

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



**CLEVELAND**  
TENNESSEE

EST. 1842



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

Prepared by:  
Department of Finance

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

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## **INTRODUCTORY SECTION**

# City of Cleveland

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January 27, 2023

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

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

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

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

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

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

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

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

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

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

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

### **Factors Affecting Financial Condition**

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

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

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

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

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

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

Cleveland's strong economy is evidenced by the following:

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

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

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

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

## **Financial Policies**

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

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

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

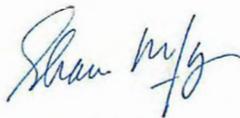
### **Awards and Acknowledgements**

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

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

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

Respectfully submitted,



Shawn McKay  
Assistant City Manager/Chief Financial Officer



Joe Fivas  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cleveland  
Tennessee**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

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

Kevin Brooks  
Mayor

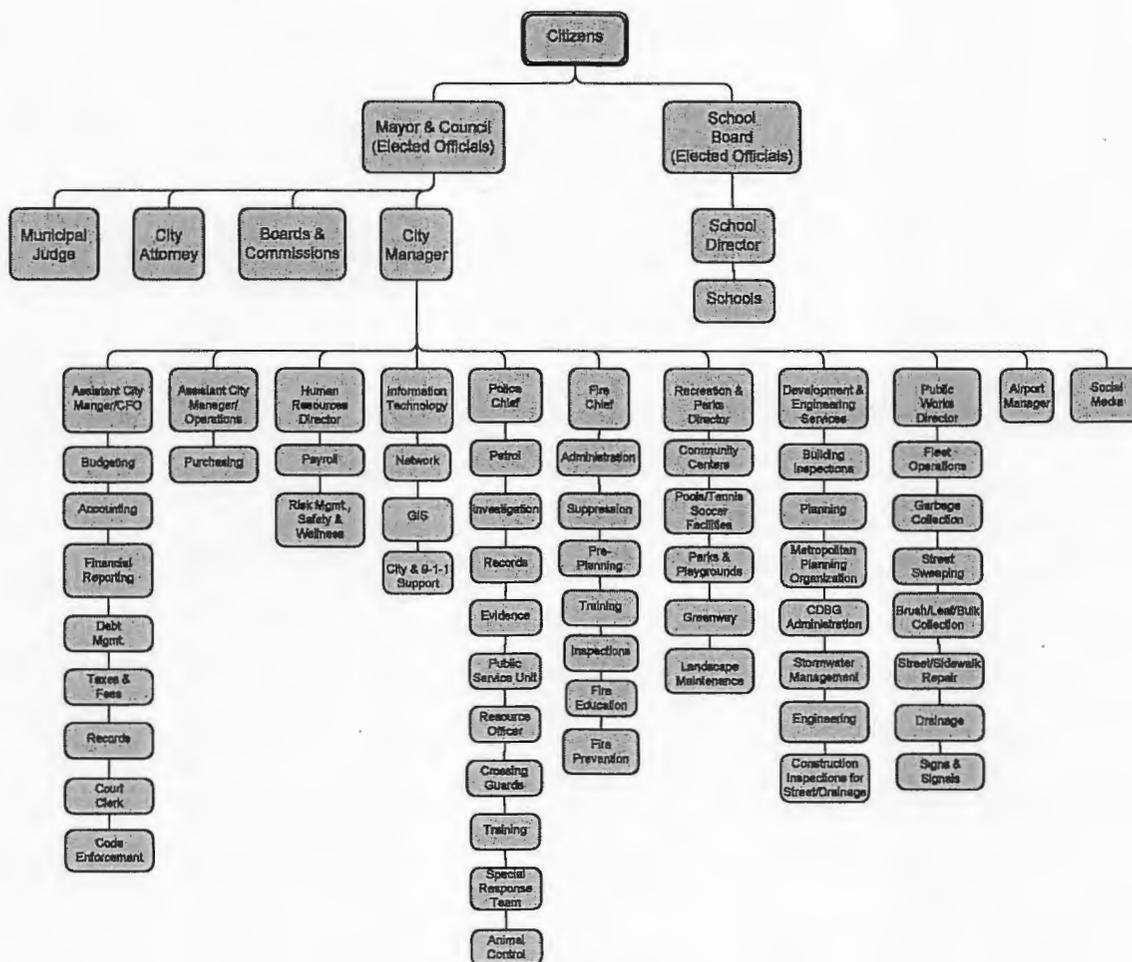
|                    |              |
|--------------------|--------------|
| Tom Cassada        | Councilman   |
| William Estes      | Councilman   |
| Dale Hughes        | Councilman   |
| Avery Johnson, Sr. | Councilman   |
| David May, Jr.     | Councilman   |
| Marsha McKenzie    | Councilwoman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

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

Department Heads

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

## City of Cleveland Organizational Chart



## **FINANCIAL SECTION**

**WEDGEWOOD ACCOUNTING, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM B. KIRKSEY, CPA  
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MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

**Opinions**

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

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

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Cleveland, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Change in Accounting Principle**

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

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Cleveland, Tennessee's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Cleveland, Tennessee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Cleveland, Tennessee's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the required supplementary information related to post-employment benefits and pension liability as reported on pages 110 through 128 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cleveland, Cleveland, Tennessee's basic financial statements. The combining and individual nonmajor fund financial statements, the budgetary comparison for the Capital Improvement Program fund, and the capital assets schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical sections and other section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Requirements by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2023, on our consideration of the City of Cleveland, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cleveland, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Cleveland, Tennessee's internal control over financial reporting and compliance

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

January 20, 2023

## Management's Discussion and Analysis

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

### Financial Highlights

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

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The City of Cleveland maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, school fund and capital improvement fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements later in this report beginning on page 129.

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

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

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

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 63-109 of this report.

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

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

## Government-wide Financial Analysis

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

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

### City of Cleveland's Net Position

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

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

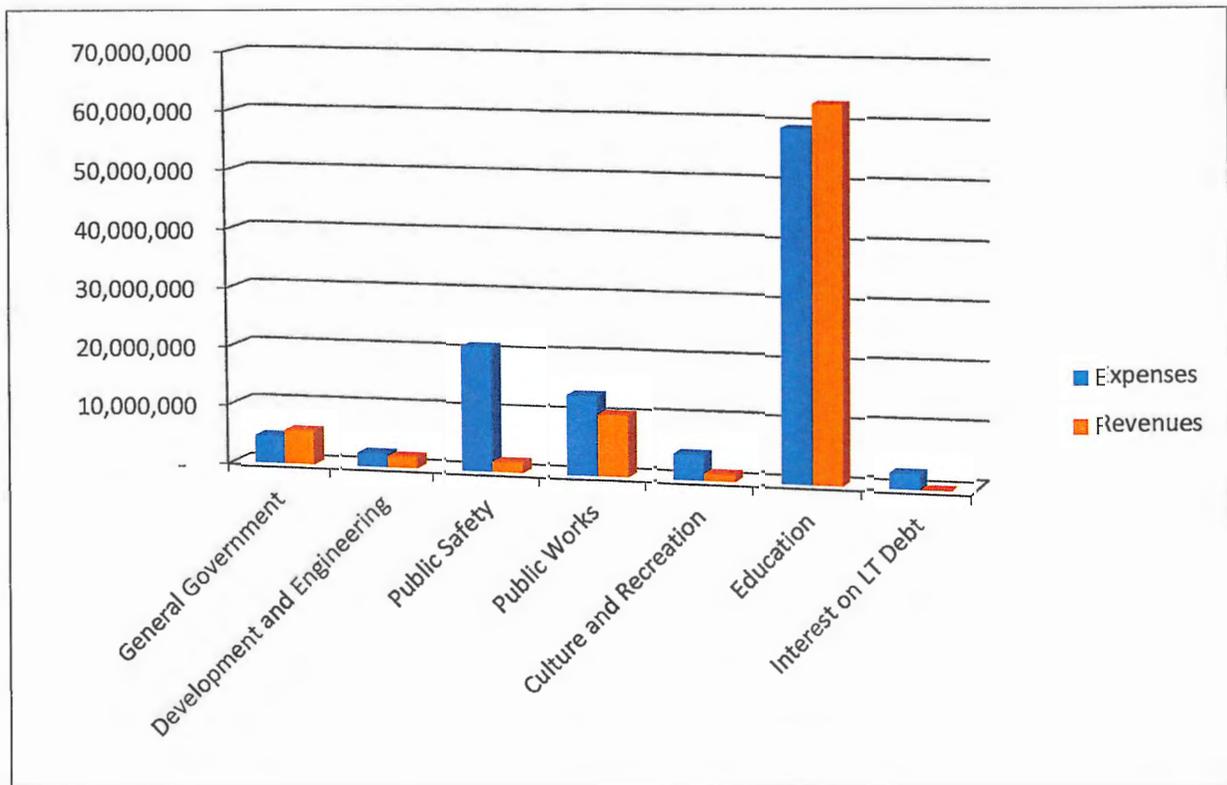
## City of Cleveland's Changes in Net Position

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

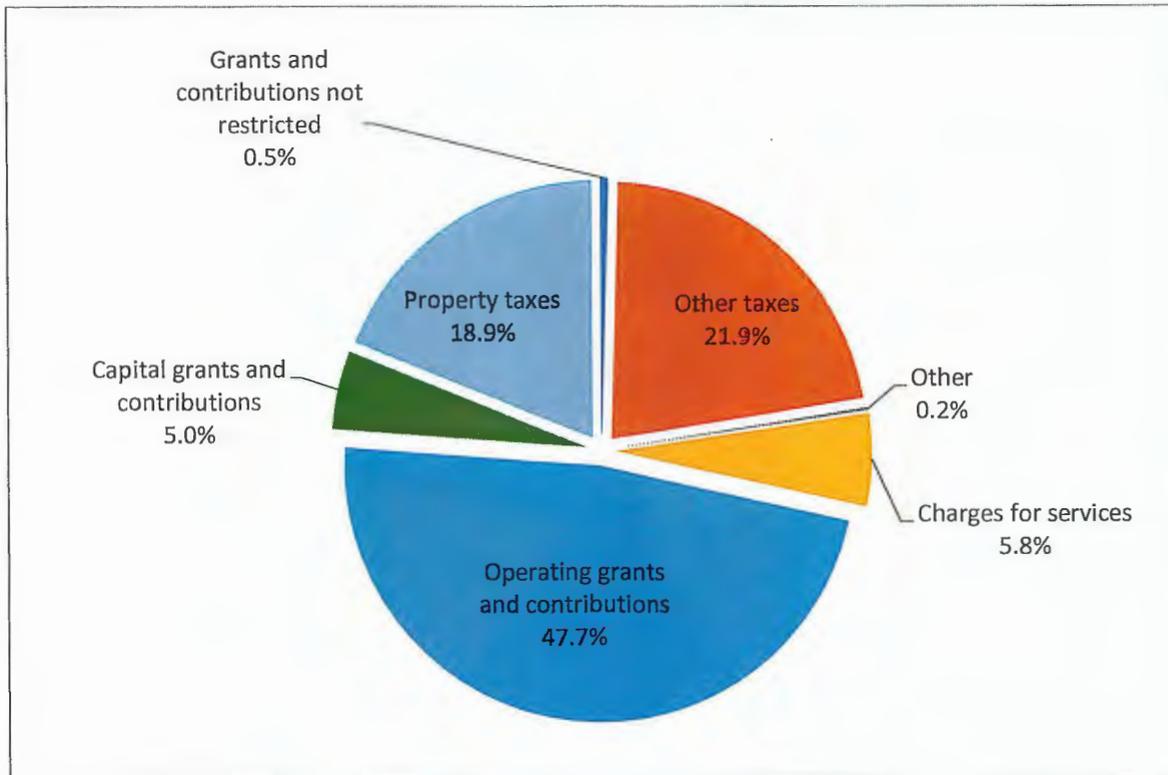
**Governmental activities.** Governmental activities increased the City of Cleveland’s net position by \$39,298,997.

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

**Expenses and Program Revenues – Governmental Activities**



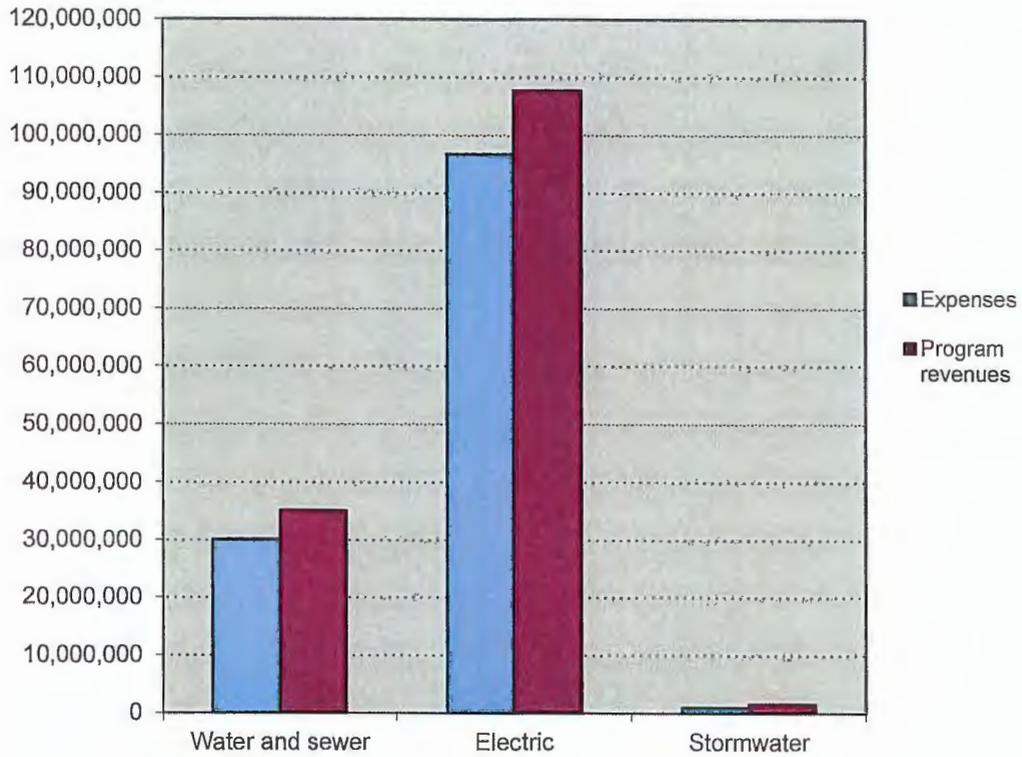
### Revenues by Source – Governmental Activities



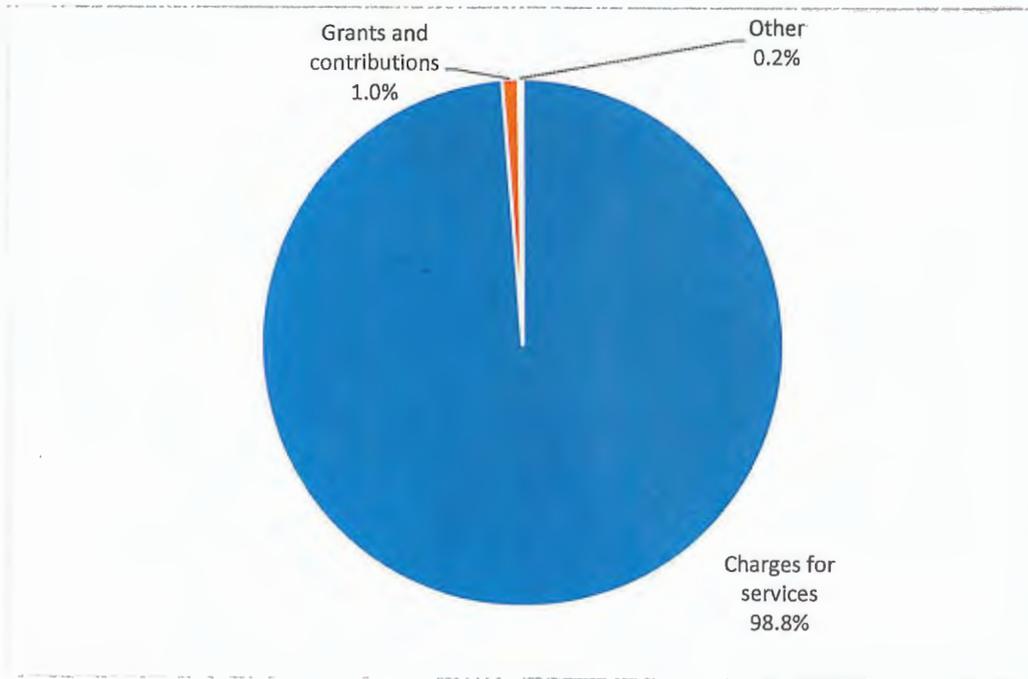
**Business-type activities.** Business-type activities increased the City of Cleveland's net position by \$15,473,103.

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

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



### Revenues by Source – Business-type Activities



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

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

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

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

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

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

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

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

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

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

## **General Fund Budgetary Highlights**

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

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

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

## **Capital Asset and Debt Administration**

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

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

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

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

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

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

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

## City of Cleveland's Outstanding Debt

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

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

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

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

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

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

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

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

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

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

## **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

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

(Continued)

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



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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

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

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

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

For the Fiscal Year Ended June 30, 2022

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

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

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

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

(Continued)

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

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

ASSETS

Current assets:

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

NET POSITION

|  |                            |
|--|----------------------------|
| Net position restricted for other post-employment benefits | <u><u>\$ 3,321,384</u></u> |
|--|----------------------------|

CITY OF CLEVELAND, TENNESSEE  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND - CLEVELAND UTILITIES  
For the Fiscal Year Ended June 30, 2022

ADDITIONS

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

DEDUCTIONS

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

## **NOTES**

CITY OF CLEVELAND, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of significant policies:

A. Reporting Entity

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

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

Cleveland Board of Education

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

Cleveland Board of Public Utilities

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

Cleveland Public Library Board

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

C. Measurement focus, Basis of Accounting

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

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

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

D. Cash and Cash Equivalents

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

E. Investments

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

E. Investments - (Cont.)

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

F. Receivables and Payables

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

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

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

G. Inventories and Prepaid Items

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

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

H. Restricted Assets

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

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

I. Capital Assets

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

I. Capital Assets - (Cont.)

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

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

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

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

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

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

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

J. Deferred outflows/inflows of resources

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

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

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

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

K. Compensated Absences

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

L. Long-term obligations

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

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

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

M. Leases

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

N. Net Position and Fund Equity

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

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

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

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

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

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

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

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

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

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

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

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

O. Budgets and Budgetary Accounting

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

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

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

O. Budgets and Budgetary Accounting - (Cont.)

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

P. Subsequent Events

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

Note 2 - DEPOSITS AND INVESTMENTS

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

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

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

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

Note 2 - DEPOSITS AND INVESTMENTS - (Cont.)

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

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

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

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

#### INVESTMENTS - FIDUCIARY FUND

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

Level 1 - Investments reflect prices quoted in active markets.

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

Level 3 - Investments reflect prices based upon unobservable sources.

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

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

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

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

INVESTMENTS - TCRS Stabilization Reserve Trust

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

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

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

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

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

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

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

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

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

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

Note 2 - DEPOSITS AND INVESTMENTS - (Cont.)

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

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

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

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

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

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

Note 2 - DEPOSITS AND INVESTMENTS - (Cont.)

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

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

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

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

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

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

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

Note 3 - RECEIVABLES

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

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

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

Note 4 - CAPITAL ASSETS

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

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

Note 4 - CAPITAL ASSETS - (Cont.)

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

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

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

Note 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

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

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

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

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

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

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

Note 6 - LONG-TERM DEBT

General Obligation Bonds

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

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

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

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

Revenue Bonds

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

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

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

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

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

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

Notes Payable - Direct Borrowing - Governmental

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

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

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

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

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

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

Notes Payable - Direct Borrowing - Business Type

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

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

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

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

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

Leases - Right to use assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 7 - JOINT VENTURES

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

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

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

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

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

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

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

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

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

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

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

Note 9 - COMMITMENTS AND CONTINGENCIES

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

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

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

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

Note 10 - LITIGATION

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

Note 11 - TENNESSEE VALLEY AUTHORITY (TVA) CONSERVATION PROGRAMS

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

Note 12 - RISK MANAGEMENT

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

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

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

Note 13 - DEFERRED COMPENSATION PLAN

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

Note 14 - ESTIMATES

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

Note 15 - TAX ABATEMENTS

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

Note 16 - RETIREMENT COMMITMENTS

THE TCRS PENSION PLAN

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

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

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

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

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

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

THE TCRS PENSION PLAN - (Cont.)

Net Pension Liability

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

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

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

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

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

*Changes of assumptions.* In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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

| <u>Asset Class</u>                    | <u>Long-Term Expected<br/>Real Rate of Return</u> | <u>Target<br/>Allocation</u> |
|---------------------------------------|---|------------------------------|
| U.S. equity                           | 4.88%   | 31%                          |
| Developed market international equity | 5.37%   | 14%                          |
| Emerging market international equity  | 6.09%   | 4%                           |
| Private equity and strategic lending  | 6.57%   | 20%                          |
| U.S. fixed income                     | 1.20%   | 20%                          |
| Real estate                           | 4.38%   | 10%                          |
| Short-term securities                 | 0.00%   | 1%                           |
|                                       |   | <u>100%</u>                  |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

*Discount rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Cleveland City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net

THE TCRS PENSION PLAN - (Cont.)

position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

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

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

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

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

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

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

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

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

THE TCRS PENSION PLAN - (Cont.)

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

Year ended June 30:

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

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

Payable to Pension Plan

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

CLEVELAND UTILITIES - CSA PENSION PLAN

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

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

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

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

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

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

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

Net Pension Liability

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

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

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

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

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

Changes in the Net Pension Liability

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

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

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

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

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

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

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                               | \$ 293,589                           | \$ 230,594                          |
| Changes of assumption  | 716,300                              | 0                                   |
| Net difference between projected and actual earnings on pension plan investments | 0                                    | 2,489,411                           |
| Contributions subsequent to the measurement date of October 1, 2021              | <u>1,572,692</u>                     | <u>0</u>                            |
| Total  | <u>\$ 2,582,581</u>                  | <u>\$ 2,720,005</u>                 |

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

CLEVELAND UTILITIES - CSA PENSION PLAN - (Cont.)

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

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

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

Payable to Pension Plan

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

TEACHERS LEGACY PENSION PLAN OF TCRS

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

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

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

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

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agency (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Cleveland City Schools for the year ended June 30, 2022 to the Teacher Legacy Pension Plan were \$2,192,564, which is 10.30 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

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

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

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                                  | \$ 92,489                            | \$ 2,295,438                        |
| Change in assumptions   | 7,353,463                            | 0                                   |
| Net difference between projected and actual earnings<br>on pension plan investments | 0                                    | 21,948,314                          |
| Changes in proportion of Net Pension Liability (Asset)                              | 43,090                               | 11,009                              |
| Contributions subsequent to the measurement date of<br>June 30, 2021                | 2,192,564                            | 0                                   |
| Total   | <u>\$ 9,681,606</u>                  | <u>\$ 24,254,761</u>                |

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

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

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

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

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

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

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

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

*Changes of assumptions.* In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified assumptions.

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

| Asset Class                           | Long-Term Expected<br>Real Rate of Return | Target<br>Allocation |
|---------------------------------------|---|----------------------|
| U.S. equity                           | 4.88%                                     | 31%                  |
| Developed market international equity | 5.37%                                     | 14%                  |
| Emerging market international equity  | 6.09%                                     | 4%                   |
| Private equity and strategic lending  | 6.57%                                     | 20%                  |
| U.S. fixed income                     | 1.20%                                     | 20%                  |
| Real estate                           | 4.38%                                     | 10%                  |
| Short-term securities                 | 0.00%                                     | 1%                   |
|                                       |   | 100%                 |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the three factors described above.

*Discount rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was

TEACHERS LEGACY PENSION PLAN OF TCRS - (Cont.)

projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

|  | 1% Decrease<br>(5.75%) | Current<br>Discount Rate<br>(6.75%) | 1% Increase<br>(7.75%) |
|--|------------------------|-------------------------------------|------------------------|
| Cleveland City Schools' proportionate share of the net pension liability (asset) | \$ (4,898,020)         | \$ (27,522,167)                     | \$ (46,349,971)        |

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

Payable to the Pension Plan

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

TEACHERS RETIREMENT PLAN OF TCRS

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

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

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

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

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required contributions are not remitted. Employer contributions for the year ended June 30, 2022 to the Teacher Retirement Plan were \$163,929, which is 2.05 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension asset.* At June 30, 2022, The Cleveland City Schools reported an asset of \$502,776, for its proportionate share of net pension asset. The net pension liability was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. Cleveland City Schools' proportion of the net pension asset was based on Cleveland City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, Cleveland City Schools' proportion was 0.464153 percent. The proportion measured as of June 30, 2020 was 0.430495 percent.

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

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
|   | <u>          </u>                    | <u>          </u>                   |
| Differences between expected and actual experience                                  | \$ 8,747                             | \$ 91,998                           |
| Net difference between projected and actual earnings<br>on pension plan investments | 0                                    | 289,412                             |
| Change in assumptions   | 181,347                              | 0                                   |
| Changes in proportion of net pension liability (Asset)                              | 2,106                                | 28,285                              |
| Contributions subsequent to the measurement date of<br>June 30, 2021                | <u>163,929</u>                       | <u>0</u>                            |
| Total   | <u>\$ 356,129</u>                    | <u>\$ 409,695</u>                   |

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

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

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

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

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

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

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

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

*Changes of assumptions.* In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified assumptions.

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

| Asset Class                           | Long-Term Expected Real Rate of Return | Target Allocation |
|---------------------------------------|--|-------------------|
| U.S. equity                           | 4.88%                                  | 31%               |
| Developed market international equity | 5.37%                                  | 14%               |
| Emerging market international equity  | 6.09%                                  | 4%                |
| Private equity and strategic lending  | 6.57%                                  | 20%               |
| U.S. fixed income                     | 1.20%                                  | 20%               |
| Real estate                           | 4.38%                                  | 10%               |
| Short-term securities                 | 0.00%                                  | 1%                |
|                                       |  | <u>100%</u>       |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the three factors described above.

TEACHERS RETIREMENT PLAN OF TCRS - (Cont.)

*Discount rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

|  | 1% Decrease<br>(5.75%) | Current<br>Discount Rate<br>(6.75%) | 1% Increase<br>(7.75%) |
|--|------------------------|-------------------------------------|------------------------|
| Cleveland City Schools' proportionate share of the net pension liability (asset) | \$ 172,841             | \$ (502,776)                        | \$ (1,001,069)         |

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

Payable to the Pension Plan

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

Defined Contribution Component of the Teachers Retirement Plan:

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

AGGREGATION OF ALL PENSION PLANS

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

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

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

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

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

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

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

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

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

Pension expense related to all plans were as follows:

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

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES

PLAN DESCRIPTION

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

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

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

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

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

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

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

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

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

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

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

Changes in the Total OPEB Liability:

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

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

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

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

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

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

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

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

Note 17 - POSTEMPLOYMENT BENEFITS - (Cont.)

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

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

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

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

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

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

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN

PLAN DESCRIPTION

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

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

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

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

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

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

Plan description of the life insurance plan:

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

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

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

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

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

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

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

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

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

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

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

Changes in the Net Opeb Liability:

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

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

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

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

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

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

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

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

CLEVELAND UTILITIES - POSTEMPLOYMENT BENEFIT PLAN - (Cont.)

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

Year ended June 30:

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

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

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP)

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

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

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

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

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

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

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

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

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

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

Changes in the Collective Total Opeb Liability

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TNP)

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

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

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

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

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

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

Total Opeb Liability

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

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

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

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

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

Changes in the Collective Total Opeb Liability

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

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

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

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

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

AGGREGATION OF ALL POSTEMPLOYMENT PLANS

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

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

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

Note 17 - POSTEMPLOYMENT BENEFITS (Cont.)

AGGREGATION OF ALL POSTEMPLOYMENT PLANS - (Cont.)

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

Year ended June 30:

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

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

The opeb plans resulted in the following net opeb liability:

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

Opeb expense related to all plans were as follows:

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

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

Note 18 - RELATED PARTY ACTIVITY

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

Note 19 - ACCOUNTING CHANGE

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

The following is the effect of the accounting change:

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

Notes to Schedule

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

*Methods and assumptions used to determine contribution rates:*

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Entry age Normal   |
| Amortization method           | Level dollar, closed (not to exceed 20 years)  |
| Remaining amortization period | Varies by Year   |
| Asset valuation               | 10-year smoothed within a 20 percent corridor to market value  |
| Inflation                     | 2.5 percent  |
| Salary increases              | Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent |
| Investment rate of return     | 6.75 percent, net of investment expense, including inflation   |
| Retirement age                | Pattern of retirement determined by experience study   |
| Mortality                     | Customized table based on actual experience including an adjustment for some anticipated improvement     |
| Cost-of-living-adjustments    | 2.125 percent  |

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decrease the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from

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

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

*Methods and assumptions used to determine contribution rates:*

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

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

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

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Changes of assumptions. In 2021, the following assumptions were changed; decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

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

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

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

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to Schedule

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

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

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CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

*Methods and assumptions used to determine contribution rates:*

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

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

SCHEDULE OF INVESTMENT RETURNS  
FISCAL YEAR ENDING JUNE 30,

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

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

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

8.00%  
decreasing  
to 5.0% in  
2021

63

RP2000  
with  
Scale  
BB

7.50%  
decreasing  
to 4.5% in  
2025

61

RPH2014  
with  
Scale  
MP2019

7.00%  
decreasing  
to 4.5% in  
2025

61

RPH2014  
with  
Scale  
MP2019

7.00%  
decreasing  
to 4.5% in  
2026

61

RPH2014  
with  
Scale  
MP2021

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

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to Schedule

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

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

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

CITY OF CLEVELAND, TENNESSEE  
REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to Schedule

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

### Debt Service

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

## **Capital Projects**

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

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

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

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

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

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

## **Permanent Fund**

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

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

Special Revenue

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

Special Revenue

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

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

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

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

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

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

Special Revenue

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

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

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

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

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

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

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

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

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

(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **MAJOR GOVERNMENTAL FUND**

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

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

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

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

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

(Continued)

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

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

(Continued)

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

## **INTERNAL SERVICE FUND**

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

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

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

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

## **CAPITAL ASSETS**

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

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

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

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

June 30, 2022

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

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

(Continued)

June 30, 2022

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

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

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

For the Fiscal Year Ended June 30, 2022

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

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

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

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

## STATISTICAL SECTION

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

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

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

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

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

Source: Official record of Office of City Clerk.

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

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

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

Source: Official record of Office of City Clerk.

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

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

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

Source: Official record of Office of City Clerk.

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

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

*(modified accrual basis of accounting)*

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

Source: Official record of Office of City Clerk.

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

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

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

Source: Official record of Office of City Clerk.

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

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

Schedule 6

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

Source: Official record of Office of City Clerk.

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

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

Source: Bradley County Assessor of Property.

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

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

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

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

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

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

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

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

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

Schedule 9

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

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

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

Schedule 10

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

Source: Official records of Office of City Clerk.

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

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

Source: Tennessee Department of Revenue, Research Division.

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

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

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

Schedule 12

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

Source: Official records of Office of City Clerk.

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

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

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

Source: Tennessee Department of Revenue, Research Division.

Notes:

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

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

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

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

Source: Official record of Office of City Clerk.

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

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 Business-type Activities
 

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

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

Schedule 15

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

Source: Official records of Office of City Clerk.

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

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

Schedule 16

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

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

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

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF CLEVELAND, TENNESSEE  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

|   | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          |
|---|----------------------|----------------------|----------------------|----------------------|
| Debt limit  | \$ 112,073,394       | \$ 107,609,460       | \$ 108,653,123       | \$ 108,621,788       |
| Total net debt applicable to limit                                  | <u>69,103,328</u>    | <u>75,438,027</u>    | <u>71,174,432</u>    | <u>72,563,860</u>    |
| Legal debt margin   | <u>\$ 42,970,066</u> | <u>\$ 32,171,433</u> | <u>\$ 37,478,691</u> | <u>\$ 36,057,928</u> |
| Total net debt applicable to limit<br>as a percentage of debt limit | 61.66%               | 70.10%               | 65.51%               | 66.80%               |

Note - Under Tennessee State law, the City's outstanding general obligation debt is not limited. However, the City has established a financial policy limit of no more than 10 percent of assessed property value.

Source: Official record of Office of City Clerk.

| <u>2017</u>          | <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 113,282,233       | \$ 125,581,984       | \$ 125,567,490       | \$ 126,988,681       | \$ 125,279,360       | \$ 156,689,285       |
| <u>70,824,771</u>    | <u>78,741,687</u>    | <u>75,737,287</u>    | <u>72,017,242</u>    | <u>65,708,999</u>    | <u>80,059,921</u>    |
| <u>\$ 42,457,462</u> | <u>\$ 46,840,297</u> | <u>\$ 49,830,203</u> | <u>\$ 54,971,439</u> | <u>\$ 59,570,361</u> | <u>\$ 76,629,364</u> |
| 62.52%               | 62.70%               | 60.32%               | 56.71%               | 52.45%               | 51.09%               |

**Legal Debt Margin Calculation for Fiscal Year 2022**

|   |                  |                         |
|---|------------------|-------------------------|
| Total assessed value  |                  | <u>\$ 1,566,892,850</u> |
| Legal debt margin:  |                  |                         |
| Debt limitation - 10% of total assessed value<br>as adopted by resolution |                  | \$ 156,689,285          |
| Debt applicable to limit:   |                  |                         |
| Total bonded debt   | \$ 156,863,321   |                         |
| Less: Revenue bonds   | 70,143,803       |                         |
| Amount available for repayment<br>of general obligation bonds             | <u>6,659,597</u> |                         |
| Total debt applicable to limit  |                  | <u>80,059,921</u>       |
| Legal debt margin   |                  | <u>\$ 76,629,364</u>    |

CITY OF CLEVELAND, TENNESSEE  
REVENUE BOND COVERAGE  
WATER AND WASTEWATER BONDS  
LAST TEN FISCAL YEARS

| Fiscal Year | Gross<br>(1) Revenue | Direct<br>Operating<br>(2) Expenses | Net Revenue<br>Available<br>for Debt<br>Service | Debt Service Requirements |              |              | Coverage |
|-------------|----------------------|-------------------------------------|---|---------------------------|--------------|--------------|----------|
|             |                      |                                     |   | Principal                 | (3) Interest | Total        |          |
| 2013        | \$ 23,149,324        | \$ 15,292,780                       | \$ 7,856,544                                    | \$ 3,121,629              | \$ 1,681,401 | \$ 4,803,030 | 1.64     |
| 2014        | 25,045,728           | 15,695,140                          | 9,350,588                                       | 3,182,356                 | 1,700,224    | 4,882,580    | 1.92     |
| 2015        | 26,043,419           | 15,044,789                          | 10,998,630                                      | 3,345,599                 | 1,534,811    | 4,880,410    | 2.25     |
| 2016        | 28,337,385           | 16,622,259                          | 11,715,126                                      | 3,555,604                 | 1,554,694    | 5,110,298    | 2.29     |
| 2017        | 29,435,064           | 17,383,154                          | 12,051,910                                      | 3,921,451                 | 1,433,130    | 5,354,581    | 2.25     |
| 2018        | 29,458,233           | 17,764,229                          | 11,694,004                                      | 4,095,825                 | 1,407,090    | 5,502,915    | 2.13     |
| 2019        | 29,526,908           | 18,602,302                          | 10,924,606                                      | 3,505,000                 | 1,545,084    | 5,050,084    | 2.16     |
| 2020        | 31,999,273           | 18,985,805                          | 13,013,468                                      | 3,898,145                 | 1,522,402    | 5,420,547    | 2.40     |
| 2021        | 34,646,551           | 20,350,824                          | 14,295,727                                      | 4,687,336                 | 1,642,058    | 6,329,394    | 2.26     |
| 2022        | 36,008,191           | 21,638,597                          | 14,369,594                                      | 4,244,455                 | 1,525,684    | 5,770,139    | 2.49     |

Source: From official records of Office of City Clerk.

- (1) All revenues except interest income and gain on sale of assets
- (2) All expenses except depreciation, amortization and interest
- (3) Interest expense for year as reflected in audit report

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CITY OF CLEVELAND, TENNESSEE  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS

| Calendar<br>Year | Population | Personal<br>Income | Per<br>Capita<br>Personal<br>Income | Median<br>Age |
|------------------|------------|--------------------|-------------------------------------|---------------|
| 2012             | 42,386     | \$ 4,031,075       | \$ 34,246                           | 38            |
| 2013             | 42,774     | 4,123,064          | 34,783                              | 38            |
| 2014             | 43,182     | 4,601,591          | 38,441                              | 34            |
| 2015             | 43,898     | 4,392,733          | 36,344                              | 35            |
| 2016             | 44,337     | 4,502,889          | 37,134                              | 34            |
| 2017             | 44,780     | 4,650,000          | 38,016                              | 34            |
| 2018             | 44,974     | 4,743,600          | 38,371                              | 35            |
| 2019             | 45,504     | 4,977,562          | 39,839                              | 35            |
| 2020             | 47,356     | 5,257,348          | 41,756                              | 35            |
| 2021             | 47,955     | 5,808,942          | 45,404                              | 38            |

Sources: Population and educational attainment data from U.S. Census.  
 Median age from U.S. Census data  
 Personal income and Per Capita income from U.S. Bureau of Economic Analysis.  
 Unemployment data from U.S. Bureau of Labor Statistics.  
 School enrollment from Department of Education  
 Personal income, per capita income, median age and unemployment rate data are for  
 Bradley County.

| <u>Percent<br/>High School<br/>graduate or<br/>higher</u> | <u>Percent<br/>Bachelor's<br/>degree<br/>or higher</u> | <u>School<br/>Enrollment</u> | <u>Annual<br/>Average<br/>Adjusted<br/>Unemployment<br/>Rate (%)</u> |
|---|--|------------------------------|--|
| 83 %  | 24 %   | 5,423                        | 7.7 %  |
| 84  | 24   | 5,440                        | 7.5  |
| 85  | 23   | 5,575                        | 6.5  |
| 85  | 23   | 5,302                        | 4.8  |
| 83  | 24   | 5,638                        | 2.8  |
| 83  | 24   | 5,747                        | 3.8  |
| 84  | 24   | 5,528                        | 3.4  |
| 84  | 25   | 5,814                        | 5.1  |
| 83  | 25   | 5,538                        | 4.6  |
| 83  | 25   | 5,531                        | 4.1  |

CITY OF CLEVELAND, TENNESSEE  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

| Employer                     | 2022      |      |  |
|------------------------------|-----------|------|--|
|                              | Employees | Rank | Percentage of<br>Total Labor Force<br>Bradley County |
| Whirlpool/Maytag             | 1,600     | 1    | 3.10 %   |
| Bradley County Schools       | 1,160     | 2    | 2.25   |
| Peyton's Southeastern        | 1,157     | 3    | 2.24   |
| Tennova                      | 1,100     | 4    | 2.13   |
| Jackson Furniture Industries | 894       | 5    | 1.73   |
| Amazon                       | 790       | 6    | 1.53   |
| Wacker Polysilicon           | 772       | 7    | 1.50   |
| Cleveland City Schools       | 746       | 8    | 1.45   |
| Wal-Mart                     | 640       | 9    | 1.24   |
| Bradley County Government    | 620       | 10   | 1.20   |
| Mars Chocolate               | -         | -    | -  |
| Lee University               | -         | -    | -  |
| City Government              | -         | -    | -  |
| Total                        | 9,479     |      | 18.37 %  |

Source: Cleveland/Bradley Chamber of Commerce and Tennessee Department of Labor & Workforce Development

This schedule should include the ten largest employers, unless fewer are required to reach 50% of total employment.

| 2013         |      |  |
|--------------|------|--|
| Employees    | Rank | Percentage of<br>Total Labor Force<br>Bradley County |
| 1,503        | 1    | 3.00 %   |
| 1,200        | 3    | 2.40   |
| 950          | 5    | 1.90   |
| 1,147        | 4    | 2.29   |
| -            | -    | -  |
| 600          | 9    | 1.20   |
| -            | -    | -  |
| -            | -    | -  |
| 640          | 7    | 1.28   |
| 620          | 8    | 1.24   |
| 577          | 10   | 1.15   |
| 815          | 6    | 1.63   |
| 1,202        | 2    | 2.40   |
| <u>9,254</u> |      | <u>18.49 %</u>                                       |

CITY OF CLEVELAND, TENNESSEE  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Schedule 21

| <u>Function/Program</u>           | Full-time Equivalent Employees as of June 30 |              |              |              |              |              |              |              |              |              |
|-----------------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                   | <u>2013</u>                                  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  | <u>2019</u>  | <u>2020</u>  | <u>2021</u>  | <u>2022</u>  |
| <b>General government</b>         |  |              |              |              |              |              |              |              |              |              |
| City Council and legislative      | 1  | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 0            |
| Administration and finance        | 14   | 14           | 14           | 23           | 24           | 25           | 26           | 25           | 20           | 21           |
| Community development             | 8  | 14           | 14           | 15           | 15           | 15           | 15           | 17           | 21           | 23           |
| Cleveland Regional Jetport        | 0  | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            |
| <b>Police</b>                     |  |              |              |              |              |              |              |              |              |              |
| Officers                          | 85   | 91           | 91           | 92           | 91           | 97           | 97           | 101          | 105          | 104          |
| Civilians                         | 11   | 12           | 12           | 12           | 12           | 12           | 12           | 12           | 12           | 13           |
| <b>Fire</b>                       |  |              |              |              |              |              |              |              |              |              |
| Firefighters and officers         | 89   | 91           | 91           | 91           | 91           | 104          | 104          | 106          | 106          | 106          |
| Civilians                         | 1  | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            |
| <b>Public works</b>               |  |              |              |              |              |              |              |              |              |              |
| Operations                        | 20   | 21           | 21           | 21           | 21           | 25           | 25           | 25           | 24           | 24           |
| Engineering                       | 4  | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Landscaping maintenance           | 0  | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 9            | 9            |
| Solid waste management            | 13   | 13           | 13           | 13           | 13           | 13           | 13           | 13           | 13           | 13           |
| Stormwater management fund        | 2  | 2            | 2            | 3            | 3            | 3            | 2            | 2            | 2            | 4            |
| State street aid                  | 10   | 11           | 11           | 11           | 11           | 11           | 11           | 11           | 11           | 11           |
| Fleet management                  | 8  | 7            | 7            | 6            | 6            | 6            | 6            | 6            | 6            | 6            |
| <b>Parks and recreation</b>       |  |              |              |              |              |              |              |              |              |              |
| Administration and maintenance    | 9  | 9            | 9            | 10           | 10           | 10           | 10           | 11           | 14           | 14           |
| Landscaping maintenance           | 7  | 7            | 7            | 9            | 10           | 10           | 10           | 9            | 0            | 0            |
| College Hill Recreation Center    | 3  | 3            | 3            | 4            | 4            | 4            | 4            | 4            | 4            | 4            |
| Cleveland Community Center        | 4  | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            |
| Waterville Golf Course            | 6  | 6            | 6            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Animal control</b>             |  |              |              |              |              |              |              |              |              |              |
| Administration and operations     | 8  | 8            | 6            | 6            | 6            | 6            | 6            | 6            | 6            | 6            |
| Community development block grant | 2  | 2            | 2            | 2            | 2            | 1            | 2            | 2            | 2            | 2            |
| <b>Subtotal</b>                   | <b>305</b>                                   | <b>318</b>   | <b>316</b>   | <b>325</b>   | <b>326</b>   | <b>349</b>   | <b>350</b>   | <b>357</b>   | <b>362</b>   | <b>366</b>   |
| <b>Cleveland Utilities</b>        |  |              |              |              |              |              |              |              |              |              |
| Electric division                 | 84   | 83           | 82           | 76           | 83           | 83           | 85           | 85           | 85           | 83           |
| Water/wastewater division         | 98   | 103          | 100          | 108          | 114          | 115          | 116          | 122          | 123          | 121          |
| <b>City schools</b>               |  |              |              |              |              |              |              |              |              |              |
| Certificated staff                | 407  | 423          | 432          | 434          | 445          | 454          | 449          | 462          | 461          | 468          |
| Non-certificated personnel        | 277  | 283          | 290          | 294          | 308          | 294          | 296          | 292          | 281          | 278          |
| Library                           | 11   | 11           | 11           | 11           | 11           | 11           | 11           | 11           | 11           | 11           |
| <b>Total</b>                      | <b>1,182</b>                                 | <b>1,221</b> | <b>1,231</b> | <b>1,248</b> | <b>1,287</b> | <b>1,306</b> | <b>1,307</b> | <b>1,329</b> | <b>1,323</b> | <b>1,327</b> |

Source: City Finance Department.

Note - A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave) except City School certificated staff.

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CITY OF CLEVELAND, TENNESSEE  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

| <u>Function/Program</u>  | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   |
|--|---------------|---------------|---------------|---------------|
| <b>General government</b>  |               |               |               |               |
| Building permits issued  | 350           | 379           | 403           | 289           |
| Value of construction permitted                                      | \$59,121,927  | \$37,240,586  | \$65,893,431  | \$70,217,886  |
| <b>Police</b>  |               |               |               |               |
| Parking violations   | 974           | 1,309         | 1,631         | 975           |
| Traffic violations   | 4,060         | 4,410         | 5,766         | 4,744         |
| <b>Fire</b>  |               |               |               |               |
| Emergency responses (city only)                                      | 2,429         | 2,872         | 2,665         | 2,909         |
| Fires extinguished (city only)                                       | 169           | 242           | 126           | 173           |
| Fire inspections   | 2,208         | 2,055         | 2,263         | 1,634         |
| <b>Public works</b>  |               |               |               |               |
| Street resurfacing (tonnage)   | 18,898        | 12,107        | 9,176         | 17,795        |
| Utility cut permits (number excavations)                             | 229           | 226           | 244           | 185           |
| Drainage pipe installed (linear ft.)                                 | 5,919         | 4,690         | 6,936         | 6,706         |
| Tons of brush chipped  | 8,282         | 8,644         | 12,117        | 8,633         |
| <b>Parks and recreation</b>  |               |               |               |               |
| Softball league participants   | 1,500         | 1,455         | 1,650         | 450           |
| Basketball league participants                                       | 230           | 204           | 202           | 220           |
| Football league participants   | 80            | 70            | 65            | 150           |
| Soccer league participants   | 1,000         | 850           | 1,045         | 2,067         |
| Rounds of golf played  | 5,000         | 8,289         | 3,236         | 0             |
| <b>Library</b>   |               |               |               |               |
| Volumes in collection  | 161,836       | 164,078       | 168,061       | 174,614       |
| Circulation  | 409,206       | 401,430       | 402,064       | 404,869       |
| Attendants   | 270,860       | 277,185       | 241,778       | 225,411       |
| <b>City Schools</b>  |               |               |               |               |
| Average Daily Membership   |               |               |               |               |
| High School  | 1,339         | 1,398         | 1,448         | 1,451         |
| Middle School  | 1,200         | 1,231         | 1,227         | 1,269         |
| Elementary Schools   | 2,884         | 2,811         | 2,850         | 2,582         |
| Ungraded - Special Education   | 81            | 81            | 81            | 103           |
| ACT composite scores   | 20            | 20            | 19            | 20            |
| Percent of High School graduates                                     | 86            | 84            | 86            | 90            |
| <b>Electric</b>  |               |               |               |               |
| Class of Service number of Customers                                 |               |               |               |               |
| Residential  | 25,420        | 25,806        | 26,190        | 26,487        |
| Small lighting and power   | 3,720         | 3,789         | 3,809         | 3,829         |
| Large lighting and power   | 608           | 613           | 624           | 621           |
| Street and outdoor lighting  | 189           | 188           | 185           | 181           |
| Kilowatt-hours purchased   | 1,103,372,115 | 1,124,822,813 | 1,124,645,838 | 1,092,690,922 |
| Kilowatt-hours sold  | 1,072,904,012 | 1,092,325,754 | 1,093,701,541 | 1,059,898,637 |
| Line losses and kilowatt-hours unaccounted for                       | 30,468,103    | 32,497,059    | 30,944,297    | 32,792,285    |
| Percentage of losses and unaccounted for kilowatt-hours to purchases | 2.76%         | 2.89%         | 2.75%         | 3.00%         |

| 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 415           | 370           | 337           | 401           | 523           | 647           |
| \$61,147,619  | \$96,885,426  | \$79,375,008  | \$156,691,994 | \$94,708,218  | \$198,776,716 |
| 939           | 959           | 1,409         | 686           | 379           | 598           |
| 3,906         | 4,759         | 4,061         | 3,046         | 1,926         | 2,555         |
| 2,898         | 2,891         | 3,173         | 3,414         | 4,405         | 3,313         |
| 249           | 221           | 137           | 131           | 228           | 153           |
| 3,078         | 3,154         | 2,168         | 3,468         | 3,543         | 3,392         |
| 12,598        | 12,790        | 10,852        | 18,130        | 13,699        | 12,533        |
| 234           | 270           | 177           | 178           | 168           | 136           |
| 5,529         | 5,340         | 6,173         | 6,316         | 4,070         | 2,445         |
| 10,721        | 14,028        | 13,353        | 15,243        | 12,450        | 7,166         |
| 425           | 430           | 150           | 0             | 322           | 360           |
| 220           | 196           | 76            | 402           | 0             | 740           |
| 150           | 146           | 150           | 230           | 245           | 226           |
| 2,169         | 2,092         | 2,206         | 3,471         | 0             | 3,267         |
| 0             | 0             | 0             | 0             | 0             | 0             |
| 179,345       | 180,495       | 185,981       | 187,723       | 190,166       | 193,992       |
| 384,655       | 394,960       | 417,433       | 409,484       | 269,642       | 380,263       |
| 223,416       | 210,914       | 199,230       | 134,538       | 50,103        | 104,306       |
| 1,586         | 1,578         | 1,639         | 1,682         | 1,675         | 1,718         |
| 1,310         | 1,320         | 1,331         | 1,343         | 1,342         | 1,257         |
| 2,500         | 2,753         | 2,370         | 2,457         | 2,395         | 2,406         |
| 96            | 96            | 131           | 130           | 98            | 114           |
| 20            | 20            | 21            | 20            | 19            | 19            |
| 89            | 89            | 90            | 88            | 91            | 91            |
| 26,872        | 27,052        | 27,191        | 27,329        | 27,575        | 27,921        |
| 3,846         | 3,897         | 3,931         | 3,932         | 4,028         | 4,111         |
| 612           | 605           | 587           | 592           | 585           | 595           |
| 177           | 172           | 167           | 166           | 163           | 164           |
| 1,093,318,270 | 1,081,144,905 | 1,069,273,479 | 1,030,326,623 | 1,039,444,215 | 1,053,875,725 |
| 1,059,807,534 | 1,056,079,493 | 1,040,483,760 | 1,003,639,362 | 1,008,260,890 | 1,022,259,454 |
| 33,510,736    | 25,065,412    | 28,789,719    | 26,687,261    | 31,183,325    | 31,616,271    |
| 3.07%         | 2.32%         | 2.69%         | 2.59%         | 3.00%         | 3.00%         |

CITY OF CLEVELAND, TENNESSEE  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

| <u>Function/Program</u>   | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   |
|---|---------------|---------------|---------------|---------------|
| <b>Water</b>  |               |               |               |               |
| Class of Service number of Customers                                  |               |               |               |               |
| Residential   | 26,496        | 26,811        | 27,200        | 27,514        |
| Commercial & Industrial   | 3,671         | 3,707         | 3,728         | 3,708         |
| Gallons purchased   | 1,759,640,000 | 1,717,178,040 | 1,737,814,650 | 1,781,982,285 |
| Gallons pumped  | 1,789,485,000 | 1,965,420,000 | 1,919,504,751 | 1,985,954,794 |
| Gallons sold  | 2,814,193,000 | 2,706,972,750 | 2,733,381,750 | 2,838,000,000 |
| Line losses and gallons unaccounted for                               | 709,217,000   | 902,184,898   | 923,937,651   | 929,937,079   |
| Percentage of losses and unaccounted<br>for gallons to total provided | 19.98%        | 24.50%        | 25.26%        | 24.68%        |
| Average daily water consumption (gallons)                             | 7,710,118     | 7,416,364     | 7,488,717     | 7,775,343     |
| <b>Wastewater</b>   |               |               |               |               |
| Class of Service number of Customers                                  |               |               |               |               |
| Residential   | 15,267        | 15,469        | 15,785        | 15,981        |
| Commercial & Industrial   | 2,592         | 2,626         | 2,655         | 2,637         |
| Capacity daily (thousands of gallons)                                 | 21,600        | 21,600        | 21,600        | 21,600        |
| Treatment during fiscal year (gallons)                                | 3,995,860,000 | 3,684,650,000 | 3,285,830,000 | 4,005,970,000 |

Sources: Various city departments.

| 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 27,874        | 28,144        | 28,427        | 28,691        | 29,212        | 29,582        |
| 3,712         | 3,745         | 3,776         | 3,776         | 3,848         | 3,857         |
| 1,830,881,097 | 1,553,131,140 | 1,753,470,750 | 1,754,822,000 | 1,706,774,690 | 1,730,266,230 |
| 2,269,121,474 | 2,438,184,139 | 2,344,888,000 | 2,350,714,727 | 2,259,089,135 | 3,950,253,133 |
| 3,076,149,000 | 2,892,261,750 | 2,950,904,238 | 2,844,021,750 | 2,853,327,000 | 2,927,922,000 |
| 1,023,853,571 | 1,099,053,529 | 1,147,454,512 | 1,261,514,977 | 1,112,536,825 | 1,022,331,133 |
| 24.97%        | 27.54%        | 28.00%        | 30.73%        | 28.05%        | 18.00%        |
| 8,427,805     | 7,924,005     | 8,084,669     | 7,791,840     | 7,817,334     | 8,021,704     |
| 16,197        | 16,382        | 16,612        | 16,780        | 17,147        | 17,365        |
| 2,635         | 2,674         | 2,688         | 2,704         | 2,746         | 2,748         |
| 21,600        | 21,600        | 21,600        | 21,600        | 21,600        | 21,600        |
| 3,350,999,000 | 2,599,430,000 | 4,302,393,000 | 4,474,130,000 | 3,724,510,000 | 3,978,730,000 |

CITY OF CLEVELAND, TENNESSEE  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Schedule 23

| <u>Function/Program</u>                     | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Police</b>                               |             |             |             |             |             |             |             |             |             |             |
| Stations                                    | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Substations                                 | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Patrol units                                | 120         | 118         | 120         | 120         | 120         | 120         | 110         | 107         | 86          | 88          |
| <b>Fire</b>                                 |             |             |             |             |             |             |             |             |             |             |
| Stations                                    | 5           | 5           | 5           | 5           | 5           | 5           | 6           | 6           | 6           | 6           |
| Fire trucks (pumpers,<br>ladders & tankers) | 14          | 14          | 14          | 14          | 12          | 14          | 14          | 15          | 15          | 15          |
| <b>Public works</b>                         |             |             |             |             |             |             |             |             |             |             |
| Street (miles)                              | 348         | 348         | 349         | 352         | 356         | 356         | 359         | 362         | 363         | 368         |
| Knucklebooms                                | 6           | 8           | 9           | 9           | 9           | 9           | 8           | 7           | 7           | 7           |
| <b>Parks and recreation</b>                 |             |             |             |             |             |             |             |             |             |             |
| Acreage                                     | 289         | 289         | 289         | 289         | 289         | 289         | 289         | 289         | 299         | 299         |
| Playgrounds                                 | 8           | 8           | 8           | 8           | 9           | 9           | 10          | 10          | 10          | 10          |
| Softball fields                             | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| Soccer fields                               | 16          | 16          | 16          | 16          | 16          | 16          | 16          | 16          | 18          | 18          |
| Tennis courts                               | 8           | 8           | 8           | 8           | 8           | 7           | 7           | 7           | 7           | 7           |
| Community centers                           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Swimming pools                              | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Golf courses                                | 1           | 1           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Schools</b>                              |             |             |             |             |             |             |             |             |             |             |
| Elementary schools                          | 6           | 6           | 6           | 6           | 6           | 6           | 7           | 7           | 7           | 7           |
| Middle schools                              | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| High schools                                | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| <b>Library</b>                              |             |             |             |             |             |             |             |             |             |             |
| Bookmobiles                                 | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| <b>Electric</b>                             |             |             |             |             |             |             |             |             |             |             |
| Electric lines (miles)                      | 537         | 539         | 540         | 543         | 542         | 567         | 570         | 555         | 557         | 561         |
| Substations                                 | 15          | 15          | 15          | 15          | 15          | 15          | 15          | 17          | 17          | 17          |
| Street lights                               | 5,801       | 5,882       | 6,099       | 6,098       | 6,061       | 6,006       | 6,003       | 6,105       | 6,143       | 6,237       |
| Traffic signals                             | 613         | 619         | 646         | 656         | 676         | 678         | 693         | 694         | 698         | 698         |
| Pedestrians signals                         | 72          | 80          | 80          | 80          | 88          | 88          | 96          | 96          | 96          | 96          |
| <b>Water</b>                                |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)                         | 750         | 760         | 767         | 754         | 753         | 757         | 763         | 771         | 773         | 777         |
| Fire hydrants                               | 2,575       | 2,627       | 2,657       | 2,700       | 2,732       | 2,764       | 2,810       | 2,840       | 2,877       | 2,918       |
| Storage capacity<br>(millions of gal)       | 15,300      | 15,300      | 15,300      | 15,300      | 15,300      | 15,300      | 15,800      | 15,800      | 15,800      | 15,800      |
| <b>Wastewater</b>                           |             |             |             |             |             |             |             |             |             |             |
| Sanitary sewers (miles)                     | 359         | 359         | 360         | 364         | 364         | 365         | 371         | 371         | 376         | 356         |
| Treatment capacity<br>(thousands of gal)    | 21,600      | 21,600      | 21,600      | 21,600      | 21,600      | 21,600      | 21,600      | 21,600      | 21,600      | 21,600      |

Sources: Various city departments and City of Cleveland Utilities Electric, Water and Sewer Divisions.

Notes: No capital asset indicators are available for the general government function.

**OTHER**

## INSURANCE IN FORCE

## ALL FUND TYPES EXCLUDING CLEVELAND UTILITIES

For the Fiscal Year Ended June 30, 2022

| <u>Type of Coverage and<br/>Name of Company</u>   | <u>Policy<br/>Number</u> | <u>Policy<br/>Period</u>    | <u>Details<br/>of Coverage</u>  | <u>Liability<br/>Limits</u>   | <u>Annual<br/>Premium</u> |
|---|--------------------------|-----------------------------|---|-------------------------------|---------------------------|
| Property Building and<br>Contents, Boiler and<br>Machinery, Commercial<br>Crime, Inland Marine.<br>Public Entity Partners | TMP-8187                 | 9/1/2021<br>to<br>8/31/2022 | Buildings, contents,<br>boilers, fired vessels<br>electric steam generators.<br>Theft, disappearance and<br>destruction. Radio, video<br>equipment, mobile equip-<br>ment, police dogs. | \$ 81,796,959                 | \$ 144,034                |
| Comprehensive<br>Liability<br>Public Entity Partners  | TML-026R                 | 7/1/2021<br>to<br>6/30/2022 | General and public<br>officials liability, auto<br>liability, auto physical<br>damage, personal injury.<br>Excess auto physical<br>damage. Airport liability                            | As per<br>schedule            | \$ 458,345                |
| Worker's<br>Compensation<br>Public Entity Partners  | TWC-0187                 | 7/1/2021<br>to<br>6/30/2022 | Job related injuries,<br>employees  | \$ 1,000,000<br>\$ 1,000 ded. | \$ 477,060                |
| Property (School<br>Buildings and Contents,<br>Boiler, Vehicles)<br>Public Entity Partners                                | TNRMT                    | 7/1/2021<br>to<br>6/30/2022 | Property<br>Equipment<br>Liability  | Various                       | \$ 442,494                |
| Worker's<br>Compensation<br>Public Entity Partners  | TNRMT                    | 7/1/2021<br>to<br>6/30/2022 | Job related<br>injuries,<br>employees   | \$ 1,000,000                  | \$ 196,503                |

CITY OF CLEVELAND, TENNESSEE  
INSURANCE IN FORCE  
CLEVELAND UTILITIES  
For the Fiscal Year Ended June 30, 2022

Table 2

Cleveland Utilities - Water and Electric Division

| <u>Insurer</u>                   | <u>Type of Coverage</u>               | <u>Amount<br/>of Coverage</u> |
|----------------------------------|---------------------------------------|-------------------------------|
| Distributors Self Insurance Fund | Worker's compensation                 | Statutory                     |
| DIC/Illinois Union               | Pollution Liability                   | \$ 6,000,000                  |
| Affiliated FM                    | Real property                         | \$ 182,000,000                |
| Hartford                         | Machinery and equipment<br>breakdown  | \$ 50,000,000                 |
| Distributors Insurance Co.       | General liability (primary)           | \$ 1,000,000 (a)              |
| Chubb                            | General liability (excess)            | \$ 1,000,000 (a)              |
| Chubb                            | Auto liability and<br>physical damage | \$ 2,000,000                  |
| Navigators                       | Excess Liability - Primary Layer      | \$ 4,000,000                  |
| Westchester                      | Excess Liability - Excess Layer       | \$ 10,000,000                 |
| Global Aerospace                 | Drone Liability                       | \$ 5,000,000                  |
| Travelers                        | Commercial Crime                      | \$ 1,000,000                  |
| Chubb                            | Management Liability                  | \$ 3,000,000                  |
| Travelers                        | Excess Directors & Officers Liability | \$ 2,000,000                  |
| Chubb                            | Fiduciary Liability                   | \$ 3,000,000                  |
| Travelers                        | Excess Fiduciary Liability            | \$ 2,000,000                  |
| Lloyd's                          | Cyber and Privacy Protection          | \$ 2,000,000                  |

(a) The general liability insurance policies with Distributors Insurance Co. and Chubb are limited to \$250,000 and \$750,000, respectively, per occurrence.

CITY OF CLEVELAND, TENNESSEE  
 CHANGES IN PROPERTY TAXES RECEIVABLE  
 For the Year Ended June 30, 2022

Table 3

| <u>Property Taxes</u> | <u>Balance<br/>7/1/2021</u> | <u>Levies</u>        | <u>Collections &amp;<br/>Adjustments</u> | <u>Balance<br/>6/30/2022</u> |
|-----------------------|-----------------------------|----------------------|--|------------------------------|
| 2021                  | \$ 0                        | \$ 27,267,295        | \$ 26,454,093                            | \$ 813,202                   |
| 2020                  | 825,600                     | 0                    | 552,783                                  | 272,817                      |
| 2019                  | 347,774                     | 0                    | 200,805                                  | 146,969                      |
| 2018                  | 211,945                     | 0                    | 65,693                                   | 146,252                      |
| 2017                  | 171,560                     | 0                    | 49,640                                   | 121,920                      |
| 2016                  | 71,560                      | 0                    | 17,925                                   | 53,635                       |
| 2015                  | 64,812                      | 0                    | 16,338                                   | 48,474                       |
| 2014                  | 58,091                      | 0                    | 2,093                                    | 55,998                       |
| 2013                  | 36,836                      | 0                    | 2,032                                    | 34,804                       |
| 2012                  | 46,202                      | 0                    | 1,601                                    | 44,601                       |
| 2011                  | 23,327                      | 0                    | 23,327                                   | 0                            |
|                       | <u>\$ 1,857,707</u>         | <u>\$ 27,267,295</u> | <u>\$ 27,386,330</u>                     | <u>\$ 1,738,672</u>          |

Note - Property taxes receivable also include the 2022 levy reported as deferred revenue in the amount of \$26,735,554.

CITY OF CLEVELAND, TENNESSEE  
 UNCOLLECTED DELINQUENT PROPERTY TAXES FILED  
 June 30, 2022

Table 4

| Tax<br>Year | Original<br>Amount<br>Filed | Unpaid<br>Balance | Percentage<br>Collected |
|-------------|-----------------------------|-------------------|-------------------------|
| 2012        | \$ 396,806                  | \$ 44,601         | 88.8 %                  |
| 2013        | 335,054                     | 34,804            | 89.6                    |
| 2014        | 427,004                     | 55,998            | 86.9                    |
| 2015        | 340,650                     | 48,474            | 85.8                    |
| 2016        | 311,659                     | 53,635            | 82.8                    |
| 2017        | 512,837                     | 121,920           | 76.2                    |
| 2018        | 540,481                     | 146,252           | 72.9                    |
| 2019        | 469,629                     | 146,969           | 68.7                    |
| 2020        | 288,761                     | 272,817           | 5.5                     |

CITY OF CLEVELAND, TENNESSEE  
 CHANGES IN LONG-TERM DEBT BY ISSUE  
 June 30, 2022

| Description of Indebtedness                                  | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date |
|--|--------------------------------|------------------|---------------------|--------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                               |                                |                  |                     |                          |
| <b><u>BONDS PAYABLE</u></b>                                  |                                |                  |                     |                          |
| <b><u>Payable through the Debt Service Fund:</u></b>         |                                |                  |                     |                          |
| General Obligation, Refunding, Series 2016A                  | 4,587,360                      | 3.14%            | 07/01/16            | 06/01/36                 |
| General Obligation, Series 2018                              | 9,885,000                      | 2 to 5%          | 07/24/18            | 06/01/38                 |
| General Obligation, Refunding, Series 2019                   | 34,780,000                     | 2 to 5%          | 03/26/19            | 12/01/33                 |
| General Obligation, Refunding, Series 2020                   | 27,450,000                     | 2 to 5%          | 11/10/20            | 12/01/38                 |
| General Obligation, Series 2022                              | 19,220,000                     | 3.375 to 5%      | 05/05/22            | 06/01/47                 |
| Total Bonds Payable  |                                |                  |                     |                          |
| <b><u>NOTES PAYABLE</u></b>                                  |                                |                  |                     |                          |
| <b><u>Payable through Debt Service Fund:</u></b>             |                                |                  |                     |                          |
| Public Building Authority Clarksville, TN - TMBF Series 2008 | 1,812,700                      | Variable         | 11/25/08            | 05/25/28                 |
| Motorola equipment loan                                      | 466,457                        | 2.45%            | 12/01/20            | 07/01/24                 |
| Motorola equipment loan                                      | 455,575                        | 2.45%            | 12/01/20            | 07/01/24                 |
| Total Notes Payable through Debt Service Fund                |                                |                  |                     |                          |
| <b><u>Payable through the Sales Tax Fund:</u></b>            |                                |                  |                     |                          |
| Qualified School Construction Loan (QSCB) Series 2009        | 4,160,000                      | 1.15%            | 03/01/10            | 07/01/26                 |
| Energy Efficient Schools Initiative Loan                     | 400,000                        | 1.50%            | 06/01/20            | 08/01/33                 |
| Total Notes Payable through Sales Tax Fund                   |                                |                  |                     |                          |
| Total Notes Payable  |                                |                  |                     |                          |
| <b><u>LEASES PAYABLE</u></b>                                 |                                |                  |                     |                          |
| <b><u>Payable through the School Fund:</u></b>               |                                |                  |                     |                          |
| Computer Leases  | 1,268,341                      | 3.00%            | Various             | Various                  |
| Copiers  | 348,348                        | 3.00%            | Various             | Various                  |
| Total Leases Payable through the School Fund                 |                                |                  |                     |                          |

Table 5

| Outstanding<br>7/1/2021 | Issued<br>During<br>Period | Paid and/or<br>Matured<br>During<br>Period | Refunded<br>During<br>Period | Outstanding<br>6/30/2022 |
|-------------------------|----------------------------|--|------------------------------|--------------------------|
| \$ 3,062,000            | \$ -                       | \$ 343,000                                 | \$ -                         | \$ 2,719,000             |
| 8,770,000               | -                          | 375,000                                    | -                            | 8,395,000                |
| 31,575,000              | -                          | 1,805,000                                  | -                            | 29,770,000               |
| 25,270,000              | -                          | 2,275,000                                  | -                            | 22,995,000               |
| -                       | 19,220,000                 | -  | -                            | 19,220,000               |
| <u>\$ 68,677,000</u>    | <u>\$ 19,220,000</u>       | <u>\$ 4,798,000</u>                        | <u>\$ -</u>                  | <u>\$ 83,099,000</u>     |
| \$ 849,000              | \$ -                       | \$ 104,000                                 | \$ -                         | \$ 745,000               |
| 466,457                 | -                          | 466,457                                    | -                            | -                        |
| -                       | 455,575                    | 102,030                                    | -                            | 353,545                  |
| <u>\$ 1,315,457</u>     | <u>\$ 455,575</u>          | <u>\$ 672,487</u>                          | <u>\$ -</u>                  | <u>\$ 1,098,545</u>      |
| \$ -                    | \$ -                       | \$ -                                       | \$ -                         | \$ -                     |
| 1,326,283               | -                          | 259,577                                    | -                            | 1,066,706                |
| 377,138                 | -                          | 28,476                                     | -                            | 348,662                  |
| <u>\$ 1,703,421</u>     | <u>\$ -</u>                | <u>\$ 288,053</u>                          | <u>\$ -</u>                  | <u>\$ 1,415,368</u>      |
| <u>\$ 3,018,878</u>     | <u>\$ 455,575</u>          | <u>\$ 960,540</u>                          | <u>\$ -</u>                  | <u>\$ 2,513,913</u>      |
| \$ 1,268,341            | \$ -                       | \$ 410,347                                 | \$ -                         | \$ 857,994               |
| 316,114                 | 32,234                     | 99,737                                     | -                            | 248,611                  |
| <u>\$ 1,584,455</u>     | <u>\$ 32,234</u>           | <u>\$ 510,084</u>                          | <u>\$ -</u>                  | <u>\$ 1,106,605</u>      |

CITY OF CLEVELAND, TENNESSEE  
 CHANGES IN LONG-TERM DEBT BY ISSUE  
 June 30, 2022

| Description of Indebtedness                          | Division         | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date |
|--|------------------|--------------------------------|------------------|---------------------|--------------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>                      |                  |                                |                  |                     |                          |
| <b><u>BONDS PAYABLE</u></b>                          |                  |                                |                  |                     |                          |
| <b><u>Payable through the Electric Division:</u></b> |                  |                                |                  |                     |                          |
| General Obligation, Refunding Series 2016B           | Electric         | 885,283                        | 3.14%            | 05/27/16            | 06/01/36                 |
| General Obligation, Series 2018B                     | Electric         | 2,385,000                      | 3 to 5%          | 12/07/18            | 06/01/39                 |
| General Obligation, Refunding Series 2019            | Electric         | 2,510,000                      | 2 to 5%          | 03/26/19            | 06/30/28                 |
| General Obligation, Series 2020                      | Electric         | 1,820,000                      | 2 to 5%          | 11/10/20            | 12/01/40                 |
| General Obligation, Refunding Series 2020            | Electric         | 7,010,000                      | 2 to 5%          | 11/10/20            | 12/01/34                 |
| Total Bonds Payable Electric Division                |                  |                                |                  |                     |                          |
| <b><u>Payable through the Water Division:</u></b>    |                  |                                |                  |                     |                          |
| General Obligation, Series 2016B                     | Water/Wastewater | 6,599,357                      | 3.14%            | 05/27/16            | 06/01/36                 |
| General Obligation, Series 2018B                     | Water            | 3,335,000                      | 3 to 5%          | 12/07/18            | 06/01/39                 |
| General Obligation, Refunding, Series 2019           | Water/Wastewater | 11,360,000                     | 2 to 5%          | 03/26/19            | 06/30/28                 |
| General Obligation, Series 2020                      | Water/Wastewater | 3,630,000                      | 2 to 5%          | 11/10/20            | 12/01/40                 |
| General Obligation, Refunding Series 2020            | Water/Wastewater | 9,965,000                      | 2 to 5%          | 11/10/20            | 12/01/34                 |
| General Obligation, Series 2022                      | Water            | 2,955,000                      | 3.375 to 5%      | 05/05/22            | 06/01/42                 |
| Total Bonds Payable Water Division                   |                  |                                |                  |                     |                          |
| Total Bonds Payable                                  |                  |                                |                  |                     |                          |
| <b><u>NOTES PAYABLE</u></b>                          |                  |                                |                  |                     |                          |
| <b><u>Payable through Electric Division:</u></b>     |                  |                                |                  |                     |                          |
| Volunteer Electric Cooperative                       | Electric         | 223,947                        | 0.00%            | 10/31/18            | 08/01/28                 |
| Volunteer Electric Cooperative                       | Electric         | 1,850,053                      | 0.00%            | 06/30/21            | 08/01/30                 |
| Volunteer Electric Cooperative                       | Electric         | 4,523                          | 0.00%            | 11/30/13            | 08/01/23                 |
| Volunteer Electric Cooperative                       | Electric         | 53,706                         | 0.00%            | 11/30/13            | 08/01/23                 |
| Volunteer Electric Cooperative                       | Electric         | 19,734                         | 0.00%            | 02/01/16            | 08/01/25                 |
| Total Notes Payable Electric Division                |                  |                                |                  |                     |                          |
| <b><u>Payable through Water Division:</u></b>        |                  |                                |                  |                     |                          |
| State Revolving Loans - CWO 13-319                   | Wastewater       | 1,374,972                      | 1.15%            | 12/05/13            | 02/20/37                 |
| State Revolving Loans - CWO 13-320                   | Wastewater       | 8,174,000                      | 1.15%            | 12/05/13            | 06/20/37                 |
| State Revolving Loans - DG2 14-151                   | Water            | 2,000,000                      | 1.50%            | 10/21/14            | 06/01/36                 |
| State Revolving Loans - CG4 15-349                   | Water            | 2,325,000                      | 1.38%            | 02/26/15            | 06/01/36                 |
| State Revolving Loans - DWF 16-172                   | Water            | 3,725,000                      | 1.10%            | 06/09/16            | 06/20/37                 |
| State Revolving Loans - CG3 17-379                   | Water            | 104,897                        | 0.88%            | 01/09/17            | 06/20/37                 |
| State Revolving Loans - DW6 17-192                   | Water            | 800,000                        | 1.60%            | 06/22/17            | 06/20/37                 |
| State Revolving Loans - DWF 17-193                   | Water            | 195,000                        | 1.60%            | 06/22/17            | 06/20/37                 |
| State Revolving Loans - DWF 18-205                   | Water            | 430,000                        | 1.31%            | 01/25/18            | 06/20/38                 |
| State Revolving Loans - CW618-415                    | Wastewater       | 900,000                        | 1.56%            | 06/19/18            | 06/01/38                 |
| State Revolving Loans - SRF 18-416                   | Wastewater       | 730,000                        | 1.56%            | 02/08/19            | 06/01/41                 |
| State Revolving Loans - SRF 18-417                   | Wastewater       | 10,000,000                     | 1.58%            | 03/13/18            | 06/01/41                 |
| State Revolving Loans - SRF CW7 19-431 (1)           | Wastewater       | 1,593,900                      | 1.37%            | 07/10/19            | 06/01/41                 |
| State Revolving Loans - SRF C18-417-01 (2)           | Wastewater       | 10,000,000                     | 0.73%            | 05/06/22            | 06/01/42                 |
| Total Notes Payable Water Division                   |                  |                                |                  |                     |                          |
| Total Notes Payable                                  |                  |                                |                  |                     |                          |
| <b>LEASES PAYABLE</b>                                |                  |                                |                  |                     |                          |
| <b><u>Payable through Electric Division</u></b>      |                  |                                |                  |                     |                          |
| Copiers Leases                                       | Electric         | 50,572                         | 3.00%            | Various             | Various                  |
| Total Leases Payable                                 |                  |                                |                  |                     |                          |

Notes to Schedule

- (1) \$1,506,690, of loan proceeds have not been drawn down at June 30, 2022.
- (2) \$8,511,714, of loan proceeds have not been drawn down at June 30, 2022.

Table 5  
(Continued)

| Outstanding<br>7/1/2021 | Issued<br>During<br>Period | Paid and/or<br>Matured<br>During<br>Period | Refunded<br>During<br>Period | Outstanding<br>6/30/2022 |
|-------------------------|----------------------------|--|------------------------------|--------------------------|
| \$ 710,271              | \$ -                       | \$ 46,721                                  | \$ -                         | \$ 663,550               |
| 2,230,000               | -                          | 85,000                                     | -                            | 2,145,000                |
| 1,650,000               | -                          | 385,000                                    | -                            | 1,265,000                |
| 1,820,000               | -                          | 60,000                                     | -                            | 1,760,000                |
| 6,455,000               | -                          | 485,000                                    | -                            | 5,970,000                |
| <u>\$ 12,865,271</u>    | <u>\$ -</u>                | <u>\$ 1,061,721</u>                        | <u>\$ -</u>                  | <u>\$ 11,803,550</u>     |
| \$ 5,294,729            | \$ -                       | \$ 348,279                                 | \$ -                         | \$ 4,946,450             |
| 3,110,000               | -                          | 120,000                                    | -                            | 2,990,000                |
| 7,930,000               | -                          | 1,915,000                                  | -                            | 6,015,000                |
| 3,630,000               | -                          | 115,000                                    | -                            | 3,515,000                |
| 9,470,000               | -                          | 810,000                                    | -                            | 8,660,000                |
| -                       | 2,955,000                  | -  | -                            | 2,955,000                |
| <u>\$ 29,434,729</u>    | <u>\$ 2,955,000</u>        | <u>\$ 3,308,279</u>                        | <u>\$ -</u>                  | <u>\$ 29,081,450</u>     |
| <u>\$ 42,300,000</u>    | <u>\$ 2,955,000</u>        | <u>\$ 4,370,000</u>                        | <u>\$ -</u>                  | <u>\$ 40,885,000</u>     |
| \$ 179,157              | \$ -                       | \$ 22,395                                  | \$ -                         | \$ 156,762               |
| 1,850,053               | -                          | 185,005                                    | -                            | 1,665,048                |
| 1,357                   | -                          | 452  | -                            | 905                      |
| 16,112                  | -                          | 5,371                                      | -                            | 10,741                   |
| 9,867                   | -                          | 1,973                                      | -                            | 7,894                    |
| <u>\$ 2,056,546</u>     | <u>\$ -</u>                | <u>\$ 215,196</u>                          | <u>\$ -</u>                  | <u>\$ 1,841,350</u>      |
| \$ 1,103,296            | \$ -                       | \$ 64,644                                  | \$ -                         | \$ 1,038,652             |
| 7,247,914               | -                          | 376,068                                    | -                            | 6,871,846                |
| 1,500,558               | -                          | 93,948                                     | -                            | 1,406,610                |
| 1,802,448               | -                          | 108,900                                    | -                            | 1,693,548                |
| 2,395,939               | -                          | 133,800                                    | -                            | 2,262,139                |
| 83,701                  | -                          | 5,004                                      | -                            | 78,697                   |
| 720,990                 | -                          | 35,520                                     | -                            | 685,470                  |
| 175,328                 | -                          | 8,652                                      | -                            | 166,676                  |
| 385,424                 | -                          | 19,524                                     | -                            | 365,900                  |
| 839,059                 | -                          | 38,865                                     | -                            | 800,194                  |
| 491,390                 | -                          | 15,795                                     | -                            | 475,595                  |
| 7,913,979               | 2,086,021                  | 35,456                                     | -                            | 9,964,544                |
| 87,210                  | -                          | -  | -                            | 87,210                   |
| -                       | 1,488,286                  | -  | -                            | 1,488,286                |
| <u>\$ 24,747,236</u>    | <u>\$ 3,574,307</u>        | <u>\$ 936,176</u>                          | <u>\$ -</u>                  | <u>\$ 27,385,367</u>     |
| <u>\$ 26,803,782</u>    | <u>\$ 3,574,307</u>        | <u>\$ 1,151,372</u>                        | <u>\$ -</u>                  | <u>\$ 29,226,717</u>     |
| \$ 50,572               | \$ -                       | \$ 18,486                                  | \$ -                         | \$ 32,086                |
| <u>\$ 50,572</u>        | <u>\$ -</u>                | <u>\$ 18,486</u>                           | <u>\$ -</u>                  | <u>\$ 32,086</u>         |

CITY OF CLEVELAND, TENNESSEE  
 BOND PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES  
 June 30, 2022

| Fiscal<br>Year | 2016A<br>Series     |                   | 2018<br>Series      |                     | 2019<br>Series       |                     |
|----------------|---------------------|-------------------|---------------------|---------------------|----------------------|---------------------|
|                | Principal           | Interest          | Principal           | Interest            | Principal            | Interest            |
| 2023           | \$ 358,000          | \$ 85,377         | \$ 390,000          | \$ 309,437          | \$ 1,835,000         | \$ 1,347,338        |
| 2024           | 363,000             | 74,135            | 400,000             | 297,738             | 1,880,000            | 1,281,987           |
| 2025           | 383,000             | 62,737            | 410,000             | 285,737             | 3,165,000            | 1,155,863           |
| 2026           | 390,000             | 50,711            | 425,000             | 273,438             | 3,265,000            | 995,112             |
| 2027           | 415,000             | 38,465            | 445,000             | 252,187             | 3,755,000            | 819,613             |
| 2028           | 80,000              | 25,434            | 470,000             | 229,938             | 3,735,000            | 632,362             |
| 2029           | 85,000              | 22,922            | 490,000             | 206,437             | 4,205,000            | 433,863             |
| 2030           | 85,000              | 20,253            | 515,000             | 181,938             | 3,990,000            | 228,987             |
| 2031           | 85,000              | 17,584            | 535,000             | 161,337             | 3,195,000            | 77,319              |
| 2032           | 90,000              | 14,915            | 560,000             | 139,938             | 240,000              | 21,500              |
| 2033           | 90,000              | 12,089            | 580,000             | 117,537             | 245,000              | 12,700              |
| 2034           | 95,000              | 9,263             | 595,000             | 100,138             | 260,000              | 3,900               |
| 2035           | 100,000             | 6,280             | 615,000             | 82,287              |                      |                     |
| 2036           | 100,000             | 3,140             | 635,000             | 63,069              |                      |                     |
| 2037           |                     |                   | 655,000             | 43,225              |                      |                     |
| 2038           |                     |                   | 675,000             | 21,937              |                      |                     |
| 2039           |                     |                   |                     |                     |                      |                     |
| 2040           |                     |                   |                     |                     |                      |                     |
| 2041           |                     |                   |                     |                     |                      |                     |
| 2042           |                     |                   |                     |                     |                      |                     |
| 2043           |                     |                   |                     |                     |                      |                     |
| 2044           |                     |                   |                     |                     |                      |                     |
| 2045           |                     |                   |                     |                     |                      |                     |
| 2046           |                     |                   |                     |                     |                      |                     |
| 2047           |                     |                   |                     |                     |                      |                     |
| <b>Total</b>   | <b>\$ 2,719,000</b> | <b>\$ 443,305</b> | <b>\$ 8,395,000</b> | <b>\$ 2,766,318</b> | <b>\$ 29,770,000</b> | <b>\$ 7,010,544</b> |

Table 6

| 2020                 |                     | 2022              |                      | Total                |                      |
|----------------------|---------------------|-------------------|----------------------|----------------------|----------------------|
| Series               |                     | Series            |                      | Principal            | Interest             |
| Principal            | Interest            | Principal         | Interest             |                      |                      |
| \$ 2,410,000         | \$ 890,800          | \$ -              | \$ 852,839           | \$ 4,993,000         | 3,485,791            |
| 2,565,000            | 766,425             | -                 | 795,394              | 5,208,000            | 3,215,679            |
| 1,550,000            | 663,550             | 495,000           | 795,393              | 6,003,000            | 2,963,280            |
| 1,620,000            | 584,300             | 520,000           | 770,644              | 6,220,000            | 2,674,205            |
| 1,645,000            | 502,675             | 545,000           | 744,643              | 6,805,000            | 2,357,583            |
| 1,600,000            | 421,550             | 575,000           | 717,394              | 6,460,000            | 2,026,678            |
| 1,165,000            | 352,425             | 605,000           | 688,643              | 6,550,000            | 1,704,290            |
| 1,225,000            | 292,675             | 635,000           | 658,394              | 6,450,000            | 1,382,247            |
| 1,275,000            | 230,175             | 665,000           | 626,644              | 5,755,000            | 1,113,059            |
| 1,335,000            | 171,600             | 700,000           | 593,394              | 2,925,000            | 941,347              |
| 1,280,000            | 125,700             | 735,000           | 558,394              | 2,930,000            | 826,420              |
| 1,305,000            | 93,450              | 770,000           | 521,644              | 3,025,000            | 728,395              |
| 1,320,000            | 67,200              | 800,000           | 490,844              | 2,835,000            | 646,611              |
| 1,020,000            | 43,800              | 825,000           | 463,844              | 2,580,000            | 573,853              |
| 990,000              | 23,700              | 855,000           | 436,000              | 2,500,000            | 502,925              |
| 690,000              | 6,900               | 885,000           | 406,075              | 2,250,000            | 434,912              |
|                      |                     | 915,000           | 375,100              | 915,000              | 375,100              |
|                      |                     | 945,000           | 343,075              | 945,000              | 343,075              |
|                      |                     | 980,000           | 310,000              | 980,000              | 310,000              |
|                      |                     | 1,020,000         | 270,800              | 1,020,000            | 270,800              |
|                      |                     | 1,060,000         | 230,000              | 1,060,000            | 230,000              |
|                      |                     | 1,105,000         | 187,600              | 1,105,000            | 187,600              |
|                      |                     | 1,150,000         | 143,400              | 1,150,000            | 143,400              |
|                      |                     | 1,195,000         | 97,400               | 1,195,000            | 97,400               |
|                      |                     | 1,240,000         | 49,600               | 1,240,000            | 49,600               |
| <u>\$ 22,995,000</u> | <u>\$ 5,236,925</u> | <u>19,220,000</u> | <u>\$ 12,127,158</u> | <u>\$ 83,099,000</u> | <u>\$ 27,584,250</u> |

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES  
 June 30, 2022

| Fiscal<br>Year | Note Payable - Public Building<br>Authority of Clarksville TN (1)<br>2008 TMBF<br>Series |                |          |                | 2009 QSCB<br>Series |                  | Note Payable - Energy<br>Efficient School Initiative Loan<br>2020<br>Series |                |    |                |    |               |
|----------------|--|----------------|----------|----------------|---------------------|------------------|---|----------------|----|----------------|----|---------------|
|                | Principal  |                | Interest |                | Principal           | Interest         | Principal   | Interest       |    |                |    |               |
|                |  |                |          |                |                     |                  |   |                |    |                |    |               |
| 2023           | \$   | 109,000        | \$       | 37,250         | \$                  | 237,947          | \$  | 67,184         | \$ | 28,908         | \$ | 5,028         |
| 2024           |  | 115,000        |          | 31,800         |                     | 259,578          |   | 67,184         |    | 29,340         |    | 4,596         |
| 2025           |  | 121,000        |          | 26,050         |                     | 259,579          |   | 67,184         |    | 29,784         |    | 4,152         |
| 2026           |  | 127,000        |          | 20,000         |                     | 285,130          |   | 67,184         |    | 30,228         |    | 3,708         |
| 2027           |  | 133,000        |          | 13,650         |                     | 24,472           |   | 6,292          |    | 30,696         |    | 3,240         |
| 2028           |  | 140,000        |          | 7,000          |                     |                  |   |                |    | 31,152         |    | 2,784         |
| 2029           |  |                |          |                |                     |                  |   |                |    | 31,620         |    | 2,316         |
| 2030           |  |                |          |                |                     |                  |   |                |    | 32,100         |    | 1,836         |
| 2031           |  |                |          |                |                     |                  |   |                |    | 32,592         |    | 1,344         |
| 2032           |  |                |          |                |                     |                  |   |                |    | 33,084         |    | 852           |
| 2033           |  |                |          |                |                     |                  |   |                |    | 33,576         |    | 360           |
| 2034           |  |                |          |                |                     |                  |   |                |    | 5,582          |    | 14            |
|                | \$   | <u>745,000</u> | \$       | <u>135,750</u> | \$                  | <u>1,066,706</u> | \$  | <u>275,028</u> | \$ | <u>348,662</u> | \$ | <u>30,230</u> |

(1) Variable rates of 4% have been assumed on the loan through Clarksville, TN.

Table 7

| Note Payable - Motorola<br>Equipment Loan<br>2022<br>Series |                |           |               | Total     |                  |           |                |
|---|----------------|-----------|---------------|-----------|------------------|-----------|----------------|
| Principal   |                | Interest  |               | Principal |                  | Interest  |                |
| \$  | 80,817         | \$        | 21,213        | \$        | 456,672          | \$        | 130,675        |
|   | 85,667         |           | 16,363        |           | 489,585          |           | 119,943        |
|   | 90,806         |           | 11,224        |           | 501,169          |           | 108,610        |
|   | 96,255         |           | 5,775         |           | 538,613          |           | 96,667         |
|   |                |           |               |           | 188,168          |           | 23,182         |
|   |                |           |               |           | 171,152          |           | 9,784          |
|   |                |           |               |           | 31,620           |           | 2,316          |
|   |                |           |               |           | 32,100           |           | 1,836          |
|   |                |           |               |           | 32,592           |           | 1,344          |
|   |                |           |               |           | 33,084           |           | 852            |
|   |                |           |               |           | 33,576           |           | 360            |
|   |                |           |               |           | 5,582            |           | 14             |
| <u>\$</u>   | <u>353,545</u> | <u>\$</u> | <u>54,575</u> | <u>\$</u> | <u>2,513,913</u> | <u>\$</u> | <u>495,583</u> |

CITY OF CLEVELAND, TENNESSEE  
 LEASE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES  
 June 30, 2022

| Fiscal<br>Year | Computers         |                  | Copiers           |                  | Total               |                  |
|----------------|-------------------|------------------|-------------------|------------------|---------------------|------------------|
|                | Principal         | Interest         | Principal         | Interest         | Principal           | Interest         |
| 2023           | \$ 422,657        | \$ 25,740        | \$ 81,046         | \$ 6,296         | \$ 503,703          | \$ 32,036        |
| 2024           | 435,337           | 13,060           | 65,113            | 4,099            | 500,450             | 17,159           |
| 2025           | -                 | -                | 53,220            | 2,343            | 53,220              | 2,343            |
| 2026           | -                 | -                | 44,084            | 775              | 44,084              | 775              |
| 2027           | -                 | -                | 5,148             | 64               | 5,148               | 64               |
| Total          | <u>\$ 857,994</u> | <u>\$ 38,800</u> | <u>\$ 248,611</u> | <u>\$ 13,577</u> | <u>\$ 1,106,605</u> | <u>\$ 52,377</u> |

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CITY OF CLEVELAND, TENNESSEE  
 BOND PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

Electric, Water and Sewer Revenue and Tax Bonds

| Fiscal<br>Year | 2016B Refunding<br>Series |                     | 2018B<br>Series     |                     | 2019 Refunding<br>Series |                   |
|----------------|---------------------------|---------------------|---------------------|---------------------|--------------------------|-------------------|
|                | Principal                 | Interest            | Principal           | Interest            | Principal                | Interest          |
| 2023           | \$410,000                 | \$176,154           | \$215,000           | \$209,950           | \$1,965,000              | \$285,400         |
| 2024           | 430,000                   | 163,280             | 220,000             | 203,500             | 1,405,000                | 230,625           |
| 2025           | 445,000                   | 149,778             | 230,000             | 196,900             | 1,255,000                | 164,125           |
| 2026           | 345,000                   | 135,805             | 235,000             | 190,000             | 980,000                  | 108,250           |
| 2027           | 350,000                   | 124,972             | 245,000             | 178,250             | 905,000                  | 61,125            |
| 2028           | 355,000                   | 113,982             | 260,000             | 166,000             | 770,000                  | 19,250            |
| 2029           | 375,000                   | 102,835             | 270,000             | 153,000             |                          |                   |
| 2030           | 380,000                   | 91,060              | 285,000             | 139,500             |                          |                   |
| 2031           | 405,000                   | 79,128              | 300,000             | 125,250             |                          |                   |
| 2032           | 410,000                   | 66,411              | 310,000             | 113,250             |                          |                   |
| 2033           | 415,000                   | 53,537              | 325,000             | 100,850             |                          |                   |
| 2034           | 420,000                   | 40,506              | 340,000             | 87,850              |                          |                   |
| 2035           | 430,000                   | 27,318              | 350,000             | 74,250              |                          |                   |
| 2036           | 440,000                   | 13,816              | 365,000             | 62,000              |                          |                   |
| 2037           |                           |                     | 380,000             | 47,400              |                          |                   |
| 2038           |                           |                     | 395,000             | 32,200              |                          |                   |
| 2039           |                           |                     | 410,000             | 16,400              |                          |                   |
| 2040           |                           |                     |                     |                     |                          |                   |
| 2041           |                           |                     |                     |                     |                          |                   |
| 2042           |                           |                     |                     |                     |                          |                   |
| <b>Total</b>   | <b>\$ 5,610,000</b>       | <b>\$ 1,338,582</b> | <b>\$ 5,135,000</b> | <b>\$ 2,096,550</b> | <b>\$ 7,280,000</b>      | <b>\$ 868,775</b> |

Table 9

| 2020 Series         |                     | 2021 Refunding Series |                     | 2022 Series         |                     | Total                |                      |
|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Principal           | Interest            | Principal             | Interest            | Principal           | Interest            | Principal            | Interest             |
| \$185,000           | \$172,300           | \$1,325,000           | \$649,525           | \$85,000            | \$134,571           | \$4,185,000          | \$1,627,900          |
| 195,000             | 162,800             | 1,355,000             | 582,525             | 100,000             | 121,256             | 3,705,000            | 1,463,986            |
| 205,000             | 152,800             | 1,375,000             | 514,275             | 100,000             | 116,256             | 3,610,000            | 1,294,134            |
| 215,000             | 142,300             | 1,400,000             | 444,900             | 105,000             | 111,256             | 3,280,000            | 1,132,511            |
| 225,000             | 131,300             | 1,450,000             | 373,650             | 115,000             | 106,006             | 3,290,000            | 975,303              |
| 240,000             | 119,675             | 1,480,000             | 300,400             | 120,000             | 100,256             | 3,225,000            | 819,563              |
| 255,000             | 107,300             | 1,505,000             | 225,775             | 125,000             | 94,256              | 2,530,000            | 683,166              |
| 265,000             | 94,300              | 1,185,000             | 158,525             | 130,000             | 88,006              | 2,245,000            | 571,391              |
| 275,000             | 80,800              | 1,200,000             | 98,900              | 135,000             | 81,506              | 2,315,000            | 465,584              |
| 290,000             | 68,126              | 780,000               | 53,300              | 145,000             | 74,756              | 1,935,000            | 375,843              |
| 295,000             | 57,901              | 620,000               | 28,400              | 150,000             | 67,506              | 1,805,000            | 308,194              |
| 305,000             | 50,425              | 630,000               | 12,800              | 160,000             | 60,006              | 1,855,000            | 251,587              |
| 310,000             | 44,275              | 325,000               | 3,250               | 165,000             | 53,607              | 1,580,000            | 202,700              |
| 320,000             | 37,975              |                       |                     | 170,000             | 48,039              | 1,295,000            | 161,830              |
| 325,000             | 31,524              |                       |                     | 175,000             | 42,300              | 880,000              | 121,224              |
| 330,000             | 24,975              |                       |                     | 180,000             | 36,175              | 905,000              | 93,350               |
| 340,000             | 18,274              |                       |                     | 190,000             | 29,875              | 940,000              | 64,549               |
| 345,000             | 11,210              |                       |                     | 195,000             | 23,225              | 540,000              | 34,435               |
| 355,000             | 3,772               |                       |                     | 200,000             | 16,400              | 555,000              | 20,172               |
|                     |                     |                       |                     | 210,000             | 8,400               | 210,000              | 8,400                |
| <u>\$ 5,275,000</u> | <u>\$ 1,512,032</u> | <u>\$ 14,630,000</u>  | <u>\$ 3,446,225</u> | <u>\$ 2,955,000</u> | <u>\$ 1,413,658</u> | <u>\$ 40,885,000</u> | <u>\$ 10,675,822</u> |

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

| Fiscal<br>Year | State of Tennessee<br>Revolving<br>Loan Fund 13-319 |                  | State of Tennessee<br>Revolving<br>Loan Fund 13-320 |                   | State of Tennessee<br>Revolving<br>Loan Fund DG2 |                   |
|----------------|---|------------------|---|-------------------|--|-------------------|
|                | Principal   | Interest         | Principal   | Interest          | Principal  | Interest          |
|                | 2023  | \$ 65,388        | \$ 11,604   | \$ 380,412        | \$ 77,028  | \$ 95,364         |
| 2024           | 66,144  | 10,848           | 384,816   | 72,624            | 96,804   | 19,008            |
| 2025           | 66,912  | 10,080           | 389,268   | 68,172            | 98,268   | 17,544            |
| 2026           | 67,680  | 9,312            | 393,756   | 63,684            | 99,756   | 16,056            |
| 2027           | 68,472  | 8,520            | 398,316   | 59,124            | 101,256  | 14,556            |
| 2028           | 69,264  | 7,728            | 402,912   | 54,528            | 102,792  | 13,020            |
| 2029           | 70,056  | 6,936            | 407,580   | 49,860            | 104,340  | 11,472            |
| 2030           | 70,872  | 6,120            | 412,296   | 45,144            | 105,912  | 9,900             |
| 2031           | 71,688  | 5,304            | 417,060   | 40,380            | 107,520  | 8,292             |
| 2032           | 72,516  | 4,476            | 421,872   | 35,568            | 109,140  | 6,672             |
| 2033           | 73,356  | 3,636            | 426,756   | 30,684            | 110,784  | 5,028             |
| 2034           | 74,208  | 2,784            | 431,688   | 25,752            | 112,464  | 3,348             |
| 2035           | 75,060  | 1,932            | 436,680   | 20,760            | 114,156  | 1,656             |
| 2036           | 75,936  | 1,056            | 441,720   | 15,720            | 48,054   | 180               |
| 2037           | 51,100  | 223              | 446,832   | 10,608            |  |                   |
| 2038           |   |                  | 451,992   | 5,448             |  |                   |
| 2039           |   |                  | 227,890   | 766               |  |                   |
| 2040           |   |                  |   |                   |  |                   |
| 2041           |   |                  |   |                   |  |                   |
| 2042           |   |                  |   |                   |  |                   |
|                | <u>\$ 1,038,652</u>                                 | <u>\$ 90,559</u> | <u>\$ 6,871,846</u>                                 | <u>\$ 675,850</u> | <u>\$ 1,406,610</u>                              | <u>\$ 147,180</u> |

| State of Tennessee<br>Revolving<br>Loan Fund CG4 15-349 |                   | State of Tennessee<br>Revolving<br>Loan Fund DWF 16-172 |                   | State of Tennessee<br>Revolving<br>Loan Fund CG3 17-379 |                 |
|---|-------------------|---|-------------------|---|-----------------|
| Principal   | Interest          | Principal   | Interest          | Principal   | Interest        |
| \$ 110,412  | \$ 22,680         | \$ 135,300  | \$ 24,420         | \$ 5,052  | \$ 672          |
| 111,948   | 21,144            | 136,812   | 22,908            | 5,100   | 624             |
| 113,508   | 19,584            | 138,336   | 21,384            | 5,136   | 588             |
| 115,080   | 18,012            | 139,872   | 19,848            | 5,184   | 540             |
| 116,676   | 16,416            | 141,432   | 18,288            | 5,232   | 492             |
| 118,296   | 14,796            | 143,016   | 16,704            | 5,280   | 444             |
| 119,940   | 13,152            | 144,612   | 15,108            | 5,328   | 396             |
| 121,608   | 11,484            | 146,220   | 13,500            | 5,376   | 348             |
| 123,300   | 9,792             | 147,852   | 11,868            | 5,424   | 300             |
| 125,016   | 8,076             | 149,508   | 10,212            | 5,472   | 252             |
| 126,744   | 6,348             | 151,176   | 8,544             | 5,520   | 204             |
| 128,508   | 4,584             | 152,856   | 6,864             | 5,568   | 156             |
| 130,296   | 2,796             | 154,560   | 5,160             | 5,616   | 108             |
| 132,216   | 957               | 156,288   | 3,432             | 5,664   | 60              |
|   |                   | 158,028   | 1,692             | 3,745   | 14              |
|   |                   | 66,271  | 184               |   |                 |
| <u>\$ 1,693,548</u>                                     | <u>\$ 169,821</u> | <u>\$ 2,262,139</u>                                     | <u>\$ 200,116</u> | <u>\$ 78,697</u>  | <u>\$ 5,198</u> |

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

| Fiscal<br>Year | State of Tennessee<br>Revolving<br>Loan Fund DW6 17-192 |                  | State of Tennessee<br>Revolving<br>Loan Fund DWF 17-193 |                  | State of Tennessee<br>Revolving<br>Loan Fund DWF 18-205 |                  |
|----------------|---|------------------|---|------------------|---|------------------|
|                | Principal   | Interest         | Principal   | Interest         | Principal   | Interest         |
|                | 2023  | \$ 35,976        | \$ 10,704   | \$ 8,796         | \$ 2,604  | \$ 19,776        |
| 2024           | 36,552  | 10,128           | 8,940   | 2,460            | 20,040  | 4,416            |
| 2025           | 37,140  | 9,540            | 9,084   | 2,316            | 20,304  | 4,152            |
| 2026           | 37,740  | 8,940            | 9,228   | 2,172            | 20,568  | 3,888            |
| 2027           | 38,352  | 8,328            | 9,372   | 2,028            | 20,844  | 3,612            |
| 2028           | 38,964  | 7,716            | 9,528   | 1,872            | 21,120  | 3,336            |
| 2029           | 39,600  | 7,080            | 9,684   | 1,716            | 21,396  | 3,060            |
| 2030           | 40,236  | 6,444            | 9,840   | 1,560            | 21,684  | 2,772            |
| 2031           | 40,884  | 5,796            | 9,996   | 1,404            | 21,960  | 2,496            |
| 2032           | 41,544  | 5,136            | 10,164  | 1,236            | 22,260  | 2,196            |
| 2033           | 42,216  | 4,464            | 10,320  | 1,080            | 22,548  | 1,908            |
| 2034           | 42,888  | 3,792            | 10,488  | 912              | 22,848  | 1,608            |
| 2035           | 43,584  | 3,096            | 10,656  | 744              | 23,148  | 1,308            |
| 2036           | 44,292  | 2,388            | 10,836  | 564              | 23,448  | 1,008            |
| 2037           | 45,000  | 1,680            | 11,004  | 396              | 23,760  | 696              |
| 2038           | 45,732  | 948              | 11,184  | 216              | 24,072  | 384              |
| 2039           | 34,770  | 229              | 7,556   | 43               | 16,124  | 79               |
| 2040           |   |                  |   |                  |   |                  |
| 2041           |   |                  |   |                  |   |                  |
| 2042           |   |                  |   |                  |   |                  |
|                | <u>\$ 685,470</u>                                       | <u>\$ 96,409</u> | <u>\$ 166,676</u>                                       | <u>\$ 23,323</u> | <u>\$ 365,900</u>                                       | <u>\$ 41,599</u> |

Table 10  
(Cont.)

| State of Tennessee<br>Revolving<br>Loan Fund CW6 18-415 (1) |                   | State of Tennessee<br>Revolving<br>Loan Fund DWF 18-416 |                  | State of Tennessee<br>Revolving<br>Loan Fund SRF 18-417 |                     |
|---|-------------------|---|------------------|---|---------------------|
| Principal   | Interest          | Principal   | Interest         | Principal   | Interest            |
| \$ 39,228   | \$ 12,204         | \$ 21,348   | \$ 7,272         | \$ 429,132  | \$ 154,344          |
| 39,840  | 11,592            | 21,684  | 6,936            | 435,960   | 147,516             |
| 40,476  | 10,956            | 22,032  | 6,588            | 442,896   | 140,580             |
| 41,112  | 10,320            | 22,380  | 6,240            | 449,952   | 133,524             |
| 41,748  | 9,684             | 22,728  | 5,892            | 457,116   | 126,360             |
| 42,408  | 9,024             | 23,076  | 5,544            | 464,388   | 119,088             |
| 43,080  | 8,352             | 23,448  | 5,172            | 471,780   | 111,696             |
| 43,752  | 7,680             | 23,820  | 4,800            | 479,280   | 104,196             |
| 44,436  | 6,996             | 24,192  | 4,428            | 486,912   | 96,564              |
| 45,132  | 6,300             | 24,564  | 4,056            | 494,664   | 88,812              |
| 45,840  | 5,592             | 24,960  | 3,660            | 502,536   | 80,940              |
| 46,560  | 4,872             | 25,344  | 3,276            | 510,528   | 72,948              |
| 47,304  | 4,128             | 25,740  | 2,880            | 518,664   | 64,812              |
| 48,036  | 3,396             | 26,148  | 2,472            | 526,908   | 56,568              |
| 48,792  | 2,640             | 26,556  | 2,064            | 535,296   | 48,180              |
| 49,560  | 1,872             | 26,976  | 1,644            | 543,816   | 39,660              |
| 50,340  | 1,092             | 27,396  | 1,224            | 552,468   | 31,008              |
| 42,550  | 303               | 27,828  | 792              | 561,264   | 22,212              |
|   |                   | 28,272  | 348              | 570,192   | 13,284              |
|   |                   | 7,103   | 19               | 530,792   | 4,204               |
| <u>\$ 800,194</u>   | <u>\$ 117,003</u> | <u>\$ 475,595</u>                                       | <u>\$ 75,307</u> | <u>\$ 9,964,544</u>                                     | <u>\$ 1,656,496</u> |

CITY OF CLEVELAND, TENNESSEE  
 NOTE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

| Fiscal<br>Year | State of Tennessee       |                   | State of Tennessee          |                   |
|----------------|--------------------------|-------------------|-----------------------------|-------------------|
|                | Revolving                |                   | Revolving                   |                   |
|                | Loan Fund SRF 19-431 (1) |                   | Loan Fund SRF 18-417-01 (2) |                   |
|                | Principal                | Interest          | Principal                   | Interest          |
| 2023           | \$ 69,756                | \$ 21,396         | \$ 466,092                  | \$ 71,448         |
| 2024           | 70,716                   | 20,436            | 469,512                     | 68,028            |
| 2025           | 71,688                   | 19,464            | 472,944                     | 64,596            |
| 2026           | 72,684                   | 18,468            | 476,412                     | 61,128            |
| 2027           | 73,680                   | 17,472            | 479,904                     | 57,636            |
| 2028           | 74,700                   | 16,452            | 483,420                     | 54,120            |
| 2029           | 75,720                   | 15,432            | 486,960                     | 50,580            |
| 2030           | 76,764                   | 14,388            | 490,524                     | 47,016            |
| 2031           | 77,820                   | 13,332            | 494,112                     | 43,428            |
| 2032           | 78,900                   | 12,252            | 497,736                     | 39,804            |
| 2033           | 79,992                   | 11,160            | 501,384                     | 36,156            |
| 2034           | 81,096                   | 10,056            | 505,056                     | 32,484            |
| 2035           | 82,212                   | 8,940             | 508,752                     | 28,788            |
| 2036           | 83,340                   | 7,812             | 512,484                     | 25,056            |
| 2037           | 84,492                   | 6,660             | 516,240                     | 21,300            |
| 2038           | 85,656                   | 5,496             | 520,020                     | 17,520            |
| 2039           | 86,832                   | 4,320             | 523,824                     | 13,716            |
| 2040           | 88,032                   | 3,120             | 527,664                     | 9,876             |
| 2041           | 89,244                   | 1,908             | 531,528                     | 6,012             |
| 2042           | 90,576                   | 669               | 535,432                     | 2,117             |
|                | <u>\$ 1,593,900</u>      | <u>\$ 229,233</u> | <u>\$ 10,000,000</u>        | <u>\$ 750,809</u> |

(1) \$1,506,690, of loan proceeds have not been drawn down at June 30, 2022.

(2) \$8,511,714, of loan proceeds have not been drawn down at June 30, 2022.

| Volunteer Energy Notes Payable |                      |                           |                             |                          | Total                |                     |
|--------------------------------|----------------------|---------------------------|-----------------------------|--------------------------|----------------------|---------------------|
| Urbane Rd<br>Principal         | Anatole<br>Principal | Michigan Ave<br>Principal | Pleasant Grove<br>Principal | Freewill Rd<br>Principal | Principal            | Interest            |
| \$ 22,395                      | \$ 185,005           | \$ 452                    | \$ 5,371                    | \$ 1,973                 | \$ 2,097,228         | \$ 441,504          |
| 22,395                         | 185,005              | 452                       | 5,371                       | 1,973                    | 2,120,064            | 418,668             |
| 22,395                         | 185,005              |                           |                             | 1,973                    | 2,137,365            | 395,544             |
| 22,395                         | 185,005              |                           |                             | 1,973                    | 2,160,777            | 372,132             |
| 22,395                         | 185,005              |                           |                             |                          | 2,182,528            | 348,408             |
| 22,395                         | 185,005              |                           |                             |                          | 2,206,564            | 324,372             |
| 22,395                         | 185,005              |                           |                             |                          | 2,230,924            | 300,012             |
|                                | 185,006              |                           |                             |                          | 2,233,190            | 275,352             |
|                                | 185,006              |                           |                             |                          | 2,258,162            | 250,380             |
|                                |                      |                           |                             |                          | 2,098,488            | 225,048             |
|                                |                      |                           |                             |                          | 2,124,132            | 199,404             |
|                                |                      |                           |                             |                          | 2,150,100            | 173,436             |
|                                |                      |                           |                             |                          | 2,176,428            | 147,108             |
|                                |                      |                           |                             |                          | 2,135,370            | 120,669             |
|                                |                      |                           |                             |                          | 1,950,845            | 96,153              |
|                                |                      |                           |                             |                          | 1,825,279            | 73,372              |
|                                |                      |                           |                             |                          | 1,527,200            | 52,477              |
|                                |                      |                           |                             |                          | 1,247,338            | 36,303              |
|                                |                      |                           |                             |                          | 1,219,236            | 21,552              |
|                                |                      |                           |                             |                          | 1,163,903            | 7,009               |
| <u>\$ 156,765</u>              | <u>\$ #####</u>      | <u>\$ 904</u>             | <u>\$ 10,742</u>            | <u>\$ 7,892</u>          | <u>\$ 39,245,121</u> | <u>\$ 4,278,903</u> |

CITY OF CLEVELAND, TENNESSEE  
 LEASE PRINCIPAL AND INTEREST  
 REQUIREMENTS BY FISCAL YEAR FOR BUSINESS-TYPE ACTIVITIES  
 June 30, 2022

| Fiscal<br>Year | Copiers          |               | Total            |               |
|----------------|------------------|---------------|------------------|---------------|
|                | Principal        | Interest      | Principal        | Interest      |
|                | 2023             | \$ 19,049     | \$ 702           | \$ 19,049     |
| 2024           | 11,715           | 196           | 11,715           | 196           |
| 2025           | 1,322            | 5             | 1,322            | 5             |
| Total          | <u>\$ 32,086</u> | <u>\$ 903</u> | <u>\$ 32,086</u> | <u>\$ 903</u> |

CITY OF CLEVELAND, TENNESSEE  
INVESTMENTS

Table 12

June 30, 2022

| Description  |       | Cost                 | Fair Value           |
|--|-------|----------------------|----------------------|
| <b>Investment in Certificates of Deposit:</b>          |       |                      |                      |
| First Tennessee Bank                                   | 0.55% | \$ 13,694            | \$ 13,694            |
| First Tennessee Bank                                   | 0.55% | 25,001               | 25,001               |
| First Tennessee Bank                                   | 0.55% | 30,327               | 30,327               |
| First Tennessee Bank                                   | 0.55% | 14,993               | 14,993               |
| First Tennessee Bank                                   | 0.55% | 29,987               | 29,987               |
| First Tennessee Bank                                   | 0.55% | 58,733               | 58,733               |
| First Tennessee Bank                                   | 1.60% | 5,991                | 5,991                |
| First Tennessee Bank                                   | 0.55% | 40,528               | 40,528               |
| Southeast Bank   | 0.31% | 250,583              | 250,583              |
| Total Certificates of Deposit                          |       | <u>\$ 469,837</u>    | <u>\$ 469,837</u>    |
|  |       | 219,254              |                      |
| <b>Investment in Treasury Notes:</b>                   |       |                      |                      |
| US Treasury Bill                                       |       | \$ 5,018,832         | \$ 5,012,382         |
| US Treasury Bill                                       |       | 4,970,828            | 4,973,300            |
| Total US Treasury Notes                                |       | <u>\$ 9,989,660</u>  | <u>\$ 9,985,682</u>  |
| <b>Investment in Local Government Investment Pool:</b> |       |                      |                      |
| State of Tennessee                                     |       | \$ 4,140             | \$ 4,140             |
| Total Local Government Investment Pool                 |       | <u>\$ 4,140</u>      | <u>\$ 4,140</u>      |
| Total Investments                                      |       | <u>\$ 10,463,637</u> | <u>\$ 10,459,659</u> |
| <b>Investments in Fiduciary Fund:</b>                  |       |                      |                      |
| <b>Mutual Funds:</b>                                   |       |                      |                      |
| American Beacon Small Cap Value Fund                   |       | \$ 181,468           | \$ 176,055           |
| Clearbridge International Growth Fund                  |       | 221,069              | 195,209              |
| Federated Total Return Bond Fund                       |       | 187,360              | 165,957              |
| John Hancock Funds III - International Growth Fund     |       | 241,470              | 197,582              |
| Lord Abbett Short Duration Income Fund                 |       | 345,996              | 322,947              |
| MFS Mid Cap Growth Fund                                |       | 95,976               | 86,515               |
| Pimco Global Bond Fund                                 |       | 150,618              | 140,034              |
| T. Rowe Price Emerging Markets Stock Fund              |       | 191,689              | 151,088              |
| The Hartford Small Cap Growth I                        |       | 238,396              | 165,539              |
| Thornburg Limited Term Income Fund                     |       | 376,802              | 351,514              |
| Vanguard Growth Index Fund                             |       | 321,885              | 380,857              |
| Vanguard High Dividend Yield Index Fund                |       | 450,521              | 504,095              |
| Vanguard Mid-Cap Growth Index Fund                     |       | 83,454               | 90,175               |
| Victory Sycamore Established Value I                   |       | 213,468              | 223,348              |
| Total Fiduciary Fund Investments                       |       | <u>\$ 3,300,172</u>  | <u>\$ 3,150,915</u>  |

## TRANSFERS

For the Fiscal Year Ended June 30, 2022

| <u>Transfers In:</u>                              | <u>Transfers Out:</u>                   | <u>Amount</u>        |
|---|---|----------------------|
| Capital Improvement Program Fund                  | General Fund                            | \$ 2,004,718         |
| Community Development Block Grant Fund            | General Fund                            | 30,000               |
| Debt Service Fund                                 | General Fund                            | 6,728,579            |
| Debt Service Fund                                 | School Fund                             | 816,913              |
| Debt Service Fund                                 | State Street Aid Fund                   | 447,836              |
| General Fund                                      | Cleveland Utilities - Electric Division | 2,417,873            |
| General Fund                                      | Cleveland Utilities - Water Division    | 486,260              |
| Library Fund                                      | General Fund                            | 679,900              |
| Metropolitan Transportation Planning Organization | General Fund                            | 89,000               |
| School Fund                                       | General Fund                            | 5,605,300            |
| School Fund                                       | School Federal Projects Fund            | 3,737                |
| Solid Waste Management Fund                       | General Fund                            | <u>850,000</u>       |
|   | Total                                   | <u>\$ 20,160,116</u> |

CITY OF CLEVELAND, TENNESSEE  
 SURETY BONDS OF PRINCIPAL OFFICIALS  
 For the Year Ended June 30, 2022

Table 14

| <u>Name</u>        | <u>Office</u>              | <u>Amount<br/>of Bond</u> |
|--------------------|----------------------------|---------------------------|
| Kevin Brooks       | Mayor                      | \$ 600,000                |
| Avery Johnson, Sr. | Vice Mayor                 | 600,000                   |
| William Estes      | Councilman                 | 0                         |
| Dale Hughes        | Councilman                 | 0                         |
| Tom Cassada        | Councilman                 | 0                         |
| David May, Jr.     | Councilman                 | 0                         |
| Marsha McKenzie    | Councilwoman               | 0                         |
| Ken Webb           | Councilman                 | 0                         |
| Joe Fivas          | City Manager               | 600,000                   |
| Shawn McKay        | Assistant City Manager/CFO | 1,150,000                 |

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF CASH SHORTAGES AND OTHER THEFTS  
 For the Year Ended June 30, 2022

Table 15

| <u>Fiscal<br/>Year<br/>First<br/>Reported</u> | <u>Department</u>                                   | <u>Original<br/>Audit<br/>Finding<br/>Number</u> | <u>Original<br/>Amount of<br/>Shortage</u> | <u>Beginning/<br/>Carry-<br/>Forward<br/>Balance</u> | <u>Current<br/>Year<br/>Shortage</u> | <u>Current<br/>Year<br/>Reductions</u> | <u>End of<br/>Year<br/>Balance</u> |
|---|---|--|--|--|--------------------------------------|--|------------------------------------|
| 1     2020                                    | Information<br>Technology<br>Cleveland<br>Utilities | 2020-001   | \$4,270                                    | \$4,270  | \$0                                  | \$0                                    | \$4,270                            |

Explanation of Cash Shortages

1 Cleveland Utilities conducted an investigation in conjunction with the Cleveland Police Department and the District Attorney General and determined that a former information technology employee misappropriated utilities computer equipment with a value estimated at \$4,270. The former employee denies all charges and the case will go to court.

Disposition: As of June 30, 2022, the reported shortage is subject of the court findings.

**SINGLE AUDIT SECTION**

CITY OF CLEVELAND, TENNESSEE  
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
For the Fiscal Year Ended June 30, 2022

| Federal Grantor/Pass-Through Grantor/Program or Cluster | CFDA<br>Number | State<br>Grant<br>Number |
|---|----------------|--------------------------|
| <b>FEDERAL AWARDS:</b>                                  |                |                          |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                   |                |                          |
| Passed through the TN Department of Education:          |                |                          |
| Child Nutrition Cluster:                                |                |                          |
| School Breakfast Program                                | 10.553 *       | N/A                      |
| Subtotal School Breakfast Program                       | 10.553         |                          |
| National School Lunch Program                           | 10.555 *       | N/A                      |
| National School Lunch Program - Commodity assistance    | 10.555 *       | N/A                      |
| Subtotal School Lunch Program                           | 10.555         |                          |
| Summer Feeding Program                                  | 10.559 *       | N/A                      |
| Subtotal Summer Feeding Program                         | 10.559         |                          |
| Total Child Nutrition Cluster                           |                |                          |
| USDA Fresh Fruits and Vegetables                        | 10.582         | N/A                      |
| COVID 19 -Pandemic EBT Administrative Costs             | 10.649         | N/A                      |
| Total U.S. Department of Agriculture                    |                |                          |
| <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b> |                |                          |
| CDBG Entitlement Grants Cluster:                        |                |                          |
| Community Development Block Grant                       | 14.218 *       | N/A                      |
| COVID 19 -Community Development Block Grant             | 14.218 *       | N/A                      |
| Total CDBG Entitlement Grants Cluster                   |                |                          |
| Passed through the TN Housing Development Agency:       |                |                          |
| HOME Investment Partnership Program                     | 14.239 *       | N/A                      |
| Total U.S. Department of Housing and Urban Development  |                |                          |
| <b>U.S. DEPARTMENT OF JUSTICE</b>                       |                |                          |
| Protective vests  | 16.607         | N/A                      |
| Edward Byrne Memorial Justice Assistance                | 16.738         | N/A                      |
| Total U.S. Department of Justice                        |                |                          |
| <b>U.S. DEPARTMENT OF TRANSPORTATION</b>                |                |                          |
| Passed through the TN Department of Transportation      |                |                          |
| Airport Improvement Programs:                           |                |                          |
| North property development                              | 20.106         | AERO-18230               |
| Cares Act Part 4  | 20.106         | AERO-21183               |
| Subtotal Program 20.106                                 |                |                          |
| Highway Planning and Construction Cluster               |                |                          |
| Transportation Planning                                 | 20.205 *       | Z19MPO004                |
| Intersection Improvement Georgetown Rd                  | 20.205 *       | STP-M-6023               |
| 17th Street Improvements                                | 20.205 *       | STP-M--4472              |
| Gaut Street Sidewalks                                   | 20.205 *       | TAP-9203                 |
| Adkisson Drive Resurfacing & Safety Improvements        | 20.205 *       | STP-M-3660               |
| Paul Huff Parkway Resurfacing & Safety Improvements     | 20.205 *       | STP-M-NA-9203            |
| Total Highway Planning Construction Cluster             |                |                          |

(Continued)

| Accrued<br>(Unearned)<br>Grant Revenues<br>July 1, 2021 | Cash<br>Receipts | Expend-<br>itures | Accrued<br>(Unearned)<br>Grant Revenues<br>June 30, 2022 |
|---|------------------|-------------------|--|
| \$ 0  | \$ 1,196,983     | \$ 1,196,983      | \$ 0   |
| 0   | 1,196,983        | 1,196,983         | 0  |
| \$ 0  | \$ 3,087,636     | \$ 3,087,636      | \$ 0   |
| 0   | 280,259          | 280,259           | 0  |
| \$ 0  | \$ 3,367,895     | \$ 3,367,895      | \$ 0   |
| \$ 0  | \$ 82,992        | \$ 82,992         | \$ 0   |
| 0   | 82,992           | 82,992            | 0  |
| \$ 0  | \$ 4,647,870     | \$ 4,647,870      | \$ 0   |
| 0   | 70,926           | 70,926            | 0  |
| 0   | 5,814            | 5,814             | 0  |
| \$ 0  | \$ 4,724,610     | \$ 4,724,610      | \$ 0   |
| \$ (920)  | \$ 439,116       | \$ 547,265        | \$ (109,069)   |
| (17,250)  | 115,071          | 322,321           | (224,500)  |
| \$ (18,170)   | \$ 554,187       | \$ 869,586        | \$ (333,569)   |
| \$ (22,222)   | \$ 76,194        | \$ 53,972         | \$ 0   |
| \$ (40,392)   | \$ 630,381       | \$ 923,558        | \$ (333,569)   |
| \$ (12,779)   | \$ 12,779        | \$ 2,936          | \$ (2,936)   |
| 0   | 12,821           | 12,821            | 0  |
| \$ (12,779)   | \$ 25,600        | \$ 15,757         | \$ (2,936)   |
| \$ (258,074)  | \$ 265,707       | \$ 18,328         | \$ (10,695)  |
| 0   | 130,536          | 130,536           | 0  |
| \$ (258,074)  | \$ 396,243       | \$ 148,864        | \$ (10,695)  |
| \$ (56,378)   | \$ 79,312        | \$ 133,179        | \$ (110,245)   |
| 0   | 2,294            | 2,294             | 0  |
| (382,578)   | 1,740,664        | 1,910,924         | (552,838)  |
| (972)   | 10,040           | 9,068             | 0  |
| 0   | 256              | 256               | 0  |
| 0   | 262              | 10,387            | (10,125)   |
| \$ (439,928)  | \$ 1,832,828     | \$ 2,066,108      | \$ (673,208)   |

CITY OF CLEVELAND, TENNESSEE  
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
For the Fiscal Year Ended June 30, 2022

| Federal Grantor/Pass-Through Grantor/Program or Cluster          | CFDA<br>Number | State<br>Grant<br>Number |
|--|----------------|--------------------------|
| <b>FEDERAL AWARDS - (Continued):</b>                             |                |                          |
| <b>U.S. DEPARTMENT OF TRANSPORTATION - (Continued)</b>           |                |                          |
| Passed through the TN Department of Transportation - (Continued) |                |                          |
| Highway Safety Cluster   |                |                          |
| Safety Enforcement Grant   | 20.600         | Z22THS060                |
| Subtotal Program 20.600  | 20.600         |                          |
| Total Highway Safety Cluster                                     |                |                          |
| High Visibility Enforcement                                      | 20.607         | Z17THS131                |
| Total U.S. Department of Transportation                          |                |                          |
| <b>U.S. DEPARTMENT OF TREASURY</b>                               |                |                          |
| Passed through State Department of Finance and Administration:   |                |                          |
| COVID 19 - American Rescue Plan Act                              | 21.019 *       | N/A                      |
| Passed through the TN Department of Education:                   |                |                          |
| COVID 19 -LEA Reopening grant                                    | 21.019 *       | N/A                      |
| Subtotal Program 21.019  |                |                          |
| Total U.S. Department of Treasury                                |                |                          |
| <b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>                     |                |                          |
| Passed through the TN State Library and Archives:                |                |                          |
| Technology Grant   | 45.310         | N/A                      |
| Total National Endowment for the Humanities                      |                |                          |
| <b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>                      |                |                          |
| Passed through TN Department of Environment and Conservation:    |                |                          |
| Clean Water State Revolving Fund Cluster:                        |                |                          |
| Grants for Clean Water - State Revolving Loan                    |                |                          |
| - Loan SRF 18-417  | 66.458         | N/A                      |
| - Loan SRF 18-417-01   | 66.458         | N/A                      |
| Total Clean Water State Revolving Fund Cluster                   |                |                          |
| Total U.S. Environmental Protection Agency                       |                |                          |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                              |                |                          |
| Passed through the TN Department of Education:                   |                |                          |
| Special Education Cluster:                                       |                |                          |
| Special Education - Grants to States                             | 84.027 *       | N/A                      |
| Subtotal Special Education - Grants to States                    | 84.027         |                          |
| Special Education - Preschool Grants                             | 84.173 *       | N/A                      |
| Subtotal Special Education - Preschool Grants                    | 84.173         |                          |
| Total Special Education Cluster                                  |                |                          |
| Title I Grant to Local Educational Agencies                      | 84.010         | N/A                      |
| Vocational Improvement   | 84.048         | N/A                      |
| English Language Acquisition Enhancement Title III               | 84.365         | N/A                      |
| Teacher and Principal Training & Recruiting Title II-A           | 84.367         | N/A                      |
| Title IV Student Support and Academic Achievement Grants         | 84.424         | N/A                      |

(Continued)

| Accrued<br>(Unearned)<br>Grant Revenues<br>July 1, 2021 | Cash<br>Receipts | Expend-<br>itures | Accrued<br>(Unearned)<br>Grant Revenues<br>June 30, 2022 |
|---|------------------|-------------------|--|
| \$ 0  | \$ 9,628         | \$ 21,996         | \$ (12,368)  |
| \$ 0  | \$ 9,628         | \$ 21,996         | \$ (12,368)  |
| \$ 0  | \$ 9,628         | \$ 21,996         | \$ (12,368)  |
| \$ 0  | \$ 23,941        | \$ 23,941         | \$ 0   |
| \$ (698,002)  | \$ 2,262,640     | \$ 2,260,909      | \$ (696,271)   |
|   |                  |                   |  |
| \$ 0  | \$ 4,656,500     | \$ 1,604,044      | \$ 3,052,456   |
| 15,256  | 0                | 15,256            | 0  |
| \$ 15,256   | \$ 4,656,500     | \$ 1,619,300      | \$ 3,052,456   |
| \$ 15,256   | \$ 4,656,500     | \$ 1,619,300      | \$ 3,052,456   |
|   |                  |                   |  |
| \$ 0  | \$ 31,037        | \$ 31,037         | \$ 0   |
| \$ 0  | \$ 31,037        | \$ 31,037         | \$ 0   |
|   |                  |                   |  |
| \$ 0  | \$ 2,086,021     | \$ 2,086,021      | \$ 0   |
| 0   | 1,488,286        | 1,488,286         | 0  |
| \$ 0  | \$ 3,574,307     | \$ 3,574,307      | \$ 0   |
| \$ 0  | \$ 3,574,307     | \$ 3,574,307      | \$ 0   |
|   |                  |                   |  |
| \$ (7,182)  | \$ 1,247,266     | \$ 1,625,597      | \$ (385,513)   |
| \$ (7,182)  | \$ 1,247,266     | \$ 1,625,597      | \$ (385,513)   |
| 0   | 43,939           | 57,784            | (13,845)   |
| \$ 0  | \$ 43,939        | \$ 57,784         | \$ (13,845)  |
| \$ (7,182)  | \$ 1,291,205     | \$ 1,683,381      | \$ (399,358)   |
| \$ (42,999)   | \$ 1,422,841     | \$ 1,731,145      | \$ (351,303)   |
| (8,511)   | 136,977          | 144,766           | (16,300)   |
| (4,060)   | 83,878           | 86,874            | (7,056)  |
| 0   | 84,597           | 107,176           | (22,579)   |
| (18,666)  | 72,524           | 53,858            | 0  |

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
 For the Fiscal Year Ended June 30, 2022

| Federal Grantor/Pass-Through Grantor/Program or Cluster                       | CFDA<br>Number | State<br>Grant<br>Number |
|---|----------------|--------------------------|
| <b>FEDERAL AWARDS - (Continued):</b>  |                |                          |
| <b>U.S. DEPARTMENT OF EDUCATION - (Continued)</b>                             |                |                          |
| Passed through the TN Department of Education - (Continued)                   |                |                          |
| COVID 19 - Education Stabilization Fund Program - Civic Seal Grant            | 84.425C *      | N/A                      |
| COVID 19 - Education Stabilization Fund Program - ESSER I                     | 84.425D *      | N/A                      |
| COVID 19 - Education Stabilization Fund Program - ESSER II                    | 84.425D *      | N/A                      |
| COVID 19 - Education Stabilization Fund Program - ESSER III                   | 84.425D *      | N/A                      |
| COVID 19 - Education Stabilization Fund Program - Planning Grant              | 84.425D *      | N/A                      |
| COVID 19 - Education Stabilization Fund Program - Best for All District Grant | 84.425D *      | N/A                      |
| COVID 19 - Education Stabilization Fund Program - TN All Corps Grant          | 84.425D *      | N/A                      |
| Subtotal Program 84.425   |                |                          |
| Total U.S. Department of Education  |                |                          |
| <br><b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                       |                |                          |
| Passed Through Tennessee Department<br>of Education:                          |                |                          |
| COVID 19 - Epidemiology and Laboratory Capacity Grant                         | 93.323 *       | N/A                      |
| Total U.S. Department of Health and Human Services                            |                |                          |
| <br><b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>                               |                |                          |
| Passed Through Tennessee Emergency<br>Management Agency:                      |                |                          |
| Disaster Grant - Public Assistance  | 97.036         | N/A                      |
| Total Disaster Grant - Public assistance                                      | 97.036         | N/A                      |
| Total U.S. Department of Homeland Security                                    |                |                          |
| <br><b>TOTAL FEDERAL AWARDS</b>   |                |                          |

(Continued)

| <u>Accrued<br/>(Unearned)<br/>Grant Revenues<br/>July 1, 2021</u> | <u>Cash<br/>Receipts</u> | <u>Expend-<br/>itures</u> | <u>Accrued<br/>(Unearned)<br/>Grant Revenues<br/>June 30, 2022</u> |
|---|--------------------------|---------------------------|--|
| \$ 0  | \$ 2,972                 | \$ 6,320                  | \$ (3,348)   |
| (26,223)  | 247,990                  | 349,325                   | (127,558)  |
| (2,861,965)   | 4,472,819                | 1,622,725                 | (11,871)   |
| 0   | 1,630,334                | 2,140,229                 | (509,895)  |
| 0   | 36,499                   | 59,210                    | (22,711)   |
| 0   | 250,000                  | 250,000                   | 0  |
| 0   | 257,490                  | 257,490                   | 0  |
| <u>\$ (2,888,188)</u>   | <u>\$ 6,898,104</u>      | <u>\$ 4,685,299</u>       | <u>\$ (675,383)</u>  |
| <u>\$ (2,969,606)</u>   | <u>\$ 9,990,126</u>      | <u>\$ 8,492,499</u>       | <u>\$ (1,471,979)</u>  |
| <br>  |                          |                           |  |
| <u>\$ 0</u>   | <u>\$ 490,892</u>        | <u>\$ 850,431</u>         | <u>\$ (359,539)</u>  |
| <u>\$ 0</u>   | <u>\$ 490,892</u>        | <u>\$ 850,431</u>         | <u>\$ (359,539)</u>  |
| <br>  |                          |                           |  |
| <u>\$ 0</u>   | <u>\$ 480,740</u>        | <u>\$ 480,740</u>         | <u>\$ 0</u>  |
| <u>\$ 0</u>   | <u>\$ 480,740</u>        | <u>\$ 480,740</u>         | <u>\$ 0</u>  |
| <u>\$ 0</u>   | <u>\$ 480,740</u>        | <u>\$ 480,740</u>         | <u>\$ 0</u>  |
| <br>  |                          |                           |  |
| <u>\$ (3,705,523)</u>   | <u>\$ 26,866,833</u>     | <u>\$ 22,973,148</u>      | <u>\$ 188,162</u>  |

CITY OF CLEVELAND, TENNESSEE  
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE ACTIVITY  
For the Fiscal Year Ended June 30, 2022

| Federal Grantor/Pass-Through Grantor/Program or Cluster                     | CFDA<br>Number | State<br>Grant<br>Number |
|---|----------------|--------------------------|
| <b>STATE AWARDS</b>   |                |                          |
| TN Department of Finance and Administration:<br>Direct Appropriations Grant | NA             | N/A                      |
| TN Department of Agriculture:<br>Community Tree Planting Project            | N/A            | 2522                     |
| TN Department of Education:<br>Safe Schools Act                             | N/A            | N/A                      |
| Coordinated School Health   | N/A            | N/A                      |
| School Resource Officer Grant   | N/A            | N/A                      |
| Learning camps  | N/A            | N/A                      |
| TN Department of Health and Human Services<br>Child Safety Grant            | N/A            | N/A                      |
| Diabetes Initiative   | NA             | Z-19195593               |
| TN Department of Transportation:<br>Jetport - Airport maintenance           | N/A            | AERM-22106000            |
| Jetport - North property development (State Portion)                        | N/A            | AERO-18215               |
| Jetport - 700' Runway Extension Const.                                      | N/A            | AERO-17224               |
| Local Interstate Connector, Stone Lake Road                                 | N/A            | 113131                   |
| Multi-Modal Access Grant  | N/A            | 140160                   |
| Georgetown & Peerless   | N/A            | 06LPLM-S0-076            |

**TOTAL STATE AWARDS**

**TOTAL FEDERAL AND STATE AWARDS**

\*Denotes major programs

Note 1: Expenditures under the U.S. Department of Agriculture Commodity Assistance grant received by the Board of Education represent receipts and expenditures of noncash commodities as value based on equivalent purchased product.

Note 2: Basis of presentation: The accompanying Schedule of Federal and State Financial Assistance includes federal and state award activity of the City of Cleveland, Tennessee under programs of the federal and state government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note 3: Summary of Significant Accounting Policies: The accompanying Schedule of Federal and State Financial Assistance reports cash receipts when received and expenditures when incurred. Bracketed amounts represent grant revenues receivable from the grantor. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 4: The City did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(Continued)

| <u>Accrued<br/>(Unearned)<br/>Grant Revenues<br/>July 1, 2021</u> | <u>Cash<br/>Receipts</u> | <u>Expend-<br/>itures</u> | <u>Accrued<br/>(Unearned)<br/>Grant Revenues<br/>June 30, 2022</u> |
|---|--------------------------|---------------------------|--|
| \$ 0  | \$ 512851                | \$ 512851                 | \$ 0   |
| (6,372)   | 6,372                    | 3,920                     | (3,920)  |
| (92,725)  | 116,225                  | 116,119                   | (92,619)   |
| (41,278)  | 114,825                  | 123,008                   | (49,461)   |
| 0   | 35,000                   | 35,000                    | 0  |
| (506,732)   | 554,001                  | 661,770                   | (614,501)  |
| 0   | 4,392                    | 4,392                     | 0  |
| (63,658)  | 203,351                  | 182,000                   | (42,307)   |
| 0   | 15,000                   | 15,000                    | 0  |
| (266,902)   | 275,862                  | 17,807                    | (8,847)  |
| 0   | 3,140                    | 3,140                     | 0  |
| 0   | 35,133                   | 317,607                   | (282,474)  |
| (15,389)  | 604,131                  | 766,302                   | (177,560)  |
| 0   | 50,502                   | 50,502                    | 0  |
| <u>\$ (993,056)</u>   | <u>\$ 2,530,785</u>      | <u>\$ 2,809,418</u>       | <u>\$ (1,271,689)</u>  |
| <u>\$ (4,698,579)</u>   | <u>\$ 29,397,618</u>     | <u>\$ 25,782,566</u>      | <u>\$ (1,083,527)</u>  |

/

**WEDGEWOOD ACCOUNTING, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM B. KIRKSEY, CPA  
MARK A. LAY, CPA  
SCOTT D. HALL, CPA  
ANGELA KEY RITCHEY, CPA  
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MEMBERS  
AMERICAN INSTITUTE OF  
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TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Council  
of the City of Cleveland  
Cleveland, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cleveland, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Cleveland, Tennessee's basic financial statements and have issued our report thereon dated January 20, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Cleveland, Tennessee's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Cleveland, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cleveland, Tennessee's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items that we consider to be significant deficiencies: 2022-001.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Cleveland, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

## **City of Cleveland, Tennessee's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Cleveland, Tennessee's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Cleveland, Tennessee's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wedgewood Accounting, PLLC*

WEDGEWOOD ACCOUNTING, PLLC  
Certified Public Accountants

January 20, 2023

**WEDGEWOOD ACCOUNTING, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Honorable Mayor and Council  
of the City of Cleveland  
Cleveland, Tennessee

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Cleveland, Tennessee's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Cleveland, Tennessee's major federal programs for the year ended June 30, 2022. The City of Cleveland, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Cleveland, Tennessee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Cleveland, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Cleveland, Tennessee's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Cleveland, Tennessee's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Cleveland, Tennessee's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Cleveland, Tennessee's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Cleveland, Tennessee's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Cleveland, Tennessee's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Cleveland, Tennessee's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Cleveland, Tennessee's basic financial statements. We issued our report thereon dated January 20, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*WedgeWood Accounting, PLLC*

WEDGEWOOD ACCOUNTING, PLLC  
Certified Public Accountants

January 20, 2023

CITY OF CLEVELAND, TENNESSEE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2022

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the City of Cleveland, Tennessee.
2. The audit of the financial statements of the City of Cleveland, Tennessee, disclosed one significant deficiencies in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that was material to the financial statements.
4. No significant deficiencies relating to the audit of the major federal award programs were reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that were required to be reported in accordance with 2 CFR 200.516(a).
7. The programs tested as major programs included:

|  | CFDA#      |
|--|------------|
| <b>Child Nutrition Cluster:</b>                      |            |
| School Breakfast Program                             | 10.553     |
| National School Lunch Program                        | 10.555     |
| Summer Feed Program                                  | 10.559     |
| <br>   |            |
| <b>CDBG Entitlement Grants Cluster</b>               | 14.218     |
| <br>HOME Investment Partnership Program              | <br>14.239 |
| <br>   |            |
| <b>Highway Planning and Construction Cluster</b>     | 20.205     |
| <br>COVID 19 - Recovery Grants                       | <br>21.019 |
| <br>   |            |
| <b>Special Education Cluster:</b>                    |            |
| Special Education - Grants to States                 | 84.027     |
| Special Education - Preschool Grants                 | 84.173     |
| <br>Elementary and Secondary School Emergency Relief | <br>84.425 |
| <br>COVID 19 - Epidemiology and Laboratory Capacity  | <br>93.323 |

- 8 The threshold for distinguishing Types A and B programs was \$750,000.
- 9 The City of Cleveland, Tennessee, was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2022-001 Budget Violation

Condition: In the School Food Service Fund actual expenditures exceeded budgeted by \$280,830.

|                          | <u>Budget</u> | <u>Actual</u> |
|--------------------------|---------------|---------------|
| School Food Service Fund | 3,235,712     | 3,516,542     |

Criteria: Fund expenditures cannot exceed amounts budgeted by the government.

Effect: Unauthorized expenditures were incurred by the government.

Recommendation: Management should take steps to make sure that actual expenditures do not exceed budgeted amounts.

Response: Management realized before year end that actual expenditures were going to exceed budgeted amounts, but was not able to process budget amendments before year end. Steps will be taken in the future to ensure that actual expenditures do not exceed budgeted amounts.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

CITY OF CLEVELAND, TENNESSEE  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2022

A. FINANCIAL STATEMENT AUDIT

Finding 2021-001 was repeated in the current year finding 2022-001.

B. MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 2021-002 was not repeated for the current year. Timesheets were maintained to support billing for employee salaries in the MPO fund.

Finding 2021-003 was not repeated for the current year. Contracts were updated to include the proper wording.

# City of Cleveland

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## CORRECTIVE ACTION PLAN

### FINANCIAL STATEMENT FINDINGS:

#### SIGNIFICANT DEFICIENCIES

##### 2022-001 Budget Violation

Condition: In the School Food Service Fund actual expenditures exceeded budgeted expenditures.

|                          | <u>Budget</u> | <u>Actual</u> |
|--------------------------|---------------|---------------|
| School Food Service Fund | 3,235,712     | 3,516,542     |

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Response: Management realized before year end that actual expenditures were going to exceed budgeted amounts, but was not able to process budget amendments before year end. Steps will be taken in the future to ensure that actual expenditures do not exceed budgeted amounts.

Name of Contact Person: Shawn McKay, Assistant City Manager/CFO  
Anticipated Completion Date: Immediate

Respectfully submitted,

Shawn McKay, Assistant City Manager/CFO  
City of Cleveland, Tennessee