

**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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Real estate taxes	\$4,323,000	4,323,000	4,332,007	9,007
Business tax	440,000	440,000	203,263	(236,737)
Wholesale beer tax	865,000	865,000	898,585	33,585
Local option sales tax	5,550,000	5,854,505	6,133,469	278,964
Other	392,500	392,500	476,060	83,560
Total Taxes	<u>11,570,500</u>	<u>11,875,005</u>	<u>12,043,384</u>	<u>168,379</u>
Payments in lieu of taxes	<u>1,835,000</u>	<u>1,835,000</u>	<u>1,866,715</u>	<u>31,715</u>
Licenses and Permits	<u>504,400</u>	<u>504,400</u>	<u>881,010</u>	<u>376,610</u>
Intergovernmental Revenues:				
State of Tennessee income tax	15,000	15,000	73,315	58,315
State of Tennessee beer tax	14,500	14,500	16,471	1,971
State of Tennessee sales tax	2,020,000	2,097,000	2,210,226	113,226
Maintenance of state roads	74,000	74,000	73,716	(284)
Federal and state grants	-	-	3,600	3,600
Other state and county shared taxes	197,030	197,030	250,118	53,088
Total Intergovernmental Revenues	<u>2,320,530</u>	<u>2,397,530</u>	<u>2,627,446</u>	<u>229,916</u>
Fines and forfeits	<u>780,500</u>	<u>780,500</u>	<u>1,148,041</u>	<u>367,541</u>
Uses of Property and Money:				
Penalties	34,200	34,200	42,502	8,302
Performance bond	-	-	-	-
Interest earned	385,000	385,000	751,831	366,831
Rent	95,000	95,000	51,143	(43,857)
Traffic school fees	150,000	150,000	201,868	51,868
Administrative support charges	778,124	778,124	778,124	-
Cemetery revenue	30,000	30,000	62,250	32,250
Recreation fees and community center fees	389,500	389,500	407,393	17,893
Food sales	225,000	225,000	203,169	(21,831)
Total Uses of Property and Money	<u>2,086,824</u>	<u>2,086,824</u>	<u>2,498,280</u>	<u>411,456</u>
Other	<u>421,780</u>	<u>601,780</u>	<u>133,587</u>	<u>(468,193)</u>
Total Revenues	<u>19,519,534</u>	<u>20,081,039</u>	<u>21,198,463</u>	<u>1,117,424</u>
Expenditures:				
General Government:				
Current:				
Legislative Board:				
Salaries	36,000	36,000	36,300	(300)
Benefits and payroll taxes	15,540	15,540	18,706	(3,166)
Travel	-	10,500	6,544	3,956
Other	47,400	55,400	34,230	21,170
Total Legislative Board	<u>98,940</u>	<u>117,440</u>	<u>95,780</u>	<u>21,660</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, 2006**

	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	\$479,970	479,970	438,298	41,672
Benefits and payroll taxes	188,570	189,570	134,902	54,668
Contractual services	32,125	32,125	55,273	(23,148)
Other	20,639	28,169	19,772	8,397
Total City and General Sessions Court	<u>721,304</u>	<u>729,834</u>	<u>648,245</u>	<u>81,589</u>
Vehicle Maintenance:				
Salaries	122,640	125,640	132,194	(6,554)
Benefits and payroll taxes	58,300	58,300	55,687	2,613
Other	62,000	62,000	57,515	4,485
Total City Garage	<u>242,940</u>	<u>245,940</u>	<u>245,396</u>	<u>544</u>
Codes, Engineering and Planning:				
Salaries	619,390	619,390	590,307	29,083
Benefits and payroll taxes	257,370	259,670	222,679	36,991
Board expenditures	600	600	740	(140)
Insurance	7,550	7,550	7,196	354
Telephone and utilities	2,710	3,250	2,640	610
Supplies	16,625	17,625	16,152	1,473
Repairs and maintenance	3,200	3,200	1,708	1,492
Professional services	1,500	3,000	12,667	(9,667)
Other	32,310	34,410	20,932	13,478
Total Codes, Engineering and Planning	<u>941,255</u>	<u>948,695</u>	<u>875,021</u>	<u>73,674</u>
Building and Grounds:				
Salaries	471,590	471,590	408,528	63,062
Benefits and payroll taxes	218,470	219,970	205,574	14,396
Repairs and maintenance	47,900	48,700	48,096	604
Supplies	30,600	32,135	33,582	(1,447)
Insurance	9,100	9,100	9,741	(641)
Cemetery	11,050	12,050	12,983	(933)
Other	1,975	2,275	1,413	862
Total Building Maintenance	<u>790,685</u>	<u>795,820</u>	<u>719,917</u>	<u>75,903</u>
Finance and Administration:				
Salaries	1,284,170	1,262,670	1,213,361	49,309
Benefits and payroll taxes	524,750	536,250	468,228	68,022
Memberships and testing	22,065	23,955	27,306	(3,351)
Telephone and utilities	101,600	103,050	137,864	(34,814)
Professional services	66,450	67,200	132,323	(65,123)
Repairs and maintenance	6,310	7,060	1,857	5,203
Travel	-	18,410	2,425	15,985
Supplies	80,580	85,480	59,634	25,846
Insurance	19,550	19,550	23,891	(4,341)
Outside services	122,721	133,871	123,972	9,899
Other	87,700	91,900	48,706	43,194
Total Finance and Administration	<u>2,315,896</u>	<u>2,349,396</u>	<u>2,239,567</u>	<u>109,829</u>
Total Current	<u>5,111,020</u>	<u>5,187,125</u>	<u>4,823,926</u>	<u>363,199</u>
Capital Outlay	-	-	-	-
Total General Government	<u>5,111,020</u>	<u>5,187,125</u>	<u>4,823,926</u>	<u>363,199</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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
Public Safety:				
Police Department:				
Current:				
Salaries	\$4,505,380	4,505,380	4,396,124	109,256
Benefits and payroll taxes	1,917,380	1,927,380	1,670,060	257,320
Outside services	61,123	69,118	46,785	22,333
Memberships and testing	7,220	7,220	10,613	(3,393)
Telephone	33,070	33,070	39,738	(6,668)
Repairs and maintenance	49,150	49,150	94,951	(45,801)
Travel	1,000	14,690	6,862	7,828
Supplies	195,838	195,838	297,876	(102,038)
Insurance	80,000	80,000	82,535	(2,535)
Other	2,500	9,750	7,521	2,229
Total Current	<u>6,852,661</u>	<u>6,891,596</u>	<u>6,653,065</u>	<u>238,531</u>
Capital Outlay	-	-	-	-
Total Police Department	<u>6,852,661</u>	<u>6,891,596</u>	<u>6,653,065</u>	<u>238,531</u>
Fire Department:				
Current:				
Salaries	3,043,070	3,037,070	2,821,103	215,967
Benefits and payroll taxes	1,338,750	1,338,750	1,078,978	259,772
Memberships and testing	7,775	7,775	10,062	(2,287)
Telephone and utilities	66,000	66,000	104,323	(38,323)
Repairs and maintenance	61,600	61,600	114,892	(53,292)
Supplies	112,224	120,974	126,491	(5,517)
Insurance	40,000	40,000	42,124	(2,124)
Outside services	54,807	72,307	76,062	(3,755)
Other	7,125	16,000	6,718	9,282
Total Current	<u>4,731,351</u>	<u>4,760,476</u>	<u>4,380,753</u>	<u>379,723</u>
Capital Outlay	-	-	-	-
Total Fire Department	<u>4,731,351</u>	<u>4,760,476</u>	<u>4,380,753</u>	<u>379,723</u>
Total Public Safety	<u>11,584,012</u>	<u>11,652,072</u>	<u>11,033,818</u>	<u>618,254</u>
Highways and Streets:				
Current:				
Salaries	464,620	464,620	460,238	4,382
Benefits and payroll taxes	268,500	268,500	251,505	16,995
Telephone and utilities	20,000	20,000	25,830	(5,830)
Repairs and maintenance	99,000	120,000	106,961	13,039
Supplies	54,000	58,000	82,063	(24,063)
Insurance	15,300	15,300	14,718	582
Outside services	17,750	17,750	12,483	5,267
Other	31,940	31,940	21,800	10,140
Total Current	<u>971,110</u>	<u>996,110</u>	<u>975,598</u>	<u>20,512</u>
Capital Outlay	-	-	-	-
Total Highways and Streets	<u>971,110</u>	<u>996,110</u>	<u>975,598</u>	<u>20,512</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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
Recreation:				
Current:				
Salaries	\$978,760	978,760	897,144	81,616
Benefits and payroll taxes	354,075	354,075	335,093	18,982
Memberships and testing	5,797	6,097	5,859	238
Telephone and utilities	162,067	162,067	199,218	(37,151)
Repairs and maintenance	83,813	86,713	87,974	(1,261)
Travel	3,600	11,225	4,778	6,447
Outside services	138,962	138,962	157,833	(18,871)
Recreation programs	15,055	22,455	22,810	(355)
Advertising and promotion	3,900	12,000	11,743	257
Supplies	88,433	91,258	104,084	(12,826)
Insurance	22,800	22,800	21,412	1,388
Rent	11,800	11,800	11,387	413
Other	13,200	13,200	10,285	2,915
Total Current	<u>1,882,262</u>	<u>1,911,412</u>	<u>1,869,620</u>	<u>41,792</u>
Capital Outlay	-	-	-	-
Total Recreation	<u>1,882,262</u>	<u>1,911,412</u>	<u>1,869,620</u>	<u>41,792</u>
Community Development:				
Current:				
Salaries	297,250	297,250	256,403	40,847
Benefits and payroll taxes	125,190	125,190	115,201	9,989
Telephone and utilities	39,500	42,500	72,030	(29,530)
Repairs and maintenance	12,500	15,500	13,587	1,913
Travel	-	-	-	-
Outside services	9,000	9,000	9,658	(658)
Advertising and promotion	3,100	3,100	501	2,599
Food purchase	91,700	101,700	121,609	(19,909)
Supplies	30,700	30,700	34,620	(3,920)
Insurance	2,100	2,100	1,921	179
Contributions to non-profits	476,181	476,181	476,181	-
Other	2,700	2,700	3,638	(938)
Total Current	<u>1,089,921</u>	<u>1,105,921</u>	<u>1,105,349</u>	<u>572</u>
Capital Outlay	-	-	-	-
Total Community Development	<u>1,089,921</u>	<u>1,105,921</u>	<u>1,105,349</u>	<u>572</u>
Total Expenditures	<u>20,638,325</u>	<u>20,852,640</u>	<u>19,808,311</u>	<u>1,044,329</u>
Excess Revenues Over Expenditures	<u>(1,118,791)</u>	<u>(771,601)</u>	<u>1,390,152</u>	<u>2,161,753</u>
Other Financing Sources (Uses):				
Transfer to Capital Projects Fund	(810,356)	(1,075,126)	(330,293)	744,833
Transfer to Drug Fund	(20,000)	(20,000)	(42,401)	(22,401)
Transfer to Debt Service Fund	(561,359)	(643,779)	(640,768)	3,011
Transfer from Gas Fund	110,277	110,277	110,277	-
Transfer from Water and Sewer Fund	315,077	315,077	315,077	-
Transfer from Golf Course Fund	50,000	50,000	50,000	-
Total Other Financing Sources (Uses)	<u>(916,361)</u>	<u>(1,263,551)</u>	<u>(538,108)</u>	<u>725,443</u>
Net change in fund balance	<u>(2,035,152)</u>	<u>(2,035,152)</u>	<u>852,044</u>	<u>2,887,196</u>
Fund Balance, beginning of year, as originally reported	<u>13,067,830</u>	<u>13,067,830</u>	<u>13,067,830</u>	<u>-</u>
Restatement	<u>(294,384)</u>	<u>(294,384)</u>	<u>(294,384)</u>	<u>-</u>
Fund Balance, beginning of year, as restated	<u>12,773,446</u>	<u>12,773,446</u>	<u>12,773,446</u>	<u>-</u>
Fund Balance, end of year	<u>\$10,738,294</u>	<u>10,738,294</u>	<u>13,625,490</u>	<u>2,887,196</u>

See accompanying notes to required supplementary information

# TOWN OF SMYRNA, TENNESSEE

## Notes to Required Supplementary Information

June 30, 2006

### 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 increased by \$561,505 and the Capital Projects Funds expenditure budget was increased by \$634,770. Nonmajor governmental fund expenditures budgets and other uses were increased by \$132,000.