

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR
ENDED JUNE 30, 2024

CLEVELAND

TENNESSEE



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CITY OF CLEVELAND, TENNESSEE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Prepared by: City of Cleveland Finance Department



CERTIFIED PUBLIC ACCOUNTANTS

CITY OF CLEVELAND, TENNESSEE

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INTRODUCTORY SECTION

City of Cleveland

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



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

March 10, 2025

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, 2024.

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 Henderson, Hutcherson & McCullough, 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, 2024, 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, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY OF CLEVELAND

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

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

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

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

The annual budget serves as the foundation for the City of Cleveland's financial planning and control. All departments of the city are required to submit capital requests by December 31st and operating budget requests to the chief financial officer by March 1st each year. The chief financial officer makes revenue estimates for the upcoming fiscal year. A budget work session is held in late March or early April, at which time department heads and the city manager make presentations to the council. The chief financial officer and city manager provide projections for the current fiscal year's budget and the coming year's proposed operating budget for council review. In addition, the city manager presents the council with his recommendation for a six-year capital improvements program based upon the strategic planning session in January held by the city council, city manager, and department heads. After much review and debate among the council, the budget is revised to include any recommendations of the city council. A proposed budget is submitted to the city council by the second council meeting in May. The council is required to hold public hearings on the proposed budget and to adopt a final budget and tax rate by June 30th each year, which is the close of the city's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Departmental budget officers, with approval of the department head and finance director, may make transfers of appropriations within a department. However, transfers of appropriations between funds require approval of the city council. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages A-9 through A-31 as part of the basic financial statements for the governmental funds. The school fund comparison is presented on pages A-32 through A-43. For nonmajor governmental funds, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page D-1.

Factors Affecting Financial Condition

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

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

- The Tennessee Department of Economic and Community Development announced that Cleveland/Bradley County led all other Tennessee Counties with job creation with 2,067 new jobs created by new and existing companies.

- Wind River Built, LLC completed its \$14.5 million manufacturing facility located on Old Chattanooga Pike. A manufacturer of luxury tiny homes, the company has sales and distribution in 30 states and employees 120.
- Empire Distributors, a beer, wine and spirits distributor, completed construction of a 175,000 square foot warehouse located on Cherokee Gateway Blvd. The \$30 million investment will create 90 new jobs.
- SK Food Group, a custom food manufacturing company, began operations of a \$232 million manufacturing facility located in the Spring Branch Industrial Park. The facility employs 840.
- Linde, a leading global industrial gases and engineering company, completed a \$70 million air separation unit (ASU) located in the Charleston Industrial Park. The facility produces liquid oxygen, nitrogen and argon, serving customers in Tennessee, Alabama and Georgia.
- Kroger opened a \$40 million pharmacy distribution center at its Peytons distribution facility, adding 140 employees.
- Amaero International opened its \$55 million facility in Spring Branch Industrial Park and will employ 105. Strategically located between the Huntsville Space Center and Oak Ridge National Laboratory, the company provides advanced materials to the defense, space and aerospace industries.
- The municipal boundary of Cleveland continues to grow with annexations totaling over 750 housing units and five commercial developments.
- *USA Today* ranked Cleveland as the third best city in Tennessee to live in, behind Johnson City and Kingsport and ahead of Knoxville and Chattanooga.
- Various commercial developments valued at \$159.9 million have begun during FY2024. This compares to \$107.4 million in FY2023. New residential development totaled \$124.3 million compared to \$61.8 million for FY2023.

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

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

The Mayor Tom Rowland Interchange officially opened connecting Cherokee Gateway to APD 40 and Interstate 75. Retail development is expected on approximately 370 acres along this corridor. The City anticipates 2,200 jobs will be created by this development with a payroll of \$60 million. The City is developing preliminary plans to connect the interchange with state route 312.

Financial Policies

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023.

This was the thirty-ninth consecutive year that the city has received this prestigious award. 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, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF CLEVELAND, TENNESSEE

ANNUAL COMPREHENSIVE FINANCIAL REPORT CITY OFFICIALS

June 30, 2024

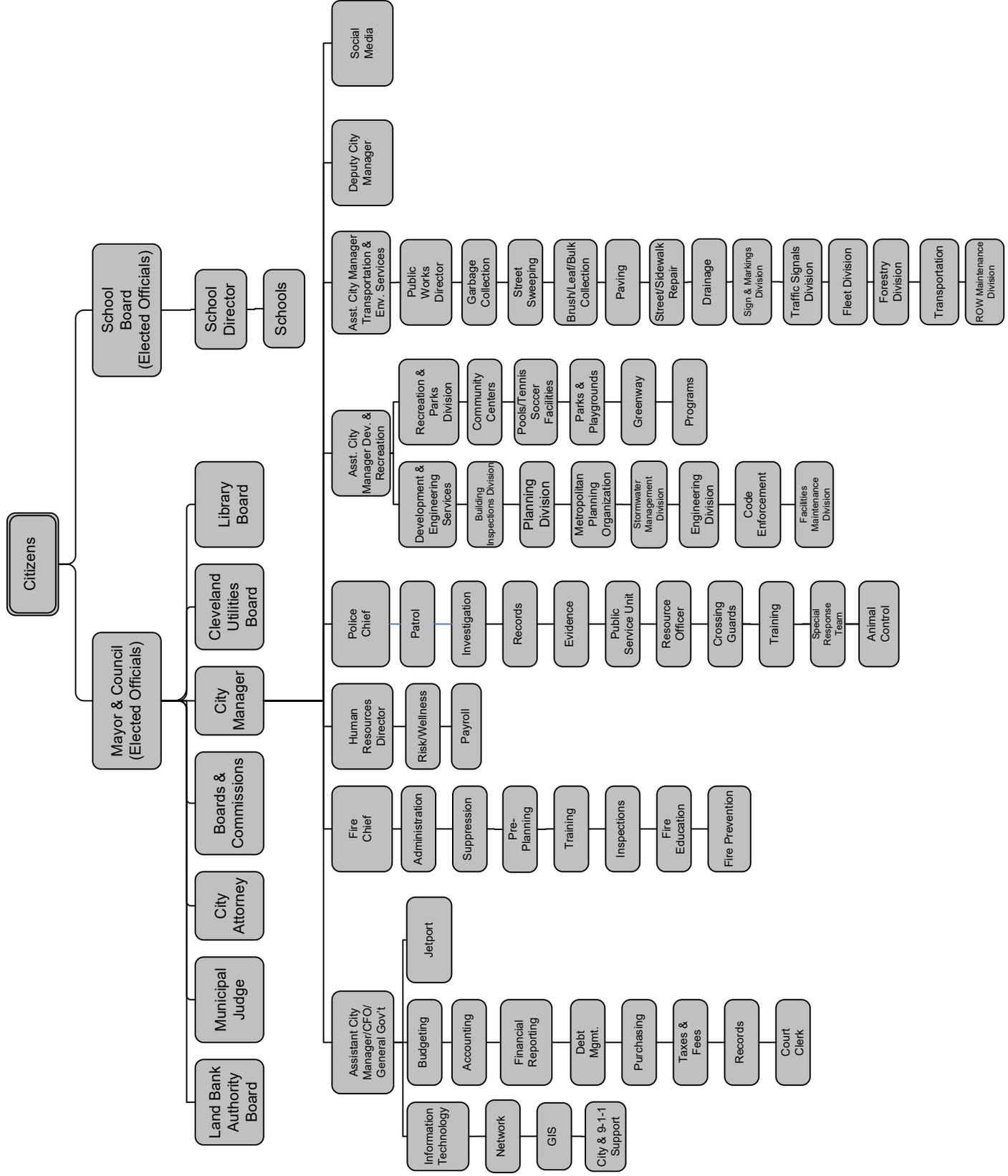
City Officials:

<i>Mayor:</i>	Kevin Brooks
<i>City Council:</i>	Avery Johnson, Sr., Vice Mayor (at large) Ken Webb, (at large) Marsha McKenzie, District 1 William Estes, District 2 Tom Cassada, District 3 David May, Jr., District 4 Dale Hughes, District 5
<i>City Attorney:</i>	John F. Kimball
<i>City Judge:</i>	Richard Banks
<i>City Manager:</i>	Joe Fivas
<i>Asst. City Manager/CFO/ General Government:</i>	Shawn McKay
<i>Asst. City Manager Development & Recreation:</i>	Jonathan Jobe
<i>Asst. City Manager Transportation & Environmental Services:</i>	Tommy Myers

Department Heads:

<i>Fire Chief:</i>	Chris Bates
<i>Human Resource Director:</i>	Kimberly Miller
<i>Information Technology Director:</i>	Kris Miller
<i>Library Director:</i>	Keisha Parks
<i>Parks & Recreation Director:</i>	Patti Petitt
<i>Police Chief:</i>	Mark Gibson
<i>Jetport Director:</i>	Zachary Colescott
<i>Cleveland Utilities General Manager:</i>	Tim Henderson
<i>Director of Schools:</i>	Kelly Kiser (Interim)

City of Cleveland Organizational Chart



FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparisons for the general fund, school fund and capital improvement program fund, and the aggregate remaining fund information of the City of Cleveland, Tennessee (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited each fiduciary fund type of the City as of and for the year ended June 30, 2024, as displayed in the City's basic financial statements.

In our opinion, the accompanying financial statements 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, as well as each fiduciary fund type of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, school fund and capital improvement program fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Cleveland City Schools Internal School Funds (Governmental) Funds, which represent 0 percent, 1 percent, and 1 percent, respectively, of the assets and deferred outflows, net position, and operating revenues of the governmental activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Cleveland City Schools Internal School Funds (Governmental) Funds, is based solely on the report of the other auditors.

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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's 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'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'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'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 5 through 15 of the Financial Section and the required supplementary information on pages B-1 through B-12 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's basic financial statements. The combining and individual nonmajor fund financial statements, the budgetary comparison schedules included as other supplementary information, financial schedules and schedule of expenditures of federal and state awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) 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 were derived from and relate 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 by us and other auditors. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2025 on our consideration of the City'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cleveland, Tennessee
March 10, 2025

Henderson Hutcherson
& McCullough, PLLC

Management's Discussion and Analysis

As management of the City of Cleveland (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i–vi of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at June 30, 2024, by \$247,451,015 (net position).
- Net position (defined as the difference in revenues and expenses) increased by \$18,522,237. The City's changes in net position is detailed in the chart on page nine of this report. Total revenues decreased \$133,948,608 and expenses decreased \$111,166,785 primarily due to the change in financial reporting entity with Cleveland Utilities.
- 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 \$14.25 per month.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$123,325,477.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$49,652,400. Expenditures do not include transfers to other funds, which totaled \$14,980,789 in the City's general fund.
- Long-term debt for governmental activities decreased approximately \$6,099,312. Long-term debt for business-type activities went to zero due to the change in financial reporting entity with Cleveland Utilities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the City's basic financial statements. The City'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's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City'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 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 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 include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the Stormwater Management Fund.

The government-wide financial statements include not only the City itself (which is the primary government) but also the operations of the Cleveland City Schools and Cleveland Public Library 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 and accordingly are excluded from this report.

The government-wide financial statements can be found on pages A-1 to A-3 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, 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 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City 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 C-1.

The City 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 A-4 to A-45 of this report.

Proprietary funds. The City 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 uses enterprise funds to account for its Stormwater Management Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its health insurance medical claims and administrative costs. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail..

The basic proprietary fund financial statements can be found on pages A-46 to A-49 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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. The Other Post-Employment 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 A-50 to A-51 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 A-52 to A-101 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's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages B-1 to B-12 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 C-1 to C-4 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, assets and deferred outflows exceeded liabilities and deferred inflows by \$247,451,015 at the close of this fiscal year.

The largest portion of the City'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 uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City'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</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Current assets	\$178,914,552	\$163,061,094	\$4,630,925	\$68,639,789	\$183,545,477	\$231,700,883
Noncurrent assets	8,800,954	8,763,107	-	2,871,865	8,800,954	11,634,972
Deferred charges	-	-	-	-	-	-
Capital assets	<u>244,130,842</u>	<u>238,290,018</u>	<u>4,274,315</u>	<u>246,966,130</u>	<u>248,405,157</u>	<u>485,256,148</u>
Total assets	431,846,348	410,114,219	8,905,240	319,477,784	440,751,588	728,592,003
Total deferred outflows of resources	33,174,539	29,707,239	137,061	15,375,953	33,311,600	45,083,192
Long-term liabilities outstanding	143,387,807	138,014,014	437,844	94,644,910	143,825,651	232,658,924
Other liabilities	<u>18,843,773</u>	<u>14,138,360</u>	<u>160,775</u>	<u>23,677,020</u>	<u>19,004,548</u>	<u>37,815,380</u>
Total liabilities	162,231,580	152,152,374	598,619	118,321,930	162,830,199	270,474,304
Total deferred inflows of Resources	63,575,049	65,622,735	206,925	3,242,487	63,781,974	68,865,222
Net position:						
Net investment in capital assets	163,749,400	167,896,176	4,274,315	175,637,397	168,023,715	343,533,573
Restricted	43,797,110	34,895,908	-	-	43,797,110	34,895,908
Unrestricted	<u>31,667,748</u>	<u>19,254,265</u>	<u>3,962,442</u>	<u>36,651,923</u>	<u>35,630,190</u>	<u>55,906,188</u>
Total net position	<u>\$239,214,258</u>	<u>\$222,046,349</u>	<u>\$8,236,757</u>	<u>\$212,289,320</u>	<u>\$247,451,015</u>	<u>\$434,335,669</u>

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

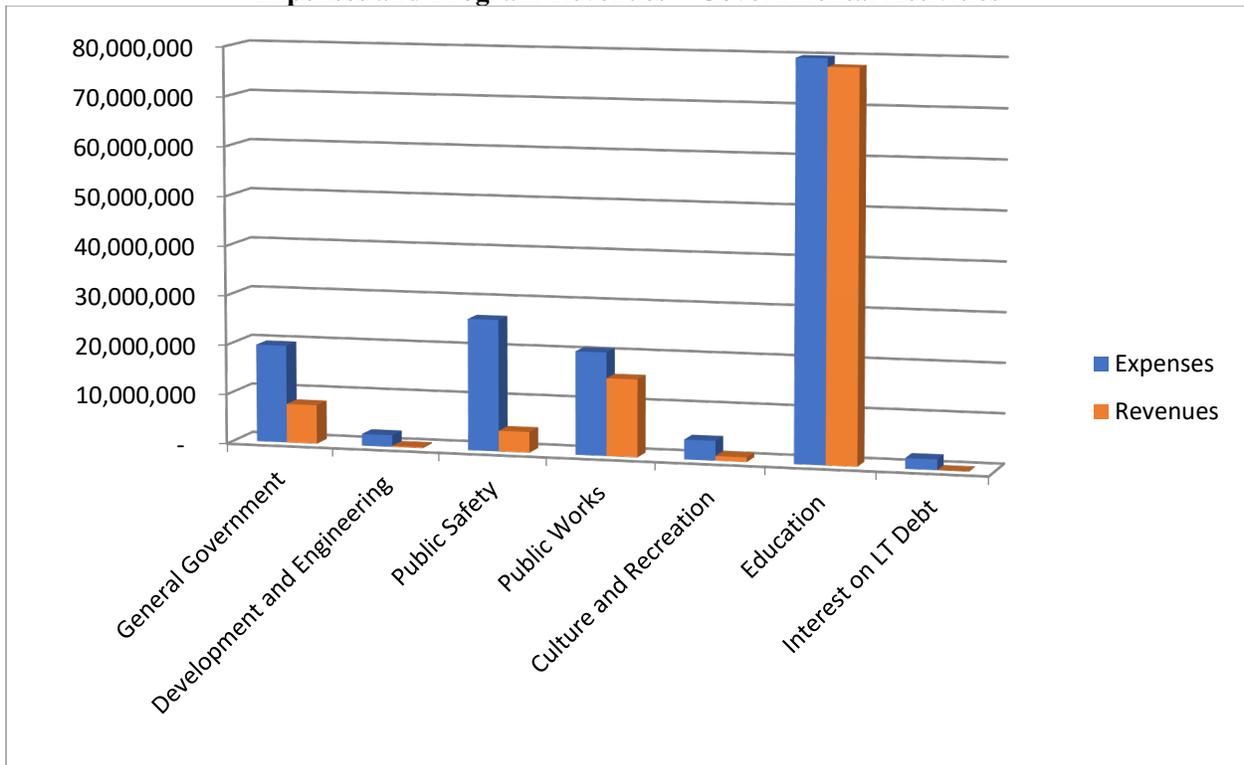
City of Cleveland's Changes in Net Position

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Revenues:						
Program revenues:						
Charges for services	\$17,873,714	\$9,587,022	\$1,835,956	\$154,870,600	\$19,709,670	\$164,457,622
Operating grants and contributions	81,609,119	71,900,212	677,645	284,151	82,286,764	72,184,363
Capital grants and contributions	1,605,912	1,757,478	-	2,308,724	1,605,912	4,066,202
General revenues:						
Property taxes	27,334,464	28,090,601	-	-	27,334,464	28,090,601
Other taxes	38,119,900	33,729,357	-	-	38,119,900	33,729,357
Grants and contributions not restricted to specific programs	-	592,035	-	-	-	592,035
Other	5,630,703	3,924,365	239,651	1,831,127	5,870,354	5,755,492
Total revenues	<u>172,173,812</u>	<u>149,581,070</u>	<u>2,753,252</u>	<u>159,294,602</u>	<u>174,927,064</u>	<u>308,875,672</u>
Expenses:						
General government	19,648,301	6,036,633	-	-	19,648,301	6,036,633
Public safety	26,424,285	26,549,781	-	-	26,424,285	26,549,781
Public works	20,719,365	13,997,241	-	-	20,719,365	13,997,241
Development and engineering	2,350,768	2,697,380	-	-	2,350,768	2,697,380
Culture and recreation	3,952,077	4,845,326	-	-	3,952,077	4,845,326
Education	79,890,675	75,124,053	-	-	79,890,675	75,124,053
Interest on long-term debt	2,123,832	3,038,734	-	-	2,123,832	3,038,734
Water and sewer	-	-	-	30,628,226	-	30,628,226
Electric	-	-	-	103,964,211	-	103,964,211
Stormwater	-	-	1,295,524	690,027	1,295,524	690,027
Total expenses	<u>155,109,303</u>	<u>132,289,148</u>	<u>1,295,524</u>	<u>135,282,464</u>	<u>156,404,827</u>	<u>267,571,612</u>
Increase (decrease) in net position before transfers	<u>17,064,509</u>	<u>17,291,922</u>	<u>1,457,728</u>	<u>24,012,138</u>	<u>18,522,237</u>	<u>41,304,060</u>
Transfers	103,400	3,145,691	(103,400)	(3,145,691)	-	-
Increase (decrease) in net position	<u>17,167,909</u>	<u>20,437,613</u>	<u>1,354,328</u>	<u>20,866,447</u>	<u>18,522,237</u>	<u>41,304,060</u>
Net position – beginning	222,046,349	203,541,520	212,289,320	191,422,873	434,335,669	394,964,393
Prior period adjustment	-	(1,932,784)	-	-	-	(1,932,784)
Net position – restated	<u>222,046,349</u>	<u>201,608,736</u>	<u>212,289,320</u>	<u>191,422,873</u>	<u>434,335,669</u>	<u>393,031,609</u>
Change in financial reporting entity	-	-	(205,406,891)	-	(205,406,891)	-
Net position – ending	<u>\$239,214,258</u>	<u>\$222,046,349</u>	<u>\$8,236,757</u>	<u>\$212,289,320</u>	<u>\$247,451,015</u>	<u>\$434,335,669</u>

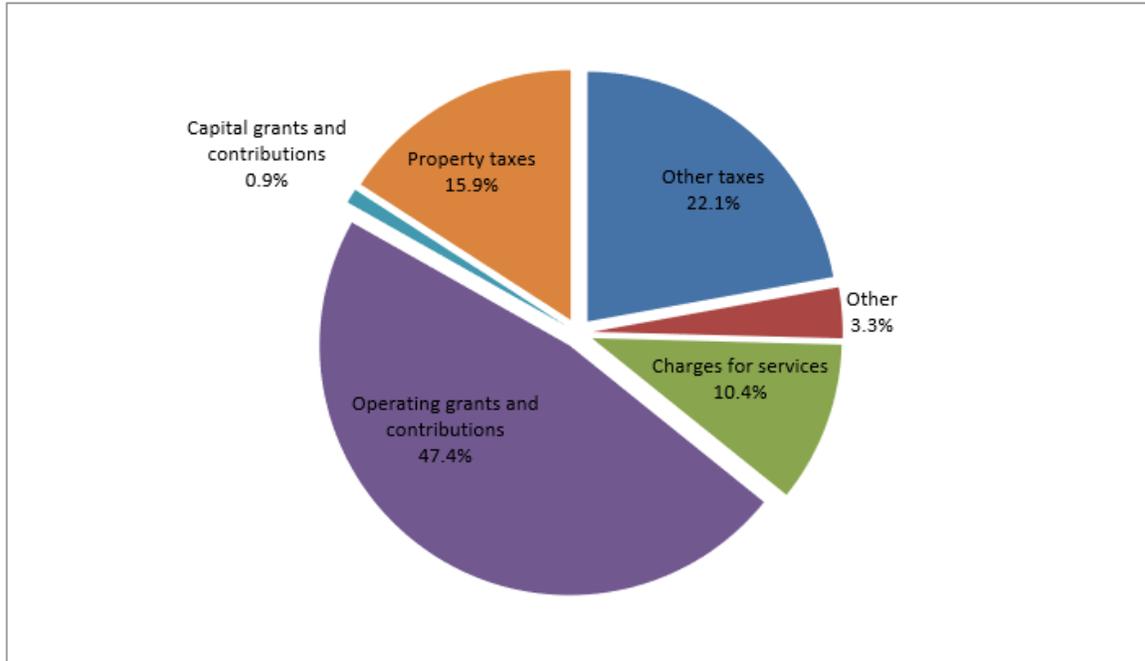
Governmental activities. Governmental activities increased the City’s net position by \$17,167,909 detailed as follows:

- The City’s property tax rate remained at \$1.713 per \$100 of assessed value in fiscal year 2024. Tax revenues increased \$3,410,935 from FY2023.
- Charges for services increased \$8,286,692 due to new construction and City annexations.
- Operating grants and contributions increased \$15,561,430 due to a combination of increases in federal, state and local funds received for public safety, public works, and education.
- Cleveland’s second largest revenue source is local sales tax which increased \$943,882. 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 \$22,820,155 primarily for public safety due to expending grant funds received during the fiscal year.

Expenses and Program Revenues – Governmental Activities



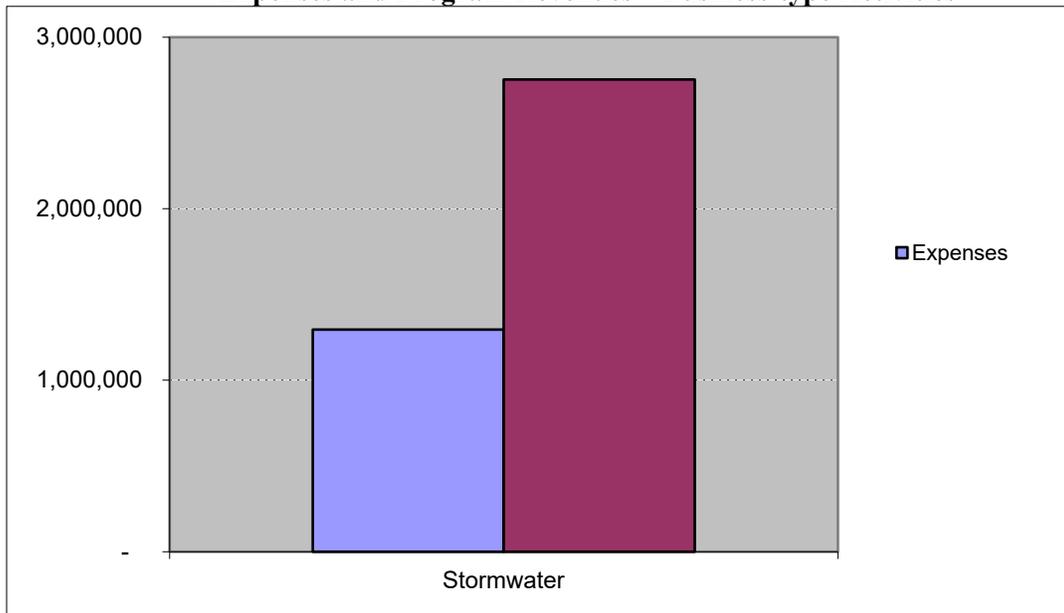
Revenues by Source – Governmental Activities



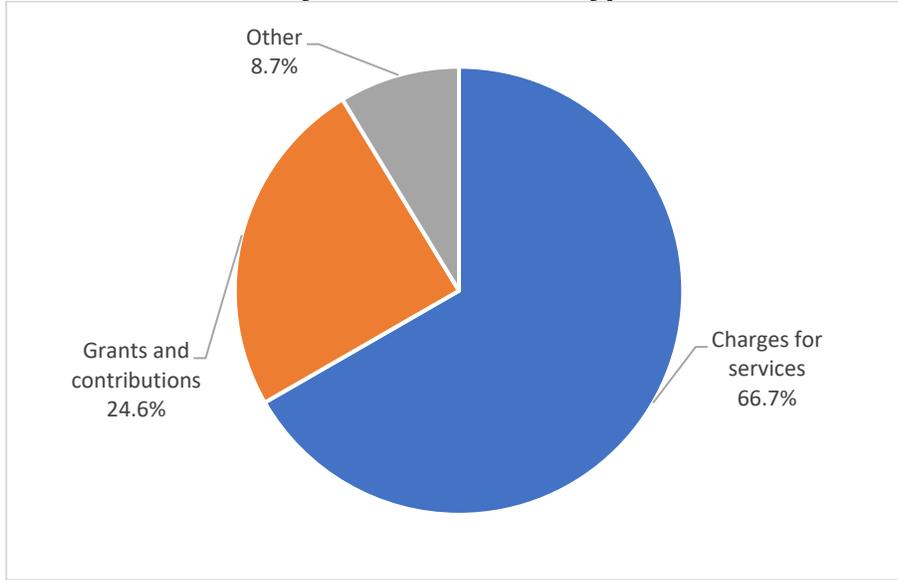
Business-type activities. Business-type activities increased the City’s net position by \$1,354,328.

- Charges for services decreased \$153,034,644 due to a change in financial reporting entity with Cleveland Utilities. Stormwater charges for services increased \$41,825.
- Capital grants and contributions reflects Cleveland Utilities grants for water, sewer, and electric projects in the prior year and a new \$677,645 Stormwater Tennessee Department of Environment and Conservation (TDEC) SWIG grant received in FYE 2024.
- Expenses for Stormwater business-type activities increased \$605,497 primarily for contracted services related to purchases of easements and properties for Stormwater related projects.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City’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’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’s governmental funds reported combined ending fund balances of \$123,325,477, an increase of \$13,323,429. The combined fund balance is broken down as follows:

- \$921,960 is non-spendable consisting of inventories, prepaid items, and permanent fund principal
- \$45,058,470 is restricted for limited use in law enforcement, community development, street improvements, capital outlay, education and retirement funds
- \$2,908,735 is committed by the City Council for use by Solid Waste Management
- \$24,783,912 is assigned for designated use for education, the library, debt service and capital outlay
- \$49,652,400 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$49,707,808. Unassigned fund balance represents 114% of general fund expenditures. However, the unassigned fund balance only represents 85% when compared to general fund expenditures and transfers to other funds (e.g., debt service and schools).

The fund balance of the City's general fund increased \$8,544,779 during the current fiscal year. City revenues were \$7,399,393 higher than final budgeted amounts largely due to an increase in local and state sales tax revenues as the economy recovers. City departments kept expenditures under budget by \$2,841,451 due to having a conservative approach in budgeting and managing expenditures in larger departments such as police, fire, and public works. During FY2024, the City focused on large projects for these departments accounted for in the CIP and sales tax funds in which the expenditures are partially or fully reimbursed by grant funding. The fund balance of the School Fund increased \$3,340,173 primarily due to an increase in local and state sales tax revenues.

The debt service fund has a total fund balance of \$6,575,772. The net increase in fund balance during the current year was \$461,625.

Proprietary funds. The City'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 \$3,962,442 for Stormwater Management Fund and \$3,437,071 for the Health Insurance Trust Fund.

General Fund Budgetary Highlights

General fund revenues were amended during the year to increase to \$1,634,194. General fund expenditures were amended to increase \$588,547 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 \$7,399,393. This was primarily due to the economic recovery with higher local and state sales tax collected than anticipated. More interest revenue was received than anticipated due to cash remaining in the bank due to construction project delays.

Differences between the final amended budget and actual expenditures were \$2,841,451. Vacancies in some departments and reductions in spending throughout all departments accounted for this.

Capital Assets 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, 2024 amounts to \$248,405,157 (net of accumulated depreciation), which is a \$236,850,991 decrease over last fiscal year due to the change in financial reporting entity with Cleveland Utilities. 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 improved and expanded several parks, the soccer complex, and the greenway for \$2,556,637.
- Public Safety added \$1,406,119 in police patrol units, violent crime vehicles and equipment, and equipment for the fire department.
- Public Works added \$7,783,417 primarily in sidewalk and secondary street infrastructure. They also purchased \$829,823 of heavy and small equipment.
- Cleveland City Schools renovated their new administration building for \$1,641,424 and completed improvements to five schools for \$2,956,038.
- The Jetport extended the runway, developed the property, and added a hanger for \$1,719,134.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 38,073,782	\$ 38,073,782	\$ 856,399	\$ 3,302,702	\$ 38,930,181	\$ 41,376,484
Construction in progress	7,976,064	12,917,897	958,438	24,537,013	8,934,502	37,454,910
Plant in service	-	-	-	216,548,737	-	216,548,737
Buildings	107,871,885	106,620,398	10,006	-	107,881,891	106,620,398
Improvements other than buildings	21,479,588	18,583,399	30,071	2,275,324	21,509,659	20,858,723
Infrastructure	58,103,370	51,833,865	2,118,180	-	60,221,550	51,833,865
Furnitures, fixtures, equipment, and vehicles	10,407,010	10,095,017	301,221	289,797	10,708,231	10,384,814
Leases - right to use assets	219,143	165,660	-	12,557	219,143	178,217
	244,130,842	238,290,018	4,274,315	246,966,130	248,405,157	485,256,148
Change in financial reporting entity	-	-	-	(243,375,666)	-	(243,375,666)
Total	\$ 244,130,842	\$ 238,290,018	\$ 4,274,315	\$ 3,590,464	\$ 248,405,157	\$ 241,880,482

Additional information on the City's capital assets can be found in Note 4 on pages A-67 to A-68 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$82,927,735. Of this amount, \$72,898,000 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 did not have any revenue bonds outstanding at the end of the fiscal year due the change in financial reporting entity with Cleveland Utilities. The City also finances capital projects through loans from bond proceeds issued by various agencies in Tennessee totaling \$1,567,655 for City general projects. The City had \$221,180 in leases outstanding at the end of the year for office and computer equipment and Subscription-Based Information Technology Arrangements (SBITAs) for \$186,622.

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)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General obligation bonds	\$ 72,898,000	\$ 78,106,000	\$ -	\$ -	\$ 72,898,000	\$ 78,106,000
Notes payable	1,567,655	2,035,609	-	30,333,842	1,567,655	32,369,451
Leases payable	221,180	166,459	-	13,037	221,180	179,496
SBITAs payable	186,622	-	-	-	186,622	-
Revenue bonds	-	-	-	36,700,000	-	36,700,000
Bond premiums	<u>8,054,278</u>	<u>8,718,979</u>	<u>-</u>	<u>4,365,628</u>	<u>8,054,278</u>	<u>13,084,607</u>
Total	<u>\$ 82,927,735</u>	<u>\$ 89,027,047</u>	<u>\$ -</u>	<u>\$ 71,412,507</u>	<u>\$ 82,927,735</u>	<u>\$ 160,439,554</u>

Further details about the City’s long-term debt are included in Note 6 on pages A-70 to A-72.

The City maintains an “AA” rating from Standard & Poor’s and an “Aa3” rating from Moody’s Investor Service for general obligation debt.

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, 2024 is \$88,153,698 and is calculated on page F-17 of this report.

Economic Factors and Next Year’s Budget and Rates

- The June 2024 unemployment rate for Cleveland was 2.3 percent, which is a decrease of 1.8 percent from June 2023. Bradley County’s unemployment rate decreased to 3.9 percent from 4.1 percent the previous year. Tennessee’s average unemployment rate was 3.0 percent, and the national average rate was 4.1 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 51.3 percent over FY2023. This combined with strong demand for housing and increased retail development continues to strengthen the local economy.

All these factors were considered in preparing the City’s budget for the 2025 fiscal year. Management has again been conservative in estimating revenues for 2025.

Requests for Information

This financial report is designed to provide a general overview of the City’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, 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, 2024

	Governmental Activities	Business-type Activities	Total Primary Government
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 127,128,323	\$ 3,853,954	\$ 130,982,277
Cash and cash equivalents - restricted	459,936	-	459,936
Investments	244,307	-	244,307
Accounts receivable - net	1,878,572	776,971	2,655,543
Property taxes receivable - net	29,856,730	-	29,856,730
Sales tax receivable	5,286,427	-	5,286,427
Due from other government agencies	13,611,463	-	13,611,463
Prepays	138,839	-	138,839
Inventories	309,955	-	309,955
Total current assets	<u>178,914,552</u>	<u>4,630,925</u>	<u>183,545,477</u>
Noncurrent assets:			
Net pension asset - restricted	7,902,038	-	7,902,038
Restricted assets:			
Amounts accumulated for pension benefits	898,916	-	898,916
Capital assets:			
Land and construction in progress	46,049,846	1,814,837	47,864,683
Other capital assets, net of accumulated depreciation	198,080,996	2,459,478	200,540,474
Total noncurrent assets	<u>252,931,796</u>	<u>4,274,315</u>	<u>257,206,111</u>
Total assets	<u>431,846,348</u>	<u>8,905,240</u>	<u>440,751,588</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	271,826	-	271,826
Deferred pension outflows	26,002,800	80,066	26,082,866
Deferred OPEB outflows	6,899,913	56,995	6,956,908
Total deferred outflows of resources	<u>33,174,539</u>	<u>137,061</u>	<u>33,311,600</u>
LIABILITIES			
Current liabilities:			
Accrued liabilities	\$ 8,197,923	\$ 10,021	\$ 8,207,944
Accounts payable	1,724,860	150,754	1,875,614
Bonds, notes and leases - current	6,646,523	-	6,646,523
Compensated absences payable - current	2,274,467	-	2,274,467
Total current liabilities	<u>18,843,773</u>	<u>160,775</u>	<u>19,004,548</u>
Long-term liabilities:			
Bonds, notes and leases payable	76,281,212	-	76,281,212
Net OPEB liability	46,498,266	364,161	46,862,427
Net pension liability	20,608,329	73,683	20,682,012
Total long-term liabilities	<u>143,387,807</u>	<u>437,844</u>	<u>143,825,651</u>
Total liabilities	<u>162,231,580</u>	<u>598,619</u>	<u>162,830,199</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	1,164,146	2,465	1,166,611
Deferred OPEB inflows	21,035,281	204,460	21,239,741
Deferred revenue - property taxes	27,705,025	-	27,705,025
Deferred revenue - other	13,670,597	-	13,670,597
Total deferred inflows of resources	<u>63,575,049</u>	<u>206,925</u>	<u>63,781,974</u>
NET POSITION			
Net investment in capital assets	163,749,400	4,274,315	168,023,715
Restricted for:			
Law enforcement	317,879	-	317,879
Community development - federal grants	215,001	-	215,001
Street improvements	3,327,670	-	3,327,670
Capital outlay	38,112,876	-	38,112,876
Education	1,348,985	-	1,348,985
Pension	1,063	-	1,063
Perpetual care:			
Nonexpendable	473,636	-	473,636
Unrestricted	31,667,748	3,962,442	35,630,190
Total net position	<u>\$ 239,214,258</u>	<u>\$ 8,236,757</u>	<u>\$ 247,451,015</u>

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

CITY OF CLEVELAND, TENNESSEE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 19,648,301	\$ 7,671,474	\$ 150,839	\$ -
Public safety	26,424,285	1,316,933	2,845,771	-
Public works	20,719,365	6,118,055	2,212,152	1,391,080
Development & engineering	2,350,768	-	-	214,832
Culture and recreation	3,952,077	230,871	698,781	-
Education	79,890,675	2,536,381	75,701,576	-
Interest on long-term debt	2,123,832	-	-	-
Total governmental activities	155,109,303	17,873,714	81,609,119	1,605,912
Business-type activities:				
Stormwater management	1,295,524	1,835,956	677,645	-
Total business-type activities	1,295,524	1,835,956	677,645	-
Total primary government	\$ 156,404,827	\$ 19,709,670	\$ 82,286,764	\$ 1,605,912

General revenues

Property taxes

Interest and penalty on taxes

Local sales taxes

Hotel and motel taxes

Gross receipts tax

State sales tax - unrestricted

Other state taxes - unrestricted

Wholesale beer tax

Franchise taxes

In lieu of taxes

Unrestricted investment earnings

Gain on disposal of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning (as previously reported)

Change in financial reporting entity

Net position, beginning (as restated)

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (11,825,988)	\$ -	\$ (11,825,988)
(22,261,581)	-	(22,261,581)
(10,998,078)	-	(10,998,078)
(2,135,936)	-	(2,135,936)
(3,022,425)	-	(3,022,425)
(1,652,718)	-	(1,652,718)
(2,123,832)	-	(2,123,832)
<u>(54,020,558)</u>	<u>-</u>	<u>(54,020,558)</u>
-	1,218,077	1,218,077
-	1,218,077	1,218,077
<u>\$ (54,020,558)</u>	<u>\$ 1,218,077</u>	<u>\$ (52,802,481)</u>
27,334,464	-	27,334,464
195,255	-	195,255
21,514,085	-	21,514,085
887,392	-	887,392
1,939,987	-	1,939,987
5,891,436	-	5,891,436
391,824	-	391,824
1,699,691	-	1,699,691
1,371,303	-	1,371,303
4,228,927	-	4,228,927
5,629,052	220,651	5,849,703
1,651	19,000	20,651
103,400	(103,400)	-
<u>71,188,467</u>	<u>136,251</u>	<u>71,324,718</u>
<u>17,167,909</u>	<u>1,354,328</u>	<u>18,522,237</u>
222,046,349	212,289,320	434,335,669
-	(205,406,891)	(205,406,891)
<u>222,046,349</u>	<u>6,882,429</u>	<u>228,928,778</u>
<u>\$ 239,214,258</u>	<u>\$ 8,236,757</u>	<u>\$ 247,451,015</u>

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

CITY OF CLEVELAND, TENNESSEE

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2024

	General	School Fund	Capital Improvement Program Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 46,523,858	\$ 17,170,897	\$ 25,872,898	\$ 33,754,078	\$ 123,321,731
Cash and cash equivalents - restricted	-	-	-	459,936	459,936
Investments	-	-	25,053	219,254	244,307
Accounts receivable - net	935,487	251,821	-	677,518	1,864,826
Property taxes receivable - net	29,684,597	-	-	-	29,684,597
Sales tax receivable	3,729,005	1,557,422	-	-	5,286,427
Due from other government agencies	244,749	9,659,774	93,457	3,613,483	13,611,463
Due from other funds	95,997	-	-	-	95,997
Inventories	309,955	-	-	-	309,955
Prepays	135,669	-	2,700	470	138,839
Restricted assets	-	898,916	-	-	898,916
Total assets	<u>\$ 81,659,317</u>	<u>\$ 29,538,830</u>	<u>\$ 25,994,108</u>	<u>\$ 38,724,739</u>	<u>\$ 175,916,994</u>
LIABILITIES					
Accounts payable	\$ 811,168	\$ -	\$ 405,171	\$ 497,094	\$ 1,713,433
Accrued liabilities	882,734	6,441,043	-	125,754	7,449,531
Due to other funds	-	-	-	95,997	95,997
Unearned revenue	-	-	-	6,128,485	6,128,485
Total liabilities	<u>1,693,902</u>	<u>6,441,043</u>	<u>405,171</u>	<u>6,847,330</u>	<u>15,387,446</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - current property taxes	27,315,611	7,392,088	-	-	34,707,699
Unavailable revenue - delinquent property taxes	2,346,348	-	-	-	2,346,348
Unavailable revenue - other	150,024	-	-	-	150,024
Total deferred inflows of resources	<u>29,811,983</u>	<u>7,392,088</u>	<u>-</u>	<u>-</u>	<u>37,204,071</u>
FUND BALANCES					
Nonspendable:					
Inventory	309,955	-	-	-	309,955
Prepaid items	135,669	-	2,700	-	138,369
Permanent fund principal	-	-	-	473,636	473,636
Restricted for:					
Law enforcement	-	-	-	317,879	317,879
Community development - federal grants	-	-	-	215,001	215,001
Street improvements	-	-	-	3,327,670	3,327,670
Capital outlay	-	-	25,586,237	12,526,639	38,112,876
Education	-	-	-	1,348,985	1,348,985
Other	-	-	-	837,143	837,143
Hybrid retirement stabilization funds	-	898,916	-	-	898,916
Committed to:					
Solid waste	-	-	-	2,908,735	2,908,735
Assigned to:					
Education	-	14,806,783	-	2,681,733	17,488,516
Library	-	-	-	650,697	650,697
Debt service	-	-	-	6,575,772	6,575,772
Capital outlay	-	-	-	68,927	68,927
Unassigned	49,707,808	-	-	(55,408)	49,652,400
Total fund balances	<u>50,153,432</u>	<u>15,705,699</u>	<u>25,588,937</u>	<u>31,877,409</u>	<u>123,325,477</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 81,659,317</u>	<u>\$ 29,538,830</u>	<u>\$ 25,994,108</u>	<u>\$ 38,724,739</u>	<u>\$ 175,916,994</u>

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

CITY OF CLEVELAND, TENNESSEE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

Differences in amounts reported for governmental activities in the statement of net position on page and A-4:

Fund balances – total governmental funds		\$ 123,325,477
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		244,130,842
Net pension asset is not considered financial resources and therefore are not reported in the funds.		7,902,038
Long-term liabilities are not due and payable in the current period and are not reported in the funds. All liabilities, both due in one year and due in more than one year, are reported in the statement of net position. These items consist of:		
Bonds payable	\$ (72,898,000)	
Notes payable	(1,567,655)	
Leases payable	(221,180)	
SBITA payable	(186,622)	
Compensated absences	(2,274,467)	
Net OPEB liability	(46,498,266)	
Net Pension Liability	(20,608,329)	
Interest payable	(204,419)	
Premium on bonds payable	<u>(8,054,278)</u>	(152,513,216)
Certain 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 or not reported in the funds.		1,956,934
The internal service fund is used by management to charge costs of health insurance through the health insurance trust to individuals. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		3,437,071
The net difference on debt refunding is deferred and expensed over the life of the refunding debt issue.		271,826
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as a component of pension expense in future years.		24,838,654
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.		<u>(14,135,368)</u>
Net position of governmental activities		<u>\$ 239,214,258</u>

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

CITY OF CLEVELAND, TENNESSEE

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2024

	General	School Fund	Capital Improvement Program Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 48,513,509	\$ -	\$ -	\$ 6,739,915	\$ 55,253,424
Licenses and permits	2,031,661	-	-	-	2,031,661
Intergovernmental	10,446,448	60,523,048	399,651	18,231,985	89,601,132
Charges for services	3,183,116	123,808	-	6,148,592	9,455,516
Fines and forfeitures	322,943	-	-	32,225	355,168
Interest	2,290,895	655,876	1,524,539	1,601,143	6,072,453
Miscellaneous	315,425	1,273,510	115,210	2,385,895	4,090,040
Total revenues	<u>67,103,997</u>	<u>62,576,242</u>	<u>2,039,400</u>	<u>35,139,755</u>	<u>166,859,394</u>
EXPENDITURES					
Current:					
General government	3,930,513	-	-	167,168	4,097,681
Public safety	25,584,459	-	-	839,826	26,424,285
Public works	7,356,887	-	-	6,677,314	14,034,201
Development and engineering	2,699,268	-	-	204,396	2,903,664
Culture and recreation	2,585,340	-	-	1,366,737	3,952,077
Education	-	63,023,336	-	15,486,502	78,509,838
Appropriations	1,421,962	-	-	-	1,421,962
Capital outlay	-	1,398,327	5,964,653	6,623,866	13,986,846
Debt service:					
Principal retirements	-	-	-	5,188,667	5,188,667
Interest and fiscal charges	-	-	-	3,120,144	3,120,144
Total expenditures	<u>43,578,429</u>	<u>64,421,663</u>	<u>5,964,653</u>	<u>39,674,620</u>	<u>153,639,365</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,525,568</u>	<u>(1,845,421)</u>	<u>(3,925,253)</u>	<u>(4,534,865)</u>	<u>13,220,029</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	6,024,900	1,076,521	9,281,772	16,383,193
Transfers out	<u>(14,980,789)</u>	<u>(839,306)</u>	<u>-</u>	<u>(459,698)</u>	<u>(16,279,793)</u>
Total other financing sources (uses)	<u>(14,980,789)</u>	<u>5,185,594</u>	<u>1,076,521</u>	<u>8,822,074</u>	<u>103,400</u>
Net change in fund balances	8,544,779	3,340,173	(2,848,732)	4,287,209	13,323,429
FUND BALANCE					
Beginning	<u>41,608,653</u>	<u>12,365,526</u>	<u>28,437,669</u>	<u>27,590,200</u>	<u>110,002,048</u>
Ending	<u>\$ 50,153,432</u>	<u>\$ 15,705,699</u>	<u>\$ 25,588,937</u>	<u>\$ 31,877,409</u>	<u>\$ 123,325,477</u>

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

CITY OF CLEVELAND, TENNESSEE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

Differences in amounts reported for governmental activities in the statement of activities on page A-6:

Net change in fund balances – total governmental funds		\$ 13,323,429
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlay expenditures in governmental funds, that meet the capitalization threshold, are presented as capital assets in the statement of net position.		23,526,363
The net effect of various transactions involving capital assets to decrease net position.		(8,395,292)
Depreciation expense on governmental capital assets are included in the statement of activities.		(9,290,247)
Revenues in the statement of activities that do not provide current financials resources are not reported as revenues in the funds		-
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 funds.		481,041
Bond proceeds and notes issued provide financial resources to governmental funds while repayment of principal consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts and deferred amounts on refundings when debt is first issued; these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt is as follows:		
Principal repayments	\$ 5,675,954	
SBITAs payable	(186,622)	
Amortization of bond premiums	664,701	
Change in leases payable	<u>(54,721)</u>	6,099,312
Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of:		
Change in compensated absences	\$ 582,967	
Change in net pension asset	(172,792)	
Change in net pension liability	(8,170,686)	
Change in OPEB liability	(5,599,868)	
Change in deferred outflows related to pensions	3,695,815	
Change in deferred outflows related to OPEB	(188,168)	
Change in deferred inflows related to pensions	822,875	
Change in deferred inflows related to OPEB	<u>453,160</u>	<u>(8,576,697)</u>
Change in net position of governmental activities		<u>\$ 17,167,909</u>

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property taxes - real estate	\$ 27,525,000	\$ 27,628,000	\$ 26,996,793	\$ (631,207)
Property taxes - utility	425,000	337,671	337,671	-
Interest and penalty on taxes	235,000	200,000	195,255	(4,745)
In lieu of taxes	600,000	915,499	929,756	14,257
Local sales tax	13,500,000	13,500,000	15,661,562	2,161,562
Wholesale beer tax	1,585,000	1,585,000	1,453,689	(131,311)
Gross receipts tax	1,650,000	1,650,000	1,939,987	289,987
Franchise taxes - gas	420,000	420,000	616,859	196,859
Franchise taxes - charter	500,000	500,000	381,937	(118,063)
Total taxes	<u>46,440,000</u>	<u>46,736,170</u>	<u>48,513,509</u>	<u>1,777,339</u>
Licenses and permits:				
Beer licenses	4,000	4,000	4,400	400
Beer renewal fee	15,000	15,000	14,834	(166)
Liquor renewal license	27,000	27,000	41,125	14,125
Alcohol inspection fee	750,000	750,000	648,781	(101,219)
Building permits	575,000	775,000	917,076	142,076
Electrical permits	90,000	50,000	33,316	(16,684)
Electricians` licenses	18,000	13,000	14,306	1,306
Mechanical permits	30,000	50,000	55,116	5,116
Mechanical licenses	6,000	6,000	6,600	600
Plumbing permits	75,000	75,000	77,033	2,033
Plumbing licenses	7,500	7,500	6,350	(1,150)
Natural gas permits	7,500	7,500	5,525	(1,975)
Street cut permits	80,000	85,000	132,595	47,595
Telecommunications fee	-	2,700	4,700	2,000
Rezoning fee	-	10,500	14,000	3,500
Pud rezoning fee	7,500	9,000	9,000	-
Zoning appeal fee	3,000	2,000	2,350	350
Zoning letter fee	1,200	1,200	1,620	420
Certificate of appropriateness	1,000	1,000	650	(350)
PUD amendment fee	-	-	350	350
Recreation permits and maintenance fee	9,000	6,000	7,455	1,455
Plate review fee	5,000	8,000	10,230	2,230
Plans review fee	25,000	4,000	5,949	1,949
Certificate of occupancy	15,000	15,000	17,450	2,450
Wrecker permit fees	1,500	1,000	850	(150)
Taxicab driver fees	500	-	-	-
Total licenses and permits	<u>1,753,700</u>	<u>1,925,400</u>	<u>2,031,661</u>	<u>106,261</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues (Continued)				
Intergovernmental revenues:				
Federal grant - protective vest	\$ -	\$ -	\$ 26,385	\$ 26,385
TN law enforcement training supplement	-	9,000	9,000	-
Police training supplement	84,000	68,000	68,000	-
Fire training supplement	85,600	81,600	81,600	-
State - highway safety grant	-	60,000	53,527	(6,473)
State - child safety grant	-	3,406	3,406	-
State urban TAEP/Trees	-	-	3,590	3,590
State sales tax	4,600,000	4,600,000	5,891,436	1,291,436
State income tax	-	-	2,131	2,131
State beer tax	21,000	21,000	20,713	(287)
State mixed drink tax	185,000	185,000	225,289	40,289
State gas inspection tax	91,500	91,500	86,999	(4,501)
State sports gaming	50,000	50,000	90,419	40,419
State highway maintenance tax	194,910	194,910	212,275	17,365
TVA - in lieu of taxes	485,000	485,000	583,859	98,859
CU - in lieu of taxes	3,096,150	2,715,312	2,715,312	-
Excise tax	300,000	372,508	372,507	(1)
CDBG unprogrammed funds	375,000	-	-	-
Total intergovernmental revenues	<u>9,568,160</u>	<u>8,937,236</u>	<u>10,446,448</u>	<u>1,509,212</u>
Fines and forfeitures:				
Traffic tickets	100,000	40,000	39,112	(888)
Parking tickets	5,000	2,000	1,475	(525)
Animal control tickets	1,500	2,500	2,632	132
Code enforcement fines	2,500	1,000	800	(200)
Fines and costs partial payments	-	-	754	754
Court clerk fees	90,000	97,000	145,626	48,626
Drug fines	25,000	15,000	13,763	(1,237)
Sessions court	60,000	50,000	38,975	(11,025)
Circuit court	15,000	10,000	6,374	(3,626)
Officers - sessions court	84,000	50,000	50,670	670
Officers - circuit court	10,000	10,000	10,632	632
State refunds	3,500	3,500	2,380	(1,120)
Sex offender registry	10,000	10,000	9,750	(250)
Total fines and forfeitures	<u>406,500</u>	<u>291,000</u>	<u>322,943</u>	<u>31,943</u>
Charges for services:				
Police protection	50,000	50,000	52,500	2,500
Fire inspection fees	2,000	2,000	3,275	1,275
Police department contracted services	75,000	130,000	161,239	31,239
Contracted services E911	160,000	160,000	150,321	(9,679)
Jetport maintenance	-	20,000	20,000	-
Fleet management - city services	75,000	75,000	30,168	(44,832)
Fleet management - outside services	75,000	75,000	6,247	(68,753)
Stormwater fees	105,000	105,000	105,000	-
GIS services stormwater	30,000	30,000	30,000	-
GIS services 911 center	6,000	6,000	5,500	(500)
Animal control - boarding fees	40,000	25,000	27,045	2,045
Tinsley pool gate	8,000	8,000	10,849	2,849

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues - (Continued)				
Charges for services - (Continued)				
Tinsley pool miscellaneous	\$ -	\$ -	\$ 1,570	\$ 1,570
Tinsley pool rent	-	-	1,200	1,200
Tinsley park concessions	5,000	5,000	-	(5,000)
Tinsley park rental	-	-	2,852	2,852
Cleveland community center	5,000	5,000	-	(5,000)
College Hill concessions	-	5,500	5,445	(55)
College Hill cheerleading	100,000	101,000	74,214	(26,786)
Recreational program fees	-	-	102	102
College Hill rentals	8,000	9,000	36,733	27,733
College Hill program fees	10,000	28,000	32,238	4,238
Community center program fees	-	3,500	8,518	5,018
SRO - schools	362,500	750,000	700,523	(49,477)
Jetport - jet fuel	1,100,000	1,100,000	1,277,360	177,360
Jetport - ground/land lease	148,000	148,000	147,578	(422)
Jetport T/hangar rent	136,500	136,500	140,725	4,225
Jetport terminal bldg rental	7,000	7,000	4,280	(2,720)
Jetport - tie downs	3,000	12,000	13,253	1,253
Jetport community hangars	30,000	30,000	30,084	84
Jetport video adv	5,000	5,000	-	(5,000)
Jetport special events	3,000	3,000	-	(3,000)
Jetport incidentals	3,000	9,300	14,126	4,826
Fuel flowage fee (.12 cents)	35,000	35,000	33,184	(1,816)
Jetport - community hangars N14	30,000	46,000	56,987	10,987
Total charges for services	<u>2,617,000</u>	<u>3,124,800</u>	<u>3,183,116</u>	<u>58,316</u>
Interest:				
Interest - checking	<u>350,000</u>	<u>1,250,000</u>	<u>2,290,895</u>	<u>1,040,895</u>
Total interest	<u>350,000</u>	<u>1,250,000</u>	<u>2,290,895</u>	<u>1,040,895</u>
Miscellaneous revenues:				
Motorola note proceeds	-	2,008	-	(2,008)
Sale of scrap metal	-	6,304	6,304	-
Sale of plans	-	-	50	50
Waterville lease	-	-	100	100
Sale of vehicles	-	1,601	1,601	-
Donations - memorial tree fund	-	7,085	8,585	1,500
Sign and decal reimbursement	2,200	2,200	2,476	276
Donations - Cleveland fire department	-	729	697	(32)
Donations - Cleveland police department	-	1,000	1,000	-
TML safety grant matching	4,000	4,000	4,000	-
TML package bonus	5,000	5,000	5,000	-
TML driver safety grant	5,000	-	-	-
Greenway Pavilion rental	5,000	5,000	8,765	3,765
Greenway benches donations	-	3,525	6,025	2,500
Miscellaneous insurance revenue	-	43,720	43,720	-

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues - (Continued)				
Miscellaneous revenues - (Continued)				
Animal control donations	\$ -	\$ -	\$ 155	\$ 155
Animal control pet adoptions	-	2,100	2,360	260
TML reimbursement for police vehicles	-	23,635	23,635	-
TML reimbursement for property damage	-	30,260	32,768	2,508
TML salary reimbursement	-	-	11,758	11,758
Employee jury duty pay	-	-	77	77
Miscellaneous income	-	1,108	134,883	133,775
Sundry income - clerk and master	10,000	10,000	6,500	(3,500)
Other sundry	-	6,035	14,966	8,931
Total miscellaneous revenues	<u>31,200</u>	<u>155,310</u>	<u>315,425</u>	<u>160,115</u>
Total revenues	<u>61,166,560</u>	<u>62,419,916</u>	<u>67,103,997</u>	<u>4,684,081</u>
Expenditures:				
Current:				
General government:				
Legislative and judicial:				
Salaries - administrative	156,000	156,000	146,628	9,372
Service awards	550	550	550	-
Longevity	1,125	1,125	1,125	-
Christmas bonus	500	500	487	13
Dental insurance	6,000	6,000	6,234	(234)
Social security	12,000	12,000	10,265	1,735
Health insurance	86,000	86,000	85,280	720
Retirement	16,700	16,700	14,267	2,433
Life and disability insurance	1,000	1,000	983	17
Vision insurance	700	700	668	32
Election	12,500	12,500	-	12,500
Postage	200	200	-	200
Subscriptions and memberships	2,500	2,500	125	2,375
Advertising	2,000	2,000	100	1,900
Telephone and pager	20,000	20,000	16,010	3,990
Legal services	67,000	67,000	22,808	44,192
Contracted services	1,000	1,000	-	1,000
Professional services	10,000	10,000	-	10,000
Equipment maintenance	1,000	696	-	696
Building and grounds maintenance	13,000	11,000	1,085	9,915
Emergency repairs	2,000	-	-	-
Professional development	3,000	3,000	2,177	823
Departmental work sessions	2,500	2,500	1,187	1,313
Office	5,000	9,000	8,802	198
Insurance - general liability	840	841	841	-
Insurance - worker's compensation	190	164	164	-
Hardware	-	304	304	-
Total legislative and judicial	<u>423,305</u>	<u>423,280</u>	<u>320,090</u>	<u>103,190</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued)				
General government (Continued)				
Administration:				
Salaries	\$ 334,030	\$ 334,030	\$ 375,576	\$ (41,546)
Longevity	3,525	3,525	2,775	750
Sold vacations	8,000	8,000	6,483	1,517
Christmas bonus	600	600	536	64
Sick pay incentive	1,000	1,000	378	622
Dental insurance	5,250	5,250	3,328	1,922
Social security	26,691	26,691	28,366	(1,675)
Health insurance	59,850	59,850	58,968	882
Retirement	61,551	61,551	56,872	4,679
Life and disability insurance	3,900	3,900	3,305	595
Vision insurance	630	630	447	183
Laundry and dry cleaning	1,000	1,000	254	746
Postage	1,000	1,000	843	157
GPS service	200	200	143	57
Public education programs	4,000	6,000	5,868	132
Subscriptions and memberships	4,000	4,000	3,730	270
Advertising	2,000	1,000	-	1,000
Utilities	20,600	20,600	9,849	10,751
Telephone	7,800	7,800	4,696	3,104
Professional services	75,000	68,000	37,317	30,683
Vehicle maintenance	500	500	124	376
Building and grounds maintenance	20,000	20,000	13,540	6,460
Car allowance	4,200	4,200	4,200	-
Professional development	4,000	9,000	8,517	483
Department work sessions	2,000	2,000	1,878	122
Office supplies	10,000	6,500	3,851	2,649
Uniforms	300	300	555	(255)
Gasoline	1,050	1,550	1,613	(63)
Insurance - buildings and contents	9,500	15,599	10,975	4,624
Insurance - vehicles	270	324	324	-
Insurance - general liability	2,000	1,412	1,412	-
Insurance - worker's compensation	700	1,016	1,016	-
Insurance - professional liability	35,000	38,042	38,042	-
Downtown festivals	-	50,000	-	50,000
Hardware	-	4,000	3,539	461
Total administration	<u>710,147</u>	<u>769,070</u>	<u>689,320</u>	<u>79,750</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
General government - (Continued)				
Finance:				
Salaries	\$ 557,018	\$ 557,018	\$ 541,777	\$ 15,241
Overtime wages	20,000	20,000	7,124	12,876
Service awards	300	300	300	-
Longevity	7,700	7,700	7,650	50
Sold vacations	10,000	9,940	9,916	24
Christmas bonus	1,500	1,500	1,299	201
Sick pay incentive	2,200	2,200	1,925	275
Dental insurance	5,300	5,300	4,836	464
Social security	46,525	46,525	43,073	3,452
Health insurance	114,300	114,300	108,486	5,814
Retirement	104,371	104,371	94,195	10,176
Life and disability insurance	5,800	5,800	5,683	117
Vision insurance	1,100	1,100	1,009	91
Laundry and dry cleaning	300	300	90	210
Pre-employment test	-	60	60	-
Postage	9,000	9,000	6,977	2,023
Subscriptions and memberships	2,100	2,100	1,880	220
Advertising	4,500	4,500	891	3,609
Utilities	12,400	12,400	8,946	3,454
Telephone	10,500	13,000	10,666	2,334
Legal fees	91,000	91,000	77,255	13,745
Audit fees	55,000	57,500	57,500	-
Reappraisal fee	60,000	60,000	-	60,000
Professional services	13,700	11,200	2,700	8,500
Building and grounds maintenance	10,000	10,000	4,161	5,839
Car allowance	4,200	4,200	4,200	-
Professional development	6,700	6,700	2,185	4,515
Department work sessions	500	500	111	389
Credit card fees	55,000	55,000	32,480	22,520
Office	35,000	36,800	35,830	970
OSHA supplies	100	100	7	93
Uniforms	1,400	1,400	1,400	-
Gasoline and oil	1,200	1,200	1,001	199
Insurance - buildings and contents	1,000	1,000	970	30
Insurance - vehicles	300	324	324	-
Insurance - general liability	3,400	3,042	3,042	-
Insurance - worker's compensation	700	664	664	-
Insurance - professional liability	35,800	38,042	38,042	-
Insurance - employee bonds	200	200	-	200
Bad debt	55,000	55,000	65,012	(10,012)
Equipment	2,000	-	-	-
Hardware	3,500	7,292	1,780	5,512
Software	179,600	173,508	165,894	7,614
Total finance	<u>1,530,214</u>	<u>1,532,086</u>	<u>1,351,341</u>	<u>180,745</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
General government - (Continued)				
Human resources:				
Salaries	\$ 254,479	\$ 254,479	\$ 239,868	\$ 14,611
Overtime wages	500	500	-	500
Part time employees	11,000	11,000	12,514	(1,514)
Longevity	3,300	3,300	2,625	675
Sold vacation	5,000	5,000	4,362	638
Christmas bonus	675	675	650	25
College pay	300	300	280	20
Sick pay incentive	900	900	475	425
Dental insurance	1,260	1,260	1,334	(74)
Social security	22,093	22,093	19,700	2,393
Health insurance	28,350	28,350	27,982	368
Retirement	43,719	43,719	38,406	5,313
Life and disability insurance	3,700	3,700	2,583	1,117
Vision insurance	370	370	366	4
Employee assistance	19,200	19,200	19,200	-
Flex spending-city wide	15,000	15,000	12,285	2,715
Laundry and dry cleaning	300	300	55	245
Drug and alcohol testing	7,000	7,000	3,629	3,371
Telephone	3,000	5,000	4,309	691
Professional services	20,000	13,260	8,817	4,443
Equipment maintenance	5,000	5,000	1,663	3,337
Building and grounds maintenance	7,000	7,000	5,860	1,140
Car allowance	4,200	4,200	4,200	-
Professional development	5,000	8,000	7,556	444
Recruitment and training	3,000	1,642	1,642	-
Office supplies	8,000	8,000	7,654	346
OSHA supplies	100	100	7	93
Uniforms	750	750	700	50
Grants	26,000	26,000	16,624	9,376
Insurance - general liability	2,000	1,059	1,059	-
Insurance - workers comp	1,100	219	219	-
Employee appreciation	27,000	30,098	30,098	-
Hardware	3,500	3,500	2,806	694
Total human resources	<u>532,796</u>	<u>530,974</u>	<u>479,528</u>	<u>51,446</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
General government - (Continued)				
Information Technology:				
Salaries	\$ 456,052	\$ 456,052	\$ 432,207	\$ 23,845
Overtime wages	28,916	28,916	15,164	13,752
Part time wages	16,000	16,000	19,632	(3,632)
Service awards	500	500	575	(75)
Longevity wages	5,400	5,400	5,400	-
Sold vacation	11,000	11,000	6,186	4,814
Christmas bonus	1,000	1,000	812	188
Sick pay incentive	1,500	1,500	975	525
Dental insurance	2,907	2,907	3,056	(149)
Social security	38,657	38,657	35,531	3,126
Health insurance	77,464	77,464	76,825	639
Retirement	86,814	86,814	79,149	7,665
Life and disability insurance	5,072	5,072	4,329	743
Vision insurance	601	601	586	15
Laundry and dry cleaning	500	-	-	-
GPS service	300	300	143	157
Subscriptions and memberships	500	500	194	306
Telephone	10,000	10,000	12,861	(2,861)
GIS services	75,500	75,500	70,059	5,441
Vehicle maintenance	1,000	1,000	536	464
Car allowance	4,200	4,200	4,200	-
Professional development	3,000	-	-	-
Department work sessions	250	350	322	28
Office supplies	500	500	593	(93)
Uniforms	1,800	1,800	1,750	50
Gasoline	1,000	500	459	41
Insurance - vehicles	500	587	587	-
Insurance - general liability	3,300	3,531	3,531	-
Insurance - workers comp	400	4,130	4,130	-
Furniture	-	500	165	335
Hardware	22,000	70,400	59,337	11,063
Software	301,300	256,300	250,940	5,360
Total Information technology	<u>1,157,933</u>	<u>1,161,981</u>	<u>1,090,234</u>	<u>71,747</u>
Total general government	<u>4,354,395</u>	<u>4,417,391</u>	<u>3,930,513</u>	<u>486,878</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Development and engineering:				
Development and engineering operations:				
Salaries	\$ 1,166,836	\$ 1,170,052	\$ 1,142,456	\$ 27,596
Overtime wages	1,000	6,400	6,367	33
Part time wages	25,000	-	2,784	(2,784)
Service awards	500	350	350	-
Longevity wages	16,500	16,420	16,725	(305)
Sold vacation	20,000	18,882	14,772	4,110
Christmas bonus	3,000	2,800	2,794	6
College pay	700	700	625	75
Sick pay incentive	5,100	3,480	3,480	-
Dental insurance	14,500	14,000	13,430	570
Social security	94,140	92,266	88,374	3,892
Health insurance	300,000	249,476	236,389	13,087
Retirement	214,315	208,370	200,935	7,435
Life and disability insurance	15,000	13,800	13,183	617
Vision insurance	2,300	2,196	1,936	260
Education reimbursement	2,500	-	-	-
Worker`s compensation claims	1,000	-	-	-
Laundry and dry cleaning	2,100	600	333	267
Preemployment test	-	300	300	-
Postage	1,300	500	232	268
GPS service	2,500	2,000	1,746	254
Public education programs	1,100	-	-	-
Subscriptions and memberships	4,000	2,000	1,713	287
Advertising	8,000	18,000	17,684	316
Utilities	18,200	20,075	19,355	720
Telephone	22,500	25,400	25,561	(161)
Professional services	12,500	675	675	-
Permits & fees	3,000	400	400	-
Vehicle maintenance	13,000	8,398	8,122	276
Office equipment maintenance	4,000	6,000	5,517	483
Buildings and grounds maintenance	15,500	20,300	21,166	(866)
Car allowance	4,200	11,480	11,480	-
Professional development	7,000	9,000	8,805	195
Departmental work session	4,100	8,137	7,829	308
Credit card fees	14,500	27,600	30,128	(2,528)
Landfill	25,000	1,185	1,103	82

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Development and engineering - (Continued)				
Development and engineering operations - (Continued)				
Office supplies	\$ 10,000	\$ 18,000	\$ 16,041	\$ 1,959
Operating	2,100	1,063	749	314
OSHA first aid kits	300	200	186	14
Uniforms	6,000	6,700	6,351	349
Gasoline and oil	6,600	12,100	15,483	(3,383)
Insurance - buildings and contents	4,800	5,356	5,355	1
Insurance - vehicles and equipment	3,000	3,795	3,795	-
Insurance - general liability	4,700	4,249	4,249	-
Insurance - workers comp	1,700	10,460	10,460	-
Insurance - employee bonds	400	400	100	300
Vehicles	-	19,000	19,000	-
Equipment	3,000	2,409	2,409	-
Hardware	5,000	6,806	6,806	-
Software	45,000	4,100	3,289	811
Salaries	-	232,008	239,229	(7,221)
Overtime	-	11,000	13,744	(2,744)
Service Awards	-	75	75	-
Longevity	-	1,725	1,725	-
Sold Vacation	-	2,126	1,531	595
Christmas Bonus	-	1,137	1,137	-
Sick Pay Incentive	-	1,475	1,475	-
Dental Insurance	-	2,810	2,677	133
Social Security	-	16,276	18,929	(2,653)
Health Insurance	-	63,404	62,930	474
Retirement	-	35,335	39,704	(4,369)
Life/Disability Ins	-	1,661	1,358	303
Vision Insurance	-	482	458	24
Telephone	-	3,390	3,676	(286)
Vehicle Maintenance	-	1,000	675	325
Equipment Maintenance	-	1,000	324	676
Building/Grounds Maintenance	-	7,500	6,627	873
Professional Development	-	1,900	1,572	328
Office Expense	-	2,000	970	1,030
Operating Supplies	-	2,000	1,996	4
Uniform Expense	-	1,000	450	550
Gasoline	-	1,000	423	577
Software	-	4,750	4,750	-
Total development and engineering operations	<u>2,137,491</u>	<u>2,450,934</u>	<u>2,407,457</u>	<u>43,477</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Development and engineering - (Continued)				
Codes Enforcement Division:				
Salaries	\$ 166,252	\$ 166,252	\$ 169,758	\$ (3,506)
Overtime wages	500	500	-	500
Longevity pay	4,100	4,100	4,050	50
Sold vacation	3,000	3,000	4,956	(1,956)
Christmas bonus	500	500	487	13
Sick pay incentive	1,200	1,200	400	800
Dental insurance	1,700	1,700	1,360	340
Social security	13,772	13,772	13,821	(49)
Health insurance	38,600	38,600	35,748	2,852
Retirement	30,910	30,910	30,221	689
Life and disability insurance	1,800	1,800	2,106	(306)
Vision insurance	400	400	280	120
Laundry and dry cleaning	1,000	1,000	1,413	(413)
Postage	1,200	1,200	1,114	86
GPS service	600	440	430	10
Advertising	500	280	250	30
Telephone	4,800	4,800	4,787	13
Vehicle maintenance	1,000	4,421	2,787	1,634
Small equipment repairs/replacement	600	600	482	118
Professional development	2,000	570	570	-
Office supplies	1,500	1,722	1,237	485
Uniforms	2,000	1,800	1,662	138
Gasoline	2,300	1,800	2,150	(350)
Insurance - vehicles	1,000	1,111	1,111	-
Insurance - workers comp	4,900	3,864	3,864	-
Hardware	6,800	6,800	6,767	33
Total codes enforcement division	<u>292,934</u>	<u>293,142</u>	<u>291,811</u>	<u>1,331</u>
Total development and engineering	<u>2,430,425</u>	<u>2,744,076</u>	<u>2,699,268</u>	<u>44,808</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public Safety:				
Police department:				
Salaries	\$ 6,759,778	\$ 6,748,595	\$ 6,517,770	\$ 230,825
Overtime wages	300,000	361,191	360,998	193
Part time wages	127,300	127,300	126,004	1,296
Supplemental pay	1,200	1,200	1,166	34
State grant - in service training	84,000	68,000	68,000	-
Extra duty pay	-	130,000	123,854	6,146
Service awards	2,850	2,500	2,500	-
Longevity pay	91,725	77,475	77,438	37
Sold vacations	90,000	90,000	87,452	2,548
Christmas bonus	22,168	19,979	19,816	163
College pay	1,030	125	125	-
Sick pay incentive	31,000	24,925	24,875	50
Dental insurance	67,200	67,200	66,970	230
Social security	573,643	573,643	553,466	20,177
Health insurance	1,895,000	1,874,313	1,505,937	368,376
Retirement	1,468,921	1,468,921	1,354,826	114,095
Life and disability insurance	77,600	77,600	61,394	16,206
Vision insurance	14,500	14,500	11,904	2,596
Unemployment compensation	500	500	-	500
Education reimbursement	11,940	7,576	7,576	-
Worker's compensation claims	9,000	10,553	10,552	1
Laundry and dry cleaning	18,000	18,000	17,947	53
Employee physicals	12,000	12,000	11,828	172
Pre-employment tests	3,000	3,000	2,812	188
Postage	1,200	1,200	685	515
GPS service	20,000	20,000	19,104	896
Radio communications	7,500	4,800	4,397	403
Public education programs	5,000	5,000	3,768	1,232
Subscriptions and memberships	3,000	4,000	3,523	477
Accreditation	9,000	5,500	4,595	905
Investigative finds	1,500	1,500	-	1,500
Advertising	500	425	177	248
Utilities	75,300	70,300	60,398	9,902
Telephone	131,400	115,400	118,253	(2,853)
Contracted services	2,000	2,000	2,000	-
Vehicle maintenance	155,000	170,075	159,791	10,284
Equipment maintenance	2,000	2,000	568	1,432
Equipment Maintenance	-	8,100	-	8,100
Building maintenance	70,700	77,541	77,463	78
Professional development	90,000	101,050	99,299	1,751
Recruiting	9,000	4,847	4,424	423
Department work sessions	3,000	1,200	604	596
Protective vests	35,000	86,385	85,660	725
Crime scene unit supplies	7,500	6,936	6,046	890

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public Safety - (Continued)				
Police department - (Continued)				
SRT supplies	\$ 12,000	\$ 5,775	\$ 5,500	\$ 275
Office	33,000	32,259	32,059	200
Operating supplies	20,000	30,260	28,155	2,105
OSHA safety supplies	2,000	2,000	493	1,507
Uniforms	68,500	91,797	87,269	4,528
Ammunition	38,000	36,600	36,548	52
Gasoline and oil	204,225	204,425	250,995	(46,570)
Sex offender registry	-	7,182	3,458	3,724
Grant Expense-THSO/Car Seats	-	14,506	14,503	3
Canine fees	6,000	8,100	8,086	14
Volunteer services	2,500	1,950	1,738	212
Insurance - buildings and contents	21,100	23,851	23,850	1
Insurance - vehicles and equipment	115,154	149,624	149,624	-
Insurance - general liability	92,391	112,404	112,404	-
Insurance - workers comp	187,200	252,364	252,364	-
Insurance - employee bonds	515	515	311	204
Equipment	105,000	24,594	22,465	2,129
Hardware	35,000	35,000	32,157	2,843
Software	101,800	101,800	99,235	2,565
	<u>13,335,340</u>	<u>13,602,361</u>	<u>12,827,179</u>	<u>775,182</u>
Fire Department:				
Salaries	6,395,686	6,395,686	6,384,972	10,714
Overtime wages	220,000	233,573	394,387	(160,814)
Fire runs	4,140	90	85	5
Supplemental pay	101,500	101,500	95,296	6,204
State grant - in service training	85,600	81,600	81,600	-
Service awards	3,000	3,000	4,550	(1,550)
Longevity pay	90,000	87,075	87,075	-
Sold vacation	40,000	40,000	35,445	4,555
Christmas bonus	17,604	16,406	16,405	1
College pay	200	-	-	-
Sick pay incentive	27,000	21,800	21,725	75
Dental insurance	90,710	90,710	83,774	6,936
Social security	512,431	512,431	524,848	(12,417)
Health insurance	1,832,954	1,832,954	1,627,958	204,996
Retirement	1,611,470	1,611,470	1,439,197	172,273
Life and disability insurance	82,246	82,246	57,875	24,371
Vision insurance	20,034	20,034	12,581	7,453
Education reimbursement	28,650	28,650	14,311	14,339
Worker`s compensation claims	8,034	8,034	5,329	2,705
Laundry and dry cleaning	27,000	22,000	16,454	5,546
Immunization and physicals	50,000	48,000	17,388	30,612
Pre-employment testing	35,000	35,000	28,847	6,153
Postage	500	500	87	413
Radio communications	5,000	5,000	2,960	2,040
Public education programs	8,000	8,000	8,000	-

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public Safety - (Continued)				
Fire department - (Continued)				
Subscriptions and memberships	\$ 4,000	\$ 4,000	\$ 2,072	\$ 1,928
Accreditation	4,500	4,500	4,156	344
Advertising	600	600	-	600
Utilities	132,355	132,355	126,651	5,704
Telephone	69,010	69,010	60,911	8,099
Apparatus equipment testing	5,500	6,113	6,084	29
Vehicle maintenance	100,000	100,000	96,965	3,035
Equipment maintenance	6,000	5,387	4,160	1,227
Specialized equipment maintenance	5,000	5,000	6,512	(1,512)
Building and grounds maintenance	80,000	106,973	106,881	92
Professional development	20,000	20,000	15,676	4,324
Training/education material	7,000	7,000	5,197	1,803
Department work sessions	2,000	2,000	1,465	535
Office supplies	8,000	8,000	7,666	334
Operating supplies	16,500	16,321	17,570	(1,249)
OSHA supplies	2,500	2,500	1,312	1,188
Medical supplies/equipment	15,000	15,000	13,401	1,599
Uniforms	38,000	33,000	21,850	11,150
Gasoline	66,000	66,000	78,105	(12,105)
PPE equipment gear	100,000	114,848	108,753	6,095
Hazmat supplies	6,000	6,000	1,728	4,272
Honor guard	2,500	2,500	1,937	563
Donation expenditures	-	1,382	-	1,382
Insurance - building and contents	22,800	25,612	25,612	-
Insurance - general liability	57,100	135,802	135,802	-
Insurance - vehicles	36,400	34,139	34,139	-
Insurance - workers comp	120,000	145,740	145,740	-
Miscellaneous	500	500	2,113	(1,613)
Furniture	-	1,187	1,008	179
Equipment	100,000	99,821	91,230	8,591
Hardware	15,000	15,379	15,292	87
Software	40,041	46,662	46,599	63
Total fire department	<u>12,379,065</u>	<u>12,519,090</u>	<u>12,147,736</u>	<u>371,354</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public Safety - (Continued)				
Animal Control:				
Salaries	\$ 301,051	\$ 301,051	\$ 307,381	\$ (6,330)
Overtime wages	15,000	15,000	10,703	4,297
Longevity pay	5,325	5,325	5,325	-
Sold vacations	4,500	4,500	4,775	(275)
Christmas bonus	978	978	975	3
Sick pay incentive	1,800	1,800	1,500	300
Dental insurance	3,800	3,800	3,488	312
Social security	25,455	25,455	24,774	681
Health insurance	77,100	77,100	74,697	2,403
Retirement	50,022	50,022	55,745	(5,723)
Life and disability insurance	4,000	4,000	3,101	899
Vision insurance	700	700	517	183
Worker's compensation claims	1,100	1,100	-	1,100
Laundry and dry cleaning	1,000	1,000	393	607
Employee physicals	500	500	-	500
Postage	200	200	111	89
GPS service	1,000	1,000	860	140
Subscriptions and memberships	800	800	220	580
Advertising	300	300	-	300
Utilities and pager	10,300	10,300	8,048	2,252
Telephone	9,000	9,000	7,670	1,330
Spay and neuter	45,000	40,000	33,670	6,330
Veterinary	30,000	26,600	12,409	14,191
Vehicle maintenance	5,000	5,000	1,186	3,814
Building and grounds maintenance	15,000	15,000	11,455	3,545
Professional development	1,500	1,500	195	1,305
Credit card fees	1,000	1,000	795	205
Landfill	800	2,800	1,830	970
Office	3,000	4,700	3,814	886
OSHA safety supplies	500	500	-	500
Uniforms	3,000	3,000	234	2,766
Gasoline	8,000	9,200	11,266	(2,066)
Animal Supplies	5,800	12,165	10,880	1,285
Insurance - Buildings	920	998	997	1
Insurance - Vehicles	1,900	2,515	2,515	-
Insurance - General Liability	1,500	1,282	1,282	-
Insurance-Workers Compensation	5,800	5,615	5,615	-
Equipment	1,000	1,000	848	152
Hardware	1,000	1,000	270	730
Volunteer services	500	500	-	500
Total animal control	<u>645,151</u>	<u>648,306</u>	<u>609,544</u>	<u>38,762</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public Safety - (Continued)				
Drug enforcement:				
Equipment	\$ 600	\$ 600	\$ -	\$ 600
Total drug enforcement	600	600	-	600
Total public safety	26,360,156	26,770,357	25,584,459	1,185,898
Public works:				
Operations division:				
Salaries	1,156,398	1,090,270	1,018,063	72,207
Overtime	21,000	21,000	8,711	12,289
Seasonal Employees	31,000	31,000	26,823	4,177
Part Time Wages	10,400	10,400	10,440	(40)
Supplemental Pay	700	700	600	100
Service Awards	575	575	575	-
Longevity	17,850	17,850	17,850	-
Sold Vacation	14,000	14,000	10,535	3,465
Christmas Bonus	3,912	3,912	3,249	663
College Pay	125	125	125	-
Sick Pay Incentive	3,000	3,000	2,725	275
Dental Insurance	18,850	18,850	10,794	8,056
Social Security	98,674	98,674	81,200	17,474
Health Insurance	394,125	394,125	216,438	177,687
Retirement	213,812	213,812	168,478	45,334
Life/Disability Ins	14,796	14,796	11,724	3,072
Vision Insurance	3,550	3,550	1,737	1,813
Workers Compensation Claims	2,000	2,000	2,000	-
Employee Physical/Immunization	1,600	1,600	476	1,124
Safety Shoes	4,200	4,200	3,474	726

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public works - (Continued)				
Operations division - (Continued)				
Postage	\$ 200	\$ 200	\$ 5	\$ 195
GPS Services	3,100	3,100	2,716	384
Radio/Communications	2,500	2,500	2,000	500
Subscriptions & Memberships	500	500	241	259
Advertising	300	300	345	(45)
Utilities	42,230	42,230	38,396	3,834
Telephone	19,000	19,000	16,192	2,808
Building/Grounds Maintenance	14,000	17,072	13,987	3,085
Car Allowance	4,200	4,200	4,200	-
Professional Development	1,000	450	450	-
Department Work Sessions	200	-	-	-
Office Expense	5,000	4,054	3,954	100
Operating Supplies	12,000	21,182	18,038	3,144
OSHA Supplies	6,000	3,735	2,646	1,089
Uniform Expense	11,600	10,745	10,743	2
Gasoline	95,600	95,600	108,142	(12,542)
Repairs and Parts	130,000	150,580	130,864	19,716
Sign Shop Supplies	35,000	35,450	35,329	121
Paving & Materials	325,000	403,000	360,471	42,529
Insurance - Buildings	9,700	11,414	11,268	146
Insurance - Vehicles	14,905	29,220	29,220	-
Insurance - General Liability	10,475	9,420	9,420	-
Insurance-Workers Compensation	43,168	33,646	33,646	-
Employee Appreciation	4,200	4,200	3,968	232
Miscellaneous	2,000	830	830	-
Equipment	5,000	5,000	4,912	88
Hardware	3,300	2,154	1,954	200
Laundry & Dry Cleaning	600	600	-	600
Professional Services	1,500	-	-	-
Major Safety Markings	65,000	-	-	-
Thermoplastic	30,000	-	-	-
Total operations division	<u>2,907,845</u>	<u>2,854,821</u>	<u>2,439,954</u>	<u>414,867</u>
Street lighting and signals:				
Utilities	1,100,000	1,100,000	783,978	316,022
Traffic Light Utility Svc	25,000	25,000	15,142	9,858
Pole Attachments	12,700	12,700	9,044	3,656
ITS Maintenance	50,000	50,000	30,294	19,706
Traffic Light Maintenance	850,000	850,000	686,473	163,527
Equipment	10,000	10,000	-	10,000
Total street lighting and signals	<u>2,047,700</u>	<u>2,047,700</u>	<u>1,524,931</u>	<u>522,769</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public works - (Continued)				
Cleveland Regional Jetport Operations:				
Salaries	\$ 121,425	\$ 100,625	\$ 100,505	\$ 120
Overtime	-	71	70	1
Part Time Wages	7,500	-	-	-
Christmas Bonus	163	163	162	1
Sick Pay Incentive	300	250	250	-
Dental Insurance	850	700	639	61
Social Security	10,445	7,945	7,837	108
Health Insurance	19,500	18,055	17,485	570
Retirement	21,245	14,745	14,167	578
Life/Disability Ins	1,500	1,125	1,019	106
Vision Insurance	200	130	119	11
Laundry & Dry Cleaning	250	-	-	-
Employee Physical/Immunization	-	410	410	-
Postage	300	200	178	22
Subscriptions & Memberships	1,200	1,235	1,233	2
Advertising	3,000	550	501	49
Utilities	45,500	40,500	43,941	(3,441)
Telephone	14,500	10,400	10,988	(588)
Contracted Services	328,000	362,171	362,126	45
Professional Services	15,000	1,100	1,068	32
Building/Grounds Maintenance	25,000	70,700	73,310	(2,610)
Car Allowance	5,250	4,200	4,200	-
Professional Development	1,000	335	334	1
Department Work Sessions	500	202	202	-
Credit Card Fees	500	1,258	1,258	-
Office Expense	1,000	1,000	955	45
Operating Supplies	500	250	222	28
Uniform Expense	700	1,770	1,762	8
Gasoline	5,500	3,745	3,699	46
Repairs and Parts	7,500	10,940	10,895	45
Avgas & Jetfuel Purchases	980,000	988,935	992,418	(3,483)
Insurance - Buildings	21,000	22,183	22,183	-
Insurance-Workers Compensation	2,500	2,896	2,896	-
Hardware	7,500	6,863	6,863	-
Workers Compensation Claims	300	-	-	-
Insurance - Vehicles	300	-	-	-
Insurance - General Liability	1,650	-	-	-
Total Cleveland regional jetport	<u>1,651,578</u>	<u>1,675,652</u>	<u>1,683,895</u>	<u>(8,243)</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public works - (Continued)				
Fleet Management:				
Salaries	\$ 364,535	\$ 368,758	\$ 359,360	\$ 9,398
Overtime	6,000	6,000	2,402	3,598
Service Awards	400	400	400	-
Longevity	7,650	7,650	8,819	(1,169)
Sold Vacation	9,600	9,600	7,606	1,994
Christmas Bonus	980	980	975	5
Sick Pay Incentive	600	600	825	(225)
Dental Insurance	5,038	5,038	3,564	1,474
Social Security	29,818	29,818	27,448	2,370
Health Insurance	95,931	90,631	76,197	14,434
Retirement	66,963	66,963	63,993	2,970
Life/Disability Ins	4,575	4,575	3,727	848
Vision Insurance	1,079	1,079	684	395
Postage	200	4	6	(2)
Subscriptions & Memberships	1,500	216	216	-
Utilities	24,900	24,900	22,284	2,616
Telephone	8,200	8,200	7,985	215
Vehicle Maintenance	800	3,244	3,231	13
Equipment Maintenance	12,000	6,700	6,690	10
Building/Grounds Maintenance	12,000	13,650	13,315	335
Professional Development	5,000	5,000	2,362	2,638
Office Expense	2,000	2,800	5,205	(2,405)
OSHA Supplies	2,500	2,839	2,839	-
Uniform Expense	2,800	2,340	2,339	1
Gasoline	3,150	3,150	3,806	(656)
Repairs and Parts-Fuel System	-	6,063	5,475	588
Insurance - Buildings	4,500	5,181	5,181	-
Insurance - Vehicles	1,650	1,319	1,319	-
Insurance - General Liability	1,700	1,434	1,434	-
Insurance-Workers Compensation	7,750	8,116	8,116	-
Equipment	1,200	17,596	17,317	279
Hardware	4,800	4,800	4,646	154
Software	22,900	17,044	16,420	624
Workers Compensation Claims	500	500	-	500
Advertising	200	-	-	-
Contracted Services	8,000	-	-	-
Total fleet management	<u>721,419</u>	<u>727,188</u>	<u>686,186</u>	<u>41,002</u>
Landscaping Maintenance:				
Salaries	501,119	471,871	464,770	7,101
Overtime	2,600	2,600	1,200	1,400
Part Time Wages	15,000	24,500	24,358	142
Longevity	10,050	10,050	11,100	(1,050)
Sold Vacation	9,000	9,000	5,158	3,842

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Public works - (Continued)				
Landscaping Maintenance - (Continued)				
Christmas Bonus	\$ 1,467	\$ 1,467	\$ 1,462	\$ 5
Sick Pay Incentive	2,200	2,000	1,575	425
Dental Insurance	6,000	6,000	4,378	1,622
Social Security	42,148	42,148	36,720	5,428
Health Insurance	125,910	115,910	97,567	18,343
Retirement	91,218	89,218	78,203	11,015
Life/Disability Ins	5,987	5,987	4,533	1,454
Vision Insurance	1,242	1,242	830	412
Workers Compensation Claims	1,900	1,900	478	1,422
Employee Physical/Immunization	200	500	315	185
Postage	100	100	11	89
GPS Services	4,700	4,700	2,896	1,804
Subscriptions & Memberships	600	600	260	340
Utilities	4,350	4,350	3,956	394
Telephone	6,400	6,400	5,023	1,377
Contracted Services	30,000	30,000	22,615	7,385
Vehicle Maintenance	40,000	152,523	150,238	2,285
Equipment Maintenance	1,000	707	502	205
Building/Grounds Maintenance	-	2,000	1,834	166
Car Allowance	4,200	2,100	2,100	-
Professional Development	2,000	2,000	1,148	852
Department Work Sessions	1,100	1,100	670	430
Office Expense	750	750	461	289
Operating Supplies	9,000	12,683	12,591	92
Uniform Expense	4,900	5,285	5,193	92
Trees/Botanical	9,000	9,000	9,000	-
Gasoline	24,500	32,048	35,325	(3,277)
Donation Expense	-	8,408	4,797	3,611
Insurance - Vehicles	7,872	13,901	13,901	-
Insurance - General Liability	2,148	1,947	1,947	-
Insurance-Workers Compensation	8,972	14,078	14,078	-
Equipment	1,000	1,000	651	349
Hardware	750	750	77	673
Total landscaping maintenance	<u>979,383</u>	<u>1,090,823</u>	<u>1,021,921</u>	<u>68,902</u>
Solid waste:				
Subscriptions & Memberships	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total solid waste	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public works	<u>8,308,025</u>	<u>8,396,184</u>	<u>7,356,887</u>	<u>1,039,297</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Culture and recreation:				
College hill recreation center:				
Salaries	\$ 175,740	\$ 185,740	\$ 190,489	\$ (4,749)
Overtime	10,000	10,000	7,475	2,525
Part Time Wages	35,000	35,000	33,170	1,830
Service Awards	250	250	250	-
Longevity	2,400	2,400	3,963	(1,563)
Sold Vacation	3,000	3,000	4,238	(1,238)
Christmas Bonus	700	700	650	50
Sick Pay Incentive	1,200	1,200	900	300
Dental Insurance	2,200	2,200	2,227	(27)
Social Security	17,051	17,051	17,872	(821)
Health Insurance	52,000	52,000	54,118	(2,118)
Retirement	37,361	37,361	33,547	3,814
Life/Disability Ins	2,100	2,100	1,773	327
Vision Insurance	500	500	451	49
Utilities	61,000	61,000	76,404	(15,404)
Telephone	9,100	9,100	8,523	577
Equipment Maintenance	1,100	1,100	625	475
Building/Grounds Maintenance	32,000	30,000	24,320	5,680
Professional Development	1,500	800	615	185
Office Expense	1,500	2,200	1,845	355
Gasoline	100	100	31	69
Pool Expense	15,000	15,000	12,973	2,027
Concession Supplies	500	500	-	500
Insurance - Buildings	10,800	12,573	12,573	-
Insurance - General Liability	2,600	2,555	2,555	-
Insurance-Workers Compensation	750	154	154	-
Security	1,700	1,700	1,662	38
Program Development	15,200	17,200	14,938	2,262
Unemployment Compensation	1,000	1,000	-	1,000
Workers Compensation Claims	200	200	-	200
Miscellaneous	100	100	-	100
Total College hill recreation center	<u>493,652</u>	<u>504,784</u>	<u>508,341</u>	<u>(3,557)</u>
Parks and recreation:				
Salaries	703,348	502,916	469,143	33,773
Overtime	12,000	12,000	13,475	(1,475)
Part Time Wages	10,000	10,000	9,904	96
Service Awards	425	350	350	-
Longevity	12,100	9,825	9,825	-
Sold Vacation	10,000	8,992	10,652	(1,660)
Christmas Bonus	2,200	975	975	-
College Pay	125	125	125	-
Sick Pay Incentive	3,900	975	975	-
Dental Insurance	6,500	4,234	4,932	(698)
Social Security	57,934	46,532	38,119	8,413

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Culture and recreation - (Continued)				
Parks and recreation - (Continued)				
Health Insurance	\$ 168,000	\$ 109,973	\$ 109,041	\$ 932
Retirement	126,588	98,548	85,781	12,767
Life/Disability Ins	8,000	6,423	5,780	643
Vision Insurance	1,600	1,197	882	315
Workers Compensation Claims	2,000	-	-	-
Laundry & Dry Cleaning	400	400	102	298
Pre-Employment Test	200	200	-	200
Postage	100	100	9	91
GPS Services	4,000	4,000	3,449	551
Subscriptions & Memberships	800	1,138	1,067	71
Advertising	200	200	-	200
Utilities	105,000	89,000	86,378	2,622
Telephone	26,200	23,100	21,768	1,332
Contracted Services	19,000	10,000	6,110	3,890
Vehicle Maintenance	15,200	22,526	22,127	399
Equipment Maintenance	3,100	3,100	2,929	171
Building/Grounds Maintenance	81,000	100,750	99,255	1,495
Car Allowance	4,200	4,200	4,200	-
Professional Development	7,000	4,200	3,364	836
Credit Card Fees	700	700	654	46
Office Expense	2,000	3,525	2,125	1,400
Operating Supplies	9,100	10,088	9,823	265
Uniform Expense	4,900	5,500	3,072	2,428
Gasoline	23,700	23,700	24,965	(1,265)
Donation Expense	-	13,808	4,457	9,351
Insurance - Buildings	17,200	19,902	19,902	-
Insurance - Vehicles	2,800	3,071	3,071	-
Insurance - General Liability	8,300	8,471	8,471	-
Insurance-Workers Compensation	9,400	9,050	9,050	-
Security	5,000	5,000	4,320	680
Program Development	110,000	128,000	125,005	2,995
Miscellaneous	100	100	100	-
Hardware	2,000	5,300	4,959	341
Unemployment Compensation	500	500	-	500
Professional Services	50,000	-	-	-
Total parks and recreation	<u>1,636,820</u>	<u>1,312,694</u>	<u>1,230,691</u>	<u>82,003</u>
Cleveland community center:				
Salaries	158,537	171,537	177,681	(6,144)
Overtime	5,000	5,000	4,859	141
Part Time Wages	35,000	45,000	72,210	(27,210)

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Culture and recreation - (Continued)				
Cleveland community center - (Continued)				
Longevity	\$ 600	\$ 600	\$ 600	\$ -
Sold Vacation	1,500	1,500	1,006	494
Christmas Bonus	700	650	650	-
Sick Pay Incentive	1,200	975	975	-
Dental Insurance	2,500	2,500	2,459	41
Social Security	16,500	16,500	19,406	(2,906)
Health Insurance	55,000	55,000	44,318	10,682
Retirement	29,123	29,123	31,440	(2,317)
Life/Disability Ins	2,100	2,100	1,730	370
Vision Insurance	500	500	408	92
Workers Compensation Claims	300	300	-	300
Utilities	38,000	35,000	37,487	(2,487)
Telephone	6,900	6,900	7,303	(403)
Equipment Maintenance	1,100	100	67	33
Building/Grounds Maintenance	32,000	25,508	23,321	2,187
Professional Development	1,500	2,075	1,903	172
Office Expense	1,500	2,500	2,025	475
Gasoline	100	100	31	69
Pool Expense	15,000	25,200	25,014	186
Insurance - Buildings	6,800	7,532	7,531	1
Insurance - General Liability	2,400	2,236	2,236	-
Insurance-Workers Compensation	1,500	2,271	2,271	-
Security	1,400	1,400	1,302	98
Program Development	15,200	16,200	14,678	1,522
Miscellaneous	100	100	-	100
Total Cleveland community center	<u>432,060</u>	<u>458,407</u>	<u>482,911</u>	<u>(24,504)</u>
Tinsley park:				
Overtime	10,000	10,000	6,443	3,557
Part Time Wages	170,000	170,000	192,418	(22,418)
Social Security	14,000	14,000	15,495	(1,495)
Workers Compensation Claims	-	-	1,000	(1,000)
Utilities	89,300	86,800	74,508	12,292
Telephone	700	700	449	251
Building/Grounds Maintenance	36,000	30,171	25,054	5,117
Professional Development	1,000	3,000	2,518	482
Pool Expense	27,500	35,000	34,786	214
Concession Supplies - Tinsley	4,300	4,300	210	4,090
Insurance - Buildings	7,400	8,199	8,199	-
Insurance - General Liability	1,900	1,885	1,885	-
Insurance-Workers Compensation	2,200	432	432	-
Total tinsley park	<u>364,300</u>	<u>364,487</u>	<u>363,397</u>	<u>1,090</u>
Total culture and recreation	<u>2,926,832</u>	<u>2,640,372</u>	<u>2,585,340</u>	<u>55,032</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Appropriations:				
Museum Center at Five Points	\$ 42,300	\$ 13,746	\$ -	\$ 13,746
PEP: Dues	10,500	10,824	10,824	-
Chamber - Economic Development	45,000	45,000	45,000	-
SE TN District Dues	10,000	10,000	9,945	55
Mainstreet Cleveland	25,000	25,000	25,000	-
Cemetary Association	18,000	18,000	18,000	-
Courts Community Service	60,000	81,000	75,337	5,663
Keep America Beautiful	28,200	28,200	28,200	-
Juvenile Court Match	1,100	1,100	1,100	-
SETHRA Transit	135,000	135,000	135,000	-
CCBC Communications Center	700,000	700,000	700,000	-
BC Emergency Management	110,000	117,554	117,554	-
Mainstreet Projects	9,000	9,000	9,000	-
Veterans Affairs Office	31,500	31,500	31,339	161
Life Bridges	6,200	6,200	6,200	-
Community Services Agency	97,000	97,000	97,000	-
Cleveland Youth Football	8,000	8,000	8,000	-
Cleveland Aqua Tigers	2,000	2,000	2,000	-
Boys and Girls Club	18,500	18,500	14,763	3,737
Water Dogs	2,000	2,000	2,000	-
Greater Cleveland Soccer Assoc	5,000	5,000	5,000	-
Soccer Assoc - Land Lease	5,000	5,000	5,000	-
Comm Svc Agency - BCCSA	15,000	15,000	15,000	-
July 4th Celebration	5,000	5,000	5,000	-
Cleveland Land Bank	-	25,000	25,000	-
Vocational School	30,700	30,700	30,700	-
Jointly Funded	29,500	4,176	-	4,176
Behaviorial Research	2,000	2,000	-	2,000
Total appropriations	<u>1,451,500</u>	<u>1,451,500</u>	<u>1,421,962</u>	<u>29,538</u>
 Total expenditures	 <u>45,831,333</u>	 <u>46,419,880</u>	 <u>43,578,429</u>	 <u>2,841,451</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>15,335,227</u>	 <u>16,000,036</u>	 <u>23,525,568</u>	 <u>7,525,532</u>
 OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(14,768,175)</u>	<u>(14,980,789)</u>	<u>(14,980,789)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(14,768,175)</u>	 <u>(14,980,789)</u>	 <u>(14,980,789)</u>	 <u>-</u>
 NET CHANGE IN FUND BALANCES	 567,052	 1,019,247	 8,544,779	 7,525,532
 FUND BALANCE, beginning	 <u>41,608,653</u>	 <u>41,608,653</u>	 <u>41,608,653</u>	 <u>-</u>
 FUND BALANCE, ending	 <u>\$ 42,175,705</u>	 <u>\$ 42,627,900</u>	 <u>\$ 50,153,432</u>	 <u>\$ 7,525,532</u>

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government:				
Other federal through state	\$ -	\$ -	\$ 105,324	\$ 105,324
Total federal government	<u>-</u>	<u>-</u>	<u>105,324</u>	<u>105,324</u>
State of Tennessee:				
Basic education program	37,305,000	40,716,670	41,367,258	650,588
Early childhood education	-	994,480	970,929	(23,551)
School food service	27,453	27,453	32,508	5,055
Other state education funds	-	691,464	537,474	(153,990)
Career ladder program	36,648	36,648	28,395	(8,253)
Other vocational	-	489,386	186,835	(302,551)
Other state grants	924,727	231,206	472,322	241,116
State mixed drink tax	-	185,750	188,896	3,146
Safe Schools - ARPA	-	311	311	-
On-behalf contributions for TISA	-	-	137,367	137,367
Total State of Tennessee	<u>38,293,828</u>	<u>43,373,368</u>	<u>43,922,295</u>	<u>548,927</u>
Bradley County:				
Property taxes - current	6,920,724	6,920,724	6,834,392	(86,332)
Property taxes - prior	182,061	182,061	120,734	(61,327)
Clerk and master	116,000	116,000	83,209	(32,791)
Interest and penalty	31,369	31,369	21,452	(9,917)
In lieu of taxes - local utilities	3,805	3,805	2,435	(1,370)
In lieu of taxes - other utilities	487,000	487,000	118,205	(368,795)
Marriage license	25,461	25,461	1,370	(24,091)
Bank excise tax	28,376	28,376	54,513	26,137
Local sales tax	7,535,957	8,515,631	9,259,119	743,488
Total Bradley County	<u>15,330,753</u>	<u>16,310,427</u>	<u>16,495,429</u>	<u>185,002</u>
Total Intergovernmental	<u>53,624,581</u>	<u>59,683,795</u>	<u>60,523,048</u>	<u>839,253</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues - (Continued)				
Charges for services:				
Tuition	\$ 101,935	\$ 101,935	\$ 123,733	\$ 21,798
Criminal background fee	-	150	75	(75)
Total charges for services	<u>101,935</u>	<u>102,085</u>	<u>123,808</u>	<u>21,723</u>
Interest	<u>13,250</u>	<u>13,250</u>	<u>655,876</u>	<u>642,626</u>
Miscellaneous:				
Miscellaneous refunds	98,841	98,841	159,401	60,560
Sale of equipment	6,900	1,263,927	933,413	(330,514)
Damages recovered	1,800	1,800	229	(1,571)
Contributions	111,455	111,455	102,656	(8,799)
Other	2,825	2,825	77,811	74,986
Total miscellaneous	<u>221,821</u>	<u>1,478,848</u>	<u>1,273,510</u>	<u>(205,338)</u>
Total revenues	<u>53,961,587</u>	<u>61,277,978</u>	<u>62,576,242</u>	<u>1,298,264</u>
Expenditures:				
Current:				
Education:				
Regular instruction:				
Teachers	22,002,989	22,388,532	21,881,031	507,501
Career ladder program	14,500	9,500	9,500	-
Homebound teachers	79,537	82,537	84,882	(2,345)
Assistants	1,501,002	1,614,052	1,637,821	(23,769)
Bonus payments	-	330,491	330,490	1
Other salaries and wages	162,673	162,673	151,282	11,391
Social security	1,473,163	1,496,246	1,407,447	88,799
State retirement	1,762,680	1,799,757	1,687,051	112,706
Life insurance	31,167	15,259	15,781	(522)
Medical insurance	3,113,842	3,492,075	3,537,795	(45,720)
Unemployment compensation	8,000	15,000	15,948	(948)
Employer medicare	344,530	349,928	330,350	19,578
Retirement - hybrid stabilization	142,014	142,014	136,176	5,838
Other fringe benefits	125,699	125,699	130,610	(4,911)
Operating lease payments	448,589	448,390	448,389	1
Maintenance and repair	15,000	13,676	8,202	5,474
Contracts for Sub Teachers - certified	396,725	403,725	405,571	(1,846)
Other contracted services	248,400	294,697	265,349	29,348

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
Regular instruction - (Continued)				
Instructional supplies	\$ 197,575	\$ 243,528	\$ 228,933	\$ 14,595
Electronic textbooks	73,964	52,237	52,237	-
Textbooks	157,650	179,218	120,102	59,116
Other supplies and materials	130,750	255,667	194,570	61,097
Other charges	72,658	101,632	186,049	(84,417)
Regular instruction equipment	77,895	2,175,852	2,131,878	43,974
Total regular instruction	<u>32,581,002</u>	<u>36,192,385</u>	<u>35,397,444</u>	<u>794,941</u>
Special education:				
Teachers	2,511,943	2,659,477	2,464,050	195,427
Career ladder program	3,000	3,000	3,000	-
Homebound teachers	1,000	6,300	5,985	315
Assistants	682,643	768,354	769,633	(1,279)
Speech pathologist	357,033	365,445	365,446	(1)
Bonus payments	-	76,597	76,597	-
Other salaries and wages	77,688	77,688	77,688	-
Social security	225,265	226,528	220,739	5,789
State retirement	326,275	356,404	360,543	(4,139)
Life insurance	5,305	3,185	3,072	113
Medical insurance	426,232	565,753	574,699	(8,946)
Employer medicare	52,683	52,978	51,640	1,338
Maintenance and repair	1,200	1,200	150	1,050
Contracts with private agencies	22,102	22,102	3,063	19,039
Contracts with substitute teachers	17,000	62,850	65,747	(2,897)
Other supplies and materials	7,650	22,650	14,584	8,066
Instructional supplies and materials	25,450	40,450	33,934	6,516
Other charges	-	-	37,240	(37,240)
Regular instruction equipment	5,450	12,317	3,457	8,860
Total special education	<u>4,747,919</u>	<u>5,323,278</u>	<u>5,131,267</u>	<u>192,011</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
Vocational education:				
Teachers	\$ 1,324,625	\$ 1,219,625	\$ 1,215,874	\$ 3,751
Bonus payments	-	13,547	13,547	-
Social security	82,127	82,127	70,367	11,760
State retirement	90,207	99,165	99,232	(67)
Life insurance	1,482	753	753	-
Medical insurance	175,936	212,574	212,206	368
Employer medicare	19,207	19,207	16,457	2,750
Maintenance and repair services	10,500	3,000	2,906	94
Contracts for substitute teachers	6,500	16,975	15,753	1,222
Other contracted services	4,500	8,915	8,914	1
Instructional supplies	43,033	52,282	51,344	938
Other supplies and materials	2,300	125,784	99,840	25,944
Vocational instruction equipment	116,667	353,655	348,756	4,899
Total vocational education	<u>1,877,084</u>	<u>2,207,609</u>	<u>2,155,949</u>	<u>51,660</u>
Students:				
Attendance:				
Supervisor/director	57,300	57,300	57,300	-
Bonus payments	-	1,088	1,087	1
Other salaries and wages	43,301	48,301	48,301	-
Social security	6,237	6,321	6,322	(1)
State retirement	11,341	12,200	12,348	(148)
Life insurance	124	76	75	1
Medical insurance	14,726	15,479	15,490	(11)
Employer medicare	1,459	1,479	1,479	-
Other supplies and materials	10,000	10,000	6,001	3,999
Total attendance	<u>144,488</u>	<u>152,244</u>	<u>148,403</u>	<u>3,841</u>
Health services:				
Supervisor/director	-	77,930	77,930	-
Medical personnel	326,013	334,513	333,264	1,249
Bonus payments	-	7,317	7,317	-
Other salaries and wages	-	1,500	1,500	-
Social security	20,213	25,572	24,403	1,169
State retirement	56,009	49,931	51,227	(1,296)
Life insurance	741	391	391	-
Medical insurance	50,501	55,828	55,986	(158)
Employer medicare	4,727	5,980	5,707	273

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
Students - (Continued)				
Health services - (Continued)				
Travel	\$ -	\$ 6,192	\$ 4,422	\$ 1,770
Contracts for substitute teachers	-	1,850	1,050	800
Drugs and medical supplies	2,000	6,702	5,000	1,702
Other supplies and materials	2,194	29,297	31,109	(1,812)
In-service staff development	-	3,606	2,718	888
Total health services	<u>462,398</u>	<u>606,609</u>	<u>602,024</u>	<u>4,585</u>
Other student support:				
Career ladder program	3,000	3,000	3,000	-
Guidance personnel	1,101,150	1,330,298	1,346,972	(16,674)
Psychological personnel	285,628	208,876	208,876	-
Attendants	162,000	162,000	160,351	1,649
Bonus payments	-	44,399	44,398	1
Other salaries & wages	73,013	227,906	215,927	11,979
Social security	100,737	121,627	115,984	5,643
State retirement	107,188	143,065	144,702	(1,637)
Life insurance	1,593	1,004	1,013	(9)
Medical insurance	140,223	198,624	200,748	(2,124)
Employer medicare	23,559	27,427	27,329	98
Evaluation and testing	90,870	40,950	49,643	(8,693)
Other contracted services	511,211	88,560	50,274	38,286
Software	-	106,888	106,888	-
Other supplies and materials	11,900	10,900	7,369	3,531
Total other student support	<u>2,612,072</u>	<u>2,715,524</u>	<u>2,683,474</u>	<u>32,050</u>
Total students	<u>3,218,958</u>	<u>3,474,377</u>	<u>3,433,901</u>	<u>40,476</u>
Instructional staff:				
Regular instructional program:				
Supervisor/director	584,416	511,055	488,988	22,067
Career ladder program	5,000	5,000	5,000	-
Librarians	716,998	718,760	724,109	(5,349)
Secretaries	176,454	176,454	176,454	-
Bonus payments	-	18,564	18,564	-
Other salaries and wages	91,058	96,056	96,056	-
Social security	97,583	97,583	87,850	9,733

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
Instructional staff - (Continued)				
Regular instructional program - (Continued)				
State retirement	\$ 140,571	\$ 140,571	\$ 134,468	\$ 6,103
Life insurance	1,476	935	903	32
Medical insurance	151,309	193,524	193,550	(26)
Employer medicare	22,822	22,822	20,559	2,263
Travel	32,000	32,000	12,563	19,437
Other contracted services	7,000	7,000	6,885	115
Library books	41,000	41,092	40,463	629
Other supplies and materials	23,475	22,774	23,338	(564)
In-service staff development	79,500	95,280	78,323	16,957
Total regular instructional program	<u>2,170,662</u>	<u>2,179,470</u>	<u>2,108,073</u>	<u>71,397</u>
Special education:				
Supervisor/director	114,115	114,115	114,115	-
Bonus payments	-	5,268	5,268	-
Other salaries and wages	-	63,609	63,699	(90)
Social security	7,075	11,019	10,794	225
State retirement	7,771	12,103	12,484	(381)
Life insurance	83	90	90	-
Medical insurance	16,642	24,318	24,330	(12)
Employer medicare	1,644	2,566	2,524	42
Travel	1,500	1,500	808	692
Total special education	<u>148,830</u>	<u>234,588</u>	<u>234,112</u>	<u>476</u>
Vocational education				
Supervisor/director	103,624	103,624	103,624	-
Secretaries	33,630	33,630	33,630	-
Bonus payments	-	1,464	1,463	1
Social security	8,510	8,510	8,063	447
State retirement	12,834	12,834	13,008	(174)
Life insurance	165	84	90	(6)
Medical insurance	18,526	22,569	22,581	(12)
Employer medicare	1,990	1,990	1,886	104
Travel	2,500	1,815	523	1,292
Total vocational education	<u>181,779</u>	<u>186,520</u>	<u>184,868</u>	<u>1,652</u>
Total instructional staff	<u>2,501,271</u>	<u>2,600,578</u>	<u>2,527,053</u>	<u>73,525</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
General administration:				
Technology:				
Supervisor/director	\$ 109,480	\$ 109,480	\$ 109,480	\$ -
Bonus payments	-	5,018	5,017	1
Other salaries and wages	254,485	248,179	249,679	(1,500)
Social security	22,566	20,990	21,086	(96)
State retirement	51,176	45,988	47,094	(1,106)
Life insurance	494	294	294	-
Medical insurance	59,080	68,914	68,951	(37)
Employer medicare	5,278	4,909	4,931	(22)
Internet connectivity	36,879	36,879	36,878	1
Travel	2,500	2,500	2,461	39
Other contracted services	67,992	67,992	53,827	14,165
Cabling	20,000	20,000	1,133	18,867
Software	135,000	295,200	261,924	33,276
Other supplies and materials	21,200	21,200	3,090	18,110
Other charges	6,090	6,090	957	5,133
Total technology	<u>792,220</u>	<u>953,633</u>	<u>866,802</u>	<u>86,831</u>
Board of education:				
Board and committee members fees	52,800	52,800	52,800	-
Social security	3,274	3,274	3,274	-
Employer medicare	766	766	766	-
Audit services	15,000	18,000	18,000	-
Dues and memberships	7,158	7,607	7,607	-
Legal services	20,000	30,000	31,674	(1,674)
Liability insurance	70,486	81,869	81,869	-
Premiums on corporate surety bonds	44,917	52,595	-	52,595
Trustee's commission	152,150	152,150	146,170	5,980
Workman's compensation insurance	176,409	188,532	188,532	-
Criminal investigation	9,590	9,590	10,291	(701)
Refund criminal investigation	500	500	293	207
Other charges	50,000	90,000	73,068	16,932
Total board of education	<u>603,050</u>	<u>687,683</u>	<u>614,344</u>	<u>73,339</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
General administration - (Continued)				
Office of the superintendent:				
Administrative officer	\$ 181,547	\$ 181,547	\$ 190,363	\$ (8,816)
Assistants	127,335	127,335	116,723	10,612
Career ladder program	2,000	2,000	1,000	1,000
Secretaries	72,888	72,888	72,888	-
Longevity pay	-	3,858	3,858	-
Bonus payments	-	3,574	3,573	1
Other salaries and wages	95,046	106,600	91,202	15,398
Social security	29,687	29,687	26,445	3,242
State retirement	40,166	40,166	47,346	(7,180)
Life insurance	371	226	224	2
Medical insurance	47,610	51,883	49,088	2,795
Employer medicare	6,943	6,943	6,743	200
Communication	105,000	105,000	95,590	9,410
Dues and memberships	10,705	10,705	7,049	3,656
Postal charges	6,500	6,500	3,170	3,330
Travel	13,000	13,000	13,294	(294)
Other contracted services	33,191	33,191	12,207	20,984
Office supplies	16,500	16,500	10,621	5,879
Other charges	19,400	57,400	64,075	(6,675)
Total office of the superintendent	<u>807,889</u>	<u>869,003</u>	<u>815,459</u>	<u>53,544</u>
Total general administration	<u>2,203,159</u>	<u>2,510,319</u>	<u>2,296,605</u>	<u>213,714</u>
Office of the Principal:				
Principals	1,159,188	985,187	989,782	(4,595)
Career ladder program	4,000	4,000	4,000	-
Assistant principals	975,870	1,409,318	1,329,520	79,798
Secretaries	553,315	535,659	527,757	7,902
Bonus payments	-	29,435	29,435	-
Social security	166,927	166,927	166,215	712
State retirement	240,729	240,729	251,329	(10,600)
Life insurance	3,293	1,765	1,761	4
Medical insurance	337,108	398,967	399,295	(328)
Employer medicare	39,039	39,039	39,142	(103)

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
Office of the Principal (Continued)				
Data processing services	\$ -	\$ 800	\$ 800	\$ -
Dues and memberships	1,000	1,545	1,492	53
Maintenance and repair services	5,025	10,616	10,616	-
Postal charges	4,600	4,238	3,893	345
Travel	5,100	5,100	229	4,871
Other contracted services	6,375	4,760	5,547	(787)
Office supplies	19,902	11,054	8,754	2,300
Other charges	-	2,677	2,677	-
Total office of the principal	<u>3,521,471</u>	<u>3,851,816</u>	<u>3,772,244</u>	<u>79,572</u>
Business administration:				
Bookkeepers	306,132	306,132	306,132	-
Bonus payments	-	2,844	2,843	1
Social security	18,980	17,825	17,830	(5)
State retirement	52,593	53,082	53,082	-
Life insurance	332	201	201	-
Medical insurance	35,982	41,450	41,449	1
Employer medicare	4,439	4,169	4,170	(1)
Data processing services	51,355	54,961	55,961	(1,000)
Travel	1,000	1,500	673	827
Total business administration	<u>470,813</u>	<u>482,164</u>	<u>482,341</u>	<u>(177)</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
Operations and Maintenance:				
Operations of plant:				
Bonus payments	\$ -	\$ 377	\$ 376	\$ 1
Other salaries and wages	45,647	45,647	45,647	-
Social security	2,830	2,830	2,826	4
State retirement	3,109	3,134	3,134	-
Life insurance	42	25	25	-
Medical insurance	7,612	5,795	5,794	1
Employer medicare	662	662	661	1
Janatorial services	1,571,377	1,571,377	1,441,815	129,562
Other contracted services	136,547	136,547	106,788	29,759
Electricity	1,250,000	1,337,500	1,262,664	74,836
Natural gas	115,395	115,395	101,098	14,297
Water and sewer	229,785	270,000	279,251	(9,251)
Boiler insurance	7,911	8,709	8,709	-
Building and contents insurance	269,509	343,254	343,254	-
Total operations of plant	<u>3,640,426</u>	<u>3,841,252</u>	<u>3,602,042</u>	<u>239,210</u>
Maintenance of plant:				
Supervisor	108,687	116,687	116,687	-
Maintenance personnel	644,502	644,502	660,806	(16,304)
Bonus payments	-	9,951	9,951	-
Other salaries and wages	35,000	35,000	9,453	25,547
Social security	48,868	49,364	45,711	3,653
State retirement	129,398	130,773	131,496	(723)
Life insurance	1,071	689	689	-
Medical insurance	120,760	141,281	141,282	(1)
Employer medicare	11,429	11,545	10,690	855
Maintenance and repair services - building	90,140	175,000	141,888	33,112
Maintenance and repair services - equipment	2,000	89,912	71,426	18,486
Other contracted services	116,000	140,000	146,954	(6,954)
Equipment and machinery parts	5,200	50,000	40,627	9,373
Other supplies and materials	190,000	190,000	87,906	102,094
Other charges	5,000	23,457	16,799	6,658
Total maintenance of plant	<u>1,508,055</u>	<u>1,808,161</u>	<u>1,632,365</u>	<u>175,796</u>
Total operations and maintenance	<u>5,148,481</u>	<u>5,649,413</u>	<u>5,234,407</u>	<u>415,006</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
Transportation:				
Mechanics	\$ 102,282	\$ 124,062	\$ 121,305	\$ 2,757
Bus drivers	655,884	767,931	668,188	99,743
Bonus payments	-	18,480	18,480	-
Other salaries and wages	47,243	61,686	50,549	11,137
Social security	49,935	57,341	53,885	3,456
State retirement	25,688	30,929	37,954	(7,025)
Life insurance	247	236	238	(2)
Medical insurance	28,593	34,494	35,259	(765)
Employer medicare	11,678	14,022	12,602	1,420
Operating lease payments	-	2,358	2,326	32
Maintenance and repair services - equipment	-	2,500	1,787	713
Maintenance and repair services - vehicles	-	30,088	11,700	18,388
Medical and dental services	3,500	3,500	4,230	(730)
Other contracted services	22,500	22,500	39,693	(17,193)
Diesel fuel	189,088	205,748	159,637	46,111
Gasoline	20,000	20,000	30,322	(10,322)
Lubricants	2,000	2,000	8,030	(6,030)
Tires and tubes	17,290	16,693	9,959	6,734
Vehicle parts	79,440	51,690	35,920	15,770
Other supplies and materials	2,000	2,000	17,050	(15,050)
Vehicle and equipment insurance	67,377	80,277	80,277	-
Other charges	15,550	15,550	47,182	(31,632)
Total transportation	<u>1,340,295</u>	<u>1,564,085</u>	<u>1,446,573</u>	<u>117,512</u>
Food service:				
Bonus payments	-	36,249	36,249	-
Other salaries and wages	88,644	88,644	88,644	-
Social security	5,496	7,600	7,602	(2)
State retirement	15,229	19,015	19,014	1
Life insurance	83	50	50	-
Medical insurance	6,718	6,769	6,769	-
Employer medicare	1,285	1,777	1,778	(1)
Food supplies	-	10,000	9,508	492
Total food service	<u>117,455</u>	<u>170,104</u>	<u>169,614</u>	<u>490</u>

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND**

Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures - (Continued)				
Current - (Continued)				
Education - (Continued)				
Community services:				
Other contracted services	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total community services:	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Early childhood education:				
Contracts with other public agencies	924,727	925,938	925,938	-
Total early childhood education	<u>924,727</u>	<u>925,938</u>	<u>925,938</u>	<u>-</u>
Capital outlay:				
Architects	-	116,200	115,424	776
Building construction	-	-	109,418	(109,418)
Building improvements	-	973,561	776,698	196,863
Transportation equipment	-	8,804	8,804	-
Furniture and fixtures	-	67,450	67,271	179
Other capital outlays	-	15,381	72,602	(57,221)
Maintenance equipment	2,500	35,358	35,347	11
Administration equipment	53,236	387,465	181,073	206,392
Other equipment	31,000	31,000	31,690	(690)
Total capital outlay	<u>86,736</u>	<u>1,635,219</u>	<u>1,398,327</u>	<u>236,892</u>
Total expenditures	<u>58,789,371</u>	<u>66,637,285</u>	<u>64,421,663</u>	<u>2,215,622</u>
Excess (deficiency) of revenues over expenditures	<u>(4,827,784)</u>	<u>(5,359,307)</u>	<u>(1,845,421)</u>	<u>3,513,886</u>
Other financing sources (uses):				
Transfers in	5,605,300	6,024,900	6,024,900	-
Transfers out	-	-	(839,306)	(839,306)
Total other financing sources(uses)	<u>5,605,300</u>	<u>6,024,900</u>	<u>5,185,594</u>	<u>(839,306)</u>
Net change in fund balances	<u>777,516</u>	<u>665,593</u>	<u>3,340,173</u>	<u>2,674,580</u>
Fund balance at beginning of year	<u>12,365,526</u>	<u>12,365,526</u>	<u>12,365,526</u>	<u>-</u>
Fund balance at end of year	<u>13,143,042</u>	<u>13,031,119</u>	<u>15,705,699</u>	<u>2,674,580</u>

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROGRAM FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenues:				
Jetport-Box Culvert Repair	\$ -	\$ 259,425	\$ 22,760	\$ (236,665)
Jetport-THangers	-	110,275	30,000	(80,275)
TDOT Grant: Paul Huff Paving	-	-	59,506	59,506
TDOT Grant: 25th St Multimodal	-	-	19,261	19,261
TDOT Grant: Gaut St.	-	877,676	360	(877,316)
Downtown Improv Grant	-	15,568	67,380	51,812
PEP: Property Conservation Grt	-	4,000	4,000	-
LIC-Reimbursement	-	196,384	196,384	-
Total intergovernmental revenues	-	1,463,328	399,651	(1,063,677)
Interest	-	900,000	1,524,539	624,539
Miscellaneous revenues:				
Family Resource Lease Agreeemnt	-	9,001	9,001	-
PEP: Vehicle Reimbursement	-	76,697	96,062	19,365
Sundry Income	-	5,422	10,147	4,725
Total miscellaneous revenues	-	91,120	115,210	24,090
Total revenues	-	2,454,448	2,039,400	(415,048)
EXPENDITURES:				
Capital outlay:				
Capital Projects	-	2,188,228	365,921	1,822,307
Whirlpool/Downtown Initiative	600,000	2,107,528	119,741	1,987,787
Infra Improve 25th and Ocoee	-	1,504,000	-	1,504,000
Bldg-Council Chambers	-	-	612	(612)
Bldg-Council Chambers	-	2,184,994	-	2,184,994
Capital Projects	-	725,000	-	725,000
Family Resource Improv	-	9,001	-	9,001
Trans-Raise Grant/TDOT	-	60,000	-	60,000
Building-Library HVAC	-	30,448	30,448	-
Downtown Improv Grant	-	20,990	21,740	(750)
Equipment-Disc Golf	-	50,000	49,397	603
Vehicles	-	52,249	51,850	399
Software	-	60,000	-	60,000
Capital Projects-Munis	-	572,312	53,607	518,705
Improv=Public Safety Cameras	-	455,005	185,814	269,191
Equipment-Scissor Lift/Trailer	-	72,544	72,544	-
Capital Projects	-	27,062	-	27,062
Greenway Phase 6	-	861,608	-	861,608
Transportation Projects-LGIP	-	73,726	39	73,687
Trans-Michigan Ave @ Minnis	-	248,500	-	248,500
Paul Huff Paving	-	177,041	77,479	99,562
Infrastructure-Peerless/Keith	-	232,274	-	232,274
25th St MultiModal	-	841,830	20,275	821,555
Infrastructure-Downtown Area	-	100,000	51,074	48,926
Infra-3rd Street Corridor	-	1,000,000	-	1,000,000
Vehicles	-	4,270	-	4,270
Sidewalks-Adkisson	-	244,470	172,696	71,774
Vehicles	-	82,044	75,805	6,239
Equipment-Body Cameras	-	70,000	-	70,000

(Continued)

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

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROGRAM FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Capital outlay (Continued)				
Apparatus Replacement	\$ -	\$ 58,863	\$ 48,431	\$ 10,432
Trans-Mse Crk Turn Lane	-	200,000	-	200,000
25th & Peerless Intersection	-	327,127	-	327,127
Multi-Modal Access	-	42	167	(125)
LIC	-	616,988	3,739	613,249
Peerless Extension	-	19,770	-	19,770
Mouse Creek Intersection	-	781,787	798,885	(17,098)
Paul Huff Peerless Intersect	-	1,167,450	61,883	1,105,567
20th & Tasso	-	251,360	-	251,360
TranProj-Central Ave.	-	400,000	-	400,000
Gaut Street	-	877,676	-	877,676
Gaut Street	-	-	359	(359)
Paving	300,000	1,572,572	542,490	1,030,082
Vehicles	-	55,596	-	55,596
Improvements	-	197,935	93,978	103,957
Sidewalks	65,000	440,649	827,383	(386,734)
Sidewalks-S Lee Hwy	-	200,000	-	200,000
Sidewalks-Cleveland Gateway	-	300,000	-	300,000
Sidewalks-Inman/Downtown	-	2,000,000	-	2,000,000
Sidewalks-1st Street	-	150,000	-	150,000
Environment Monitoring	-	375	375	-
North Property - Design	-	837	837	-
Taxi Lane	-	5,450	5,450	-
Land Easement	-	5,398	-	5,398
T Hanger	-	117,500	34,225	83,275
North Development	-	17,001	17,001	-
Infra-Box Culvert Repair	-	271,500	33,635	237,865
Capital Projects-Civitan Park	-	552,172	509,187	42,985
Jim Sharp Park	-	1,322,926	77,016	1,245,910
Johnston Park	-	500,000	-	500,000
Mosby Park Phase II	-	24,459	-	24,459
City Parks Master Plan	-	50,000	231	49,769
Candies Creek Greenway	-	236,643	219,516	17,127
Mosby Park Phase II	-	-	151	(151)
Improv-Tinsley Park	-	3,250,000	358,717	2,891,283
Soccer Complex Improvements	-	1,200,000	914,365	285,635
Improv-Grnway@East Circle	-	100,000	58,470	41,530
Improv-Greenway Lights	-	78,000	-	78,000
Equipment Replacement	-	11,096	9,120	1,976
Total capital outlay	<u>965,000</u>	<u>31,416,296</u>	<u>5,964,653</u>	<u>25,451,643</u>
Total expenditures	<u>965,000</u>	<u>31,416,296</u>	<u>5,964,653</u>	<u>25,451,643</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(965,000)</u>	<u>(28,961,848)</u>	<u>(3,925,253)</u>	<u>25,036,595</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>965,000</u>	<u>1,076,521</u>	<u>1,076,521</u>	<u>-</u>
Total other financing sources (uses)	<u>965,000</u>	<u>1,076,521</u>	<u>1,076,521</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(27,885,327)	(2,848,732)	25,036,595
FUND BALANCE, beginning	<u>28,437,669</u>	<u>28,437,669</u>	<u>28,437,669</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 28,437,669</u>	<u>\$ 552,342</u>	<u>\$ 25,588,937</u>	<u>\$ 25,036,595</u>

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

CITY OF CLEVELAND, TENNESSEE

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2024

	Stormwater Management Fund	Governmental Activities Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,853,954	\$ 3,806,592
Accounts receivable, net	<u>776,971</u>	<u>13,746</u>
Total current assets	<u>4,630,925</u>	<u>3,820,338</u>
Noncurrent assets:		
Capital assets:		
Land and construction in progress	1,814,837	-
Other capital assets, net of accumulated depreciation	<u>2,459,478</u>	<u>-</u>
Total noncurrent assets	<u>4,274,315</u>	<u>-</u>
Total assets	<u>8,905,240</u>	<u>3,820,338</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension	80,066	-
Deferred outflows - OPEB	<u>56,995</u>	<u>-</u>
Total deferred outflows of resources	<u>137,061</u>	<u>-</u>
 LIABILITIES		
Current liabilities:		
Accrued liabilities	10,021	-
Accounts payable	<u>150,754</u>	<u>383,267</u>
Total current liabilities	<u>160,775</u>	<u>383,267</u>
Noncurrent liabilities:		
Net OPEB liability	364,161	-
Net pension liability	<u>73,683</u>	<u>-</u>
Total noncurrent liabilities	<u>437,844</u>	<u>-</u>
Total liabilities	<u>598,619</u>	<u>383,267</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension	2,465	-
Deferred inflows - OPEB	<u>204,460</u>	<u>-</u>
Total deferred inflows of resources	<u>206,925</u>	<u>-</u>
 NET POSITION		
Net investment in capital assets	4,274,315	-
Unrestricted	<u>3,962,442</u>	<u>3,437,071</u>
Total net position	<u>\$ 8,236,757</u>	<u>\$ 3,437,071</u>

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

CITY OF CLEVELAND, TENNESSEE

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

YEAR ENDED JUNE 30, 2024

	Stormwater Management Fund	Governmental Activities Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 1,835,956	\$ 5,294,536
Intergovernmental	677,645	-
Total revenues	2,513,601	5,294,536
OPERATING EXPENSES		
Operation expenses	1,107,605	4,968,996
Depreciation and amortization	187,919	-
Total operating expenses	1,295,524	4,968,996
OPERATING INCOME	1,218,077	325,540
NONOPERATING REVENUES (EXPENSES)		
Interest income	220,651	155,501
Gain on disposal of assets	19,000	-
Total nonoperating revenues (expenses)	239,651	155,501
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,457,728	481,041
Transfers out	(103,400)	-
CHANGE IN NET POSITION	1,354,328	481,041
NET POSITION, beginning (as restated)	6,882,429	2,956,030
NET POSITION, ending	\$ 8,236,757	\$ 3,437,071

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

CITY OF CLEVELAND, TENNESSEE

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	Stormwater Management Fund	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 1,893,888	\$ -
Receipts (payments) from interfund changes	-	5,289,310
Payments to suppliers	(661,692)	(4,958,699)
Payments to employees for services	(300,940)	-
Net cash from operating activities	931,256	330,611
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(103,400)	-
Net cash from noncapital financing activities	(103,400)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Additions to plants	(871,770)	-
Gain (loss) from sale of assets	19,000	-
Net cash from capital and related financing activities	(852,770)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	220,651	155,501
Net cash from investing activities	220,651	155,501
Net change in cash and cash equivalents	195,737	486,112
Cash and cash equivalents, beginning	3,658,217	3,320,480
Cash and cash equivalents, ending	\$ 3,853,954	\$ 3,806,592

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

CITY OF CLEVELAND, TENNESSEE

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

YEAR ENDED JUNE 30, 2024

	<u>Stormwater Management Fund</u>	<u>Governmental Activities Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ 1,218,077	\$ 325,540
ADJUSTMENTS		
Depreciation and amortization	187,919	-
(Increase) decrease in:		
Accounts receivable	(619,713)	(5,226)
Prepays	690	-
Increase (decrease) in:		
Accounts payable	142,712	10,297
Accrued liabilities	1,571	-
Total adjustments	<u>(286,821)</u>	<u>5,071</u>
Net cash from operating activities	<u>\$ 931,256</u>	<u>\$ 330,611</u>

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

CITY OF CLEVELAND, TENNESSEE

STATEMENT OF FIDUCIARY NET POSITION - OPEB TRUST

JUNE 30, 2024

	<u>Trust Fund</u> <u>Other</u> <u>Postemployment</u> <u>Benefits Trust</u> <u>Fund</u>
ASSETS	
Cash and cash equivalents	\$ -
Accrued income	-
Investments, at fair value:	
Fixed income funds	-
Equity mutual funds	-
Total investments	<u>-</u>
Total assets	<u>-</u>
NET POSITION	
Restricted for other postemployment benefits	<u>-</u>
	<u>\$ -</u>

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

CITY OF CLEVELAND, TENNESSEE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - OPEB TRUST

YEAR ENDED JUNE 30, 2024

	Trust Fund
	Other
	Postemployment
	Benefits Trust
	Fund
ADDITIONS	
Contributions:	
Employer	\$ 747,673
Investment income:	
Interest and dividend income	30,839
Net appreciation (depreciation) in fair value of investments	(310,834)
Total additions	467,678
DEDUCTIONS	
Benefits paid to participants	-
Total deductions	-
CHANGE IN NET POSITION HELD IN TRUST FOR OTHER POST-EMPLOYMENT BENEFITS	467,678
NET POSITION - beginning	4,518,368
Change in reporting entity	(4,986,046)
NET POSITION - ending	\$ -

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

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF CLEVELAND, TENNESSEE

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

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CITY OF CLEVELAND, TENNESSEE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of significant policies:

A. Reporting Entity

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

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

Cleveland Board of Education

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

Cleveland Board of Public Utilities

The Board of Public Utilities consists of five members appointed by the City Council. The City Council has authority over the Board, prescribes the rules and regulations to which the Board must comply, and must approve their budget and proposed changes in rates. The financial position and results of operations of the Board of Public Utilities are presented in the Cleveland Utilities Water Division and Cleveland Utilities Electric Division in the enterprise fund section. The activities of the Board of Public Utilities are includable as part of the primary government due to the fact that it is not considered to be legally separate. See note 16 for information regarding Cleveland Board of Public Utilities changing to Cleveland Utilities Authority.

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.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

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

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

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

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

The City reports the following major governmental funds:

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

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

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

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major enterprise funds:

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

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

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

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement focus, Basis of Accounting

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds and internal service fund are charges to customers for sales and services. 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.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments

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

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

F. Receivables and Payable

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.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Restricted Assets

Restricted assets 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 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:

<u>Asset Class</u>	<u>Useful Life</u>
Infrastructure – Roads	50 years
Infrastructure – Drainage	20 years
Infrastructure – Detention Ponds	40 years
Buildings	20 - 50 years
Vehicles	5 years
Equipment	5 – 10 years
Other improvements	25 years

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 qualify for reporting in this category. The first one is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding (loss) results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item relates to pension contributions made after the measurement date of the pension liability.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. Unavailable revenue is reported in the governmental funds balance sheet and also the government-wide statement of net position as deferred revenue. This is comprised of current property taxes (2023 levy) at the government-wide level. The governmental funds report unavailable revenue from property taxes, sales tax and other state taxes and are recognized as an inflow of resources in the period that they become available. The second item is the deferred charge on refunding (gain) resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third item relates to pension and OPEB liability and differences between actual and expected experience and earnings on both plans.

K. Compensated Absences

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

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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, 2024, outstanding debt proceeds totaled \$14,779,090.

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.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 City 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.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
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. 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.

P. Subsequent Events

Management has evaluated events and transactions that occurred between June 30, 2024, and March 10, 2025, 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 \$14,779,090 for governmental 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.

	<u>Cost</u>	<u>Less than One Year</u>	<u>One to Five Years</u>
Certificates of Deposit	\$ 219,254	\$ -	\$ 219,254
Local Government Investment Pool	<u>25,053</u>	<u>25,053</u>	<u>-</u>
	<u>\$ 244,307</u>	<u>\$ 25,053</u>	<u>\$ 219,254</u>

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

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

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

(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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 – TCRS Stabilization Reserve Trust

Legal Provisions - The Cleveland City Schools (the 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 Schools.

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 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, 2024, 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).

(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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; and Level 1 assets or liabilities that are adjusted.

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

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

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

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

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active 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 valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued 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 valued 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.

(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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, 2024, Cleveland City Schools had the following investments held by the trust on its behalf.

Investment at Fair Value:	Weighted Average		Fair Value
	<u>Maturity Days</u>	<u>Maturities</u>	
U.S. Equity	N/A	N/A	\$ 278,664
Developed Market International Equity	N/A	N/A	125,848
Emerging Market International Equity	N/A	N/A	35,957
U.S. Fixed Income	N/A	N/A	179,783
Real Estate	N/A	N/A	89,892
Short-term Securities	N/A	N/A	8,989
NAV – Private Equity and Strategic Lending	N/A	N/A	179,783
Total			<u>\$ 898,916</u>

Investment by Fair Value Level	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
U.S. Equity	\$ 278,664	\$ 278,664	\$ -	\$ -	\$ -
Developed Market International Equity	125,848	125,848	-	-	-
Emerging Market International Equity	35,957	35,957	-	-	-
U.S. Fixed Income	179,783	-	179,783	-	-
Real Estate	89,892	-	-	89,892	-
Short-term Securities	8,989	-	8,989	-	-
Private Equity & Strategic Lending	<u>179,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,783</u>
	<u>\$ 898,916</u>	<u>\$ 440,469</u>	<u>\$188,772</u>	<u>\$ 89,892</u>	<u>\$ 179,783</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.

(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The 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 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 Schools place no limit on the amount the trust 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 Schools 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 Schools to pay retirement benefits of the 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 June 30, 2024 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:

	<u>Intergovernmental</u>	<u>Taxes</u>	<u>Customer Accounts</u>	<u>Other</u>	<u>Allowance for Uncollectables</u>	<u>Net Receivables</u>
General Fund	\$ 244,749	\$ 33,965,400	\$ -	\$ 935,487	\$ (551,798)	\$ 34,593,838
School Fund	9,659,774	1,557,422	-	325,080	(73,259)	11,469,017
Capital Improvement Program Fund	93,457	-	-	-	-	93,457
Other Governmental	3,613,483	-	-	677,518	-	4,291,001
Stormwater Management	-	-	776,971	-	-	776,971
Internal Service Fund	-	-	13,746	-	-	13,746
Total	<u>\$ 13,611,463</u>	<u>\$ 35,522,822</u>	<u>\$ 790,717</u>	<u>\$1,938,085</u>	<u>\$ (625,057)</u>	<u>\$ 51,238,030</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
PRIMARY GOVERNMENT				
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 38,073,782	\$ -	\$ -	\$ 38,073,782
Construction in progress	<u>12,917,897</u>	<u>3,311,884</u>	<u>(8,253,717)</u>	<u>7,976,064</u>
Total capital assets not being depreciated	<u>50,991,679</u>	<u>3,311,884</u>	<u>(8,253,717)</u>	<u>46,049,846</u>
Capital assets, being depreciated:				
Buildings	162,806,242	5,018,063	-	167,824,305
Improvements other than buildings	28,890,475	3,742,466	-	32,632,941
Infrastructure	83,949,081	8,075,658	-	92,024,739
Furniture, fixtures, equipment and vehicles	46,120,600	3,095,714	(893,063)	48,323,251
Leases – right to use assets	<u>301,666</u>	<u>282,578</u>	<u>(301,666)</u>	<u>282,578</u>
Total capital assets being depreciated	<u>322,068,064</u>	<u>20,214,479</u>	<u>(1,194,729)</u>	<u>341,087,814</u>
Less accumulated depreciation for:				
Buildings	(56,185,844)	(3,766,576)	-	(59,952,420)
Improvements other than buildings	(10,307,076)	(846,277)	-	(11,153,353)
Infrastructure	(32,115,216)	(1,806,153)	-	(33,921,369)
Furniture, fixtures, equipment and vehicles	(36,025,583)	(2,743,424)	852,766	(37,916,241)
Leases – right to use assets	<u>(136,006)</u>	<u>(127,817)</u>	<u>200,388</u>	<u>(63,435)</u>
Total accumulated depreciation	<u>(134,769,725)</u>	<u>(9,290,247)</u>	<u>1,053,154</u>	<u>(143,006,818)</u>
Total capital assets being depreciated and amortized, net	<u>187,298,339</u>	<u>10,924,232</u>	<u>(141,575)</u>	<u>198,080,996</u>
Governmental activities capital assets, net	<u>\$ 238,290,018</u>	<u>\$14,236,116</u>	<u>\$ (8,395,292)</u>	<u>\$ 244,130,842</u>

(Continued)

NOTE 4 – CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land and land rights, easements	\$ 856,399	\$ -	\$ -	\$ 856,399
Construction in progress	<u>168,944</u>	<u>789,494</u>	<u>-</u>	<u>958,438</u>
Total capital assets not being depreciated	<u>1,025,343</u>	<u>789,494</u>	<u>-</u>	<u>1,814,837</u>
Depreciable assets:				
Buildings	11,243	-	-	11,243
Improvements	32,805	-	-	32,805
Infrastructure	2,515,206	-	-	2,515,206
Equipment	<u>428,723</u>	<u>82,276</u>	<u>-</u>	<u>510,999</u>
Total depreciable assets	<u>2,987,977</u>	<u>82,276</u>	<u>-</u>	<u>3,070,253</u>
Less accumulated depreciation for:				
Buildings	(1,012)	(225)	-	(1,237)
Improvements	(1,422)	(1,312)	-	(2,734)
Infrastructure	(271,265)	(125,761)	-	(397,026)
Equipment	<u>(149,157)</u>	<u>(60,621)</u>	<u>-</u>	<u>(209,778)</u>
Total accumulated depreciation	<u>(422,856)</u>	<u>(187,919)</u>	<u>-</u>	<u>(610,775)</u>
Depreciable assets, net	<u>2,565,121</u>	<u>(105,643)</u>	<u>-</u>	<u>2,459,478</u>
Business-type activities capital assets, net	<u>\$ 3,590,464</u>	<u>\$ 683,851</u>	<u>\$ -</u>	<u>\$ 4,274,315</u>
Depreciation expense is charged to functions as follows:				
Primary Government – Governmental Activities:				
General Government				\$ 296,010
Developing and engineering				34,176
Public Safety				1,332,471
Public Works				2,839,201
Culture and recreation				780,561
Education				<u>4,007,828</u>
Total				<u>\$ 9,290,247</u>

No depreciation expense was capitalized as part of construction costs for the Stormwater Management Fund for the fiscal year ended June 30, 2024.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2024, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CPD Grants Fund	\$ 95,997
		<u>\$ 95,997</u>

Of the total interfund receivable/payable balances, \$95,997 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.

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

	<u>Transfers in:</u>				<u>Total</u>
	<u>General Fund</u>	<u>School Fund</u>	<u>Capital Improvement Program</u>	<u>Other Governmental</u>	
Transfers out:					
General fund	\$ -	\$ 6,024,900	\$ 1,076,521	\$ 7,879,368	\$ 14,980,789
School fund	-	-	-	839,306	839,306
Other governmental	-	-	-	459,698	459,698
Stormwater Management	-	-	-	103,400	103,400
Total	<u>\$ -</u>	<u>\$ 6,024,900</u>	<u>\$ 1,076,521</u>	<u>\$ 9,281,772</u>	<u>\$ 16,383,193</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. Other transfers from and to nonmajor funds are primarily to support debt service.

Transfers were made to debt service totaling \$8,338,241 to service debt. Those transfers came from the following:

General fund	\$ 7,022,368
School fund	839,306
State street aid fund	459,698
Stormwater fund	103,400
Total	<u>\$ 8,338,241</u>

(Continued)

NOTE 6 – LONG-TERM LIABILITIES

General Obligation Bonds

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00 to 5.00 %	\$ 26,825,000
Governmental activities – refunding	2.00 to 5.00%	\$ 46,073,000

General obligation long-term obligations are summarized as follows:

<u>Fiscal year ending June 30,</u>	<u>Original Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2025	\$ 6,003,000	\$ 2,963,282	\$ 8,966,282
2026	6,220,000	2,674,206	8,894,206
2027	6,805,000	2,357,585	9,162,585
2028	6,460,000	2,026,678	8,486,678
2029-2033	24,610,000	5,967,362	30,577,362
2034-2038	13,190,000	2,886,696	16,076,692
2039-2043	4,920,000	1,528,975	6,448,975
2044-2048	4,690,000	478,000	5,168,000
	<u>\$72,898,000</u>	<u>\$20,882,784</u>	<u>\$ 93,810,780</u>

(Continued)

NOTE 6 – LONG-TERM LIABILITIES (Continued)

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, 2024, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Issue</u>	<u>Balance June 30, 2024</u>
Direct Borrowing:				
Public Building Authority – Clarksville TN	Variable	5/25/2028	\$ 1,812,700	\$ 521,000
Other Loans	1.15 to 2.45%	8/1/2033	\$ 5,015,575	\$ 1,046,655

Principal requirements to maturity for notes payable accounted for in the governmental activities for the fiscal year ended June 30, 2024, are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2025	\$ 501,168	\$ 108,610	\$ 609,778
2026	538,613	96,667	635,280
2027	188,168	23,182	211,350
2028	171,152	9,784	180,936
2029-2033	162,974	6,708	169,682
2034	5,580	14	5,594
Total	<u>\$ 1,567,655</u>	<u>\$ 244,965</u>	<u>\$ 1,812,620</u>

Leases – Right to use assets

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, 2024, were as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2025	\$ 51,836	\$ 9,562	\$ 61,398
2026	54,077	7,321	61,398
2027	56,415	4,983	61,398
2028	58,852	2,546	61,398
Total	<u>\$ 221,180</u>	<u>\$ 24,412</u>	<u>\$ 245,592</u>

(Continued)

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Changes in Long-term Liabilities

Changes in long-term liabilities for the fiscal year ended June 30, 2024 were as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Primary Government					
GOVERNMENTAL ACTIVITIES					
Bonds:					
General obligation bonds	\$ 78,106,000	\$ -	\$ 5,208,000	\$72,898,000	\$ 6,003,000
Notes payable	2,035,609	-	467,954	1,567,655	501,168
Leases payable	166,459	221,180	166,459	221,180	51,835
SBITAs payable	-	186,622	-	186,622	90,520
Compensated absences	2,857,434	3,765,344	4,348,311	2,274,467	2,274,467
Less bond discount/premium	<u>8,718,979</u>	<u>-</u>	<u>664,701</u>	<u>8,054,278</u>	<u>-</u>
Total governmental activities	<u>\$ 91,884,481</u>	<u>\$4,173,146</u>	<u>\$10,855,425</u>	<u>\$85,202,202</u>	<u>\$ 8,920,990</u>

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 (the District) to combine Emergency 911 services that were operated separately by each government. The District board consists of 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 – 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 is 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.

NOTE 9 – LEGAL VIOLATIONS

	<u>Expenditures</u>	<u>Budget</u>	<u>Excess</u>
School Food Service Fund	\$ 4,260,883	\$ 4,052,621	\$ 208,262
CPD Grants Fund	767,633	713,177	54,456

NOTE 10 – 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 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, 2024 is \$383,267. The liability has been calculated based upon subsequent claim payments. Changes in claims liability for the current year are summarized below.

	Health Insurance Trust
Claims liability at 6/30/2023	\$ 372,970
Current year claims and estimate changes	3,888,943
Claims paid	<u>(3,878,646)</u>
Claims liability at 6/30/2024	<u>383,267</u>

NOTE 11 – DEFERRED COMPENSATION PLAN

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

NOTE 12 – USE OF 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 13 – TAX ABATEMENTS

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, seven businesses paid taxes totaling \$907,853, based on a total potential tax of \$1,685,297.

NOTE 14 – 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 for early retirement are available at age 55 and fully 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	545
Inactive employees entitled to but not yet receiving benefits	438
Active employees	<u>739</u>
Total	<u>1,722</u>

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

THE TCRS PENSION PLAN (Continued)

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, 2024, employer contributions were \$4,125,786, based on a rate of 9.40 percent of covered payroll for all other employees under the plan. By law, employer contributions are required to be paid. The TCRS may intercept Cleveland City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability

Cleveland City's net pension liability was measured as of June 30, 2023, 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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

THE TCRS PENSION PLAN (Continued)

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

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

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

Discount Rate

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

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

THE TCRS PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) – (b)
Balances at 6/30/2022	<u>\$205,219,859</u>	<u>\$185,829,673</u>	<u>\$ 19,390,186</u>
Changes for the year:			
Service cost	3,941,153	-	3,941,153
Interest expense	13,849,507	-	13,849,507
Difference between expected and actual experience	3,882,278	-	3,882,278
Contributions – city	-	7,969,283	(7,969,283)
Contributions – members	-	-	-
Net investment income	-	12,488,743	(12,488,743)
Benefit payments	(7,966,272)	(7,966,272)	-
Plan administrative expenses	-	(76,914)	76,914
Net changes	<u>13,706,666</u>	<u>12,414,840</u>	<u>1,291,826</u>
Balances at 6/30/2023	<u>\$218,926,525</u>	<u>\$198,244,513</u>	<u>\$ 20,682,012</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	<u>\$ 50,999,110</u>	<u>\$ 20,682,012</u>	<u>\$ (4,483,570)</u>

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

THE TCRS PENSION PLAN (Continued)

Pension Expense

For the year ended June 30, 2024, the City recognized pension expense of \$7,939,419. At June 30, 2024, the City of Cleveland reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 6,435,555	\$ 486,538
Net difference between projected and actual earnings on pension plan investments	1,569,953	-
Changes of assumptions	6,050,597	-
Contributions made subsequent to measurement date	<u>4,125,786</u>	<u>-</u>
Total	<u>\$18,181,891</u>	<u>\$ 486,538</u>

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

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

Year ended June 30,	
2025	\$ 2,538,373
2026	1,684,724
2027	7,320,513
2028	1,378,906
2029	647,051
Thereafter	<u>-</u>
	<u>\$13,569,567</u>

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

Payable to Pension Plan

As of June 30, 2024, the City of Cleveland did not have a payable balance of contribution 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](https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies).

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

TEACHERS LEGACY PENSION PLAN OF TCRS (Continued)

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.

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 their 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, 2024 to the Teacher Legacy Pension Plan were \$1,461,894, which is 6.81 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:

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

TEACHERS LEGACY PENSION PLAN OF TCRS (Continued)

Pension Asset

As of June 30, 2024, the Cleveland City Schools reported an asset of \$7,686,010 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2023, 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, 2023, Cleveland City Schools' proportion was 0.651924 percent. The proportion measured as of June 30, 2022, was 0.646833 percent.

Pension Expense

For the year ended June 30, 2024, Cleveland City Schools recognized pension expense of \$1,886,027.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, Cleveland City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,831,199	\$ 356,682
Net difference between projected and actual earnings on pension plan investments	1,333,562	-
Changes of assumptions	2,504,312	-
Changes in proportion of net pension liability	9,808	150,255
Contributions made subsequent to measurement date	<u>1,461,894</u>	<u>-</u>
Total	<u>\$ 7,140,775</u>	<u>\$ 506,937</u>

Cleveland City Schools employer contributions of \$1,461,894, 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 following measurement period. 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,	
2025	\$ 1,765,053
2026	(1,127,159)
2027	4,522,876
2028	11,174
2029	-
Thereafter	<u>-</u>
	<u>\$ 5,171,944</u>

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

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

TEACHERS LEGACY PENSION PLAN OF TCRS (Continued)

Actuarial assumptions

The total pension liability as of the June 30, 2023, the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

TEACHERS LEGACY PENSION PLAN OF TCRS (Continued)

Discount Rate

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

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Cleveland City Schools' proportionate share of the net pension liability (asset)	<u>\$ 16,740,665</u>	<u>\$ (7,686,010)</u>	<u>\$(28,002,116)</u>

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

As of June 30, 2024, 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-Govenance/Reporting-and-Investment-Policies>.

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

TEACHERS RETIREMENT PLAN OF TCRS (Continued)

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

Benefits Provided

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

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

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The Local Education Agency (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 in years when the maximum funded level, as established 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 employer contributions are not remitted. Employer contributions by Cleveland City Schools for the year ended June 30, 2024 to the Teacher Retirement Plan were \$533,828, which is 4.00 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.

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

TEACHERS RETIREMENT PLAN OF TCRS (Continued)

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

Pension Asset

As of June 30, 2024, The Cleveland City Schools reported an asset of \$216,028, for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2023, 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, 2023, Cleveland City Schools' proportion was 0.509461 percent. The proportion measured as of June 30, 2022, was 0.468869 percent.

Pension Expense

For the year ended June 30, 2024, Cleveland City Schools recognized pension expense of \$269,659.

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2024, Cleveland City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 7,277	\$ 126,091
Net difference between projected and actual earnings on pension plan investments	54,924	-
Changes of assumptions	162,528	-
Changes in proportion of net pension liability	1,643	47,045
Contributions made subsequent to measurement date	<u>533,828</u>	<u>-</u>
Total	<u>\$ 760,200</u>	<u>\$ 173,136</u>

Cleveland City Schools employer contributions of \$533,828, 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, 2025. 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,	
2025	\$ (4,751)
2026	(12,744)
2027	71,984
2028	149
2029	485
Thereafter	<u>(1,887)</u>
	<u>\$ 53,236</u>

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

TEACHERS RETIREMENT PLAN OF TCRS (Continued)

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, 2023, the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

TEACHERS RETIREMENT PLAN OF TCRS (Continued)

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 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 <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Cleveland City Schools' proportionate share of the net pension liability (asset)	<u>\$ 993,721</u>	<u>\$ (216,028)</u>	<u>\$ (1,086,949)</u>

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

As of June 30, 2024, no payments were payable to the plan.

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

TEACHERS RETIREMENT PLAN OF TCRS (Continued)

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 \$398,575, for the year ended June 30, 2024. 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 8,274,031	\$ 969,311
Net difference between projected and actual earnings on pension plan investments	2,958,439	-
Changes of assumptions	8,717,437	-
Changes in proportion of net pension liability	11,451	197,300
Contributions made subsequent to measurement date	<u>6,121,508</u>	<u>-</u>
Total	<u>\$26,082,866</u>	<u>\$ 1,166,611</u>

Deferred outflows of resources related to 2023 contributions to pension plans subsequent to the measurement date (June 30, 2022 and October 1, 2022) will be recognized as a reduction of the net pension liability for the year ended June 30, 2025.

(Continued)

NOTE 14 – RETIREMENT COMMITMENTS (Continued)

AGGREGATION OF ALL PENSION PLANS (Continued)

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,	
2025	\$ 4,298,675
2026	544,821
2027	11,915,373
2028	1,390,229
2029	647,536
Thereafter	<u>(1,887)</u>
	<u>\$18,794,747</u>

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:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Teachers Legacy Pension Plan	\$ 7,686,010	\$ -
Teachers Retirement Plan of TCRS	216,028	-
TCRS Pension Plan	<u>-</u>	<u>20,682,012</u>
Total	<u>\$ 7,902,038</u>	<u>\$20,682,012</u>

Pension expense related to all the plans were as follows:

Teachers Legacy Pension Plan	\$ 1,886,027
Teachers Retirement Plan of TCRS	269,659
TCRS Pension Plan	7,939,419
CSA Pension Plan	<u>1,645,903</u>
Total	<u>\$11,741,008</u>

NOTE 15 – POSTEMPLOYMENT BENEFITS

CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES

Plan Description

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

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

**CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES
(Continued)**

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.

<u>Years of Service At Retirement</u>	<u>% Paid by Participant Non Police Non Fire</u>	<u>Years of Service At Retirement</u>	<u>% Paid by Participant Police & Fire</u>
<15	100.00%	<15	100.00%
15	50.00%	15	50.00%
16	46.67%	16	45.00%
17	43.33%	187	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, 2023, plan membership consisted of the following:

Inactive employees currently receiving benefits	115
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>342</u>
Total	<u>457</u>

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions

Actuarial cost method	Entry age actuarial cost method
Salary increases	4.00%
Payroll growth	2.50%
Inflation	2.50%
Discount rate	3.65%
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

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

**CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES
(Continued)**

Discount rate

The discount rate used to measure the OPEB liability was 3.93 percent. This rate reflects the Bond Buyer's 20 Bond Index.

Assumption changes:

- The demographic assumptions were updated
- The healthcare cost trend rates were reset
- The mortality table was updated
- The participation rate was updated
- The discount rate was 3.65% as of June 30, 2023 and 3.93% as of June 30, 2024

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balances at 6/30/2023	\$ <u>32,343,990</u>
Changes for the year:	
Service cost	903,548
Interest expense	1,172,377
Difference between expected and actual experience	(842,549)
Changes in Benefit Terms	384,310
Changes in assumptions and other inputs	(1,657,544)
Benefit payments	<u>(898,172)</u>
Net changes	<u>(938,030)</u>
Balances at 6/30/2024	\$ <u>31,405,960</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents the total OPEB liability calculated using the stated health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the assumed trend rate:

	1% Decrease (6.00% decreasing to 3.50%)	Current (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Total OPEB liability	<u>\$26,189,715</u>	<u>\$31,405,960</u>	<u>\$37,249,502</u>

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

**CITY EMPLOYEES OTHER THAN CITY SCHOOLS AND CLEVELAND UTILITIES
(Continued)**

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 <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
Total OPEB Liability	<u>\$ 36,500,299</u>	<u>\$ 31,405,960</u>	<u>\$ 26,654,773</u>

Funding

The City does not presently have a separate trust account to fund the OPEB liability.

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

OPEB Expense

For the fiscal year ended June 30, 2024, the plan had OPEB expense of \$731,183.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 8,860,243
Changes of assumptions	<u>4,281,799</u>	<u>9,290,134</u>
Total	<u>\$ 4,281,799</u>	<u>\$18,150,377</u>
Year ended June 30,		
2025	\$(1,729,052)	
2026	(1,729,052)	
2027	(1,729,052)	
2028	(1,716,374)	
2029	(1,613,087)	
Thereafter	<u>(5,351,961)</u>	
	<u>\$(13,868,578)</u>	

Payable to the OPEB plan

As of June 30, 2024, there was no outstanding payable to the plan.

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP)

Plan Description

Employees of the Cleveland City Schools 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, 2022, the following employees of the Cleveland City Schools System were covered by the benefit terms of the TGOP:

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>398</u>
Total	<u>430</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 Cleveland City Schools System paid \$316,449 to the TGOP for OPEB benefits as they came due.

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP) (Continued)

Actuarial assumptions

The collective total OPEB liability in the June 30, 2024, 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	10.31% for pre-65 in 2023, decreasing annually over a 11 year period to an ultimate rate of 4.50%. 12.44% for post-65 in 2023, decreasing annually over an 11 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, 2023, 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-2021 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-2021. 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-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. 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 Bond Buyer 20-Year Municipal GO AA index.

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP) (Continued)

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>	
Balances at 6/30/2023	\$ 12,164,262	
Changes for the year:		
Service cost	658,735	
Interest expense	447,294	
Difference between expected and actual experience	189,291	
Changes in Benefit Terms	-	
Changes in assumptions and other inputs	1,187,616	
Benefit payments	<u>(378,442)</u>	
Net changes	<u>2,104,494</u>	
Balances at 6/30/2024	\$ 14,268,756	
Nonemployer contributing entities proportionate share of the collective total OPEB liability		\$4,009,035
Employer's proportionate share of the collective total OPEB liability		\$10,259,721
Employer's proportionate share of the collective total OPEB liability		71.90%

The Cleveland City Schools 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 -1.42% from the prior measurement date. The Cleveland City Schools System recognized \$369,694, in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for School retirees.

Funding

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

Changes in assumptions

The discount rate was changed from 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2023. This change in assumption decreased the total OPEB liability.

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP) (Continued)

Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate

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

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Proportionate share of collective total OPEB liability	<u>\$ 11,082,474</u>	<u>\$ 10,259,721</u>	<u>\$ 9,479,299</u>

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 TOOP, 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 (9.31% decreasing to 3.50%)	Current (10.31% decreasing to 4.50%)	1% Increase (11.31% decreasing to 5.50%)
Proportionate share of collective total OPEB liability	<u>\$ 9,102,511</u>	<u>\$10,259,721</u>	<u>\$11,608,805</u>

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

OPEB Expense

For the fiscal year ended June 30, 2024, the Cleveland City Schools System recognized OPEB expense of \$991,262.

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

CLEVELAND CITY SCHOOLS SYSTEM - Closed Tennessee Plan (TGOP) (Continued)

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2024, Cleveland City Schools System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 856,842	\$ 1,437,575
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes of assumptions	1,501,818	1,086,982
Proportion changes	-	564,807
Contributions made subsequent to measurement date	<u>316,449</u>	<u>-</u>
Total	<u>\$ 2,675,109</u>	<u>\$ 3,089,364</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,	
2025	\$ (173,705)
2026	(173,705)
2027	(173,705)
2028	(158,317)
2029	(142,140)
Thereafter	<u>90,868</u>
	<u>\$ (730,704)</u>

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 Cleveland City Schools 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.

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

CLEVELAND CITY SCHOOLS SYSTEM – Closed Tennessee Plan (TNP) (Continued)

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 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The state, as a governmental nonemployer contributing entity contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 years of service receive \$50 per month; 20 but less than 30 years, \$37.50; and 15 but less than 20 years, \$25. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meet the criteria of paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms

At June 30, 2023, the following employees of the City of Cleveland School System were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefits	125
Inactive employees entitled to but not yet receiving benefits	51
Active employees	<u>332</u>
Total	<u>508</u>

In accordance with TCA 8-27-209, the state insurance committees established by TCAs 8-27-201, 8-27-301 and 8-27-701 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 Cleveland City Schools System did not make any payments to the TNP for OPEB benefits as they came due.

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

CLEVELAND CITY SCHOOLS SYSTEM – Closed Tennessee Plan (TNP) (Continued)

Total OPEB liability

Actuarial assumptions

The collective total OPEB liability in the June 30, 2023, 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, 2023, 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-2021. 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-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65 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.

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

CLEVELAND CITY SCHOOLS SYSTEM – Closed Tennessee Plan (TNP) (Continued)

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>	
Balances at 6/30/2023	\$ 1,166,264	
Changes for the year:		
Service cost	19,181	
Interest expense	40,856	
Difference between expected and actual experience	37,084	
Changes in Benefit Terms	-	
Changes in assumptions and other inputs	(12,478)	
Benefit payments	<u>(63,196)</u>	
Net changes	<u>21,447</u>	
Balances at 6/30/2024	<u>\$ 1,187,711</u>	
Nonemployer contributing entities proportionate share of the collective total OPEB liability		\$1,187,711
Employer's proportionate share of the collective total OPEB liability		\$-
Employer's proportionate share of the collective total OPEB liability		0.00%

The Cleveland City Schools 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 System recognized \$11,920 in revenue for support provided by nonemployer contributing entities for benefits paid to the TNP for retired employees.

Changes in assumptions

The discount rate was changed from 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2023. 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, 2023, the Cleveland City School System recognized OPEB expense of \$11,920.

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 856,842	\$10,297,818
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes of assumptions	5,783,617	10,377,116
Proportion changes	-	564,807
Contributions made subsequent to measurement date	<u>316,449</u>	<u>-</u>
Total	<u>\$ 6,956,908</u>	<u>\$21,239,741</u>

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,	
2025	\$ (1,902,757)
2026	(1,902,757)
2027	(1,902,757)
2028	(1,874,691)
2029	(1,755,227)
Thereafter	<u>(5,261,093)</u>
	<u>\$ (14,599,282)</u>

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:

	<u>Net OPEB Liability</u>
City Plan	\$31,405,960
City Schools TGOP Plan	14,268,756
City Schools TNP Plan	<u>1,187,711</u>
Total	<u>\$46,862,427</u>

(Continued)

NOTE 15 – POSTEMPLOYMENT BENEFITS (Continued)

AGGREGATION OF ALL POSTEMPLOYMENT PLANS (Continued)

OPEB expense related to all plans were as follows:

City Plan	\$ 731,183
Cleveland Utilities Plan	408,656
City Schools TGOP Plan	991,262
City Schools TNP Plan	<u>11,920</u>
Total	<u>\$ 2,143,021</u>

NOTE 16 – CHANGE TO THE FINANCIAL REPORTING ENTITY

On April 10, 2023, the City Council authorized the formation of the Cleveland Utilities Authority pursuant to the provisions of the Tennessee Municipal Energy Authority Act, Tennessee Code Annotated Section 7-36-101. On November 1, 2023, Cleveland Utilities Authority assumed the entirety of Cleveland Utilities' assets, liabilities, and equity position, thus resolving the business of Cleveland Utilities. Also on November 1, 2023, Cleveland Utilities Authority began operation per the approved initial resolution passed by the Cleveland Utilities Authority Board on August 25, 2023.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

	<u>Funds</u>		<u>Government-Wide</u>
	<u>Cleveland Utilities Water Division</u>	<u>Cleveland Utilities Electric Division</u>	<u>Business-Type Activities</u>
Net position, beginning	\$ 105,334,393	\$ 100,072,498	\$ 205,406,891
Change in reporting entity (discontinued CU)	<u>(105,334,393)</u>	<u>(100,072,498)</u>	<u>(205,406,891)</u>
Net Position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the balance sheet date through March 10, 2025 (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any events that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND
RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last 10 Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability										
Service cost	\$ 2,222,760	\$ 2,274,025	\$ 2,363,997	\$ 2,442,734	\$ 2,829,546	\$ 2,842,378	\$ 3,109,494	\$ 3,067,349	\$ 3,709,573	\$ 3,941,153
Interest	8,465,079	8,925,860	9,467,115	10,043,766	10,660,549	11,237,054	11,863,884	12,455,312	12,939,030	13,849,507
Changes of assumptions	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(254,944)	717,782	1,198,307	2,524,249	768,592	1,089,026	399,575	(973,078)	4,328,440	3,882,278
Changes in assumptions	-	-	-	3,636,385	-	-	-	12,101,192	-	-
Benefit payments, including refund of member contributions	(4,198,654)	(4,482,162)	(5,099,666)	(5,739,270)	(6,078,280)	(6,561,174)	(7,018,107)	(7,328,245)	(7,473,900)	(7,966,272)
Net change in total pension liability	6,234,241	7,435,505	7,929,753	12,907,864	8,180,407	8,607,284	8,354,846	19,322,530	13,503,143	13,706,666
Total pension liability - beginning	112,744,286	118,978,527	126,414,032	134,343,785	147,251,649	155,432,056	164,039,340	172,394,186	191,716,716	205,219,859
Total pension liability - ending (a)	\$ 118,978,527	\$ 126,414,032	\$ 134,343,785	\$ 147,251,649	\$ 155,432,056	\$ 164,039,340	\$ 172,394,186	\$ 191,716,716	\$ 205,219,859	\$ 218,926,525
Plan fiduciary net position										
Contributions - employer	\$ 5,089,188	\$ 5,321,904	\$ 5,426,173	\$ 5,744,012	\$ 6,173,935	\$ 6,489,131	\$ 6,777,880	\$ 7,074,310	\$ 7,542,578	\$ 7,969,283
Contributions - employee	165	186	1,998	-	-	-	-	-	-	-
Net investment income	15,038,653	3,287,610	2,936,077	12,875,142	10,488,825	10,185,877	7,279,540	39,657,269	(7,392,006)	12,488,743
Benefit payable, including refund of member contributions	(4,198,654)	(4,482,162)	(5,099,666)	(5,739,270)	(6,078,280)	(6,561,174)	(7,018,107)	(7,328,245)	(7,473,900)	(7,966,272)
Administrative expense	(29,562)	(34,427)	(51,102)	(57,272)	(67,134)	(64,454)	(65,005)	(66,700)	(72,831)	(76,914)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	15,899,790	4,093,111	3,213,480	12,822,612	10,517,346	10,049,380	6,974,308	39,336,634	(7,396,159)	12,414,840
Plan fiduciary net position - beginning	90,319,171	106,218,961	110,312,072	113,525,552	126,348,164	136,865,510	146,914,890	153,889,198	193,225,832	185,829,673
Plan fiduciary net position - ending (b)	\$ 106,218,961	\$ 110,312,072	\$ 113,525,552	\$ 126,348,164	\$ 136,865,510	\$ 146,914,890	\$ 153,889,198	\$ 193,225,832	\$ 185,829,673	\$ 198,244,513
Net pension (asset) liability - ending (a) - (b)	\$ 12,759,566	\$ 16,101,960	\$ 20,818,233	\$ 20,903,485	\$ 18,566,546	\$ 17,124,450	\$ 18,504,988	\$ (1,509,116)	\$ 19,390,186	\$ 20,682,012
Plan fiduciary net position as a percentage of the total pension liability	89.28%	87.26%	84.50%	85.80%	88.05%	89.56%	89.27%	100.79%	90.55%	90.55%
Covered payroll	\$ 28,771,684	\$ 29,910,084	\$ 30,620,707	\$ 32,410,047	\$ 34,163,265	\$ 35,887,908	\$ 37,192,410	\$ 38,505,535	\$ 41,454,642	\$ 44,840,716
Net pension liability as a percentage of covered payroll	44.35%	53.83%	67.99%	64.50%	54.35%	47.72%	49.75%	-3.92%	46.77%	46.12%

Notes to Schedule:

Benefit changes. None
Changes in assumptions. None.

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 5,207,352	\$ 5,424,330	\$ 5,744,012	\$ 6,173,128	\$ 6,489,131	\$ 6,777,880	\$ 7,054,418	\$ 7,542,578	\$ 8,175,511	\$ 4,125,786
Contributions in relation to the actuarially determined contribution	5,207,352	5,424,330	5,744,012	6,173,128	6,489,131	6,777,880	7,054,418	7,542,578	8,175,511	4,125,786
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 29,910,084	\$ 30,620,707	\$ 32,410,047	\$ 34,163,265	\$ 35,887,908	\$ 37,192,410	\$ 38,505,535	\$ 41,454,642	\$ 44,840,716	\$ 43,882,642
Contributions as a percentage of covered payroll	17.41%	17.71%	17.72%	18.07%	18.08%	18.22%	18.32%	18.19%	18.23%	9.40%

Notes to Schedule:

See notes to the financial statements for valuation, methods, and assumptions information.

* Including contribution receivables

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

NOTES TO PENSION SCHEDULES

LAST FISCAL YEAR ENDING JUNE 30, 2024

Valuation date: Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022 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, amounts reported as changes of assumptions resulted from changes to the inflation rate from 2.50% to 2.25%, investment rate of return from 7.25% to 6.75%, cost-of-living adjustment from 2.25% to 2.125%. In 2017, the following assumptions were changed; decrease inflation rate from 3.00 percent to 2.50 percent; decrease 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; decrease salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See independent auditor's report.

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, *

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cleveland City Schools' proportion of the net pension liability (asset)	0.536236%	0.537318%	0.569952%	0.590148%	0.613389%	0.642333%	0.643551%	0.638086%	0.646833%	0.651924%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (87,136)	\$ 220,104	\$ 3,561,884	\$ (193,086)	\$ (2,158,465)	\$ (6,604,306)	\$ (4,907,554)	\$ (27,522,167)	\$ (7,932,798)	\$ (7,686,010)
Cleveland City Schools' covered payroll	\$ 21,047,222	\$ 20,114,516	\$ 20,574,118	\$ 20,803,880	\$ 21,478,886	\$ 21,538,232	\$ 21,419,053	\$ 20,943,944	\$ 21,286,851	\$ 21,155,231
Cleveland City Schools' proportionate share of the net pension asset as a percentage of its covered payroll	-0.41%	1.09%	17.31%	-0.93%	-10.05%	-30.66%	-22.91%	-131.41%	-37.27%	-36.33%
Plan fiduciary net position as percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%

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

Notes to Schedule:

See notes to the financial statements for valuation, methods, and assumptions information.

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 1,816,962	\$ 1,859,723	\$ 1,885,875	\$ 1,954,073	\$ 2,252,900	\$ 2,274,144	\$ 2,150,852	\$ 2,192,549	\$ 1,838,416	\$ 1,461,894
Contributions in relation to the actuarially determined contribution	1,816,962	1,859,723	1,885,875	1,954,073	2,252,900	2,274,144	2,150,852	2,192,549	1,838,416	1,461,894
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 20,114,516	\$ 20,574,118	\$ 20,803,880	\$ 21,478,886	\$ 21,538,232	\$ 21,193,791	\$ 20,943,944	\$ 21,286,851	\$ 21,155,231	\$ 21,466,881
Contributions as a percentage of covered payroll	9.03%	9.04%	9.07%	9.10%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%

Notes to Schedule:

See notes to the financial statements for valuation, methods, and assumptions information.

** Including contribution receivables

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

NOTES TO TEACHER LEGACY PENSION SCHEDULES

LAST FISCAL YEAR ENDING JUNE 30, 2024

Valuation date: Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022 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, amounts reported as changes of assumptions resulted from changes to the inflation rate from 2.50% to 2.25%, investment rate of return from 7.25% to 6.75%, cost-of-living adjustment from 2.25% to 2.125%. In 2017, the following assumptions were changed; decrease inflation rate from 3.00 percent to 2.50 percent; decrease 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; decrease salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See independent auditor's report.

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 ENDING JUNE 30,*

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cleveland City Schools' proportion of the net pension liability (asset)	0.416856%	0.378257%	0.393963%	0.417866%	0.413270%	0.43050%	0.464153%	0.468869%	0.509461%
Cleveland City Schools' proportionate share of the net pension liability (asset)	\$ (16,770)	\$ (39,378)	\$ (103,940)	\$ (189,514)	\$ (233,285)	\$ (244,797)	\$ (502,776)	\$ (142,032)	\$ (216,028)
Cleveland City Schools' covered payroll	\$ 866,121	\$ 1,664,349	\$ 2,643,292	\$ 3,651,627	\$ 4,373,249	\$ 5,432,452	\$ 6,698,731	\$ 8,006,864	\$ 10,133,410
Cleveland City Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.94%	-2.37%	-3.93%	-5.19%	-5.33%	-4.51%	-7.51%	-1.77%	-2.13%
Plan fiduciary net position as percentage of the total pension liability	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%

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

Notes to Schedule:

See notes to the financial statements for valuation, methods, and assumptions information.
This schedule will present 10 years as information is available.

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 21,653	\$ 41,662	\$ 105,732	\$ 146,066	\$ 84,841	\$ 110,280	\$ 135,315	\$ 160,938	\$ 296,988	\$ 392,661
Contributions in relation to the actuarially determined contribution	34,645	66,574	105,732	146,066	84,841	110,280	135,315	160,938	296,988	392,661
Contribution deficiency (excess)	\$ (12,992)	\$ (24,912)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 866,121	\$ 1,664,349	\$ 2,643,292	\$ 3,651,627	\$ 4,373,249	\$ 5,432,452	\$ 6,698,731	\$ 8,006,864	\$ 10,133,410	\$ 13,310,545
Contributions as a percentage of covered payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.93%	2.95%

Notes to Schedule:

See notes to the financial statements for valuation, methods, and assumptions information.

** Including contribution receivables

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

NOTES TO TEACHER RETIREMENT PLAN OF TCRS PENSION SCHEDULES

LAST FISCAL YEAR ENDING JUNE 30, 2024

Changes of assumptions. In 2021, the following assumptions were changed; decreased inflation rate from 2.50 percent to 2.25 percent; decrease the investment rate of return from 7.25 percent to 6.75 percent; decrease 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 from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decrease 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, contribution in excess of the ADC are placed in a Stabilization Reserve Trust (SRT) account separate from the TCRS Pension Trust. The contributions were made up of 2.95% related to ADC and 1.05% related to SRT for a total of 4% for both combined.

CITY OF CLEVELAND, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

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

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 1,418,428	\$ 1,328,012	\$ 1,265,001	\$ 1,930,238	\$ 1,815,569	\$ 1,242,236	\$ 903,548
Interest	1,349,197	1,453,222	1,231,461	1,034,942	864,964	1,140,871	1,172,377
Changes in benefit terms	-	-	-	-	-	-	384,310
Difference between expected and actual experience	-	-	(3,298,512)	-	(8,769,070)	-	(842,549)
Changes in assumptions	(2,040,010)	2,750,384	5,689,737	-	(9,145,387)	(603,305)	(1,657,544)
Benefit payments	(752,042)	(795,581)	(878,586)	(929,822)	(763,416)	(835,914)	(898,172)
Net change in total OPEB liability	(24,427)	4,736,037	4,009,101	2,035,358	(15,997,340)	943,888	(938,030)
Total OPEB liability - beginning	36,641,373	36,616,946	41,352,983	45,362,084	47,397,442	31,400,102	32,343,990
Total OPEB liability - ending	\$ 36,616,946	\$ 41,352,983	\$ 45,362,084	\$ 47,397,442	\$ 31,400,102	\$ 32,343,990	\$ 31,405,960
Covered payroll	\$ 16,988,863	\$ 17,632,943	\$ 18,476,206	\$ 19,180,809	\$ 20,101,381	\$ 21,848,058	\$ 26,838,902
Employer's proportionate share of collective total OPEB liability as a percentage of covered-employee payroll	215.54%	234.52%	245.52%	247.11%	156.21%	148.04%	117.02%
Notes to Schedule:							
<i>Benefit changes.</i>	None						
<i>Changes in assumptions.</i>	None.						
	This is a 10-year schedule; however, the information in the 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 trust that meets the criteria in paragraph 4 of GASB statement No. 75, related to this OPEB plan.						

See independent auditor's report.

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,
LAST 10 FISCAL YEARS

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 828,906	\$ 769,923	\$ 696,490	\$ 647,066	\$ 747,110	\$ 818,147	\$ 658,735
Interest	359,948	437,462	368,736	383,918	263,056	280,289	447,294
Changes in benefit terms	-	(75,172)	(299,602)	-	-	-	-
Differences between actual & expected experience	-	(3,150,465)	1,283,526	(977,622)	244,599	298,075	189,291
Changes of assumptions	(567,167)	573,433	(766,891)	1,222,261	105,503	(1,222,509)	1,187,616
Benefit payments	(553,733)	(649,138)	(523,362)	(437,894)	(381,466)	(334,112)	(378,442)
Net change in total OPEB liability	67,954	(2,093,957)	758,897	837,729	978,802	(160,110)	2,104,494
Total OPEB liability - beginning	11,774,947	11,842,901	9,748,944	10,507,841	11,345,570	12,324,372	12,164,262
Total OPEB liability - ending (a)	\$ 11,842,901	\$ 9,748,944	\$ 10,507,841	\$ 11,345,570	\$ 12,324,372	\$ 12,164,262	\$ 14,268,756

Nonemployer contributing entities
proportionate share of then collective total OPEB liability

\$ 2,470,228 \$ 2,218,869 \$ 2,420,932 \$ 2,778,529 \$ 3,159,007 \$ 3,245,693 \$ 4,009,035

Employer's proportionate share of the collective total OPEB liability

\$ 9,372,673 \$ 7,530,075 \$ 8,086,909 \$ 8,567,041 \$ 9,165,365 \$ 8,918,569 \$ 10,259,721

Covered payroll

\$ 23,866,594 \$ 22,407,393 \$ 21,905,135 \$ 21,080,223 \$ 20,245,863 \$ 20,626,089 \$ 20,277,752

Employer's proportionate share of the collective total OPEB liability as a percentage of covered-employee payroll

39.27% 33.61% 36.92% 40.64% 45.27% 43.24% 50.60%

Notes to Schedule:

This is a 10-year schedule; however, the information in the 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.

See independent auditor's report.

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,
LAST 10 FISCAL YEARS

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 30,748	\$ 25,093	\$ 21,979	\$ 26,804	\$ 38,723	\$ 32,499	\$ 19,181
Interest	43,879	49,439	45,454	50,156	37,220	31,065	40,856
Changes in benefit terms	-	-	-	-	-	-	-
Differences between actual & expected experience	-	(132,665)	145,016	(49,046)	(12,039)	(39,116)	37,084
Changes of assumptions	(121,774)	(9,326)	20,174	279,558	(239,064)	(231,012)	(12,478)
Benefit payments	(60,600)	(61,733)	(63,886)	(64,403)	(63,767)	(65,378)	(63,196)
Net change in total OPEB liability	(107,747)	(129,192)	168,737	243,069	(238,927)	(271,942)	21,447
Total OPEB liability - beginning	1,502,266	1,394,519	1,265,327	1,434,064	1,677,133	1,438,206	1,166,264
Total OPEB liability - ending (a)	\$ 1,394,519	\$ 1,265,327	\$ 1,434,064	\$ 1,677,133	\$ 1,438,206	\$ 1,166,264	\$ 1,187,711

Nonemployer contributing entities proportionate share of then collective total OPEB liability

	\$ 1,394,519	\$ 1,265,327	\$ 1,434,064	\$ 1,677,133	\$ 1,438,206	\$ 1,166,264	\$ 1,187,711
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Employer's proportionate share of the collective total OPEB liability

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Notes to Schedule:

This is a 10-year schedule; however, the information in the 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.

See independent auditor's report.

COMBINING FINANCIAL STATEMENTS

CITY OF CLEVELAND, TENNESSEE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	Special Revenue Funds								
	State Street Aid Fund	Sold Waste Management Fund	CPD Grants Fund	Hotel Lodging Tax Fund	School Federal Projects Fund	School Food Services Fund	Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund
ASSETS									
Cash and cash equivalents	\$ 3,052,646	\$ 2,442,883	\$ -	\$ 755,143	\$ (1,271,766)	\$ 2,744,875	\$ 405,214	\$ 300,277	\$ 267,659
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	219,254	-	-
Accounts receivable - net	-	507,990	47,187	82,037	-	-	39,929	-	-
Due from other government agencies	295,532	-	-	-	1,693,708	-	-	1,597	18,803
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	\$ 3,348,178	\$ 2,950,873	\$ 47,187	\$ 837,180	\$ 421,942	\$ 2,744,875	\$ 664,397	\$ 301,874	\$ 286,462
LIABILITIES									
Accrued liabilities	\$ 13,426	\$ 12,995	\$ 4,172	\$ -	\$ 413,701	\$ 48,413	\$ -	\$ -	\$ -
Accounts payable	7,082	29,143	2,426	37	-	-	-	676	1,092
Due to other funds	-	-	95,997	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	14,729	-	-	-
Total liabilities	20,508	42,138	102,595	37	413,701	63,142	-	676	1,092
FUND BALANCE									
Nonspendable:									
Permanent fund principal	-	-	-	-	-	-	13,700	-	-
Restricted for:									
Law enforcement	-	-	-	-	-	-	-	301,198	-
Community development - federal grants	-	-	-	-	-	-	-	-	-
Street improvements	3,327,670	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	285,370
Education	-	-	-	-	8,241	-	-	-	-
Other	-	-	-	837,143	-	-	-	-	-
Committed to:									
Solid waste	-	2,908,735	-	-	-	-	-	-	-
Assigned to:									
Education	-	-	-	-	-	2,681,733	-	-	-
Library	-	-	-	-	-	-	650,697	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(55,408)	-	-	-	-	-	-
Total fund balance	3,327,670	2,908,735	(55,408)	837,143	8,241	2,681,733	664,397	301,198	285,370
Total liabilities, deferred inflows of resources, and fund balance	\$ 3,348,178	\$ 2,950,873	\$ 47,187	\$ 837,180	\$ 421,942	\$ 2,744,875	\$ 664,397	\$ 301,874	\$ 286,462

See independent auditor's report.

Community Development Block Grant Fund	E-Ticketing Grant Fund	Byrne Memorial Justice Assistance Grant	Internal School Activity Funds	Debt Service	Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
				Debt Service Fund	Sales Tax Capital Projects Fund	School Capital Improvement Projects Fund	American Rescue Plan Fund	Meiler Estate Animal Shelter Trust Fund	
\$ 210,141	\$ 16,681	\$ -	\$ 1,346,025	\$ 5,987,869	\$ 8,925,837	\$ 1,703,401	\$ 6,798,266	\$ 68,927	\$ 33,754,078
-	-	-	-	-	-	-	-	459,936	459,936
-	-	-	-	-	-	-	-	-	219,254
-	-	-	375	-	-	-	-	-	677,518
12,186	-	-	-	590,000	1,001,657	-	-	-	3,613,483
470	-	-	-	-	-	-	-	-	470
<u>\$ 222,797</u>	<u>\$ 16,681</u>	<u>\$ -</u>	<u>\$ 1,346,400</u>	<u>\$ 6,577,869</u>	<u>\$ 9,927,494</u>	<u>\$ 1,703,401</u>	<u>\$ 6,798,266</u>	<u>\$ 528,863</u>	<u>\$ 38,724,739</u>
\$ 2,290	\$ -	\$ -	\$ -	\$ 2,097	\$ -	\$ -	\$ -	\$ -	\$ 497,094
5,506	-	-	5,656	-	30,557	-	43,579	-	125,754
-	-	-	-	-	-	-	-	-	95,997
-	-	-	-	-	-	-	6,113,756	-	6,128,485
<u>7,796</u>	<u>-</u>	<u>-</u>	<u>5,656</u>	<u>2,097</u>	<u>30,557</u>	<u>-</u>	<u>6,157,335</u>	<u>-</u>	<u>6,847,330</u>
-	-	-	-	-	-	-	-	459,936	473,636
-	16,681	-	-	-	-	-	-	-	317,879
215,001	-	-	-	-	-	-	-	-	215,001
-	-	-	-	-	-	-	-	-	3,327,670
-	-	-	-	-	9,896,937	1,703,401	640,931	-	12,526,639
-	-	-	1,340,744	-	-	-	-	-	1,348,985
-	-	-	-	-	-	-	-	-	837,143
-	-	-	-	-	-	-	-	-	2,908,735
-	-	-	-	-	-	-	-	-	2,681,733
-	-	-	-	-	-	-	-	-	650,697
-	-	-	-	6,575,772	-	-	-	-	6,575,772
-	-	-	-	-	-	-	-	68,927	68,927
-	-	-	-	-	-	-	-	-	(55,408)
<u>215,001</u>	<u>16,681</u>	<u>-</u>	<u>1,340,744</u>	<u>6,575,772</u>	<u>9,896,937</u>	<u>1,703,401</u>	<u>640,931</u>	<u>528,863</u>	<u>31,877,409</u>
<u>\$ 222,797</u>	<u>\$ 16,681</u>	<u>\$ -</u>	<u>\$ 1,346,400</u>	<u>\$ 6,577,869</u>	<u>\$ 9,927,494</u>	<u>\$ 1,703,401</u>	<u>\$ 6,798,266</u>	<u>\$ 528,863</u>	<u>\$ 38,724,739</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2024

Special Revenue Funds

	State Street Aid Fund	Solid Waste Management Fund	CPD Grants Fund	Hotel Lodging Tax Fund	School Federal Projects Fund	School Food Services Fund	Library Fund	Drug Enforcement Fund	Metropolitan Transportation Planning Organization Fund
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 887,392	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,671,157	-	712,225	-	8,957,876	4,307,784	692,756	-	98,534
Fines and forfeitures	-	-	-	-	-	-	-	32,225	-
Charges for services	-	6,007,632	-	-	-	92,575	48,385	-	-
Interest	164,270	136,636	-	-	-	17,489	13,358	16,047	-
Miscellaneous	2,527	5,423	-	-	-	-	57,946	-	-
Total revenues	<u>1,837,954</u>	<u>6,149,691</u>	<u>712,225</u>	<u>887,392</u>	<u>8,957,876</u>	<u>4,417,848</u>	<u>812,445</u>	<u>48,272</u>	<u>98,534</u>
EXPENDITURES									
Current:									
General government	-	-	-	50,249	-	-	-	-	116,919
Development and engineering	-	-	-	-	-	-	-	-	-
Public safety	-	-	767,633	-	-	-	-	22,085	-
Public works	1,114,483	5,562,831	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	1,366,737	-	-
Education	-	-	-	-	8,957,876	4,260,883	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	<u>1,114,483</u>	<u>5,562,831</u>	<u>767,633</u>	<u>50,249</u>	<u>8,957,876</u>	<u>4,260,883</u>	<u>1,366,737</u>	<u>22,085</u>	<u>116,919</u>
Excess (deficiency) of revenues over (under) expenditures	723,471	586,860	(55,408)	837,143	-	156,965	(554,292)	26,187	(18,385)
OTHER FINANCING SOURCES									
Transfers in	-	-	-	-	-	-	707,000	-	100,000
Transfers out	(459,698)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(459,698)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>707,000</u>	<u>-</u>	<u>100,000</u>
Net change in fund balances	263,773	586,860	(55,408)	837,143	-	156,965	152,708	26,187	81,615
FUND BALANCE									
Beginning	<u>3,063,897</u>	<u>2,321,875</u>	<u>-</u>	<u>-</u>	<u>8,241</u>	<u>2,524,768</u>	<u>511,689</u>	<u>275,011</u>	<u>203,755</u>
Ending	<u>\$ 3,327,670</u>	<u>\$ 2,908,735</u>	<u>\$ (55,408)</u>	<u>\$ 837,143</u>	<u>\$ 8,241</u>	<u>\$ 2,681,733</u>	<u>\$ 664,397</u>	<u>\$ 301,198</u>	<u>\$ 285,370</u>

See independent auditor's report.

				Debt Service		Capital Projects		Permanent Fund	
Community Development Block Grant Fund	E-Ticketing Grant Fund	Byrne Memorial Justice Assistance Grant	Internal School Activity Funds	Debt Service Fund	Sales Tax Capital Projects Fund	School Capital Improvement Projects Fund	American Rescue Plan Fund	Meiler Estate Animal Shelter Trust Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,852,523	\$ -	\$ -	\$ -	\$ 6,739,915
214,832	240	43,766	-	141,735	-	-	1,391,080	-	18,231,985
-	-	-	-	-	-	-	-	-	32,225
-	-	-	-	-	-	-	-	-	6,148,592
-	-	-	-	203,929	457,356	173,175	402,300	16,583	1,601,143
-	-	-	2,319,999	-	-	-	-	-	2,385,895
<u>214,832</u>	<u>240</u>	<u>43,766</u>	<u>2,319,999</u>	<u>345,664</u>	<u>6,309,879</u>	<u>173,175</u>	<u>1,793,380</u>	<u>16,583</u>	<u>35,139,755</u>
-	-	-	-	-	-	-	-	-	167,168
204,396	-	-	-	-	-	-	-	-	204,396
-	963	43,766	-	-	-	-	-	5,379	839,826
-	-	-	-	-	-	-	-	-	6,677,314
-	-	-	-	-	-	-	-	-	1,366,737
-	-	-	2,267,743	-	-	-	-	-	15,486,502
30,071	-	-	-	-	3,559,417	1,643,298	1,391,080	-	6,623,866
-	-	-	-	8,308,811	-	-	-	-	8,308,811
<u>234,467</u>	<u>963</u>	<u>43,766</u>	<u>2,267,743</u>	<u>8,308,811</u>	<u>3,559,417</u>	<u>1,643,298</u>	<u>1,391,080</u>	<u>5,379</u>	<u>39,674,620</u>
(19,635)	(723)	-	52,256	(7,963,147)	2,750,462	(1,470,123)	402,300	11,204	(4,534,865)
50,000	-	-	-	8,424,772	-	-	-	-	9,281,772
-	-	-	-	-	-	-	-	-	(459,698)
<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,424,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,822,074</u>
30,365	(723)	-	52,256	461,625	2,750,462	(1,470,123)	402,300	11,204	4,287,209
<u>184,636</u>	<u>17,404</u>	<u>-</u>	<u>1,288,488</u>	<u>6,114,147</u>	<u>7,146,475</u>	<u>3,173,524</u>	<u>238,631</u>	<u>517,659</u>	<u>27,590,200</u>
<u>\$ 215,001</u>	<u>\$ 16,681</u>	<u>\$ -</u>	<u>\$ 1,340,744</u>	<u>\$ 6,575,772</u>	<u>\$ 9,896,937</u>	<u>\$ 1,703,401</u>	<u>\$ 640,931</u>	<u>\$ 528,863</u>	<u>\$ 31,877,409</u>

See independent auditor's report.

BUDGETARY AND OTHER SCHEDULES

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's Solid Waste Management program.

CPD Grants Fund: This fund accounts for the revenues and expenditures related to the City's use of CPD grants.

Hotel Lodging Tax Fund: This fund accounts for the revenues and expenditures of the City's hotel lodging tax.

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.

School Food Services Fund: This fund is used to account for the revenues and expenditures of the City's 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 the City and the urbanized portions of Bradley County by transportation planning and the implementation of transportation projects.

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

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

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

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

Debt Service

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

Capital Projects

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

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

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

American Rescue Plan Fund: This fund accounts for the direct relief received from the American Rescue Plan to assist in and 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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
STATE STREET AID FUND

YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
State gas tax	\$ 1,462,000	\$ 1,642,376	\$ 1,662,320	\$ 19,944
Transportation modernization	-	-	8,837	8,837
Interest	1,000	130,000	164,270	34,270
Miscellaneous	-	-	2,527	2,527
Total revenues	<u>1,463,000</u>	<u>1,772,376</u>	<u>1,837,954</u>	<u>65,578</u>
EXPENDITURES				
Public works:				
Salaries	556,991	577,787	579,698	(1,911)
Overtime wages	5,000	6,515	5,682	833
Service awards	250	250	250	-
Longevity	11,813	10,950	12,138	(1,188)
Sold vacations	2,500	2,500	-	2,500
Christmas bonus	1,793	1,793	1,787	6
Sick pay incentive	1,375	1,350	1,350	-
Dental insurance	5,631	5,631	4,571	1,060
Social security	44,350	45,125	45,415	(290)
Health insurance	133,565	114,878	108,617	6,261
Retirement	99,596	99,927	100,270	(343)
Life and disability insurance	6,471	5,163	5,312	(149)
Vision insurance	1,260	997	958	39
Worker's compensation claims	3,000	3,000	2,910	90
Pre-employment testing	500	500	292	208
Safety shoes	2,200	1,977	1,977	-
Insurance - worker's compensation	32,215	15,380	15,380	-
Capital Outlay:				
Equipment replacement	93,616	227,878	227,876	2
Total expenditures	<u>1,002,126</u>	<u>1,121,601</u>	<u>1,114,483</u>	<u>7,118</u>
Excess (deficiency) of revenues over (under) expenditures	<u>460,874</u>	<u>650,775</u>	<u>723,471</u>	<u>72,696</u>
OTHER FINANCING USES				
Transfers out	<u>(459,698)</u>	<u>(459,698)</u>	<u>(459,698)</u>	<u>-</u>
Net change in fund balance	1,176	191,077	263,773	72,696
FUND BALANCE, beginning	<u>3,063,897</u>	<u>3,063,897</u>	<u>3,063,897</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 3,065,073</u>	<u>\$ 3,254,974</u>	<u>\$ 3,327,670</u>	<u>\$ 72,696</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SOLID WASTE MANAGEMENT FUND

YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services				
Commercial garbage	\$ 2,462,390	\$ 2,513,390	\$ 2,691,432	\$ 178,042
Residential garbage	3,180,506	3,231,506	3,316,200	84,694
Interst	1,000	78,000	136,636	58,636
Miscellaneous	-	-	5,423	5,423
Total revenues	<u>5,643,896</u>	<u>5,822,896</u>	<u>6,149,691</u>	<u>326,795</u>
EXPENDITURES				
Public works:				
Salaries	659,326	618,001	559,533	58,468
Overtime wages	18,000	18,000	11,329	6,671
Supplement pay	650	650	600	50
Service awards	75	75	75	-
Longevity	12,300	12,825	12,825	-
Sold vacations	6,000	6,000	3,887	2,113
Christmas bonus	2,282	1,625	1,624	1
Sick pay incentive	1,700	1,300	1,300	-
Dental insurance	11,010	11,010	5,351	5,659
Social security	53,576	53,576	44,574	9,002
Health insurance	217,350	217,350	110,367	106,983
Retirement	120,364	120,364	98,628	21,736
Life and disability insurance	7,814	7,814	5,265	2,549
Vision insurance	2,400	2,400	1,073	1,327
Worker's compensation claims	3,000	2,950	1,609	1,341
Pre-employment testing	500	500	207	293
Safety shoes	2,600	1,985	1,900	85
GPS services	2,400	2,400	2,207	193
Advertising	200	-	-	-
Building and ground maintenance	500	3,625	2,774	851
Professional development	400	150	150	-
Tire disposal	2,000	2,000	791	1,209
Landfill	470,000	468,650	423,465	45,185
Residential account	1,757,430	1,757,430	1,735,750	21,680
Commercial account	1,773,045	1,773,045	1,767,968	5,077
Commercial recycling	132,993	132,993	129,197	3,796

(Continued)

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SOLID WASTE MANAGEMENT FUND

YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public works (continued)				
Bradely county recycling	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Office expenditures	1,000	1,000	640	360
Operating supplies	4,900	7,350	3,892	3,458
Safety supplies	600	600	456	144
Uniforms	4,550	3,497	3,183	314
Gasoline and oil	97,000	97,000	108,640	(11,640)
Repairs and parts	122,000	264,000	228,388	35,612
Insurance - property	200	200	146	54
Insurance - vehicle	12,525	24,088	24,182	(94)
Insurance - general liability	10,350	11,033	11,033	-
Insurance - workers compensation	29,165	25,070	25,070	-
Capital Outlay:				
Equipment Replacement	-	224,752	224,752	-
Total expenditures	<u>5,550,205</u>	<u>5,885,308</u>	<u>5,562,831</u>	<u>322,477</u>
Excess (deficiency) of revenues over (under) expenditures	<u>93,691</u>	<u>(62,412)</u>	<u>586,860</u>	<u>649,272</u>
Net change in fund balance	93,691	(62,412)	586,860	649,272
FUND BALANCE, beginning	<u>2,321,875</u>	<u>2,321,875</u>	<u>2,321,875</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 2,415,566</u>	<u>\$ 2,259,463</u>	<u>\$ 2,908,735</u>	<u>\$ 649,272</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SCHOOL FEDERAL PROJECTS FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Federal government	\$ 11,461,467	\$ 11,555,112	\$ 8,957,876	\$ (2,597,236)
Total revenues	<u>11,461,467</u>	<u>11,555,112</u>	<u>8,957,876</u>	<u>(2,597,236)</u>
EXPENDITURES				
Education:				
Regular instruction	2,973,702	2,928,820	1,714,522	1,214,298
Special education	1,147,224	1,198,197	1,044,890	153,307
Vocational education	94,083	103,594	103,594	-
Support services	4,338,597	4,560,798	3,906,823	653,975
Capital outlay:				
Building improvements	<u>2,875,498</u>	<u>2,875,498</u>	<u>2,188,047</u>	<u>687,451</u>
Total expenditures	<u>11,429,104</u>	<u>11,666,907</u>	<u>8,957,876</u>	<u>2,709,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32,363</u>	<u>(111,795)</u>	<u>-</u>	<u>111,795</u>
Net change in fund balance	32,363	(111,795)	-	111,795
FUND BALANCE, beginning	<u>8,241</u>	<u>8,241</u>	<u>8,241</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 40,604</u>	<u>\$ (103,554)</u>	<u>\$ 8,241</u>	<u>\$ 111,795</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SCHOOL FOOD SERVICES FUND

YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
USDA reimbursements	\$ 3,731,858	\$ 3,531,932	\$ 4,307,784	\$ 775,852
Charges for services	98,000	82,968	92,575	9,607
Interest	1,000	20,516	17,489	(3,027)
Total revenues	<u>3,830,858</u>	<u>3,635,416</u>	<u>4,417,848</u>	<u>782,432</u>
EXPENDITURES				
Clerical personnel	86,500	83,686	98,774	(15,088)
Cafetria personnel	1,204,500	988,355	950,143	38,212
Bonus payments	-	-	35,539	(35,539)
In-service training	1,500	1,316	-	1,316
Social security	75,850	73,690	43,098	30,592
State retirement	169,650	150,076	149,939	137
Life insurance	3,900	3,022	2,052	970
Medical insurance	272,000	239,780	231,887	7,893
Employer medicare liability	18,700	16,127	15,189	938
Other fringe benefits	42,000	36,427	35,615	812
Communication	1,300	1,265	1,567	(302)
Dues and membership	1,800	1,658	1,818	(160)
Maintenance and repair services	50,000	62,814	36,040	26,774
Payments to schools-lunch	-	-	163	(163)
Transportation	3,000	2,854	3,331	(477)
Travel	2,800	3,180	-	3,180
Other contracted services	1,002,175	1,221,882	1,326,363	(104,481)
Food supplies	785,500	779,500	945,804	(166,304)
Office supplies	1,500	1,167	734	433
Uniforms	800	309	(9)	318
In-service staff development	1,200	1,176	835	341
Food commodities	263,508	263,508	261,310	2,198
Other supplies and materials	70,000	68,363	68,621	(258)
Applicant investigation	500	466	(38)	504
Food service equipment	9,175	52,000	52,108	(108)
Total expenditures	<u>4,067,858</u>	<u>4,052,621</u>	<u>4,260,883</u>	<u>(208,262)</u>

(Continued)

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SCHOOL FOOD SERVICES FUND

YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
Excess (deficiency) of revenues over (under) expenditures	\$ (237,000)	\$ (417,205)	\$ 156,965	\$ 574,170
Net change in fund balance	(237,000)	(417,205)	156,965	574,170
FUND BALANCE, beginning	<u>2,524,768</u>	<u>2,524,768</u>	<u>2,524,768</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 2,287,768</u>	<u>\$ 2,107,563</u>	<u>\$ 2,681,733</u>	<u>\$ 574,170</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL LIBRARY FUND

YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Bradley county	\$ 707,000	\$ 707,000	\$ 690,000	\$ (17,000)
State grant	-	2,756	2,756	-
Charges for services	44,000	44,000	48,385	4,385
Interest	1,600	4,400	13,358	8,958
Miscellaneous:				
Gifts	70,000	70,000	57,946	(12,054)
Total revenues	822,600	828,156	812,445	(15,711)
EXPENDITURES				
Culture and recreation:				
Salaries	813,700	813,700	756,013	57,687
Employee benefits	302,800	297,152	266,079	31,073
Materials and online	117,100	117,100	105,548	11,552
Utilities	86,000	88,000	76,775	11,225
Equipment maintenance	15,500	15,500	11,638	3,862
Building and grounds maintenance	17,900	17,900	466	17,434
Office	71,800	74,100	85,484	(11,384)
Grant expenditures	-	5,512	5,512	-
Insurance	30,500	34,092	34,091	1
Gift and memorial expenditures	73,800	70,000	25,131	44,869
Total expenditures	1,529,100	1,533,056	1,366,737	166,319
Excess (deficiency) of revenues over (under) expenditures	(706,500)	(704,900)	(554,292)	150,608
OTHER FINANCING SOURCES (USES)				
Transfers in	707,000	707,000	707,000	-
Total other financing sources (uses)	707,000	707,000	707,000	-
Net change in fund balance	500	2,100	152,708	150,608
FUND BALANCE, beginning	511,689	511,689	511,689	-
FUND BALANCE, ending	\$ 512,189	\$ 513,789	\$ 664,397	\$ 150,608

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DRUG ENFORCEMENT FUND

YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 23,500	\$ 34,620	\$ 32,225	\$ (2,395)
Interest	<u>200</u>	<u>9,200</u>	<u>16,047</u>	<u>6,847</u>
Total revenues	<u>23,700</u>	<u>43,820</u>	<u>48,272</u>	<u>4,452</u>
EXPENDITURES				
Public safety:				
Seized vehicles	13,000	16,600	12,931	3,669
Investigative funds	10,000	10,000	-	10,000
Canine expense	-	9,154	9,154	-
Equipment	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Total expenditures	<u>23,600</u>	<u>36,354</u>	<u>22,085</u>	<u>14,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100</u>	<u>7,466</u>	<u>26,187</u>	<u>18,721</u>
Net change in fund balance	100	7,466	26,187	18,721
FUND BALANCE, beginning	<u>275,011</u>	<u>275,011</u>	<u>275,011</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 275,111</u>	<u>\$ 282,477</u>	<u>\$ 301,198</u>	<u>\$ 18,721</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Federal grant	\$ 200,000	\$ 200,000	\$ 98,534	\$ (101,466)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>98,534</u>	<u>(101,466)</u>
EXPENDITURES				
General government:				
Salaries	167,755	167,755	63,014	104,741
Benefits	57,000	57,000	29,035	27,965
Telephone	1,000	1,000	438	562
Contracted services	60,845	60,845	19,000	41,845
Professional development	500	500	-	500
Office	3,500	5,500	5,432	68
Software	8,900	6,900	-	6,900
Total expenditures	<u>299,500</u>	<u>299,500</u>	<u>116,919</u>	<u>182,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99,500)</u>	<u>(99,500)</u>	<u>(18,385)</u>	<u>81,115</u>
OTHER FINANCING SOURCES				
Transfer in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	500	500	81,615	81,115
FUND BALANCE, beginning	<u>203,755</u>	<u>203,755</u>	<u>203,755</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 204,255</u>	<u>\$ 204,255</u>	<u>\$ 285,370</u>	<u>\$ 81,115</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
CDBG unprogrammed funds	\$ 375,000	\$ -	\$ -	\$ -
Community Development Block Grant - 2018	-	54,972	-	(54,972)
Community Development Block Grant - 2019	-	12,000	12,000	-
Community Development Block Grant - 2022	-	46,498	12,000	(34,498)
Community Development Block Grant - 2023	-	-	18,000	18,000
Community Development Block Grant - 2024	-	384,598	137,592	(247,006)
COVID funds	-	51,821	35,240	(16,581)
Total revenues	<u>375,000</u>	<u>549,889</u>	<u>214,832</u>	<u>(335,057)</u>
EXPENDITURES				
Community development:				
Administration:				
Salaries	73,604	52,292	52,343	(51)
Christmas bonus	163	114	114	-
Sick pay incentive	300	123	123	-
Dental insurance	427	427	213	214
Social security	5,666	5,666	6,075	(409)
Health insurance	9,526	9,526	5,933	3,593
Retirement	12,275	12,275	9,056	3,219
Life and disability insurance	894	894	591	303
Vision insurance	102	102	48	54
Advertising	1,000	1,000	713	287
Telephone	1,200	1,200	1,032	168
Professional services	2,400	1,832	1,275	557
Office supplies	800	400	76	324
Operating supplies - covid	-	6,108	6,108	-
Uniforms	300	245	245	-
Gasoline	300	150	19	131
Down payment assistance	-	86,400	36,000	50,400
Miscellaneous - COVID	-	45,713	27,754	17,959
Miscellaneous	1,500	1,500	50	1,450
Code enforcement:				
Salaries	41,122	41,122	35,981	5,141
Christmas bonus	163	163	162	1
Sick pay incentive	300	300	100	200
Dental insurance	427	427	258	169
Social security tax	3,181	3,181	2,810	371
Health insurance	9,525	9,525	7,173	2,352
Retirement	7,144	7,144	6,259	885
Vision insurance	102	102	58	44

(Continued)

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL COMMUNITY DEVELOPMENT BLOCK GRANT FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Codes enforcement: (Continued)				
Telephone	\$ 1,200	\$ 1,200	\$ 537	\$ 663
Vehicle maintenance	1,200	1,200	78	1,122
Professional development	1,000	1,000	315	685
Office supplies	150	150	-	150
Uniforms	400	400	350	50
Gasoline	2,000	2,000	1,460	540
Insurance - vehicles	450	-	587	(587)
Miscellaneous	1,000	1,000	500	500
Total community development	<u>179,821</u>	<u>294,881</u>	<u>204,396</u>	<u>90,485</u>
Capital outlay:				
Contracted services	20,000	28,690	28,690	-
Capital projects	<u>224,894</u>	<u>271,135</u>	<u>1,381</u>	<u>269,754</u>
Total capital outlay	<u>244,894</u>	<u>299,825</u>	<u>30,071</u>	<u>269,754</u>
Total expenditures	<u>424,715</u>	<u>594,706</u>	<u>234,467</u>	<u>360,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,715)</u>	<u>(44,817)</u>	<u>(19,635)</u>	<u>25,182</u>
OTHER FINANCING SOURCES				
Transfer in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	285	5,183	30,365	25,182
FUND BALANCE, beginning	<u>184,636</u>	<u>184,636</u>	<u>184,636</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 184,921</u>	<u>\$ 189,819</u>	<u>\$ 215,001</u>	<u>\$ 25,182</u>

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CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
E-TICKETING GRANT FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures:				
Citation fee	\$ -	\$ -	\$ 240	\$ 240
Total revenues	<u>-</u>	<u>-</u>	<u>240</u>	<u>240</u>
EXPENDITURES				
Public safety:				
Technical fees and materials	-	757	-	757
Technical supplies - court clerk	<u>-</u>	<u>16,647</u>	<u>963</u>	<u>15,684</u>
Total expenditures	<u>-</u>	<u>17,404</u>	<u>963</u>	<u>16,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(17,404)</u>	<u>(723)</u>	<u>16,681</u>
Net change in fund balance	-	(17,404)	(723)	16,681
FUND BALANCE, beginning	<u>17,404</u>	<u>17,404</u>	<u>17,404</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 17,404</u>	<u>\$ -</u>	<u>\$ 16,681</u>	<u>\$ 16,681</u>

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CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Federal grant	\$ -	\$ 43,766	\$ 43,766	\$ -
Total revenues	<u>-</u>	<u>43,766</u>	<u>43,766</u>	<u>-</u>
EXPENDITURES				
Public safety:				
Bradley county disparate	-	14,403	14,403	-
Equipment replacement	<u>-</u>	<u>29,363</u>	<u>29,363</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>43,766</u>	<u>43,766</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
FUND BALANCE, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Bradley county	\$ 146,800	\$ 146,800	\$ 141,735	\$ (5,065)
Interest	5,000	291,000	203,929	(87,071)
Total revenues	<u>151,800</u>	<u>437,800</u>	<u>345,664</u>	<u>(92,136)</u>
EXPENDITURES				
Debt service:				
Principal retirement	5,732,340	5,818,007	5,188,668	629,339
Interest and fiscal charges	<u>3,217,481</u>	<u>3,338,907</u>	<u>3,120,144</u>	<u>218,763</u>
Total expenditures	<u>8,949,821</u>	<u>9,156,914</u>	<u>8,308,812</u>	<u>848,102</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,798,021)</u>	<u>(8,719,114)</u>	<u>(7,963,148)</u>	<u>755,966</u>
OTHER FINANCING SOURCES				
Transfer in	<u>8,318,682</u>	<u>8,338,241</u>	<u>8,424,772</u>	<u>86,531</u>
Total other financing sources	<u>8,318,682</u>	<u>8,338,241</u>	<u>8,424,772</u>	<u>86,531</u>
Net change in fund balance	(479,339)	(380,873)	461,624	842,497
FUND BALANCE, beginning	<u>6,114,147</u>	<u>6,114,147</u>	<u>6,114,147</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 5,634,808</u>	<u>\$ 5,733,274</u>	<u>\$ 6,575,771</u>	<u>\$ 842,497</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SALES TAX CAPITAL PROJECTS FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Local 1/2 cent sales tax	\$ 3,644,680	\$ 3,644,680	\$ 4,315,422	\$ 670,742
School 1/2 cent sales tax	1,295,000.00	1,595,000	1,537,101	(57,899)
Interest	8,000	267,500	457,356	189,856
Total revenues	<u>4,947,680</u>	<u>5,507,180</u>	<u>6,309,879</u>	<u>802,699</u>
EXPENDITURES				
Capital outlay:				
Vehicles	72,300	72,300	72,300	-
Equipment replacement - mower deck	31,600	35,868	35,868	-
GIS flyover	-	80,916	16,069	64,847
Greenway phase 6	-	-	67,773	(67,773)
CMAQ park and ride	-	-	28	(28)
Capital Projects-Tasers 1 of 5	61,400	61,400	61,398	2
Vehicles - police department	300,000	352,976	352,976	-
Building improvements - police department	100,000	106,061	94,242	11,819
Equipment replacement - SCBA	-	15,839	14,690	1,149
Transportation projects	-	57,007	-	57,007
Indian hills	-	4,000	1,695	2,305
Peerless extension	-	192,921	-	192,921
Central avenue	-	31,699	3,000	28,699
Gaut street	-	196,772	33,197	163,575
Paving	400,000	1,449,423	969,081	480,342
Sidewalks	65,000	161,968	61,614	100,354
Equipment - jetport	150,000	550,542	340,107	210,435
Equipment - jetport	-	12,390	12,390	-

(Continued)

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SALES TAX CAPITAL PROJECTS FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Capital outlay (continued)				
Tinsley park - building	\$ -	\$ 2,772	\$ -	\$ 2,772
Equipment replacement - parks and recreation	-	37,907	-	37,907
Capital projects - school	604,003	1,163,503	733,153	430,350
QSCB principal	259,578	259,578	259,577	1
QSCB interest	67,184	67,184	63,024	4,160
QSCB fiscal charges	4,160	4,160	4,160	-
Arnold school renovation - principal	70,000	70,000	70,000	-
Arnold school renovation - interest	35,000	35,000	35,000	-
ESG equipment facility - principal	150,000	150,000	150,000	-
ESG quipment facility - interest	108,075	108,075	108,075	-
Total expenditures	<u>2,478,300</u>	<u>5,280,261</u>	<u>3,559,417</u>	<u>1,720,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,469,380</u>	<u>226,919</u>	<u>2,750,462</u>	<u>2,523,543</u>
Net change in fund balance	2,469,380	226,919	2,750,462	2,523,543
FUND BALANCE, beginning	<u>7,146,475</u>	<u>7,146,475</u>	<u>7,146,475</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 9,615,855</u>	<u>\$ 7,373,394</u>	<u>\$ 9,896,937</u>	<u>\$ 2,523,543</u>

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CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SCHOOL CAPITAL IMPROVEMENT PROJECTS FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ -	\$ 105,000	\$ 173,175	\$ 68,175
Total revenues	<u>-</u>	<u>105,000</u>	<u>173,175</u>	<u>68,175</u>
EXPENDITURES				
Capital outlay:				
Building raider drive	-	2,895,706	1,536,893	1,358,813
Improvements	<u>-</u>	<u>235,422</u>	<u>106,405</u>	<u>129,017</u>
Total expenditures	<u>-</u>	<u>3,131,128</u>	<u>1,643,298</u>	<u>1,487,830</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,026,128)</u>	<u>(1,470,123)</u>	<u>1,556,005</u>
Net change in fund balance	-	(3,026,128)	(1,470,123)	1,556,005
FUND BALANCE, beginning	<u>3,173,524</u>	<u>3,173,524</u>	<u>3,173,524</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 3,173,524</u>	<u>\$ 147,396</u>	<u>\$ 1,703,401</u>	<u>\$ 1,556,005</u>

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CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
AMERICAN RESCUE PLAN FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Federal grant	\$ -	\$ -	\$ 1,391,080	\$ 1,391,080
Interest	-	245,000	402,300	157,300
Total revenues	-	245,000	1,793,380	1,548,380
EXPENDITURES				
Capital outlay:				
Cherokee hotel renovation	-	6,176,637	973,166	5,203,471
Technology upgrade	-	608	-	608
City field	-	400,000	-	400,000
Vehicles	-	400,000	395,551	4,449
Ladder truck	-	400,000	-	400,000
Musuem center	-	16,826	16,826	-
Community services	-	100,000	3,506	96,494
Caring place	-	2,031	2,031	-
Total expenditures	-	7,496,102	1,391,080	6,105,022
Excess (deficiency) of revenues over (under) expenditures	-	(7,251,102)	402,300	7,653,402
Net change in fund balance	-	(7,251,102)	402,300	7,653,402
FUND BALANCE, beginning	238,631	238,631	238,631	-
FUND BALANCE, ending	\$ 238,631	\$ (7,012,471)	\$ 640,931	\$ 7,653,402

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CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
MEILER ESTATE ANIMAL SHELTER TRUST FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 500	\$ 7,000	\$ 16,583	\$ 9,583
Total revenues	<u>500</u>	<u>7,000</u>	<u>16,583</u>	<u>9,583</u>
EXPENDITURES				
Vehicles	-	5,379	5,379	-
Total expenditures	<u>-</u>	<u>5,379</u>	<u>5,379</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>500</u>	<u>1,621</u>	<u>11,204</u>	<u>9,583</u>
Net change in fund balance	500	1,621	11,204	9,583
FUND BALANCE, beginning	<u>517,659</u>	<u>517,659</u>	<u>517,659</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 518,159</u>	<u>\$ 519,280</u>	<u>\$ 528,863</u>	<u>\$ 9,583</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CPD GRANTS FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
State grant	\$ -	\$ 713,177	\$ 712,225	\$ (952)
Total revenues	-	713,177	712,225	(952)
EXPENDITURES				
Public safety:				
Salaries	-	164,964	148,790	16,174
Operating supplies	-	53,845	61,583	(7,738)
Vehicles	-	81,687	96,852	(15,165)
Equipment	-	219,141	274,968	(55,827)
Equipment maintenance	-	8,100	-	8,100
Software	-	185,440	185,440	-
Total expenditures	-	713,177	767,633	(54,456)
Excess (deficiency) of revenues over (under) expenditures	-	-	(55,408)	(55,408)
Net change in fund balance	-	-	(55,408)	(55,408)
FUND BALANCE, beginning	-	-	-	-
FUND BALANCE, ending	\$ -	\$ -	\$ (55,408)	\$ (55,408)

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
HOTEL LODGING TAX FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Hotel occupancy tax	\$ -	\$ 460,000	\$ 887,392	\$ 427,392
Total revenues	<u>-</u>	<u>460,000</u>	<u>887,392</u>	<u>427,392</u>
EXPENDITURES				
General government:				
Museum center at five points	-	50,000	50,000	-
Community marketing	-	50,000	37	49,963
Downtown festivals	-	50,000	-	50,000
Sports tourism complex	-	310,000	212	309,788
Total expenditures	<u>-</u>	<u>460,000</u>	<u>50,249</u>	<u>409,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>837,143</u>	<u>837,143</u>
Net change in fund balance	-	-	837,143	837,143
FUND BALANCE, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 837,143</u>	<u>\$ 837,143</u>

See independent auditor's report.

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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROGRAM FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Federal grant - jetport box culvert repair	\$ -	\$ 259,425	\$ 22,760	\$ (236,665)
Jetport-thangers	-	110,275	30,000	(80,275)
TDOT grant: paul huff paving	-	-	59,506	59,506
TDOT grant: 25th st multimodal	-	-	19,261	19,261
TDOT grant: gaut st.	-	877,676	360	(877,316)
Downtown improvement grant	-	15,568	67,380	51,812
PEP: property conservation grant	-	4,000	4,000	-
Bradley county - LIC	-	196,384	196,384	-
Interest	-	900,000	1,524,539	624,539
Miscellaneous:				
TML reimbursement - vehicles/equipment	-	76,697	96,062	19,365
Family resource lease agreement	-	9,001	9,001	-
Sundry income	-	5,422	10,147	4,725
Total revenues	-	2,454,448	2,039,400	(415,048)
EXPENDITURES				
Capital Outlay:				
Legislative and judicial:				
Capital projects	-	2,188,228	365,921	1,822,307
Whirlpool/Downtown initiative	600,000	2,107,528	119,741	1,987,787
25th and Ocoee street	-	1,504,000	-	1,504,000
Building-council chambers	-	2,184,994	612	2,184,382
Administration:				
Capital projects	-	725,000	-	725,000
Trans raise grant	-	60,000	-	60,000
Building-library repair	-	30,448	30,448	-
Downtown improvement grant	-	20,990	21,740	(750)
Equipment	-	50,000	49,397	603
Human resources:				
Software	-	52,249	51,850	399
Finance:				
Capital projects-software	-	572,312	53,607	518,705
Information technology:				
Greenway park safety	-	455,005	185,814	269,191
Equipment	-	72,544	72,544	-

(Continued)

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROGRAM FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Capital Outlay (Continued):				
Development and engineering:				
Transportation projects -LGIP	\$ -	\$ 73,726	\$ 39	\$ 73,687
Michigan avenue - minnis	-	248,500	-	248,500
Paul huff paving	-	177,041	77,479	99,562
Infrastructure peerless/keith	-	232,274	-	232,274
25th street multimodel	-	841,830	20,275	821,555
Downtown area	-	100,000	51,074	48,926
Adkisson sidewalks	-	244,470	172,696	71,774
Police department:				
Vehicles	-	82,044	75,805	6,239
Body cameras	-	70,000	-	70,000
Fire Department:				
Apparatus replacement	-	58,863	48,431	10,432
Public works - street department:				
25th and peerless	-	327,127	-	327,127
Multi modal access	-	42	167	(125)
LIC north on APD 40	-	616,988	3,739	613,249
Mouse creek intersection	-	781,787	798,885	(17,098)
Paul huff & peerless intersection	-	1,167,450	61,883	1,105,567
Gaut improvements	-	-	359	(359)
Paving	300,000	1,572,572	542,490	1,030,082
Improvements-safety markings	-	197,935	93,978	103,957
Sidewalks	65,000	440,649	827,383	(386,734)
Cleveland Regional Jetport:				
Environmental monitoring	-	375	375	-
North property - design	-	837	837	-
Taxi lane	-	5,450	5,450	-
Land easement	-	5,398	-	5,398
T hanger	-	117,500	34,225	83,275
North development	-	17,001	17,001	-
Box culvert repair	-	271,500	33,635	237,865
Parks and recreation:				
Civitan park	-	552,172	509,187	42,985
Jim sharp park	-	1,322,926	77,016	1,245,910
Johnston park	-	500,000	-	500,000
Mosby park phase II	-	24,459	151	24,308

(Continued)

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROGRAM FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Capital outlay (Continued)				
Improvements-mosby park	\$ -	\$ 50,000	\$ 231	\$ 49,769
Candies creek greenway	-	236,643	219,516	17,127
Improvements-tinsley park	-	3,250,000	358,717	2,891,283
Improvements-soccer complex	-	1,200,000	914,365	285,635
East circle greenway	-	100,000	58,470	41,530
Improvements-greenway lights	-	78,000	-	78,000
Equipment replacement-seeder	-	11,096	9,120	1,976
	<u>965,000</u>	<u>24,999,953</u>	<u>5,964,653</u>	<u>19,035,300</u>
 Total expenditures	 <u>965,000</u>	 <u>24,999,953</u>	 <u>5,964,653</u>	 <u>19,035,300</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(965,000)</u>	 <u>(24,921,953)</u>	 <u>(3,925,253)</u>	 <u>20,996,700</u>
 OTHER FINANCING USES				
Transfers out	<u>965,000</u>	<u>1,076,521</u>	<u>1,076,521</u>	<u>-</u>
Total other financing sources (uses)	<u>965,000</u>	<u>1,076,521</u>	<u>1,076,521</u>	<u>-</u>
 Net change in fund balance	 -	 (23,845,432)	 (2,848,732)	 20,996,700
 FUND BALANCE, beginning	 <u>28,437,669</u>	 <u>28,437,669</u>	 <u>28,437,669</u>	 <u>-</u>
 FUND BALANCE, ending	 <u>\$ 28,437,669</u>	 <u>\$ 4,592,237</u>	 <u>\$ 25,588,937</u>	 <u>\$ 20,996,700</u>

See independent auditor's report.

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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL HEALTH INSURANCE TRUST FUND

YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES:				
Charges for services	\$ 6,078,004	\$ 6,078,004	\$ 5,294,536	\$ (783,468)
Total operating revenues	<u>6,078,004</u>	<u>6,078,004</u>	<u>5,294,536</u>	<u>(783,468)</u>
OPERATING EXPENSES:				
General and administrative:				
Health insurance claims	4,520,383	4,520,383	3,888,943	631,440
Administrative services	<u>875,154</u>	<u>875,154</u>	<u>1,080,053</u>	<u>(204,899)</u>
Total operating expenses	<u>5,395,537</u>	<u>5,395,537</u>	<u>4,968,996</u>	<u>426,541</u>
Operating income (loss)	<u>682,467</u>	<u>682,467</u>	<u>325,540</u>	<u>(356,927)</u>
NON OPERATING REVENUE (EXPENSE):				
Interest income	<u>1,500</u>	<u>105,000</u>	<u>155,501</u>	<u>50,501</u>
Total non operating revenues (expenses)	<u>1,500</u>	<u>105,000</u>	<u>155,501</u>	<u>50,501</u>
Change in net position	683,967	787,467	481,041	(306,426)
Total net position - beginning	<u>2,956,030</u>	<u>2,956,030</u>	<u>2,956,030</u>	<u>-</u>
Total net position - ending	<u>\$ 3,639,997</u>	<u>\$ 3,743,497</u>	<u>\$ 3,437,071</u>	<u>\$ (306,426)</u>

See independent auditor's report.

FINANCIAL SCHEDULES

CITY OF CLEVELAND, TENNESSEE

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS COMPARATIVE SCHEDULE BY SOURCE(1)

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Governmental funds capital assets:		
Land	\$ 38,073,782	\$ 38,073,782
Buildings	167,824,305	162,806,243
Public improvements other than buildings	32,632,941	28,890,475
Infrastructure	92,024,739	83,949,081
Furniture, fixtures, equipment and vehicles	<u>48,323,251</u>	<u>46,120,600</u>
Total governmental funds capital assets	<u>\$ 378,879,018</u>	<u>\$ 359,840,181</u>
Investment in governmental funds capital assets:		
Total governmental funds capital assets	<u>\$ 378,879,018</u>	<u>\$ 359,840,181</u>

(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, 2024

<u>Function and Activity</u>	Total Capital Assets	Land	Buildings	Other Improve- ments	Infrastructure	Equipment
General Government:						
Administration and finance	\$ 1,045,662	\$ 1,800	\$ 401,565	\$ 263,343	\$ -	\$ 378,954
General government	3,607,095	221,845	1,555,175	410,985	-	1,419,090
Community development	1,070,335	101,746	417,664	52,566	-	498,359
Library	10,866,984	324,286	5,897,692	77,676	-	4,567,330
Total General Government	<u>16,590,076</u>	<u>649,677</u>	<u>8,272,096</u>	<u>804,570</u>	<u>-</u>	<u>6,863,733</u>
Public Safety:						
Police	14,342,301	290,097	5,210,273	67,635	-	8,774,296
Fire	15,913,518	461,500	6,304,649	314,327	-	8,833,042
Animal Control	373,474	-	98,010	73,147	-	202,317
911 Center	867,618	-	867,618	-	-	-
Total Public Safety	<u>31,496,911</u>	<u>751,597</u>	<u>12,480,550</u>	<u>455,109</u>	<u>-</u>	<u>17,809,655</u>
Public Works:						
Street department	9,862,772	591,262	393,809	2,455,418	-	6,422,283
Engineering	227,486	-	-	47,301	-	180,185
Fleet	1,579,732	108,291	1,207,137	74,216	-	190,088
Old City Landfill	92,500	63,500	25,000	4,000	-	-
Jetport	47,493,277	26,899,869	5,521,817	14,155,954	-	915,637
Primary roads	11,170,880	67,965	-	-	11,102,915	-
Secondary roads	60,427,137	378,887	-	-	60,048,250	-
Drainage	5,504,223	12,147	-	-	5,492,076	-
Detention ponds	3,613,911	770,558	-	-	2,843,353	-
Sidewalks	11,295,348	-	-	-	11,295,348	-
Bridges	1,242,797	-	-	-	1,242,797	-
Total Public Works	<u>152,510,063</u>	<u>28,892,479</u>	<u>7,147,763</u>	<u>16,736,889</u>	<u>92,024,739</u>	<u>7,708,193</u>
Parks and Recreation:						
Recreation office	4,851,097	-	27,313	2,773,221	-	2,050,563
Tinsley Park	3,705,054	211,980	165,860	3,108,572	-	218,642
Waterville Golf Course	2,151,552	256,816	521,641	1,268,122	-	104,973
College Hill Center	1,659,702	76,890	231,658	1,187,386	-	163,768
Cleveland Community Center	850,332	47,000	421,769	248,964	-	132,599
Johnston Park	425,000	175,000	-	250,000	-	-
Deer Park	272,642	90,000	-	175,740	-	6,902
Arnold Mini Park	14,565	-	-	14,565	-	-
Mayfield Mini Park	14,000	-	-	14,000	-	-
Mosby Park	834,591	-	-	834,591	-	-
Blythe Mini Park	20,044	9,874	-	10,170	-	-
Bower Mini Park	61,975	-	14,800	47,175	-	-
Stuart Mini Park	27,263	-	17,732	9,531	-	-
E.L. Ross Craigmile Park	9,880	-	-	9,880	-	-
East Cleveland Neighborhood	83,698	10,000	3,577	70,121	-	-
Greenway Project	3,257,834	-	319,839	2,470,908	-	467,087
Fletcher Park	742,421	64,373	118,973	529,127	-	29,948
1st Street Square Park	535,363	174,595	-	360,768	-	-
Soccer Complex	1,355,149	50,000	8,890	1,174,393	-	121,866
Total Parks and Recreation	<u>20,872,162</u>	<u>1,166,528</u>	<u>1,852,052</u>	<u>14,557,234</u>	<u>-</u>	<u>3,296,348</u>

(Continued)

CITY OF CLEVELAND, TENNESSEE

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY(1)**

JUNE 30, 2024

<u>Function and Activity</u>	<u>Total Capital Assets</u>	<u>Land</u>	<u>Buildings</u>	<u>Other Improve- ments</u>	<u>Infrastructure</u>	<u>Equipment</u>
Miscellaneous Properties:						
Central and Church parking lot	\$ 101,000	\$ 101,000	\$ -	\$ -	\$ -	\$ -
Fourth Street parking lot	45,500	45,500	-	-	-	-
Worth and Central parking lot	45,000	45,000	-	-	-	-
Inman Street parking lot	32,500	32,500	-	-	-	-
Second - Central parking lot	53,000	53,000	-	-	-	-
Blythe Day Care	35,136	15,000	11,336	8,800	-	-
Kaufman - Second Street parking lot	33,000	27,500	-	5,500	-	-
Hargis - First Street parking lot	33,000	27,500	-	5,500	-	-
Urban renewal lots	87,330	87,330	-	-	-	-
Hill Street building	18,976	-	1,074	17,902	-	-
Seventh and Church Street parking lot	21,202	13,780	-	7,422	-	-
Total Miscellaneous Properties	505,644	448,110	12,410	45,124	-	-
Cleveland City Schools:						
School property	155,560,671	6,165,391	138,059,434	34,015	-	11,301,831
Food Service	1,343,491	-	-	-	-	1,343,491
Total City Schools	156,904,162	6,165,391	138,059,434	34,015	-	12,645,322
Total Capital Assets	\$ 378,879,018	\$ 38,073,782	\$ 167,824,305	\$ 32,632,941	\$ 92,024,739	\$ 48,323,251

(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)

JUNE 30, 2024

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
General Government:				
Administration and finance	\$ 1,045,662	\$ -	\$ -	\$ 1,045,662
General government	3,488,844	118,251	-	3,607,095
Community development	1,070,335	-	-	1,070,335
Library	10,792,296	97,225	22,537	10,866,984
Total General Government	<u>16,397,137</u>	<u>215,476</u>	<u>22,537</u>	<u>16,590,076</u>
Public Safety:				
Police	13,355,870	1,243,179	256,748	14,342,301
Fire	15,729,179	211,371	27,032	15,913,518
Animal Control	367,553	40,379	34,458	373,474
911 Center	867,618	-	-	867,618
Total Public Safety	<u>30,320,220</u>	<u>1,494,929</u>	<u>318,238</u>	<u>31,496,911</u>
Public Works:				
Street department	9,111,084	976,942	225,254	9,862,772
Engineering	227,486	-	-	227,486
Fleet	1,569,718	10,014	-	1,579,732
Old City Landfill	92,500	-	-	92,500
Jetport	45,768,693	1,724,584	-	47,493,277
Primary roads	11,170,880	-	-	11,170,880
Secondary roads	54,367,890	6,059,247	-	60,427,137
Drainage	5,468,623	35,600	-	5,504,223
Detention ponds	3,613,911	-	-	3,613,911
Sidewalks	9,606,778	1,688,570	-	11,295,348
Bridges	950,556	292,242	-	1,242,798
Total Public Works	<u>141,948,119</u>	<u>10,787,199</u>	<u>225,254</u>	<u>152,510,064</u>
Parks and Recreation:				
Recreation office	4,317,937	574,050	40,891	4,851,096
Tinsley Park	3,705,054	-	-	3,705,054
Waterville Golf Course	2,151,552	-	-	2,151,552
College Hill Center	1,655,268	4,435	-	1,659,703
Cleveland Community Center	850,332	-	-	850,332
Johnston Park	425,000	-	-	425,000
Deer Park	272,642	-	-	272,642
Arnold Mini Park	14,565	-	-	14,565
Mayfield Mini Park	14,000	-	-	14,000
Mosby Park	-	834,591	-	834,591
Blythe Mini Park	20,044	-	-	20,044
Bower Mini Park	61,975	-	-	61,975
Stuart Mini Park	27,263	-	-	27,263
E.L. Ross Craigmile Park	9,880	-	-	9,880
East Cleveland Neighborhood	83,698	-	-	83,698
Greenway Project	2,974,761	283,073	-	3,257,834
Fletcher Park	693,024	49,397	-	742,421
1st Street Square Park	535,363	-	-	535,363
Soccer Complex	521,318	833,831	-	1,355,149
Total Parks and Recreation	<u>18,333,676</u>	<u>2,579,377</u>	<u>40,891</u>	<u>20,872,162</u>

(Continued)

CITY OF CLEVELAND, TENNESSEE

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

JUNE 30, 2024

<u>Function and Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Miscellaneous Properties:				
Central and Church parking lot	\$ 101,000	\$ -	\$ -	\$ 101,000
Fourth Street parking lot	45,500	-	-	45,500
Worth and Central parking lot	45,000	-	-	45,000
Inman Street parking lot	32,500	-	-	32,500
Second - Central parking lot	53,000	-	-	53,000
Blythe Day Care	35,136	-	-	35,136
Kaufman - Second Street parking lot	33,000	-	-	33,000
Hargis - First Street parking lot	33,000	-	-	33,000
Urban renewal lots	87,330	-	-	87,330
Hill Street building	18,976	-	-	18,976
Seventh and Church Street parking lot	21,202	-	-	21,202
Total Miscellaneous Properties	<u>505,644</u>	<u>-</u>	<u>-</u>	<u>505,644</u>
Cleveland City Schools:				
School property	150,991,891	4,854,921	286,143	155,560,669
Food Service	1,343,494	-	-	1,343,494
Total City Schools	<u>152,335,385</u>	<u>4,854,921</u>	<u>286,143</u>	<u>156,904,163</u>
Total Capital Assets	<u><u>\$ 359,840,181</u></u>	<u><u>\$ 19,931,902</u></u>	<u><u>\$ 893,063</u></u>	<u><u>\$ 378,879,020</u></u>

(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

INSURANCE IN FORCE

ALL FUND TYPES EXCLUDING CLEVELAND UTILITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Type of Coverage and Name of Company</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Details of Coverage</u>	<u>Liability Limits</u>	<u>Annual Premium</u>
Property Building and Contents, Boiler and Machinery, Commercial Crime, Inland Marine. Public Entity Partners	TMP-8187	9/1/2023 to 8/31/2024	Buildings, contents, boilers, fired vessels electric steam generators. Theft, disappearance and destruction. Radio, video equipment, mobile equip- ment, police dogs.	\$ 93,654,123	\$ 189,122
Comprehensive Liability Public Entity Partners	TML-026R	7/1/2023 to 6/30/2024	General and public officials liability, auto liability, auto physical damage, personal injury. Excess auto physical damage. Airport liability	As per schedule	\$ 651,629
Worker's Compensation Public Entity Partners	TWC-0187	7/1/2023 to 6/30/2024	Job related injuries, employees	\$ 1,000,000 \$ 1,000 ded.	\$ 496,430
Property (School Buildings and Contents, Boiler, Vehicles) Public Entity Partners	TNRMT	7/1/2023 to 6/30/2024	Property Equipment Liability	Various	\$ 566,704
Worker's Compensation Public Entity Partners	TNRMT	7/1/2023 to 6/30/2024	Job related injuries, employees	\$ 1,000,000	\$ 223,846

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF CHANGES IN PROPERTY TAX RECEIVABLES

YEAR ENDED JUNE 30, 2024

Tax Year	Balance June 30, 2023	Current Year Tax Levy	Taxes Collected	Tax Adjustments	Balance June 30, 2024
2023	\$ -	\$ 27,902,488	\$ (26,640,396)	\$ 101,834	\$ 1,363,926
2022	1,305,055	-	(820,301)	8,165	492,919
2021	276,808	-	(146,846)	1,353	131,315
2020	145,679	-	(21,116)	2,305	126,868
2019	99,045	-	(16,092)	1,182	84,135
2018	88,826	-	(9,541)	-	79,285
2017	88,458	-	(3,226)	-	85,232
2016	49,455	-	(7,195)	-	42,260
2015	47,332	-	(1,061)	-	46,271
2014	<u>54,290</u>	<u>-</u>	<u>(461)</u>	<u>-</u>	<u>53,829</u>
	<u>\$ 2,154,948</u>	<u>\$ 27,902,488</u>	<u>\$ (27,666,235)</u>	<u>\$ 114,839</u>	2,506,040
					<u>27,902,488</u>
					30,408,528
					<u>(551,798)</u>
					<u>\$ 29,856,730</u>

Note: All uncollected delinquent taxes have been filed in accordance with applicable laws.

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

UNCOLLECTED DELINQUENT PROPERTY TAXES FILED

JUNE 30, 2024

<u>Tax Year</u>	Original Amount <u>Filed</u>	Unpaid <u>Balance</u>	Percentage <u>Collected</u>
2013	\$ 335,054	\$ -	100.00%
2014	427,004	53,829	87.39%
2015	340,650	46,271	86.42%
2016	311,659	42,260	86.44%
2017	512,837	85,232	83.38%
2018	540,481	79,285	85.33%
2019	469,629	84,135	82.08%
2020	288,761	126,868	56.06%
2021	351,735	131,315	62.67%
2022	1,305,055	492,919	62.23%

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
 June 30, 2024

Description of Indebtedness	Original Amount of issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 07/01/23	Issued During Period	Paid and/or		Outstanding 06/30/24
							Matured During Period	Refunded During Period	
Governmental Activities									
NOTES PAYABLE									
Payable through Debt Service Fund									
Motorola Equipment Loan	\$ 455,575	6.00%	09/01/21	06/30/24	\$ 272,728	\$ -	\$ 85,667	\$ -	\$ 187,061
PBA Clarksville, TN - TMBF Series 2008	\$ 1,812,700	1.50%	11/25/08	05/25/28	636,000	-	115,000	-	521,000
Total Notes Payable through Debt Service Fund					<u>908,728</u>	-	<u>200,667</u>	-	<u>708,061</u>
Payable through Sales Tax Fund									
QSCCL Series 2009	\$ 4,160,000	1.15%	03/01/10	07/01/26	807,127	-	237,947	-	569,180
Energy Efficient Schools Loan	\$ 441,108	1.50%	09/01/20	08/01/33	319,754	-	29,340	-	290,414
Total Notes Payable through Sales Tax Fund					<u>1,126,881</u>	-	<u>267,287</u>	-	<u>859,594</u>
					<u>\$ 2,035,609</u>	<u>\$ -</u>	<u>\$ 467,954</u>	<u>\$ -</u>	<u>\$ 1,567,655</u>
BONDS PAYABLE									
Payable through Debt Service Fund									
General Obligation, Refunding Series 2016A	\$ 4,587,360	3.14%	07/01/16	06/01/36	\$ 2,361,000	\$ -	\$ 363,000	\$ -	\$ 1,998,000
General Obligation, Series 2018	\$ 9,885,000	3.25%	07/24/18	06/01/38	8,005,000	-	400,000	-	7,605,000
General Refunding, Refunding, Series 2019	\$ 34,780,000	2.50%	03/26/19	12/01/33	27,935,000	-	1,880,000	-	26,055,000
General Obligation, Refunding, Series 2020	\$ 27,450,000	2.50%	11/10/20	12/01/38	20,585,000	-	2,565,000	-	18,020,000
General Obligation, Series 2022	\$ 19,220,000	2.50%	05/05/22	06/01/47	19,220,000	-	-	-	19,220,000
Total Bonds Payable through Debt Service Fund					<u>\$ 78,106,000</u>	<u>\$ -</u>	<u>\$ 5,208,000</u>	<u>\$ -</u>	<u>\$ 72,898,000</u>
Total Governmental Activities					<u>\$ 80,141,609</u>	<u>\$ -</u>	<u>\$ 5,675,954</u>	<u>\$ -</u>	<u>\$ 74,465,655</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE
CHANGES IN LEASE OBLIGATIONS
 June 30, 2024

Description of Indebtedness	Original Amount of issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 07/01/23	Issued During Period	Paid and/or		Outstanding 06/30/24
							Matured During Period	Refunded During Period	
Governmental Activities									
LEASES PAYABLE									
Tasers	\$ 221,180	4.24%	08/01/23	08/31/27	\$ -	\$ 221,180	\$ -	\$ -	\$ 221,180
Copiers	\$ 348,348	3.00%	Various	Various	166,459	-	166,459	-	-
Total Leases Payable					<u>\$ 166,459</u>	<u>\$ 221,180</u>	<u>\$ 166,459</u>	<u>\$ -</u>	<u>\$ 221,180</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE
CHANGES IN SBITA OBLIGATIONS
 June 30, 2024

Description of Indebtedness	Original Amount of issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 07/01/23	Issued During Period	Paid and/or		Outstanding 06/30/24
							Matured During Period	Refunded During Period	
Governmental Activities									
SBITA PAYABLE									
Police Body Cams	\$ 186,622	6.00%	09/01/23	09/30/25	\$ -	\$ 186,622	\$ -	\$ -	\$ 186,622
Total SBITA Payable					\$ -	\$ 186,622	\$ -	\$ -	\$ 186,622

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

**BOND PRINCIPAL & INTEREST
REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION DEBT**

JUNE 30, 2024

Fiscal Year Ended June	General Obligation Refunding Series Bonds - 2016A		General Obligation Refunding Bonds - 2018		General Obligation Refunding Bonds - 2019		General Obligation Refunding Bonds - 2020		General Obligation Bonds - 2022		Total Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 383,000	\$ 62,737	\$ 410,000	\$ 285,738	\$ 3,165,000	\$ 1,155,863	\$ 1,550,000	\$ 663,550	\$ 495,000	\$ 795,394	\$ 6,003,000	\$ 2,963,282
2026	390,000	50,711	425,000	273,438	3,265,000	995,113	1,620,000	584,300	520,000	770,644	6,220,000	2,674,206
2027	415,000	38,465	445,000	252,188	3,755,000	819,613	1,645,000	502,675	545,000	744,644	6,805,000	2,357,585
2028	80,000	25,434	470,000	229,937	3,735,000	632,363	1,600,000	421,550	575,000	717,394	6,460,000	2,026,678
2029	85,000	22,922	490,000	206,437	4,205,000	433,863	1,165,000	352,425	605,000	688,644	6,550,000	1,704,291
2030	85,000	20,253	515,000	181,937	3,990,000	228,988	1,225,000	292,675	635,000	658,394	6,450,000	1,382,247
2031	85,000	17,584	535,000	161,337	3,195,000	77,319	1,275,000	230,175	665,000	626,644	5,755,000	1,113,059
2032	90,000	14,915	560,000	139,937	240,000	21,500	1,335,000	171,600	700,000	593,394	2,925,000	941,346
2033	90,000	12,089	580,000	117,537	245,000	12,700	1,280,000	125,700	735,000	558,394	2,930,000	826,420
2034	95,000	9,263	595,000	100,137	260,000	3,900	1,305,000	93,450	770,000	521,644	3,025,000	728,394
2035	100,000	6,280	615,000	82,287	-	-	1,320,000	67,200	800,000	490,843	2,835,000	646,610
2036	100,000	3,140	635,000	63,069	-	-	1,020,000	43,800	825,000	463,843	2,580,000	573,852
2037	-	-	655,000	43,225	-	-	990,000	23,700	855,000	436,000	2,500,000	502,925
2038	-	-	675,000	21,937	-	-	690,000	6,900	885,000	406,074	2,250,000	434,911
2039	-	-	-	-	-	-	-	-	915,000	375,100	915,000	375,100
2040	-	-	-	-	-	-	-	-	945,000	343,075	945,000	343,075
2041	-	-	-	-	-	-	-	-	980,000	310,000	980,000	310,000
2042	-	-	-	-	-	-	-	-	1,020,000	270,800	1,020,000	270,800
2043	-	-	-	-	-	-	-	-	1,060,000	230,000	1,060,000	230,000
2044	-	-	-	-	-	-	-	-	1,105,000	187,600	1,105,000	187,600
2045	-	-	-	-	-	-	-	-	1,150,000	143,400	1,150,000	143,400
2046	-	-	-	-	-	-	-	-	1,195,000	97,400	1,195,000	97,400
2047	-	-	-	-	-	-	-	-	1,240,000	49,600	1,240,000	49,600
Total	\$ 1,998,000	\$ 283,793	\$ 7,605,000	\$ 2,159,141	\$ 26,055,000	\$ 4,381,219	\$ 18,020,000	\$ 3,579,700	\$ 19,220,000	\$ 10,478,925	\$ 72,898,000	\$ 20,882,778

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

**NOTE PRINCIPAL AND INTEREST
REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES**

JUNE 30, 2024

Fiscal Year Ended June 30,	Note Payable - Public Building Authority of Clarksville TN (1) 2008 TMBF Series		Note - Qualified School Construction Loan (QSCB) Series 2009		Note Payable - Energy Efficient School Initiative 2020 Series		Note Payable - Motorola Equipment Loan 2022 Series		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 121,000	\$ 26,050	\$ 259,578	\$ 67,184	\$ 29,784	\$ 4,152	\$ 90,806	\$ 11,224	\$ 501,168	\$ 108,610
2026	127,000	20,000	285,130	67,184	30,228	3,708	96,255	5,775	538,613	96,667
2027	133,000	13,650	24,472	6,292	30,696	3,240	-	-	188,168	23,182
2028	140,000	7,000	-	-	31,152	2,784	-	-	171,152	9,784
2029	-	-	-	-	31,620	2,316	-	-	31,620	2,316
2030	-	-	-	-	32,100	1,836	-	-	32,100	1,836
2031	-	-	-	-	32,592	1,344	-	-	32,592	1,344
2032	-	-	-	-	33,084	852	-	-	33,084	852
2033	-	-	-	-	33,578	360	-	-	33,578	360
2034	-	-	-	-	5,580	14	-	-	5,580	14
Total	\$ 521,000	\$ 66,700	\$ 569,180	\$ 140,660	\$ 290,414	\$ 20,606	\$ 187,061	\$ 16,999	\$ 1,567,655	\$ 244,965

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

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

**LEASES PRINCIPAL AND INTEREST
REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES**

JUNE 30, 2024

Fiscal Year Ended June 30,	Tasers		Total	
	Principal	Interest	Principal	Interest
2025	\$ 51,836	\$ 9,562	\$ 51,836	\$ 9,562
2026	54,077	7,321	54,077	7,321
2027	56,415	4,983	56,415	4,983
2028	<u>58,852</u>	<u>2,546</u>	<u>58,852</u>	<u>2,546</u>
Total	<u>\$ 221,180</u>	<u>\$ 24,412</u>	<u>\$ 221,180</u>	<u>\$ 24,412</u>

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

SBITA PRINCIPAL & INTEREST REQUIREMENTS BY FISCAL YEAR FOR GOVERNMENTAL ACTIVITIES

JUNE 30, 2024

Fiscal Year Ended June 30,	Body Cams		Total	
	Principal	Interest	Principal	Interest
2025	\$ 90,520	\$ 11,510	\$ 90,520	\$ 11,510
2026	96,102	5,927	96,102	5,927
Total	\$ 186,622	\$ 17,437	\$ 186,622	\$ 17,437

See independent auditor's report.

CITY OF CLEVELAND, TENNESSEE

INVESTMENTS

June 30, 2024

Description	Cost	Fair Value
Investment in Certificate of Deposit:		
First Horizon	1.50% \$ 5,991	\$ 5,991
First Horizon	1.50% 13,693	13,693
First Horizon	0.55% 58,733	58,733
First Horizon	0.55% 25,001	25,001
First Horizon	1.50% 29,987	29,987
First Horizon	1.50% 40,528	40,528
First Horizon	1.50% 14,993	14,993
First Horizon	1.50% 30,327	30,327
Total Certificates of Deposit	219,253	219,253
Investment in Local Government Investment Pool:		
State of Tennessee	25,054	25,054
Total Local Government Investment Pool	25,054	25,054
Total Investments	\$ 244,307	\$ 244,307

See independent auditor's report.

CITY OF CLEVELAND, TN
TRANSFERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Transfers In:</u>	<u>Transfers Out:</u>	<u>Amount</u>
Capital Improvement Program Fund	General Fund	\$ 1,076,521
Community Development Block Grant Fund	General Fund	50,000
Debt Service Fund	General Fund	7,022,368
Debt Service Fund	School Fund	839,306
Debt Service Fund	State Street Aid Fund	459,698
Debt Service Fund	Stormwater Fund	103,400
Library Fund	General Fund	707,000
Metro Transportation Planning Organization	General Fund	100,000
School Fund	General Fund	<u>6,024,900</u>
		<u>\$ 16,383,193</u>

CITY OF CLEVELAND, TN
SURETY BONDS OF PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.	F-1
Revenue Capacity These Schedules contain information to help readers assess the City's most significant local revenue source is property tax.	F-6
Debt Capacity These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	F-14
Demographic and Economic Information These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.	F-18
Operating Information These schedules contain service and infrastructure data to help readers understand how the Information in the City's financial report relates to the services the City provides and the activities it performs.	F-20

CITY OF CLEVELAND, TENNESSEE

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 115,117,684	\$ 118,815,347	\$ 119,211,701	\$ 128,504,578	\$ 138,614,753	\$ 135,819,612	\$ 150,289,044	\$ 160,882,458	\$ 167,896,176	\$ 163,749,400
Restricted	4,230,289	3,960,956	4,509,812	5,292,915	14,863,506	19,972,043	26,563,297	53,566,478	34,895,908	43,797,110
Unrestricted	(6,550,745)	(1,239,172)	392,152	(22,478,971)	(22,786,778)	(22,493,225)	(12,609,818)	(10,907,416)	19,254,265	31,667,748
Total governmental activities net assets	\$ 112,797,228	\$ 121,537,131	\$ 124,113,665	\$ 111,318,522	\$ 130,691,481	\$ 133,298,430	\$ 164,242,523	\$ 203,541,520	\$ 222,046,349	\$ 239,214,258
Business-type activities										
Net investment in capital assets	\$ 124,243,205	\$ 126,677,290	\$ 132,437,432	\$ 141,210,570	\$ 140,264,453	\$ 149,656,134	\$ 155,930,891	\$ 164,321,524	\$ 175,637,397	\$ 4,274,315
Unrestricted	(1,508,685)	2,226,781	5,868,185	(191,774)	8,631,096	11,380,399	20,018,879	27,101,349	36,651,923	3,962,442
Total business-type activities	\$ 122,734,520	\$ 128,904,071	\$ 138,305,617	\$ 141,018,796	\$ 148,895,549	\$ 161,036,533	\$ 175,949,770	\$ 191,422,873	\$ 212,289,320	\$ 8,236,757
Primary government										
Net investment in capital assets	\$ 239,360,889	\$ 245,492,637	\$ 251,649,133	\$ 269,715,148	\$ 278,879,206	\$ 285,475,746	\$ 306,219,935	\$ 325,203,982	\$ 343,533,573	\$ 168,023,715
Restricted	4,230,289	3,960,956	4,509,812	5,292,915	14,863,506	19,972,043	26,563,297	53,566,478	34,895,908	43,797,110
Unrestricted	(8,059,430)	987,609	6,260,337	(22,670,745)	(14,155,682)	(11,112,826)	7,409,061	16,193,933	55,906,188	35,630,190
Total primary government net assets	\$ 235,531,748	\$ 250,441,202	\$ 262,419,282	\$ 252,337,318	\$ 279,587,030	\$ 294,334,963	\$ 340,192,293	\$ 394,964,393	\$ 434,335,669	\$ 247,451,015

Source: Official record of Office of City Clerk.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXPENSES										
Governmental activities:										
General government	\$ 3,356,106	\$ 3,765,394	\$ 4,442,261	\$ 8,987,210	\$ 4,756,220	\$ 4,659,380	\$ 4,475,964	\$ 4,570,431	\$ 6,036,633	\$ 19,648,301
Development and Engineering	1,473,844	1,940,024	2,166,719	2,621,363	2,302,965	2,332,324	2,055,406	2,218,756	2,697,380	2,350,768
Public safety	18,688,453	19,057,323	20,587,764	21,827,824	23,014,134	24,420,737	24,382,352	21,099,938	26,549,781	26,424,285
Public works	11,340,866	11,240,255	9,882,476	13,599,981	10,091,513	11,587,164	11,760,654	13,409,381	13,997,241	20,719,365
Health and welfare	638,456	671,684	659,284	710,483	690,927	691,826	716,655	-	-	-
Culture and recreation	4,397,406	4,371,397	5,328,380	3,814,500	5,572,087	5,534,056	5,246,725	4,281,085	4,845,326	3,952,077
Education	46,678,450	49,400,437	53,648,372	54,436,127	47,636,980	58,580,908	60,039,485	59,226,357	75,124,053	79,890,675
Interest on long-term debt	3,356,042	3,296,175	3,198,147	3,216,493	3,183,652	2,900,897	3,029,596	2,585,183	3,038,734	2,123,832
Total governmental activities	89,929,623	93,742,689	99,913,403	109,213,981	97,248,478	110,707,292	111,706,837	107,391,131	132,289,148	155,109,303
Business-type activities:										
Water and sewer	22,015,051	23,781,528	24,601,946	25,034,761	26,551,551	26,863,384	28,485,251	30,035,698	30,628,226	-
Electric	96,987,194	94,002,316	95,625,776	95,471,898	97,751,476	92,020,973	90,020,984	96,702,765	103,964,211	-
Stormwater management	-	422,576	510,855	598,400	452,761	827,213	606,165	1,007,910	690,027	1,295,524
Total business-type activities expenses	119,002,245	118,206,420	120,738,577	121,105,059	124,755,788	119,711,570	119,112,400	127,746,373	135,282,464	1,295,524
Total primary government expenses	\$ 208,931,868	\$ 211,949,109	\$ 220,651,980	\$ 230,319,040	\$ 222,004,266	\$ 230,418,862	\$ 230,819,237	\$ 235,137,504	\$ 267,571,612	\$ 156,404,827
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 5,792,117	\$ 5,546,286	\$ 5,088,039	\$ 5,577,962	\$ 5,715,943	\$ 6,220,987	\$ 6,343,633	\$ 8,402,525	\$ 9,587,022	\$ 17,873,714
Operating grants and contributions	45,485,420	47,705,172	49,701,112	52,477,210	53,644,483	54,514,548	63,396,173	68,531,470	71,900,212	87,461,642
Capital grants and contributions	1,459,698	4,452,957	1,885,608	8,548,702	2,745,004	2,571,298	8,863,133	7,120,650	1,757,478	1,605,912
Total governmental activities program revenues	52,737,235	57,704,415	56,674,759	66,603,874	62,105,430	63,306,833	78,602,939	84,054,645	83,244,712	106,941,268
Business-type activities:										
Charges for services:										
Water and sewer	25,710,183	27,147,284	28,942,827	28,950,628	29,178,469	30,978,458	33,314,124	35,046,595	38,333,963	-
Electric	99,094,672	97,005,448	101,077,357	100,914,277	103,154,714	100,343,044	100,050,298	107,708,738	114,742,506	-
Stormwater management	-	865,814	1,485,629	1,502,917	1,522,529	1,532,721	1,564,682	1,575,112	1,794,131	1,835,956
Operating grants and contributions	47,532	55,537	57,620	108,040	226,316	251,568	276,966	308,074	284,151	677,645
Capital grants and contributions	515,643	1,494,135	828,652	648,269	619,693	1,131,949	1,735,300	1,123,570	2,308,724	-
Total business-type activities program revenues	125,368,030	126,568,218	132,392,085	132,124,131	134,701,721	134,237,740	136,941,370	145,762,089	157,463,475	2,513,601
Total primary government program revenues	\$ 178,105,265	\$ 184,272,633	\$ 189,066,844	\$ 198,728,005	\$ 196,807,151	\$ 197,544,573	\$ 215,544,309	\$ 229,816,734	\$ 240,708,187	\$ 109,454,869
Net (Expense) Revenue:										
Governmental activities	\$ (37,192,388)	\$ (36,038,274)	\$ (43,238,644)	\$ (42,610,107)	\$ (35,143,048)	\$ (47,400,459)	\$ (33,103,898)	\$ (23,336,486)	\$ (49,044,436)	\$ (48,168,035)
Business-type activities	6,365,785	8,361,798	11,653,508	11,019,072	9,945,933	14,526,170	17,828,970	18,015,716	22,181,011	1,218,077
Total primary government net expense	\$ (30,826,603)	\$ (27,676,476)	\$ (31,585,136)	\$ (31,591,035)	\$ (25,197,115)	\$ (32,874,289)	\$ (15,274,928)	\$ (5,320,770)	\$ (26,863,425)	\$ (46,949,958)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 19,653,207	\$ 19,607,993	\$ 20,024,551	\$ 26,342,150	\$ 26,096,750	\$ 26,546,377	\$ 26,167,522	\$ 27,205,753	\$ 28,090,601	\$ 27,334,464
Interest and penalty on taxes	217,448	194,097	218,748	255,801	224,048	203,601	230,767	215,814	209,873	195,255
In lieu of taxes	239,618	285,008	336,281	445,005	490,530	459,491	1,085,511	927,129	992,188	1,513,615
Local sales tax	12,516,655	13,138,559	13,693,221	13,610,741	14,495,529	15,616,509	17,448,218	19,320,174	20,570,203	16,548,954
Wholesale beer tax	1,588,040	1,584,441	1,509,444	1,469,337	1,466,678	1,502,653	1,553,649	1,539,026	1,504,982	1,699,691
Gross receipts tax	1,176,363	1,244,796	1,315,875	1,323,129	1,353,244	1,426,622	1,617,966	1,811,164	1,949,840	1,939,987
Franchise tax	989,949	904,420	879,433	925,773	903,349	881,325	901,996	1,038,768	1,183,104	1,371,303
State sales tax	3,130,831	3,342,791	3,424,704	3,580,003	3,714,029	3,816,634	4,441,358	5,407,704	5,688,719	8,606,748
Other state taxes	4,095,349	1,638,355	1,385,722	1,616,480	1,577,116	1,312,117	1,364,522	1,288,149	1,630,448	391,824
Grants and contributions not restricted	775,098	394,752	494,787	394,864	435,038	500,455	808,113	731,695	3,924,365	5,629,052
Unrestricted investment earnings	96,088	131,389	208,210	539,780	987,484	615,589	204,974	245,974	-	-
Gain (loss) on sale of capital assets	650,321	14,600	(113,458)	19,814	52,875	112,836	(57,393)	-	-	1,651
Transfers	2,247,105	2,322,340	2,437,660	2,641,293	2,719,337	2,864,395	2,973,022	2,904,133	3,145,691	103,400
Total governmental activities	47,376,072	44,803,541	45,815,178	53,164,170	54,516,007	55,858,604	58,740,228	62,635,483	69,482,049	65,335,944
Business-type activities:										
Unrestricted investment earnings	82,174	104,729	185,698	399,322	650,157	479,209	57,289	129,376	1,791,329	220,651
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	232,144	39,798	19,000
Transfers	(2,247,105)	(2,322,340)	(2,437,660)	(2,641,293)	(2,719,337)	(2,864,395)	(2,973,022)	(2,904,133)	(3,145,691)	(103,400)
Total business-type activities	(2,164,931)	(2,217,611)	(2,251,962)	(2,241,971)	(2,069,180)	(2,385,186)	(2,915,733)	(2,542,613)	(1,314,564)	136,251
Total primary government	\$ 45,211,141	\$ 42,585,930	\$ 43,563,216	\$ 50,922,199	\$ 52,446,827	\$ 53,473,418	\$ 55,824,495	\$ 60,092,870	\$ 68,167,485	\$ 65,472,195
CHANGE IN NET POSITION										
Governmental activities	\$ 10,183,684	\$ 8,765,267	\$ 2,576,534	\$ 10,554,063	\$ 19,372,959	\$ 8,458,145	\$ 25,636,330	\$ 39,298,997	\$ 20,437,613	\$ 17,167,909
Business-type activities	4,200,854	6,144,187	9,401,546	8,777,101	7,876,753	12,140,984	14,913,237	15,473,103	20,866,447	1,354,328
Total primary government	\$ 14,384,538	\$ 14,909,454	\$ 11,978,080	\$ 19,331,164	\$ 27,249,712	\$ 20,599,129	\$ 40,549,567	\$ 54,772,100	\$ 41,304,060	\$ 18,522,237

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 167,161	\$ 368,176	\$ 454,229	\$ 398,678	\$ 540,216	\$ 806,993	\$ 1,082,383	\$ 5,619,232	\$ 1,229,765	\$ 7,822,313
Development and Engineering	624,031	743,144	619,475	1,127,552	1,070,335	1,232,575	1,289,669	1,825,201	1,250,846	214,832
Public safety	1,212,259	1,183,264	1,579,472	1,378,931	1,298,804	1,133,704	1,863,228	1,739,333	1,417,153	4,162,704
Public works	6,087,104	8,832,654	5,494,157	8,074,094	5,656,523	7,147,789	7,908,758	10,326,443	9,289,071	15,573,810
Health and welfare	47,810	36,540	47,057	61,628	51,578	44,015	37,689	-	-	-
Culture and recreation	1,178,229	1,158,832	1,052,964	1,467,632	1,145,555	1,160,288	909,872	1,182,480	976,790	929,652
Education	43,450,641	45,381,805	47,427,405	54,095,359	52,342,419	51,781,469	65,511,340	63,361,956	69,081,087	78,237,957
Subtotal governmental activities	<u>52,767,235</u>	<u>57,704,415</u>	<u>56,674,759</u>	<u>66,603,874</u>	<u>62,105,430</u>	<u>63,306,833</u>	<u>78,602,939</u>	<u>84,054,645</u>	<u>83,244,712</u>	<u>106,941,268</u>
Business-type activities:										
Water and sewer	26,043,419	28,337,385	29,435,064	29,458,233	29,526,908	31,999,273	34,646,551	36,008,191	40,412,888	-
Electric	99,324,611	97,364,119	101,465,440	101,162,981	103,652,284	100,700,934	100,730,137	108,178,786	115,256,456	-
Stormwater management	-	866,714	1,491,581	1,502,917	1,522,529	1,537,533	1,564,682	1,575,112	1,794,131	2,513,601
Subtotal business-type activities	<u>125,368,030</u>	<u>126,568,218</u>	<u>132,392,085</u>	<u>132,124,131</u>	<u>134,701,721</u>	<u>134,237,740</u>	<u>136,941,370</u>	<u>145,762,089</u>	<u>157,463,475</u>	<u>2,513,601</u>
Total primary government	<u>\$ 178,135,265</u>	<u>\$ 184,272,633</u>	<u>\$ 189,066,844</u>	<u>\$ 198,728,005</u>	<u>\$ 196,807,151</u>	<u>\$ 197,544,573</u>	<u>\$ 215,544,309</u>	<u>\$ 229,816,734</u>	<u>\$ 240,708,187</u>	<u>\$ 109,454,869</u>

Source: Official record of Office of City Clerk.

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

(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 53,174	\$ 41,762	\$ -	\$ 242,025	\$ 230,996	\$ 233,632	\$ 252,419	\$ 409,190	\$ 469,435	\$ 445,624
Restricted	26,897	5,148	-	-	9,200	9,200	8,950	9,475	5,225	-
Assigned	5,878,509	-	-	-	-	-	-	-	-	-
Unassigned	3,766,227	10,800,152	11,548,699	13,995,070	16,638,164	20,609,141	27,227,900	33,397,184	41,133,993	49,707,808
Total general fund	<u>\$ 9,724,807</u>	<u>\$ 10,847,062</u>	<u>\$ 11,548,699</u>	<u>\$ 14,237,095</u>	<u>\$ 16,878,360</u>	<u>\$ 20,851,973</u>	<u>\$ 27,489,269</u>	<u>\$ 33,815,849</u>	<u>\$ 41,608,653</u>	<u>\$ 50,153,432</u>
All Other Governmental Funds:										
Nonspendable	\$ 473,636	\$ 673,509	\$ 760,148	\$ 515,305	\$ 497,121	\$ 518,333	\$ 514,208	\$ 513,658	\$ 500,127	\$ 476,336
Restricted	3,710,430	3,482,172	4,036,176	4,522,253	12,032,694	12,651,616	20,928,362	44,233,738	44,703,596	45,058,470
Committed	614,333	699,329	740,978	913,328	784,396	1,143,907	1,262,417	1,813,943	2,321,875	2,908,735
Assigned	12,795,459	15,153,991	16,250,478	17,890,590	12,445,305	13,271,819	15,336,314	18,572,428	20,867,797	24,783,912
Unassigned	-	-	-	-	-	-	-	-	-	(55,408)
Total all other governmental funds	<u>\$ 17,593,858</u>	<u>\$ 20,009,001</u>	<u>\$ 21,787,780</u>	<u>\$ 23,841,476</u>	<u>\$ 25,759,516</u>	<u>\$ 27,585,675</u>	<u>\$ 38,041,301</u>	<u>\$ 65,133,767</u>	<u>\$ 68,393,395</u>	<u>\$ 73,172,045</u>

Source: Official record of Office of City Clerk.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES										
Taxes	\$ 36,910,848	\$ 37,144,740	\$ 37,905,053	\$ 44,169,660	\$ 45,073,641	\$ 46,522,610	\$ 49,353,887	\$ 52,067,895	\$ 54,325,850	\$ 55,253,424
Licenses and permits	492,000	490,234	628,772	712,300	735,474	1,192,696	1,409,179	1,634,572	1,641,936	2,031,661
Intergovernmental	53,062,532	57,391,236	56,284,038	65,580,623	61,304,401	61,846,216	77,568,836	81,308,390	79,375,248	88,685,615
Fines and forfeitures	665,896	565,843	527,112	636,898	609,350	541,312	446,724	497,424	392,800	355,168
Charges for services	4,617,463	4,442,072	3,949,204	4,228,762	4,357,213	4,479,831	4,480,063	6,258,671	7,544,152	9,455,516
Interest	96,088	137,225	208,210	539,781	987,484	618,845	204,973	245,975	3,924,366	6,072,453
Miscellaneous	2,202,082	862,571	903,685	797,077	622,151	879,473	1,439,883	844,518	3,856,111	4,090,040
Total Revenues	98,046,909	101,033,921	100,406,074	116,665,101	113,689,714	116,080,983	134,903,545	142,857,445	151,060,463	165,943,877
EXPENDITURES										
General government	2,602,422	3,084,380	3,179,666	3,431,332	3,936,786	4,086,659	3,916,936	4,551,788	4,073,833	4,097,681
Development and Engineering	1,421,401	1,847,168	1,839,944	1,664,882	1,778,770	1,693,780	2,005,510	2,374,078	2,473,908	2,903,664
Public safety	16,976,679	17,587,413	17,973,900	18,606,166	20,420,104	20,899,995	21,501,020	23,586,418	23,857,358	26,424,285
Public works	8,676,635	8,460,640	7,633,818	8,310,518	8,985,878	8,841,930	8,972,849	11,436,378	12,444,376	14,034,201
Health and welfare	483,389	501,236	521,479	542,897	518,977	523,006	528,060	-	-	-
Culture and recreation	4,164,402	4,028,549	4,269,135	4,342,420	4,486,157	4,325,735	4,007,781	3,778,649	4,039,985	3,952,077
Education	46,715,950	48,423,074	51,046,808	53,540,925	55,004,608	55,193,503	61,870,697	62,465,575	69,292,095	78,509,838
Appropriations	1,091,983	1,098,651	1,192,403	1,304,181	1,332,364	1,306,305	1,338,092	1,377,407	1,361,885	1,421,962
Capital outlay	10,348,141	14,401,524	9,035,158	29,336,764	16,892,485	9,018,761	9,398,114	14,125,820	13,605,767	13,986,846
Debt service:										
Principal	4,040,333	4,164,233	4,514,324	5,106,995	6,048,024	5,180,065	5,370,553	6,268,624	6,411,449	5,188,667
Interest	2,384,230	2,340,075	2,228,124	2,246,893	3,231,706	3,276,477	3,554,353	3,110,678	3,660,282	3,120,144
Total Expenditures	98,905,565	105,936,943	103,434,759	128,433,973	122,635,859	114,346,216	122,463,965	133,075,415	141,220,938	153,639,365
Excess of revenues over (under) expenditures	(858,656)	(4,903,022)	(3,028,685)	(11,768,872)	(8,946,145)	1,734,767	12,439,580	9,782,030	9,839,525	12,304,512
OTHER FINANCING SOURCES (USES)										
Transfers in	21,688,975	15,751,495	16,450,779	21,172,739	19,927,702	17,964,749	18,584,223	20,160,116	21,190,662	17,298,710
Transfers out	(19,441,870)	(13,429,155)	(14,013,119)	(18,531,446)	(17,208,365)	(15,100,354)	(16,061,201)	(17,255,983)	(18,044,971)	(16,279,793)
Notes issued	-	6,040,200	2,628,550	5,408,580	-	1,105,731	1,514,178	455,575	-	-
Bonds issued	-	-	-	-	9,885,000	-	-	19,220,000	-	-
Leases issued	142,181	-	442,891	8,222,294	69,475	-	-	32,234	-	-
Refunding bonds issued	-	13,057,880	-	-	34,780,000	-	27,450,000	-	-	-
Premium on bonds issued	-	-	-	-	6,161,337	-	3,913,381	1,025,074	-	-
Payment to refunding bond escrow agent	-	(12,980,000)	-	-	(40,109,699)	-	(30,747,239)	-	-	-
Total other financing sources (uses)	2,389,286	8,440,420	5,509,101	16,272,167	13,505,450	3,970,126	4,653,342	23,637,016	3,145,691	1,018,917
Net change in fund balances	\$ 1,530,630	\$ 3,537,398	\$ 2,480,416	\$ 4,503,295	\$ 4,559,305	\$ 5,704,893	\$ 17,092,922	\$ 33,419,046	\$ 12,985,216	\$ 13,323,429
Debt service as a percent of noncapital expenditures	7.27%	7.02%	7.07%	6.92%	9.67%	7.89%	8.21%	7.91%	7.93%	5.95%

Source: Official record of Office of City Clerk.

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

Fiscal Year	Property	Interest & Penalty	In-lieu	Local Sales	Wholesale Beer	Gross Receipts	Franchise	Total
2015	\$ 19,613,707	\$ 217,448	\$ 239,618	\$ 13,085,724	\$ 1,588,040	\$ 1,176,363	\$ 989,948	\$ 36,910,848
2016	19,609,561	194,097	285,008	13,322,417	1,584,441	1,244,796	904,420	37,144,740
2017	19,952,051	218,748	336,281	13,693,221	1,509,444	1,315,875	879,433	37,905,053
2018	26,139,874	255,801	445,005	13,610,741	1,469,337	1,323,129	925,773	44,169,660
2019	26,140,263	224,048	490,530	14,495,529	1,466,678	1,353,244	903,349	45,073,641
2020	26,432,409	203,600	459,491	15,616,509	1,502,653	1,426,622	881,326	46,522,610
2021	26,515,776	230,767	1,085,511	17,448,219	1,553,649	1,617,969	901,996	49,353,887
2022	27,215,818	215,814	927,129	19,320,174	1,539,027	1,811,165	1,038,768	52,067,895
2023	27,915,660	209,873	992,188	20,570,203	1,504,982	1,949,840	1,183,104	54,325,850
2024	27,334,464	195,255	929,756	15,661,562	1,453,689	1,939,987	998,796	48,513,509
Change 2015-2024	39.4%	-10.2%	288.0%	19.7%	-8.5%	64.9%	0.9%	31.4%

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

Fiscal Year	Residential Property	Commercial Industrial Property	Personal Property	Public Utilities	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2015	\$ 404,345,830	\$ 510,647,222	\$ 171,538,179	\$ 22,909,126	\$ 1,109,440,357	1.7655	\$ 3,521,535,271	31.5 %
2016	412,602,974	507,098,128	166,516,773	22,751,495	1,108,969,370	1.7655	3,528,569,562	31.4
2017	419,022,912	518,576,938	173,731,683	21,491,799	1,132,823,332	1.7655	3,603,931,085	31.4
2018	460,865,137	602,825,863	192,128,839	20,792,525	1,276,612,364	1.7655	4,041,544,754	31.6
2019	473,282,934	594,411,038	187,980,925	20,250,570	1,275,925,467	2.0600	4,056,388,839	31.4
2020	475,674,645	605,106,904	189,105,258	18,239,633	1,288,126,440	2.0600	4,091,415,783	31.5
2021	485,125,037	610,437,320	156,231,244	19,508,716	1,271,302,317	2.0600	4,040,136,051	31.5
2022	648,040,849	714,464,947	204,322,891	24,114,816	1,590,943,503	2.0600	5,119,689,107	31.0
2023	663,110,170	727,985,886	221,409,818	24,682,075	1,637,187,949	1.7130	5,272,143,309	31.1
2024	682,327,842	748,914,300	179,274,834	19,712,298	1,630,229,274	1.7130	5,248,460,643	31.1

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.

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

Fiscal Year	Overlapping Rates - Bradley County											Total Direct and Overlapping Rate
	City Direct Rate	General Fund	Public Library	Pike Road	County Schools	City Schools	Debt Service	Capital Projects	Education Capital Projects	Community Development	Total Bradley County	
2015	\$ 1.7655	\$ 0.5349	\$ 0.0277	\$ 0.1276	\$ 0.5624	\$ 0.2985	\$ 0.2674	\$ -	\$ 0.0016	\$ 0.0520	\$ 1.8721	\$ 3.6376
2016	1.7655	0.5349	0.0277	0.1276	0.5624	0.2985	0.2674	-	0.0016	0.0520	1.8721	3.6376
2017	1.7655	0.5339	0.0250	0.1244	0.5533	0.2941	0.2414	0.0414	-	0.0580	1.8715	3.6370
2018	2.0600	0.4298	0.0228	0.1135	0.4964	0.2774	0.3449	0.0236	-	-	1.7084	3.7684
2019	2.0600	0.4993	0.0278	0.1135	0.4994	0.2744	0.3199	0.0478	-	-	1.7821	3.8421
2020	2.0600	0.4993	0.0278	0.1135	0.4994	0.2744	0.3199	0.0478	-	-	1.7821	3.8421
2021	2.0600	0.4993	0.0278	0.1135	0.4986	0.2752	0.3199	0.0478	-	-	1.7821	3.8421
2022	1.7130	0.4100	0.0223	0.0925	0.3976	0.2273	0.2547	0.0348	-	-	1.4392	3.1522
2023	1.7130	0.4100	0.0223	0.0934	0.3976	0.2273	0.2547	0.0331	-	-	1.4384	3.1514
2024	1.7130	0.4100	0.0223	0.0934	0.3976	0.2273	0.2547	0.0331	-	-	1.4392	3.1522

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.

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

<u>Taxpayer</u>	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Mars Snackfoods	\$ 35,293,177	1	2.19%	\$ 24,780,567	2	2.28%
Whirlpool	32,969,906	2	2.05	15,061,049	6	1.39
Cleveland Tennessee Hospital	31,430,245	3	1.95	36,068,866	1	3.32
Life Care Centers of America	24,204,016	4	1.50	22,473,866	3	2.07
Duracell Company	22,322,256	5	1.39	19,704,497	4	1.81
Bayer Healthcare (Merck)	20,961,967	6	1.30	19,348,483	5	1.78
Peyton's Southeastern	11,932,118	7	0.74	8,610,251	8	0.79
Alvin Calhoun	11,875,260	8	0.74	-	-	-
Walmart	10,567,921	9	0.66	10,028,331	7	0.92
Pinnacle Corner at Paul Huff	10,375,918	10	0.64	-	-	-
Southeastern Container	-	-	-	8,269,118	9	0.76
Johnston Coca-Cola	-	-	-	7,586,977	10	0.70
Totals	\$ 211,932,784		13.16%	\$ 171,932,005		15.82%

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 19,550,308	\$ 18,561,193	94.9 %	\$ 935,286	\$ 19,496,479	99.7 %
2016	19,557,553	18,745,766	95.8	765,517	19,511,283	99.8
2017	20,008,944	18,941,986	94.7	1,024,698	19,966,684	99.8
2018	26,305,375	25,026,206	95.1	1,193,937	26,220,143	99.7
2019	26,471,584	25,305,334	95.6	1,086,965	26,392,299	99.7
2020	26,495,529	25,317,547	95.6	1,095,029	26,412,576	99.7
2021	26,227,137	25,401,537	96.9	701,037	26,102,574	99.5
2022	27,267,295	26,454,093	97.0	683,240	27,137,333	99.5
2023	28,055,201	26,750,146	95.3	820,301	27,570,447	98.3
2024	27,902,488	26,640,396	95.5	-	26,640,396	95.5

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Apparel Stores	\$ 26,695,892	\$ 28,868,016	\$ 28,132,195	\$ 28,076,379	\$ 29,248,857	\$ 30,510,189	\$ 28,362,200	\$ 39,564,854	\$ 38,624,255	\$ 38,724,225
General Merchandise Stores	222,347,406	233,711,647	234,275,628	235,769,895	240,627,860	244,753,609	252,408,243	263,876,515	271,618,760	262,958,814
Food Stores	106,471,779	112,096,356	113,083,863	119,118,225	128,260,231	131,837,852	150,853,969	148,505,141	156,689,643	137,920,094
Eating and Drinking Places	147,161,813	158,677,432	160,746,625	166,258,406	172,323,174	185,363,931	182,039,198	217,511,498	233,526,334	249,762,265
Furniture Stores	17,743,880	16,312,162	16,227,883	20,755,916	21,997,547	21,545,685	23,250,965	32,459,845	29,591,732	28,646,674
Building Materials	72,538,049	60,732,654	84,841,122	97,243,420	98,552,022	102,978,309	127,044,826	142,584,470	161,950,386	156,761,449
MV Dealers and Service Stations	83,823,948	96,437,981	101,579,505	98,430,037	102,340,354	109,432,087	120,559,750	131,334,048	130,713,298	123,576,100
Other Retail	65,775,334	69,919,188	70,057,002	67,411,830	64,417,467	71,848,990	84,686,141	97,884,669	100,943,336	101,036,903
All Other Outlets	152,692,339	164,536,138	158,214,097	160,771,137	168,767,452	179,537,042	181,624,920	208,236,421	231,149,269	255,770,805
Total	\$ 895,250,440	\$ 941,291,574	\$ 967,157,920	\$ 993,835,245	\$ 1,026,534,964	\$ 1,077,807,694	\$ 1,150,830,212	\$ 1,281,957,461	\$ 1,354,807,013	\$ 1,355,157,329
City direct sales tax rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	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.

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

<u>Fiscal Year</u>	<u>City of Cleveland and Bradley County Rate</u>
2015	2.75 %
2016	2.75
2017	2.75
2018	2.75
2019	2.75
2020	2.75
2021	2.75
2022	2.75
2023	2.75
2024	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%.

CITY OF CLEVELAND, TENNESSEE
LOCAL SALES TAX REVENUE BY INDUSTRY
FISCAL YEARS 2015 AND 2024

	Fiscal Year 2015			Fiscal Year 2024		
	Number of Filers	Percentage of Total	Tax Liability	Number of Filers	Percentage of Total	Tax Liability
1 Retail Trade	826	58.96 %	\$ 20,819,817	684	46.35 %	\$ 30,248,402
2 Services	312	22.27	1,950,018	328	22.23	2,848,853
3 Manufacturing	76	5.42	580,052	109	7.38	494,175
4 Wholesale Trade	71	5.07	1,019,609	70	4.74	1,539,226
5 Construction	15	1.07	17,896	26	1.76	151,637
6 Finance Insurance Real Estate	27	1.93	76,118	21	1.42	4,602
7 Transportation and Utilities	16	1.14	182,184	25	1.69	748,114
8 Agriculture	7	0.50	8,103	9	0.61	17,012
9 Other, Non Classified	51	3.64	476,286	204	13.82	1,479,483
Total	1,401	100.00 %	\$ 25,130,083	1,476	100.00 %	\$ 37,531,504
						Percentage of Total
						80.59 %
						7.59
						1.32
						4.10
						0.40
						0.01
						1.99
						0.05
						3.95
						100.00 %

Source: Tennessee Department of Revenue, Research Division.

Notes:

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

CITY OF CLEVELAND, TENNESSEE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities						Business-type Activities						Total Primary Government	Percentage of Personal Income	Per Capita	
	General Obligation Bonds	General Obligation Refunding Bonds	Notes	Leases	SBITAs	Revenue Bonds	Notes	Leases	SBITAs	Revenue Bonds	Notes	Leases				SBITAs
2015	\$ 4,825,000	\$ 52,879,673	\$ 16,897,282	\$ 488,654	\$ -	\$ 47,297,712	\$ 14,925,753	\$ -	\$ -	\$ -	\$ 14,925,753	\$ -	\$ -	\$ 137,314,074	3.35 %	\$ 3,180
2016	-	54,915,950	21,867,578	241,845	-	43,399,301	23,383,573	-	-	-	23,383,573	-	-	143,808,247	3.05	3,273
2017	-	51,933,508	23,141,751	488,149	-	39,282,580	26,835,112	-	-	-	26,835,112	-	-	141,681,100	3.18	3,147
2018	-	48,854,946	26,693,400	8,519,859	-	35,210,501	28,376,767	-	-	-	28,376,767	-	-	147,655,473	3.15	3,175
2019	9,974,170	49,286,033	21,253,921	8,103,790	-	37,734,430	33,912,191	-	-	-	33,912,191	-	-	160,264,535	2.96	3,378
2020	9,569,815	46,190,431	20,755,139	7,633,437	-	34,148,439	33,348,101	-	-	-	33,348,101	-	-	151,645,362	3.28	3,047
2021	9,180,658	68,485,493	3,018,878	-	-	47,413,479	24,747,236	-	-	-	24,747,236	-	-	152,845,744	3.44	2,907
2022	29,019,865	63,462,815	2,513,913	1,106,605	-	45,720,199	29,226,717	32,086	-	-	29,226,717	32,086	-	171,082,200	3.40	2,907
2023	28,564,842	58,260,137	2,035,609	166,459	-	41,065,628	30,333,842	13,037	-	-	30,333,842	13,037	-	160,439,554	3.70	2,700
2024	28,099,819	52,852,459	1,567,655	221,180	186,622	-	-	-	-	-	-	-	-	82,927,735	7.60	168,959

Source: Official record of Office of City Clerk.

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

Fiscal Year	General Obligation Bonds Outstanding	Actual Taxable Value of Property	Population	Percentage of Actual taxable Value of Property		Debt Per Capita
					%	
2015	\$ 57,704,673	\$ 3,521,535,271	43,182	1.6	\$	1,336
2016	54,915,950	3,528,569,562	43,898	1.6		1,251
2017	51,933,508	3,603,931,085	44,337	1.4		1,171
2018	48,854,946	4,041,544,754	44,780	1.2		1,091
2019	59,260,203	4,056,388,839	44,974	1.4		1,318
2020	55,760,246	4,091,415,783	45,504	1.3		1,225
2021	77,666,151	4,040,136,051	47,356	1.9		1,640
2022	92,482,680	5,119,689,107	47,955	1.8		1,928
2023	86,824,979	5,272,143,309	48,557	1.6		1,788
2024	80,952,278	5,248,460,643	49,086	1.5		1,649

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, 2024

	Net Debt Outstanding	Percentage of Debt Applicable to the City	City's Share of Debt
City of Cleveland direct debt	\$ 82,450,259	100.00%	\$ 82,450,259
Bradley County, Tennessee	57,789,264	51.78%	29,923,281
Total direct and overlapping debt	\$ 140,239,523		\$ 112,373,540

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 108,653,123	\$ 108,621,788	\$ 113,282,233	\$ 125,581,984	\$ 125,567,490	\$ 126,988,681	\$ 125,279,360	\$ 156,689,285	\$ 161,250,587	\$ 161,051,698
Total net debt applicable to limit	<u>71,174,432</u>	<u>72,563,860</u>	<u>70,824,771</u>	<u>78,741,687</u>	<u>75,737,287</u>	<u>72,017,242</u>	<u>65,708,999</u>	<u>80,059,921</u>	<u>74,193,922</u>	<u>72,898,000</u>
Legal debt margin	<u>\$ 37,478,691</u>	<u>\$ 36,057,928</u>	<u>\$ 42,457,462</u>	<u>\$ 46,840,297</u>	<u>\$ 49,830,203</u>	<u>\$ 54,971,439</u>	<u>\$ 59,570,361</u>	<u>\$ 76,629,364</u>	<u>\$ 87,056,665</u>	<u>\$ 88,153,698</u>
Total net debt applicable to limit as a percentage of debt limit	65.51%	66.80%	62.52%	62.70%	60.32%	56.71%	52.45%	51.09%	46.01%	45.26%

Legal Debt Margin Calculation for Fiscal Year 2024

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.

Total assessed value	\$ 1,610,516,976
Legal debt margin:	
Debt limitation - 10% of total assessed value as adopted by resolution	\$ 161,051,698
Debt applicable to limit:	
Total bonded debt	\$ 72,898,000
Total debt applicable to limit	\$ 88,153,698

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

Calendar Year	Population	Personal Income	Per Capita Personal Income	Median Age	Percent High School graduate or higher	Percent Bachelor's degree or higher	School Enrollment	Annual Average Adjusted Unemployment Rate (%)
2014	43,182	\$ 4,601,591	\$ 38,441	34	85 %	23 %	5,575	6.5 %
2015	43,898	4,392,733	36,344	35	85	23	5,302	4.8
2016	44,337	4,502,889	37,134	34	83	24	5,638	2.8
2017	44,780	4,650,000	38,016	34	83	24	5,747	3.8
2018	44,974	4,743,600	38,371	35	84	24	5,528	3.4
2019	45,504	4,977,562	39,839	35	84	25	5,814	5.1
2020	47,356	5,257,348	41,756	35	83	25	5,538	4.6
2021	47,955	5,808,942	45,404	38	83	25	5,531	4.1
2022	48,557	5,940,846	46,240	38	84	25	5,547	3.9
2023	49,086	6,347,201	48,971	38	84	25	5,603	3.7

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.

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

Employer	2024			2015		
	Employees	Rank	Percentage of Total Labor Force Bradley County	Employees	Rank	Percentage of Total Labor Force Bradley County
Whirlpool/Maytag	1,600	1	3.15 %	1,503	1	2.78 %
Bradley County Schools	1,160	2	2.29	1,200	3	2.22
Peyton's Southeastern	1,157	3	2.28	950	5	1.76
Bradley Memorial	1,100	4	2.17	1,157	4	2.14
Jackson Furniture Industries	894	5	1.76	800	7	1.48
Amazon	790	6	1.56	753	8	1.39
Wacker Polysilicon	772	7	1.52	-	-	-
Cleveland City Schools	745	8	1.47	-	-	-
Wal-Mart	640	9	1.26	640	9	1.18
Bradley County Government	620	10	1.22	620	10	1.15
Mars Chocolate	-	-	-	-	-	-
Lee University	-	-	-	815	6	1.51
City Government	-	-	-	1,231	2	2.28
Total	9,478		18.37 %	9,669		17.89 %

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.

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

<u>Function/Program</u>	Full-time Equivalent Employees as of June 30									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government:										
City Council and legislative	1	1	1	1	1	1	1	0	0	0
Administration and finance	14	23	24	25	26	25	20	21	21	31
Community development	14	15	15	15	15	17	21	23	23	32
Cleveland Regional Jetport	1	1	1	1	1	1	1	1	1	5
Police:										
Officers	91	92	91	97	97	101	105	104	104	104
Civilians	12	12	12	12	12	12	12	13	13	13
Fire:										
Firefighters and officers	91	91	91	104	104	106	106	106	106	106
Civilians	1	1	1	1	1	1	1	1	1	1
Public works:										
Operations	21	21	21	25	25	25	24	24	24	20
Transportation/Traffic	0	0	0	0	0	0	0	0	0	10
Landscaping maintenance	0	0	0	0	0	0	9	9	9	9
Solid waste management	13	13	13	13	13	13	13	13	13	14
Stormwater management fund	2	3	3	3	2	2	2	4	4	4
State street aid	11	11	11	11	11	11	11	11	11	13
Fleet management	7	6	6	6	6	6	6	6	6	6
Parks and recreation:										
Administration and maintenance	9	10	10	10	10	11	14	14	13	9
Landscaping maintenance	7	9	10	10	10	9	0	0	0	0
College Hill Recreation Center	3	4	4	4	4	4	4	4	4	4
Cleveland Community Center	4	4	4	4	4	4	4	4	4	4
Waterville Golf Course	6	0	0	0	0	0	0	0	0	0
Animal control:										
Administration and operations	6	6	6	6	6	6	6	6	6	6
Community development block grant	2	2	2	1	2	2	2	2	2	2
Subtotal	316	325	326	349	350	357	362	366	365	393
City schools:										
Certificated staff	432	434	445	454	449	462	461	468	473	511
Non-certificated personnel	290	294	308	294	296	292	281	278	272	282
Library	11	11	11	11	11	11	11	11	11	11
Total	1,049	1,064	1,090	1,108	1,106	1,122	1,115	1,123	1,121	1,197

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.

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government:										
Building permits issued	403	289	415	370	337	401	523	647	603	690
Value of construction permitted	\$ 65,893,431	\$ 70,217,886	\$ 61,147,619	\$ 96,885,426	\$ 79,375,008	\$ 156,691,994	\$ 94,708,218	\$ 198,776,716	\$ 169,185,695	\$ 284,194,686
Police:										
Parking violations	1,631	975	939	959	1,409	686	379	598	247	190
Traffic violations	5,766	4,744	3,906	4,759	4,061	3,046	1,926	2,555	1,559	2,178
Fire:										
Emergency responses (city only)	2,665	2,909	2,898	2,891	3,173	3,414	4,405	3,313	3,272	3,363
Fires extinguished (city only)	126	173	249	221	137	131	228	153	188	151
Fire inspections	2,263	1,634	3,078	3,154	2,168	3,468	3,543	3,392	3,421	2,194
Public works:										
Street resurfacing (tonnage)	9,176	17,795	12,598	12,790	10,852	18,130	13,699	12,533	14,235	15,866
Utility cut permits (number excavations)	244	185	234	270	177	178	168	136	219	211
Drainage pipe installed (linear ft.)	6,936	6,706	5,529	5,340	6,173	6,316	4,070	2,445	5,425	3,153
Tons of brush chipped	12,117	8,633	10,721	14,028	13,353	15,243	12,450	7,166	7,530	18,660
Parks and recreation:										
Softball league participants	1,650	450	425	430	150	0	322	360	465	300
Basketball league participants	202	220	220	196	76	402	0	740	705	866
Football league participants	65	150	150	146	150	230	245	226	230	211
Soccer league participants	1,045	2,067	2,169	2,092	2,206	3,471	0	3,267	3,200	3,518
Rounds of golf played	3,236	0	0	0	0	0	0	0	0	0
Library:										
Volumes in collection	168,061	174,614	179,345	180,495	185,981	187,723	190,166	193,992	204,014	189,042
Circulation	402,064	404,869	384,655	394,960	417,433	409,484	269,642	380,263	423,756	416,541
Attendants	241,778	225,411	223,416	210,914	199,230	134,538	50,103	104,306	132,574	145,652
City Schools:										
Average Daily Membership										
High School	1,448	1,451	1,586	1,578	1,639	1,682	1,675	1,718	1,772	1,718
Middle School	1,227	1,269	1,310	1,320	1,331	1,343	1,342	1,257	1,235	1,283
Elementary Schools	2,850	2,582	2,500	2,753	2,370	2,457	2,395	2,406	2,442	2,566
Ungraded - Special Education	81	103	96	96	131	130	98	114	136	127
ACT composite scores	19	20	20	20	21	20	19	19	19	19
Percent of High School graduates	86	90	89	89	90	88	91	91	94	94

Sources: Various city departments.

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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	0	0	0	0	0	0	0	0	0	0
Patrol units	120	120	120	120	110	107	86	88	113	106
Fire										
Stations	5	5	5	5	6	6	6	6	6	6
Fire trucks (pumpers, ladders & tankers)	14	14	12	14	14	15	15	15	15	16
Public works										
Street (miles)	349	352	356	356	359	362	363	368	380	385
Knucklebooms	9	9	9	9	8	7	7	7	7	9
Parks and recreation										
Acreage	289	289	289	289	289	289	299	299	299	302
Playgrounds	8	8	9	9	10	10	10	10	10	10
Softball fields	5	5	5	5	5	5	5	5	5	4
Soccer fields	16	16	16	16	16	16	18	18	18	18
Tennis courts	8	8	8	7	7	7	7	7	7	7
Community centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	3	3	3	3	3	3	3	3	3	3
Pickleball courts	0	0	0	0	0	0	0	0	0	6
Schools										
Elementary schools	6	6	6	6	7	7	7	7	7	7
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1
Library										
Bookmobiles	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

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

SINGLE AUDIT SECTION

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
FEDERAL AWARDS			
U.S Department of Agriculture			
Passed through the TN Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	\$ 1,315,325
National School Lunch Program	10.555	N/A	2,713,069
USDA Fresh Fruits and Vegetables	10.582	N/A	146,450
Total Child Nutrition Cluster			<u>4,174,844</u>
Total U.S Department of Agriculture			
U.S. Department of Housing and Urban Development			
CBDG- Entitlement Grants Cluster			
Community Development Black Grant	14.218	N/A	191,777
COVID 19- Community Development Block Grant	14.218	N/A	35,240
Total CBDG- Entitlement Grants Cluster			<u>227,017</u>
Total U.S. Department of Housing and Urban Development			
U.S. Department of Justice			
Protective Vests	16.607	N/A	26,385
Edward Bryne Memorial Justice Assistance	16.738	N/A	43,766
Total U.S. Department of Justice			<u>70,151</u>

(Continued)

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Transportation			
Passed through Tennessee Department of Transportation			
Concrete Box Culvert Repair	20.106	N/A	\$ 22,760
High Visibility Enforcement- Equipment	20.600	N/A	11,100
High Visibility Enforcement- Overtime	20.600	N/A	42,427
Total Tennessee Department of Transportation			<u>76,287</u>
Highway Planning and Construction Cluster			
Transportation Planning	20.205	N/A	99,296
Paul Huff Parkway Resurfacing & Safety Improvements	20.205	N/A	32,989
Gaut Street Area Sidewalks & Related Improvements	20.205	N/A	360
Total Highway Planning and Construction Cluster			<u>132,645</u>
Total U.S. Department of Transportation			<u>208,932</u>
U.S. Department of Treasury			
Passed through State Department of Finance and Administration			
COVID-19 American Rescue Plan Act	21.027	N/A	1,391,081
Total U.S. Department of Treasury			<u>1,391,081</u>
U.S. Department of Education			
Passed through Tennessee Department of Education			
Title I Grants to Local Educational Agencies	84.010	N/A	1,877,063
Title I-D Neglected	84.013	N/A	26,123
Vocational Improvement	84.048	N/A	116,186
English Language Acquisition Enhancement Title III	84.365	N/A	97,787
Teacher and Principal Training and Recruiting Title II-A	84.367	N/A	166,282

(Continued)

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Education (Continued)			
Passed through Tennessee Department of Education (Continued)			
Title IV- Student Support and Academic Achievement Grant	84.424	N/A	\$ 90,382
Stronger Connection Grant	84.424F	N/A	240,323
COVID-19 Education Stabilization Fund Program- ESSER II	84.425D	N/A	5,019
COVID-19 Education Stabilization Fund Program- ESSER III	84.425D	N/A	4,472,677
COVID-19 Education Stabilization Fund Program- TN All Corps Grant	84.425D	N/A	335,334
COVID-19 Education Stabilization Fund Program- Math Implementation Support Grant	84.425D	N/A	35,512
Innovative School Models	84.425U	N/A	287,908
Special Education Cluster			
Special Education - Grants to States	84.027	N/A	1,399,793
Special Education- Preschool Grants	84.173	N/A	94,946
Total Tennessee Department of Education			<u>9,245,335</u>
Total U.S Department of Education			<u>9,245,335</u>
U.S. Department of Health and Human Services			
Passed through Tennessee Department of Education			
Learning Camps	93.557	N/A	105,324
Total U.S. Department of Health and Human Services			<u>105,324</u>
Total Federal Awards			<u>15,422,684</u>

(Continued)

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
STATE AWARDS			
Tennessee Art Commission			
Arts Pathways for Youth Success	N/A	G-2301-18181	\$ 5,440
Total Tennessee Art Commission			<u>5,440</u>
Tennessee Department of Agriculture			
Community Tree Planting Project	N/A	#2522	3,590
Total Tennessee Department of Agriculture			<u>3,590</u>
Tennessee Department of Commerce & Insurance			
Recruitment and Retention Grant	N/A	#77734-81	9,000
Total Tennessee Department of Commerce & Insurance			<u>9,000</u>
Tennessee Department of Economic & Community Development			
Downtown Improvement Grant	N/A	#15234	16,305
Downtown Improvement Grant	N/A	#15761	51,074
Total Tennessee Department of Economic Community Development			<u>67,379</u>
Tennessee Department of Education			
Learning Camps	N/A	SLFR5534	537,474
Public School Security	N/A	N/A	78,823
Total Tennessee Department of Education			<u>616,297</u>
Tennessee Department of Environment and Conservation			
TDEC	N/A	#75541	677,645
Total Tennessee Department of Environment and Conservation			<u>677,645</u>

(Continued)

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
Tennessee Department of Finance and Administration			
VCIF Collaborative	N/A	#50843	\$ 365,387
VCIF Formula	N/A	#50844	346,838
Total for Tennessee Department of Finance and Administration			<u>712,225</u>
Tennessee Department of Health and Human Services			
Child Safety Grant	N/A	N/A	3,406
Total for Tennessee Department of Health and Human Services			<u>3,406</u>
Tennessee Department of Safety and Homeland Security			
Statewide School Resource Officer (SRO) Grant Program	N/A	HB1545	675,000
Total Tennessee Department of Safety and Homeland Security			<u>675,000</u>
Tennessee Department of Transportation			
Airport Maintenance	N/A	AERM-23-106-000	20,000
T-Hangers	N/A	#06-555-0181-23	30,000
Georgetown to Peerless	N/A	06LPLM-S0-076	19,261
Total Tennessee Department of Economic and Community Development			<u>69,261</u>
Total State Awards			<u>2,839,243</u>
Total Federal and State Awards			<u>\$ 18,261,927</u>

CITY OF CLEVELAND, TENNESSEE

**NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS**

JUNE 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) includes the federal and state grant activity of the City and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of assistance listing number 21.027, which follow criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the City has not provided any federal awards to subrecipients.



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 Mayor and City Council
City of Cleveland, Tennessee
Cleveland, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 10, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we considered to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Cleveland's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

Cleveland, Tennessee
March 10, 2025

Henderson Hutcherson
in McCullough, PLLC



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City’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’s major federal programs for the year ended June 30, 2024. The City’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 complied, in all material respects, with the 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, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 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’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'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'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 GAAS, *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's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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'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'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'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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 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.

Cleveland, Tennessee
March 10, 2025

Henderson Hutcherson
& McCullough, PLLC

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified: yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified: yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed under the Uniform Guidance? yes no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	U.S. Department of Treasury American Rescue Plan Act
84.027/84.143	U.S Department of Education Special Education Cluster (IDEA)
84.010	U.S. Department of Education Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes no

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

Financial Statement Findings

2024-001: Budget Violations

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

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

Condition: In the School Food Service Fund and CPD Grants Fund actual expenditures exceeded budgeted expenditures by \$208,262 and \$54,456, respectively.

Context: During the year under audit, we noted two funds had expenditures that exceeded budgeted amounts. Both of these instances would have been discovered and corrected prior to the audit had a proper review system been followed.

Cause: The City does not have proper controls in place to ensure actual expenditures do not exceed budgeted amounts.

Effect: Unauthorized expenditures were incurred by the government.

Repeat Finding: Yes

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

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding. Management has addressed their corrective action plan in a separately issued letter.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

None noted.

CITY OF CLEVELAND, TENNESSEE

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

SECTION IV - PRIOR YEAR FINDINGS

See attached summary of prior year findings prepared by the City.

City of Cleveland

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



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

Management's Corrective Action Plan

The City of Cleveland, Tennessee (the City) respectfully submits the following corrective action plan for the year ended June 30, 2024.

Independent public accounting firm:
Henderson, Hutcherson & McCullough, PLLC
266 Inman Street E
Cleveland, Tennessee 37311

Responsible officials for corrective action for all findings noted below:

Shawn McKay, CFO

Audit Period: July 1, 2023 – June 30, 2024

2024-001: Budget Violations

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

Action Taken: The City has re-evaluated our internal controls related to budgeted expenditures to ensure actual expenditures do not exceed budgeted amounts. The updated controls will be implemented as of June 30, 2025.

A handwritten signature in blue ink, appearing to read "Shawn McKay", is written over a horizontal line.

Shawn McKay, CFO

City of Cleveland



CLEVELAND
TENNESSEE

EST. 1942

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

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

Summary of Prior Year Findings

The City of Cleveland, Tennessee (the City) respectfully submits the following summary of prior year findings for the year ended June 30, 2024.

Independent public accounting firm:
Henderson, Hutcherson & McCullough, PLLC
266 Inman Street E
Cleveland, Tennessee 37311

Responsible officials for all findings noted below:

Shawn McKay, CFO

Finding 2023-001

Condition: The City did not have proper controls in place to ensure that actual expenditures did not exceed budgeted expenditures.

Current Status: Current year finding.