

**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, 2004**

|   | Budgeted Amounts  |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   |   |
| Revenues:                                 |                   |                   |                   |   |
| Taxes:                                    |                   |                   |                   |   |
| Real estate taxes                         | \$3,485,000       | 3,485,000         | 3,642,003         | 157,003   |
| Business tax                              | 315,000           | 315,000           | 444,297           | 129,297   |
| Wholesale beer tax                        | 725,000           | 725,000           | 863,381           | 138,381   |
| Local option sales tax                    | 4,815,000         | 4,815,000         | 5,133,054         | 318,054   |
| Other                                     | 302,000           | 302,000           | 336,344           | 34,344  |
| Total Taxes                               | <u>9,642,000</u>  | <u>9,642,000</u>  | <u>10,419,079</u> | <u>777,079</u>  |
| Payments in lieu of taxes                 | 1,831,000         | 1,831,000         | 1,823,932         | (7,068)   |
| Licenses and Permits                      | 365,000           | 365,000           | 651,858           | 286,858   |
| Intergovernmental Revenues:               |                   |                   |                   |   |
| State of Tennessee income tax             | 30,000            | 30,000            | 26,473            | (3,527)   |
| State of Tennessee beer tax               | 13,650            | 13,650            | 14,779            | 1,129   |
| State of Tennessee sales tax              | 1,690,000         | 1,690,000         | 1,762,612         | 72,612  |
| Maintenance of state roads                | 67,700            | 67,700            | 67,884            | 184   |
| Federal and state grants                  | 10,000            | 10,000            | 12,020            | 2,020   |
| Other state and county shared taxes       | 138,700           | 138,700           | 241,885           | 103,185   |
| Total Intergovernmental Revenues          | <u>1,950,050</u>  | <u>1,950,050</u>  | <u>2,125,653</u>  | <u>175,603</u>  |
| Fines and forfeits                        | 610,300           | 610,300           | 864,167           | 253,867   |
| Uses of Property and Money:               |                   |                   |                   |   |
| Penalties                                 | 27,000            | 27,000            | 40,744            | 13,744  |
| Performance bond                          | 691,000           | 691,000           | 186,357           | (504,643)   |
| Interest earned                           | 140,000           | 140,000           | 150,825           | 10,825  |
| Rent                                      | 100,000           | 100,000           | 127,960           | 27,960  |
| Traffic school fees                       | 165,000           | 165,000           | 181,975           | 16,975  |
| Administrative support charges            | 613,103           | 613,103           | 613,103           | -   |
| Cemetery revenue                          | 24,000            | 24,000            | 43,895            | 19,895  |
| Recreation fees and community center fees | 398,400           | 398,400           | 368,360           | (30,040)  |
| Food sales                                | 250,000           | 250,000           | 199,339           | (50,661)  |
| Total Uses of Property and Money          | <u>2,408,503</u>  | <u>2,408,503</u>  | <u>1,912,558</u>  | <u>(495,945)</u>  |
| Other                                     | 55,500            | 55,500            | 480,863           | 425,363   |
| Total Revenues                            | <u>16,862,353</u> | <u>16,862,353</u> | <u>18,278,110</u> | <u>1,415,757</u>  |
| Expenditures:                             |                   |                   |                   |   |
| General Government:                       |                   |                   |                   |   |
| Current:                                  |                   |                   |                   |   |
| Legislative Board:                        |                   |                   |                   |   |
| Salaries                                  | 48,000            | 36,000            | 34,600            | 1,400   |
| Benefits and payroll taxes                | 3,060             | 3,060             | 3,715             | (655)   |
| Travel                                    | 6,000             | 6,000             | 9,564             | (3,564)   |
| Other                                     | 107,650           | 75,150            | 39,600            | 35,550  |
| Total Legislative Board                   | <u>164,710</u>    | <u>120,210</u>    | <u>87,479</u>     | <u>32,731</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, 2004**

|                                       | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------------|-------------------|---|
|                                       | Original         | Final            |                   |   |
| Expenditures, Continued:              |                  |                  |                   |   |
| General Government, Continued:        |                  |                  |                   |   |
| Current, Continued:                   |                  |                  |                   |   |
| City and General Sessions Court:      |                  |                  |                   |   |
| Salaries                              | 367,850          | 367,850          | 356,427           | 11,423  |
| Benefits and payroll taxes            | 130,180          | 130,180          | 107,592           | 22,588  |
| Contractual services                  | 38,046           | 38,046           | 46,592            | (8,546)   |
| Other                                 | 36,396           | 36,396           | 20,688            | 15,708  |
| Total City and General Sessions Court | <u>572,472</u>   | <u>572,472</u>   | <u>531,299</u>    | <u>41,173</u>   |
| City Garage:                          |                  |                  |                   |   |
| Salaries                              | 110,340          | 110,340          | 112,738           | (2,398)   |
| Benefits and payroll taxes            | 55,370           | 65,370           | 48,453            | 16,917  |
| Other                                 | 29,300           | 44,300           | 58,272            | (13,972)  |
| Total City Garage                     | <u>195,010</u>   | <u>220,010</u>   | <u>219,463</u>    | <u>547</u>  |
| Codes, Engineering and Planning:      |                  |                  |                   |   |
| Salaries                              | 512,950          | 512,950          | 478,540           | 34,410  |
| Benefits and payroll taxes            | 189,700          | 189,700          | 182,872           | 6,828   |
| Board expenditures                    | 3,000            | 3,000            | 2,222             | 778   |
| Insurance                             | 6,190            | 6,190            | 6,557             | (367)   |
| Telephone and utilities               | 8,800            | 8,800            | 2,691             | 6,109   |
| Supplies                              | 17,045           | 17,045           | 14,128            | 2,917   |
| Repairs and maintenance               | 2,950            | 2,950            | 1,750             | 1,200   |
| Professional services                 | 3,500            | 3,500            | 545               | 2,955   |
| Other                                 | 9,080            | 9,080            | 5,568             | 3,512   |
| Total Codes, Engineering and Planning | <u>753,215</u>   | <u>753,215</u>   | <u>694,873</u>    | <u>58,342</u>   |
| Building Maintenance:                 |                  |                  |                   |   |
| Salaries                              | 401,480          | 351,480          | 343,427           | 8,053   |
| Benefits and payroll taxes            | 167,310          | 167,310          | 157,745           | 9,565   |
| Repairs and maintenance               | 54,300           | 54,300           | 47,616            | 6,684   |
| Supplies                              | 22,670           | 22,670           | 25,758            | (3,088)   |
| Insurance                             | 7,700            | 7,700            | 7,731             | (31)  |
| Cemetery                              | 10,650           | 10,650           | 10,759            | (109)   |
| Other                                 | 2,000            | 2,000            | 3,034             | (1,034)   |
| Total Building Maintenance            | <u>666,110</u>   | <u>616,110</u>   | <u>596,070</u>    | <u>20,040</u>   |
| Finance and Administration:           |                  |                  |                   |   |
| Salaries                              | 1,078,920        | 1,078,920        | 953,483           | 125,437   |
| Benefits and payroll taxes            | 489,620          | 389,620          | 343,993           | 45,627  |
| Memberships and testing               | 23,200           | 23,200           | 22,881            | 319   |
| Telephone and utilities               | 95,915           | 95,915           | 119,715           | (23,800)  |
| Professional services                 | 118,450          | 214,450          | 347,232           | (132,782)   |
| Repairs and maintenance               | 5,800            | 5,800            | 1,032             | 4,768   |
| Travel                                | 8,500            | 8,500            | 8,331             | 169   |
| Supplies                              | 62,700           | 62,700           | 49,481            | 13,219  |
| Insurance                             | 20,300           | 20,300           | 16,777            | 3,523   |
| Outside services                      | 139,805          | 139,805          | 190,514           | (50,709)  |
| Legal settlement - county             | -                | 386,000          | 385,919           | 81  |
| Other                                 | 87,300           | 87,300           | 72,453            | 14,847  |
| Total Finance and Administration      | <u>2,130,510</u> | <u>2,512,510</u> | <u>2,511,811</u>  | <u>699</u>  |
| Total Current                         | <u>4,482,027</u> | <u>4,794,527</u> | <u>4,640,995</u>  | <u>153,532</u>  |
| Capital Outlay                        | -                | -                | -                 | -   |
| Total General Government              | <u>4,482,027</u> | <u>4,794,527</u> | <u>4,640,995</u>  | <u>153,532</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, 2004**

|                            | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------|------------------|------------------|-------------------|---|
|                            | Original         | Final            |                   |   |
| Expenditures, Continued:   |                  |                  |                   |   |
| Public Safety:             |                  |                  |                   |   |
| Police Department:         |                  |                  |                   |   |
| Current:                   |                  |                  |                   |   |
| Salaries                   | 3,382,790        | 3,382,790        | 3,373,737         | 9,053   |
| Benefits and payroll taxes | 1,288,750        | 1,288,750        | 1,225,773         | 62,977  |
| Outside services           | 50,917           | 50,917           | 69,071            | (18,154)  |
| Memberships and testing    | 3,800            | 3,800            | 7,119             | (3,319)   |
| Telephone                  | 40,350           | 40,350           | 42,610            | (2,260)   |
| Repairs and maintenance    | 47,650           | 97,650           | 112,947           | (15,297)  |
| Travel                     | 4,770            | 4,770            | 9,713             | (4,943)   |
| Supplies                   | 162,315          | 189,315          | 205,320           | (16,005)  |
| Insurance                  | 58,500           | 58,500           | 67,508            | (9,008)   |
| Other                      | 8,900            | 8,900            | 11,268            | (2,368)   |
| Total Current              | <u>5,048,742</u> | <u>5,125,742</u> | <u>5,125,066</u>  | <u>676</u>  |
| Capital Outlay             | -                | -                | -                 | -   |
| Total Police Department    | <u>5,048,742</u> | <u>5,125,742</u> | <u>5,125,066</u>  | <u>676</u>  |
| Fire Department:           |                  |                  |                   |   |
| Current:                   |                  |                  |                   |   |
| Salaries                   | 1,827,510        | 1,827,510        | 1,787,683         | 39,827  |
| Benefits and payroll taxes | 742,305          | 742,305          | 715,346           | 26,959  |
| Memberships and testing    | 7,130            | 7,130            | 10,787            | (3,657)   |
| Telephone and utilities    | 46,665           | 46,665           | 60,616            | (13,951)  |
| Repairs and maintenance    | 52,100           | 52,100           | 57,092            | (4,992)   |
| Supplies                   | 101,205          | 101,205          | 102,684           | (1,479)   |
| Insurance                  | 35,200           | 35,200           | 35,738            | (538)   |
| Outside services           | 64,267           | 64,267           | 59,791            | 4,476   |
| Other                      | 8,245            | 8,245            | 6,824             | 1,421   |
| Total Current              | <u>2,884,627</u> | <u>2,884,627</u> | <u>2,836,561</u>  | <u>48,066</u>   |
| Capital Outlay             | -                | -                | -                 | -   |
| Total Fire Department      | <u>2,884,627</u> | <u>2,884,627</u> | <u>2,836,561</u>  | <u>48,066</u>   |
| Total Public Safety        | <u>7,933,369</u> | <u>8,010,369</u> | <u>7,961,627</u>  | <u>48,742</u>   |
| Highways and Streets:      |                  |                  |                   |   |
| Current:                   |                  |                  |                   |   |
| Salaries                   | 420,060          | 435,060          | 416,362           | 18,698  |
| Benefits and payroll taxes | 210,710          | 227,710          | 212,492           | 15,218  |
| Telephone and utilities    | 17,000           | 17,000           | 19,995            | (2,995)   |
| Repairs and maintenance    | 365,000          | 406,000          | 395,993           | 10,007  |
| Supplies                   | 40,500           | 40,500           | 54,931            | (14,431)  |
| Insurance                  | 11,600           | 11,600           | 12,902            | (1,302)   |
| Outside services           | 15,700           | 15,700           | 17,097            | (1,397)   |
| Other                      | 32,060           | 32,060           | 37,168            | (5,108)   |
| Total Current              | <u>1,112,630</u> | <u>1,185,630</u> | <u>1,166,940</u>  | <u>18,690</u>   |
| Capital Outlay             | -                | -                | -                 | -   |
| Total Highways and Streets | <u>1,112,630</u> | <u>1,185,630</u> | <u>1,166,940</u>  | <u>18,690</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, 2004**

|                                      | Budgeted Amounts    |                    | Actual<br>Amounts  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|---------------------|--------------------|--------------------|---|
|                                      | Original            | Final              |                    |   |
| Expenditures, Continued:             |                     |                    |                    |   |
| Recreation:                          |                     |                    |                    |   |
| Current:                             |                     |                    |                    |   |
| Salaries                             | \$888,420           | 823,420            | 806,739            | 16,681  |
| Benefits and payroll taxes           | 268,615             | 268,615            | 261,985            | 6,630   |
| Memberships and testing              | 4,782               | 4,782              | 5,246              | (464)   |
| Telephone and utilities              | 136,207             | 136,207            | 137,696            | (1,489)   |
| Repairs and maintenance              | 78,446              | 78,446             | 84,123             | (5,677)   |
| Travel                               | 9,155               | 9,155              | 7,161              | 1,994   |
| Outside services                     | 102,923             | 102,923            | 104,892            | (1,969)   |
| Recreation programs                  | 16,650              | 16,650             | 16,140             | 510   |
| Advertising and promotion            | 6,950               | 6,950              | 8,108              | (1,158)   |
| Supplies                             | 67,823              | 67,823             | 71,968             | (4,145)   |
| Insurance                            | 17,700              | 17,700             | 21,630             | (3,930)   |
| Rent                                 | 11,500              | 11,500             | 11,556             | (56)  |
| Other                                | 1,100               | 1,100              | 1,345              | (245)   |
| Total Current                        | <u>1,610,271</u>    | <u>1,545,271</u>   | <u>1,538,589</u>   | <u>6,682</u>  |
| Capital Outlay                       | -                   | -                  | -                  | -   |
| Total Recreation                     | <u>1,610,271</u>    | <u>1,545,271</u>   | <u>1,538,589</u>   | <u>6,682</u>  |
| Community Development:               |                     |                    |                    |   |
| Current:                             |                     |                    |                    |   |
| Salaries                             | 258,790             | 258,790            | 245,134            | 13,656  |
| Benefits and payroll taxes           | 99,550              | 99,550             | 95,355             | 4,195   |
| Telephone and utilities              | 38,000              | 38,000             | 50,123             | (12,123)  |
| Repairs and maintenance              | 10,500              | 10,500             | 8,152              | 2,348   |
| Travel                               | -                   | -                  | -                  | -   |
| Outside services                     | 9,000               | 9,000              | 8,887              | 113   |
| Advertising and promotion            | 3,300               | 3,300              | 2,561              | 739   |
| Food purchase                        | 107,000             | 107,000            | 99,845             | 7,155   |
| Supplies                             | 31,530              | 31,530             | 24,985             | 6,545   |
| Insurance                            | 2,150               | 2,150              | 2,103              | 47  |
| Contributions to non-profits         | 526,248             | 558,748            | 558,748            | -   |
| Other                                | 2,250               | 2,250              | 2,964              | (714)   |
| Total Current                        | <u>1,088,318</u>    | <u>1,120,818</u>   | <u>1,098,857</u>   | <u>21,961</u>   |
| Capital Outlay                       | -                   | -                  | -                  | -   |
| Total Community Development          | <u>1,088,318</u>    | <u>1,120,818</u>   | <u>1,098,857</u>   | <u>21,961</u>   |
| Total Expenditures                   | <u>16,226,615</u>   | <u>16,656,615</u>  | <u>16,407,008</u>  | <u>249,607</u>  |
| Excess Revenues Over Expenditures    | <u>635,738</u>      | <u>205,738</u>     | <u>1,871,102</u>   | <u>1,665,364</u>  |
| Other Financing Sources (Uses):      |                     |                    |                    |   |
| Transfer to Capital Projects Fund    | (1,734,084)         | (1,304,084)        | (1,202,303)        | 101,781   |
| Transfer to Drug Fund                | (20,000)            | (20,000)           | (71,762)           | (51,762)  |
| Transfer to Debt Service Fund        | (606,958)           | (606,958)          | (561,237)          | 45,721  |
| Transfer from Gas Fund               | 140,774             | 140,774            | 140,774            | -   |
| Transfer from Water and Sewer Fund   | 321,672             | 321,672            | 321,672            | -   |
| Transfer from Golf Course Fund       | 50,000              | 50,000             | 50,000             | -   |
| Total Other Financing Sources (Uses) | <u>(1,848,596)</u>  | <u>(1,418,596)</u> | <u>(1,322,856)</u> | <u>95,740</u>   |
| Net change in fund balance           | <u>(1,212,858)</u>  | <u>(1,212,858)</u> | <u>548,246</u>     | <u>1,761,104</u>  |
| Fund Balance, beginning of year      | <u>11,927,376</u>   | <u>11,927,376</u>  | <u>11,927,376</u>  | <u>-</u>  |
| Fund Balance, end of year            | <u>\$10,714,518</u> | <u>10,714,518</u>  | <u>12,475,622</u>  | <u>1,761,104</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**

**Impact Fee Fund**

**For the Year Ended June 30, 2004**

|   | Budgeted Amounts |             | Actual      | Variance with                          |
|---|------------------|-------------|-------------|--|
|   | Original         | Final       | Amounts     | Final Budget<br>Positive<br>(Negative) |
| Revenues:   |                  |             |             |  |
| Licenses and permits                              | \$1,570,000      | 1,570,000   | 2,483,611   | 913,611                                |
| Uses of Money and Property:                       |                  |             |             |  |
| Interest  | 18,700           | 18,700      | 17,659      | (1,041)                                |
| Total Revenue                                     | 1,588,700        | 1,588,700   | 2,501,270   | 912,570                                |
| Expenditures:                                     | -                | -           | -           | -                                      |
| Total Expenditures                                | -                | -           | -           | -                                      |
| Excess (deficiency) of revenues over expenditures | 1,588,700        | 1,588,700   | 2,501,270   | 912,570                                |
| Other Financing Sources (Uses):                   |                  |             |             |  |
| Transfers to Capital Project Fund                 | (1,935,000)      | (1,945,000) | (1,955,291) | (10,291)                               |
| Total Other Financing Sources (Uses)              | (1,935,000)      | (1,945,000) | (1,955,291) | (10,291)                               |
| Net change in fund balance                        | (346,300)        | (356,300)   | 545,979     | 902,279                                |
| Fund balance, beginning of year                   | 1,130,031        | 1,130,031   | 1,130,031   | -                                      |
| Fund balance, end of year                         | \$783,731        | 773,731     | 1,676,010   | 902,279                                |

See accompanying notes to required supplementary information

## TOWN OF SMYRNA, TENNESSEE

### Notes to Required Supplementary Information

June 30, 2004

#### 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, the General Fund expenditures and other uses budget was not amended. There were transfers of appropriations between expenditure, and other uses of \$430,000. The Impact Fee Fund expenditure budget was not amended, however, there were increases in other financing uses of \$10,000. The Capital Projects Fund expenditure and other uses budget was decreased by \$301,500 which was 4% of the original expenditure budget. Nonmajor governmental fund expenditures budgets were increased by \$34,000.