	

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

Schedule 9

<u>Taxpayer</u>	2020			2011		
	<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	\$ 38,532,921	1	3.08%	\$ 34,405,512	2	3.17%
Bayer Healthcare (Merck)	31,232,431	2	2.49	18,475,973	5	1.70
Cleveland Tennessee Hospital	29,075,735	3	2.32	37,334,853	1	3.44
Whirlpool	28,336,744	4	2.26	-	-	-
Life Care Centers of America	26,114,875	5	2.08	23,607,787	3	2.17
Duracell Company	17,266,395	6	1.38	19,198,520	4	1.77
Triumph Sheets, LLC	11,880,259	7	0.95	-	-	-
Pinnacle Corner at Paul Huff	11,187,185	8	0.89	-	-	-
Peyton's Southeastern	10,299,340	9	0.83	10,722,496	6	0.99
Walmart	10,147,192	10	0.81	9,939,375	7	0.92
Southeastern Container	-	-	-	9,900,767	8	0.91
Johnston Coca-Cola	-	-	-	7,806,595	9	0.72
Bellsouth	-	-	-	7,621,183	10	0.70
Totals	<u>\$ 214,073,077</u>		<u>17.09%</u>	<u>\$ 179,013,061</u>		<u>16.49%</u>

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

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

Schedule 10

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 16,294,716	\$ 15,299,096	93.9 %	\$ 972,293	\$ 16,271,389	99.9 %
2013	16,699,031	15,612,473	93.5	1,040,356	16,652,829	99.7
2014	18,859,181	17,898,630	94.9	923,715	18,822,345	99.8
2015	19,550,308	18,561,193	94.9	931,024	19,492,217	99.7
2016	19,557,553	18,745,766	95.8	746,975	19,492,741	99.7
2017	20,008,944	18,941,986	94.7	995,398	19,937,384	99.6
2018	26,305,375	25,026,206	95.1	1,107,609	26,133,815	99.3
2019	26,471,584	25,305,334	95.6	954,305	26,259,639	99.2
2020	26,495,529	25,317,547	95.6	830,208	26,147,755	98.7
2021	26,227,137	25,401,537	96.9	0	25,401,537	96.9

Source: Official records of Office of City Clerk.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Apparel Stores	\$ 23,696,309	\$ 24,874,164	\$ 25,648,895	\$ 26,695,892
General Merchandise Stores	218,850,296	220,486,064	220,277,745	222,347,406
Food Stores	89,648,300	93,245,397	95,135,145	106,471,779
Eating and Drinking Places	125,492,706	136,648,212	138,642,092	147,161,813
Furniture Stores	24,584,741	17,588,750	17,814,109	17,743,880
Building Materials	72,925,808	78,397,949	76,136,640	72,538,049
MV Dealers and Service Stations	69,025,064	71,337,280	74,355,981	83,823,948
Other Retail	59,093,623	61,405,593	63,159,468	65,775,334
All Other Outlets	<u>126,459,065</u>	<u>139,311,618</u>	<u>141,967,597</u>	<u>152,692,339</u>
<b>Total</b>	<b><u>\$ 809,775,912</u></b>	<b><u>\$ 843,295,027</u></b>	<b><u>\$ 853,137,672</u></b>	<b><u>\$ 895,250,440</u></b>
City direct sales tax rate	2.75%	2.75%	2.75%	2.75%

Source: Tennessee Department of Revenue, Research Division.

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

2015	2016	2017	2018	2019	2020
\$ 28,868,016	\$ 28,132,195	\$ 28,076,379	\$ 29,248,857	\$ 30,510,189	\$ 28,362,200
233,711,647	234,275,628	235,769,895	240,627,860	244,753,609	252,408,243
112,096,356	113,083,863	119,118,225	128,260,231	131,837,852	150,853,969
158,677,432	160,746,625	166,258,406	172,323,174	185,363,931	182,039,198
16,312,162	16,227,883	20,755,916	21,997,547	21,545,685	23,250,965
60,732,654	84,841,122	97,243,420	98,552,022	102,978,309	127,044,826
96,437,981	101,579,505	98,430,037	102,340,354	109,432,087	120,559,750
69,919,188	70,057,002	67,411,830	64,417,467	71,848,990	84,686,141
164,536,138	158,214,097	160,771,137	168,767,452	179,537,042	181,624,920
<u>\$ 941,291,574</u>	<u>\$ 967,157,920</u>	<u>\$ 993,835,245</u>	<u>\$ 1,026,534,964</u>	<u>\$ 1,077,807,694</u>	<u>\$ 1,150,830,212</u>
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>
2012	2.75 %
2013	2.75
2014	2.75
2015	2.75
2016	2.75
2017	2.75
2018	2.75
2019	2.75
2020	2.75
2021	2.75

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 2012 AND 2021

	Fiscal Year 2021			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Retail Trade	853	58.03 %	\$ 19,461,483	84.06 %
2 Services	346	23.54	1,731,485	7.48
3 Manufacturing	96	6.53	590,631	2.55
4 Wholesale Trade	72	4.90	733,362	3.17
5 Construction	12	0.82	11,301	0.05
6 Finance Insurance Real Estate	27	1.84	36,509	0.16
7 Transportation and Utilities	9	0.61	152,132	0.65
8 Agriculture	11	0.75	18,534	0.08
9 Other, Non Classified	44	2.98	417,770	1.80
<b>Total</b>	<u>1,470</u>	<u>100.00 %</u>	<u>\$ 23,153,207</u>	<u>100.00 %</u>

Source: Tennessee Department of Revenue, Research Division.

Notes:

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

Fiscal Year 2021			
<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
694	50.69 %	\$ 28,381,620	84.07 %
300	21.91	2,273,384	6.73
96	7.01	485,415	1.44
76	5.55	1,141,664	3.38
25	1.83	108,814	0.32
22	1.61	45,778	0.14
19	1.39	285,460	0.85
9	0.66	23,506	0.07
128	9.35	113,988	3.00
<u>1,369</u>	<u>100.00 %</u>	<u>\$ 32,859,629</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
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
2020	9,569,815	46,190,431	20,755,139	7,633,437
2021	9,180,658	68,485,493	3,018,878	0

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
\$ 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
34,148,439	33,348,101	151,645,362	3.28	3,047
47,413,479	24,747,236	152,845,744	3.44	2,907

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

Schedule 15

Fiscal Year	General Obligation Bonds Outstanding	Actual Taxable Value of Property	Population	Percentage of Actual taxable Value of Property	Debt Per Capita
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
2020	55,760,246	4,091,415,783	45,504	1.3	1,225
2021	77,666,151	4,040,136,051	47,356	1.9	1,640

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, 2021

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	\$ 80,685,029	100.00%	\$ 80,685,029
Bradley County, Tennessee	<u>78,639,511</u>	55.31%	<u>43,495,514</u>
Total direct and overlapping debt	<u>\$ 159,324,540</u>		<u>\$ 124,180,543</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 109,359,910	\$ 112,073,394	\$ 107,609,460	\$ 108,653,123
Total net debt applicable to limit	<u>66,667,364</u>	<u>69,103,328</u>	<u>75,438,027</u>	<u>71,174,432</u>
Legal debt margin	<u>\$ 42,692,546</u>	<u>\$ 42,970,066</u>	<u>\$ 32,171,433</u>	<u>\$ 37,478,691</u>
Total net debt applicable to limit as a percentage of debt limit	60.96%	61.66%	70.10%	65.51%

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2020</u>
\$ 108,621,788	\$ 113,282,233	\$ 125,581,984	\$ 125,567,490	\$ 126,988,681	\$ 125,279,360
<u>72,563,860</u>	<u>70,824,771</u>	<u>78,741,687</u>	<u>75,737,287</u>	<u>72,017,242</u>	<u>65,708,999</u>
<u>\$ 36,057,928</u>	<u>\$ 42,457,462</u>	<u>\$ 46,840,297</u>	<u>\$ 49,830,203</u>	<u>\$ 54,971,439</u>	<u>\$ 59,570,361</u>
66.80%	62.52%	62.70%	60.32%	56.71%	52.45%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Total assessed value		<u>\$ 1,252,793,601</u>
Legal debt margin:		
Debt limitation - 10% of total assessed value as adopted by resolution		\$ 125,279,360
Debt applicable to limit:		
Total bonded debt	\$ 138,743,114	
Less: Revenue bonds	67,047,236	
Amount available for repayment of general obligation bonds	<u>5,986,879</u>	
Total debt applicable to limit		<u>65,708,999</u>
Legal debt margin		<u>\$ 59,570,361</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	
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
2020	31,999,273	18,985,805	13,013,468	3,898,145	1,522,402	5,420,547	2.40
2021	34,646,551	20,350,824	14,295,727	4,687,336	1,642,058	6,329,394	2.26

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
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
2019	45,504	4,977,562	39,839	35
2020	47,356	5,257,348	41,756	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.

Percent High School graduate or higher	Percent Bachelor's degree or higher	School Enrollment	Annual Average Adjusted Unemployment Rate (%)
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
84	25	5,814	5.1
83	25	5,538	4.6

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

Employer	2021		
	Employees	Rank	Percentage of Total Labor Force Bradley County
Whirlpool/Maytag	1,600	1	3.04 %
Bradley County Schools	1,160	2	2.20
Peyton's Southeastern	1,157	3	2.20
Tennova	1,100	4	2.09
Jackson Furniture Industries	894	5	1.70
Amazon	790	6	1.50
Wal-Mart	640	7	1.21
Bradley County Government	620	8	1.18
Mars Chocolate	575	9	1.09
Lee University	501	10	0.95
Schering-Plough Inc.	-	-	-
City Government	-	-	-
Total	<u>9,037</u>		<u>17.16 %</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.

2012		
<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Labor Force Bradley County</u>
1,386	1	2.90 %
1,200	2	2.51
950	5	1.98
1,147	4	2.40
-	-	-
600	9	1.25
640	7	1.34
620	8	1.30
-	-	-
815	6	1.70
537	10	1.12
<u>1,182</u>	3	<u>2.47</u>
<u><u>9,077</u></u>		<u><u>18.97 %</u></u>

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

Schedule 21

Function/Program	Full-time Equivalent Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General government</b>										
City Council and legislative Administration and finance	1	1	1	1	1	1	1	1	1	1
Community development	8	8	14	14	15	15	15	15	17	21
Cleveland Regional Jetport	0	0	1	1	1	1	1	1	1	1
<b>Police</b>										
Officers	95	85	91	91	92	91	97	97	101	105
Civilians	12	11	12	12	12	12	12	12	12	12
<b>Fire</b>										
Firefighters and officers	94	89	91	91	91	91	104	104	106	106
Civilians	1	1	1	1	1	1	1	1	1	1
<b>Public works</b>										
Operations	26	20	21	21	21	21	25	25	25	24
Engineering	5	4	0	0	0	0	0	0	0	0
Landscaping maintenance	0	0	0	0	0	0	0	0	0	9
Solid waste management	14	13	13	13	13	13	13	13	13	13
Stormwater management fund	2	2	2	2	3	3	3	2	2	2
State street aid	11	10	11	11	11	11	11	11	11	11
Fleet management	8	8	7	7	6	6	6	6	6	6
<b>Parks and recreation</b>										
Administration and maintenance	9	9	9	9	10	10	10	10	11	14
Landscaping maintenance	7	7	7	7	9	10	10	10	9	0
College Hill Recreation Center	3	3	3	3	4	4	4	4	4	4
Cleveland Community Center	4	4	4	4	4	4	4	4	4	4
Waterville Golf Course	6	6	6	6	0	0	0	0	0	0
<b>Animal control</b>										
Administration and operations	8	8	8	6	6	6	6	6	6	6
Community development block grant	2	2	2	2	2	2	1	2	2	2
<b>Subtotal</b>	<b>330</b>	<b>305</b>	<b>318</b>	<b>316</b>	<b>325</b>	<b>326</b>	<b>349</b>	<b>350</b>	<b>357</b>	<b>362</b>
<b>Cleveland Utilities</b>										
Electric division	88	84	83	82	76	83	83	85	85	85
Water/wastewater division	98	98	103	100	108	114	115	116	122	123
<b>City schools</b>										
Certificated staff	397	407	423	432	434	445	454	449	462	461
Non-certificated personnel	274	277	283	290	294	308	294	296	292	281
Library	11	11	11	11	11	11	11	11	11	11
<b>Total</b>	<b>1,198</b>	<b>1,182</b>	<b>1,221</b>	<b>1,231</b>	<b>1,248</b>	<b>1,287</b>	<b>1,306</b>	<b>1,307</b>	<b>1,329</b>	<b>1,323</b>

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General government</b>				
Building permits issued	360	350	379	403
Value of construction permitted	\$63,587,030	\$59,121,927	\$37,240,586	\$65,893,431
<b>Police</b>				
Parking violations	1,130	974	1,309	1,631
Traffic violations	5,603	4,060	4,410	5,766
<b>Fire</b>				
Emergency responses (city only)	2,939	2,429	2,872	2,665
Fires extinguished (city only)	136	169	242	126
Fire inspections	2,454	2,208	2,055	2,263
<b>Public works</b>				
Street resurfacing (tonnage)	9,967	18,898	12,107	9,176
Utility cut permits (number excavations)	228	229	226	244
Drainage pipe installed (linear ft.)	3,901	5,919	4,690	6,936
Tons of brush chipped	6,446	8,282	8,644	12,117
<b>Parks and recreation</b>				
Softball league participants	1,440	1,500	1,455	1,650
Basketball league participants	216	230	204	202
Football league participants	74	80	70	65
Soccer league participants	950	1,000	850	1,045
Rounds of golf played	4,000	5,000	8,289	3,236
<b>Library</b>				
Volumes in collection	156,934	161,836	164,078	168,061
Circulation	421,792	409,206	401,430	402,064
Attendants	307,291	270,860	277,185	241,778
<b>City Schools</b>				
Average Daily Membership				
High School	1,297	1,339	1,398	1,448
Middle School	1,147	1,200	1,231	1,227
Elementary Schools	2,567	2,884	2,811	2,850
Ungraded - Special Education	81	81	81	81
ACT composite scores	20	20	20	19
Percent of High School graduates	82	86	84	86
<b>Electric</b>				
Class of Service number of Customers				
Residential	25,170	25,420	25,806	26,190
Small lighting and power	3,706	3,720	3,789	3,809
Large lighting and power	609	608	613	624
Street and outdoor lighting	188	189	188	185
Kilowatt-hours purchased	1,090,315,133	1,103,372,115	1,124,822,813	1,124,645,838
Kilowatt-hours sold	1,051,139,979	1,072,904,012	1,092,325,754	1,093,701,541
Line losses and kilowatt-hours unaccounted for	39,175,154	30,468,103	32,497,059	30,944,297
Percentage of losses and unaccounted for kilowatt-hours to purchases	3.59%	2.76%	2.89%	2.75%

2016	2017	2018	2019	2020	2021
289	415	370	337	401	523
\$70,217,886	\$61,147,619	\$96,885,426	\$79,375,008	\$156,691,994	\$94,708,218
975	939	959	1,409	686	379
4,744	3,906	4,759	4,061	3,046	1,926
2,909	2,898	2,891	3,173	3,414	4,405
173	249	221	137	131	228
1,634	3,078	3,154	2,168	3,468	3,543
17,795	12,598	12,790	10,852	18,130	13,699
185	234	270	177	178	168
6,706	5,529	5,340	6,173	6,316	4,070
8,633	10,721	14,028	13,353	15,243	12,450
450	425	430	150	0	322
220	220	196	76	402	0
150	150	146	150	230	245
2,067	2,169	2,092	2,206	3,471	0
0	0	0	0	0	0
174,614	179,345	180,495	185,981	187,723	190,166
404,869	384,655	394,960	417,433	409,484	269,642
225,411	223,416	210,914	199,230	134,538	50,103
1,451	1,586	1,578	1,639	1,682	1,675
1,269	1,310	1,320	1,331	1,343	1,342
2,582	2,500	2,753	2,370	2,457	2,395
103	96	96	131	130	98
20	20	20	21	20	19
90	89	89	90	88	91
26,487	26,872	27,052	27,191	27,329	27,575
3,829	3,846	3,897	3,931	3,932	4,028
621	612	605	587	592	585
181	177	172	167	166	163
1,092,690,922	1,093,318,270	1,081,144,905	1,069,273,479	1,030,326,623	1,039,444,215
1,059,898,637	1,059,807,534	1,056,079,493	1,040,483,760	1,003,639,362	1,008,260,890
32,792,285	33,510,736	25,065,412	28,789,719	26,687,261	31,183,325
3.00%	3.07%	2.32%	2.69%	2.59%	3.00%

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Water</b>				
Class of Service number of Customers				
Residential	26,327	26,496	26,811	27,200
Commercial & Industrial	3,639	3,671	3,707	3,728
Gallons purchased	1,845,875,000	1,759,640,000	1,717,178,040	1,737,814,650
Gallons pumped	1,874,042,670	1,789,485,000	1,965,420,000	1,919,504,751
Gallons sold	2,959,307,166	2,814,193,000	2,706,972,750	2,733,381,750
Line losses and gallons unaccounted for	760,610,504	709,217,000	902,184,898	923,937,651
Percentage of losses and unaccounted for gallons to total provided	20.45%	19.98%	24.50%	25.26%
Average daily water consumption (gallons)	7,904,814	7,710,118	7,416,364	7,488,717
<b>Wastewater</b>				
Class of Service number of Customers				
Residential	15,156	15,267	15,469	15,785
Commercial & Industrial	2,553	2,592	2,626	2,655
Capacity daily (thousands of gallons)	21,600	21,600	21,600	21,600
Treatment during fiscal year (gallons)	3,615,480,000	3,995,860,000	3,684,650,000	3,285,830,000

Sources: Various city departments.

2016	2017	2018	2019	2020	2021
27,514	27,874	28,144	28,427	28,691	29,212
3,708	3,712	3,745	3,776	3,776	3,848
1,781,982,285	1,830,881,097	1,553,131,140	1,753,470,750	1,754,822,000	1,706,774,690
1,985,954,794	2,269,121,474	2,438,184,139	2,344,888,000	2,350,714,727	2,259,089,135
2,838,000,000	3,076,149,000	2,892,261,750	2,950,904,238	2,844,021,750	2,853,327,000
929,937,079	1,023,853,571	1,099,053,529	1,147,454,512	1,261,514,977	1,112,536,825
24.68%	24.97%	27.54%	28.00%	30.73%	28.05%
7,775,343	8,427,805	7,924,005	8,084,669	7,791,840	7,817,334
15,981	16,197	16,382	16,612	16,780	17,147
2,637	2,635	2,674	2,688	2,704	2,746
21,600	21,600	21,600	21,600	21,600	21,600
4,005,970,000	3,350,999,000	2,599,430,000	4,302,393,000	4,474,130,000	3,724,510,000

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

Schedule 23

<u>Function/Program</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>	<u>2020</u>	<u>2021</u>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	0	0	0	0	0	0	0	0	0	0
Patrol units	112	120	118	120	120	120	120	110	107	86
<b>Fire</b>										
Stations	5	5	5	5	5	5	5	6	6	6
Fire trucks (pumpers, ladders & tankers)	14	14	14	14	14	12	14	14	15	15
<b>Public works</b>										
Street (miles)	347	348	348	349	352	356	356	359	362	363
Knucklebooms	6	6	8	9	9	9	9	8	7	7
<b>Parks and recreation</b>										
Acreage	289	289	289	289	289	289	289	289	289	299
Playgrounds	8	8	8	8	8	9	9	10	10	10
Softball fields	5	5	5	5	5	5	5	5	5	5
Soccer fields	16	16	16	16	16	16	16	16	16	18
Tennis courts	8	8	8	8	8	8	7	7	7	7
Community centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	3	3	3	3	3	3	3	3	3	3
Golf courses	1	1	1	0	0	0	0	0	0	0
<b>Schools</b>										
Elementary schools	6	6	6	6	6	6	6	7	7	7
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1
<b>Library</b>										
Bookmobiles	1	1	1	1	1	1	1	1	1	1
<b>Electric</b>										
Electric lines (miles)	534	537	539	540	543	542	567	570	555	557
Substations	15	15	15	15	15	15	15	15	17	17
Street lights	5,844	5,801	5,882	6,099	6,098	6,061	6,006	6,003	6,105	6,143
Traffic signals	604	613	619	646	656	676	678	693	694	698
Pedestrians signals	70	72	80	80	80	88	88	96	96	96
<b>Water</b>										
Water mains (miles)	743	750	760	767	754	753	757	763	771	773
Fire hydrants	2,571	2,575	2,627	2,657	2,700	2,732	2,764	2,810	2,840	2,877
Storage capacity (millions of gal)	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,800	15,800	15,800
<b>Wastewater</b>										
Sanitary sewers (miles)	356	359	359	360	364	364	365	371	371	376
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, 2021

<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	9/1/2020 to 8/31/2021	Buildings, contents, boilers, fired vessels electric steam generators. Theft, disappearance and destruction. Radio, video equipment, mobile equip- ment, police dogs.	\$ 75,319,439	\$ 120,809
Comprehensive Liability TML Risk Management Pool	TML-026R	7/1/2020 to 6/30/2021	General and public officials liability, auto liability, auto physical damage, personal injury. Excess auto physical damage. Airport liability	As per schedule	\$ 525,322
Worker's Compensation TML Risk Management Pool	TWC-0187	7/1/2020 to 6/30/2021	Job related injuries, employees	\$ 1,000,000 \$ 1,000 ded.	\$ 504,355
Property (School Buildings and Contents, Boiler, Vehicles) Tennessee Risk Management Trust	TNRMT	7/1/2020 to 7/1/2021	Property Equipment Liability	Various	\$ 413,756
Worker's Compensation Tennessee Risk Management Trust	TNRMT	7/1/2020 to 7/1/2021	Job related injuries, employees	\$ 1,000,000	\$ 206,920

CITY OF CLEVELAND, TENNESSEE  
INSURANCE IN FORCE  
CLEVELAND UTILITIES  
For the Fiscal Year Ended June 30, 2021

Table 2

Cleveland Utilities - Water and Electric Division

<u>Insurer</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Distributors Self Insurance Fund	Worker's compensation	Statutory
DIC/Illinois Union	Pollution Liability	\$ 6,000,000
Affiliated FM	Real property	\$ 157,000,000
Hartford	Machinery and equipment breakdown	\$ 50,000,000
Distributors Insurance Co.	General liability (primary)	\$ 1,000,000
Chubb	General liability (excess)	\$ 1,000,000
Chubb	Auto liability and physical damage	\$ 2,000,000
Chubb	Public official and employees liability	\$ 6,000,000
Travelers Casualty & Surety Co.	Excess Employment Practices Liability	\$ 4,000,000
Travelers Casualty & Surety Co.	Commercial crime	\$ 1,000,000
Crum Navigators & Westchester	Umbrella liability	\$ 14,000,000
Lloyd's	Cyber and Privacy Protection	\$ 2,000,000

CITY OF CLEVELAND, TENNESSEE  
 CHANGES IN PROPERTY TAXES RECEIVABLE  
 For the Year Ended June 30, 2021

Table 3

<u>Property Taxes</u>	<u>Balance 7/1/2020</u>	<u>Levies</u>	<u>Collections &amp; Adjustments</u>	<u>Balance 6/30/2021</u>
2020	\$ 0	\$ 26,227,137	\$ 25,401,537	\$ 825,600
2019	1,177,982	0	830,208	347,774
2018	374,918	0	162,973	211,945
2017	231,019	0	59,459	171,560
2016	97,718	0	26,158	71,560
2015	75,466	0	10,654	64,812
2014	59,406	0	1,315	58,091
2013	37,849	0	1,013	36,836
2012	46,404	0	202	46,202
2011	23,475	0	148	23,327
2010	30,052	0	30,052	0
	<u>\$ 2,154,289</u>	<u>\$ 26,227,137</u>	<u>\$ 26,523,719</u>	<u>\$ 1,857,707</u>

Note - Property taxes receivable also include the 2021 levy reported as deferred revenue in the amount of \$25,698,607.

CITY OF CLEVELAND, TENNESSEE  
 CHANGES IN LONG-TERM DEBT BY ISSUE  
 June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
<b>GOVERNMENTAL ACTIVITIES</b>				
<u><b>BONDS PAYABLE</b></u>				
<u>Payable through the Debt Service Fund:</u>				
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
General Obligation, Refunding, Series 2020	27,450,000	2 to 5%	11/10/20	12/01/38
Total Bonds Payable				
<u><b>NOTES PAYABLE</b></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 2015	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	5,200,000	Variable	09/30/16	09/01/36
Motorola equipment loan	466,457	2.45%	12/01/20	07/01/24
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
Energy Efficient Schools Initiative Loan	400,000	1.50%	06/01/20	08/01/33
Total Notes Payable through Sales Tax Fund				
Total Notes Payable				
<u><b>CAPITAL LEASES PAYABLE</b></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>				
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				

Table 4

Outstanding 7/1/2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2021
\$ 4,276,000	\$ -	\$ -	\$ 4,276,000	\$ -
3,391,000	-	329,000	-	3,062,000
9,135,000	-	365,000	-	8,770,000
33,335,000	-	1,760,000	-	31,575,000
-	27,450,000	2,180,000	-	25,270,000
<u>\$ 50,137,000</u>	<u>\$ 27,450,000</u>	<u>\$ 4,634,000</u>	<u>\$ 4,276,000</u>	<u>\$ 68,677,000</u>
\$ 948,000	\$ -	\$ 99,000	\$ -	\$ 849,000
442,000	-	-	442,000	-
3,632,000	-	-	3,632,000	-
815,000	-	-	815,000	-
457,279	403,721	-	861,000	-
4,628,000	-	-	4,628,000	-
2,792,000	-	110,000	2,682,000	-
3,936,000	644,000	222,000	4,358,000	-
-	466,457	-	-	466,457
<u>\$ 17,650,279</u>	<u>\$ 1,514,178</u>	<u>\$ 431,000</u>	<u>\$ 17,418,000</u>	<u>\$ 1,315,457</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,119,000	-	-	1,119,000	-
1,585,860	-	259,577	-	1,326,283
400,000	-	22,862	-	377,138
<u>\$ 3,104,860</u>	<u>\$ -</u>	<u>\$ 282,439</u>	<u>\$ 1,119,000</u>	<u>\$ 1,703,421</u>
<u>\$ 20,755,139</u>	<u>\$ 1,514,178</u>	<u>\$ 713,439</u>	<u>\$ 18,537,000</u>	<u>\$ 3,018,878</u>
\$ 12,912	\$ -	\$ 12,912	\$ -	\$ -
10,202	-	10,202	-	-
<u>\$ 23,114</u>	<u>\$ -</u>	<u>\$ 23,114</u>	<u>\$ -</u>	<u>\$ -</u>
7,610,323	-	-	7,610,323	-
<u>\$ 7,610,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,610,323</u>	<u>\$ -</u>
<u>\$ 7,633,437</u>	<u>\$ -</u>	<u>\$ 23,114</u>	<u>\$ 7,610,323</u>	<u>\$ -</u>

CITY OF CLEVELAND, TENNESSEE  
CHANGES IN LONG-TERM DEBT BY ISSUE  
June 30, 2021

Description of Indebtedness	Division	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b><u>BONDS PAYABLE</u></b>					
<b><u>Payable through the Electric Division:</u></b>					
General Obligation, 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
General Obligation, Series 2020	Electric	1,820,000	2 to 5%	11/10/20	12/01/40
General Obligation, Refunding Series 2020	Electric	7,010,000	2 to 5%	11/10/20	12/01/34
Total Bonds Payable Electric Division					
<b><u>Payable through the Water Division:</u></b>					
General Obligation, Series 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
General Obligation, Series 2020	Water/Wastewater	3,630,000	2 to 5%	11/10/20	12/01/40
General Obligation, Refunding Series 2020	Water/Wastewater	9,965,000	2 to 5%	11/10/20	12/01/34
Total Bonds Payable Water Division					
Total Bonds Payable					
<b><u>NOTES PAYABLE</u></b>					
<b><u>Payable through Electric Division:</u></b>					
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					
<b><u>Payable through Water Division:</u></b>					
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	Wastewater	900,000	1.56%	06/19/18	06/01/38
State Revolving Loans - SRF 18-416	Wastewater	730,000	1.56%	02/08/19	06/01/41
State Revolving Loans - SRF 18-417 (1)	Wastewater	10,000,000	1.58%	03/13/18	06/01/41
State Revolving Loans - SRF CW7 19-431 (2)	Wastewater	1,593,900	1.37%	07/10/19	06/01/41
Total Notes Payable Water Division					
Total Notes Payable					

Notes to Schedule

- (1) \$2,086,021, of loan proceeds have not been drawn down at June 30, 2021.
- (2) \$1,506,690, of loan proceeds have not been drawn down at June 30, 2021.

Table 4  
(Continued)

Outstanding 7/1/2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2021
\$ 3,575,000	\$ -	\$ -	\$ 3,575,000	\$ -
754,626	-	44,355	-	710,271
2,310,000	-	80,000	-	2,230,000
2,105,000	-	455,000	-	1,650,000
-	1,820,000	-	-	1,820,000
-	7,010,000	555,000	-	6,455,000
<u>\$ 8,744,626</u>	<u>\$ 8,830,000</u>	<u>\$ 1,134,355</u>	<u>\$ 3,575,000</u>	<u>\$ 12,865,271</u>
1,425,000	-	-	1,425,000	-
3,815,000	-	440,000	3,375,000	-
5,625,374	-	330,645	-	5,294,729
3,225,000	-	115,000	-	3,110,000
9,780,000	-	1,850,000	-	7,930,000
-	3,630,000	-	-	3,630,000
-	9,965,000	495,000	-	9,470,000
<u>\$ 23,870,374</u>	<u>\$ 13,595,000</u>	<u>\$ 3,230,645</u>	<u>\$ 4,800,000</u>	<u>\$ 29,434,729</u>
<u>\$ 32,615,000</u>	<u>\$ 22,425,000</u>	<u>\$ 4,365,000</u>	<u>\$ 8,375,000</u>	<u>\$ 42,300,000</u>
\$ 2,537,500	\$ -	\$ -	\$ 2,537,500	\$ -
2,121,000	-	-	2,121,000	-
<u>\$ 4,658,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,658,500</u>	<u>\$ -</u>
\$ 2,250,000	\$ -	\$ -	\$ 2,250,000	\$ -
1,925,000	-	-	1,925,000	-
2,314,000	-	-	2,314,000	-
394,982	-	11,222	383,760	-
78,996	-	2,244	76,752	-
1,167,196	-	63,900	-	1,103,296
7,619,686	-	371,772	-	7,247,914
1,593,114	-	92,556	-	1,500,558
1,909,860	-	107,412	-	1,802,448
2,528,263	-	132,324	-	2,395,939
88,669	-	4,968	-	83,701
755,898	-	34,908	-	720,990
183,848	-	8,520	-	175,328
404,696	-	19,272	-	385,424
877,807	-	38,748	-	839,059
491,390	-	-	-	491,390
4,106,196	3,807,783	-	-	7,913,979
-	87,210	-	-	87,210
<u>\$ 28,689,601</u>	<u>\$ 3,894,993</u>	<u>\$ 887,846</u>	<u>\$ 6,949,512</u>	<u>\$ 24,747,236</u>
<u>\$ 33,348,101</u>	<u>\$ 3,894,993</u>	<u>\$ 887,846</u>	<u>\$ 11,608,012</u>	<u>\$ 24,747,236</u>

CITY OF CLEVELAND, TENNESSEE  
 UNCOLLECTED DELINQUENT PROPERTY TAXES FILED  
 June 30, 2021

Table 5

<u>Tax Year</u>	<u>Original Amount Filed</u>	<u>Unpaid Balance</u>	<u>Percentage Collected</u>
2011	\$ 371,448	\$ 23,327	93.7 %
2012	396,806	46,202	88.4
2013	335,054	36,836	89.0
2014	427,004	58,091	86.4
2015	340,650	64,812	81.0
2016	311,659	71,560	77.0
2017	512,837	171,560	66.5
2018	540,481	211,945	60.8
2019	469,629	347,774	25.9

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CITY OF CLEVELAND, TENNESSEE  
 BOND PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES  
 June 30, 2021

Fiscal Year	2016A Series		2018 Series		2019 Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 343,000	\$ 96,147	\$ 375,000	\$ 320,688	\$ 1,805,000	\$ 1,410,812
2023	358,000	85,377	390,000	309,437	1,835,000	1,347,338
2024	363,000	74,135	400,000	297,738	1,880,000	1,281,987
2025	383,000	62,737	410,000	285,737	3,165,000	1,155,863
2026	390,000	50,711	425,000	273,438	3,265,000	995,112
2027	415,000	38,465	445,000	252,187	3,755,000	819,613
2028	80,000	25,434	470,000	229,938	3,735,000	632,362
2029	85,000	22,922	490,000	206,437	4,205,000	433,863
2030	85,000	20,253	515,000	181,938	3,990,000	228,987
2031	85,000	17,584	535,000	161,337	3,195,000	77,319
2032	90,000	14,915	560,000	139,938	240,000	21,500
2033	90,000	12,089	580,000	117,537	245,000	12,700
2034	95,000	9,263	595,000	100,138	260,000	3,900
2035	100,000	6,280	615,000	82,287		
2036	100,000	3,140	635,000	63,069		
2037			655,000	43,225		
2038			675,000	21,937		
<b>Total</b>	<b>\$ 3,062,000</b>	<b>\$ 539,452</b>	<b>\$ 8,770,000</b>	<b>\$ 3,087,006</b>	<b>\$ 31,575,000</b>	<b>\$ 8,421,356</b>

Table 6

2020 Series		Total	
Principal	Interest	Principal	Interest
\$ 2,275,000	\$ 1,007,925	\$ 4,798,000	\$ 2,835,572
2,410,000	890,800	4,993,000	2,632,952
2,565,000	766,425	5,208,000	2,420,285
1,550,000	663,550	5,508,000	2,167,887
1,620,000	584,300	5,700,000	1,903,561
1,645,000	502,675	6,260,000	1,612,940
1,600,000	421,550	5,885,000	1,309,284
1,165,000	352,425	5,945,000	1,015,647
1,225,000	292,675	5,815,000	723,853
1,275,000	230,175	5,090,000	486,415
1,335,000	171,600	2,225,000	347,953
1,280,000	125,700	2,195,000	268,026
1,305,000	93,450	2,255,000	206,751
1,320,000	67,200	2,035,000	155,767
1,020,000	43,800	1,755,000	110,009
990,000	23,700	1,645,000	66,925
690,000	6,900	1,365,000	28,837
\$ 25,270,000	\$ 6,244,850	\$ 68,677,000	\$ 18,292,664

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES  
 June 30, 2021

Fiscal Year	Note Payable - Public Building Authority of Clarksville TN (1) 2008 TMBF Series				Note Payable - Energy Efficient School Initiative Loan 2020 Series			
	2009 QSCB Series		2009 QSCB Series		2009 QSCB Series		2009 QSCB Series	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	104,000	42,450	237,947	67,184	28,476	5,460		
2023	109,000	37,250	259,578	67,184	28,908	5,028		
2024	115,000	31,800	259,578	67,184	29,340	4,596		
2025	121,000	26,050	259,578	67,184	29,784	4,152		
2026	127,000	20,000	285,130	67,184	30,228	3,708		
2027	133,000	13,650	24,472	6,292	30,696	3,240		
2028	140,000	7,000			31,152	2,784		
2029					31,620	2,316		
2030					32,100	1,836		
2031					32,592	1,344		
2032					33,084	852		
2033					33,576	360		
2034					5,582	14		
	<u>\$ 849,000</u>	<u>\$ 178,200</u>	<u>\$ 1,326,283</u>	<u>\$ 342,212</u>	<u>\$ 377,138</u>	<u>\$ 35,690</u>		

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

Table 7

Note Payable - Motorola Equipment Loan 2021 Series		Total	
Principal	Interest	Principal	Interest
-	-	370,423	115,094
147,190	18,338	544,676	127,800
157,700	7,828	561,618	111,408
161,567	3,962	571,929	101,348
		442,358	90,892
		188,168	23,182
		171,152	9,784
		31,620	2,316
		32,100	1,836
		32,592	1,344
		33,084	852
		33,576	360
		5,582	14
<u>\$ 466,457</u>	<u>\$ 30,128</u>	<u>\$ 3,018,878</u>	<u>\$ 586,230</u>

CITY OF CLEVELAND, TENNESSEE  
 BOND PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2021

Electric, Water and Sewer Revenue and Tax Bonds

Fiscal Year	2016B Refunding Series		2018B Series		2019 Refunding Series	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 395,000	\$ 188,557	\$ 205,000	\$ 220,200	\$ 2,300,000	\$ 362,550
2023	410,000	176,154	215,000	209,950	1,965,000	285,400
2024	430,000	163,280	220,000	203,500	1,405,000	230,625
2025	445,000	149,778	230,000	196,900	1,255,000	164,125
2026	345,000	135,805	235,000	190,000	980,000	108,250
2027	350,000	124,972	245,000	178,250	905,000	61,125
2028	355,000	113,982	260,000	166,000	770,000	19,250
2029	375,000	102,835	270,000	153,000		
2030	380,000	91,060	285,000	139,500		
2031	405,000	79,128	300,000	125,250		
2032	410,000	66,411	310,000	113,250		
2033	415,000	53,537	325,000	100,850		
2034	420,000	40,506	340,000	87,850		
2035	430,000	27,318	350,000	74,250		
2036	440,000	13,816	365,000	62,000		
2037			380,000	47,400		
2038			395,000	32,200		
2039			410,000	16,400		
2040						
2041						
<b>Total</b>	<b>\$ 6,005,000</b>	<b>\$ 1,527,139</b>	<b>\$ 5,340,000</b>	<b>\$ 2,316,750</b>	<b>\$ 9,580,000</b>	<b>\$ 1,231,325</b>

Table 8

2020 Series		2021 Refunding Series		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 175,000	\$ 181,300	\$ 1,295,000	\$ 715,025	\$ 4,370,000	\$ 1,667,632
185,000	172,300	1,325,000	649,525	4,100,000	1,493,329
195,000	162,800	1,355,000	582,525	3,605,000	1,342,730
205,000	152,800	1,375,000	514,275	3,510,000	1,177,878
215,000	142,300	1,400,000	444,900	3,175,000	1,021,255
225,000	131,300	1,450,000	373,650	3,175,000	869,297
240,000	119,675	1,480,000	300,400	3,105,000	719,307
255,000	107,300	1,505,000	225,775	2,405,000	588,910
265,000	94,300	1,185,000	158,525	2,115,000	483,385
275,000	80,800	1,200,000	98,900	2,180,000	384,078
290,000	68,126	780,000	53,300	1,790,000	301,087
295,000	57,901	620,000	28,400	1,655,000	240,688
305,000	50,425	630,000	12,800	1,695,000	191,581
310,000	44,275	325,000	3,250	1,415,000	149,093
320,000	37,975			1,125,000	113,791
325,000	31,524			705,000	78,924
330,000	24,975			725,000	57,175
340,000	18,274			750,000	34,674
345,000	11,210			345,000	11,210
355,000	3,772			355,000	3,772
<u>\$ 5,450,000</u>	<u>\$ 1,693,332</u>	<u>\$ 15,925,000</u>	<u>\$ 4,161,250</u>	<u>\$ 42,300,000</u>	<u>\$ 10,929,796</u>

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2021

Fiscal Year	State of Tennessee Revolving Loan Fund 13-319		State of Tennessee Revolving Loan Fund 13-320		State of Tennessee Revolving Loan Fund DG2	
	Principal	Interest	Principal	Interest	Principal	Interest
	2022	\$ 64,644	\$ 12,348	\$ 376,068	\$ 81,372	\$ 93,948
2023	65,388	11,604	380,412	77,028	95,364	20,448
2024	66,144	10,848	384,816	72,624	96,804	19,008
2025	66,912	10,080	389,268	68,172	98,268	17,544
2026	67,680	9,312	393,756	63,684	99,756	16,056
2027	68,472	8,520	398,316	59,124	101,256	14,556
2028	69,264	7,728	402,912	54,528	102,792	13,020
2029	70,056	6,936	407,580	49,860	104,340	11,472
2030	70,872	6,120	412,296	45,144	105,912	9,900
2031	71,688	5,304	417,060	40,380	107,520	8,292
2032	72,516	4,476	421,872	35,568	109,140	6,672
2033	73,356	3,636	426,756	30,684	110,784	5,028
2034	74,208	2,784	431,688	25,752	112,464	3,348
2035	75,060	1,932	436,680	20,760	114,156	1,656
2036	75,936	1,056	441,720	15,720	48,054	180
2037	51,100	223	446,832	10,608		
2038			451,992	5,448		
2039			227,890	766		
2040						
2041						
2042						
	<u>\$ 1,103,296</u>	<u>\$ 102,907</u>	<u>\$ 7,247,914</u>	<u>\$ 757,222</u>	<u>\$ 1,500,558</u>	<u>\$ 169,044</u>

State of Tennessee Revolving Loan Fund CG4 15-349		State of Tennessee Revolving Loan Fund DWF 16-172		State of Tennessee Revolving Loan Fund CG3 17-379	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 108,900	\$ 24,192	\$ 133,800	\$ 25,920	\$ 5,004	\$ 720
110,412	22,680	135,300	24,420	5,052	672
111,948	21,144	136,812	22,908	5,100	624
113,508	19,584	138,336	21,384	5,136	588
115,080	18,012	139,872	19,848	5,184	540
116,676	16,416	141,432	18,288	5,232	492
118,296	14,796	143,016	16,704	5,280	444
119,940	13,152	144,612	15,108	5,328	396
121,608	11,484	146,220	13,500	5,376	348
123,300	9,792	147,852	11,868	5,424	300
125,016	8,076	149,508	10,212	5,472	252
126,744	6,348	151,176	8,544	5,520	204
128,508	4,584	152,856	6,864	5,568	156
130,296	2,796	154,560	5,160	5,616	108
132,216	957	156,288	3,432	5,664	60
		158,028	1,692	3,745	14
		66,271	184		
<u>\$ 1,802,448</u>	<u>\$ 194,013</u>	<u>\$ 2,395,939</u>	<u>\$ 226,036</u>	<u>\$ 83,701</u>	<u>\$ 5,918</u>

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2021

Fiscal Year	State of Tennessee Revolving Loan Fund DW6 17-192		State of Tennessee Revolving Loan Fund DWF 17-193		State of Tennessee Revolving Loan Fund DWF 18-205	
	Principal	Interest	Principal	Interest	Principal	Interest
	2022	\$ 35,472	\$ 11,292	\$ 8,652	\$ 2,748	\$ 19,524
2023	36,036	10,728	8,796	2,604	19,776	4,680
2024	36,624	10,140	8,940	2,460	20,040	4,416
2025	37,212	9,552	9,084	2,316	20,304	4,152
2026	37,812	8,952	9,228	2,172	20,568	3,888
2027	38,424	8,340	9,372	2,028	20,844	3,612
2028	39,036	7,728	9,528	1,872	21,120	3,336
2029	39,672	7,092	9,684	1,716	21,396	3,060
2030	40,308	6,456	9,840	1,560	21,684	2,772
2031	40,956	5,808	9,996	1,404	21,960	2,496
2032	41,616	5,148	10,164	1,236	22,260	2,196
2033	42,288	4,476	10,320	1,080	22,548	1,908
2034	42,972	3,792	10,488	912	22,848	1,608
2035	43,656	3,108	10,656	744	23,148	1,308
2036	44,364	2,400	10,836	564	23,448	1,008
2037	45,072	1,692	11,004	396	23,760	696
2038	45,804	960	11,184	216	24,072	384
2039	33,666	237	7,556	43	16,124	79
2040						
2041						
2042						
	<u>\$ 720,990</u>	<u>\$ 107,901</u>	<u>\$ 175,328</u>	<u>\$ 26,071</u>	<u>\$ 385,424</u>	<u>\$ 46,531</u>

(1) \$2,086,021, of loan proceeds have not been drawn down at June 30, 2021.

Table 9  
(Cont.)

State of Tennessee Revolving Loan Fund CW6 18-415 (1)		State of Tennessee Revolving Loan Fund DWF 18-416		State of Tennessee Revolving Loan Fund SRF 18-417 (1)	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 38,865	\$ 12,813	\$ 15,795	\$ 5,670	\$ 428,568	\$ 154,908
39,228	12,204	21,348	7,272	435,396	148,080
39,840	11,592	21,684	6,936	442,320	141,156
40,476	10,956	22,032	6,588	449,364	134,112
41,112	10,320	22,380	6,240	456,516	126,960
41,748	9,684	22,728	5,892	463,776	119,700
42,408	9,024	23,076	5,544	471,156	112,320
43,080	8,352	23,448	5,172	478,656	104,820
43,752	7,680	23,820	4,800	486,276	97,200
44,436	6,996	24,192	4,428	494,016	89,460
45,132	6,300	24,564	4,056	501,876	81,600
45,840	5,592	24,960	3,660	509,856	73,620
46,560	4,872	25,344	3,276	517,980	65,496
47,304	4,128	25,740	2,880	526,224	57,252
48,036	3,396	26,148	2,472	534,600	48,876
48,792	2,640	26,556	2,064	543,108	40,368
49,560	1,872	26,976	1,644	551,748	31,728
50,340	1,092	27,396	1,224	560,532	22,944
42,550	303	27,828	792	569,448	14,028
		28,272	348	578,584	4,970
		7,103	19		
<u>\$ 839,059</u>	<u>\$ 129,816</u>	<u>\$ 491,390</u>	<u>\$ 80,977</u>	<u>\$ 10,000,000</u>	<u>\$ 1,669,598</u>

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2021

Fiscal Year	State of Tennessee		Total	
	Revolving Loan Fund SRF 19-431 (1)		Principal	Interest
	Principal	Interest		
2022	\$ 69,756	\$ 21,396	\$ 1,398,996	\$ 380,175
2023	70,716	20,436	1,423,224	362,856
2024	71,688	19,464	1,442,760	343,320
2025	72,684	18,468	1,462,584	323,496
2026	73,680	17,472	1,482,624	303,456
2027	74,700	16,452	1,502,976	283,104
2028	75,720	15,432	1,523,604	262,476
2029	76,764	14,388	1,544,556	241,524
2030	77,820	13,332	1,565,784	220,296
2031	78,900	12,252	1,587,300	198,780
2032	79,992	11,160	1,609,128	176,952
2033	81,096	10,056	1,631,244	154,836
2034	82,212	8,940	1,653,696	132,384
2035	83,340	7,812	1,676,436	109,644
2036	84,492	6,660	1,631,802	86,781
2037	85,656	5,496	1,443,653	65,889
2038	86,832	4,320	1,314,439	46,756
2039	88,032	3,120	1,011,536	29,505
2040	89,244	1,908	729,070	17,031
2041	90,576	669	697,432	5,987
2042			7,103	19
	<u>\$ 1,593,900</u>	<u>\$ 229,233</u>	<u>\$ 28,339,947</u>	<u>\$ 3,745,267</u>

(1) \$1,506,690, of loan proceeds have not been drawn down at June 30, 2021.

## CITY OF CLEVELAND, TENNESSEE

Table 10

## INVESTMENTS

June 30, 2021

Description		Cost	Fair Value
<b>Investment in Certificates of Deposit:</b>			
First Tennessee Bank	0.30%	\$ 13,694	\$ 13,694
First Tennessee Bank	0.55%	25,001	25,001
First Tennessee Bank	0.55%	30,327	30,327
First Tennessee Bank	0.55%	14,993	14,993
First Tennessee Bank	0.55%	29,987	29,987
First Tennessee Bank	0.30%	58,733	58,733
First Tennessee Bank	0.55%	5,991	5,991
First Tennessee Bank	0.55%	40,528	40,528
First Tennessee Bank	1.70%	219,437	219,437
Southeast Bank	2.29%	250,000	250,000
Total Certificates of Deposit		<u>\$ 688,691</u>	<u>\$ 688,691</u>
<b>Investment in Local Government Investment Pool:</b>			
State of Tennessee		\$ 26,119	\$ 26,119
Total Local Government Investment Pool		<u>\$ 26,119</u>	<u>\$ 26,119</u>
Total Investments		<u><u>\$ 714,810</u></u>	<u><u>\$ 714,810</u></u>
<b>Investments in Fiduciary Fund:</b>			
<b>Mutual Funds:</b>			
American Beacon Small Cap Value Fund		\$ 154,360	\$ 194,133
Clearbridge International Growth Fund		166,291	212,312
Federated Total Return Bond Fund		133,888	137,696
John Hancock Funds III - International Growth Fund		166,399	225,258
Lord Abbett Short Duration Income Fund		255,535	255,338
MFS Mid Cap Growth Fund		77,228	100,731
Pimco Global Bond Fund		110,041	112,841
T. Rowe Price Emerging Markets Stock Fund		127,310	162,824
The Hartford Small Cap Growth I		131,967	161,450
Thornburg Limited Term Income Fund		274,335	280,673
Vanguard Growth Index Fund		264,715	434,869
Vanguard High Dividend Yield Index Fund		361,040	427,928
Vanguard Mid-Cap Growth Index Fund		66,450	104,985
Victory Sycamore Established Value I		178,720	217,921
Total Fiduciary Fund Investments		<u><u>\$ 2,468,279</u></u>	<u><u>\$ 3,028,959</u></u>

## TRANSFERS

For the Fiscal Year Ended June 30, 2021

<u>Transfers In:</u>	<u>Transfers Out:</u>	<u>Amount</u>
Capital Improvement Program Fund	General Fund	\$ 1,638,973
Community Development Block Grant Fund	General Fund	30,000
Debt Service Fund	General Fund	5,710,225
Debt Service Fund	School Fund	681,219
Debt Service Fund	State Street Aid Fund	449,878
General Fund	Cleveland Utilities - Electric Division	2,498,439
General Fund	Cleveland Utilities - Water Division	474,583
Health Insurance Trust Fund	General Fund	450,000
Library Fund	General Fund	673,600
Metropolitan Transportation Planning Organization	General Fund	44,500
School Fund	General Fund	5,432,000
School Fund	School Federal Projects Fund	806
Solid Waste Management Fund	General Fund	<u>950,000</u>
	Total	<u>\$ 19,034,223</u>

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF UNACCOUNTED FOR WATER  
 JUNE 30, 2021

TABLE 12

AWWA Free Water Audit Software:  
 Reporting Worksheet

WAS v5.0

Click to access  
 Click to add a

Water Audit Report for: **Cleveland Utilities (TN0000117)**  
 Reporting Year: **2021** **7/2020 - 6/2021**

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

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

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

**WATER SUPPLIED**

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

Volume from own sources:	+	8	2,419.211	MG/Yr
Water imported:	+	8	1,706.775	MG/Yr
Water exported:	+	8	31.865	MG/Yr
<b>WATER SUPPLIED:</b>			<b>4,094.121</b>	<b>MG/Yr</b>

Master Meter and Supply Error Adjustments

Pcnt:	Value:	MG/Yr
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

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

**AUTHORIZED CONSUMPTION**

Billed metered:	+	9	2,921.758	MG/Yr
Billed unmetered:	+			MG/Yr
Unbilled metered:	+	10	150.070	MG/Yr
Unbilled unmetered:	+	8	9.757	MG/Yr
<b>AUTHORIZED CONSUMPTION:</b>			<b>2,981.585</b>	<b>MG/Yr</b>

Click for help using option buttons below

Pcnt:	Value:	MG/Yr
<input type="text"/>	<input type="text"/>	<input type="text"/>

Use buttons to select percentage of water supplied OR value

Pcnt:	Value:	MG/Yr
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

**WATER LOSSES (Water Supplied - Authorized Consumption)**

**1,112.536** MG/Yr

**Apparent Losses**

Unauthorized consumption:	---		10.235	MG/Yr
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed				
Customer metering inaccuracies:	---	8	156.412	MG/Yr
Systematic data handling errors:	+	8	7.054	MG/Yr
Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed				
<b>Apparent Losses:</b>			<b>173.702</b>	<b>MG/Yr</b>

**Real Losses (Current Annual Real Losses or CARL)**

Real Losses = Water Losses - Apparent Losses:		<b>938.834</b>	<b>MG/Yr</b>
<b>WATER LOSSES:</b>			<b>1,112.536</b> <b>MG/Yr</b>

**NON-REVENUE WATER**

**NON-REVENUE WATER:** **1,272.363** MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

**SYSTEM DATA**

Length of mains:	+	9	772.9	miles
Number of active AND inactive service connections:	+	8	33,060	
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:  Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure:  7  95.0 psi

**COST DATA**

Total annual cost of operating water system:	---	10	\$16,422,956	\$/Year
Customer retail unit cost (applied to Apparent Losses):	---	8	\$5.86	\$/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

AWWA Free Water Audit Software: <span style="float: right;">WAS v5.0</span>	
System Attributes and Performance Indicators	
Water Audit Report for: <u>Cleveland Utilities (TN0000117)</u>	
Reporting Year: <u>2021</u>   <u>7/2020 - 6/2021</u>	
<b>*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 ***</b>	
<b>System Attributes:</b>	
	Apparent Losses: <u>173.702</u> MG/yr
	+ Real Losses: <u>938.834</u> MG/yr
	= <b>Water Losses:</b> <u>1,112.536</u> MG/yr
	Unavoidable Annual Real Losses (UARL): <u>316.95</u> MG/yr
	Annual cost of Apparent Losses: <u>\$1,017,892</u>
	Annual cost of Real Losses: <u>\$957,611</u> <span style="float: right;">Valued at Variable Production Cost</span>
	<small>Return to Reporting Worksheet to change this assumption</small>
<b>Performance Indicators:</b>	
Finan	Non-revenue water as percent by volume of Water Supplied: <u>31.1%</u>
	Non-revenue water as percent by cost of operating system: <u>13.0%</u> <span style="float: right;">Real Losses valued at Variable Production Cost</span>
Operational	Apparent Losses per service connection per day: <u>14.39</u> gallons/connection/day
	Real Losses per service connection per day: <u>77.80</u> gallons/connection/day
	Real Losses per length of main per day*: <u>N/A</u>
	Real Losses per service connection per day per psi pressure: <u>0.82</u> gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL): <u>938.83</u> million gallons/year
	Infrastructure Leakage Index (ILI) [CARL/UARL]: <u>2.96</u>
<small>* This performance Indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline</small>	

CITY OF CLEVELAND, TENNESSEE  
 SURETY BONDS OF PRINCIPAL OFFICIALS  
 For the Year Ended June 30, 2021

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
Marsha McKenzie	Councilwoman	0
Ken Webb	Councilman	0
Joe Fivas	City Manager	600,000
Shawn McKay	Assistant City Manager/CFO	1,150,000

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF CASH SHORTAGES AND OTHER THEFTS  
 For the Year Ended June 30, 2021

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 2020	Information Technology Cleveland Utilities	2020-001	\$4,270	\$4,270	\$0	\$0	\$4,270

Explanation of Cash Shortages

1 Cleveland Utilities conducted an investigation in conjunction with the Cleveland Police Department and the District Attorney General and determined that a former information technology employee misappropriated utilities computer equipment with a value estimated at \$4,270. The former employee denies all charges and the case will go to court in the Spring of 2022.

Disposition: As of June 30, 2021, the reported shortage is subject of the court findings.

**SINGLE AUDIT SECTION**

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
 For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
<b>FEDERAL AWARDS:</b>		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Passed through the TN Department of Education:		
Child Nutrition Cluster		
School Breakfast Program	10.553	N/A
Subtotal School Breakfast Program	10.553	
National School Lunch Program	10.555	N/A
National School Lunch Program - Commodity assistance	10.555	N/A
Subtotal School Lunch Program	10.555	
Summer Feeding Program	10.559	N/A
Subtotal Summer Feeding Program	10.559	
Total Child Nutrition Cluster		
USDA Fresh Fruits and Vegetables	10.582	N/A
Total U.S. Department of Agriculture		
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
CDBG Entitlement Grants Cluster		
Community Development Block Grant	14.218	N/A
Community Development Block Grant - Covid	14.218	N/A
Total CDBG Entitlement Grants Cluster		
Passed through the TN Housing Development Agency:		
HOME Investment Partnership Program	14.239	N/A
Total U.S. Department of Housing and Urban Development		
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Protective vests	16.607	N/A
Total U.S. Department of Justice		
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Passed through the TN Department of Transportation		
Airport Improvement Programs:		
North property development	20.106 *	AERO-18230
Cares Act Part 4	20.106 *	AERO-21183
Cares Act Part 1	20.106 *	AERO-20265
Subtotal Program 20.106		
Highway Planning and Construction Cluster		
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 *	TAP-9203(23)
Resurfacing and Safety Improvements - Central Ave	20.205 *	STP-M-9203(22)
Resurfacing and Safety Improvements - Normal Chapel Rd	20.205 *	STP-2-9203
Total Highway Planning Construction Cluster		
High Visibility Enforcement	20.607	Z17THS131
Total U.S. Department of Transportation		

(Continued)

Accrued (Unearned) Grant Revenues July 1, 2020	Cash Receipts	Expend- itures	Accrued (Unearned) Grant Revenues June 30, 2021
\$ 0	\$ 857,148	\$ 857,148	\$ 0
0	857,148	857,148	0
\$ 0	\$ 1,866,941	\$ 1,866,941	\$ 0
0	224,353	224,353	0
\$ 0	\$ 2,091,294	\$ 2,091,294	\$ 0
\$ 0	\$ 280,657	\$ 280,657	\$ 0
0	280,657	280,657	0
\$ 0	\$ 3,229,099	\$ 3,229,099	\$ 0
0	45,693	45,693	0
\$ 0	\$ 3,274,792	\$ 3,274,792	\$ 0
\$ (51,130)	\$ 574,066	\$ 523,856	\$ (920)
0	170,025	187,275	(17,250)
\$ (51,130)	\$ 744,091	\$ 711,131	\$ (18,170)
\$ 0	\$ 19,690	\$ 41,912	\$ (22,222)
\$ (51,130)	\$ 763,781	\$ 753,043	\$ (40,392)
\$ (3,733)	\$ 5,103	\$ 14,149	\$ (12,779)
\$ (3,733)	\$ 5,103	\$ 14,149	\$ (12,779)
\$ 0	\$ 71,862	\$ 329,936	\$ (258,074)
(53,681)	69,000	15,319	0
(837)	837	0	0
\$ (54,518)	\$ 141,699	\$ 345,255	\$ (258,074)
\$ (154,771)	\$ 245,265	\$ 146,872	\$ (56,378)
(360,009)	401,640	41,631	0
(360)	429,759	811,977	(382,578)
(9,828)	10,666	1,810	(972)
(13,747)	14,188	441	0
(714,423)	728,352	13,929	0
\$ (1,253,138)	\$ 1,829,870	\$ 1,016,660	\$ (439,928)
\$ 0	\$ 25,423	\$ 25,423	\$ 0
\$ (1,307,656)	\$ 1,996,992	\$ 1,387,338	\$ (698,002)

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
 For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
<b>FEDERAL AWARDS - (Continued):</b>		
<b>U.S. DEPARTMENT OF TREASURY</b>		
Passed through the TN Department of Education:		
LEA Reopening grant	21.019	
Total U.S. Department of Treasury		
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>		
Passed through the TN State Library and Archives:		
Cares Grant - Digital inclusion	45.310	N/A
Technology Grant	45.310	N/A
Total National Endowment for the Humanities		
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>		
Clean Water State Revolving Fund Cluster:		
Grants for Clean Water - State Revolving Loan		
- Loan SRF 18-417	66.458 *	N/A
- Loan SRF CW7 19-431	66.458 *	N/A
- Loan Forgiveness SRF CW7 19-431	66.458 *	N/A
Total Clean Water State Revolving Fund Cluster		
Total U.S. Environmental Protection Agency		
<b>U.S. DEPARTMENT OF EDUCATION</b>		
Special Education Cluster:		
Special Education - Grants to States	84.027	N/A
Subtotal Special Education - Grants to States	84.027	
Special Education - Preschool Grants	84.173	N/A
Subtotal Special Education - Preschool Grants	84.173	
Total Special Education Cluster		
Title I Grant to Local Educational Agencies	84.010	N/A
Vocational Improvement	84.048	N/A
English Language Acquisition Enhancement Title III	84.365	N/A
Teacher and Principal Training & Recruiting Title II-A	84.367	N/A
Title IV Student Support and Academic Achievement Grants	84.424	N/A
Cares Act ESSER 1.0	84.425D *	N/A
Cares Act ESSER 2.0	84.425D *	N/A
Subtotal Program 84.425		
Total U.S. Department of Education		
<b>TOTAL FEDERAL AWARDS</b>		

(Continued)

Accrued (Unearned) Grant Revenues July 1, 2020	Cash Receipts	Expend- itures	Accrued (Unearned) Grant Revenues June 30, 2021
\$ 0	\$ 100,000	\$ 84,744	\$ 15,256
<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 84,744</u>	<u>\$ 15,256</u>
\$ (1,879)	\$ 1,879	\$ 0	\$ 0
0	7,031	7,031	0
<u>\$ (1,879)</u>	<u>\$ 8,910</u>	<u>\$ 7,031</u>	<u>\$ 0</u>
\$ (447,889)	\$ 4,295,672	\$ 3,807,783	\$ 40,000
0	87,210	87,210	0
0	9,690	9,690	0
<u>\$ (447,889)</u>	<u>\$ 4,392,572</u>	<u>\$ 3,904,683</u>	<u>\$ 40,000</u>
<u>\$ (447,889)</u>	<u>\$ 4,392,572</u>	<u>\$ 3,904,683</u>	<u>\$ 40,000</u>
\$ (19,539)	\$ 1,260,459	\$ 1,248,102	\$ (7,182)
(19,539)	1,260,459	1,248,102	(7,182)
(362)	83,030	82,668	0
(362)	83,030	82,668	0
<u>\$ (19,901)</u>	<u>\$ 1,343,489</u>	<u>\$ 1,330,770</u>	<u>\$ (7,182)</u>
(45,955)	1,701,501	1,698,545	(42,999)
(1,046)	148,089	155,554	(8,511)
0	70,515	74,575	(4,060)
(10,407)	175,155	164,748	0
(8,280)	86,777	97,163	(18,666)
\$ 0	\$ 884,734	\$ 910,957	\$ (26,223)
0	520,550	3,382,515	(2,861,965)
<u>\$ 0</u>	<u>\$ 1,405,284</u>	<u>\$ 4,293,472</u>	<u>\$ (2,888,188)</u>
<u>\$ (85,589)</u>	<u>\$ 4,930,810</u>	<u>\$ 7,814,827</u>	<u>\$ (2,969,606)</u>
<u>\$ (1,897,876)</u>	<u>\$ 15,472,960</u>	<u>\$ 17,240,607</u>	<u>\$ (3,665,523)</u>

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
 For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	State Grant Number
<b>STATE AWARDS</b>		
TN Department of Agriculture: Community Tree Planting Project	N/A	57822
TN Department of Education:		
Safe Schools Act	N/A	N/A
Coordinated School Health	N/A	N/A
School Resource Officer Grant	N/A	N/A
Learning camps	N/A	N/A
Remote technology	N/A	N/A
Internet connectivity	N/A	N/A
TN Department of Health and Human Services		
Child Safety Grant	N/A	N/A
Diabetes Initiative	NA	Z-19195593
TN Department of Transportation:		
Jetport - Airport maintenance	N/A	AERM-06077020
Jetport - Airport maintenance	N/A	AERM-21113000
Jetport - North property development (State Portion)	N/A	AERO-18215
Jetport - Grounds Maintenance equipment	N/A	AERO-20169
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
Barney Lane Bridge	N/A	4615-0.09
2020 Aviation & Education Outreach	N/A	AERO-20228

**TOTAL STATE AWARDS**

**TOTAL FEDERAL AND STATE AWARDS**

\*Denotes major programs

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

Note 2: Basis of presentation: The accompanying Schedule of Federal and State Financial Assistance includes federal and state award activity of the City of Cleveland, Tennessee under programs of the federal and state government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note 3: Summary of Significant Accounting Policies: The accompanying Schedule of Federal and State Financial Assistance reports cash receipts when received and expenditures when incurred. Bracketed amounts represent grant revenues receivable from the grantor. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 4: The City did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(Continued)

<u>Accrued (Unearned) Grant Revenues July 1, 2020</u>	<u>Cash Receipts</u>	<u>Expend- itures</u>	<u>Accrued (Unearned) Grant Revenues June 30, 2021</u>
\$ (6,372)	\$ 0	\$ 0	\$ (6,372)
\$ (63,271)	\$ 86,771	\$ 116,225	\$ (92,725)
(69,983)	153,399	124,694	(41,278)
(35,000)	70,000	35,000	0
0	0	506,732	(506,732)
0	310,740	310,740	0
0	7,500	7,500	0
\$ 0	\$ 1,926	\$ 1,926	\$ 0
(46,555)	100,859	117,962	(63,658)
\$ (3,109)	\$ 3,109	\$ 0	\$ 0
0	15,000	15,000	0
0	76,504	343,406	(266,902)
(11,790)	11,790	0	0
(361)	42,175	41,814	0
(77,841)	78,412	571	0
(39,441)	24,367	315	(15,389)
(166,472)	365,272	198,800	0
<u>(31,134)</u>	<u>31,134</u>	<u>0</u>	<u>0</u>
\$ (551,329)	\$ 1,378,958	\$ 1,820,685	\$ (993,056)
<u>\$ (2,449,205)</u>	<u>\$ 16,851,918</u>	<u>\$ 19,061,292</u>	<u>\$ (4,658,579)</u>

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**WEDGEWOOD ACCOUNTING, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM B. KIRKSEY, CPA  
MARK A. LAY, CPA  
SCOTT D. HALL, CPA  
ANGELA KEY RITCHEY, CPA  
BRANDON H. BARNES, CPA

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

TELEPHONE: (423) 476-5581  
FACSIMILE: (423) 472-9893  
EMAIL: [cpa@wedgewoodaccounting.com](mailto:cpa@wedgewoodaccounting.com)

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

INDEPENDENT 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, 2021, 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 January 24, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Cleveland, Tennessee's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Cleveland, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland, Tennessee's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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 a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. This item is listed as item 2021-001.

### ***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 2021-001.

### ***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.

*Wedgewood Accounting, PLLC*

WEDGEWOOD ACCOUNTING, PLLC

Certified Public Accountants

January 24, 2022

**WEDGEWOOD ACCOUNTING, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM B. KIRKSEY, CPA  
MARK A. LAY, CPA  
SCOTT D. HALL, CPA  
ANGELA KEY RITCHEY, CPA  
BRANDON H. BARNES, CPA

WEDGEWOOD OFFICE PARK  
4395 N. OCOEE STREET  
CLEVELAND, TENNESSEE 37312  
—  
TELEPHONE: (423) 476-5581  
FACSIMILE: (423) 472-9893  
EMAIL: cpa@wedgewoodaccounting.com

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

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, 2021. 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, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003. Our opinion on each major federal program is not modified with respect to this matter.

The City of Cleveland, Tennessee's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

### ***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 identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-002, and 2021-003, that we consider to be a material weakness.

The City of Cleveland, Tennessee's response to the internal control over compliance finding 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 compliance and, accordingly, we express no opinion on the response.

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.

*Wedgewood Accounting, PLLC*

WEDGEWOOD ACCOUNTING, PLLC  
Certified Public Accountants

January 24, 2022

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2021

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the City of Cleveland, Tennessee.
2. The audit of the financial statements of the City of Cleveland, Tennessee, disclosed one significant deficiencies in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that was material to the financial statements.
4. Two significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance.
5. An unmodified opinion was issued on compliance for major programs.
6. Audit findings that were required to be reported in accordance with 2 CFR 200.516(a) are reported in this Schedule.
7. The programs tested as major programs included:

	CFDA#
Airport Improvement Program	20.106
Highway Planning and Construction Cluster	20.205
Clean Water State Revolving Fund Cluster	66.458
Elementary and Secondary School Emergency Relief	84.425D

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

2021-001 Budget Violation

Condition: In the Health Insurance Trust Fund actual expenditures exceeded budgeted by \$471,056.

	Budget	Actual
Health Insurance Trust Fund	4,647,774	5,118,830

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

Effect: Unauthorized expenditures were incurred by the government.

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

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

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

**U.S. Department of Transportation:**

2021-002 Salaries Allocated to Transportation Planning

Highway Planning and Construction Cluster

CFDA# 20.205

Condition: For some employees there are not written timesheet records that support the billing in the MPO fund for transportation planning. Some, but not all employees are maintaining their allocated time that is being billed for reimbursement.

Criteria: Timesheets should be maintained to support the billing for reimbursement of salaries allocated to the transportation planning grant.

Cause: Management failed to document allocated hours to support billing.

Effect: Lack of documentation for billing of salaries.

Recommendation: Timesheets should be maintained for all employees working on the transportation planning grant. Those record should be used in preparing the quarterly billing for reimbursement.

Response: Management agrees with this finding. Steps will be taken to properly record employee time spent on transportation planning to support the billing for reimbursement.

2021-003 Contract Wording

CFDA# 20.205

Highway Planning and Construction Cluster

Condition: A subrecipient's contract with the subcontractor did not contain all required clauses. The contract did not meet all the requirements on conflicts of interest, lobbying, nondiscrimination and records.

Criteria: Contracts should include all required wording.

Cause: Management failed to include the proper wording in the contract.

Effect: The contract does not meet all compliance requirements.

Recommendation: Management should complete and execute a new contract that meets all the requirements.

Response: Management agrees with this finding. A draft contract has been completed and will be executed as soon as possible.

CITY OF CLEVELAND, TENNESSEE  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2021

A. FINANCIAL STATEMENT AUDIT

Finding 2020-001 was repeated in the current year finding 2021-001.

Finding 2020-002 was not repeated in the current year. The cash shortage remains outstanding.

B. MAJOR FEDERAL AWARD PROGRAMS AUDIT

None from prior year.

# City of Cleveland



**CLEVELAND**  
TENNESSEE

EST. 1842

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

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

## CORRECTIVE ACTION PLAN

### FINANCIAL STATEMENT FINDINGS:

#### SIGNIFICANT DEFICIENCIES

##### 2021-001 Budget Violation

Condition: In the Health Insurance Trust Fund actual expenditures exceeded budgeted expenditures.

	<u>Budget</u>	<u>Actual</u>
Health Insurance Trust Fund	4,647,774	5,118,830

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

Effect: Unauthorized expenditures were incurred by the government.

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

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

Name of Contact Person: Shawn McKay, Assistant City Manager/CFO  
Anticipated Completion Date: Immediate

### FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

#### U.S. Department of Transportation:

##### 2021-002 Salaries Allocated to Transportation Planning

Highway Planning and Construction Cluster

CFDA# 20.205

Condition: For some employees there are not written timesheet records that support the billing in the MPO fund for transportation planning. Some, but not all employees are maintaining their allocated time that is being billed for reimbursement.

Criteria: Timesheets should be maintained to support the billing for reimbursement of salaries allocated to the transportation planning grant.

Cause: Management failed to accumulate to support billing.

Effect: Lack of documentation for billing of salaries.

Recommendation: Timesheets should be maintained for all employees working on the transportation planning grant. Those record should be used in preparing the quarterly billing for reimbursement.

Response: Management agrees with this finding. Steps will be taken to properly record employee time spent on transportation planning to support the billing for reimbursement.

Name of Contact Person: Shawn McKay, Assistant City Manager/CFO  
Anticipated Completion Date: Immediate

2021-003 Contract Wording

Highway Planning and Construction Cluster

CFDA# 20.205

Condition: A subrecipient's contract with the subcontractor did not contain all required clauses. The contract did not meet all the requirements on conflicts of interest, lobbying, nondiscrimination and records.

Criteria: Contracts should include all required wording.

Cause: Management failed to include the proper wording in the contract.

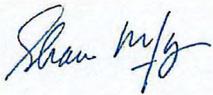
Effect: The contract does not meet all compliance requirements.

Recommendation: Management should complete and execute a new contract that meets all the requirements.

Response: Management agrees with this finding. A draft contract has been completed and will be executed as soon as possible.

Name of Contact Person: Shawn McKay, Assistant City Manager/CFO  
Anticipated Completion Date: Immediate

Respectfully submitted,



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