

REQUIRED SUPPLEMENTARY INFORMATION

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
	Original	Final		Positive (Negative)
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	8,537,000	8,537,000	9,592,644	1,055,644
Payments in lieu of taxes	2,212,690	2,212,690	2,199,964	(12,726)
Licenses and Permits	448,000	448,000	540,397	92,397
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	1,806,030	1,806,030	1,992,595	186,565
Fines and forfeits	923,258	923,258	820,795	(102,463)
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	1,808,278	1,808,278	1,821,819	13,541
Other	705,500	717,500	136,889	(580,611)
Total Revenues	16,440,756	16,452,756	17,105,103	652,347
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	152,290	83,780	82,156	1,624

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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>

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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>

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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:				
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

Notes to Required Supplementary Information

June 30, 2003

1) **BUDGET COMPLIANCE AND ACCOUNTABILITY**

The Town of Smyrna is required by State statute to adopt an annual budget. The Town legally adopts budgets for all governmental funds except the Debt Service Fund, because effective budgetary control is achieved through transfers from other funds. These budgets are prepared on the basis that current available funds must be sufficient to meet current expenditures. Expenditures may not legally exceed appropriations authorized by the Town Council. The Town's budgetary basis is consistent with generally accepted accounting principles. The legal level of budgetary control is at the department level. Any changes to departmental total budgets must be approved by the council.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to May 15, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating departmental budget establishes the budgetary level of control for the proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Town Hall to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance. In no event shall the total appropriations for any fund included in the budget exceed the estimated revenues and unappropriated fund balance.
4. The Town Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the Town Council.
5. Formal budgetary integration is employed as a management control device during the year for all governmental fund types, except the Debt Service Fund, a nonmajor governmental fund.
6. Budgets are adopted on a basis generally consistent with generally accepted accounting principles (GAAP). These budget appropriations lapse at year end.

During the fiscal year, there were supplemental appropriations to the budget. The General Fund expenditures and other uses budget was increased by \$459,000 which was 2.6% of the original expenditure budget. The Capital Projects Fund expenditure and other uses budget was increased by \$184,688 which was 2.3% of the original expenditure budget.