

BASIC FINANCIAL STATEMENTS

TOWN OF SMYRNA, TENNESSEE

Statement of Net Assets

June 30, 2004

<u>Assets</u>	Primary Government		<u>Total</u>
	Governmental Activities	Business Activities	
Cash and cash equivalents	\$16,638,143	11,716,919	28,355,062
Receivables (net of allowance for uncollectibles)			
Taxes	5,637,821	-	5,637,821
Due from other governments	1,765,507	302,206	2,067,713
Accounts receivable	259,609	2,345,405	2,605,014
Inventories, at cost	55,235	325,337	380,572
Internal balances	17,075	(17,075)	-
Restricted assets:			
Cash and equivalents	-	4,518,025	4,518,025
Investments	-	178,205	178,205
Other	-	33,690	33,690
Note receivable	235,890	364,448	600,338
Other assets	10,307	304,241	314,548
Non-depreciable capital assets	6,210,832	24,975,885	31,186,717
Depreciable capital assets (net of accumulated depreciation)	64,680,076	71,227,970	135,908,046
 Total Assets	 \$95,510,495	 116,275,256	 211,785,751
 <u>Liabilities</u>			
Accounts payable	\$897,997	1,367,770	2,265,767
Accrued liabilities	1,075,577	223,296	1,298,873
Interest payable	3,826	121,170	124,996
Contracts payable	1,170,616	68,347	1,238,963
Deferred revenue	5,458,140	-	5,458,140
Liabilities payable from restricted assets	-	2,299,554	2,299,554
Long-term liabilities due within one year	1,217,384	1,727,172	2,944,556
Long-term liabilities due in more than one year	3,685,972	20,806,817	24,492,789
 Total Liabilities	 13,509,512	 26,614,126	 40,123,638
 <u>Net Assets</u>			
Investments in capital assets, net of related debt	66,457,757	75,618,383	142,076,140
Restricted for:			
Capital projects	1,934,110	-	1,934,110
Highways and streets	285,100	-	285,100
Law enforcement	76,994	-	76,994
Unrestricted	13,247,022	14,042,747	27,289,769
Total Net Assets	\$82,000,983	89,661,130	171,662,113

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2004

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	\$4,987,480	1,531,575	-	-	(3,455,905)	-	(3,455,905)
Public safety:							
Police	5,538,323	913,443	12,020	-	(4,612,860)	-	(4,612,860)
Fire	3,114,436	-	-	584,830	(2,529,606)	-	(2,529,606)
Highways and streets	3,759,038	311,118	911,289	2,936,342	399,711	-	399,711
Recreation	3,309,396	1,607,559	-	252,142	(1,449,695)	-	(1,449,695)
Community Development	1,238,659	339,944	-	-	(898,715)	-	(898,715)
Interest expense on long-term debt	69,359	-	-	-	(69,359)	-	(69,359)
Total Government Activities	22,016,692	4,703,639	923,309	3,773,314	(12,616,430)	-	(12,616,430)
Business-type Activities							
Water and Sewer	7,621,206	7,683,878	-	2,233,066	-	2,295,738	2,295,738
Natural Gas	16,975,520	17,308,151	-	432,284	-	764,915	764,915
Total Business-type Activities	24,596,726	24,992,029	-	2,665,350	-	3,060,653	3,060,653
Total Primary Government	\$46,613,418	29,695,668	923,309	6,438,664	(12,616,430)	3,060,653	(9,555,777)
General Revenues:							
Property taxes and in lieu of tax					\$5,391,616	-	5,391,616
Sales taxes					5,160,808	-	5,160,808
Other locally assessed taxes					1,644,022	-	1,644,022
Other state shared taxes					1,914,905	-	1,914,905
Unrestricted investment earnings and rental income					313,557	146,034	459,591
Gain on sale of capital assets					356,373	1,650	358,023
Other					124,491	-	124,491
Transfers					462,446	(462,446)	-
Total general revenues and transfers					15,368,218	(314,762)	15,053,456
Change in net assets					2,751,788	2,745,891	5,497,679
Net assets - beginning of year					79,249,195	86,915,239	166,164,434
Net assets - end of year					\$82,000,983	89,661,130	171,662,113

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE

**Balance Sheet
Governmental Funds**

June 30, 2004

<u>Assets</u>	General Fund	Capital Projects Fund	Impact Fee Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$13,677,956	33,068	1,960,816	605,598	16,277,438
Receivables (net of allowance for uncollectibles)					
Taxes	5,654,542	-	-	-	5,654,542
Due from other governments	1,282,442	338,788	-	144,277	1,765,507
Accounts receivable	258,637	-	-	972	259,609
Due from other funds	118,283	-	-	-	118,283
Inventory of supplies	13,004	-	-	42,231	55,235
Note receivable	-	235,890	-	-	235,890
Prepaid items	-	-	-	10,307	10,307
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$21,004,864</u>	<u>607,746</u>	<u>1,960,816</u>	<u>803,385</u>	<u>24,376,811</u>
 <u>Liabilities and Fund Balances</u>					
Accounts payable	\$336,034	100,522	40,495	32,353	509,404
Accrued costs	1,020,454	-	-	55,123	1,075,577
Due to other funds	184,837	100,000	-	11,855	296,692
Contracts payable	787,398	128,187	244,311	10,720	1,170,616
Deferred revenue	6,200,519	20,937	-	72,292	6,293,748
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>8,529,242</u>	<u>349,646</u>	<u>284,806</u>	<u>182,343</u>	<u>9,346,037</u>
 Fund Balance:					
Reserved for prepaid items and inventory	13,004	-	-	52,538	65,542
Reserved for project	106,747	-	-	-	106,747
Reserved for notes receivable	-	228,937	-	-	228,937
Unreserved and undesignated					
General Fund	12,355,871	-	-	-	12,355,871
Capital Projects Fund	-	29,163	1,676,010	-	1,705,173
Special Revenue Funds	-	-	-	568,504	568,504
Total Fund Balances	<u>12,475,622</u>	<u>258,100</u>	<u>1,676,010</u>	<u>621,042</u>	<u>15,030,774</u>
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Total Liabilities and Fund Balances	<u>\$21,004,864</u>	<u>607,746</u>	<u>1,960,816</u>	<u>803,385</u>	<u>24,376,811</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, 2004

Amounts reported for fund balance - total governmental funds	\$15,030,774
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	70,890,908
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	689,479
Property taxes receivable	129,408
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.	167,595
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.	(3,826)
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	(4,297,229)
Capital leases payable	(135,922)
Compensated absences	(470,204)
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Net assets of governmental activities	<u>\$82,000,983</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, 2004

	General Fund	Capital Projects Fund	Impact Fee Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes	\$10,419,079	-	-	-	10,419,079
Payment in lieu of taxes	1,823,932	-	-	-	1,823,932
Licenses and permits	651,858	-	2,483,611	-	3,135,469
Intergovernmental	2,125,653	204,578	-	844,501	3,174,732
Fines and forfeits	864,167	-	-	49,276	913,443
Uses of money and property	1,912,558	10,778	17,659	1,380,461	3,321,456
Miscellaneous	480,863	-	-	-	480,863
Total Revenues	<u>18,278,110</u>	<u>215,356</u>	<u>2,501,270</u>	<u>2,274,238</u>	<u>23,268,974</u>
<u>Expenditures</u>					
Current:					
General government	4,640,995	41,643	-	-	4,682,638
Public safety:			-		
Police	5,125,066	42,093	-	65,078	5,232,237
Fire	2,836,561	23,797	-	-	2,860,358
Highways and streets	1,166,940	8,970	-	408,004	1,583,914
Recreation	1,538,589	23,619	-	1,235,994	2,798,202
Community development	1,098,857	-	-	-	1,098,857
Debt service	-	-	-	833,333	833,333
Capital outlay	-	4,202,053	-	5,500	4,207,553
Total Expenditures	<u>16,407,008</u>	<u>4,342,175</u>	<u>-</u>	<u>2,547,909</u>	<u>23,297,092</u>
Excess (deficiency) revenues over expenditures	1,871,102	(4,126,819)	2,501,270	(273,671)	(28,118)
<u>Other Financing Sources (Uses)</u>					
Public Building Authority loan issuance	-	847,913	-	-	847,913
Transfers in	512,446	3,275,446	-	905,095	4,692,987
Transfers out	(1,835,302)	-	(1,955,291)	(439,948)	(4,230,541)
Total Other Financing Source (Uses)	<u>(1,322,856)</u>	<u>4,123,359</u>	<u>(1,955,291)</u>	<u>465,147</u>	<u>1,310,359</u>
Net change in fund balance	548,246	(3,460)	545,979	191,476	1,282,241
Fund balance, beginning of year	<u>11,927,376</u>	<u>261,560</u>	<u>1,130,031</u>	<u>429,566</u>	<u>13,748,533</u>
Fund balance, end of year	<u>\$12,475,622</u>	<u>258,100</u>	<u>1,676,010</u>	<u>621,042</u>	<u>15,030,774</u>

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, 2004

Net change in fund balances-total governmental funds:	\$1,282,241
 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	4,207,553
Depreciation expense	(3,612,258)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	(74,319)
Local option sales tax	27,754
State shared taxes	(7,180)
Contributed capital assets	1,085,126
 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	759,359
Debt issuance	(847,913)
 Interest is accrued on outstanding obligations in governmental activities whereas in governmental funds, an interest expenditure is reported when due:	
Interest on capital leases	4,615
 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	(17,512)
 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)	
	(55,679)
Change in net assets of governmental activities	\$2,751,788

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Net Assets

Proprietary Funds

June 30, 2004

	Business-type Activities - Enterprise Funds			Total	Internal Service Fund
	Water and Sewer Fund	Natural Gas Fund	Industrial Development Fund		
Assets					
Current Assets:					
Cash and cash equivalents	\$4,615,269	7,030,566	-	11,645,835	431,789
Cash and cash equivalents - restricted	1,942,004	357,550	-	2,299,554	-
Receivables:					
Utility customers, net of allowance for estimated uncollectible	737,441	1,607,964	-	2,345,405	-
Grant receivable	302,206	-	-	302,206	-
Note receivable, current portion	31,798	-	-	31,798	-
Total Accounts Receivable	1,071,445	1,607,964	-	2,679,409	-
Due from other funds	-	3,254	-	3,254	237,767
Inventory, at cost	190,134	135,203	-	325,337	-
Total Current Assets	7,818,852	9,134,537	-	16,953,389	669,556
Noncurrent Assets:					
Restricted Assets:					
Cash and cash equivalents	340,549	-	1,877,922	2,218,471	-
Investments	-	-	178,205	178,205	-
Special assessments and other receivable	33,250	-	440	33,690	-
Total Noncurrent Restricted Assets	373,799	-	2,056,567	2,430,366	-
Property, Plant and Equipment	113,609,699	18,561,338	1,929,487	134,100,524	-
Less accumulated depreciation	(30,775,543)	(7,121,126)	-	(37,896,669)	-
Total Property, Plant and Equipment, Net	82,834,156	11,440,212	1,929,487	96,203,855	-
Other Assets:					
Note receivable, net of current portion	332,650	-	-	332,650	-
Bond issuance cost-net of amortization	174,745	-	129,496	304,241	-
Total Other Assets	507,395	-	129,496	636,891	-
Total Noncurrent Assets	83,715,350	11,440,212	4,115,550	99,271,112	-
Total Assets	\$91,534,202	20,574,749	4,115,550	116,224,501	669,556
Liabilities					
Liabilities:					
Current Liabilities (payable from current assets):					
Accounts payable	\$296,585	991,593	-	1,288,178	468,184
Accrued expenses	158,979	64,317	-	223,296	-
Contracts payable	-	68,347	-	68,347	-
Interest payable	105,670	-	15,500	121,170	-
Due to other funds	49,355	13,208	50	62,613	-
Current maturities of long-term debt	1,727,172	-	-	1,727,172	-
Total Current Liabilities (payable from current assets)	2,337,761	1,137,465	15,550	3,490,776	468,184
Current Liabilities (payable from restricted assets):					
Construction bonds	47,371	-	-	47,371	-
Contracts payable	1,894,633	-	-	1,894,633	-
Customer deposits	-	357,550	-	357,550	-
Total Current Liabilities (payable from restricted assets)	1,942,004	357,550	-	2,299,554	-
Noncurrent Liabilities:					
Long-term debt, net of current maturities	16,706,817	-	4,100,000	20,806,817	-
Total Liabilities	20,986,582	1,495,015	4,115,550	26,597,147	468,184
Net Assets					
Invested in capital assets, net of related debt	64,178,171	11,440,212	-	75,618,383	-
Unrestricted	6,369,449	7,639,522	-	14,008,971	201,372
Total Net Assets	\$70,547,620	19,079,734	-	89,627,354	201,372
Amount to reflect the consolidation of internal service fund activities related to enterprise funds	20,376	13,400	-	33,776	-
Net assets of business-type activities	\$70,567,996	19,093,134	-	89,661,130	-

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, 2004

	Business-type Activities - Enterprise Funds			Total	Internal Service Fund
	Water and Sewer Fund	Natural Gas Fund	Industrial Development Fund		
Operating Revenues:					
Services	\$7,522,118	17,197,378	-	24,719,496	2,622,943
Other	31,373	6,364	-	37,737	
Forfeited discounts	130,387	104,409	-	234,796	-
Total Operating Revenues	<u>7,683,878</u>	<u>17,308,151</u>	<u>-</u>	<u>24,992,029</u>	<u>2,622,943</u>
Operating Expenses:					
Gas purchases	-	14,983,196	-	14,983,196	-
Salaries	1,530,771	360,238	-	1,891,009	-
Benefits and payroll taxes	673,481	230,831	-	904,312	2,771,295
Travel	1,811	8,590	-	10,401	
Outside services	283,703	31,125	-	314,828	-
Telephone and utilities	1,229,099	25,167	-	1,254,266	-
Maintenance and repair	182,825	61,031	-	243,856	-
Operating supplies	520,848	87,021	-	607,869	-
Insurance	93,638	73,437	-	167,075	-
Professional services	12,932	53,592	-	66,524	-
Depreciation and amortization	2,383,202	691,563	-	3,074,765	-
Administrative support services	352,694	260,409	-	613,103	
Other	42,570	84,692	-	127,262	
Total Operating Expenses	<u>7,307,574</u>	<u>16,950,892</u>	<u>-</u>	<u>24,258,466</u>	<u>2,771,295</u>
Operating Income (loss)	<u>376,304</u>	<u>357,259</u>	<u>-</u>	<u>733,563</u>	<u>(148,352)</u>
Non-Operating Revenues (Expenses):					
Interest income	77,492	67,227	-	144,719	6,993
Gain on sale of capital assets	1,650	-	-	1,650	
Interest expenses	(251,265)	-	-	(251,265)	-
Total Non-Operating Revenues (Expenses)	<u>(172,123)</u>	<u>67,227</u>	<u>-</u>	<u>(104,896)</u>	<u>6,993</u>
Net Income (loss) Before Contributions and Transfers	204,181	424,486	-	628,667	(141,359)
Contributions:					
Capital contributions - tap fees	1,836,359	432,284	-	2,268,643	-
Capital grant	301,707	-	-	301,707	-
Contributions from developers - non cash	95,000	-	-	95,000	-
Transfers out	(321,672)	(140,774)	-	(462,446)	
Change in Net Assets	<u>2,115,575</u>	<u>715,996</u>	<u>-</u>	<u>2,831,571</u>	<u>(141,359)</u>
Net Assets, Beginning of Year	<u>68,432,045</u>	<u>18,363,738</u>	<u>-</u>	<u>86,795,783</u>	<u>342,730</u>
Net Assets, End of Year	<u>\$70,547,620</u>	<u>19,079,734</u>	<u>-</u>	<u>89,627,354</u>	<u>201,371</u>
Change in Net Assets shown above	2,115,575	715,996	-	2,831,571	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(61,446)	(24,234)	-	(85,680)	
Change in net assets of business-type activities	<u>\$2,054,129</u>	<u>691,762</u>	<u>-</u>	<u>2,745,891</u>	

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds			Total	Internal Service Fund
	Water and Sewer Fund	Natural Gas Fund	Industrial Development Fund		
Cash Flows from Operating Activities:					
Cash received from customers	\$7,401,204	16,792,875	-	24,194,079	-
Cash paid to employees for services	(1,519,023)	(359,360)	-	(1,878,383)	-
Cash paid to suppliers for goods and services	(2,998,514)	(15,576,661)	-	(18,575,175)	-
Payments for interfund administrative support services	(352,694)	(260,409)	-	(613,103)	-
Interfund advance receipts	49,355	13,208	-	62,563	-
Interfund advance repayments	-	(3,254)	-	(3,254)	-
Cash received on customer deposits	-	67,700	-	67,700	-
Premiums received	-	-	-	-	2,385,177
Medical claims and administrative expenses paid	-	-	-	-	(2,668,333)
Net Cash Provided (Used) by Operating Activities	<u>2,580,328</u>	<u>674,099</u>	<u>-</u>	<u>3,254,427</u>	<u>(283,156)</u>
Cash Flows from Capital and Related Financing Activities:					
Financing Activities:					
Purchase of property, plant, and equipment	(2,874,927)	(1,283,436)	(1,853,103)	(6,011,466)	-
Purchase of investments	-	-	(178,205)	(178,205)	-
Cash received on note receivable	32,367	-	-	32,367	-
Cash paid on construction bonds	(17,618)	-	-	(17,618)	-
Cash received from funds held for debt payments	106,181	-	-	106,181	-
Interest paid on debt	(448,802)	-	(90,300)	(539,102)	-
Interfund advance receipts	-	-	50	50	-
Capital grant proceeds	16,708	-	-	16,708	-
Cash received on sale of capital assets	1,650	-	-	1,650	-
Cash received on debt issuance	4,659,380	-	3,968,309	8,627,689	-
Payments on long-term debt	(2,593,783)	-	-	(2,593,783)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,118,844)</u>	<u>(1,283,436)</u>	<u>1,846,751</u>	<u>(555,529)</u>	<u>-</u>
Cash Flows from Non-Capital Financing Activities:					
Transfers	(321,672)	(140,774)	-	(462,446)	-
Contributed equity-from customers	1,852,809	432,284	-	2,285,093	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>1,531,137</u>	<u>291,510</u>	<u>-</u>	<u>1,822,647</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest received on investments	77,492	67,227	31,171	175,890	6,993
Net Cash Provided (Used) by Investing Activities	<u>77,492</u>	<u>67,227</u>	<u>31,171</u>	<u>175,890</u>	<u>6,993</u>
Net Increase (Decrease) in Cash	3,070,113	(250,600)	1,877,922	4,697,435	(276,163)
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	<u>3,827,709</u>	<u>7,638,716</u>	<u>-</u>	<u>11,466,425</u>	<u>707,952</u>
Cash and Cash Equivalents and Restricted Cash, End of Year	<u>\$6,897,822</u>	<u>7,388,116</u>	<u>1,877,922</u>	<u>16,163,860</u>	<u>431,789</u>

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TOWN OF SMYRNA, TENNESSEE

Statement of Cash Flows

Proprietary Funds, Continued

For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds			Total	Internal Service Fund
	Water and Sewer Fund	Natural Gas Fund	Industrial Development Fund		
<u>Operating Income (Loss) to Net Cash Provided by Operations</u>					
Operating income (loss)	\$376,304	357,259	-	733,563	(\$148,351)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	2,383,202	691,563	-	3,074,765	-
(Increase) decrease in:					
Accounts receivable	(282,674)	(515,276)	-	(797,950)	-
Inventory	(25,186)	8,117	-	(17,069)	-
Prepaid expenses	-	3,047	-	3,047	-
Due from other funds	-	(3,254)	-	(3,254)	(237,767)
Increase (Decrease) in:					
Accounts payable	65,538	56,339	-	121,877	102,962
Accrued expenses	13,789	(4,604)	-	9,185	-
Due to other funds	49,355	13,208	-	62,563	-
Customer deposits	-	67,700	-	67,700	-
Net Cash Provided (used) for Operating Activities	\$2,580,328	674,099	-	3,254,427	(283,156)

Supplemental Schedule of Non-Cash Capital Financing Activities

In fiscal 2004, the Town accepted \$95,000 in contributed water and sewer lines from developers.

In fiscal 2004, the Town acquired water and sewer utility plant in the amount of \$1,445,792 through contracts payable and liquidated contracts payable for gas utility plant in the amount of \$119,142.

In fiscal 2004, the Town issued bonds to pay off sewer notes and to finance utility improvements. Issue costs in the amount of \$90,620 were incurred and withheld from the proceeds of the bonds.

In fiscal 2004, the Town issued bonds to construct improvements related to industrial development. Issue costs in the amount of \$131,691 were incurred and withheld from the proceeds of the bonds.

Note: Capitalized interest costs (net of related interest income) in the Water and Sewer Fund were \$247,190 for 2004.

Capitalized interest costs (net of related interest income) in the Industrial Development Fund were \$74,189 for 2004.

Also in the Industrial Development Fund bond amortization costs in the amount of \$2,195 were capitalized.

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Fiduciary Net Assets

Pension Fund

June 30, 2004

Assets

Investments, at fair value:

Money market funds	\$201,944
Mutual funds	595,755
U S government securities	781,237
Corporate bonds	831,522
Interest receivable	22,643

Total Assets	<u>\$2,433,101</u>
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Liabilities

Liabilities	<u>-</u>
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Net Assets

Held in Trust for Pension Benefits	<u>2,433,101</u>
Total Net Assets Held in Trust for Pension Benefits	<u>\$2,433,101</u>

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, 2004

Additions

Contributions - employer	\$165,698
Investment earnings	
Interest, dividends and other investment income (loss)	93,554
Net increase (decrease) in fair value of investments	42,250
Net investment earnings	<u>135,804</u>
Total additions	<u>301,502</u>

Deductions

Pension benefits	<u>95,881</u>
Total deductions	<u>95,881</u>
Change in net assets	205,621
Net assets held in trust for pension benefits beginning of year	<u>2,227,480</u>
Net assets held in trust for pension benefits end of year	<u><u>\$2,433,101</u></u>

See accompanying notes to financial statements