

Village of Cleveland
Cleveland, Wisconsin
Financial Statements
Year ended December 31, 2021

Village of Cleveland
December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Cleveland
Cleveland, Wisconsin

Qualified Opinion

We have audited the accompanying financial statements of the Village of Cleveland (Village), Wisconsin as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Village, as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Village of Cleveland, 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 qualified audit opinion.

Matter Giving Rise to the Qualified Opinion on the General Fund

Management has not adopted the provisions of GASB 34 and GASB 63 and therefore has not included the government-wide financial statements and other information as required by accounting principles generally accepted in the United States of America. The amount by which this departure would affect the financial statements is not reasonably determinable.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village'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 generally accepted 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 generally accepted 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 Village'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 Village'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.

Supplementary Information

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

Corson, Peterson & Hamann S.C.

Sheboygan, Wisconsin

September 28, 2022

Financial Statements

Village of Cleveland
Balance Sheet - All Funds
December 31, 2021

	Governmental Fund Types				Fiduciary Fund Types	Proprietary Fund Types	Total	
	General	Debt Service	Capital Project	ARPA			(Memorandum Only)	
							Enterprise	Property Tax
Assets								
Cash and investments	\$ 1,117,508	\$ 387,309	\$ 561,411	\$ 76,115	\$ 516,829	\$ 812,209	\$ 3,471,381	\$ 3,637,503
Receivables								
Taxes	450,835	3,700	-	-	971,301	-	1,425,836	1,471,799
Delinquent PP taxes	722	-	-	-	-	-	722	279
Delinquents held by County	34,322	-	-	-	-	-	34,322	34,065
Special assessments	-	18,494	-	-	-	17,000	35,494	43,582
Accounts	2,134	-	-	-	-	89,638	91,772	83,954
Interest	-	-	-	-	-	1,280	1,280	639
Due from other funds	401,499	-	-	-	-	323,298	724,797	414,301
Due from other governments	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	23,218	23,218	18,355
Prepaid expenses	12,010	-	-	-	-	254	12,264	11,835
Advances to other funds	106,881	-	-	-	-	-	106,881	126,913
Utility plant and equipment	-	-	-	-	-	7,871,589	7,871,589	7,793,131
Less: Accumulated depreciation	-	-	-	-	-	(4,215,291)	(4,215,291)	(4,004,127)
Unamortized water tower painting costs	-	-	-	-	-	139,728	139,728	186,304
Restricted funds								
Cash and investments	-	-	-	-	-	791,980	791,980	775,739
Total assets	<u>\$ 2,125,911</u>	<u>\$ 409,503</u>	<u>\$ 561,411</u>	<u>\$ 76,115</u>	<u>\$ 1,488,130</u>	<u>\$ 5,854,903</u>	<u>\$10,515,973</u>	<u>\$10,594,272</u>

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

Village of Cleveland
Balance Sheet - All Funds
December 31, 2021

	Governmental Fund Types					Fiduciary Fund Types	Total (Memorandum Only)	
	Capital		ARPA	Proprietary Fund Types	Agency Property Tax			
	General	Debt Service						Project
Liabilities								
Accounts payable	\$ 52,706	\$ -	\$ 8,727	\$ -	\$ 14,817	\$ -	\$ 76,250	\$ 245,717
Accrued wages	3,795	-	-	-	-	-	3,795	7,080
Accrued payroll taxes and benefits	20,662	-	-	-	-	-	20,662	15,979
Accrued taxes	-	-	-	-	33,168	-	33,168	30,644
Accrued interest	-	-	-	-	2,588	-	2,588	2,786
Due to other funds	323,298	-	-	-	401,499	-	724,797	414,301
Due to other governments	19,528	-	-	-	-	1,488,130	1,507,658	1,601,793
Deferred taxes	679,974	-	-	-	-	-	679,974	679,823
Special assessments deferred	-	23,280	-	-	-	-	23,280	38,313
Other deferred revenue	39,429	883	-	-	-	-	40,312	43,396
Advances from other funds	-	-	-	-	106,881	-	106,881	126,913
General obligation debt payable	-	-	-	-	369,084	-	369,084	406,385
Unamortized debt premium	-	-	-	-	15,240	-	15,240	19,733
Total liabilities	\$ 1,139,392	\$ 24,163	\$ 8,727	\$ -	\$ 943,277	\$ 1,488,130	\$ 3,603,689	\$ 3,632,863
Fund equity								
Contributed capital								
Municipality	\$ -	\$ -	\$ -	\$ -	\$ 838,071	\$ -	\$ 838,071	\$ 838,071
Retained earnings	-	-	-	-	4,073,555	-	4,073,555	4,098,501
Fund balance								
Nonspendable	118,891	-	-	-	-	-	118,891	138,629
Restricted	34,795	-	552,684	76,115	-	-	663,594	712,808
Committed	380,843	385,340	-	-	-	-	766,183	763,462
Unassigned	451,990	-	-	-	-	-	451,990	409,938
Total fund equity	\$ 986,519	\$ 385,340	\$ 552,684	\$ 76,115	\$ 4,911,626	\$ -	\$ 6,912,284	\$ 6,961,409
Total liabilities and fund equity	\$ 2,125,911	\$ 409,503	\$ 561,411	\$ 76,115	\$ 5,854,903	\$ 1,488,130	\$10,515,973	\$10,594,272

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

Village of Cleveland
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended December 31, 2021

	Governmental Fund Types				Total (Memorandum Only)	
	General	Debt Service	Capital Project	ARPA	2021	2020
Revenues						
Taxes	\$ 720,603	\$ -	\$ -	\$ -	\$ 720,603	\$ 669,296
Special assessments	-	15,034	-	-	15,034	14,862
Intergovernmental revenues	363,251	-	-	76,094	439,345	366,861
Licenses and permits	56,150	-	-	-	56,150	50,178
Fines, forfeits and penalties	26,343	-	-	-	26,343	13,994
Public charges for services	3,274	-	-	-	3,274	1,739
Intergovernmental charges for servs.	9	-	-	-	9	-
Miscellaneous	7,938	1,824	10,784	21	20,567	20,690
Total revenues	<u>\$1,177,568</u>	<u>\$ 16,858</u>	<u>\$ 10,784</u>	<u>\$ 76,115</u>	<u>\$1,281,325</u>	<u>\$1,137,620</u>
Expenditures						
Current						
General government	\$ 261,568	\$ -	\$ -	\$ -	\$ 261,568	\$ 213,618
Public safety	358,639	-	-	-	358,639	324,266
Public works	255,568	-	-	-	255,568	282,950
Culture, recreation & education	70,656	-	-	-	70,656	54,092
Conservation and development	17,271	-	-	-	17,271	38,467
Capital outlay	2,728	-	114,726	-	117,454	726,622
Debt service						
Principal	-	182,699	-	-	182,699	275,234
Interest	-	41,249	-	-	41,249	22,535
Fees	-	400	-	-	400	400
Debt issue costs	-	-	-	-	-	30,977
Total expenditures	<u>\$ 966,430</u>	<u>\$ 224,348</u>	<u>\$ 114,726</u>	<u>\$ -</u>	<u>\$1,305,504</u>	<u>\$1,969,161</u>
Excess revenues over (under) expenditures	<u>\$ 211,138</u>	<u>\$ (207,490)</u>	<u>\$ (103,942)</u>	<u>\$ 76,115</u>	<u>\$ (24,179)</u>	<u>\$ (831,541)</u>
Other financing sources (uses)						
Debt proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,210,000
Debt premium	-	-	-	-	-	64,593
Transfer to debt service fund	<u>(181,490)</u>	<u>181,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources	<u>\$ (181,490)</u>	<u>\$ 181,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,274,593</u>
Net change in fund balances	\$ 29,648	\$ (26,000)	\$ (103,942)	\$ 76,115	\$ (24,179)	\$ 443,052
Fund balances, Beginning of year	<u>956,871</u>	<u>411,340</u>	<u>656,626</u>	<u>-</u>	<u>2,024,837</u>	<u>1,581,785</u>
Fund balances, End of year	<u><u>\$ 986,519</u></u>	<u><u>\$ 385,340</u></u>	<u><u>\$ 552,684</u></u>	<u><u>\$ 76,115</u></u>	<u><u>\$2,000,658</u></u>	<u><u>\$2,024,837</u></u>

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

Village of Cleveland
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year ended December 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 722,763	\$ 720,603	\$ (2,160)
Intergovernmental revenues	351,346	363,251	11,905
Licenses and permits	49,515	56,150	6,635
Fines, forfeits and penalties	15,950	26,343	10,393
Public charges for services	2,950	3,274	324
Miscellaneous	33,752	7,938	(25,814)
Total revenues	\$ 1,176,276	\$ 1,177,559	\$ 1,283
Expenditures			
Current			
General government	\$ 250,969	\$ 261,568	\$ (10,599)
Public safety	340,605	358,639	(18,034)
Public works	323,547	255,568	67,979
Health and human services	200	-	200
Culture, recreation & education	51,459	70,656	(19,197)
Conservation and development	45,480	17,271	28,209
Capital outlay	5,440	2,728	2,712
Total expenditures	\$ 1,017,700	\$ 966,430	\$ 51,270
Excess revenues over (under) expenditures	\$ 158,576	\$ 211,129	\$ 52,553
Other financing sources (uses)			
Proceeds from committed funds	\$ 22,500	\$ -	\$ (22,500)
Transfer to debt service fund	(181,490)	(181,490)	-
Net other financing sources (uses)	\$ (158,990)	\$ (181,490)	\$ (22,500)
Net change in fund balance	\$ (414)	\$ 29,639	\$ 30,053
Fund balance, Beginning of year	956,871	956,871	-
Fund balance, End of year	\$ 956,457	\$ 986,510	\$ 30,053

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

Village of Cleveland
Statement of Revenues, Expenses and Changes in Retained Earnings
Proprietary Funds
Year ended December 31, 2021

	Enterprise Fund	Total (Memorandum Only) 2020
Operating revenues		
Water	\$ 344,094	\$ 331,302
Sewer	466,399	465,197
Total operating revenues	\$ 810,493	\$ 796,499
Operating expenses		
Water		
Operation and maintenance expenses	\$ 332,944	\$ 319,899
Depreciation expense	63,033	60,244
Total water	\$ 395,977	\$ 380,143
Sewer		
Operation and maintenance expenses	\$ 265,100	\$ 273,013
Depreciation expense	186,402	174,537
Total sewer	\$ 451,502	\$ 447,550
Total operating expenses	\$ 847,479	\$ 827,693
Operating income (loss)		
Water	\$ (51,883)	\$ (48,841)
Sewer	14,897	17,647
Total operating income (loss)	\$ (36,986)	\$ (31,194)
Non-operating revenues (expenses)		
Interest income	\$ 16,170	\$ 27,197
Interest expense	(8,623)	(3,014)
Amortization of debt premium	4,493	1,620
Debt issue costs	-	(10,240)
Net non-operating revenues (expenses)	\$ 12,040	\$ 15,563
Income (loss) before contributions	\$ (24,946)	\$ (15,631)
Capital contributions	-	2,000
Net change in retained earnings	\$ (24,946)	\$ (13,631)
Retained earnings, Beginning of year	4,098,501	4,112,132
Retained earnings, End of year	\$ 4,073,555	\$ 4,098,501

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

Village of Cleveland
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2021

	Enterprise Fund	Total (Memorandum Only) 2020
Cash flows from operating activities		
Operating income (loss)	\$ (36,986)	\$ (31,194)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Depreciation expense	249,435	234,781
Depreciation charged to other accounts	2,893	2,892
Amortization expense - water tower painting costs	46,576	46,576
Changes in assets and liabilities		
Accounts receivable	(7,065)	(1,653)
Due from other funds	(317,800)	3,280
Materials and supplies	(4,863)	1,062
Prepaid expenses	(135)	(99)
Accounts payable	(25,766)	28,400
Accrued taxes	2,524	(376)
Due to other funds	200,474	(222,032)
Other deferred revenue	(1,957)	1,957
	<u>\$ 107,330</u>	<u>\$ 63,594</u>
Net cash flows from operating activities		
Cash flows from noncapital financing activities		
Water tower painting costs - to be amortized	\$ (85,871)	\$ (147,009)
Advances to other funds	(20,032)	-
Sewer lateral replacement expense	-	(17,000)
	<u>\$ (105,903)</u>	<u>\$ (164,009)</u>
Net cash flows from noncapital financing activities		
Cash flows from capital and related financing activities		
Proceeds from debt issue	\$ -	\$ 411,113
Acquisition of capital assets	(117,161)	(252,044)
Cost of removal of capital assets	(2,461)	(8,279)
Capital contributed	-	2,000
Debt retired	(37,301)	(4,766)
Interest paid	(8,821)	(390)
Due from other funds	207,778	(207,778)
	<u>\$ 42,034</u>	<u>\$ (60,144)</u>
Net cash flows from capital and related financing activities		
Cash flows from investing activities		
Interest income	\$ 13,906	\$ 24,734
Net change in cash and cash equivalents	\$ 57,367	\$ (135,825)
Cash and cash equivalents, Beginning of year	<u>1,329,219</u>	<u>1,465,044</u>
Cash and cash equivalents, End of year	<u>\$ 1,386,586</u>	<u>\$ 1,329,219</u>

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

Village of Cleveland
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2021

	Enterprise Fund	Total (Memorandum Only) <u>2020</u>
<u>Reconciliation of cash and cash equivalents to balance sheet</u>		
Cash and investments	\$ 812,209	\$ 769,460
Restricted funds cash and investments	791,980	775,739
Total cash and investments	\$ 1,604,189	\$ 1,545,199
Less: Non-cash investments	(217,603)	(215,980)
Cash and cash equivalents	\$ 1,386,586	\$ 1,329,219

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

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 1. Summary of Significant Accounting Policies

The Village of Cleveland, Wisconsin (Village) was incorporated under the provisions of the State of Wisconsin. The Village operates under a Village Board form of government and provides the following services: public safety (police protection, fire protection, ambulance, building inspections and emergency government), streets, sanitation, culture, recreation and education, conservation and development, public improvements, planning and zoning and general administrative services. Other services include water and sewer services.

The Village of Cleveland has elected not to implement the provisions of GASB 34 and GASB 63 as required by generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below:

A. Reporting Entity / Component Units

Generally accepted accounting principles require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the Village's reporting entity because of the significance of their operational or financial relationships with the Village. All significant activities and organizations with which the Village exercises oversight responsibility have been considered for inclusion in the financial statements. The Village has no component units and it is not included in any other governmental reporting entity.

B. Fund Accounting

The accounts of the Village are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund types used by the Village are as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund - This fund accounts for and reports financial resources that are restricted or committed for the payment of general long-term debt principal, interest and related costs, other than Utility debt.

Capital Project Fund - This fund accounts for the financial resources from long-term borrowing and other revenues used for the acquisition, construction or maintenance of capital facilities and other capital assets.

American Rescue Plan Act (ARPA) Fund - This fund is a special revenue fund which accounts for the proceeds of specific revenue sources (other than expendable trusts or capital projects) that are restricted to expenses for specified purposes.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 1. Summary of Significant Accounting Policies - Continued

B. Fund Accounting - Continued

Proprietary Funds

Enterprise Fund - This fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and / or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The operations of the Water Utility and Sewer Utility are included in the enterprise fund.

Fiduciary Funds

Agency Fund - Agency funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, other governments and / or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets and their reported fund balance is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types are limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables.

Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases and decreases in net total assets.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 1. Summary of Significant Accounting Policies - Continued

C. Measurement Focus and Basis of Accounting - Continued

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available (susceptible to accrual). Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Proceeds of long-term debt are recorded as other financing sources when received. Revenue susceptible to accrual are property taxes, special assessments, licenses, interest income and charges for services. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except when principal and interest on long-term debt is paid or due.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

The government reports deferred revenue on its balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

D. Budgets

Annual budgets are adopted for the general fund in accordance with Wisconsin statutes. All annual appropriations lapse at year end, except those intended to accumulate funds for future projects. Reported budget amounts are as originally adopted or as amended by Board resolution. Generally the budget is not significantly modified during the year.

E. Total Columns on the Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

F. Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include cash and investments having original maturities of three months or less from the date of acquisition.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 1. Summary of Significant Accounting Policies - Continued

G. Investments

All investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. For investments subject to market fluctuation, fair values are based on quoted market price. No investments are reported at amortized costs. Adjustments necessary to record investments at fair value are recorded in the financial statements as increases or decreases in investment income.

H. Property Taxes

The aggregate amount of property taxes to be levied is determined according to State statute. The Village collects its own property taxes and also taxes for Manitowoc County, Lakeshore Technical College and Sheboygan Area School District. Property taxes attach an enforceable lien as of January 1 and are recognized when levied. The Village collects the taxes through January 31.

Property tax calendar - 2020 tax roll collect 2021

Levy date	December 2020
Tax bills mailed	December 2020
Real property taxes	
Payment in full or	January 31, 2021
First installment due	January 31, 2021
Second installment due	October 1, 2021
Personal property taxes	
Payment in full	January 31, 2021

Property taxes uncollected on January 31 are turned over to Manitowoc County for collection. Manitowoc County pays the remainder of the tax levy (excluding special charges and special assessments) to the Village during August and September. Special charges and special assessments are paid to the Village when collected by the County. Delinquent personal property taxes are retained at the local level for collection.

The 2021 tax roll (levied for 2022) has been set up as a receivable and offset by the amounts due to other governmental units and deferred tax revenue for the Village's portion. Advance tax collections are offset against the receivable.

I. Accounts Receivable

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. Delinquent utility charges and other delinquent accounts receivable may be placed on the tax roll for collection, therefore, no allowance for uncollectible accounts has been provided since such allowance would not be material.

J. Due To / From Other Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 1. Summary of Significant Accounting Policies - Continued

K. Materials and Supplies - Enterprise Fund

Materials and supplies are generally used for construction, operation and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and charged to construction and expense when used.

L. Advances To / From Other Funds

Noncurrent portions of long-term interfund loans receivable (reported in "Advance to" asset accounts) are equally offset by a nonspendable fund balance account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets.

M. Property, Plant and Equipment - Enterprise Fund

Water Utility and Sewer Utility plant are stated at original cost or the fair value at the time of contribution to the Utility. Maintenance and repairs are charged to expense as incurred, major improvements and replacements are capitalized. Depreciation expense is calculated using the straight line method over the estimated useful lives of the assets approved by the Wisconsin Public Service Commission.

N. Unamortized Water Tower Painting and Maintenance Costs

These deferred charges represent the unamortized water tower painting and maintenance costs. These costs are being amortized over a 5 year period in the proprietary funds.

O. Capital Paid in by Municipality

The Village, including Tax Incremental Financing (TIF) Districts, has invested capital in the Water Utility and Sewer Utility at various times. This capital is not currently subject to repayment on demand or at a fixed future date by the Utilities.

P. Fund Balances

Fund balances in the governmental funds are displayed in the following five categories:

Nonspendable - Amounts that are not in a spendable form (such as long-term receivables and prepaid expenses) or are required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the Village Board.

Assigned - Amounts that are constrained by the Village for specific purposes, but do not meet the criteria to be classified as restricted or committed.

Unassigned - The residual classification of the Village's general fund or any fund balance deficit.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 1. Summary of Significant Accounting Policies - Continued

P. Fund Balances - Continued

The Village Board has the authority to set aside funds for a specific purpose. Any funds set aside as committed fund balance requires the approval of the majority of the Village Board, the Village's highest level of decision making authority. Commitments, once made, can only be modified by a majority vote of the Village Board.

When an expenditure is incurred for which committed, assigned or unassigned funds are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, unless the Village Board has provided otherwise in their commitment or assignment actions.

The Village strives to maintain an unassigned fund balance in the general fund that will maintain working capital to meet the cash flow needs of the Village and thus reducing the need for short-term borrowing, serve as a safeguard for unanticipated expenditures and show fiscal responsibility.

Q. Revenue Recognition

Water and sewer revenues are recorded based on actual service rendered, with cycle billings made to customers monthly. The Utilities do not accrue revenues beyond such billing dates.

R. Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefit Amounts

The Village's policy does not allow accumulated employee benefits to vest. Unused accumulated employee benefits are forfeited upon retirement or termination of employment. Accumulated benefits are recorded as an expenditure in the year used.

S. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position, operations and cash flows. However, comparative (i.e., presentation of prior years totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

T. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 2. Cash and Investments

State statutes permit the Village to invest available cash balances in time deposits of authorized depositories, U.S. treasury obligations, U.S. agency issues, Wisconsin municipal obligations, high grade commercial paper, securities of an open-end management investment company or investment trust subject to various conditions, repurchase agreements with public depositories with certain conditions and the Wisconsin local government investment pool.

The Village's cash and investments at December 31, 2021 are summarized as follows:

Checking and money market	\$ 3,250,639
Certificates of deposit	217,603
Wisconsin local government investment pool	794,569
Petty cash	<u>550</u>
Total cash and investments	<u>\$ 4,263,361</u>

Deposits in each local and area bank are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest bearing and noninterest bearing).

Bank accounts are also insured by the State Deposit Guarantee Fund (SDGF) in the amount of \$400,000.

In addition, as of December 31, 2021 the bank has pledged securities to the Village in the amount of \$720,000.

The Wisconsin local government investment pool (LGIP) does not have a credit quality rating. It is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported above. A separate financial report for the SIF can be obtained at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of December 31, 2021, \$2,035,938 of the Village's bank balance of \$3,465,502 was exposed to custodial credit risk because deposits exceeded insurance and collateralization agreements.

Credit Risk

Credit risk is the risk that an issuer of a type of an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The Village's investments in the Wisconsin local government investment pool are not rated.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 3. Restricted Funds - Cash and Investments

The enterprise fund had the following restricted cash and investments as of December 31, 2021.

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Capital replacement	\$ -	\$ 511,565	\$ 511,565
Debt reserve	2,504	7,513	10,017
Construction	<u>71,462</u>	<u>198,936</u>	<u>270,398</u>
Totals	<u>\$ 73,966</u>	<u>\$ 718,014</u>	<u>\$ 791,980</u>

Capital Replacement - Per the Department of Natural Resources (DNR) the Sewer Utility has established an account for future capital replacement projects.

Debt Reserve - Used to report resources set aside for future debt service payments.

Construction - Used to report debt proceeds restricted for use in construction.

Note 4. Utility Plant and Equipment

Capital asset balances and activity for the year ended December 31, 2021 were as follows:

	<u>Balances</u> 12/31/2020	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> 12/31/2021
<u>Water Utility Plant and Equipment</u>				
Intangible plant	\$ 250	\$ -	\$ -	\$ 250
Source of supply plant	175,622	-	-	175,622
Pumping plant	540,598	23,221	13,826	549,993
Water treatment plant	14,098	-	-	14,098
Transmission and distribution plant	1,550,661	195	877	1,549,979
General plant	<u>60,486</u>	<u>3,145</u>	<u>1,500</u>	<u>62,131</u>
Total water utility plant and equipment	<u>\$ 2,341,715</u>	<u>\$ 26,561</u>	<u>\$ 16,203</u>	<u>\$ 2,352,073</u>
<u>Sewer Utility Plant and Equipment</u>				
Collecting system plant and equipment	\$ 2,103,951	\$ -	\$ -	\$ 2,103,951
Collecting system pumping installations	344,655	73,853	15,000	403,508
Treatment and disposal plant	2,871,028	11,655	5,000	2,877,683
General plant	<u>131,782</u>	<u>5,092</u>	<u>2,500</u>	<u>134,374</u>
Total sewer utility plant and equipment	<u>\$ 5,451,416</u>	<u>\$ 90,600</u>	<u>\$ 22,500</u>	<u>\$ 5,519,516</u>
Total utility plant and equipment	<u>\$ 7,793,131</u>	<u>\$ 117,161</u>	<u>\$ 38,703</u>	<u>\$ 7,871,589</u>

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 5. Long-Term Liabilities

Long-term liability balances and activity for the year ended December 31, 2021 were as follows:

Village				
Type	Balances 12/31/2020	Additions	Payments	Balances 12/31/2021
Bonds*	\$ 368,615	\$ -	\$ 73,724	\$ 294,891
Notes*	1,210,000	-	108,975	1,101,025
Totals	\$ 1,578,615	\$ -	\$ 182,699	\$ 1,395,916
Water and Sewer Utility				
Type	Balances 12/31/2020	Additions	Payments	Balances 12/31/2021
Bonds*	\$ 6,385	\$ -	\$ 1,276	\$ 5,109
Notes*	400,000	-	36,025	363,975
Totals	\$ 406,385	\$ -	\$ 37,301	\$ 369,084

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the Village. General obligation debt is expected to be repaid with general property taxes, special assessments and Utility revenues. General obligation debt at December 31, 2020 is comprised of the following issues:

Description	Issue Dates	Interest Rates (%)	Dates of Final Maturity	Balances 12/31/2021
Bonds*	02-08-11	4.50 - 4.80%	03-01-25	\$ 300,000
Notes*	09-09-20	1.00 - 3.00%	04-01-30	1,465,000
Total				\$ 1,765,000

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 5. Long-Term Liabilities - Continued

General Obligation Debt Limit Calculation

The 2021 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$108,096,900. The legal debt limit and margin of indebtedness as of December 31, 2021, in accordance with Section 67.03(1) of the Wisconsin Statutes follows:

Debt limit (5% of \$108,096,900)	\$ 5,404,845
Deduct long-term debt applicable to debt margin*	<u>(1,765,000)</u>
Margin of indebtedness	<u>\$ 3,639,845</u>

Maturities of Long-Term Debt

Aggregate cash flow requirements for the retirement of long-term principal and interest as of December 31, 2021 is as follows:

Year	Village			Water and Sewer Utility		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 190,214	\$ 32,966	\$ 223,180	\$ 39,786	\$ 7,122	\$ 46,908
2023	178,940	26,323	205,263	36,060	5,964	42,024
2024	175,183	19,794	194,977	34,817	4,881	39,698
2025	175,182	13,211	188,393	34,818	3,814	38,632
2026	82,671	8,681	91,352	27,329	2,869	30,198
2027	75,155	6,313	81,468	24,845	2,087	26,932
2028	154,068	4,415	158,483	50,932	1,460	52,392
2029	154,068	2,875	156,943	50,932	950	51,882
2030	210,435	1,052	211,487	69,565	348	69,913
Totals	<u>\$ 1,395,916</u>	<u>\$ 115,630</u>	<u>\$ 1,511,546</u>	<u>\$ 369,084</u>	<u>\$ 29,495</u>	<u>\$ 398,579</u>

Debt Issuance Premium - Enterprise Fund

Debt issuance premium is deferred and amortized using the effective interest method over the life of the debt issue in the enterprise fund. Activity for the year ended December 31, 2021 is summarized as follows:

	Balance 12/31/2020	Additions	Amortization	Balance 12/31/2021
Debt issuance premium	<u>\$ 19,733</u>	<u>\$ -</u>	<u>\$ 4,493</u>	<u>\$ 15,240</u>

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 6. Fund Balances

Details of the Village's fund balances as of December 31, 2021 are as follows:

	General	Debt Service	Capital Project	ARPA	Total
Fund Balances					
Nonspendable					
Long-term receivables	\$ 106,881	\$ -	\$ -	\$ -	\$ 106,881
Prepaid expenses	12,010	-	-	-	12,010
Restricted for					
Debt service	34,795	-	-	-	34,795
Capital projects	-	-	552,684	-	552,684
ARPA	-	-	-	76,115	76,115
Committed to					
Debt service	-	385,340	-	-	385,340
GASB compliance	4,534	-	-	-	4,534
Revaluation	40,491	-	-	-	40,491
Public buildings & grounds	56,504	-	-	-	56,504
HRA reimbursements	6,185	-	-	-	6,185
Crime prevention	1,889	-	-	-	1,889
Office equipment and tech	6,530	-	-	-	6,530
Technology not yet known	20,178	-	-	-	20,178
Park improvements	22,426	-	-	-	22,426
Street banners & lighting "Rainy Day"	9,130 212,976	-	-	-	9,130 212,976
Unassigned	451,990	-	-	-	451,990
Total fund balances	<u>\$ 986,519</u>	<u>\$ 385,340</u>	<u>\$ 552,684</u>	<u>\$ 76,115</u>	<u>\$ 2,000,658</u>

Note 7. Interfund Balances and Activity

Interfund receivable and payable balances at December 31, 2021 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due to / from</u>	<u>Advances</u>
General fund	Enterprise fund	\$ 401,499	\$ 106,881
Enterprise fund	General fund	323,298	-
Totals		<u>\$ 724,797</u>	<u>\$ 106,881</u>

The principal purpose of these interfund balances result from the time lag between the dates the goods or services are provided or reimbursable expenditures occur and payment between funds are made.

The amounts reported as due to / from other funds are expected to be paid within one year. Advances to / from other funds are being paid in annual installments. No interest is being charged on this advance.

Transfers during the year are detailed on the financial statements.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 8. Excess of Actual Expenditures Over Budget in the General Fund

The following departments had an excess of actual expenditures over budget for the year ended December 31, 2021.

<u>Department</u>	<u>Excess Expenditures</u>
General government	\$ 10,599
Public safety	18,034
Culture, recreation & education	19,197

Note 9. Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 9. Defined Benefit Pension Plan - Continued

Benefits Provided - Continued

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	-1.2%	11.0%
2012	-7.0%	-7.0%
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, executives and elected officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

Village of Cleveland
Notes to the Financial Statements
December 31, 2021

Note 9. Defined Benefit Pension Plan - Continued

Contributions - Continued

During the reporting period, the WRS recognized \$34,606 in contributions from the Village.

Contribution rates for 2021 are as follows:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with social security	6.75%	11.75%
Protective without social security	6.75%	16.35%

The payroll for Village employees covered by the WRS for the year ended December 31, 2021 was \$423,299; the Village's total payroll was \$498,280. The total required contribution for the year ended December 31, 2021 was \$63,177, which consisted of \$34,604 or 8.17% of payroll from the employer and \$28,573 or 6.75% of payroll from employees. Total contributions for the years ending December 31, 2020 and 2019 were \$66,726 and \$61,522, respectively, equal to the required contributions for each year.

Note 10. Limitations on the Village's Tax Levy

Wisconsin law limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

Note 11. Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, workers compensation and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Note 12. Subsequent Events

Debt Issuance

The Village is currently upgrading multiple streets at an estimated cost of \$2,440,000. The Village will issue long-term debt to fund the project, which is anticipated to be completed in 2024.

Supplementary Financial Information

Village of Cleveland
Detailed Schedule of General Fund Revenues
Year ended December 31, 2021

Taxes			
General property taxes	\$	679,823	
Mobile home fees		10,480	
Municipal utility tax		<u>30,300</u>	\$ 720,603
Intergovernmental revenues			
Police vest grant	\$	540	
Shared revenues		244,555	
Fire insurance tax		4,681	
Exempt computer aid		1,344	
Personal property aid		4,017	
Video service provider aid		3,290	
Police training aid		640	
State police aid		5,700	
General transportation aid		57,307	
Local road improvement grant		9,000	
Recycling grant		3,074	
Payment in lieu of taxes		3,210	
State election aid		354	
Coastal management grant		<u>25,539</u>	363,251
Licenses and permits			
Liquor and malt beverage licenses	\$	910	
Operator licenses		690	
Cigarette licenses		100	
Direct sellers permits		255	
Mobile home park licenses		200	
Cable TV franchise fees		13,750	
Dog licenses refunded		3,067	
Bicycle licenses		3	
Building and sign permits		35,625	
Plan and survey filing fees		650	
Land use and special meeting fees		<u>900</u>	56,150
Fines, forfeits and penalties			
Court penalties and costs	\$	25,015	
Parking fines		190	
Dog license penalties		510	
Other violations		<u>628</u>	26,343
Public charges for services			
Document preparation fees	\$	350	
Publication fees		97	
Police fees		79	
Weed and nuisance control fees		748	
Park reservation fees		800	
VFW clubhouse reservation fees		<u>1,200</u>	<u>3,274</u>
Forward to page 25			<u>\$ 1,169,621</u>

Village of Cleveland
Detailed Schedule of General Fund Revenues
Year ended December 31, 2021

Brought forward		\$ 1,169,621
Intergovernmental charges for servs.		
Police income		9
Miscellaneous		
Interest on investments	\$ 1,868	
Interest on special assessments and charges	10	
Sale of scrap metal	611	
Private donations and contributions	923	
Insurance dividends	4,477	
Miscellaneous	49	7,938
Total revenues		<u>\$ 1,177,568</u>

Village of Cleveland
Detailed Schedule of General Fund Expenditures
Year ended December 31, 2021

General government		
Village board		
Wages	\$	8,652
Social security and medicare		752
Training		147
Publications, subscriptions and dues		498
Printing and publishing		88
Other supplies and expense		<u>832</u>
	\$	10,969
Judicial		
Judicial wages	\$	2,492
Clerical wages		21,318
Social security and medicare		1,660
Retirement		1,439
Health insurance		5,244
Life and disability insurance		173
Training		1,030
Office supplies		40
Postage, permits and fees		79
Publications, subscriptions and dues		196
Travel and mileage		43
Software and software support		1,100
Other supplies and expense		123
Public officials bond		<u>138</u>
		35,075
Legal		
Professional services - general	\$	54,773
Professional services - police		<u>10,653</u>
		65,426
Clerk-treasurer		
Wages	\$	41,109
Meeting pay		300
Social security and medicare		3,029
Retirement		2,798
Health insurance		2,324
Life and disability insurance		300
Training		920
Contracted services		2,700
Office supplies		3,641
Postage, permits and fees		1,266
Publications, subscriptions and dues		983
Travel and mileage		388
Copier maintenance		839
Software and software support		1,001
Printing and publishing		106
Other supplies and expense		528
Public officials bond		<u>291</u>
		<u>62,523</u>
Forward to page 27	\$	<u>173,993</u>

Village of Cleveland
Detailed Schedule of General Fund Expenditures
Year ended December 31, 2021

General government - Continued			
Brought forward			\$ 173,993
Elections			
Wages	\$	1,518	
Social security and medicare		14	
Travel and mileage		88	
Equipment maintenance		477	
Printing and publishing		245	
Other supplies and expense		<u>612</u>	2,954
Accounting and auditing			
Professional services			27,771
Assessment of property			
Board of review wages	\$	90	
Social security and medicare		7	
Training		45	
Professional services		7,700	
Printing and publishing		271	
Other supplies and expense		<u>42</u>	8,155
Village hall			
Telephone	\$	6,354	
Electricity		1,781	
Heat		1,171	
Water and sewer		462	
Building and grounds		5,300	
Contracted services		4,663	
Internet and website services		2,949	
Repair and maintenance supplies		170	
Other supplies and expense		<u>350</u>	23,200
Insurance			
Worker's compensation	\$	5,152	
Property and liability		11,454	
FSA / HRA claims		<u>8,889</u>	<u>25,495</u>
Total general government			<u>\$ 261,568</u>

Village of Cleveland
Detailed Schedule of General Fund Expenditures
Year ended December 31, 2021

Public safety			
Police department			
Wages	\$	181,867	
Meeting pay		810	
Social security and medicare		13,465	
Retirement		15,723	
Health insurance		26,660	
Life and disability insurance		1,024	
Training		1,692	
Recruitment and employee medical		116	
Office supplies		346	
Postage, permits and fees		87	
Internet and website services		688	
Publications, subscriptions and dues		264	
Travel and mileage		1,660	
Protective equipment		104	
Uniform allowance		68	
Fuel		4,325	
Vehicle maintenance		820	
Equipment maintenance		504	
Software and software support		3,424	
Other supplies and expense		<u>602</u>	\$ 254,249
Fire protection			
Fire protection contract	\$	76,758	
2% fire dues		<u>4,681</u>	81,439
Ambulance			
Contracted services			12,016
Building inspections			
Wages	\$	9,980	
Social security and medicare		<u>763</u>	10,743
Emergency government			
Siren electricity			<u>192</u>
Total public safety			<u>\$ 358,639</u>

Village of Cleveland
Detailed Schedule of General Fund Expenditures
Year ended December 31, 2021

Public works			
Street maintenance			
Wages	\$	26,891	
Meeting pay		250	
Social security and medicare		1,996	
Retirement		1,834	
Health insurance		4,740	
Life and disability insurance		189	
Recruitment and employee medical		20	
General engineering		2,088	
Mapping and GIS		4,146	
Ditch cutting and right-of-way maintenance		12,296	
General street maintenance		3,434	
Crack and street sealing		12,717	
Office supplies		36	
Publications, subscriptions and dues		114	
Travel and mileage		25	
Fuel		1,092	
Repairs and maintenance supplies		580	
Safety expense		78	
Other supplies and expense		<u>50</u>	\$ 72,576
Snow plowing			
Contracted services	\$	16,983	
Other supplies and expense		<u>4,307</u>	21,290
Street signs			
Other supplies and expense			490
Garage			
Electricity	\$	358	
Heat		218	
Water and sewer		815	
Building and grounds		68	
Contracted services		349	
Repair and maintenance supplies		287	
Vehicle maintenance		2,776	
Other supplies and expense		<u>16</u>	4,887
Street lighting			
Electricity			26,791
Storm sewers			
Contracted services			116
Refuse and garbage collection			
Contracted services			<u>67,129</u>
Forward to page 30			<u>\$ 193,279</u>

Village of Cleveland
Detailed Schedule of General Fund Expenditures
Year ended December 31, 2021

Public works - Continued			
Brought forward		\$	193,279
Recycling			
Wages	\$	8,493	
Meeting pay		33	
Social security and medicare		622	
Retirement		576	
Health insurance		1,322	
Life and disability insurance		57	
Contracted services		49,946	
Uniform allowance		75	
Fuel		65	
Repairs and maintenance supplies		40	
Equipment maintenance		302	
Other supplies and expense		<u>358</u>	61,889
Weed and nuisance control			
Contracted services	\$	360	
Printing and publishing		<u>40</u>	<u>400</u>
Total public works			<u>\$ 255,568</u>
Culture, recreation and education			
Parks			
Wages	\$	16,853	
Meeting pay		83	
Social security and medicare		1,240	
Retirement		1,144	
Health insurance		2,989	
Life and disability insurance		113	
Electricity		5,227	
Water and sewer		2,141	
Building and grounds		4,479	
Contracted services		23,294	
Hika launch		4,350	
Repair and maintenance supplies		77	
Other supplies and expense		<u>1,375</u>	\$ 63,365
VFW clubhouse			
Electricity	\$	1,213	
Heat		636	
Water and sewer		745	
Building and grounds		37	
Contracted services		<u>1,305</u>	3,936
Street decorations			
Electricity	\$	820	
Other supplies and expense		<u>2,535</u>	3,355
Total culture, recreation and education			<u>\$ 70,656</u>

Village of Cleveland
Detailed Schedule of General Fund Expenditures
Year ended December 31, 2021

Conservation and development		
Planning and zoning		
Wages	\$ 1,830	
Social security and medicare	177	
Retirement	22	
Training	385	
General engineering	1,054	
Contracted services	1,384	
Publications, subscriptions and dues	498	
Software and software support	359	
Printing and publishing	<u>181</u>	\$ 5,890
Advertising and promotion		
Electricity	\$ 207	
Other supplies and expense	<u>3,058</u>	3,265
Economic development		
Training	\$ 440	
Contracted services	5,095	
Publications, subscriptions and dues	325	
Travel and mileage	<u>3</u>	5,863
Forestry		
Training	\$ 150	
Contracted services	<u>2,103</u>	<u>2,253</u>
Total conservation and development		<u>\$ 17,271</u>
Capital outlay		
Public safety		
Police department equipment		<u>\$ 2,728</u>
Total expenditures		<u><u>\$ 966,430</u></u>

Village of Cleveland
Detailed Schedule of Debt Service Fund Revenues, Expenditures
and Changes in Fund Balance
Year ended December 31, 2021

Revenues		
Special assessments		
Public improvements		\$ 15,034
Miscellaneous		
Interest on investments	\$ 196	
Interest on special assessments and charges	<u>1,628</u>	<u>1,824</u>
Total revenues		<u>\$ 16,858</u>
Expenditures		
Debt service		
Principal		\$ 182,699
Interest		41,249
Fees		<u>400</u>
Total expenditures		<u>\$ 224,348</u>
Excess revenues over (under) expenditures		\$ (207,490)
Other financing sources (uses)		
Transfer from general fund		<u>181,490</u>
Net change in fund balance		\$ (26,000)
Fund balance, Beginning of year		<u>411,340</u>
Fund balance, End of year		<u><u>\$ 385,340</u></u>

Village of Cleveland
Detailed Schedule of Capital Project Fund Revenues, Expenditures
and Changes in Fund Balance
Year ended December 31, 2021

Revenues		
Miscellaneous		
Interest on investments		\$ <u>10,784</u>
Expenditures		
Capital outlay		
Public works		
Street improvements	\$ 104,899	
Storm sewer improvements	<u>9,827</u>	<u>\$ 114,726</u>
Net change in fund balance		\$ (103,942)
Fund balance, Beginning of year		<u>656,626</u>
Fund balance, End of year		<u><u>\$ 552,684</u></u>

Village of Cleveland
Detailed Schedule of ARPA Fund Revenues, Expenditures
and Changes in Fund Balance
Year ended December 31, 2021

Revenues		
Intergovernmental revenues		
American rescue plan act aid	\$	76,094
Miscellaneous		
Interest on investments		<u>21</u>
Total revenues	\$	76,115
Expenditures		<u>-</u>
Net change in fund balance	\$	76,115
Fund balance, Beginning of year		<u>-</u>
Fund balance, End of year	\$	<u><u>76,115</u></u>

Village of Cleveland
Detailed Schedule of Enterprise Fund Revenues, Expenses and Changes in Retained Earnings
Year ended December 31, 2021

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Operating revenues			
Metered sales			
Residential	\$ 201,389	\$ 353,386	\$ 554,775
Commercial	10,632	21,260	31,892
Industrial	7,986	1,900	9,886
Public authorities	13,882	74,539	88,421
Multi-family residential	5,609	13,025	18,634
Private fire protection service	1,512	-	1,512
Public fire protection service	96,645	-	96,645
Forfeited discounts	1,717	2,278	3,995
Rent from water property	2,788	-	2,788
Other operating revenues	1,934	11	1,945
Total operating revenues	<u>\$ 344,094</u>	<u>\$ 466,399</u>	<u>\$ 810,493</u>
Operating expenses			
Plant wages	\$ 41,728	\$ 45,763	\$ 87,491
Utilities	11,106	30,707	41,813
Chemicals	6,254	6,696	12,950
Supplies and expenses	5,944	19,928	25,872
Maintenance and repairs	103,428	13,562	116,990
Transportation expenses	997	1,190	2,187
Administrative and general wages	42,467	42,467	84,934
Office supplies and expenses	11,756	11,460	23,216
Telephone	1,920	2,482	4,402
Outside services	39,409	44,219	83,628
Insurance expense	9,109	11,882	20,991
Employee pensions and benefits	18,484	20,210	38,694
Regulatory commission expenses	249	-	249
Miscellaneous expenses	1,077	7,966	9,043
Uncollectible accounts	55	60	115
Taxes	38,961	6,508	45,469
Depreciation expense	63,033	186,402	249,435
Total operating expenses	<u>\$ 395,977</u>	<u>\$ 451,502</u>	<u>\$ 847,479</u>
Operating income (loss)	<u>\$ (51,883)</u>	<u>\$ 14,897</u>	<u>\$ (36,986)</u>
Non-operating revenues (expenses)			
Interest income	\$ 625	\$ 15,545	\$ 16,170
Interest expense	(2,571)	(6,052)	(8,623)
Amortization of debt premium	1,123	3,370	4,493
Net non-operating revenues (expenses)	<u>\$ (823)</u>	<u>\$ 12,863</u>	<u>\$ 12,040</u>
Net change in retained earnings	\$ (51,883)	\$ 14,897	\$ (36,986)
Retained earnings, Beginning of year	<u>448,612</u>	<u>3,649,889</u>	<u>4,098,501</u>
Retained earnings, End of year	<u>\$ 396,729</u>	<u>\$ 3,664,786</u>	<u>\$ 4,061,515</u>

Village of Cleveland
Detailed Schedule of Water Utility Plant and Equipment
Year ended December 31, 2021

<u>Water Utility</u>	<u>Balances 12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 12/31/2021</u>
Intangible plant				
Organization expense	\$ 250	\$ -	\$ -	\$ 250
Source of supply plant				
Land and land rights	\$ 7,500	\$ -	\$ -	\$ 7,500
Collecting and impounding reservoirs	28,282	-	-	28,282
Wells and springs	139,840	-	-	139,840
Total source of supply plant	<u>\$ 175,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,622</u>
Pumping plant				
Structures and improvements	\$ 192,622	\$ -	\$ -	\$ 192,622
Other power production equipment	899	-	-	899
Electric pumping equipment	344,977	23,221	13,826	354,372
Other pumping equipment	2,100	-	-	2,100
Total pumping plant	<u>\$ 540,598</u>	<u>\$ 23,221</u>	<u>\$ 13,826</u>	<u>\$ 549,993</u>
Water treatment plant				
Other water treatment equipment	\$ 14,098	\$ -	\$ -	\$ 14,098
Transmission and distribution plant				
Land and land rights	\$ 900	\$ -	\$ -	\$ 900
Distribution reservoirs and standpipes	82,780	-	-	82,780
Transmission and distribution mains	981,914	-	-	981,914
Services	178,055	-	501	177,554
Meters	105,287	195	376	105,106
Hydrants	201,725	-	-	201,725
Total transmission and distribution plant	<u>\$ 1,550,661</u>	<u>\$ 195</u>	<u>\$ 877</u>	<u>\$ 1,549,979</u>
General plant				
Structures and improvements	\$ 5,210	\$ -	\$ -	\$ 5,210
Office furniture and equipment	2,146	-	-	2,146
Computer equipment	18,263	3,145	1,500	19,908
Transportation equipment	21,506	-	-	21,506
Tools, shop and garage equipment	11,106	-	-	11,106
Communication equipment	1,500	-	-	1,500
Miscellaneous equipment	755	-	-	755
Total general plant	<u>\$ 60,486</u>	<u>\$ 3,145</u>	<u>\$ 1,500</u>	<u>\$ 62,131</u>
Total water utility plant and equipment	<u>\$ 2,341,715</u>	<u>\$ 26,561</u>	<u>\$ 16,203</u>	<u>\$ 2,352,073</u>

Village of Cleveland
Detailed Schedule of Sewer Utility Plant and Equipment
Year ended December 31, 2021

<u>Sewer Utility</u>	Balances 12/31/2020	Additions	Deletions	Balances 12/31/2021
Collecting system plant and equipment				
Land and land rights	\$ 108,672	\$ -	\$ -	\$ 108,672
Structures and improvements	275,890	-	-	275,890
Service connections, traps and accessories	153,895	-	-	153,895
Collecting mains and accessories	1,191,611	-	-	1,191,611
Force mains	373,883	-	-	373,883
Total collecting system plant and equipment	<u>\$ 2,103,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,103,951</u>
Collecting system pumping installations				
Structures and improvements	\$ 15,793	\$ -	\$ -	\$ 15,793
Receiving wells	23,601	13,152	6,500	30,253
Electric pumping equipment	288,105	17,100	8,500	296,705
Other power pumping equipment	17,156	43,601	-	60,757
Total collecting system pumping installations	<u>\$ 344,655</u>	<u>\$ 73,853</u>	<u>\$ 15,000</u>	<u>\$ 403,508</u>
Treatment and disposal plant				
Land and land rights	\$ 1,550	\$ -	\$ -	\$ 1,550
Structures and improvements	1,464,299	-	-	1,464,299
Secondary treatment equipment	740,004	11,655	5,000	746,659
Advanced treatment equipment	25,726	-	-	25,726
Chlorination equipment	27,967	-	-	27,967
Sludge treatment and disposal equipment	204,580	-	-	204,580
Plant site piping	128,855	-	-	128,855
Flow metering and monitoring equipment	95,772	-	-	95,772
Outfall sewer pipes	173,151	-	-	173,151
Other treatment and disposal plant equipment	9,124	-	-	9,124
Total treatment and disposal plant	<u>\$ 2,871,028</u>	<u>\$ 11,655</u>	<u>\$ 5,000</u>	<u>\$ 2,877,683</u>
General plant				
Structures and improvements	\$ 5,210	\$ -	\$ -	\$ 5,210
Office furniture and equipment	6,202	-	-	6,202
Computer equipment	17,676	3,145	1,500	19,321
Transportation equipment	43,888	-	-	43,888
Tools, shop and garage equipment	50,691	-	-	50,691
Lab equipment	3,880	1,947	1,000	4,827
Miscellaneous equipment	4,235	-	-	4,235
Total general plant	<u>\$ 131,782</u>	<u>\$ 5,092</u>	<u>\$ 2,500</u>	<u>\$ 134,374</u>
Construction work in progress				
Work in progress	\$ -	\$ -	\$ -	\$ -
Total sewer utility plant and equipment	<u>\$ 5,451,416</u>	<u>\$ 90,600</u>	<u>\$ 22,500</u>	<u>\$ 5,519,516</u>