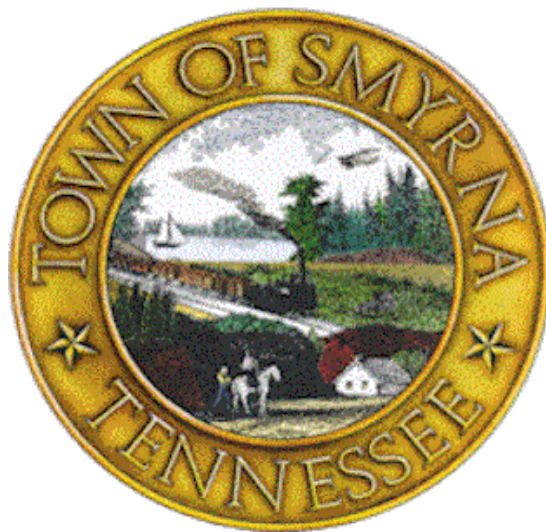
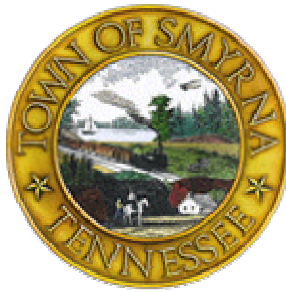


**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**



**FOR THE YEAR ENDED
JUNE 30, 2003**

Prepared by Town of Smyrna Finance Department



January 27, 2004

The Honorable Mayor, Town Council and Citizens of the Town of Smyrna, Tennessee:

The Comprehensive Annual Financial Report of the Town of Smyrna, Tennessee (the “Town” or “Town of Smyrna”) for the fiscal year ending June 30, 2003 is hereby submitted as required by state statutes. These statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Smyrna for the fiscal year ended June 30, 2003.

The Governmental Accounting Standards Board (GASB) established a new financial reporting model for state and local governments in GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*. The requirements of these Statements represent a significant change in the financial reporting model used by the Government. In addition to fund financial statements, the Government is required to report government-wide financial statements prepared using the accrual basis of accounting and the economic measurement focus for all funds. Other changes include the establishment of new fund types, the elimination of account groups, a focus on major funds in the basic financial statements, the reporting of infrastructure, the preparation of cash flow statements using the direct method and the inclusion of Management’s Discussion and Analysis (MD&A). This new presentation provides users of the Comprehensive Annual Financial Report (CAFR) with additional information to assist in their review of financial position and results of operations. The objective of the Statement was to enhance the understandability and usefulness of the general purpose external financial reports of state and local governments to the citizenry, legislative and oversight bodies, and investors and creditors. The provisions of Statement No. 34 are effective in three phases based on a government’s total annual revenues. The Town is required to implement Statement No. 34 for the fiscal year ended June 30, 2003. The most notable changes to the annual financial report consist of the management’s discussion and analysis and the Government-wide financial statements, which consists of a statement of net assets and a statement of activities.

This report consists of management’s representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse

and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town'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 Town's financial statements have been audited by Yeary, Howell & Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Smyrna for the fiscal year ended June 30, 2003, 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 unqualified opinion that the Town of Smyrna's financial statements for the fiscal year ended June 30, 2003, 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 Town was not required to undergo a single audit for the year ended June 30, 2003 as prescribed by the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*.

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 MD&A and should be read in conjunction with it. The Town of Smyrna's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Smyrna is located in middle Tennessee in the northwestern part of Rutherford County. The town is in close proximity to the southeastern boundary of Metropolitan Nashville-Davidson County and is joined by the City of Murfreesboro on the south. The City of LaVergne is immediately to the northwest of the town. The incorporated area of the town covers approximately 24 square miles and serves a population of 29,983.

The town was first incorporated in December 1869, but that incorporating charter was repealed in 1881. The town then operated under a Mayor and Commission form of government authorized by a charter dated May 5, 1915. In January 2000, the town adopted a new charter changing to a Council-Manager form of government. The new charter also changed the number of members in the governing body of the town. The governing body is made up of the Mayor and six Council, who serve four-year terms of office. The Mayor and Council appoint the Town Manager, who is the chief, non-elected administrative officer of the town.

The town provides a wide range of services characteristic of similar jurisdictions in the state. These services include police and fire protection; the maintenance of highways and streets; parks and recreation; community development; and general administrative services. The town also operates water, sewer, and natural gas utilities for its residents. Electric power is provided by the Middle Tennessee Electric Membership Cooperative.

The annual budget serves as the foundation for the Town's financial planning and control. The town maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the town's governing body. The legal level of budgetary control is at the department level. Any revision to the total expenditures of any department or fund must be approved by the Town Council. Additional information concerning the Town's budgetary process can be found on page 47 of this report.

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 Town of Smyrna operates.

Local economy. The Town currently enjoys a favorable economic environment and local indicators point to continued stability. The town enjoys a diversified base of employment from area industries and also serves as a bedroom community to Nashville. The largest single employer is Nissan Motor Manufacturing Corporation USA, a leading manufacturer of vehicles in America. Nissan is also one of Tennessee's largest employers with approximately 6,100 employees. Subsequent to the fiscal year end, StoneCrest Medical Center, a 75-bed facility, opened to provide approximately 400 jobs.

The Town continues to see strong commercial growth within its boundaries. This growth provides jobs and sales tax revenue, which has allowed the Town to achieve a more balanced tax structure and become less dependent on the property tax to fund municipal services.

The local economy has consistently remained healthier than the national economy, with the average unemployment rate at or below the national average. Smyrna's close proximity to Nashville, while also having the advantages of a small town, has made the community a very desirable place to live and raise a family.

Cash management. Cash temporarily idle during the year was invested in demand deposits with local financial institutions and the state's local government investment pool. All investments were in accordance with the Town's Fiscal Management Policy. Additional information on the Town's cash management activity can be found in Note 1 of the notes to the financial statements and in the schedule of cash and cash equivalents on page 57.

Risk management. The Town's risk management program includes various risk control techniques, including employee accident prevention training. The Town maintains property, liability and workers' compensation insurance coverage through the Tennessee Municipal League Risk Management Pool, and meets the Pool's guidelines and complies with its rules and

regulations. The Town also has established a partially self-insured insurance plan for risks associated with employee's health. The plan includes an individual stop loss limit and an aggregate annual cap. Additional information on the Town of Smyrna's risk management activity can be found in Note 13 of the notes to the financial statements.

Pension and other postemployment benefits. In 1970, the Town established the Town of Smyrna Pension Plan, a single employer defined benefit plan. The plan is administered by plan trustees. The Town funds the plan annually based on actuarial calculations. In 1999, the town began the Retirement Savings Plan in accordance with IRS Code Section 401a, and the employee Pension Plan was closed to new participants. The Retirement Savings Plan is available to employees with 6 months of service and 1000 hours worked. The Town also offers its employees a deferred compensation plan, established in accordance with IRS Code Section 457. For detailed information on the Town's pension benefits, please refer to note 7 of the financial statements.

The Town of Smyrna also provides postretirement health care benefits for certain retirees who meet the Town's eligibility requirements. For detailed information on the Town's postretirement benefits, please refer to note 14 of the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Smyrna for its comprehensive annual financial report (CAFR) for the year ended June 30, 2002. The Certificate of Achievement is a prestigious national award that recognizes our conformance with the highest standards for preparation of a local government financial report.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose content conforms to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town of Smyrna has received a Certificate of Achievement for the last fifteen consecutive years (fiscal years ended 1988-2002). We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efforts of the members of the Finance Department office staff and the cooperation of each of the Town's departments. Specific appreciation is expressed to Town Finance Manager Rex Gaither and Town Financial Analyst Connie Hollon on their preparation and thoroughness throughout the audit process, and to Town Engineer Chuck Boyett and Town Planning Technician Russ Goodrow for their expertise in determining the historical valuation of roads and infrastructure. Credit also must be given to the Mayor and Town Council and Town Manager Mark O'Neal for their unfailing support for

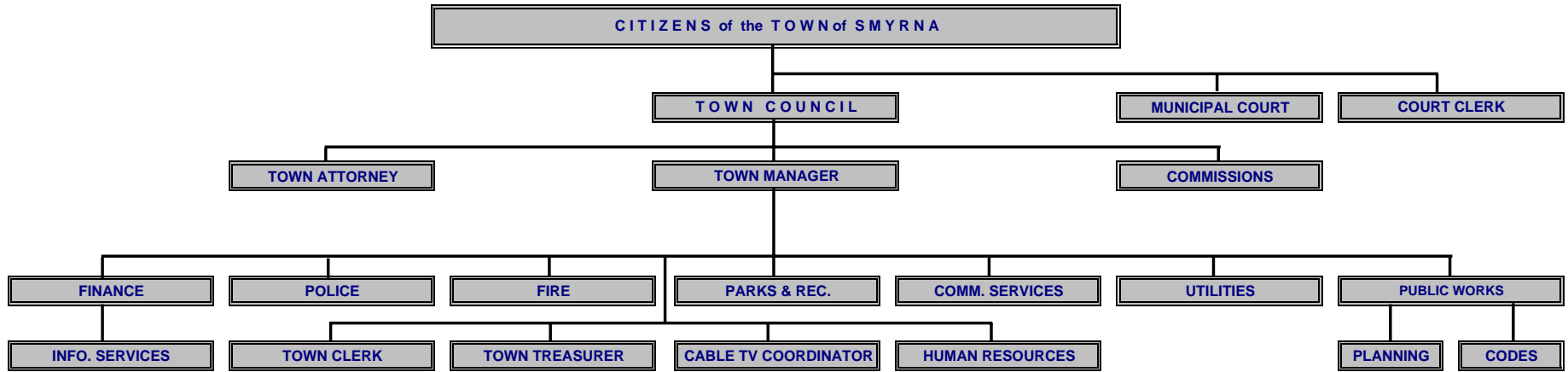
maintaining the highest standards of professionalism in the management of the Town of Smyrna's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark A. Tucker". The signature is written in a cursive style with a large initial "M" and "A".

Mark A. Tucker
Director of Finance

Organizational Structure



Management's Discussion and Analysis

As management of the Town of Smyrna, Tennessee (the "Town" or the "Town of Smyrna"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2003. This being the initial year of adoption, comparative information is not presented. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the Town. Please consider the information presented here in conjunction with our Letter of Transmittal (page i) and the Town's financial statements (beginning on page 12).

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$166,164,434 (net assets). Of this amount, \$24,754,443 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$9,346,480.
- As of the close of the current fiscal year, the *Town's* governmental funds reported combined ending fund balances of \$13,748,533, *an increase* of \$57 in comparison with the prior year. Approximately 97% of this total amount, \$13,365,843, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$11,835,363, or 83% of total general fund expenditures. This demonstrates the *Town's* fiscal discipline and places the *Town* in a strong financial position to meet unexpected emergencies, uncertainties at the State level or the general slowdown in the economy.
- The Town of Smyrna's total debt decreased by \$1,659,665 (7.2%) during the current fiscal year. This was a result of the payment of current debt owed.

Overview of the Financial Statements

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

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 Town 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 Town include general government, public safety, highways and streets, recreation and community development. The business-type activities of the Town include the Water and Sewer Fund and the Natural Gas Fund.

The government-wide financial statements can be found on pages 12-13 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 Town, 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 Town 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 the 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 Town maintains seven 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 and the capital projects fund, both of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary funds. The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water and Sewer Fund and Natural Gas Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its self-insured health insurance. Because this service benefits both governmental and business-type functions, it has been allocated between both governmental activities and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Natural Gas Fund, both of which are considered to be major funds of the Town. The internal service fund is also presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 18-21 of this report.

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

The basic fiduciary fund financial statements can be found on pages 22-23 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 24-41 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The Town of Smyrna adopts an annual appropriated budget for its general fund and capital projects fund. Within the required supplementary information, a budget comparison statement has been provided for these funds to demonstrate compliance with the budget. Required supplementary information can be found on pages 42-47 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 48-54 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Smyrna, assets exceeded liabilities by \$166,164,434 at the close of the most recent fiscal year.

Net Assets - Primary Government June 30, 2003

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| Current and Other Assets | \$ 22,355,783 | \$ 14,247,761 | \$ 36,603,544 |
| Capital Assets | 69,210,487 | 91,500,143 | 160,710,630 |
| Total Assets | <u>91,566,270</u> | <u>105,747,904</u> | <u>197,314,174</u> |
| Long-term Liabilities Outstanding | 4,797,290 | 16,233,745 | 21,031,035 |
| Other Liabilities | 7,519,785 | 2,598,920 | 10,118,705 |
| Total Liabilities | <u>12,317,075</u> | <u>18,832,665</u> | <u>31,149,740</u> |
| Net Assets: | | | |
| Invested in Capital Assets, net of related debt | 64,865,890 | 75,266,398 | 140,132,288 |
| Restricted | 1,277,703 | - | 1,277,703 |
| Unrestricted | 13,105,602 | 11,648,841 | 24,754,443 |
| Total Net Assets | <u>\$ 79,249,195</u> | <u>\$ 86,915,239</u> | <u>\$ 166,164,434</u> |

By far the largest portion of the Town of Smyrna's net assets (84.3 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town of Smyrna uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Smyrna'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. An additional portion of the Town's net assets (0.77 percent) represents resources that are subject to external restrictions on how they may be used. These include net assets restricted for capital projects (\$1,130,031), highways and streets (\$121,185) and law enforcement (\$26,487). The remaining balance of unrestricted net assets (\$24,754,443) may be used to meet the government's ongoing obligations to citizens and creditors.

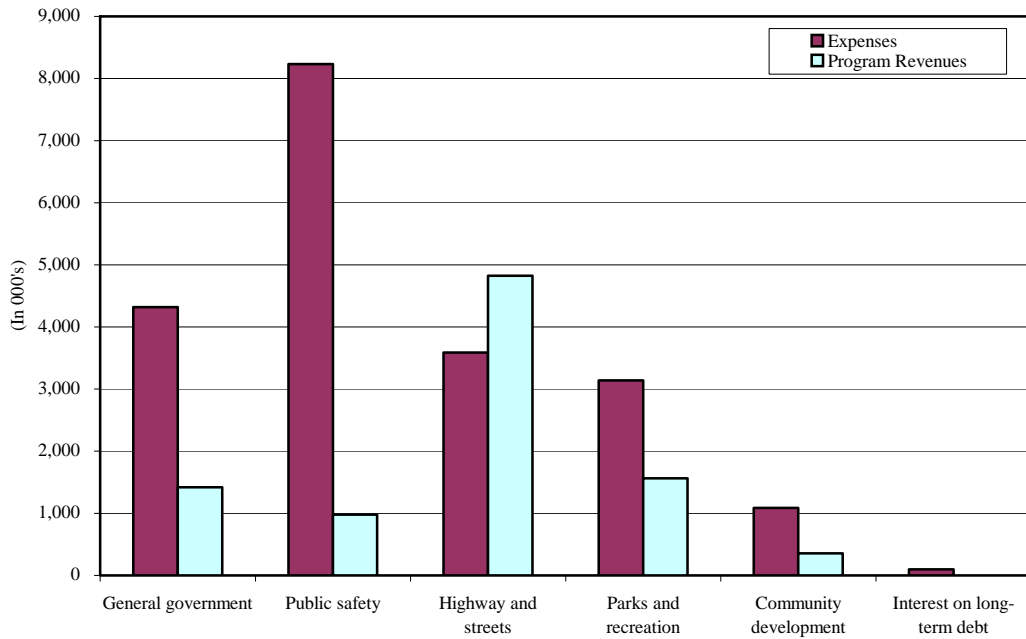
At the end of the current fiscal year, the Town of Smyrna is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental activities. Governmental activities increased the Town of Smyrna’s net assets by \$4,034,396, thereby accounting for 43 percent of the total growth in the net assets of the Town of Smyrna. Key elements of this increase are as follows:

**Changes in Net Assets
For the year ended June 30, 2003**

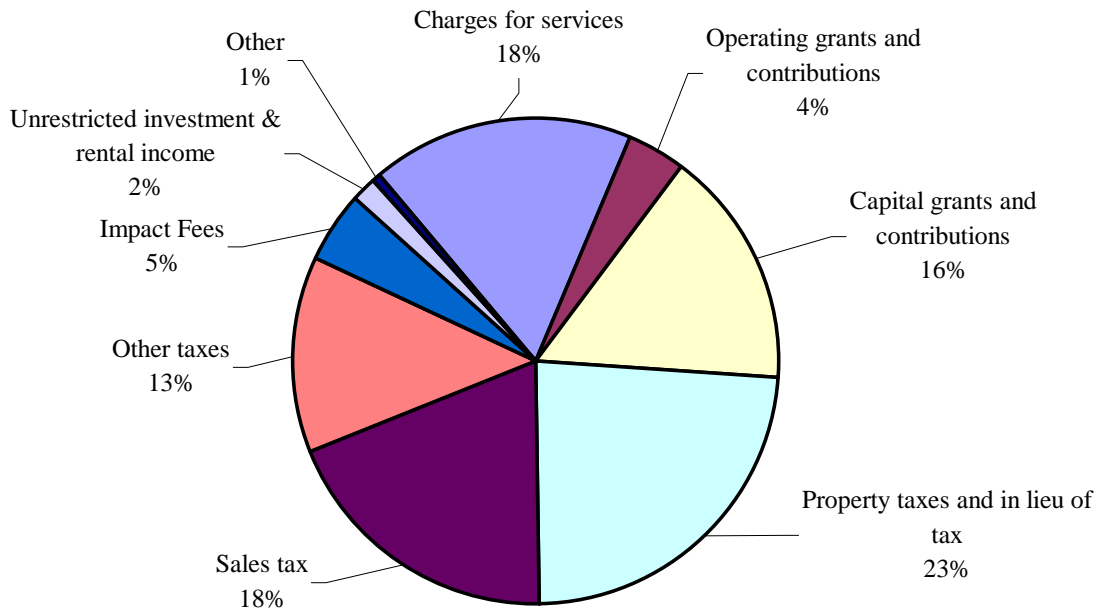
| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-----------------------|
| Revenues: | | | |
| Charges for services | \$ 4,311,288 | \$ 21,978,104 | \$ 26,289,392 |
| Operating grants and contributions | 905,469 | - | 905,469 |
| Capital grants and contributions | 3,920,756 | 5,728,329 | 9,649,085 |
| General revenues: | | | |
| Property taxes and in lieu of tax | 5,795,745 | - | 5,795,745 |
| Sales tax | 4,671,656 | - | 4,671,656 |
| Other taxes | 3,225,773 | - | 3,225,773 |
| Impact Fees | 1,123,885 | - | 1,123,885 |
| Unrestricted investment & rental income | 411,219 | 226,202 | 637,421 |
| Other | 136,889 | - | 136,889 |
| Total Revenues | <u>24,502,680</u> | <u>27,932,635</u> | <u>52,435,315</u> |
| Expenses: | | | |
| General government | 4,320,424 | - | 4,320,424 |
| Public safety | 8,231,385 | - | 8,231,385 |
| Highway and streets | 3,589,552 | - | 3,589,552 |
| Parks and recreation | 3,140,252 | - | 3,140,252 |
| Community development | 1,086,288 | - | 1,086,288 |
| Interest on long-term debt | 100,383 | - | 100,383 |
| Water and Sewer | - | 7,542,168 | 7,542,168 |
| Natural Gas | - | 15,078,383 | 15,078,383 |
| Total expenses | <u>20,468,284</u> | <u>22,620,551</u> | <u>43,088,835</u> |
| Increase in net assets | 4,034,396 | 5,312,084 | 9,346,480 |
| Net assets - beginning | <u>75,214,799</u> | <u>81,603,155</u> | <u>156,817,954</u> |
| Net assets - ending | <u>\$ 79,249,195</u> | <u>\$ 86,915,239</u> | <u>\$ 166,164,434</u> |

Expenses and Program Revenues – Governmental Activities



As the above graph shows, Public Safety is the largest activity, reflecting the Town’s commitment to a safe community. General Government is the next largest activity, which is responsible for the administration of the government. Highways and Streets was also a substantial activity reflecting the Town’s commitment to safe and adequate roads.

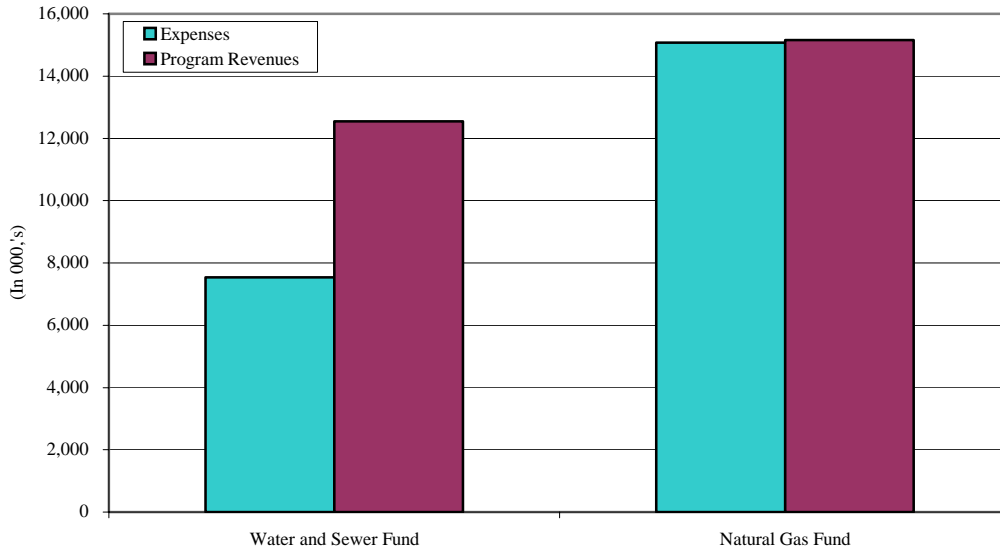
Revenue by Source – Governmental Activities



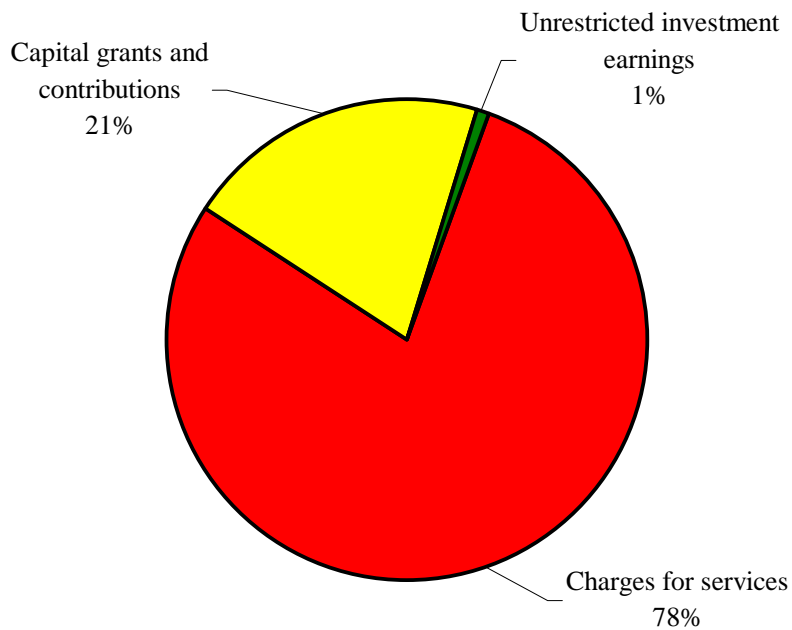
Business-type activities. Business-type activities increased the Town of Smyrna’s net assets by \$5,312,084, accounting for 57 percent of the total growth in the government’s net assets. A key element of this increase is as follows:

- The Town's Water and Sewer Fund accounts for 96% of the increase in business-type net assets. The change in net assets is primarily a result of capital grants and contributions.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Town of Smyrna's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,748,533 an increase of \$57 in comparison with the prior year. Approximately 97% of this total amount (\$13,363,843) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for notes receivable (\$235,890), project (\$75,373), and prepaid items and inventory (\$71,427).

The general fund is the chief operating fund of the Town of Smyrna. At the end of the current fiscal year, unreserved fund balance of the general fund was \$11,835,363, while total fund balance reached \$11,927,376. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 82.3 percent of total general fund expenditures, while total fund balance represents 83.2 percent of that same amount.

The fund balance of the Town of Smyrna's general fund increased by \$780,667 during the current fiscal year. Key factors in this growth are as follows:

- Local option sales taxes increased by \$452,291 (10.9%) during the year, a result of the increase in population, as well as, commercial business in the Town.
- The general fund transfers out for capital projects decreased.

The capital projects fund has a total fund balance of \$261,560, of which \$235,890 is reserved for the noncurrent portion of notes receivable. The net decrease in fund balance during the current year in the capital projects fund was \$969.

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

Unrestricted net assets of the Water and Sewer Fund at the end of the year amounted to \$4,133,128 and those for the Natural Gas Fund amounted to \$7,396,257. The total growth in net assets for the funds was \$5,094,757 and \$215,768, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

Differences between the original and final amended general fund budget (\$459,000 increase in appropriations) can be summarized with the following increases and decreases:

- \$5,330 decrease to the general government budget
- \$243,700 increase to the public safety-police budget for higher worker's compensation insurance cost, repairs to police vehicles, increase in the cost of fuel and a new position
- \$56,250 decrease to the public safety-fire budget
- \$51,500 increase to the highways and streets budget for additional overtime worked, higher insurance costs and additional funding for pension plan
- \$71,000 decrease to the recreation budget
- \$296,380 increase in the transfer to the capital projects fund for renovations to buildings, purchase of machinery and equipment and park improvements

Of this increase, \$12,000 was to be funded out of an increase to other revenue. The remaining \$447,000 was to be budgeted from available fund balance. During the year, however, revenues exceeded budgetary estimates, and expenditures and other financing sources and uses, were less than budgetary estimates, thus eliminating the need to draw upon fund balance.

Capital Asset and Debt Administration

Capital assets. The Town of Smyrna's investment in capital assets for its governmental and business type activities as of June 30, 2003 amounts to \$160,710,630 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the Town of Smyrna's investment in capital assets for the current fiscal year was 6.5 percent (a 5.9 percent increase for governmental activities and a 7 percent increase for business-type activities).

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

- Construction continued on the waste water treatment plant upgrades; construction in progress as of the close of the fiscal year amounted to \$17,576,924 for this project.
- Various improvements to Town Parks, including Sharp Springs Natural Area and Recreation Park.
- Construction continued on Hilltop-Rosenwald Park; construction in progress as of the close of the fiscal year amounted to \$109,898 for this project.
- A new service company apparatus was purchased for the fire department to assist other apparatus on the incident scene with extrication, lighting and various other support functions.
- Construction continued on widening Chaney Road; construction in progress as of the close of the fiscal year amounted to \$723,815 for this project.

Capital Assets
(net of accumulated depreciation)
June 30, 2003

| | Governmental Activities | Business-type Activities | Total |
|-----------------------------------|----------------------------|-----------------------------|-----------------------|
| Land | \$ 2,288,417 | \$ 1,595,536 | \$ 3,883,953 |
| Buildings and system | 7,088,638 | 70,423,431 | 77,512,069 |
| Improvements other than buildings | 7,716,763 | - | 7,716,763 |
| Machinery and equipment | 1,366,663 | 795,576 | 2,162,239 |
| Infrastructure | 49,660,795 | - | 49,660,795 |
| Construction in progress | 1,089,211 | 18,685,600 | 19,774,811 |
| Total Assets, net | <u>\$ 69,210,487</u> | <u>\$ 91,500,143</u> | <u>\$ 160,710,630</u> |

Additional information on the Town's capital assets can be found in Note 3 on pages 30 - 31 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Smyrna had total bonded debt outstanding of \$20,573,694. Of this amount, \$4,073,926 comprises debt backed by the full faith and credit of the government; \$15,619,375 are bonds secured by specified revenue sources, but backed by the taxing authority of the Town (i.e., revenue and tax bonds); and \$880,393 are bonds secured solely by specified revenue sources (i.e., revenue bonds).

Outstanding Debt
General Obligation and Revenue Bonds
June 30, 2003

| | Governmental Activities | Business-type Activities | Total |
|---------------------------------------|----------------------------|-----------------------------|----------------------|
| General obligation bonds | \$ 4,073,926 | \$ - | \$ 4,073,926 |
| Revenue and tax bonds | - | 15,619,375 | 15,619,375 |
| State of Tennessee loan revenue bonds | - | 880,393 | 880,393 |
| Total | <u>\$ 4,073,926</u> | <u>\$ 16,499,768</u> | <u>\$ 20,573,694</u> |

The Town of Smyrna's total bonded debt decreased by \$1,846,352 (8.2 percent) during the current fiscal year. The key factor in this decrease was the payment of current amounts of long-term liabilities.

During the year, the Town issued \$2,220,000 of Water and Sewer Revenue and Tax Refunding Bonds. The bonds were issued for the purpose of refunding \$2,160,000 of previously issued Water and Sewer Revenue and Tax Bonds. The result is expected to decrease future debt service payments by \$86,877. Please refer to Note 6 (page 33) for additional information on the bond refunding.

The Town of Smyrna maintains an “A1” rating from Moody’s Investors Service for its general obligation and revenue and tax bonds debt.

State statutes set no limit for the amount of general obligation debt a governmental entity may issue. The total general obligation debt outstanding for the Town of Smyrna of \$4,073,926 translates to approximately \$136 per capita using the 2003 special census population.

Additional information on the Town of Smyrna’s long-term debt can be found in Note 6 on pages 33 - 35 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the Town of Smyrna is currently 4.5 percent, which is an increase from a rate of 4.3 percent a year ago. This compares favorably to the state’s average unemployment rate of 5.7 percent and the national average rate of 5.9 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the Town of Smyrna’s budget for the 2004 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$11,835,363. The Town of Smyrna appropriated \$1,178,998 of this amount for spending on one time capital assets in the 2004 fiscal year budget. Should these appropriated amounts be needed for operations, some of the one time capital assets can be rescheduled for future appropriations.

Requests for Information

This financial report is designed to provide a general overview of the Town of Smyrna’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Smyrna
Office of the Finance Director
315 South Lowry
Smyrna, Tennessee 37167
E-mail: mark.tucker@townofsmyrna.org

TOWN OF SMYRNA, TENNESSEE

Statement of Net Assets

June 30, 2003

| <u>Assets</u> | Primary Government | | Total |
|--|----------------------------|------------------------|-----------------|
| | Governmental Activities | Business Activities | |
| Cash and cash equivalents | \$15,016,563 | 11,358,337 | 26,374,900 |
| Receivables (net of allowance for uncollectibles) | | | |
| Taxes | 5,348,420 | - | 5,348,420 |
| Due from other governments | 1,498,104 | 17,207 | 1,515,311 |
| Accounts receivable | 178,735 | 1,547,455 | 1,726,190 |
| Inventories, at cost | 52,543 | 308,268 | 360,811 |
| Restricted assets: | | | |
| Cash and equivalents | - | 354,839 | 354,839 |
| Other | - | 155,881 | 155,881 |
| Note receivable | 242,537 | 396,815 | 639,352 |
| Other assets | 18,881 | 108,959 | 127,840 |
| Capital assets (net of accumulated depreciation) | 69,210,487 | 91,500,143 | 160,710,630 |
| Total Assets | \$91,566,270 | 105,747,904 | 197,314,174 |
| <u>Liabilities</u> | | | |
| Accounts payable | \$651,253 | 1,293,596 | 1,944,849 |
| Accrued liabilities | 515,034 | 214,111 | 729,145 |
| Interest payable | - | 100,044 | 100,044 |
| Contracts payable | 1,264,890 | 636,330 | 1,901,220 |
| Deferred revenue | 5,088,608 | - | 5,088,608 |
| Liabilities payable from restricted assets | - | 354,839 | 354,839 |
| Long-term liabilities due within one year | 1,212,053 | 1,482,072 | 2,694,125 |
| Long-term liabilities due in more than one year | 3,585,237 | 14,751,673 | 18,336,910 |
| Total Liabilities | 12,317,075 | 18,832,665 | 31,149,740 |
| <u>Net Assets</u> | | | |
| Investments in capital assets, net of related debt | 64,865,890 | 75,266,398 | 140,132,288 |
| Restricted for: | | | |
| Capital projects | 1,130,031 | - | 1,130,031 |
| Highways and streets | 121,185 | - | 121,185 |
| Law enforcement | 26,487 | - | 26,487 |
| Unrestricted | 13,105,602 | 11,648,841 | 24,754,443 |
| Total Net Assets | \$79,249,195 | 86,915,239 | 166,164,434 |

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2003

| Functions / Programs: | Expenses | Program Revenues | | | Net (Expenses) Revenue and Changes in Net Assets | | Total |
|--|--------------|-------------------------|--|--|---|-----------------------------|--------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| Primary Government: | | | | | Governmental Activities | Business-type Activities | |
| Governmental Activities: | | | | | | | |
| General government | \$4,320,424 | 1,418,154 | - | - | (2,902,270) | - | (2,902,270) |
| Public safety: | | | | | | | |
| Police | 5,380,181 | 860,286 | 120,464 | - | (4,399,431) | - | (4,399,431) |
| Fire | 2,851,204 | - | - | - | (2,851,204) | - | (2,851,204) |
| Highways and streets | 3,589,552 | 117,704 | 785,005 | 3,920,756 | 1,233,913 | - | 1,233,913 |
| Recreation | 3,140,252 | 1,561,705 | - | - | (1,578,547) | - | (1,578,547) |
| Community Development | 1,086,288 | 353,439 | - | - | (732,849) | - | (732,849) |
| Interest expense on long-term debt | 100,383 | - | - | - | (100,383) | - | (100,383) |
| Total Government Activities | 20,468,284 | 4,311,288 | 905,469 | 3,920,756 | (11,330,771) | - | (11,330,771) |
| Business-type Activities | | | | | | | |
| Water and Sewer | 7,542,168 | 7,058,410 | - | 5,489,477 | - | 5,005,719 | 5,005,719 |
| Natural Gas | 15,078,383 | 14,919,694 | - | 238,852 | - | 80,163 | 80,163 |
| Total Business-type Activities | 22,620,551 | 21,978,104 | - | 5,728,329 | - | 5,085,882 | 5,085,882 |
| Total Primary Government | \$43,088,835 | 26,289,392 | 905,469 | 9,649,085 | (11,330,771) | 5,085,882 | (6,244,889) |
| General Revenues: | | | | | | | |
| Property taxes and in lieu of tax | | | | | \$5,795,745 | - | 5,795,745 |
| Sales taxes | | | | | 4,671,656 | - | 4,671,656 |
| Other locally assessed taxes | | | | | 1,503,062 | - | 1,503,062 |
| Other state shared taxes | | | | | 1,722,711 | - | 1,722,711 |
| Impact fees | | | | | 1,123,885 | - | 1,123,885 |
| Unrestricted investment earnings and rental income | | | | | 411,219 | 226,202 | 637,421 |
| Other | | | | | 136,889 | - | 136,889 |
| Total general revenues | | | | | 15,365,167 | 226,202 | 15,591,369 |
| Change in net assets | | | | | 4,034,396 | 5,312,084 | 9,346,480 |
| Net assets - beginning of year, as restated | | | | | 75,214,799 | 81,603,155 | 156,817,954 |
| Net assets - end of year | | | | | \$79,249,195 | 86,915,239 | 166,164,434 |

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE

**Balance Sheet
Governmental Funds**

June 30, 2003

| <u>Assets</u> | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|--------------------------------------|---|---|
| Cash | \$12,408,789 | 127,884 | 2,018,689 | 14,555,362 |
| Receivables (net of allowance for uncollectibles) | | | | |
| Taxes | 5,370,745 | - | - | 5,370,745 |
| Due from other governments | 1,304,462 | 56,051 | 137,591 | 1,498,104 |
| Accounts receivable | 178,345 | - | 390 | 178,735 |
| Due from other funds | - | 14,476 | - | 14,476 |
| Inventory of supplies | 8,066 | - | 44,477 | 52,543 |
| Note receivable | - | 242,537 | - | 242,537 |
| Prepaid items | 8,574 | - | 10,307 | 18,881 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | <u>\$19,278,981</u> | <u>440,948</u> | <u>2,211,454</u> | <u>21,931,383</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Accounts payable | \$277,737 | 70,467 | 65,122 | 413,326 |
| Accrued costs | 456,510 | - | 50,083 | 506,593 |
| Due to other funds | - | - | 14,476 | 14,476 |
| Contracts payable | 707,181 | 108,921 | 448,788 | 1,264,890 |
| Deferred revenue | 5,910,177 | - | 73,388 | 5,983,565 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | <u>7,351,605</u> | <u>179,388</u> | <u>651,857</u> | <u>8,182,850</u> |
| Fund Balance: | | | | |
| Reserved for prepaid items and inventory | 16,640 | - | 54,787 | 71,427 |
| Reserved for project | 75,373 | - | - | 75,373 |
| Reserved for notes receivable | - | 235,890 | - | 235,890 |
| Unreserved and undesignated | | | | |
| General Fund | 11,835,363 | - | - | 11,835,363 |
| Capital Projects Fund | - | 25,670 | - | 25,670 |
| Special Revenue Funds | - | - | 1,504,810 | 1,504,810 |
| Total Fund Balances | <u>11,927,376</u> | <u>261,560</u> | <u>1,559,597</u> | <u>13,748,533</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities and Fund Balances | <u>\$19,278,981</u> | <u>440,948</u> | <u>2,211,454</u> | <u>21,931,383</u> |

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

**Reconciliation of Balance Sheet to Statement of Net Assets
of Governmental Activities**

June 30, 2003

| | |
|--|---------------------|
| Amounts reported for fund balance - total governmental funds | \$13,748,533 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial resources and , therefore, are not reported in the funds | 69,210,487 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds | |
| State shared revenues and local option sales tax receivable | 668,905 |
| Property taxes receivable | 203,727 |
| Internal service fund is used by management to charge the costs of medical insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets. | 223,274 |
| Interest payable on long-term obligations are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet. | (8,441) |
| Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not recorded in the funds. | |
| Governmental bonds payable | (4,073,926) |
| Capital leases payable | (270,671) |
| Compensated absences | (452,693) |
| | <hr/> |
| Net assets of governmental activities | <u>\$79,249,195</u> |

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds**

For the Year Ended June 30, 2003

| | General Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--|-----------------|-----------------------------|--------------------------------|--------------------------------|
| <u>Revenues</u> | | | | |
| Taxes | \$9,592,644 | - | - | 9,592,644 |
| Payment in lieu of taxes | 2,199,964 | - | - | 2,199,964 |
| Licenses and permits | 540,397 | - | 1,123,885 | 1,664,282 |
| Intergovernmental | 1,992,595 | 5,338 | 714,021 | 2,711,954 |
| Fines and forfeits | 820,795 | - | 39,491 | 860,286 |
| Uses of money and property | 1,821,819 | 11,070 | 1,354,804 | 3,187,693 |
| Miscellaneous | 136,889 | - | - | 136,889 |
| Total Revenues | 17,105,103 | 16,408 | 3,232,201 | 20,353,712 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General government | 3,849,380 | 65,960 | - | 3,915,340 |
| Public safety: | | | | |
| Police | 4,820,688 | 76,199 | 143,687 | 5,040,574 |
| Fire | 2,478,765 | 20,717 | - | 2,499,482 |
| Highways and streets | 799,177 | - | 674,368 | 1,473,545 |
| Recreation | 1,415,999 | 9,196 | 1,162,218 | 2,587,413 |
| Community development | 965,906 | - | - | 965,906 |
| Debt service | - | - | 857,398 | 857,398 |
| Capital outlay | - | 3,400,237 | 32,079 | 3,432,316 |
| Total Expenditures | 14,329,915 | 3,572,309 | 2,869,750 | 20,771,974 |
| Excess (deficiency) revenues over expenditures | 2,775,188 | (3,555,901) | 362,451 | (418,262) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Public Building Authority loan issuance | - | 67,574 | - | 67,574 |
| Capital leases | - | 350,745 | - | 350,745 |
| Transfers in | 63,478 | 3,136,613 | 861,639 | 4,061,730 |
| Transfers out | (2,057,999) | - | (2,003,731) | (4,061,730) |
| Total Other Financing Source (Uses) | (1,994,521) | 3,554,932 | (1,142,092) | 418,319 |
| Net change in fund balance | 780,667 | (969) | (779,641) | 57 |
| Fund balance, beginning of year | 11,146,709 | 262,529 | 2,339,238 | 13,748,476 |
| Fund balance, end of year | \$11,927,376 | 261,560 | 1,559,597 | 13,748,533 |

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities**

For the Year Ended June 30, 2003

Net change in fund balances-total governmental funds: \$57

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|-------------------------|-------------|
| Cost of assets acquired | 3,432,316 |
| Depreciation expense | (3,490,167) |

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

| | |
|----------------------------|-----------|
| Property taxes | 117,788 |
| Local option sales tax | 60,067 |
| State shared taxes | 39,268 |
| Contributed capital assets | 3,915,418 |

The issuance of long-term debt provides current financial resources to governmental funds. While the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

| | |
|----------------------------------|-----------|
| Debt repayment | 761,581 |
| Capital leases and loan issuance | (418,319) |

Interest is accrued on outstanding obligations in governmental activities whereas in governmental funds, an interest expenditure is reported when due:

| | |
|----------------------------|---------|
| Interest on capital leases | (4,566) |
|----------------------------|---------|

Expenses reported for governmental activities which do not require the use of financial resources and are not reported as expenditures in the governmental funds:

| | |
|----------------------|-------|
| Compensated absences | 1,462 |
|----------------------|-------|

Internal service funds are used by management to charge the costs of medical insurance to individual funds. The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities. (net of amount allocated to business activities of revenue of \$1,559)

| |
|-----------|
| (380,509) |
|-----------|

Change in net assets of governmental activities

| |
|-------------|
| \$4,034,396 |
|-------------|

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Net Assets

Proprietary Funds

June 30, 2003

| | Business-type Activities - Enterprise Funds | | | Internal Service Fund |
|---|---|---------------------|--------------|-----------------------------|
| | Water and Sewer Fund | Natural Gas Fund | Total | |
| <u>Assets</u> | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$3,762,720 | 7,348,866 | 11,111,586 | 707,952 |
| Receivables: | | | | |
| Utility customers, net of allowance for estimated uncollectible | 454,767 | 1,092,688 | 1,547,455 | - |
| Grant receivable | 17,207 | - | 17,207 | - |
| Note receivable, current portion | 29,802 | - | 29,802 | - |
| Total Accounts Receivable | 501,776 | 1,092,688 | 1,594,464 | - |
| Prepaid expenses | - | 3,047 | 3,047 | - |
| Inventory, at cost | 164,948 | 143,320 | 308,268 | - |
| Total Current Assets | 4,429,444 | 8,587,921 | 13,017,365 | 707,952 |
| Restricted Assets: | | | | |
| Cash | 64,989 | 289,850 | 354,839 | - |
| State escrowed funds | 106,181 | - | 106,181 | - |
| Special assessments receivable | 49,700 | - | 49,700 | - |
| Total Restricted Assets | 220,870 | 289,850 | 510,720 | - |
| Property, Plant and Equipment | 108,969,097 | 17,397,044 | 126,366,141 | - |
| Less accumulated depreciation | (28,436,435) | (6,429,563) | (34,865,998) | - |
| Total Property, Plant and Equipment, Net | 80,532,662 | 10,967,481 | 91,500,143 | - |
| Other Assets: | | | | |
| Note receivable, net of current portion | 367,013 | - | 367,013 | - |
| Bond issuance cost-net of amortization | 105,912 | - | 105,912 | - |
| Total Other Assets | 472,925 | - | 472,925 | - |
| Total Assets | \$85,655,901 | 19,845,252 | 105,501,153 | 707,952 |
| <u>Liabilities</u> | | | | |
| Liabilities: | | | | |
| Current Liabilities (payable from current assets): | | | | |
| Accounts payable | \$231,047 | 935,254 | 1,166,301 | 365,222 |
| Accrued expenses | 145,190 | 68,921 | 214,111 | - |
| Contracts payable | 448,841 | 187,489 | 636,330 | - |
| Interest payable | 100,044 | - | 100,044 | - |
| Current maturities of long-term debt | 1,482,072 | - | 1,482,072 | - |
| Total Current Liabilities (payable from current assets) | 2,407,194 | 1,191,664 | 3,598,858 | 365,222 |
| Current Liabilities (payable from restricted assets): | | | | |
| Construction bonds | 64,989 | - | 64,989 | - |
| Customer deposits | - | 289,850 | 289,850 | - |
| Total Current Liabilities (payable from restricted assets) | 64,989 | 289,850 | 354,839 | - |
| Long-term debt, net of current maturities | 14,751,673 | - | 14,751,673 | - |
| Total Liabilities | 17,223,856 | 1,481,514 | 18,705,370 | 365,222 |
| <u>Net Assets</u> | | | | |
| Invested in capital assets, net of related debt | 64,298,917 | 10,967,481 | 75,266,398 | - |
| Unrestricted | 4,133,128 | 7,396,257 | 11,529,385 | 342,730 |
| Total Net Assets | \$68,432,045 | 18,363,738 | 86,795,783 | 342,730 |
| nt to reflect the consolidation of internal service fund | | | | |
| activities related to enterprise funds | 81,822 | 37,634 | 119,456 | - |
| Net assets of business-type activities | \$68,513,867 | 18,401,372 | 86,915,239 | - |

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Revenues, Expenses and
Changes in Net Assets

Proprietary Funds

For the Year Ended June 30, 2003

| | Business-type Activities - Enterprise Funds | | | Internal Service Fund |
|---|---|---------------------|-------------------|-----------------------------|
| | Water and Sewer Fund | Natural Gas Fund | Total | |
| Operating Revenues: | | | | |
| Services | \$6,669,694 | 14,678,423 | 21,348,117 | - |
| Other | 8,514 | 9,545 | 18,059 | 1,984,862 |
| Forfeited discounts | 121,547 | 112,999 | 234,546 | - |
| Total Operating Revenues | <u>6,799,755</u> | <u>14,800,967</u> | <u>21,600,722</u> | <u>1,984,862</u> |
| Operating Expenses: | | | | |
| Gas purchases | - | 12,886,357 | 12,886,357 | - |
| Salaries | 1,388,205 | 435,496 | 1,823,701 | - |
| Benefits and payroll taxes | 549,095 | 212,813 | 761,908 | - |
| Travel | 7,313 | 5,182 | 12,495 | - |
| Outside services | 252,304 | 13,978 | 266,282 | - |
| Telephone and utilities | 864,635 | 21,308 | 885,943 | - |
| Maintenance and repair | 183,378 | 75,435 | 258,813 | - |
| Operating supplies | 521,640 | 79,526 | 601,166 | - |
| Insurance | 87,355 | 57,508 | 144,863 | - |
| Professional services | 5,257 | 49,901 | 55,158 | - |
| Depreciation and amortization | 2,385,606 | 678,069 | 3,063,675 | - |
| Payments in lieu of taxes | 259,590 | 128,100 | 387,690 | - |
| Bad debts | - | 7,279 | 7,279 | - |
| Administrative support services | 345,611 | 261,042 | 606,653 | - |
| Other | 79,824 | 38,114 | 117,938 | 2,384,095 |
| Total Operating Expenses | <u>6,929,813</u> | <u>14,950,108</u> | <u>21,879,921</u> | <u>2,384,095</u> |
| Operating Income (loss) | <u>(130,058)</u> | <u>(149,141)</u> | <u>(279,199)</u> | <u>(399,233)</u> |
| Non-Operating Revenues (Expenses): | | | | |
| Interest income | 96,289 | 126,057 | 222,346 | 20,283 |
| Interest expenses | (360,951) | - | (360,951) | - |
| Total Non-Operating Revenues (Expenses) | <u>(264,662)</u> | <u>126,057</u> | <u>(138,605)</u> | <u>20,283</u> |
| Net Income (loss) Before Contributions | <u>(394,720)</u> | <u>(23,084)</u> | <u>(417,804)</u> | <u>(378,950)</u> |
| <u>Contributions:</u> | | | | |
| Capital contributions - tap fees | 1,333,422 | 238,852 | 1,572,274 | - |
| Capital grant | 2,420,955 | - | 2,420,955 | - |
| Contributions from developers - non cash | 1,735,100 | - | 1,735,100 | - |
| Change in Net Assets | <u>5,094,757</u> | <u>215,768</u> | <u>5,310,525</u> | <u>(378,950)</u> |
| Net Assets, Beginning of Year | <u>63,337,288</u> | <u>18,147,970</u> | <u>81,485,258</u> | <u>721,680</u> |
| Net Assets, End of Year | <u>\$68,432,045</u> | <u>18,363,738</u> | <u>86,795,783</u> | <u>342,730</u> |
| Change in Net Assets shown above | 5,094,757 | 215,768 | 5,310,525 | |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | <u>9,894</u> | <u>(8,335)</u> | <u>1,559</u> | |
| Change in net assets of business-type activities | <u>\$5,104,651</u> | <u>207,433</u> | <u>5,312,084</u> | |

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2003

| | Business-type Activities - Enterprise Funds | | | Internal Service Fund |
|---|---|------------------|--------------|-----------------------|
| | Water and Sewer Fund | Natural Gas Fund | Total | |
| Cash Flows from Operating Activities: | | | | |
| Cash received from customers | \$6,855,437 | 14,443,557 | 21,298,994 | - |
| Cash paid to employees for services | (1,393,883) | (438,740) | (1,832,623) | - |
| Cash paid to suppliers for goods and services | (2,619,982) | (13,038,658) | (15,658,640) | - |
| Payments for in lieu of taxes | (259,590) | (128,100) | (387,690) | - |
| Payments for interfund administrative support services | (345,611) | (261,042) | (606,653) | - |
| Interfund advance receipts | - | 25,842 | 25,842 | 47,575 |
| Interfund advance repayments | (25,842) | - | (25,842) | - |
| Cash received on customer deposits | - | 17,351 | 17,351 | - |
| Cash paid on customer deposits | (1,500) | - | (1,500) | - |
| Premiums received | - | - | - | 1,984,862 |
| Medical claims and administrative expenses paid | - | - | - | (2,427,791) |
| Net Cash Provided (Used) by Operating Activities | 2,209,029 | 620,210 | 2,829,239 | (395,354) |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Financing Activities: | | | | |
| Purchase of property, plant, and equipment | (7,343,938) | (760,785) | (8,104,723) | - |
| Cash received on note receivable | 25,795 | - | 25,795 | - |
| Cash received on construction bonds | 6,858 | - | 6,858 | - |
| Interest paid on debt | (520,865) | - | (520,865) | - |
| Capital grant proceeds | 2,403,748 | - | 2,403,748 | - |
| Cash received on refunding | 4,535 | - | 4,535 | - |
| Payments on long-term debt | (1,374,942) | - | (1,374,942) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (6,798,809) | (760,785) | (7,559,594) | - |
| Cash Flows from Non-Capital Financing Activities: | | | | |
| Contributed equity from customers | 1,341,122 | 238,852 | 1,579,974 | - |
| Net Cash Provided (Used) by Non-Capital Financing Activities | 1,341,122 | 238,852 | 1,579,974 | - |
| Cash Flows from Investing Activities: | | | | |
| Interest received on investments | 112,339 | 149,021 | 261,360 | 26,703 |
| Net Cash Provided (Used) by Investing Activities | 112,339 | 149,021 | 261,360 | 26,703 |
| Net Increase (Decrease) in Cash | (3,136,319) | 247,298 | (2,889,021) | (368,651) |
| Cash and Cash Equivalents and Restricted Cash, Beginning of Year | | | | |
| | 6,964,028 | 7,391,418 | 14,355,446 | 1,076,603 |
| Cash and Cash Equivalents and Restricted Cash, End of Year | | | | |
| | \$3,827,709 | 7,638,716 | 11,466,425 | 707,952 |

Continued on next page

TOWN OF SMYRNA, TENNESSEE

Statement of Cash Flows

Proprietary Funds, Continued

For the Year Ended June 30, 2003

| | Business-type Activities - Enterprise Funds | | | Internal Service Fund |
|--|---|------------------|-----------|-----------------------|
| | Water and Sewer Fund | Natural Gas Fund | Total | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | |
| Operating income (loss) | (\$130,058) | (149,141) | (279,199) | (\$399,233) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 2,385,606 | 678,069 | 3,063,675 | - |
| Increase (decrease) in: | | | | |
| Accounts receivable | 55,682 | (357,410) | (301,728) | - |
| Inventory | (66,829) | (7,344) | (74,173) | - |
| Prepaid expenses | 5,363 | (1,515) | 3,848 | - |
| Due from other funds | - | 25,842 | 25,842 | 47,575 |
| Increase (Decrease) in: | | | | |
| Accounts payable | (11,207) | 417,090 | 405,883 | (43,696) |
| Accrued expenses | (2,186) | (2,752) | (4,938) | - |
| Due to other funds | (25,842) | - | (25,842) | - |
| Customer deposits | (1,500) | 17,351 | 15,851 | - |
| Net Cash Provided (used) for Operating Activities | \$2,209,029 | 620,210 | 2,829,239 | (395,354) |

Supplemental Schedule of Non-Cash Capital Financing Activities

In fiscal 2003, the Town accepted \$1,735,100 in contributed water and sewer lines from developers.

In fiscal 2003, the Town liquidated contracts payable for water and sewer utility plant in the amount of \$1,048,737 and acquired gas utility plant in the amount of \$121,104 through contracts payable.

In fiscal 2003, the Town issued bonds to refund a portion of the 1995 and 1996 Water and Sewer Revenue and Tax Bonds. The net proceeds of \$2,236,475 was deposited into an irrevocable trust for defeasance of \$2,160,000 of outstanding revenue and tax bond principal. Issue costs of \$27,319 were incurred and the Town received \$4,535 in cash from the refunding.

Note: Capitalized interest costs in the Water and Sewer Fund were \$160,764 for 2003.

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Fiduciary Net Assets

Pension Fund

June 30, 2003

Assets

Investments, at fair value:

| | |
|---------------------------|-----------|
| Money market funds | \$174,951 |
| Mutual funds | 636,442 |
| U S government securities | 585,466 |
| Corporate bonds | 830,621 |

Total Assets \$2,227,480

Liabilities

Liabilities -

Net Assets

Held in Trust for Pension Benefits 2,227,480
Total Net Assets Held in Trust for Pension Benefits \$2,227,480

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE
Statement of Changes in Fiduciary Net Assets
Pension Fund
For the Year Ended June 30, 2003

| | |
|---|-------------------------------|
| <u>Additions</u> | |
| Contributions - employer | \$158,715 |
| Investment earnings | |
| Interest, dividends and other investment income (loss) | (30,810) |
| Net increase (decrease) in fair value of investments | <u>122,789</u> |
| Net investment earnings | <u>91,979</u> |
| Total additions | <u>250,694</u> |
| <u>Deductions</u> | |
| Pension benefits | <u>105,111</u> |
| Total deductions | <u>105,111</u> |
| Change in net assets | 145,583 |
| Net assets held in trust for pension benefits beginning of year | <u>2,081,897</u> |
| Net assets held in trust for pension benefits end of year | <u><u>\$2,227,480</u></u> |

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

General Fund

For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes: | | | | |
| Real estate taxes | \$3,400,000 | 3,400,000 | 3,477,993 | 77,993 |
| Business tax | 315,000 | 315,000 | 404,960 | 89,960 |
| Wholesale beer tax | 600,000 | 600,000 | 794,350 | 194,350 |
| Local option sales tax | 4,000,000 | 4,000,000 | 4,611,589 | 611,589 |
| Other | 222,000 | 222,000 | 303,752 | 81,752 |
| Total Taxes | <u>8,537,000</u> | <u>8,537,000</u> | <u>9,592,644</u> | <u>1,055,644</u> |
| Payments in lieu of taxes | <u>2,212,690</u> | <u>2,212,690</u> | <u>2,199,964</u> | <u>(12,726)</u> |
| Licenses and Permits | <u>448,000</u> | <u>448,000</u> | <u>540,397</u> | <u>92,397</u> |
| Intergovernmental Revenues: | | | | |
| State of Tennessee income tax | 50,000 | 50,000 | 35,588 | (14,412) |
| State of Tennessee beer tax | 12,000 | 12,000 | 13,287 | 1,287 |
| State of Tennessee sales tax | 1,550,000 | 1,550,000 | 1,538,310 | (11,690) |
| Maintenance of state roads | 59,000 | 59,000 | 58,355 | (645) |
| Federal and state grants | 10,000 | 10,000 | 120,464 | 110,464 |
| Other state and county shared taxes | 125,030 | 125,030 | 226,591 | 101,561 |
| Total Intergovernmental Revenues | <u>1,806,030</u> | <u>1,806,030</u> | <u>1,992,595</u> | <u>186,565</u> |
| Fines and forfeits | <u>923,258</u> | <u>923,258</u> | <u>820,795</u> | <u>(102,463)</u> |
| Uses of Property and Money: | | | | |
| Penalties | 14,625 | 14,625 | 29,456 | 14,831 |
| Interest earned | 248,400 | 248,400 | 222,011 | (26,389) |
| Rent | 95,000 | 95,000 | 127,985 | 32,985 |
| Traffic school fees | 129,600 | 129,600 | 197,828 | 68,228 |
| Administrative support charges | 606,653 | 606,653 | 606,653 | - |
| Cemetery revenue | 22,500 | 22,500 | 43,820 | 21,320 |
| Recreation fees and community center fees | 391,500 | 391,500 | 374,177 | (17,323) |
| Food sales | 300,000 | 300,000 | 219,889 | (80,111) |
| Total Uses of Property and Money | <u>1,808,278</u> | <u>1,808,278</u> | <u>1,821,819</u> | <u>13,541</u> |
| Other | <u>705,500</u> | <u>717,500</u> | <u>136,889</u> | <u>(580,611)</u> |
| Total Revenues | <u>16,440,756</u> | <u>16,452,756</u> | <u>17,105,103</u> | <u>652,347</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Current: | | | | |
| Legislative Board: | | | | |
| Salaries | 36,000 | 36,000 | 34,000 | 2,000 |
| Benefits and payroll taxes | 2,910 | 2,910 | 3,025 | (115) |
| Travel | 21,430 | 18,420 | 12,284 | 6,136 |
| Other | 91,950 | 26,450 | 32,847 | (6,397) |
| Total Legislative Board | <u>152,290</u> | <u>83,780</u> | <u>82,156</u> | <u>1,624</u> |

Continued on next page

TOWN OF SMYRNA, TENNESSEE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued
General Fund
For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Expenditures, Continued: | | | | |
| General Government, Continued: | | | | |
| Current, Continued: | | | | |
| City and General Sessions Court: | | | | |
| Salaries | \$315,940 | 315,940 | 324,158 | (8,218) |
| Benefits and payroll taxes | 86,365 | 86,365 | 82,005 | 4,360 |
| Contractual services | 27,754 | 30,754 | 32,828 | (2,074) |
| Other | 36,540 | 36,540 | 21,100 | 15,440 |
| Total City and General Sessions Court | <u>466,599</u> | <u>469,599</u> | <u>460,091</u> | <u>9,508</u> |
| City Garage: | | | | |
| Salaries | 104,520 | 108,270 | 109,394 | (1,124) |
| Benefits and payroll taxes | 34,050 | 37,700 | 38,474 | (774) |
| Other | 46,105 | 49,205 | 47,263 | 1,942 |
| Total City Garage | <u>184,675</u> | <u>195,175</u> | <u>195,131</u> | <u>44</u> |
| Codes, Engineering and Planning: | | | | |
| Salaries | 485,120 | 482,120 | 482,699 | (579) |
| Benefits and payroll taxes | 150,455 | 150,455 | 152,671 | (2,216) |
| Board expenditures | 2,500 | 2,500 | 2,882 | (382) |
| Insurance | 5,670 | 5,670 | 5,123 | 547 |
| Telephone and utilities | 8,614 | 8,614 | 7,332 | 1,282 |
| Supplies | 18,635 | 18,635 | 18,773 | (138) |
| Repairs and maintenance | 2,750 | 2,750 | 3,325 | (575) |
| Professional services | 3,500 | 1,000 | 109 | 891 |
| Other | 14,750 | 14,750 | 9,934 | 4,816 |
| Total Codes, Engineering and Planning | <u>691,994</u> | <u>686,494</u> | <u>682,848</u> | <u>3,646</u> |
| Building Maintenance: | | | | |
| Salaries | 402,080 | 347,080 | 343,019 | 4,061 |
| Benefits and payroll taxes | 150,050 | 139,050 | 132,294 | 6,756 |
| Repairs and maintenance | 52,744 | 46,324 | 39,209 | 7,115 |
| Supplies | 19,250 | 19,250 | 30,255 | (11,005) |
| Insurance | 4,480 | 4,480 | 6,532 | (2,052) |
| Cemetery | 11,528 | 11,528 | 8,793 | 2,735 |
| Other | 4,535 | 4,535 | 1,124 | 3,411 |
| Total Building Maintenance | <u>644,667</u> | <u>572,247</u> | <u>561,226</u> | <u>11,021</u> |
| Finance and Administration: | | | | |
| Salaries | 908,910 | 926,910 | 814,788 | 112,122 |
| Benefits and payroll taxes | 291,830 | 288,830 | 340,689 | (51,859) |
| Memberships and testing | 27,056 | 27,056 | 20,824 | 6,232 |
| Telephone and utilities | 93,885 | 92,785 | 113,971 | (21,186) |
| Professional services | 114,000 | 205,700 | 249,061 | (43,361) |
| Repairs and maintenance | 9,395 | 9,395 | 2,617 | 6,778 |
| Travel | 13,815 | 10,815 | 14,477 | (3,662) |
| Supplies | 62,793 | 62,793 | 55,508 | 7,285 |
| Insurance | 15,990 | 15,990 | 19,351 | (3,361) |
| Outside services | 192,495 | 217,495 | 181,117 | 36,378 |
| Other | 56,550 | 56,550 | 55,525 | 1,025 |
| Total Finance and Administration | <u>1,786,719</u> | <u>1,914,319</u> | <u>1,867,928</u> | <u>46,391</u> |
| Total Current | <u>3,926,944</u> | <u>3,921,614</u> | <u>3,849,380</u> | <u>72,234</u> |
| Capital Outlay | - | - | - | - |
| Total General Government | <u>3,926,944</u> | <u>3,921,614</u> | <u>3,849,380</u> | <u>72,234</u> |

Continued on next page

TOWN OF SMYRNA, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued**

General Fund

For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|----------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Expenditures, Continued: | | | | |
| Public Safety: | | | | |
| Police Department: | | | | |
| Current: | | | | |
| Salaries | \$3,157,920 | 3,264,830 | 3,245,669 | 19,161 |
| Benefits and payroll taxes | 1,020,430 | 1,078,830 | 1,089,701 | (10,871) |
| Outside services | 52,330 | 78,030 | 91,704 | (13,674) |
| Memberships and testing | 6,475 | 6,475 | 8,176 | (1,701) |
| Telephone | 35,346 | 35,346 | 40,349 | (5,003) |
| Repairs and maintenance | 44,400 | 56,400 | 60,596 | (4,196) |
| Travel | 26,590 | 26,590 | 22,008 | 4,582 |
| Supplies | 154,182 | 194,872 | 193,512 | 1,360 |
| Insurance | 67,600 | 67,600 | 55,858 | 11,742 |
| Other | 11,775 | 11,775 | 13,115 | (1,340) |
| Total Current | <u>4,577,048</u> | <u>4,820,748</u> | <u>4,820,688</u> | <u>60</u> |
| Capital Outlay | - | - | - | - |
| Total Police Department | <u>4,577,048</u> | <u>4,820,748</u> | <u>4,820,688</u> | <u>60</u> |
| Fire Department: | | | | |
| Current: | | | | |
| Salaries | 1,653,680 | 1,619,680 | 1,612,630 | 7,050 |
| Benefits and payroll taxes | 598,635 | 584,635 | 574,260 | 10,375 |
| Memberships and testing | 6,865 | 6,865 | 9,242 | (2,377) |
| Telephone and utilities | 46,665 | 46,665 | 54,300 | (7,635) |
| Repairs and maintenance | 48,500 | 48,500 | 58,551 | (10,051) |
| Supplies | 82,405 | 80,905 | 70,817 | 10,088 |
| Insurance | 32,220 | 32,220 | 33,244 | (1,024) |
| Outside services | 59,688 | 53,638 | 58,374 | (4,736) |
| Other | 8,845 | 8,145 | 7,347 | 798 |
| Total Current | <u>2,537,503</u> | <u>2,481,253</u> | <u>2,478,765</u> | <u>2,488</u> |
| Capital Outlay | - | - | - | - |
| Total Fire Department | <u>2,537,503</u> | <u>2,481,253</u> | <u>2,478,765</u> | <u>2,488</u> |
| Total Public Safety | <u>7,114,551</u> | <u>7,302,001</u> | <u>7,299,453</u> | <u>2,548</u> |
| Highways and Streets: | | | | |
| Current: | | | | |
| Salaries | 398,060 | 420,060 | 418,446 | 1,614 |
| Benefits and payroll taxes | 166,290 | 195,790 | 189,473 | 6,317 |
| Telephone and utilities | 15,000 | 15,000 | 16,881 | (1,881) |
| Repairs and maintenance | 67,856 | 67,856 | 61,141 | 6,715 |
| Supplies | 42,000 | 42,000 | 51,654 | (9,654) |
| Insurance | 11,010 | 11,010 | 9,429 | 1,581 |
| Outside services | 16,250 | 16,250 | 26,681 | (10,431) |
| Other | 31,760 | 31,760 | 25,472 | 6,288 |
| Total Current | <u>748,226</u> | <u>799,726</u> | <u>799,177</u> | <u>549</u> |
| Capital Outlay | - | - | - | - |
| Total Highways and Streets | <u>748,226</u> | <u>799,726</u> | <u>799,177</u> | <u>549</u> |

Continued on next page

TOWN OF SMYRNA, TENNESSEE
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued
General Fund
For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------------|---------------------|--------------------|--------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Expenditures, Continued: | | | | |
| Recreation: | | | | |
| Current: | | | | |
| Salaries | \$847,090 | 776,090 | 759,873 | 16,217 |
| Benefits and payroll taxes | 229,723 | 229,723 | 218,350 | 11,373 |
| Memberships and testing | 3,364 | 3,364 | 4,568 | (1,204) |
| Telephone and utilities | 130,270 | 130,270 | 138,802 | (8,532) |
| Repairs and maintenance | 76,819 | 76,819 | 77,472 | (653) |
| Travel | 5,050 | 5,050 | 4,702 | 348 |
| Outside services | 87,866 | 87,866 | 101,650 | (13,784) |
| Recreation programs | 13,290 | 13,290 | 13,493 | (203) |
| Advertising and promotion | 6,650 | 6,650 | 3,635 | 3,015 |
| Supplies | 59,474 | 59,474 | 64,280 | (4,806) |
| Insurance | 16,280 | 16,280 | 17,192 | (912) |
| Rent | 11,500 | 11,500 | 10,841 | 659 |
| Other | 1,450 | 1,450 | 1,141 | 309 |
| Total Current | <u>1,488,826</u> | <u>1,417,826</u> | <u>1,415,999</u> | <u>1,827</u> |
| Capital Outlay | - | - | - | - |
| Total Recreation | <u>1,488,826</u> | <u>1,417,826</u> | <u>1,415,999</u> | <u>1,827</u> |
| Community Development: | | | | |
| Current: | | | | |
| Salaries | 252,520 | 252,520 | 234,568 | 17,952 |
| Benefits and payroll taxes | 81,520 | 81,520 | 87,525 | (6,005) |
| Telephone and utilities | 35,000 | 35,000 | 46,923 | (11,923) |
| Repairs and maintenance | 11,500 | 11,500 | 9,901 | 1,599 |
| Travel | - | - | - | - |
| Outside services | 8,000 | 8,000 | 12,664 | (4,664) |
| Advertising and promotion | 4,000 | 4,000 | 2,252 | 1,748 |
| Food purchase | 107,000 | 107,000 | 100,505 | 6,495 |
| Supplies | 29,870 | 29,870 | 32,029 | (2,159) |
| Insurance | 2,120 | 2,120 | 2,058 | 62 |
| Contributions to non-profits | 443,188 | 443,188 | 434,849 | 8,339 |
| Other | 2,010 | 2,010 | 2,632 | (622) |
| Total Current | <u>976,728</u> | <u>976,728</u> | <u>965,906</u> | <u>10,822</u> |
| Capital Outlay | - | - | - | - |
| Total Community Development | <u>976,728</u> | <u>976,728</u> | <u>965,906</u> | <u>10,822</u> |
| Total Expenditures | <u>14,255,275</u> | <u>14,417,895</u> | <u>14,329,915</u> | <u>87,980</u> |
| Excess Revenues Over Expenditures | <u>2,185,481</u> | <u>2,034,861</u> | <u>2,775,188</u> | <u>740,327</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer to Capital Projects Fund | (2,489,631) | (2,786,011) | (1,475,531) | 1,310,480 |
| Transfer to Drug Fund | (20,000) | (20,000) | (4,241) | 15,759 |
| Transfer to Debt Service Fund | (698,893) | (698,893) | (578,227) | 120,666 |
| Transfer from Golf Course Fund | 120,600 | 120,600 | 63,478 | (57,122) |
| Total Other Financing Sources (Uses) | <u>(3,087,924)</u> | <u>(3,384,304)</u> | <u>(1,994,521)</u> | <u>1,389,783</u> |
| Net change in fund balance | <u>(902,443)</u> | <u>(1,349,443)</u> | <u>780,667</u> | <u>2,130,110</u> |
| Fund Balance, beginning of year | 11,146,709 | 11,146,709 | 11,146,709 | - |
| Fund Balance, end of year | <u>\$10,244,266</u> | <u>9,797,266</u> | <u>11,927,376</u> | <u>2,130,110</u> |

See accompanying notes to required supplementary information

TOWN OF SMYRNA, TENNESSEE
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
Capital Projects Fund
For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental : | | | | |
| State | \$1,605,000 | 1,520,000 | - | (1,520,000) |
| Grants - state and federal | 178,000 | 178,000 | 5,338 | (172,662) |
| | <u>1,783,000</u> | <u>1,698,000</u> | <u>5,338</u> | <u>(1,692,662)</u> |
| Uses of Money and Property: | | | | |
| Interest | 11,000 | 11,000 | 11,070 | 70 |
| Total Revenue | <u>1,794,000</u> | <u>1,709,000</u> | <u>16,408</u> | <u>(1,692,592)</u> |
| Expenditures: | | | | |
| Recreation and Culture: | | | | |
| Current | | | | |
| Repairs and maintenance | 5,200 | 5,200 | 9,196 | (3,996) |
| Capital outlay | 2,594,400 | 2,594,400 | 1,006,461 | 1,587,939 |
| Highways and Streets: | | | | |
| Current | | | | |
| Repairs and maintenance | - | - | - | - |
| Capital outlay | 4,252,500 | 4,252,500 | 1,573,536 | 2,678,964 |
| Public Safety: | | | | |
| Current | | | | |
| Repairs and maintenance - fire | - | - | 20,717 | (20,717) |
| Repairs and maintenance - police | - | - | 76,199 | (76,199) |
| Capital outlay - fire | 608,425 | 615,378 | 336,878 | 278,500 |
| Capital outlay - police | 270,498 | 346,298 | 262,856 | 83,442 |
| General Government: | | | | |
| Current | | | | |
| Repairs and maintenance | - | - | 65,960 | (65,960) |
| Other | - | - | - | - |
| Capital outlay | 390,645 | 492,580 | 220,506 | 272,074 |
| Total Expenditures | <u>8,121,668</u> | <u>8,306,356</u> | <u>3,572,309</u> | <u>4,734,047</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,327,668)</u> | <u>(6,597,356)</u> | <u>(3,555,901)</u> | <u>3,041,455</u> |
| Other Financing Sources: | | | | |
| Public Building Authority loan issuance | 1,725,000 | 1,725,000 | 67,574 | (1,657,426) |
| Capital leases | 350,754 | 350,745 | 350,745 | - |
| Transfers from Golf Course Fund | 16,500 | 16,500 | 5,046 | (11,454) |
| Transfers from Impact Fee Fund | 1,643,692 | 1,730,092 | 1,656,036 | (74,056) |
| Transfers from General Fund | 2,478,731 | 2,775,511 | 1,475,531 | (1,299,980) |
| Total Other Financing Sources | <u>6,214,677</u> | <u>6,597,848</u> | <u>3,554,932</u> | <u>(3,042,916)</u> |
| Net change in fund balance | (112,991) | 492 | (969) | (1,461) |
| Fund balance, beginning of year | <u>262,529</u> | <u>262,529</u> | <u>262,529</u> | <u>-</u> |
| Fund balance, end of year | <u>\$149,538</u> | <u>263,021</u> | <u>261,560</u> | <u>(1,461)</u> |

See accompanying notes to required supplementary information

TOWN OF SMYRNA, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2003

| <u>Assets</u> | Special Revenue Funds | | | | Debt Service Fund | Total Nonmajor Governmental Funds |
|---|-----------------------|-----------------------------|------------------------|-----------------------|-------------------------|--|
| | Drug Fund | State Street Aid Fund | Golf Course Fund | Impact Fee Fund | | |
| Cash in bank | \$27,602 | 67,782 | 365,599 | 1,557,706 | - | 2,018,689 |
| Due from other governments | 1,359 | 136,232 | - | - | - | 137,591 |
| Receivables | - | - | 390 | - | - | 390 |
| Prepaid items | - | - | 10,307 | - | - | 10,307 |
| Inventory | - | - | 44,477 | - | - | 44,477 |
| Total Assets | \$28,961 | 204,014 | 420,773 | 1,557,706 | - | 2,211,454 |
| <u>Liabilities and Fund Balance</u> | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$2,474 | 22,650 | 15,408 | 24,590 | - | 65,122 |
| Accrued liabilities | - | - | 50,083 | - | - | 50,083 |
| Contract payable | - | 60,179 | - | 388,609 | - | 448,788 |
| Due to other funds | - | - | - | 14,476 | - | 14,476 |
| Deferred revenue | - | 73,388 | - | - | - | 73,388 |
| Total Liabilities | 2,474 | 156,217 | 65,491 | 427,675 | - | 651,857 |
| Fund balance: | | | | | | |
| Reserved for inventory and prepaids | - | - | 54,787 | - | - | 54,787 |
| Unreserved, undesignated | 26,487 | 47,797 | 300,495 | 1,130,031 | - | 1,504,810 |
| Total Fund Balance | 26,487 | 47,797 | 355,282 | 1,130,031 | - | 1,559,597 |
| Total Liabilities and Fund Balance | \$28,961 | 204,014 | 420,773 | 1,557,706 | - | 2,211,454 |

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2003

| | Special Revenue Funds | | | | Debt Service Fund | Total Nonmajor Governmental Funds |
|---|-----------------------|-----------------------------|------------------------|-----------------------|-------------------------|--|
| | Drug Fund | State Street Aid Fund | Golf Course Fund | Impact Fee Fund | | |
| Revenues: | | | | | | |
| Intergovernmental: | | | | | | |
| Gasoline tax and inspection fees | \$ - | 714,021 | - | - | - | 714,021 |
| Total Intergovernmental | - | 714,021 | - | - | - | 714,021 |
| Licenses and permits | - | - | - | 1,123,885 | - | 1,123,885 |
| Fines, forfeitures and seizures | 39,491 | - | - | - | - | 39,491 |
| Uses of Money and Property: | | | | | | |
| Interest | 231 | 4,358 | - | 29,137 | - | 33,726 |
| Golf fees, rental, and sales | - | - | 1,321,078 | - | - | 1,321,078 |
| Total Uses of Money and Property | 231 | 4,358 | 1,321,078 | 29,137 | - | 1,354,804 |
| Total Revenues | 39,722 | 718,379 | 1,321,078 | 1,153,022 | - | 3,232,201 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Drug enforcement | 143,687 | - | - | - | - | 143,687 |
| Recreation and culture | - | - | 1,162,218 | - | - | 1,162,218 |
| Highways and streets | - | 674,368 | - | - | - | 674,368 |
| Total Current | 143,687 | 674,368 | 1,162,218 | - | - | 1,980,273 |
| Debt service | - | - | - | - | 857,398 | 857,398 |
| Capital outlay | 32,079 | - | - | - | - | 32,079 |
| Total Expenditures | 175,766 | 674,368 | 1,162,218 | - | 857,398 | 2,869,750 |
| Excess (deficiency) of revenues over expenditures | (136,044) | 44,011 | 158,860 | 1,153,022 | (857,398) | 362,451 |
| Other Financing Sources (Uses): | | | | | | |
| Transfer to Debt Service Fund | - | (279,171) | - | - | - | (279,171) |
| Transfer from General Fund | 4,241 | - | - | - | 578,227 | 582,468 |
| Transfer from State Street Aid Fund | - | - | - | - | 279,171 | 279,171 |
| Transfer to Capital Projects Fund | - | - | (5,046) | (1,656,036) | - | (1,661,082) |
| Transfer to General Fund | - | - | (63,478) | - | - | (63,478) |
| Total Other Financing Sources (Uses) | 4,241 | (279,171) | (68,524) | (1,656,036) | 857,398 | (1,142,092) |
| Net change in fund balance | (131,803) | (235,160) | 90,336 | (503,014) | - | (779,641) |
| Fund balance, beginning of year | 158,290 | 282,957 | 264,946 | 1,633,045 | - | 2,339,238 |
| Fund balance, end of year | \$26,487 | 47,797 | 355,282 | 1,130,031 | - | 1,559,597 |

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

Drug Fund

For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines forfeitures and seizures | \$53,325 | 53,325 | 39,722 | (13,603) |
| Total Revenue | 53,325 | 53,325 | 39,722 | (13,603) |
| Expenditures: | | | | |
| Current: | | | | |
| Miscellaneous: | | | | |
| Drug enforcement | 81,300 | 144,000 | 143,687 | 313 |
| Total Current | 81,300 | 144,000 | 143,687 | 313 |
| Capital outlay | 15,000 | 32,100 | 32,079 | 21 |
| Total Expenditures | 96,300 | 176,100 | 175,766 | 334 |
| Excess (deficiency) of revenues over expenditures | (42,975) | (122,775) | (136,044) | (13,269) |
| Other Financing Sources (Uses): | | | | |
| Transfer from General Fund | 20,000 | 20,000 | 4,241 | (15,759) |
| Net change in fund balance | (22,975) | (102,775) | (131,803) | (29,028) |
| Fund balance, beginning of year | 158,290 | 158,290 | 158,290 | - |
| Fund balance, end of year | \$135,315 | 55,515 | 26,487 | (29,028) |

TOWN OF SMYRNA, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

State Street Aid Fund

For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual | Variance with |
|---|------------------|-----------|-----------|--|
| | Original | Final | Amounts | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental: | | | | |
| State gasoline and motor fuel tax and fees | \$710,000 | 710,000 | 714,021 | 4,021 |
| Uses of Money and Property: | | | | |
| Interest | 12,400 | 12,400 | 4,358 | (8,042) |
| Total Revenues | 722,400 | 722,400 | 718,379 | (4,021) |
| Expenditures: | | | | |
| Current: | | | | |
| Street maintenance - repairs | 305,000 | 305,000 | 360,976 | (55,976) |
| Lighting | 225,000 | 225,000 | 243,660 | (18,660) |
| Signals | 165,000 | 165,000 | 69,732 | 95,268 |
| Total Current | 695,000 | 695,000 | 674,368 | 20,632 |
| Capital outlay | - | - | - | - |
| Total Expenditures | 695,000 | 695,000 | 674,368 | 20,632 |
| Excess (deficiency) of revenues over expenditures | 27,400 | 27,400 | 44,011 | (24,653) |
| Other Financing Sources (Uses): | | | | |
| Transfer to Debt Service Fund | (330,500) | (330,500) | (279,171) | 51,329 |
| Net change in fund balance | (303,100) | (303,100) | (235,160) | 67,940 |
| Fund balance, beginning of year | 282,957 | 282,957 | 282,957 | - |
| Fund balance, end of year | (\$20,143) | (20,143) | 47,797 | 67,940 |

TOWN OF SMYRNA, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

Golf Course Fund

For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Uses of money and property: | | | | |
| Course fees | \$825,000 | 825,000 | 703,732 | (121,268) |
| Snack bar sales | 165,000 | 165,000 | 170,861 | 5,861 |
| Golf shop sales | 120,000 | 120,000 | 134,355 | 14,355 |
| Cart and locker rentals | 283,000 | 283,000 | 285,876 | 2,876 |
| Other | 22,900 | 22,900 | 26,254 | 3,354 |
| Total Revenues | 1,415,900 | 1,415,900 | 1,321,078 | (94,822) |
| Expenditures: | | | | |
| Recreation and culture: | | | | |
| Current: | | | | |
| Salaries | 529,030 | 529,030 | 481,445 | 47,585 |
| Benefits and payroll taxes | 171,720 | 171,720 | 157,113 | 14,607 |
| Memberships and testing | 3,190 | 3,190 | 4,324 | (1,134) |
| Telephone and utilities | 27,700 | 27,700 | 29,896 | (2,196) |
| Repairs and maintenance | 38,150 | 38,150 | 39,890 | (1,740) |
| Outside services | 12,435 | 12,435 | 11,043 | 1,392 |
| Supplies | 23,550 | 23,550 | 23,024 | 526 |
| Snack bar resale items | 70,000 | 70,000 | 86,472 | (16,472) |
| Golf resale items | 78,000 | 78,000 | 94,091 | (16,091) |
| Chemicals | 60,000 | 60,000 | 49,288 | 10,712 |
| Insurance | 7,900 | 7,900 | 7,494 | 406 |
| Land and equipment rental | 174,336 | 174,336 | 172,823 | 1,513 |
| Other | 4,450 | 4,450 | 5,315 | (865) |
| Total Current | 1,200,461 | 1,200,461 | 1,162,218 | 38,243 |
| Capital Outlay | - | - | - | - |
| Total Expenditures | 1,200,461 | 1,200,461 | 1,162,218 | 38,243 |
| Excess (deficiency) of revenues over expenditures | 215,439 | 215,439 | 158,860 | (56,579) |
| Other Financing Sources (Uses): | | | | |
| Transfer to General Fund | (120,000) | (120,000) | (63,478) | 56,522 |
| Transfer to Capital Projects Fund | (16,500) | (16,500) | (5,046) | 11,454 |
| Total Other Financing Sources (Uses) | (136,500) | (136,500) | (68,524) | 67,976 |
| Net change in fund balance | 78,939 | 78,939 | 90,336 | 11,397 |
| Fund balance, beginning of year | 264,946 | 264,946 | 264,946 | - |
| Fund balance, end of year | \$343,885 | 343,885 | 355,282 | 11,397 |

TOWN OF SMYRNA, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

Impact Fee Fund

For the Year Ended June 30, 2003

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|-------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses and permits | \$750,000 | 750,000 | 1,123,885 | 373,885 |
| Uses of Money and Property: | | | | |
| Interest | 26,000 | 26,000 | 29,137 | 3,137 |
| Total Revenue | 776,000 | 776,000 | 1,153,022 | 377,022 |
| Expenditures: | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | 776,000 | 776,000 | 1,153,022 | 377,022 |
| Other Financing Sources (Uses): | | | | |
| Transfer to Capital Projects Fund | (1,643,692) | (1,730,100) | (1,656,036) | 74,064 |
| Total Other Financing Sources (Uses) | (1,643,692) | (1,730,100) | (1,656,036) | 74,064 |
| Net change in fund balance | (867,692) | (954,100) | (503,014) | 451,086 |
| Fund balance, beginning of year | 1,633,045 | 1,633,045 | 1,633,045 | - |
| Fund balance, end of year | \$765,353 | 678,945 | 1,130,031 | 451,086 |

TOWN OF SMYRNA, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds

Schedule By Function and Activity

June 30, 2003

| Function and Activity | Land | Buildings & Improvements | Improvements Other Than Buildings | Equipment | Infrastructure | Construction In Progress | Total |
|-----------------------------------|--------------------|-----------------------------|---|------------------|-------------------|-----------------------------|-------------------|
| General government | \$1,369,653 | 6,864,062 | 578,288 | 1,385,836 | - | - | 10,197,839 |
| Public safety: | | | | | | | |
| Police | - | - | - | 2,580,113 | - | - | 2,580,113 |
| Fire | 70,000 | 3,213,910 | 54,034 | 2,484,203 | - | - | 5,822,147 |
| Highways and streets | 499,877 | 169,247 | 1,434,068 | 1,204,293 | 61,207,983 | 840,102 | 65,355,570 |
| Recreation | 348,887 | 1,702,761 | 6,361,489 | 2,181,698 | - | 249,109 | 10,843,944 |
| Community development | - | 3,200,333 | - | 80,536 | - | - | 3,280,869 |
| Total governmental capital assets | <u>\$2,288,417</u> | <u>15,150,313</u> | <u>8,427,879</u> | <u>9,916,679</u> | <u>61,207,983</u> | <u>1,089,211</u> | <u>98,080,482</u> |

TOWN OF SMYRNA, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes in Capital Assets By Function and Activity

For the Year Ended June 30, 2003

| Function and Activity | Balance July 1, 2002 | Additions | Deletions | Balance June 30, 2003 |
|-----------------------------------|-------------------------|------------------|---------------|--------------------------|
| General government | \$9,982,677 | 220,506 | 5,344 | 10,197,839 |
| Public safety: | | | | |
| Police | 2,289,178 | 294,935 | 4,000 | 2,580,113 |
| Fire | 5,509,900 | 336,878 | 24,631 | 5,822,147 |
| Highways and streets | 63,782,724 | 1,573,546 | 700 | 65,355,570 |
| Recreation | 5,929,455 | 4,921,869 | 7,380 | 10,843,944 |
| Community development | 3,280,869 | - | - | 3,280,869 |
| Total governmental capital assets | <u>\$90,774,803</u> | <u>7,347,734</u> | <u>42,055</u> | <u>98,080,482</u> |

TOWN OF SMYRNA, TENNESSEE

Schedule of Cash and Cash Equivalents

All Funds

June 30, 2003

Major Governmental Funds

| <u>Type of Investment or Account</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Amount</u> |
|--------------------------------------|--------------------------|--------------------------|-------------------|
| General Fund: | | | |
| Demand deposits and savings | Various | - | \$2,700,016 |
| Local Government Investment Pool | Various | - | 9,707,700 |
| Change funds | - | - | 1,073 |
| Total General Fund | | | <u>12,408,789</u> |

Capital Projects Fund

| | | | |
|-----------------------------|---|---|----------------|
| Demand deposits and savings | - | - | 127,884 |
| Total Capital Projects Fund | | | <u>127,884</u> |

Nonmajor Governmental Funds

Drug Fund:

| | | | |
|-----------------|---|---|---------------|
| Cash | | | 100 |
| Demand deposit | - | - | 27,502 |
| Total Drug Fund | | | <u>27,602</u> |

State Street Aid Fund:

| | | | |
|----------------------------------|---------|---|---------------|
| Local Government Investment Pool | Various | - | 57,426 |
| Demand deposits and savings | Various | - | 10,356 |
| Total State Street Aid Fund | | | <u>67,782</u> |

Golf Course Fund:

| | | | |
|-----------------------------|---|---|----------------|
| Demand deposits and savings | | | 364,429 |
| Change funds | - | - | 1,170 |
| Total Golf Course Fund | | | <u>365,599</u> |

Impact Fee Fund

| | | | |
|-----------------------------|---|---|------------------|
| Demand deposits and savings | - | - | 1,557,706 |
| Total Impact Fee Fund | | | <u>1,557,706</u> |

Proprietary Funds

Water and Sewer Fund:

| | | | |
|----------------------------------|---------|---|------------------|
| Demand deposits and savings | Various | - | 642,594 |
| Local Government Investment Pool | Various | - | 3,184,515 |
| Change funds | - | - | 600 |
| Total Water and Sewer Fund | | | <u>3,827,709</u> |

Natural Gas Fund:

| | | | |
|----------------------------------|---------|---|------------------|
| Local Government Investment Pool | Various | - | 6,543,014 |
| Demand deposits and savings | Various | - | 1,095,702 |
| Total Natural Gas Fund | | | <u>7,638,716</u> |

Internal Service Fund

| | | | |
|-----------------------------|---------|---|----------------|
| Demand deposits and savings | Various | - | 707,952 |
| Total Internal Service Fund | | | <u>707,952</u> |

| | | | |
|--------------------------|--|--|---------------------|
| Total Primary Government | | | <u>\$26,729,739</u> |
|--------------------------|--|--|---------------------|

TOWN OF SMYRNA, TENNESSEE
Schedule of Changes in Property Taxes Receivable
General Fund
For the Year Ended June 30, 2003

| <u>Fiscal Year</u> | <u>Balance June 30, 2002</u> | <u>Adjustments/ Assessments</u> | <u>Collections</u> | <u>Balance June 30, 2003</u> |
|--------------------|----------------------------------|-------------------------------------|--------------------|--|
| 2002 - 2003 | \$ - | 3,497,862 | 3,362,439 | 135,423 |
| 2001 - 2002 | 140,474 | 1,830 | 92,039 | 50,265 |
| 2000 - 2001 | 43,502 | - | 15,079 | 28,423 |
| 1999 - 2000 | 15,028 | - | 8,280 | 6,748 |
| 1998 - 1999 | 10,339 | - | 4,377 | 5,962 |
| 1997 - 1998 | 6,765 | - | 2,224 | 4,541 |
| 1996 - 1997 | 3,674 | - | 1,579 | 2,095 |
| 1995 - 1996 | 1,136 | - | 91 | 1,045 |
| 1994 - 1995 | 1,113 | - | 133 | 980 |
| 1993 - 1994 | 6,470 | - | 265 | 6,205 |
| 1992 - 1993 | 2,017 | - | 2,017 | - |
| | <u>\$230,518</u> | <u>3,499,692</u> | <u>3,488,523</u> | 241,687 |
| 2003 - 2004** | | | | <u>3,431,716</u> <u>\$3,673,403</u> |

Fiscal year 2000-2001 and prior have been turned over to the County Clerk and Master for collection.
 ** Unlevied taxes receivable

TOWN OF SMYRNA, TENNESSEE

**Schedule of Maturities of Bond Indebtedness
and Interest Requirements**

General Obligation

June 30, 2003

| Year Ending June 30, | Public Building Authority Loan | Public Building Authority Loan | Interest Requirements | Total |
|---------------------------------|---|---|----------------------------------|------------------|
| 2004 | \$287,610 | 337,000 | 202,910 | 827,520 |
| 2005 | 301,828 | 121,301 | 171,680 | 594,809 |
| 2006 | 316,934 | - | 151,358 | 468,292 |
| 2007 | 332,929 | - | 135,512 | 468,441 |
| 2008 | 349,516 | - | 118,865 | 468,381 |
| 2009 | 366,992 | - | 101,389 | 468,381 |
| 2010 | 385,356 | - | 83,040 | 468,396 |
| 2011 | 404,609 | - | 63,772 | 468,381 |
| 2012 | 424,751 | - | 43,541 | 468,292 |
| 2013 | 445,100 | - | 22,304 | 467,404 |
| | <u>\$3,615,625</u> | <u>458,301</u> | <u>1,094,371</u> | <u>5,168,297</u> |

TOWN OF SMYRNA, TENNESSEE

Schedule of Maturities of Indebtedness and Interest Requirements

Water and Sewer Fund

June 30, 2003

| Year Ending June 30, | Bond Issue | | | | | State Sewer Note | Interest Requirements | Total |
|-------------------------|-----------------|----------------|------------------|------------------|------------------|---------------------|--------------------------|-------------------|
| | 1994 | 1995-96 | 1998 | 2001 | 2003 | | | |
| 2004 | \$30,000 | 655,000 | 683,390 | 35,000 | 30,000 | 48,682 | 699,776 | 2,181,848 |
| 2005 | - | - | 717,172 | 35,000 | 715,000 | 52,118 | 633,561 | 2,152,851 |
| 2006 | - | - | 753,066 | 75,000 | 730,000 | 55,797 | 577,773 | 2,191,636 |
| 2007 | - | - | 791,071 | 75,000 | 745,000 | 59,735 | 518,743 | 2,189,549 |
| 2008 | - | - | 830,484 | 865,000 | - | 63,952 | 449,732 | 2,209,168 |
| 2009 | - | - | 872,008 | 905,000 | - | 68,466 | 370,334 | 2,215,808 |
| 2010 | - | - | 915,644 | 940,000 | - | 73,298 | 285,951 | 2,214,893 |
| 2011 | - | - | 961,391 | 980,000 | - | 78,472 | 196,404 | 2,216,267 |
| 2012 | - | - | 1,009,249 | 50,000 | - | 84,012 | 121,907 | 1,265,168 |
| 2013 | - | - | 1,060,900 | 55,000 | - | 89,941 | 63,017 | 1,268,858 |
| 2014 | - | - | - | 50,000 | - | 96,290 | 5,759 | 152,049 |
| 2015 | - | - | - | 55,000 | - | 109,630 | 2,336 | 166,966 |
| | <u>\$30,000</u> | <u>655,000</u> | <u>8,594,375</u> | <u>4,120,000</u> | <u>2,220,000</u> | <u>880,393</u> | <u>3,925,293</u> | <u>20,425,061</u> |

TOWN OF SMYRNA, TENNESSEE

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2003

Federal Grants as Identified in the
Catalog of Federal Domestic Assistance:

| <u>CFDA Number</u> | <u>Program Name</u> | <u>Grantor Agency</u> | <u>Expenditures</u> |
|------------------------|---------------------|--------------------------------|---------------------|
| 16.592 | LLEBG Grant | U. S. Department of Justice | \$24,628 |
| 20.205 | Greenways Grant | Federal Highway Administration | 5,338 |
| 83.544 | FEMA Grant | Federal Emergency Management | 97,774 |
| | | | <u>\$127,740</u> |

This schedule was prepared using the accrual basis of accounting.

At June 30, 2003, there was a Department of Housing and Urban Development Home Investment Partnership Grant Note outstanding. (CFDA #14.239). The funds, in the amount of \$195,000 were passed to a subrecipient and the grant note is forgivable as long as the Town continues to meet the terms of the grant note through August 2019.

TOWN OF SMYRNA, TENNESSEE
Schedule of Federal and State Financial Assistance
For the Year Ended June 30, 2003

Federal Grants as Identified in the
Catalog of Federal Domestic Assistance:

| CFDA Number | State Grant Number | Program Name | Grantor Agency | (Accrued) or Deferred Revenue at July 1, 2002 | Program Income & Grant Receipts | Expenditures | (Accrued) or Deferred Revenue at June 30, 2003 |
|---------------------------------|-----------------------|-------------------------|--------------------------------|--|--|----------------|---|
| 16.592 | 01LBXX-1481 | LLEBG Grant | U. S. Department of Justice | \$13,003 | 204 | 12,699 | 508 |
| 16.592 | 02LBXX-0296 | LLEBG Grant | U. S. Department of Justice | - | 25,230 | 11,929 | 13,301 |
| 16.607 | N/A | Bulletproof Vests Grant | U. S. Department of Justice | - | | | - |
| 83.554 | N/A | FEMA Grant | Federal Emergency Management | - | - | 97,774 | (97,774) |
| 20.205 | 1999-830 | Intermodal Trans. Ctr. | Federal Highway Administration | (37,674) | 37,764 | | - |
| 20.205 | 99-135 | Greenway Grant | Federal Highway Administration | (130,934) | 123,630 | 5,338 | (12,642) |
| 20.205 | SRP-EN-9315(5) | Sidewalk Grant | Federal Highway Administration | (53,516) | 53,516 | | - |
| Total Federal Assistance | | | | <u>(\$209,121)</u> | <u>240,344</u> | <u>127,740</u> | <u>(96,607)</u> |

State Grants:

| | | | | | | |
|----------------|--------------------------|---|------------------|------------------|------------------|-----------------|
| Z-02-008492-00 | TIIP Grants | TN Dept. of Economic and Community Development | \$ - | 633,723 | 638,259 | (4,536) |
| Z-02-008493-00 | | | - | 600,937 | 605,239 | (4,302) |
| Z-02-008494-00 | | | - | 600,937 | 605,239 | (4,302) |
| Z-02-008495-00 | | | - | 568,151 | 572,218 | (4,067) |
| 154AL-02-09 | Demonstration Mini Grant | TN Department of Transportation | (6,000) | 6,000 | - | - |
| | | | <u>(\$6,000)</u> | <u>2,409,748</u> | <u>2,420,955</u> | <u>(17,207)</u> |

This schedule was prepared using the accrual basis of accounting.

TOWN OF SMYRNA, TENNESSEE

Schedule of Insurance in Force

June 30, 2003

| | |
|--|--------------------------|
| TML Risk Management Pool | |
| General Liability: | |
| Town | \$5,000,000 |
| Automobile Coverage: | |
| Liability | \$1,000,000 |
| Uninsured Motorist - bodily injury/property damage | \$250,000/\$85,000 |
| | |
| TML Risk Management Pool | |
| Law Enforcement Professional Liability | \$1,000,000 |
| Public Officials and Employees Legal Liability | \$1,000,000/\$1,000,000 |
| | |
| TML Risk Management Pool | |
| Fire and Extended Coverage: | |
| Buildings and Contents | \$63,654,738 |
| Electronic Equipment and Data Policy | \$588,471 |
| Mobile Equipment | \$3,417,302 |
| Commercial Crime: | |
| Employee Dishonesty | \$100,000 |
| Forgery | \$100,000 |
| Theft Disappearance and Destruction | \$100,000 |
| Traffic Signals | \$1,200,000 |
| | |
| Ranger Insurance Company - Natural Gas: | |
| General Liability: | \$1,000,000/\$5,000,000 |
| Excess Liability | \$9,000,000/\$4,000,000 |
| | |
| Ohio Casualty and Travelers Insurance Company | |
| Highway Entrance Bond - State | \$10,000 |
| Fidelity Bonds for Public Officials | \$1,000,000 |
| | \$80,000 |
| | |
| Ohio Casualty: | |
| Running Surety Bond - County | \$2,000 |
| | |
| American Alternative Insurance Company - Fire Department | |
| General Liability/Aggregate | \$1,000,000/\$3,000,000 |
| Excess Liability | \$5,000,000/\$10,000,000 |
| Automobile | |
| Liability | \$1,000,000 |

TOWN OF SMYRNA, TENNESSEE

**Schedule of Salaries of Elected Officials and Fidelity Bonds
of Principal Officials**

June 30, 2003

| <u>Position</u> | <u>Bond</u> | <u>Salary</u> |
|------------------------------------|-------------|---------------|
| Mayor | - | \$7,200 |
| Council Members | - | 4,800 |
| Town Manager | \$200,000 | |
| Finance Director* | 100,000 | |
| Accounting and Purchasing Manager* | 100,000 | |
| Town Clerk | 100,000 | |
| Financial Analyst* | 100,000 | |

* Check Signers