



**Comprehensive Annual
Financial Report
Fiscal Year Ending
June 30, 2020**

Prepared by the Finance Department

TOWN OF SMYRNA, TENNESSEE

Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-viii
Certificate of Achievement for Excellence in Financial Reporting	ix
Management Organization Chart	x
Officials of the Town of Smyrna, Tennessee	xi
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-12
Basic Financial Statements:	
Government - Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Reconciliation of Balance Sheet to Statement of Net Position of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	19-22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25-26
Statement of Fiduciary Net Position - Pension Fund	27
Statement of Changes in Fiduciary Net Position - Pension Fund	28
Notes to Financial Statements	29-51
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net Pension Liability and Related Ratios Based on Participation of Town of Smyrna Pension Plan	52
Schedule of Contributions Based on Participation in Town of Smyrna Pension Plan	53
Schedule of Investment Returns for Town of Smyrna Pension Plan	53
Notes to Schedule Relating to the Actuarially Determined Contribution for the Town of Smyrna Pension Plan	54
COMBINING AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND SCHEDULES	
Combining Balance Sheet - Nonmajor Governmental Funds	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	56
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds:	
Drug Fund	58
State Street Aid Fund	59
Impact Fee Fund	60
Stormwater Fund	61

TOWN OF SMYRNA, TENNESSEE
 Table of Contents, Continued

Page Number

COMBINING AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND SCHEDULES (Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Debt Service Fund	62
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Capital Projects Fund.....	63
Capital Assets Used in the Operation of the Governmental Funds:	
Schedule by Function and Activity	64
Schedule of Changes by Function and Activity	65
Schedule of Cash and Cash Equivalents - All Funds	66
Schedule of Changes in Property Taxes Receivable	67
Schedule of Changes to Long Term Debt by Individual Issue.....	68
Schedule of Debt Service Requirements - General Obligation Debt	69
Schedule of Debt Service Requirements - Enterprise Fund Debt	70
Schedule of Expenditures of Federal Awards	71
Schedule of Federal and State Financial Assistance	72
Schedule of Utility Data	73

STATISTICAL SECTION

Financial Trends Information-Net Position by Component, Last Ten Fiscal Years	74
Financial Trends Information-Change in Net Position, Last Ten Fiscal Years	75
Financial Trends Information-Fund Balances, Governmental, Last Ten Fiscal Years	76
Financial Trends Information-Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	77
Revenue Capacity Information-Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	78
Revenue Capacity Information-Direct and Overlapping Property Tax Rates Last Ten Fiscal Years	79
Revenue Capacity Information-Principal Property Tax Payers, Current and Nine Years Ago	80
Revenue Capacity Information-Property Tax levies and Collections, Last Ten Fiscal Years	81
Debt Capacity Information- Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	82
Debt Capacity Information- Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	83
Debt Capacity Information- Direct and Overlapping Governmental Activities Debt.....	84
Debt Capacity Information- Legal Debt Margin Information, Last Ten Fiscal Years	85
Debt Capacity Information- Pledged- Revenue Coverage, Last Ten Fiscal Years	86
Demographic and Economic Information- Demographic and Economic Statistics, Last Ten Calendar Years.....	87
Demographic and Economic Information- Principal Employers, Current Year and Nine Years Ago	88

TOWN OF SMYRNA, TENNESSEE

Table of Contents, Continued

	<u>Page Number</u>
STATISTICAL SECTION (Continued)	
Operating Information- Full-time Equivalent Town Government Employees by Function/Program, Last Ten Fiscal Years	89
Operating Information- Operating Indicators by Function, Program, Last Ten Fiscal Years	90
Operating Information- Capital Assets Statistics by Function/Program, Last Ten Fiscal Years	91-92
AWWA Reporting Worksheets (Unaudited).....	93-94
OTHER REPORTS	
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	95-96
Independent Auditor's Report On Compliance For Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance.....	97-98
Schedule of Disposition of Prior Year Findings and Questioned Cost.....	99
Schedule of Findings and Questioned Costs	100

INTRODUCTORY SECTION

Town Council
Marc Adkins, Vice-Mayor
H. G. Cole
Tim Morrell
Racquel Peebles
Gerry Short
Steve Sullivan



Mayor
Mary Esther Reed

Town Manager
Brian D. Hercules

October 19, 2020

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, 2020, is hereby submitted as required by state statutes. These statutes require that all general-purpose local governments publish a complete set of audited financial statements.

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. Because the cost of internal controls should not exceed anticipated benefits, the Town’s internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The Town’s financial statements have been audited by Yeary, Howell & Associates. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion. The independent auditor’s report is presented as the first component of the financial section of this report.

Management’s Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. 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; it has grown 30.9% in the previous ten years. 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 29 square miles and serves an estimated population of 52,324.

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 Members, 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; planning and zoning; stormwater; 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 Town is also financially accountable for a legally separate industrial development board, which is reported separately within the Town's financial statements. Additional information on this board can be found in the notes to the financial statements on page 29.

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 transfers between departments must be approved by the Town Council. Additional information concerning the Town's budgetary process can be found on page 50 of this report.

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 North America, Inc., a leading manufacturer of vehicles in America. Nissan is also one of Tennessee's largest employers which employ more than 8,400 people with an annual payroll in excess of \$290 million.

The Town continues to see commercial growth within its boundaries. This growth is in both expansion of existing companies and new businesses choosing to locate in Smyrna. Vi-Jon, the personal care products manufacturer known for its flagship brand Germ-X hand sanitizer, said it will add 200 new jobs and invest \$35 million to expand capacity in Smyrna. Topre America Corporation, a major automotive stamping supplier, continues to reinvest in its Smyrna manufacturing plant. It is adding 51 new jobs and a \$63 million capital investment. Today's announcement includes Topre's fourth expansion since 2015. Stevens Aerospace and Defense Systems, one of America's most accomplished companies engaged in maintenance, repair and overhaul of private and government aircraft, is relocating its operation to Smyrna Airport. Stevens Aerospace will relocate 75 jobs from Nashville to Smyrna, and will add 30 new jobs initially with the intention of growing its workforce.

Hunter Industrial, a division of the Hunter Fan Company, has signed a lease for a new 101,000-square-foot commercial and industrial headquarters—more than three times the size of its current office space and manufacturing warehouse. The building will include a full commercial and industrial manufacturing, research and development facility in addition to its corporate offices.

New businesses that have opened or in the process of opening include O’Reilly Auto Parts, Topre Phase VII, Wash-N-Roll car wash, Regions Bank, Chase Bank, Ascend Federal Credit Union, Nissan North America warehouse addition and stamping panel warehouse addition, and RaceTrac gas station. Businesses currently under construction are Avid Hotel, Topre Phase VIII, Rock Springs Market gas station, Courtyard by Marriott Hotel, and Rock Springs Plaza Phase II, which is a retail/restaurant development with a gas station as well. Businesses that have been approved by the Planning Commission include SRM Concrete corporate headquarters, Topre Phase IX, Woodspring Suites by Marriott, a second RaceTrac gas station, Dollar General, two medical office buildings, Veritas Federal Credit Union, and a three story climate controlled storage facility next to Home Depot. This growth provides jobs and revenues to the Town.

The local economy has historically remained healthier than the national economy, with the average unemployment rate below the national average. During the past ten years, the unemployment rate for Smyrna has averaged about 6.02%, while the national unemployment rate for the same time period has averaged about 6.42%. As of June 30, 2020, the local unemployment rate was 11.1%. The local unemployment rate is expected to remain below the national rate.

Long-term Financial Planning

As part of the Town’s budget process, a five-year capital plan is developed in order to assess future needs. As part of this plan, projects are evaluated as to their future funding source in order that the Town can adequately plan for future bond issue needs.

Relevant Financial Policies

The Town’s Financial, Debt, and Budget Management Policy, as adopted by the Town Council, requires that ending fund balance of the general fund be maintained at a level that equals at least 30 to 35% of the general fund operating revenue. This policy is in place to provide a contingency plan for times of economic downturn or one-time use for capital projects.

Major Initiatives

The Town’s impressive amenities, such as our superior park system, executive and regulation golf courses, extensive greenways, and our forward looking approach to infrastructure improvements, and recruitment of commercial business allow us to continue to live up to our reputation of being one of the best places to retire. Forbes Magazine recognized the Town as one of the top 25 best places to retire touting the Town’s cost of living is 9% below the national average (2016). Livability.com has named Smyrna as the second most affordable city in the State of Tennessee.

The Town continues to abide by our Employees' Guiding Principles to remind us that everything we do as an organization and as individual employees of the Town is to benefit the citizens of Smyrna. Management and all employees give particular attention to customer service, respecting all members of the organization, being innovative, financially responsible, and embracing a mentoring mindset.

The Town of Smyrna is nearing completion of an update to the Comprehensive Plan. This plan was originally adopted in 2007. This plan will lay the framework for future land use decisions by the Town as we continue to grow. It will also use this future land use vision to guide investments in fire and police protection, water and sewer improvements, and will dovetail with the recently approved Major Thoroughfare Plan and Bicycle and Pedestrian Plan in guiding transportation improvements for the Town.

The Town of Smyrna is about to undertake a project to improve the form and function of Lowry Street. The proposal is to rehabilitate and add sidewalks, landscaping, and crosswalks. The project will be developed in several phases, and Phase I is the downtown core of Smyrna. This area is located in a locally designated historic district, which also includes area on the southwestern side of the railroad centered on Front Street and the Smyrna Train Depot. The Town desires to continue to bring business to what we have labeled the "Depot District" by making it a more attractive and vibrant area. Phase I of this project will include Lowry Street from Sam Davis Road to Jackson Street, which is approximately .25 of a mile. This portion of the project will include removal of the center turn lane from Washington Street to Sam Hager Drive. It will also include installing landscaping and any necessary stormwater infrastructure in place of the removed center turn lane. The project will also include replacement and/or addition of sidewalks, crosswalks, and reducing vehicular access in strategic locations to increase safety for pedestrian and bicycle traffic. Final construction plans for Phase I have been approved by TDOT. The project has been bid and construction is set to begin soon. Phase II of this project will be from Jackson Street to the bridge over Hart's Branch, which is a distance of approximately .16 of a mile. This phase of the project is about to begin the NEPA process. The Town received a grant for this project from the Nashville Area Metropolitan Planning Organization.

Construction has started on the Alta Depot project for 308 luxury apartments with elevators. The community is within walking distance of the Historic Depot District. This is a continuation of the downtown revitalization effort as envisioned by the Town Council. This property had been vacant in the town for several decades.

Public Works is committed to improving vehicle and pedestrian flow in the Town. Several projects are underway to accomplish this. The Town continues to pursue the Federal Highway Administration and Tennessee Department of Transportation regarding the construction of another interchange off Interstate 24 within the Town's corporate boundaries. Providing this additional interchange would allow for a wealth of opportunities for commercial growth while further benefiting our citizens by providing an additional means of accessing Interstate 24. A necessary step prior to the interchange approval involves TDOT studying the I-24 interchanges

at Sam Ridley and Nissan/Lee Victory to improve traffic flow. TDOT has determined that the Sam Ridley Interchange is operating within an allowable level of service. However, the Nissan/Lee Victory Interchange is operating below allowable levels of service at peak times. TDOT has submitted the results of their study to FHWA to request funding for upgrades to this interchange.

The town is working on multiple projects along the Sam Ridley Corridor. We have completed an intersection project at Stonecrest and Sam Ridley and moved the traffic signal at Chaney and Sam Ridley to Potomac and Sam Ridley to help traffic flow. Currently we are working to widen Sam Ridley from 2 lanes in each direction to 3 lanes and closing all un-signalized intersections between I-24 and Old Nashville Highway to improve safety and provide controlled access. Also, we are working on the design of improvements to the Sam Ridley and Old Nashville Highway intersection.

A Signal Timing and Optimization Study have been completed and new timings implemented to help improve traffic flow throughout the Town at signalized intersections. Currently the Town is going to construction for Phases 1 and 2 of a five phase project to install an Intelligent Traffic System around town. The Town has received additional funding for Phases 3 through 5 and is currently awaiting construction funding approval.

The Enon Springs West Extension project is under construction from the intersection of Enon Springs and Old Nashville to the Rocky Fork Road Bridge over I-24. This 1.5 miles of roadway is being designed as a Gateway Entrance into the Town of Smyrna in anticipation of a future interchange at I-24 and Rocky Fork Road.

To provide needed pedestrian access, the town applied for and received FHWA funding for four (4) multimodal sidewalk projects. Currently we are in construction or design phase on three projects that provide traffic calming and sidewalks within the downtown area around Lowry Street (SR-1/Hwy 41) and Washington Street. These projects will help provide pedestrian access from residential to commercial areas. The fourth project is currently in NEPA phase that will provide a sidewalk along Florence Road from Rebel Road to Westfork Park. This project will connect existing sidewalk along residential areas to the park.

The Town of Smyrna has completed the design phase of the expansion of the Waste Water Treatment Plant. This expansion will increase the treatment capacity from 5.5 million gallons per day (MGD) to 9.0 MGD along with preparing to allow future expansion to 12 MGD. Bids for construction were opened on June 6, 2019, with Judy Construction coming in as the low bidder at approximately \$35.5 million. Construction has begun and will be a three-year process.

The Town's natural gas provider, Symmetry Energy, continues to provide reliable delivery of natural gas supply to our customers. The agreement, which includes hedging to eliminate spikes in pricing and financial analysis, continues to provide our customers with low cost energy.

The Town has placed into service a Wastewater Effluent Reuse System. This "green" initiative provides non-potable water for irrigation and other purposes to commercial and industrial uses.

We are currently expanding the re-use system and have developed a preliminary master plan for future expansions. This project also reduces the amount of effluent returned to the Hart's Branch tributary. This assists the Water Treatment Plant operations by reducing potable water demands.

The Town is working with the State of Tennessee on a project consisting of the relocation and upsizing of water, sewer and gas lines in conjunction with the TDOT road widening project from Nissan Drive along SR 266 (Jefferson Pike) to the interchange at Interstate 840. This project is currently approved in TDOT's FY20-22 budget. Construction bid letting on the project is set for October 9, 2020.

The Town has completed the design and ROW phase for the Olive Branch sewer extension project. The Town has awarded this contract to Norris Brothers Excavating for \$8.5 million. This project will continue to foster growth and development within the Town.

The Town has completed the Gas portion of the AMI meter conversion and network for Gas to automatically read meters, evaluate data and provide a high level of service for our customers. The water portion of the project has been started and will include approximately 15,000 water meter upgrades to AMI and also installation of leak sensors throughout the water system to aid in water loss reduction.

The Town of Smyrna Parks and Recreation Department continues to expand facilities and offerings to the Smyrna citizens. The department continues to offer multiple programs and events for the community. As in the past the town invested in the park system by making improvements to existing facilities and constructing new facilities.

Construction of the new \$8.5 million Cedar Stone Community Park was completed in the spring of 2020. The park was officially opened in June 2020 and is the new home of the Smyrna Baseball League. The park boasts four fully synthetic turf youth baseball fields with LED lights, concession and restroom building, a large state of the art community playground and associated parking. The park played host to baseball tournaments shortly after opening while the baseball league looks forward to starting its initial season on site in the fall.

Volunteer Park has been part of the Smyrna Park system for numerous years. After years of being the home to Girls Softball the park became the new home to the Smyrna Adult Softball League this past spring. Staff led the efforts to expanding the softball fields for adult play, adding pedestrian access, replacing scoreboards and repaving the entrance road. The league, in partnership with the town, hosted several tournaments along with league play in recent months.

The town continued making improvements in the Depot District by constructing a stage canopy area on the south side of the Smyrna Train Depot. Partially funded by a state tourism grant the 20'x24' stage canopy includes stage sound and lighting, signage and spectator seating. The project was completed in the spring of 2020 and has already been popular for the Smyrna Farmer's Market, musicians and citizens alike. The stage area provides a covered area for citizens who rent the train depot as well.

The town continues to progress with the new Zama Park in downtown Smyrna. This linear park is located on the former Tire World site along Lowry Street in the heart of Smyrna. The park is a tribute to the ongoing sister city program with Zama, Japan. The park includes a quarter-mile sidewalk loop, multiple plazas with seat walls, detailed landscaping, large gazebo, trellis, and associated parking.

Due to the addition of Cedar Stone Community Park, the Parks Department partnered with local recreation leagues to determine new locations for their organizations. This effort included park improvements and concession adjustments in order to cater to each league.

Work at the Rotary Soccer Annex continued with the completion of additional pedestrian access bridges and walkways. Construction of the restroom building is underway at the soccer annex as well.

Improvements were made to the 20 year old community playground at Lee Victory Park. The project included the replacement of faded equipment and the addition of new equipment.

Parks and Recreation remains an important part of the lives of Smyrna citizens. SplashTown, the Smyrna Outdoor Adventure Center (SOAC), and Gregory Mill Park remain popular with our youth due to water features and educational exhibits.

Many of the annual fall events took place while some of the spring and summer events were modified or cancelled due to the COVID virus. During this time the importance of town parks has been evident with the increase of outdoor recreation. SOAC staff offered numerous outdoor programs and a successful summer camp. Athletic tournaments and games were plentiful and have been a new source of strong income for the department.

As in the past, the goal of the Parks and Recreation Department is to serve a diverse Smyrna community through staff, partnerships and volunteers.

Awards and Acknowledgements


The Town has achieved the highest double “AA” bond credit rating from Moody’s Investors Service and Standard & Poor’s Ratings Services. This rating primarily reflects strong economic growth that has been fueled by tax base expansion and revenue growth. The rating also takes into account the Town’s strong financial position including prudent financial management and ample reserves, an expanding tax base and a manageable debt burden.

The Government Finance Officers Association of the United States and Canada (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, 2019. The Town of Smyrna has consecutively received a Certificate of Achievement since Fiscal Year 1988. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. 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 staff, Tammie Mitchell, Beth Morris, Sierra Nolen, Donna Getner, Melissa Barrett and the cooperation of each of the Town's departments. Specific appreciation is expressed to Finance Manager, David Edwards and Financial Analysts, Danita Hunt and Jeff Milstead, on their preparation and thoroughness throughout the audit process. Credit also must be given to the Mayor and Town Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Smyrna's finances.

Respectfully submitted,



Brian D. Hercules
Town Manager



Rex S. Gaither, CMFO, CPPB
Assistant Town Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Smyrna
Tennessee**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

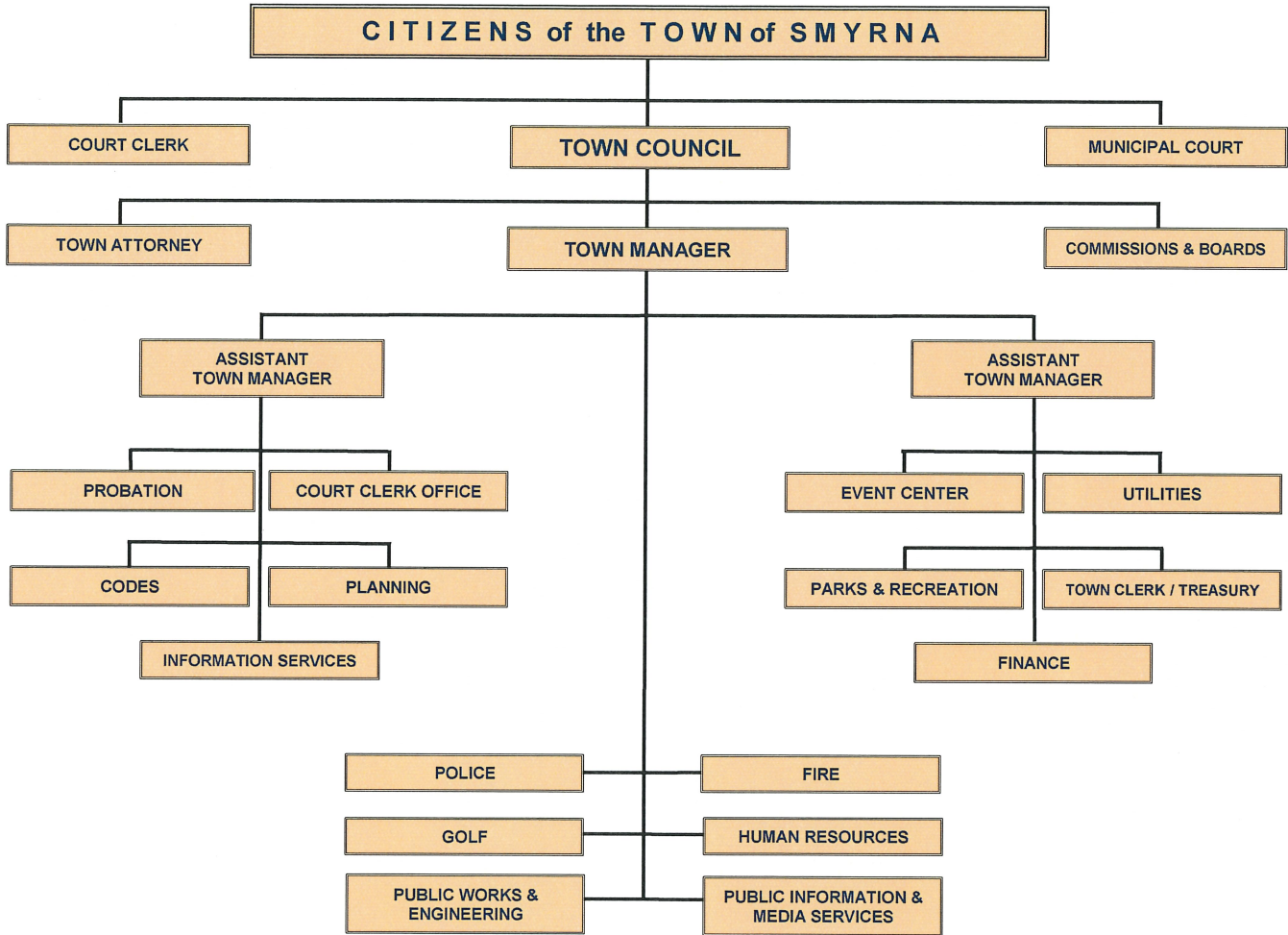
June 30, 2019

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART

July 2019



TOWN OF SMYRNA, TENNESSEE

Town Officials

ELECTED OFFICIALS:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mary Esther Reed	Mayor	November 2022
Marc Adkins	Vice Mayor, Councilmember	November 2022
H. G. Cole	Councilmember	November 2022
Tim Morrell	Councilmember	November 2020
Racquel Peebles	Councilmember	November 2020
Gerry Short	Councilmember	November 2022
Steve Sullivan	Councilmember	November 2020

APPOINTED OFFICIALS:

		<u>Date of Appointment</u>
Brian D. Hercules*	Town Manager	September 2018
Todd Spearman	Assistant Town Manager	January 2020
Rex S. Gaither, CMFO, CPPB**	Assistant Town Manager/Finance Director	November 2010
Jeff Peach	Town Attorney	June 2013
Kevin Arnold	Chief of Police	December 2006
Bill Culbertson	Fire Chief	January 1993
Jeff Craig	Director of Human Resources	September 2007
Tom Rose	Director of Public Works	August 2015
Hal Loflin	Director of Community Services	June 1993
Mike Moss	Director of Parks and Recreation	June 2004
Michael Strange	Director of Utilities	March 2014
Dianne Waldron	Town Clerk	May 1981

*The Town maintains a \$200,000 bond on the Town Manager.

**The Town maintains a \$100,000 bond on the Director of Finance.

FINANCIAL SECTION

YEARY, HOWELL & ASSOCIATES

Certified Public Accountants

501 EAST IRIS DRIVE
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY
GREGORY V. HOWELL

(615) 385-1008
FAX (615) 385-1208

Independent Auditor's Report

Honorable Mayor and Town Council
Town of Smyrna, Tennessee
Smyrna, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Smyrna, Tennessee (the Town), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Smyrna, Tennessee as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Mayor and Town Council
Town of Smyrna, Tennessee
Smyrna, Tennessee

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, pages 3 through 12, and required supplementary information on pages 52-54, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The combining and individual nonmajor fund statements and schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, including the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, including the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2020, in our consideration of the Town’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Smyrna’s internal control over financial reporting and compliance.



October 9, 2020

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, 2020. 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-vii) and the Town's financial statements (beginning on page 13).

Financial Highlights

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$357,745,681 (net position). Of this amount, \$86,963,278 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$29,832,943.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$58,256,672, a decrease of \$7,200,645 in comparison with the prior year. Approximately 52.3% of this total amount, \$30,491,885, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$30,491,885, or 87.93% of total general fund expenditures. This demonstrates the Town's fiscal discipline and places the Town in a financial position to meet unexpected emergencies, uncertainties at the State level or a general slowdown in the economy.
- The Town of Smyrna's total outstanding debt (bonds and notes) decreased by \$538,029 during the current fiscal year. This was a result of the issuance of \$6,713,413 in new debt and the payment of current debt owed.

Overview of the Financial Statements

This discussion and analysis is 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 position presents information on all of the Town's "assets and deferred outflows of resources" and "liabilities and deferred inflows of resources," with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, stormwater, 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 13-14 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.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

The general fund statement of revenues, expenditures, and changes in fund balance provides additional details of the fund, as well as, a budget comparison to demonstrate compliance with the budget. This statement can be found on pages 19-22 of this report.

Individual fund data for each of the non-major governmental funds is provided in the form of combining and individual fund statements and schedules. The schedules provide a budget comparison to demonstrate compliance with the budget.

The combining and individual fund statements and schedules can be found on pages 55-63 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 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 23-26 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 27-28 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 29-51 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Smyrna, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$357,745,681 at the close of the most recent fiscal year.

Net Position - Primary Government June 30

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 86,732,229	\$ 90,655,627	\$ 53,657,140	\$ 57,106,446	\$ 140,389,369	\$ 147,762,073
Capital Assets	137,061,727	119,123,791	168,606,442	145,446,225	305,668,169	264,570,016
Total Assets	223,793,956	209,779,418	222,263,582	202,552,671	446,057,538	412,332,089
Deferred Outflows of Resources	337,747	331,057	619,165	688,074	956,912	1,019,131
Long-term Liabilities Outstanding	30,422,371	33,062,472	31,645,160	29,555,041	62,067,531	62,617,513
Other Liabilities	6,825,899	5,170,286	5,891,339	-	12,717,238	5,170,286
Total Liabilities	37,248,270	38,232,758	37,536,499	29,555,041	74,784,769	67,787,799
Deferred Inflows of Resources	14,484,000	13,838,886	-	-	14,484,000	13,838,886
Net Positions:						
Net Investment in Capital Assets	115,483,122	104,041,833	135,882,438	116,462,875	251,365,560	220,504,708
Restricted	19,416,844	18,903,721	-	-	19,416,844	18,903,721
Unrestricted	37,499,467	35,093,277	49,463,810	53,411,032	86,963,277	88,504,309
Total Net Position	\$ 172,399,433	\$ 158,038,831	\$ 185,346,248	\$ 169,873,907	\$ 357,745,681	\$ 327,912,738

By far the largest portion of the Town of Smyrna's net position 79.50% 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 position 11.26% represents resources that are subject to external restrictions on how they may be used. These include net position restricted for capital projects \$12,149,496, highways and streets \$1,705,351, stormwater \$3,784,072, debt service \$1,463,168 and law enforcement \$314,757. The remaining balance of unrestricted net position \$86,963,278 may be used to meet the government's ongoing obligations to citizens and creditors.

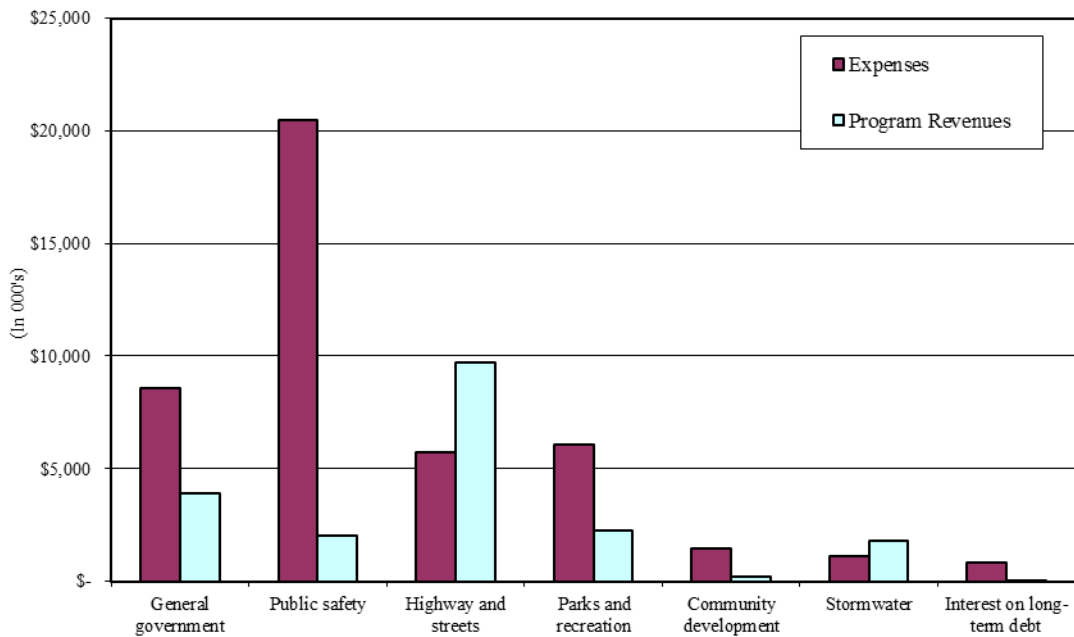
At the end of the current fiscal year, the Town of Smyrna is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental activities. Governmental activities increased the Town of Smyrna's net position by \$14,360,602. The town's revenues were \$1,960,361 more than last year. Revenue showed growth in other taxes 0.29%, charges for services 1.91%, property and in lieu of taxes 1.85%, sales tax 3.08%, capital grants and contributions 16.20%, operating grants and contributions 3.18%. Revenues increased in other revenues 16.84%. The town's expenses were \$1,263,382 more than last year. Departmental expenses increased in public safety 6.89%, interest on long-term debt 172.17%, parks and recreation 1.42%, and stormwater 1.35%. Departmental expenses decreased in general government 5.60%, highways and streets 2.54%, and community development 1.82%.

**Changes in Net Position
For the year ended June 30**

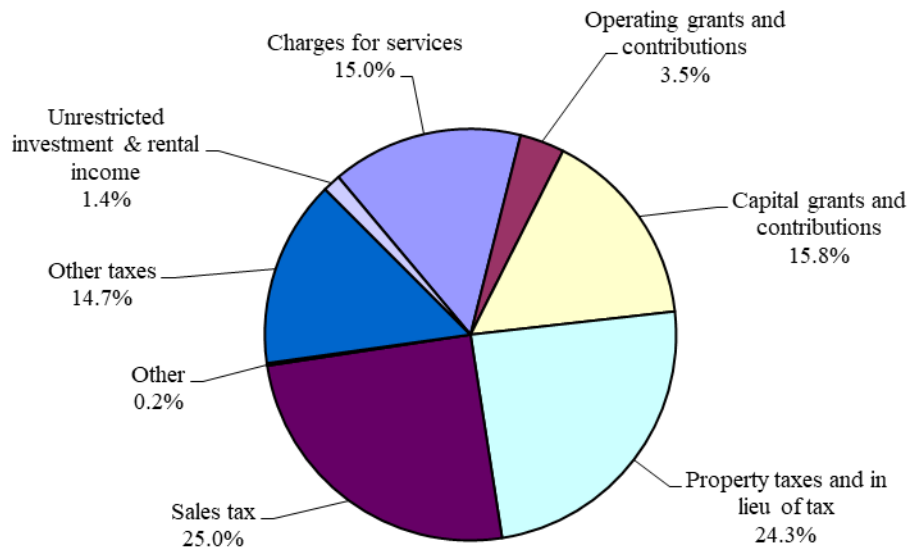
	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues:						
Charges for services	\$ 8,688,887	\$ 8,525,914	\$ 31,889,226	\$ 35,262,622	\$ 40,578,113	\$ 43,788,536
Operating grants and contributions	2,025,257	1,962,869	-	-	2,025,257	1,962,869
Capital grants and contributions	9,115,690	7,844,548	10,384,947	5,441,588	19,500,637	13,286,136
General revenues:						
Property taxes and in lieu of tax	14,074,182	13,818,771	-	-	14,074,182	13,818,771
Sales tax	14,476,624	14,044,696	-	-	14,476,624	14,044,696
Other taxes	8,505,332	8,480,982	-	-	8,505,332	8,480,982
Gain on sale of capital assets	-	-	-	-	-	-
Unrestricted investment earnings	803,882	1,067,922	655,586	1,015,978	1,459,468	2,083,900
Special Item	-	-	-	-	-	-
Other	112,493	96,281	-	-	112,493	96,281
Total Revenues	57,802,347	55,841,983	42,929,759	41,720,188	100,732,106	97,562,171
General government	8,577,960	9,086,900	-	-	8,577,960	9,086,900
Public safety	20,500,052	19,179,121	-	-	20,500,052	19,179,121
Highway and streets	5,699,686	5,848,241	-	-	5,699,686	5,848,241
Parks and recreation	6,088,077	6,002,908	-	-	6,088,077	6,002,908
Community development	1,474,586	1,501,940	-	-	1,474,586	1,501,940
Stormwater	1,113,956	1,099,104	-	-	1,113,956	1,099,104
Interest on long-term debt	833,528	306,249	-	-	833,528	306,249
Water and Sewer	-	-	16,847,386	16,588,841	16,847,386	16,588,841
Natural Gas	-	-	9,763,929	12,843,143	9,763,929	12,843,143
Total expenses	44,287,845	43,024,463	26,611,315	29,431,984	70,899,160	72,456,447
Increase in net position before transfers	13,514,502	12,817,520	16,318,444	12,288,204	29,832,946	25,105,724
Transfers	846,103	778,645	(846,103)	(778,645)	-	-
Increase in net position	14,360,605	13,596,165	15,472,341	11,509,559	29,832,946	25,105,724
Net position - beginning	158,038,828	144,442,663	169,873,907	158,364,348	327,912,735	255,155,804
Net position - ending	\$ 172,399,433	\$ 158,038,828	\$ 185,346,248	\$ 169,873,907	\$ 357,745,681	\$ 327,912,735

Expenses and Program Revenues – Governmental Activities



As the above graph shows, Public Safety is the largest activity which reflects 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 and Parks and Recreation were also substantial activities reflecting the Town’s commitment to safe roads and leisure activity.

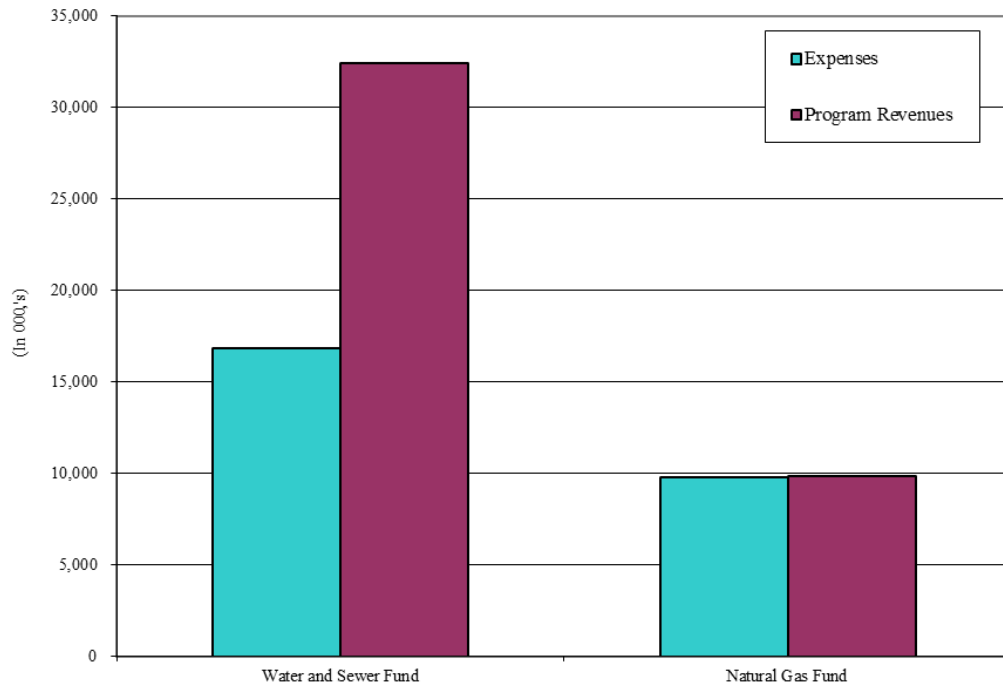
Revenue by Source – Governmental Activities



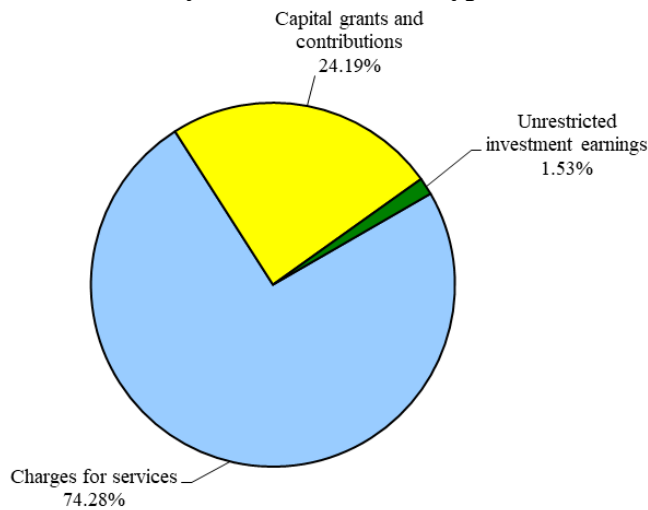
Business-type activities. Business-type activities increased the Town of Smyrna’s net position by \$15,472,342. Key elements of this decrease are as follows:

- The business-type activities total revenue increased by \$1,209,571. Capitalized lines and contributed lines from developers increased overall by 322.62%. Unrestricted investment earnings decreased by 35.47%.
- The business-type activities total expenses decreased by \$2,820,669. Revenues for Water and Sewer increased by 0.3% and Natural Gas decreased by 29.92%.

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, unassigned fund balance serves 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 \$58,256,672, a decrease of \$7,200,645 in comparison with the prior year. Approximately 52.3% of this total amount \$30,491,885 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved, committed, assigned or non-spendable to indicate that it is not available for new spending. This amounted to \$27,764,787 including prepaid items and inventory of \$86,031.

The general fund is the chief operating fund of the Town of Smyrna. The general fund balance increased by \$181,339 during the current fiscal year. At the end of the current fiscal year, unassigned fund balance of the general fund was \$30,491,885, while total fund balance was \$31,677,610. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 87.9% of total general fund expenditures, while total fund balance represents 91.35% of that same amount.

The capital projects fund has a total fund balance of \$14,031,064. There was a net decrease in fund balance of \$8,472,950 during the current year primarily resulting from using capital projects fund for Cedar Stone Park.

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 position of the Water and Sewer Fund at the end of the year amounted to \$38,463,877 and the Natural Gas Fund amounted to \$9,871,090. The change in unrestricted net position for the funds was an increase of \$533,488 and a decrease of \$4,781,557 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

During the year, there was an \$11,700 increase in appropriations between the original and final amended General Fund expenditure budget and can be summarized with the following:

- \$11,700 amendment to fund health insurance for Courts and a contribution to Rutherford County EMA.

These amendments were funded from an increase in Local Option Sales Tax.

There was an increase of \$4,182,100 in appropriations between the original and final amended general fund budget in Other Financing Uses for transfers to the Capital Projects Fund that can be summarized as follows:

- \$4,100,000 amendment to appropriate funds for current and future capital projects.
- \$23,400 amendment to appropriate funds for Police equipment.
- \$58,700 amendment to appropriate funds for Fire equipment.

The amendments for capital projects were funded from current year revenues and grants.

The Town had a surplus of \$181,339 in the General Fund. The surplus resulted from excess revenues, under budget result in expenditures and delayed capital projects. Total revenues exceeded prior year revenues by approximately \$1,960,361 and were over budget in Local Option Sales Tax, Charges for Services, and Capital Grants.

Additional information about the budget process can be found in Note 15, on page 50-51 of this report.

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, 2020 amounts to \$305,668,169 (net of accumulated depreciation). This investment in capital assets includes land, buildings, water, sewer and gas system, construction in progress, 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 15.53 percent, a 15.06 percent increase for governmental activities and a 15.92 percent increase for business-type activities.

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

- Developer donations to Water and Sewer improvements amounted to \$6,926,300 and general government activities street infrastructure and signals in the amount of \$4,469,015.
- Cedar Stone Park was completed at a total cost of \$7,765,702.
- Several stormwater system improvements were implemented, amounting to \$848,188.
- Improvements to several existing parks were made, amounting to \$507,009.
- Improvements at Weakley Lane and Swan Drive were completed at a total cost of \$1,615,125.
- Land was donated to the Town at a value of \$50,900.
- The Golf Course Clubhouse roof was replaced, amounting to \$37,663.
- Twelve police vehicles and related equipment were purchased for \$529,623.
- Improvements to the Town's Fiber Optic network were made amounting to \$356,166.
- Expansion of the Waste Water Treatment Plant continued, amounting to \$7,058,278.
- A dump truck was purchased for the Waste Water Treatment Plant, amounting to \$162,522.
- Work on the Jefferson Pike Gas Line Extension continued with costs amounting to \$3,082,614.
- The Gas Fund extended subdivision lines in the amount of \$516,994.
- Software was purchased for the Gas Department amounting to \$1,361,590.
- Improvements were made to Fire Station #4 (Lowry Street) amounting to \$283,676.
- Construction continued on the Enon Springs West Extension amounting to \$4,435,048.
- Vehicles were purchased for several departments as follows: Parks, three vehicles, \$104,658; Fire Department, one vehicle, \$40,212; Building and Grounds, one vehicle, \$21,258 and Planning and Codes, one vehicle, \$20,228.
- Several improvements were made to Volunteer Park amounting to \$191,516 and to Lee Victory Recreation Park amounting to \$75,144.
- A new burner system was installed at the Jones Mill gas station, amounting to \$28,661.

Capital Assets
(net of accumulated depreciation)
June 30

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 7,699,851	\$ 7,648,951	\$ 1,681,903	\$ 1,681,903	\$ 9,381,754	\$ 9,330,854
Water rights			2,350,000	2,350,000	2,350,000	2,350,000
Buildings and system	14,097,165	14,140,453	136,702,577	134,739,370	150,799,742	148,879,823
Improvements other than buildings	18,903,910	11,065,311	-	-	18,903,910	11,065,311
Machinery and equipment	8,785,703	7,212,419	3,378,095	1,716,266	12,163,798	8,928,685
Infrastructure	60,894,046	57,461,911	-	-	60,894,046	57,461,911
Construction in progress	26,681,053	21,594,747	24,493,867	4,958,986	51,174,920	26,553,733
Total Assets, net	\$ 137,061,727	\$ 119,123,792	\$ 168,606,442	\$ 145,446,525	\$ 305,668,169	\$ 264,570,317

Additional information on the Town's capital assets can be found in Note 3 on page 36-37 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Smyrna had total bonded debt and revolving loan obligations outstanding of \$58,778,085. Of this amount, \$47,081,152 is debt backed by the full faith and credit of the government; \$11,696,933 is debt secured by specified revenue sources, but backed by the taxing authority of the Town (i.e., revenue and tax bonds and revolving loans).

Outstanding Debt
General Obligation, Revenue Bonds, Loans and Leases
June 30

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 27,480,402	\$ 30,125,713	\$ 19,600,750	\$ 22,644,659	\$ 47,081,152	\$ 52,770,372
Revenue and tax bonds	-	-	1,250,000	2,450,000	1,250,000	2,450,000
Revolving Loan	-	-	10,446,933	4,095,742	10,446,933	4,095,742
Total	\$ 27,480,402	\$ 30,125,713	\$ 31,297,683	\$ 29,190,401	\$ 58,778,085	\$ 59,316,114

The Town of Smyrna's total outstanding debt decreased by \$538,029 or 0.91%. This was a result of the issuance of new debt of \$6,713,413 and payment of current debt owed. The Town of Smyrna maintained an "AA+" rating from Standard and Poor's. Moody's Investor Services maintained an "Aa1" rating for the town.

State statutes set no limit for the amount of general obligation debt a governmental entity may issue. However, the Town has established a policy that tax supported debt not exceed 10% of assessed property value. The Town's Governmental Activities tax supported debt is currently at 1.05% of assessed property value.

Additional information on the Town of Smyrna's long-term debt can be found in Note 7 on pages 39-41 of this report.

Economic Factors and Next Year's Budgets and Rates

- Management believes unemployment in the area will continue to decrease due to the creation of local jobs.
- Property tax and in lieu of collections were 3.54% more than in the previous year.
- Local sales tax collections were 3.04% more than in the previous year. This is due to the continued development of commercial businesses and residential growth.
- Business tax collections increased 6.83% from the previous year.
- State shared taxes were 6.66% more than in the previous year.
- Water (2%) and sewer (3%) rates were increased to fund a future plant expansion.
- The economic growth following the Coronavirus Pandemic seems to be on a steady path upward.
- A surplus of \$7,451 is projected for the General Fund in the 2021 fiscal year.

These factors were considered in preparing the Town of Smyrna's budget for the 2021 fiscal year.

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: rex.gaither@townofsmyrna.org

TOWN OF SMYRNA, TENNESSEE

Statement of Net Position

June 30, 2020

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		Charity Assistance Fund
Assets				
Cash and cash equivalents	\$57,823,299	42,721,156	100,544,455	245,989
Receivables (net of allowance for uncollectibles)				
Property taxes	11,818,138	-	11,818,138	-
Other taxes	3,076,086	-	3,076,086	-
Due from other governments	5,823,193	3,372,325	9,195,518	-
Accounts receivable	490,856	3,414,608	3,905,464	1,056
Inventories, at cost	88,968	770,513	859,481	-
Internal balances	(1,128,844)	1,128,844	-	-
Restricted assets:				
Cash and equivalents - customer and developer deposits	-	2,112,679	2,112,679	-
Cash-bond proceeds	7,293,421	-	7,293,421	-
Note receivable	1,428,750	137,015	1,565,765	-
Prepaid items	14,431	-	14,431	-
Other assets	3,931	-	3,931	-
Non-depreciable capital assets	34,380,904	28,525,770	62,906,674	-
Depreciable capital assets (net of accumulated depreciation)	102,680,823	140,080,672	242,761,495	-
Total Assets	223,793,956	222,263,582	446,057,538	247,045
Deferred Outflows of Resources				
Net difference between projected and actual earnings - pensions	177,529	119,967	297,496	-
Deferred charge on refunding	160,218	499,198	659,416	-
Total deferred outflows of resources	337,747	619,165	956,912	-
Liabilities				
Accounts payable	2,278,561	994,216	3,272,777	-
Accrued liabilities	1,273,596	633,632	1,907,228	-
Interest payable	240,700	225,292	465,992	-
Contracts payable	3,001,842	1,925,520	4,927,362	-
Unearned revenue	31,200	-	31,200	-
Liabilities payable from restricted assets	-	2,112,679	2,112,679	-
Long-term liabilities:				
Net pension liability	514,201	347,477	861,678	-
Long-term debt due within one year	4,997,768	3,969,166	8,966,934	-
Long-term debt due in more than one year	24,910,402	27,328,517	52,238,919	-
Total Liabilities	37,248,270	37,536,499	74,784,769	-
Deferred Inflows of Resources				
Unlevied property, in-lieu and income taxes	14,484,000	-	14,484,000	-
Total deferred inflows of resources	14,484,000	-	14,484,000	-
Net Position				
Net investment in capital assets	115,483,122	135,882,437	251,365,559	-
Restricted :				
Street maintenance	1,705,351	-	1,705,351	-
Law enforcement	314,757	-	314,757	-
Stormwater	3,784,072	-	3,784,072	-
Debt service	1,463,168	-	1,463,168	-
Capital projects	12,149,496	-	12,149,496	-
Unrestricted	37,499,467	49,463,811	86,963,278	247,045
Total Net Position	\$172,399,433	185,346,248	357,745,681	247,045

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2020

Functions / Programs:	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			Component Units Charity Assistance Fund
	Expenses	Charges for Services	Operating	Capital	Primary Government			
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$8,577,960	3,881,023	-	-	(4,696,937)	-	(4,696,937)	-
Public safety:								
Police	11,053,136	1,382,506	90,975	-	(9,579,655)	-	(9,579,655)	-
Fire	9,446,916	-	64,800	477,479	(8,904,637)	-	(8,904,637)	-
Highways and streets	5,699,686	-	1,869,481	7,813,872	3,983,667	-	3,983,667	-
Recreation	6,088,077	1,409,637	-	824,338	(3,854,102)	-	(3,854,102)	-
Community Development	1,474,586	192,929	-	-	(1,281,657)	-	(1,281,657)	-
Stormwater	1,113,956	1,768,739	-	-	654,783	-	654,783	-
Interest expense on long-term debt	833,528	54,052	-	-	(779,476)	-	(779,476)	-
Total Government Activities	<u>44,287,845</u>	<u>8,688,886</u>	<u>2,025,256</u>	<u>9,115,689</u>	<u>(24,458,014)</u>	<u>-</u>	<u>(24,458,014)</u>	<u>-</u>
Business-type Activities								
Water and Sewer	16,847,386	22,232,165	-	10,177,878	-	15,562,657	15,562,657	-
Natural Gas	9,763,929	9,657,061	-	207,069	-	100,201	100,201	-
Total Business-type Activities	<u>26,611,315</u>	<u>31,889,226</u>	<u>-</u>	<u>10,384,947</u>	<u>-</u>	<u>15,662,858</u>	<u>15,662,858</u>	<u>-</u>
Total Primary Government	<u>\$70,899,160</u>	<u>40,578,112</u>	<u>2,025,256</u>	<u>19,500,636</u>	<u>(24,458,014)</u>	<u>15,662,858</u>	<u>(8,795,156)</u>	<u>-</u>
Component Unit:								
Charity Assistance Fund	48,316	-	118,606	-	-	-	-	70,290
Total Component Units	<u>\$48,316</u>	<u>-</u>	<u>118,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,290</u>
General Revenues:								
Property taxes and in lieu of tax					\$14,074,182	-	14,074,182	-
Sales taxes					14,476,624	-	14,476,624	-
Business tax					1,664,432	-	1,664,432	-
Wholesale beer tax					1,095,413	-	1,095,413	-
Hotel / Motel Tax					553,150	-	553,150	-
Cable TV and Gas Franchise Tax					541,312	-	541,312	-
Unrestricted other locally assessed taxes					26,978	-	26,978	-
State shared unrestricted taxes:								
State shared income tax					7,672	-	7,672	-
State shared beer tax					22,260	-	22,260	-
State shared sales tax					4,348,876	-	4,348,876	-
State shared mixed drink tax					144,218	-	144,218	-
Other unrestricted other state shared taxes					101,021	-	101,021	-
Unrestricted investment earnings					803,882	655,586	1,459,468	2,480
Other					112,493	-	112,493	-
Transfers					846,103	(846,103)	-	-
Total general revenues and transfers					<u>38,818,616</u>	<u>(190,517)</u>	<u>38,628,099</u>	<u>2,480</u>
Change in net position					14,360,602	15,472,341	29,832,943	72,770
Net position - beginning of year					158,038,831	169,873,907	327,912,738	174,275
Net position - end of year					<u>\$172,399,433</u>	<u>185,346,248</u>	<u>357,745,681</u>	<u>247,045</u>

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE

Balance Sheet
Governmental Funds

June 30, 2020

<u>Assets</u>	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$30,689,527	9,019,302	11,338,544	51,047,373
Cash - bond proceeds	-	7,293,421		7,293,421
Receivables (net of allowance for uncollectibles) :				
Property taxes	11,937,046	-	-	11,937,046
Other taxes	3,076,086	-	-	3,076,086
Due from other governments	4,058,853	1,484,228	280,112	5,823,193
Accounts receivable	256,490	19,890	207,949	484,329
Due from other funds	-	240,138	-	240,138
Inventory of supplies	73,537	-	-	73,537
Note receivable	-	-	1,428,750	1,428,750
Prepaid items	14,054	-	377	14,431
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$50,105,593</u>	<u>18,056,979</u>	<u>13,255,732</u>	<u>81,418,304</u>
<u>Liabilities</u>				
Accounts payable	\$465,262	1,024,073	282,308	1,771,643
Accrued costs	1,237,031	-	36,565	1,273,596
Due to other funds	-	-	240,138	240,138
Contracts payable	-	3,001,842	-	3,001,842
Unearned revenue	31,200	-	-	31,200
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,733,493</u>	<u>4,025,915</u>	<u>559,011</u>	<u>6,318,419</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenues	16,694,490	-	148,723	16,843,213
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance:				
Nonspendable:				
Inventory	73,537	-	-	73,537
Prepays	12,494	-	-	12,494
Restricted for:				
Street maintenance	-	-	1,556,628	1,556,628
Law enforcement	-	-	314,757	314,757
Stormwater	-	-	3,854,471	3,854,471
General capital projects	52,879	14,031,064	-	14,083,943
Roads capital projects	-	-	2,438,211	2,438,211
Parks capital projects	-	-	902,481	902,481
Fire protection capital projects	-	-	2,018,282	2,018,282
Debt service	-	-	1,463,168	1,463,168
Committed for cemetery maintenance	1,046,815	-	-	1,046,815
Unassigned	30,491,885	-	-	30,491,885
Total Fund Balances	<u>31,677,610</u>	<u>14,031,064</u>	<u>12,547,998</u>	<u>58,256,672</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$50,105,593</u>	<u>18,056,979</u>	<u>13,255,732</u>	<u>81,418,304</u>

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

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

June 30, 2020

Amounts reported for fund balance - total governmental funds	\$58,256,672
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported in the funds.	137,061,727
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	2,065,447
Property taxes receivable	174,858
Internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	5,162,122
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.	(240,700)
Prepaid insurance related to bond issues is amortized over the life of the bonds in the statement of activities.	3,931
Deferred charges on refundings are reported in the governmental funds when the refunding debt is issued, but is deferred and amortized over the remaining life of the debt in the government-wide statements.	160,218
Net differences between projected and actual earnings related to pensions is deferred and amortized as a component of pension expense	177,529
Bond premiums are amortized as a component of interest in the statement of activities.	(2,385,402)
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 and notes payable	(25,095,000)
Compensated absences	(2,427,768)
Net pension obligation	(514,201)
Net position of governmental activities	\$172,399,433

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, 2020

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Taxes	\$29,560,737	-	-	29,560,737
Payment in lieu of taxes	2,882,706	-	-	2,882,706
Licenses and permits	2,050,486	-	2,383,972	4,434,458
Intergovernmental	4,960,996	2,169,267	1,681,412	8,811,675
Fines and forfeits	1,309,798	-	72,708	1,382,506
Uses of money and property	3,836,279	215,662	1,946,168	5,998,109
Miscellaneous	139,667	-	-	139,667
Total Revenues	44,740,669	2,384,929	6,084,260	53,209,858
<u>Expenditures</u>				
Current:				
General government	8,422,475	151,337	-	8,573,812
Public safety:				
Police	10,347,894	155,055	106,754	10,609,703
Fire	9,148,418	167,041	-	9,315,459
Highways and streets	499,615	265,014	1,342,543	2,107,172
Recreation	4,813,731	143,278	-	4,957,009
Community development	1,418,270	8,048	-	1,426,318
Stormwater	-	2,854	948,263	951,117
Debt service	-	-	3,263,568	3,263,568
Capital outlay	25,283	20,027,165	-	20,052,448
Total Expenditures	34,675,686	20,919,792	5,661,128	61,256,606
Excess (deficiency) revenues over expenditures	10,064,983	(18,534,863)	423,132	(8,046,748)
<u>Other Financing Sources (Uses)</u>				
Transfers in	991,396	10,061,913	3,129,056	14,182,365
Transfers out	(10,875,040)	-	(2,461,222)	(13,336,262)
Total Other Financing Source (Uses)	(9,883,644)	10,061,913	667,834	846,103
Net change in fund balance	181,339	(8,472,950)	1,090,966	(7,200,645)
Fund balance, beginning of year	31,496,271	22,504,014	11,457,032	65,457,317
Fund balance, end of year	\$31,677,610	14,031,064	12,547,998	58,256,672

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, 2020

Net change in fund balances-total governmental funds: (\$7,200,645)

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	20,052,448
Depreciation expense	(6,606,049)
Basis of capital assets disposed of	(28,378)

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

Property taxes	(112,028)
Local option sales tax	77,646
State shared taxes	72,460
Contributed capital assets	4,519,915

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 position. Also governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.

Debt repayment	2,402,850
Amortization of prepaid insurance related to bond issue	(1,967)
Amortization of debt related premium	242,461
Amortization of deferred charge on refunding	(67,797)

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

Change in accrued interest on debt	(147,474)
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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	(45,232)
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Pension expenditures in the governmental funds represent amounts paid to currently fund the pension plan; however pension expense in the statement of activities is a comprehensive measurement consisting of elements having both immediate recognition and amortization of deferred amounts which can increase (decrease) pension cost.

114,509

Internal service funds are used by management to charge the costs of 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)

1,087,883

Change in net position of governmental activities

\$14,360,602

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

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

General Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Real estate taxes	\$11,196,000	11,196,000	11,303,504	107,504
Business tax	1,550,000	1,550,000	1,641,402	91,402
Wholesale beer tax	1,090,000	1,090,000	1,095,413	5,413
Local option sales tax	14,155,000	14,190,100	14,398,978	208,878
Hotel / motel tax	680,000	680,000	553,150	(126,850)
Cable TV / gas franchise tax	568,700	568,700	541,312	(27,388)
Other	26,000	26,000	26,978	978
Total Taxes	<u>29,265,700</u>	<u>29,300,800</u>	<u>29,560,737</u>	<u>259,937</u>
Payments in lieu of taxes	<u>2,885,000</u>	<u>2,885,000</u>	<u>2,882,706</u>	<u>(2,294)</u>
Licenses and Permits	<u>1,580,850</u>	<u>1,580,850</u>	<u>2,050,486</u>	<u>469,636</u>
Intergovernmental Revenues:				
State income tax	100,000	100,000	7,672	(92,328)
State beer tax	22,000	22,000	22,260	260
State sales tax	4,365,000	4,365,000	4,303,884	(61,116)
State mixed drink tax	136,000	136,000	147,197	11,197
State petroleum special tax	98,000	98,000	94,344	(3,656)
Federal and state grants	10,860	10,860	76,710	65,850
State street maintenance contracts	130,000	130,000	86,308	(43,692)
State fire supplement	42,000	42,000	64,800	22,800
State police supplement	42,000	42,000	56,800	14,800
Other state and county shared taxes	34,000	34,000	101,021	67,021
Total Intergovernmental Revenues	<u>4,979,860</u>	<u>4,979,860</u>	<u>4,960,996</u>	<u>(18,864)</u>
Fines and forfeits	<u>1,271,400</u>	<u>1,271,400</u>	<u>1,309,798</u>	<u>38,398</u>
Uses of Property and Money:				
Penalties	40,200	40,200	38,636	(1,564)
Interest earned	372,000	372,000	403,176	31,176
Rent	84,400	84,400	94,713	10,313
Traffic school fees	115,000	115,000	90,456	(24,544)
Administrative support charges	1,465,432	1,465,432	1,465,432	-
Cemetery revenue	184,000	184,000	141,300	(42,700)
Recreation fees and community center fees	1,764,400	1,764,400	1,409,637	(354,763)
Food sales	275,000	275,000	192,929	(82,071)
Total Uses of Property and Money	<u>4,300,432</u>	<u>4,300,432</u>	<u>3,836,279</u>	<u>(464,153)</u>
Other:				
Sale of property	30,000	30,000	18,421	(11,579)
Miscellaneous	59,600	118,300	121,246	2,946
Total Other	<u>89,600</u>	<u>148,300</u>	<u>139,667</u>	<u>(8,633)</u>
Total Revenues	<u>44,372,842</u>	<u>44,466,642</u>	<u>44,740,669</u>	<u>274,027</u>
Expenditures:				
General Government:				
Current:				
Legislative Board:				
Salaries	73,200	73,200	73,200	-
Benefits and payroll taxes	86,790	86,790	79,768	7,022
Travel	-	-	-	-
Insurance	25,828	25,828	25,827	1
Other	15,400	15,400	3,175	12,225
Total Legislative Board	<u>201,218</u>	<u>201,218</u>	<u>181,970</u>	<u>19,248</u>

Continued on next page

TOWN OF SMYRNA, TENNESSEE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
General Government, Continued:				
Current, Continued:				
Town and General Sessions Court:				
Salaries	\$815,970	815,970	788,671	27,299
Benefits and payroll taxes	367,920	376,720	312,908	63,812
Contractual services	63,370	63,370	77,533	(14,163)
Supplies	39,455	39,455	14,091	25,364
Other	13,923	13,923	6,824	7,099
Total Town and General Sessions Court	<u>1,300,638</u>	<u>1,309,438</u>	<u>1,200,027</u>	<u>109,411</u>
Vehicle Maintenance:				
Salaries	229,090	229,090	234,751	(5,661)
Benefits and payroll taxes	122,560	122,560	110,496	12,064
Supplies and repairs	49,400	49,400	48,270	1,130
Utilities	15,700	15,700	13,879	1,821
Other	8,680	8,680	11,232	(2,552)
Total Vehicle Maintenance	<u>425,430</u>	<u>425,430</u>	<u>418,628</u>	<u>6,802</u>
Codes, Engineering and Planning:				
Salaries	1,087,020	1,087,020	996,145	90,875
Benefits and payroll taxes	492,136	492,136	407,902	84,234
Contractual services	85,133	85,133	71,303	13,830
Professional services	50,000	50,000	12,374	37,626
Insurance	11,102	11,102	11,102	-
Telephone and utilities	6,780	6,780	6,796	(16)
Supplies	20,750	20,750	18,967	1,783
Repairs and maintenance	3,900	3,900	932	2,968
Travel	2,162	2,162	1,416	746
Other	16,450	16,450	10,219	6,231
Total Codes, Engineering and Planning	<u>1,775,433</u>	<u>1,775,433</u>	<u>1,537,156</u>	<u>238,277</u>
Building and Grounds:				
Salaries	388,060	388,060	389,020	(960)
Benefits and payroll taxes	204,700	204,700	160,155	44,545
Repairs and maintenance	121,000	121,000	108,350	12,650
Supplies	24,800	24,800	28,975	(4,175)
Insurance	19,886	19,886	19,886	-
Cemetery	27,700	27,700	24,026	3,674
Other	2,200	2,200	-	2,200
Total Building Maintenance	<u>788,346</u>	<u>788,346</u>	<u>730,412</u>	<u>57,934</u>
Finance and Administration:				
Salaries	2,384,580	2,384,580	2,478,881	(94,301)
Benefits and payroll taxes	1,098,440	1,098,440	959,508	138,932
Memberships and testing	51,726	51,726	48,437	3,289
Telephone and utilities	158,500	158,500	163,224	(4,724)
Professional services	85,000	85,000	34,343	50,657
Contractual services	853,612	853,612	478,092	375,520
Repairs and maintenance	9,500	9,500	1,093	8,407
Supplies	64,970	64,970	60,358	4,612
Insurance	24,367	24,367	25,542	(1,175)
Outside services	65,000	65,000	50,829	14,171
Other	70,250	70,250	53,975	16,275
Total Finance and Administration	<u>4,865,945</u>	<u>4,865,945</u>	<u>4,354,282</u>	<u>511,663</u>
Total Current	<u>9,357,010</u>	<u>9,365,810</u>	<u>8,422,475</u>	<u>943,335</u>
Capital Outlay	-	-	-	-
Total General Government	<u>9,357,010</u>	<u>9,365,810</u>	<u>8,422,475</u>	<u>943,335</u>

Continued on next page

TOWN OF SMYRNA, TENNESSEE

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

General Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
Public Safety:				
Police Department:				
Current:				
Salaries	\$6,850,410	6,850,410	6,611,805	238,605
Benefits and payroll taxes	3,346,379	3,346,379	2,676,432	669,947
Outside services	208,500	208,500	187,303	21,197
Memberships and testing	21,113	21,113	17,513	3,600
Telephone	55,611	55,611	46,593	9,018
Repairs and maintenance	103,169	103,169	179,165	(75,996)
Travel	28,000	28,000	9,642	18,358
Supplies	324,290	324,290	284,086	40,204
Insurance	317,310	317,310	317,310	-
Other	20,250	20,250	18,045	2,205
Total Current	11,275,032	11,275,032	10,347,894	927,138
Capital Outlay	9,500	9,500	9,339	161
Total Police Department	11,284,532	11,284,532	10,357,233	927,299
Fire Department:				
Current:				
Salaries	5,902,020	5,902,020	5,978,243	(76,223)
Benefits and payroll taxes	2,918,725	2,918,725	2,426,705	492,020
Memberships and testing	7,165	7,165	9,175	(2,010)
Telephone and utilities	126,207	126,207	107,114	19,093
Repairs and maintenance	175,975	175,975	178,827	(2,852)
Travel	75,000	75,000	23,610	51,390
Supplies	232,660	232,660	196,069	36,591
Insurance	55,499	55,499	55,499	-
Outside services	161,000	161,000	150,855	10,145
Other	14,800	14,800	22,321	(7,521)
Total Current	9,669,051	9,669,051	9,148,418	520,633
Capital Outlay	-	-	-	-
Total Fire Department	9,669,051	9,669,051	9,148,418	520,633
Total Public Safety	20,953,583	20,953,583	19,505,651	1,447,932
Highways and Streets:				
Current:				
Salaries	224,280	224,280	172,522	51,758
Benefits and payroll taxes	184,800	184,800	134,086	50,714
Telephone and utilities	3,000	3,000	2,749	251
Repairs and maintenance	86,500	86,500	90,447	(3,947)
Supplies	52,200	52,200	37,675	14,525
Insurance	15,124	15,124	15,124	-
Outside services	38,400	38,400	40,047	(1,647)
Other	6,180	6,180	6,965	(785)
Total Current	610,484	610,484	499,615	110,869
Capital Outlay	16,000	16,000	15,944	56
Total Highways and Streets	626,484	626,484	515,559	110,925

Continued on next page

TOWN OF SMYRNA, TENNESSEE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
Recreation:				
Current:				
Salaries	\$2,689,350	2,689,350	2,264,999	424,351
Benefits and payroll taxes	1,243,880	1,243,880	1,033,427	210,453
Memberships and testing	11,455	11,455	10,283	1,172
Telephone and utilities	349,700	349,700	336,173	13,527
Repairs and maintenance	195,030	195,030	227,658	(32,628)
Outside services	250,754	250,754	250,784	(30)
Food purchases	111,750	111,750	103,219	8,531
Recreation programs	46,000	46,000	44,738	1,262
Advertising and promotion	4,200	4,200	1,369	2,831
Supplies	238,505	238,505	212,006	26,499
Insurance	70,825	70,825	70,826	(1)
Rent	225,398	225,398	225,095	303
Other	30,620	30,620	33,154	(2,534)
Total Current	<u>5,467,467</u>	<u>5,467,467</u>	<u>4,813,731</u>	<u>653,736</u>
Capital Outlay	-	-	-	-
Total Recreation	<u>5,467,467</u>	<u>5,467,467</u>	<u>4,813,731</u>	<u>653,736</u>
Community Development:				
Current:				
Salaries	387,630	387,630	353,805	33,825
Benefits and payroll taxes	165,560	165,560	149,009	16,551
Telephone and utilities	68,000	68,000	61,735	6,265
Repairs and maintenance	10,000	10,000	26,098	(16,098)
Outside services	15,000	15,000	22,404	(7,404)
Advertising and promotion	3,000	3,000	60	2,940
Food purchases	206,000	206,000	200,458	5,542
Supplies	51,250	51,250	26,736	24,514
Insurance	1,853	1,853	1,853	-
Contributions to non-profits	567,865	570,765	570,677	88
Other	6,500	6,500	5,435	1,065
Total Current	<u>1,482,658</u>	<u>1,485,558</u>	<u>1,418,270</u>	<u>67,288</u>
Capital Outlay	-	-	-	-
Total Community Development	<u>1,482,658</u>	<u>1,485,558</u>	<u>1,418,270</u>	<u>67,288</u>
Total Expenditures	<u>37,887,202</u>	<u>37,898,902</u>	<u>34,675,686</u>	<u>3,223,216</u>
Excess Revenues Over Expenditures	<u>6,485,640</u>	<u>6,567,740</u>	<u>10,064,983</u>	<u>3,497,243</u>
Other Financing Sources (Uses):				
Transfer to Capital Projects Fund	(4,868,438)	(9,050,538)	(8,288,286)	762,252
Transfer to Debt Service Fund	(2,588,454)	(2,588,454)	(2,586,754)	1,700
Transfer from Stormwater Fund	145,293	145,293	145,293	-
Transfer from Gas Fund	188,021	188,021	188,021	-
Transfer from Water and Sewer Fund	658,082	658,082	658,082	-
Total Other Financing Sources (Uses)	<u>(6,465,496)</u>	<u>(10,647,596)</u>	<u>(9,883,644)</u>	<u>763,952</u>
Net change in fund balance	20,144	(4,079,856)	181,339	4,261,195
Fund Balance, beginning of year	<u>31,496,271</u>	<u>31,496,271</u>	<u>31,496,271</u>	<u>-</u>
Fund Balance, end of year	<u>\$31,516,415</u>	<u>27,416,415</u>	<u>31,677,610</u>	<u>4,261,195</u>

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Net Position

Proprietary Funds

June 30, 2020

	Business-type Activities Enterprise Funds		Total	Internal Service Fund
	Water and Sewer Fund	Natural Gas Fund		
Assets				
Current Assets:				
Cash and cash equivalents	\$33,038,805	9,682,351	42,721,156	6,775,926
Receivables:				
Utility customers, net of allowance for estimated uncollectible	2,944,148	470,460	3,414,608	-
Insurance receivable	-	-	-	6,527
Grant receivable	3,372,325	-	3,372,325	-
Note receivable, current portion	41,438	-	41,438	-
Total Accounts Receivable	6,357,911	470,460	6,828,371	6,527
Due from other funds	-	-	-	-
Inventory, at cost	380,747	389,766	770,513	15,431
Total Current Assets	39,777,463	10,542,577	50,320,040	6,797,884
Noncurrent Assets:				
Restricted Assets				
Cash - customer deposits and construction bonds	1,178,832	933,847	2,112,679	-
Total Noncurrent Restricted Assets	1,178,832	933,847	2,112,679	-
Property, Plant and Equipment	252,852,530	36,089,087	288,941,617	-
Less accumulated depreciation	(100,855,186)	(19,479,989)	(120,335,175)	-
Total Property, Plant and Equipment, Net	151,997,344	16,609,098	168,606,442	-
Other Assets:				
Note receivable, net of current portion	95,577	-	95,577	-
Total Other Assets	95,577	-	95,577	-
Total Noncurrent Assets	153,271,753	17,542,945	170,814,698	-
Total Assets	193,049,216	28,085,522	221,134,738	6,797,884
Deferred Outflows of Resources				
Deferred charge on refunding	499,198	-	499,198	-
Net difference between projected and actual earnings - pension	80,764	39,203	119,967	-
Total Deferred Outflows of Resources	579,962	39,203	619,165	-
Liabilities				
Liabilities:				
Current Liabilities (payable from current assets):				
Accounts payable	\$571,239	422,977	994,216	506,918
Accrued expenses	459,467	174,165	633,632	-
Interest payable	225,292	-	225,292	-
Contract payable	1,748,824	176,696	1,925,520	-
Current maturities of long-term debt	3,969,166	-	3,969,166	-
Total Current Liabilities (payable from current assets)	6,973,988	773,838	7,747,826	506,918
Current Liabilities (payable from restricted assets):				
Construction bonds	1,121,889	-	1,121,889	-
Customer deposits and project assistance	56,943	933,847	990,790	-
Total Current Liabilities (payable from restricted assets)	1,178,832	933,847	2,112,679	-
Total Current Liabilities	8,152,820	1,707,685	9,860,505	506,918
Noncurrent Liabilities:				
Net pension liability	233,929	113,548	347,477	-
Long-term debt, net of current maturities	27,328,517	-	27,328,517	-
Total Liabilities	35,715,266	1,821,233	37,536,499	506,918
Net Position				
Net investment in capital assets	119,450,035	16,432,402	135,882,437	-
Unrestricted	38,463,877	9,871,090	48,334,967	6,290,966
Total Net Position	\$157,913,912	26,303,492	184,217,404	6,290,966
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	1,804,641	(675,797)	1,128,844	-
Net position of business-type activities	\$159,718,553	25,627,695	185,346,248	-

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Revenues, Expenses and
Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		Total	Internal Service Fund
	Water and Sewer Fund	Natural Gas Fund		
Operating Revenues:				
Services	\$21,988,759	9,615,601	31,604,360	10,610,955
Other	35,618	3,140	38,758	-
Forfeited discounts	207,788	38,320	246,108	-
Total Operating Revenues	<u>22,232,165</u>	<u>9,657,061</u>	<u>31,889,226</u>	<u>10,610,955</u>
Operating Expenses:				
Gas / water purchases	-	6,205,118	6,205,118	-
Salaries	2,214,547	825,486	3,040,033	-
Benefits and payroll taxes	1,169,199	431,717	1,600,916	7,053,115
Property claims	-	-	-	898,580
Travel	1,364	1,179	2,543	-
Outside services	1,079,670	89,998	1,169,668	-
Telephone and utilities	2,110,656	32,327	2,142,983	-
Maintenance and repair	818,199	105,702	923,901	-
Operating supplies	1,614,912	135,493	1,750,405	-
Insurance	316,668	27,536	344,204	1,343,142
Professional services	28,012	36,647	64,659	-
Depreciation and amortization	6,453,570	1,012,363	7,465,933	-
Administrative support services	856,986	608,446	1,465,432	-
Other	48,474	103,399	151,873	-
Total Operating Expenses	<u>16,712,257</u>	<u>9,615,411</u>	<u>26,327,668</u>	<u>9,294,837</u>
Operating Income (loss)	<u>5,519,908</u>	<u>41,650</u>	<u>5,561,558</u>	<u>1,316,118</u>
Non-Operating Revenues (Expenses):				
Interest income	476,023	168,616	644,639	72,614
Interest expenses	(573,549)	-	(573,549)	-
Total Non-Operating Revenues (Expenses)	<u>(97,526)</u>	<u>168,616</u>	<u>71,090</u>	<u>72,614</u>
Net Income (loss) Before Contributions and Transfers	<u>5,422,382</u>	<u>210,266</u>	<u>5,632,648</u>	<u>1,388,732</u>
Contributions and Special items:				
Capital contributions - tap fees	3,097,019	207,069	3,304,088	-
Grant-state revolving loan forgiveness	154,559	-	154,559	-
Contributions from developers - non cash	6,926,300	-	6,926,300	-
Transfers out - in lieu tax payments	(658,082)	(188,021)	(846,103)	-
Change in Net Position	<u>14,942,178</u>	<u>229,314</u>	<u>15,171,492</u>	<u>1,388,732</u>
Net Position, Beginning of Year	<u>142,971,734</u>	<u>26,074,178</u>	<u>169,045,912</u>	<u>4,902,234</u>
Net Position, End of Year	<u>\$157,913,912</u>	<u>26,303,492</u>	<u>184,217,404</u>	<u>6,290,966</u>
Change in Net Position shown above	14,942,178	229,314	15,171,492	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>446,294</u>	<u>(145,444)</u>	<u>300,850</u>	
Change in net position of business-type activities	<u>\$15,388,472</u>	<u>83,870</u>	<u>15,472,342</u>	

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		Total	Internal Service Fund
	Water and Sewer Fund	Natural Gas Fund		
Cash Flows from Operating Activities:				
Cash received from customers	\$22,305,966	9,714,591	32,020,557	-
Cash paid to employees for services	(2,195,709)	(800,226)	(2,995,935)	-
Cash paid to suppliers for goods and services	(7,142,841)	(7,187,018)	(14,329,859)	-
Payments for interfund administrative support services	(856,986)	(608,446)	(1,465,432)	-
Cash received (returned) on customer deposits	4,292	17,452	21,744	-
Premiums and insurance reimbursements received	-	-	-	10,644,512
Claims, insurance and administrative expenses paid	-	-	-	(9,253,008)
Net Cash Provided (Used) by Operating Activities	12,114,722	1,136,353	13,251,075	1,391,504
Cash Flows from Capital and Related Financing Activities:				
Purchase of property, plant, and equipment	(16,164,324)	(6,023,234)	(22,187,558)	-
Cash received from capital contributions	3,097,019	207,069	3,304,088	-
Cash received on note receivable	40,618	-	40,618	-
Cash received (paid) on construction bonds	468,946	-	468,946	-
Interest paid on debt	(1,177,628)	-	(1,177,628)	-
Cash received on revolving loan	4,795,506	-	4,795,506	-
Payments on long-term debt	(3,759,813)	-	(3,759,813)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,699,676)	(5,816,165)	(18,515,841)	-
Cash Flows from Non-Capital Financing Activities:				
Transfers	(658,082)	(188,021)	(846,103)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(658,082)	(188,021)	(846,103)	-
Cash Flows from Investing Activities:				
Interest received on investments	476,023	168,616	644,639	72,614
Net Cash Provided (Used) by Investing Activities	476,023	168,616	644,639	72,614
Net Increase (Decrease) in Cash	(767,013)	(4,699,217)	(5,466,230)	1,464,118
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	34,984,650	15,315,415	50,300,065	5,311,808
Cash and Cash Equivalents and Restricted Cash, End of Year	\$34,217,637	10,616,198	44,833,835	6,775,926

Continued on next page

TOWN OF SMYRNA, TENNESSEE

Statement of Cash Flows

Proprietary Funds, Continued

For the Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		Total	Internal Service Fund
	Water and Sewer Fund	Natural Gas Fund		
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operations</u>				
Operating income (loss)	\$5,519,908	41,650	5,561,558	1,316,118
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	6,453,570	1,012,363	7,465,933	-
Change in deferred outflows of resources related to pension plan	(34,850)	(17,323)	(52,173)	-
Change in net pension liability	(12,924)	(4,139)	(17,063)	-
Bond refunding costs	-	-	-	-
(Increase) decrease in:				
Accounts receivable	73,801	57,530	131,331	33,558
Inventory	66,734	(36,851)	29,883	3,085
Increase (Decrease) in:				
Accounts payable	33,218	39,822	73,040	38,743
Accrued expenses	10,973	25,849	36,822	-
Customer deposits	4,292	17,452	21,744	-
Net Cash Provided (used) for Operating Activities	<u>\$12,114,722</u>	<u>1,136,353</u>	<u>13,251,075</u>	<u>1,391,504</u>

Supplemental Schedule of Non-Cash Capital Financing Activities

Contributed water and sewer lines	\$6,926,300	
Acquisition of capital assets with contract payable	1,748,824	176,696
Payment of contract payable for capital assets	(413,528)	
Amortization of bond premiums	(691,759)	
Amortization of deferred interest	121,082	
Revolving loan proceeds in transit	(3,372,325)	
Revolving loan proceeds in transit prior year received	1,454,418	
Revolving loan forgiveness	154,559	

See accompanying notes to financial statements.

TOWN OF SMYRNA, TENNESSEE

Statement of Fiduciary Net Position

Pension Fund

June 30, 2020

Assets

Cash	\$655,113
Investments, at fair value:	
Certificates of deposit	215,000
Mutual funds	3,152,669
Municipal obligations	106,034
Corporate obligations	2,164,087
Interest receivable	18,606
	<hr/>
Total Assets	<u>\$6,311,509</u>

Liabilities

\$0

Net Position

Net position restricted for pensions	<u>6,311,509</u>
Total net position restricted for pensions	<u>\$6,311,509</u>

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE
Statement of Changes in Fiduciary Net Position
Pension Fund
For the Year Ended June 30, 2020

<u>Additions</u>	
Contributions - employer	\$325,200
Investment earnings	
Interest, dividends and other investment income (loss)	123,233
Net increase (decrease) in fair value of investments	43,307
Net investment earnings (loss)	<u>166,540</u>
Total additions	<u>491,740</u>
<u>Deductions</u>	
Pension benefits	<u>371,059</u>
Total deductions	<u>371,059</u>
Change in net position	120,681
Net position restricted for pension benefits, beginning of year	<u>6,190,828</u>
Net position restricted for pension benefits, end of year	<u><u>\$6,311,509</u></u>

See accompanying notes to financial statements

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The Town provides the following services as authorized by its charter: public safety (police and fire departments), highways and streets, cultural and recreation, public improvements, planning and zoning, utilities (water, sewer and natural gas), and general administrative services. The Town also administers a pension plan and insurance internal service fund for the benefit of its employees.

The financial statements of the Town of Smyrna have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Reporting Entity

The accompanying financial statements present the government and its component units. Component units are entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations. Each discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. The following is a description of the discretely presented component unit.

The Industrial Development Board was created to finance, acquire, own, lease and or dispose of properties to increase employment opportunities, housing availability and to promote industry and trade in the Town. The Board is appointed by the Town Council. The Board issued bonds to construct housing units which were leased to the Housing Authority. The bonds were revenue and tax bonds backed by the Town. The project was completed in fiscal year 2005 and rents began in fiscal 2006. In fiscal year 2016, the housing units were sold to the Housing Authority and the bonds were retired. The Industrial Development Board currently has no operations.

The Smyrna Charity Assistance Fund (a 501(c)3 entity) was created to accept funding from private donations. The purpose of the fund is to provide financial aid to selected non-profit charitable organizations that provide year round services benefitting the general welfare of the residents of the Town. The Town shall have discretion to allocate funds from the General Fund budget to this component unit for the next year, subject to maximum amounts. The Town provided \$47,000 in funding for 2020. The Board consists of the Mayor or their appointee and five members appointed by the Town Council.

Separate financial statements are not issued for the component unit. The component unit is a single fund component unit.

Related Organizations

The Town appoints the board of directors of Smyrna Housing Authority; however, the Town's accountability does not extend beyond making the appointments, and the related organization has not been included as part of the reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (i) charges to customers or applicants (including fines and fees) who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period, except for property taxes which are collected within 60 days of year end. Sales taxes and other shared revenues through intermediary collecting governments are considered measurable and available if received within 30 days of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, state shared revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the criteria specified in the paragraph above. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major government capital assets, improvements or repairs.

The Town reports the following major proprietary funds:

The Water & Sewer Fund accounts for the water and waste water services provided to customers of the system.

The Natural Gas Fund accounts for the provision of natural gas service to customers of the system.

Additionally, the Town reports the following fund types:

Internal Service Fund, to account for costs associated with the employees' health insurance plan as well as property and liability insurance for Town assets.

Pension Fund to account for the activities of the pension plans maintained for employees of the Town, which accumulates resources for pension payments to qualified employees.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (i) charges to customers or applicants (including fines and fees) for goods, services, or privileges provided, (ii) operating grants and contributions, and (iii) capital grants and contributions. General revenues include all taxes and internally dedicated resources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the various utility funds and insurance fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Joint Venture

The Town appoints 2 of 5 members of the Smyrna/Rutherford County Airport Authority with the other members being appointed by Rutherford County and City of LaVergne. The Town has no equity interest in the joint venture; however, the Town is responsible to appropriate funds to supplement short-falls in operation. Required disclosures regarding this joint venture are included in Note 10.

Cash, Cash Equivalents and Investments

The Town of Smyrna is authorized to invest in U.S. Treasury Bills and certificates of deposit in local banks as well as participate in the Local Government Investment Pool administered by the State of Tennessee. The pool contains investments in certificates of deposits, U.S. Treasury securities and Repurchase Agreements, backed by the U.S. Treasury Securities. The investment pool is administered by the Treasurer of the State of Tennessee. Town policy, as required by state statutes, dictates that collateral meet certain requirements, such as, be deposited in an institution which participates in the State Collateral Pool or be deposited in an escrow account in another institution for the benefit of the Town of Smyrna and must be a minimum of 105% of the value of the deposits placed in the institutions less the amount protected by federal deposit insurance. The state collateral pool is administered by the Treasurer of the State of Tennessee. Members of the pool may be required by agreement to pay an assessment to cover any deficiency.

An agent of the Town manages the investments of the Pension Fund and is authorized to make such purchases as is deemed to be in the best interest of the Town. All investments are stated at fair value.

Cash and cash equivalents consist of cash, savings accounts and short-term certificates of deposit with an original maturity of three months or less. Due to liquidity, the Town considers the funds deposited in the local government investment pool as a cash equivalent for financial statement and cash flow purposes. The fair value of the position in the investment pool is the same as the value of the pool shares.

Inventory and Prepaid Items

Inventory of proprietary funds, principally materials, supplies and replacement parts, is valued using the first-in, first-out method (FIFO). Any inventories of governmental funds have been valued at cost also using the first-in, first-out method (FIFO). Inventory of governmental funds are accounted for on the consumption basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and are accounted for using the consumption basis.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from" other funds.

All trade receivables and property tax receivables, are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 35.3 percent of the outstanding undeferred receivable.

Capital Assets

Capital assets, which include property, permanent water rights, plant, equipment, and infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, streets and sidewalks, and drainage systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$4,000 and an estimated useful life in excess of three years. Infrastructure capital assets are defined as assets with an individual cost of more than \$50,000 and an estimated life in excess of three years. All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Gifts or contributions of capital assets, including intangible assets, are recorded at acquisition value when received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest income on unspent bond funds, is included as part of the capitalized value of the assets constructed.

During the year, the Town did not capitalize any construction period interest.

Depreciation has been provided over estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Infrastructure (roads, bridges)	15-40 years
Buildings	25-50 years
Distribution systems	10-50 years
Equipment	3-10 years
Furniture and fixtures	3-10 years

Other Assets

Other assets in the government-wide financial statements include prepaid insurance related to bond issues.

Claims Payable

Medical, workers' compensation, property and liability insurance claims payable are classified as accounts payable and are recorded in accordance with GASB Statement Number 10.

Unearned Revenue

Unearned revenue consist of rent and event charges.

Appropriations

Appropriations to other funds are accounted for as inter-fund transfers in the governmental fund statements, and are eliminated in the government-wide statements. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as revenues in the fund being reimbursed and expenses in the fund reimbursing.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Town of Smyrna Pension Plan

The Pension Fund financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due. Plan investments are reported at fair value, based on last reported sales price. Policies require accrual basis of accounting for contributions, benefits, and refunds. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Compensated Absences

The Town adopted a paid time off (PTO) policy on 10/12/2004 for its regular full-time employees. All full-time employees accrue from 144 to 224 hours of PTO per year, based on years of service, to a maximum of 480 hours. Upon implementation of this policy, excess existing vacation and sick time over 360 hours was moved to a separate sick leave bank to be used by the employee for any approved Family and Medical Leave Act event. No amount of this sick leave bank shall be paid upon employee termination and all sick leave credit is lost except in the case of retirement for participants in the Town of Smyrna Pension Plan, at which time every twenty workdays of accrued sick leave credit counts as one month time in service towards retirement. All PTO pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee terminations or retirements. Governmental compensated absences are typically liquidated by the General and Stormwater Funds.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. These are included as a component of debt. Loss on refunding, is reported as deferred outflows of resources and amortized over the shorter period of the old or new debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as current period costs in the year of issuance in all financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has two items which qualify for reporting in this category. Deferred charges on refunding are reported in the government-wide financial statement of net position in the governmental activities statement. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows are reported in the government-wide financial statements and fund financial statement in proprietary funds related to pensions and the difference in projected and actual investment returns which will be amortized over four years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The *unavailable revenue* reported in the governmental funds balance sheet represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. The deferred inflow of resources reported in the statement of net position consists primarily of assessed and unlevied property taxes and in lieu of taxes, as well as income taxes, and arises from imposed non-exchange revenues (property taxes and in lieu taxes) which are assessed prior to the end of the year but levied in the subsequent year.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification

In the government-wide financial statements, equity is shown as net position and classified into three components:

Net investment in capital assets – Capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (2) law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Town’s practice to use restricted resources first and then unrestricted resources as they are needed.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In accordance with Governmental Accounting Standard Board (GASB) Statement 54, fund balance is reported in the fund financial statements under the following categories. *Nonspendable fund balance* represents amounts that are required to be maintained intact, such as inventories and prepaid items and non-current portion of notes receivable. *Restricted fund balance* is that portion of fund balance that can be spent only for the specific purposes stipulated by external resource or through enabling legislation. *Committed fund balance* includes amounts constrained to specific purposes as determined by formal action of the Town using its highest level of decision-making authority, an ordinance by the Town Council. Conversely, to rescind or modify a fund balance commitment, action by the Town Council is also required. *Assigned fund balance* amounts are intended to be used by the Town for specific purposes but do not meet the criteria to be restricted or committed. Intent may be stipulated by the Council by resolution. Appropriations of fund balance to eliminate projected budgetary deficits in the subsequent year’s budget are presented as assignments of fund balance. *Unassigned fund balance* is the residual classification of the General Fund. The General Fund is the only governmental fund that reports a positive unassigned fund balance since all the other funds’ fund balances are restricted.

It is the Town’s policy to first use the restricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted funds are available. The Town’s policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

By action of the Council, the Town has set a policy to maintain General Fund unassigned reserves equal to a minimum of 30% of General Fund operating revenue which equates to \$13,422,007. The policy may be modified by majority vote of the Council and the reserve is included in unassigned fund balance.

Property Tax

The Town’s property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the Town’s legal boundaries. Property taxes are secured by a statutory lien effective as of the original assessment date of January 1, and as such an enforceable legal claim to the subsequent fiscal year levy exists at year end. Assessed values are established by the State of Tennessee at the following rates of assessed market value:

Industrial and Commercial Property			
Real Property	40%	Public Utility Property	55%
Personal Property	30%	Farm and Residential Property	25%

Taxes were levied at a rate of \$.7007 per \$100 of assessed valuation for tax years 2019 and 2020, respectively. Payments may be made during the period from October 1 through February 28. Current tax collections of \$11,269,205 for the fiscal year ended June 30, 2020 were approximately 98.5 percent of the tax levy. Delinquent taxes past due for fourteen months are turned over to the county clerk for collection.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements report property taxes receivable of \$11,818,138 which is net of an allowance for doubtful collections of \$118,908. Of this receivable amount, \$218,138 represents prior year property taxes, \$11,600,000 represents the estimated net realizable 2020 property taxes, assessed but which will not be levied until the subsequent fiscal year, and which are included in deferred inflow of resources. The receivable reported in the governmental funds balance sheet is \$11,937,046 with an offsetting deferred inflow of resources for amounts not available at June 30, 2020. Other taxes receivable reported in the governmental statements were \$192,086 for beer, liquor and motel taxes and \$2,884,000 for estimated net realizable 2020 in lieu of tax assessed but will not be levied until the subsequent fiscal year. There were no tax abatements requiring disclosure under *Governmental Accounting Standards Board Statement 77*.

2) DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned or the Town will not be able to recover collateral securities in the possession of an outside party. The Town's policy as required by State statutes, requires deposits to be 105 percent secured by collateral, less the amount of Federal Deposit Insurance Corporation insurance (FDIC) or deposited in an institution which participates in the State Collateral Pool. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service. Collateral agreements must be approved prior to deposit of funds as provided by law. The Town approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of Town staff.

At June 30, 2020 there were no amounts exposed to custodial credit risk.

Investments-Primary Government

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, prescribed for other funds invested by the state treasurer. The pool is required to maintain a high level of liquidity. The weighted average maturity range at June 30, 2020 was 1 to 105 days and the pool credit quality is unrated. Due to the high liquidity, the Town classifies these amounts as cash equivalents. The balance at June 30, 2020 was \$72,733.

Investments-Fiduciary Fund

	<u>Fair Value/ Carrying Amount</u>	<u>Weighted Average Days to Maturity</u>	<u>Average Credit Quality/ Ratings</u>	<u>Fair Value Hierarchy</u>
Fiduciary Fund-Pension Fund:				
Corporate Obligations	\$ 2,164,087	1,286	BBB- to A	Level 2
Municipal Obligations	106,034	2,786	AA	Level 2
Mutual Funds Equity	3,152,669	N/A	N/A	Level 1
Certificate of Deposits	<u>215,000</u>	303	N/A	N/A
	<u>\$ 5,637,790</u>			

Level 1 hierarchy investments are based on quoted prices of securities at year end. Level 2 hierarchy relates to fair values using a matrix pricing technique.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

2) DEPOSITS AND INVESTMENTS

Investment Policy – Town of Smyrna Pension Fund:

The assets of the Plan are invested by a local bank under the terms of a trust agreement, which provides for the bank to have discretion of investments that are monitored and reviewed by the trustees of the plan. The following is a summary of the asset allocation as of June 30, 2020.

<u>Asset Allocation</u>	<u>Target Allocation</u>	<u>Actual Allocation</u>
Equity	45% to 50%	49.9%
Fixed income	45% to 50%	39.4%
Cash and receivables	10% to 0%	10.4%

The long-term expected rate of return on pension plan investments is 7.0%.

Rate of Return:

For the year ended June 30, 2020, the annual money-weighted rate of return based on monthly cash flows on pension plan investments, net of pension plan investment expense, was 3.23%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk:

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk:

The Town's general investment policy is to apply the prudent-person rule: investments are made as a prudent person should be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and in general, avoid speculative investments.

Concentration of Credit Risk:

The Town policy is to limit investments in the pension plan to a maximum of 45%-50% equity classified investments.

As of June 30, 2020, the Town had five investments in an organization that represented 5 percent or more of total investments.

Victory Portfolio II Fund	\$461,355
William Blair Large Cap Fund	512,745
Hartford Schroders Intl Multi Cap Fund	291,316
Vanguard Growth Index Admiral Fund	424,206
William Blair Intl Leaders Fund	344,657

3) CAPITAL ASSETS

Governmental Activities

Capital assets activity for the year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclasses</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Capital assets not being depreciated:</u>					
Land	\$ 7,648,951	50,900	-	-	7,699,851
Construction in progress	21,594,747	10,883,418	-	(5,797,112)	26,681,053
<u>Capital assets being depreciated:</u>					
Buildings	\$ 30,075,556	642,141	-	-	30,717,697
Improvements other than buildings	21,610,228	3,736,128	-	4,925,131	30,271,487
Equipment	28,272,133	3,199,429	(95,134)	-	31,376,428
Infrastructure	<u>118,136,883</u>	<u>6,060,347</u>	<u>-</u>	<u>871,981</u>	<u>125,069,211</u>
Total	\$ <u>227,338,498</u>	<u>24,572,363</u>	<u>(95,134)</u>	<u>-</u>	<u>251,815,727</u>

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

3) CAPITAL ASSETS

Governmental Activities , Continued

	<u>Balance</u>				<u>Balance</u>
	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclasses</u>	<u>June 30, 2020</u>
<u>Accumulated Depreciation</u>					
Buildings	\$ 15,935,103	685,430	-	-	16,620,533
Improvements	10,544,917	822,660	-	-	11,367,577
Equipment	21,059,715	1,597,766	(66,756)	-	22,590,725
Infrastructure	<u>60,674,972</u>	<u>3,500,193</u>	<u>-</u>	<u>-</u>	<u>64,175,165</u>
Total accumulated depreciation	<u>108,214,707</u>	<u>6,606,049</u>	<u>(66,756)</u>	<u>-</u>	<u>114,754,000</u>
Governmental activities capital assets-net	\$ <u>119,123,791</u>				<u>137,061,727</u>

Depreciation expense, including depreciation on assets acquired through capital leases, was charged to functions/programs of the primary government as follows:

General Government	\$	393,339
Public Safety:		
Police		700,093
Fire		399,200
Highways and streets		3,574,973
Stormwater		152,566
Recreation		1,328,397
Community development		<u>57,481</u>
Total	\$	<u>6,606,049</u>

Current year donated infrastructure from developers was \$4,469,015 and donated land was \$50,900.

Business-Type Activities:

Capital assets of the Enterprise Funds consisted of the following at June 30, 2020:

	<u>Balance</u>				<u>Balance</u>	<u>Water and</u>	<u>Gas Fund</u>
	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclasses</u>	<u>June 30, 2020</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>
<u>Capital assets not being depreciated</u>							
Land and land rights	\$ 1,681,903	-	-	-	1,681,903	1,471,294	210,609
Water rights	2,350,000	-	-	-	2,350,000	2,350,000	-
Construction in progress	4,958,986	19,534,881	-	-	24,493,867	20,120,407	4,373,460
<u>Capital assets being depreciated</u>							
Utility plant and buildings	239,055,467	8,857,531	-	-	247,912,998	222,051,191	25,861,807
Machinery and equipment	10,290,984	2,233,435	(21,570)	-	12,502,849	6,859,638	5,643,211
<u>Less accumulated depreciation</u>							
Utility plant and buildings	(104,316,097)	(6,894,322)	-	(2)	(111,210,421)	(95,788,667)	(15,421,754)
Machinery and equipment	(8,574,718)	(571,611)	21,570	5	(9,124,754)	(5,066,519)	(4,058,235)
Total	\$ <u>145,446,525</u>	<u>23,159,914</u>	<u>-</u>	<u>3</u>	<u>168,606,442</u>	<u>151,997,344</u>	<u>16,609,098</u>
Current year depreciation	\$	<u>7,465,933</u>					

Current year donated infrastructure is \$6,926,300.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

4) RECEIVABLES

A summary of receivables at June 30, 2020, is as follows:

	<u>General</u>	<u>Capital</u>	<u>Water and</u>	<u>Natural</u>	<u>Nonmajor</u>	<u>Internal</u>	<u>Total</u>
	<u>Fund</u>	<u>Projects</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>	<u>Funds</u>	<u>Service</u>	
		<u>Fund</u>				<u>Fund</u>	<u>Total</u>
Property taxes	\$ 11,937,046	-	-	-	-	-	11,937,046
Other taxes & in lieu taxes	3,076,086	-	-	-	-	-	3,076,086
Customer	256,490	19,890	3,622,965	567,446	264,227	6,527	4,737,545
Other governments	4,058,853	1,484,228	3,372,325	-	280,112	-	9,195,518
Less allowance	<u>(118,908)</u>	-	<u>(678,817)</u>	<u>(96,986)</u>	<u>(56,278)</u>	-	<u>(950,989)</u>
	<u>\$ 19,209,567</u>	<u>1,504,118</u>	<u>6,316,473</u>	<u>470,460</u>	<u>488,061</u>	<u>6,527</u>	<u>27,995,206</u>

The Enterprise Fund includes a note receivable from the Airport Authority, a joint venture of the Town, in the amount of \$137,015, related to a construction project. The note is repayable in monthly installments of \$3,650 including interest at 2% through September 2023.

The Debt Service Fund (non major governmental fund) also includes a note from the Airport Authority for \$1,428,750 related to airport improvements. The note is repayable in semi-annual installments that mirror the 2014 general obligation bond issue, except the Airport Authority is making monthly payments in lieu of semi-annual payments. The 2014B General Obligation Bond balance is \$1,450,000. (See Note 7)

5) DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred inflows of resources on the governmental funds balance sheet consists of amounts that are unavailable to liquidate liabilities of the current period which include property taxes, in lieu of property taxes and state shared revenues. At June 30, 2020, the components of deferred outflows and inflows on the government wide statement of net position consisted of the following:

	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
<u>Deferred outflows of resources:</u>		
Deferred charge on refunding	\$ 160,218	499,198
Net difference in projected and actual earnings-pension		
	<u>177,529</u>	<u>119,967</u>
	<u>\$ 337,747</u>	<u>619,165</u>
<u>Deferred inflows of resources:</u>		
Property taxes:		
2020 assessed and unlevied	\$ 11,600,000	
2020 in lieu assessed and unlevied	<u>2,884,000</u>	
	<u>\$ 14,484,000</u>	

Deferred inflows of resources in the fund statements of \$16,843,213 consist of unlevied property taxes and in lieu taxes of \$14,484,000 delinquent property taxes of \$293,766 and unavailable state and county shared taxes of \$2,065,447.

6) RESTRICTED ASSETS

A summary of restricted assets at June 30, 2020, is as follows:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>			
	<u>Capital Projects</u>	<u>Water and</u>	<u>Natural</u>	<u>Total</u>	
	<u>Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>	<u>Total</u>	
Cash	<u>\$7,293,421</u>	<u>1,178,832</u>	<u>933,847</u>	<u>9,406,100</u>	

Cash is restricted for approved capital projects in the Governmental Activities and construction bonds and customer deposits in the Business Type Activities.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

7) LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE

The government issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities for general government purposes. Service of this debt is paid from the General Fund by transfer to the Debt Service Fund (nonmajor fund). Pension liabilities are liquidated by the fund responsible for the employee, which is the General Fund, Stormwater Fund, Water and Sewer Fund or the Gas Fund.

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. These bonds relate to the Water and Sewer Enterprise Fund. Should water and sewer revenues be insufficient to pay the debt service, the debt is payable from the taxing authority of the Town.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020 except for the Pension Obligation which is described in Note 8:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Payable</u> <u>Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
General obligation bonds	\$ 27,497,850	-	2,402,850	25,095,000	2,570,000
Bond premium/ discounts	<u>2,627,863</u>	<u>-</u>	<u>242,461</u>	<u>2,385,402</u>	<u>-</u>
	30,125,713	-	2,645,311	27,480,402	2,570,000
Compensated absences	<u>2,382,536</u>	<u>1,678,325</u>	<u>1,633,093</u>	<u>2,427,768</u>	<u>2,427,768</u>
Total	<u>\$ 32,508,249</u>	<u>1,678,325</u>	<u>4,278,404</u>	<u>29,908,170</u>	<u>4,997,768</u>
 <u>Business-type Activities:</u>					
Revenue and tax bonds	\$ 2,450,000	-	1,200,000	1,250,000	1,250,000
General obligation bonds	20,042,150	-	2,352,150	17,690,000	2,455,000
Bond premiums	<u>2,602,509</u>	<u>-</u>	<u>691,759</u>	<u>1,910,750</u>	<u>-</u>
	25,094,659	-	4,243,909	20,850,750	3,705,000
Direct borrowings:					
State revolving loans	<u>4,095,742</u>	<u>6,713,413</u>	<u>362,222</u>	<u>10,446,933</u>	<u>264,166</u>
	<u>\$29,190,401</u>	<u>6,713,413</u>	<u>4,606,131</u>	<u>31,297,683</u>	<u>3,969,166</u>

Bonds, notes and loans payable at June 30, 2020 are comprised of the following:

Governmental Activities

2014 General Obligation Refunding Bonds (\$5,280,000) due in annual installments through April 2022 at 1.69% interest. \$ 2,105,000

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

7) LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (Continued)

Governmental Activities, continued

2014A General Obligation Bonds (\$2,020,000) due in annual installments through June 2024 at 3% to 4% interest.	\$ 980,000
2014B General Obligation Bonds (\$1,765,000) due in annual installments through April 2034 at 1.1% to 4.125% interest. (Airport improvement-non capital related)	1,450,000
2017 General Obligation Refunding Bonds (\$3,107,850) due in annual installments through April 2024 at 5% interest.	2,560,000
2019 General Obligation Bonds (\$18,000,000) due in annual installments through April 2039 at 2% to 5% interest.	<u>18,000,000</u>
Total Governmental Activities	\$ <u>25,095,000</u>

Business-type Activities:

2009 State Revolving Loan Program (\$5,750,000 with \$2,300,000 forgiven) due in 240 installments at an interest rate of 2.14%.	\$ 2,119,874
2010 State Revolving Loan Program (\$600,000 with \$120,000 forgiven) due in 240 installments at an interest rate of 1.94%.	223,752
2015 State Revolving Loan Program due in monthly installments of \$384 through 2038 at an interest rate of 1%.	74,487
2015 State Revolving Loan Program due in monthly installments of \$635 through 2048 at an interest rate of 1.24%.	178,252
2011 Water and Sewer Revenue and Tax Bonds (\$18,000,000) due in annual installments through June 2021 at 4% interest.	1,250,000
2017 General Obligation Refunding Bonds (\$20,042,150) due in annual installments through April 2026 at 5% interest.	17,690,000
2019 State Revolving Loan Program, \$3,000,000 loan with \$300,000 forgiveness due in monthly installments of \$9,593 at 1.71% interest through 2050.	2,682,738
2020 State Revolving Loan Program, \$18,000,000 authorized, \$5,167,830 draws at June 30, 2020. Amortization to begin at project completion at a 1.3% interest rate.	<u>5,167,830</u>
Total Business-type Activities	\$ <u>29,386,933</u>

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

7) LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (Continued)

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2020, including interest payments are as follows:

Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Bonds</u>		<u>Notes from Direct Borrowings and Placements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 2,570,000	962,797	3,705,000	934,500	264,166	98,488
2022	2,680,000	873,061	3,955,000	761,750	269,462	93,119
2023	1,690,000	778,412	4,195,000	564,000	274,838	87,671
2024	1,770,000	698,213	4,385,000	354,250	280,306	82,144
2025	860,000	614,112	1,320,000	135,000	285,929	76,448
2026-2030	4,765,000	2,587,320	1,380,000	69,000	1,517,707	293,145
2031-2035	5,795,000	1,423,818	-	-	785,696	166,850
2036-2040	4,965,000	378,150	-	-	512,397	118,946
2041-2045	-	-	-	-	544,032	72,962
2046-2050	-	-	-	-	544,570	23,352
*	-	-	-	-	5,167,830	-
Totals	<u>\$25,095,000</u>	<u>8,315,883</u>	<u>18,940,000</u>	<u>2,818,500</u>	<u>10,446,933</u>	<u>1,113,125</u>

*State Revolving Loan funds drawn down in 2020, amortization will be over 30 years and will begin upon completion of project.

The Town's refunding issues that have refunded debt outstanding as of June 30, 2020 consists of the following:

<u>Description of Bond Issue</u>	<u>Balance 6/30/2020</u>
2011 Revenue/Tax Bond	<u>\$ 7,350,000</u>

Debt Coverage

The Water and Sewer Revenue Tax Bonds do not require specific debt coverage ratios.

Other

The 2014B general obligation bonds were issued as part of a joint project with Rutherford County. The proceeds of the bonds were loaned to the Rutherford County Airport Authority, a joint venture of the Town and Rutherford County, to make improvements to the local airport. The repayment terms by the Airport Authority mirror the payment terms on the Town bonds, however the Airport Authority is paying monthly instead of semi-annually. The receivable for the Airport Authority note is accounted for in the Debt Service Fund, a nonmajor governmental fund.

The Town's outstanding notes and bonds payable contain provisions that in the event of default, outstanding amounts are to become immediately due if the Town is unable to make payments. At June 30, 2020, there were no unused lines of credit. Governmental Activities General Obligation Bonds are secured by the full taxing authority of the Town. Business Activities General Obligation Bonds as well as Revenue Bonds are secured by the user fees of the system with the General Obligation Bonds being further secured by the taxing authority of the Town. The State Revolving Loans are draw loans whereby funding draws occur after expenditures for the projects are made and are also secured by the user fees of the system and additionally secured by the Town's state shared tax revenues. It is not anticipated that revenues from the state shared taxes will be required.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

8) PENSION PLAN AND DEFERRED COMPENSATION PLAN

Plan Description and Benefits

Effective October 20, 1970, the Town established The Town of Smyrna Pension Plan, a single employer defined benefit pension plan, to provide benefits for employees of the Town. The Plan is administered by the Town of Smyrna Pension Plan Trustees who serve at the pleasure of the Mayor and Town Council. The Plan does not issue a stand-alone financial report nor is it included in the report of another entity. The assets of the Plan are invested at a local bank in accordance with the terms of the trust agreement. Effective June 30, 1999, the Town began the Retirement Choice Program which allowed participants of The Town of Smyrna Pension Plan to transfer accrued benefits in the Plan to a new Retirement Savings Plan. Many employees elected to transfer benefits and participate in the new plan. The Town of Smyrna Pension Trustees establish the benefits of the plan and have the authority to amend such benefits with approval of the Town Council.

Changes in Plan Provisions, Assumptions and Methods

No changes were made to actuarial assumption and method effective June 30, 2020.

Effective Date Plan Year

The effective date of the restated plan is July 1999. The original effective date is October 20, 1970.

Plan Eligibility

Each full-time employee hired on or before July 1, 1999 is eligible to become a participant in the plan on the July 1 following the date he completes one year of service. All full-time employees as of July 1, 1999 who elected to participate in the Town of Smyrna Retirement Savings Plan will not receive additional benefits under this plan.

Employees hired after July 1, 1999 are not eligible to participate in this plan.

Plan Benefit and Vesting Service

Service credited for vesting and benefit purposes means the number of plan years since his date of employment in which the participant has earned 1,000 hours of service, subject to certain break in service rules.

Compensation

For plan purposes, compensation means the total cash compensation, including overtime, bonuses, commissions, paid to a participant by the employer during the plan year.

Normal Retirement

The normal retirement date of a participant is the first day of the calendar month coincident with or next following the earlier of (1) the date of the participant's 65th birthday and the fifth anniversary of the participant's date of participation, or (2) the later of the participant's 55th birthday and 30 years of service.

The participant's normal retirement benefit, 1/12th of which is payable for 120 months guaranteed and for life thereafter is computed by multiplying 1.5% of annual earnings by the years of benefit service at normal retirement.

Earnings used for the benefit calculation are the greater of a) the compensation for the full plan year preceding retirement, b) the compensation for the plan year of retirement, or c) the average of compensation for the two consecutive plan years which produce the highest average.

Early Retirement

A participant may retire early on the first day of the month coincident with or next following attainment of age 55 and completion of 15 years of service.

The deferred benefit, commencing at the normal retirement date, is computed in the same manner as for normal retirement above, based on the participant's annual compensation and years of benefit service at termination.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

8) PENSION PLAN AND DEFERRED COMPENSATION PLAN (Continued)

Early Retirement (Continued)

Upon request to the retirement committee, the participant's benefit may commence at any time after termination of employment. If the benefit is to commence before the normal retirement date, the deferred benefit is actuarially reduced for each year that commencement of benefit payments precedes the normal retirement date.

Death Before Retirement

In the event of the death of a participant, a survivorship benefit shall be payable to the participant's spouse, or, if there is no spouse, to the designated beneficiary.

The automatic form of survivorship benefit shall be an immediate 100% qualified joint and survivor annuity payable to the spouse, which is payable on the first day of the calendar month following the participant's death and for life thereafter. The monthly benefit shall be determined assuming that the deceased participant had retired and elected immediate payment of his benefits in the form of a 100% qualified joint survivor benefit immediately prior to his death. If the participant and his spouse elect, benefits may be paid in another form or to another designated beneficiary. If there is no spouse, benefits shall be paid in lump sum to the designated beneficiary.

Termination of Employment After 5 Years of Vesting Service

If a participant terminates his employment after completion of five years of vesting service, he is entitled to a deferred vested retirement benefit commencing on his normal retirement date.

The amount of the benefit is determined as the product of a vesting percentage and an amount calculated in the same manner as for the deferred early retirement benefit above, using the participant's annual earnings and service at his date of termination. A participant's vesting percentage shall be determined from the following table:

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

Other Termination of Employment

If employment is otherwise terminated before retirement, no benefits are provided under the plan.

Optional Form of Benefit Payments

Subject to the applicable plan conditions, a participant may select an actuarially equivalent optional method of benefit payment, in lieu of the prescribed ten year certain and life income. The purpose of the optional method is to permit the guarantee of a continued life income to a surviving beneficiary after the death of participant (for example, 50% of the participant's actuarially reduced retirement income from the plan). However if no monthly option is elected and participant is married at the date his benefit commences, the monthly benefit will automatically be paid in the form of a 50% joint and survivor annuity.

Benefits Provided – Cost of Living Adjustment

None.

Contributions

The policy as set by the Town of Smyrna Pension Trustees is to contribute actuarially determined amounts to finance the plan benefits; participating employees do not contribute towards the cost of the plan. Administration costs are paid by the Town. There were no amounts payable by the Town to the plan at year end. The Town has elected to make additional contributions the last two years.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

8) PENSION PLAN AND DEFERRED COMPENSATION PLAN, (Continued)

Summary of Participants

1. Inactive Plan Participants:		
a)	Retirees and beneficiaries currently receiving benefits	23
b)	Terminated employees entitled to deferred benefits	<u>13</u>
c)	Total	<u>36</u>
2. Active Plan Participants:		
a)	Vested (Fully and partially)	10
b)	Nonvested	<u>-</u>
c)	Total	<u>10</u>

Net Pension Liability (Asset)

The Town's net pension liability (asset) was measured as of June 30, 2020 and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial valuation	Entry age normal
Inflation	2.50 percent
Salary increases	4 percent annual increase to age 85
Rate of retirement	Participants are assumed to retire 100% at age 65
Cost-of-living adjustment	None
Mortality rate	105% at the RP-2014 (adjusted to 2006) Blue Collar Mortality Base Table
Asset valuation method	Fair market value
Amortization method & period	Level dollar amortization of unfunded liabilities. Investment gains or losses are amortized over 5 years. Experience gains or losses are amortized over the average working lifetime of all participants which for the current year period is one year. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants. For determining the actuarially determined contribution: Amortization or unfunded supplemental liability over 25 years as of July 1, 2014.
No assumptions for:	Disability Rates, Disabled Mortality, Recovery Rates
Plan expenses paid separately.	
Investment rate of return	7% per annum - the assets of the pension plan are invested by Pinnacle Bank in accordance with the terms of the Trust agreement

Best estimates of forward looking rates of return for each major asset class included the pension plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity-Small Cap	8.0%
Domestic Equity-Large Cap	7.1%
Domestic Equity – Mid Cap	7.8%
International Equity	6.4%
International Equity – Emerging Markets	7.7%
Fixed Income	3.5%
Limited Partnerships	7.2%
Cash	1.8%

The annual money-weighted rate of return based on monthly cash flows on pension investments, net of pension expense was 3.23%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

8) **PENSION PLAN AND DEFERRED COMPENSATION PLAN, (Continued)**

Pension Expense and Deferred Outflows/Inflows of Resources

	Fiscal Year Ending <u>June 30, 2020</u>
Service cost	\$ 37,474
Interest	488,539
Benefit changes	-
Contributions- members	-
Expected investment return	(431,753)
Recognition for current year	
Economic/demographic gains or losses	(91,457)
Assumption changes	-
Investment gains or losses	53,042
Recognition of deferred inflows/outflows of resource	
Economic/demographic gains or losses	85,510
Assumption changes	-
Investment gains or losses	-
Plan administrative expenses	-
Other	-
Pension Expense	\$ <u>141,355</u>

For the year ended June 30, 2020, the recognized pension expense is \$141,355. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Difference between expected and actual experience	\$ -	-
Net difference between expected and actual earnings	300,820	3,324
Changes of assumptions	-	-
Contributions made subsequent to measurement date	-	-
	\$ <u>300,820</u>	<u>3,324</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,		<u>Outflows</u>	<u>Inflows</u>	<u>Net</u>
2021	\$	85,225	3,324	81,901
2022		85,227	-	85,227
2023		77,324	-	77,324
2024		53,044	-	53,044
Thereafter		-	-	-

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan, Town of Smyrna 457(b) Deferred Compensation Plan, created in accordance with Internal Revenue Service Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Town has no fiduciary responsibility under the provisions of the Plan and accordingly the assets are not reported as Town assets. The Plan specifically provides that all assets under the Plan and all income attributable to those assets are solely the property of the employee.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

8) PENSION PLAN AND DEFERRED COMPENSATION PLAN, (Continued)

Also, the Town established the “Town of Smyrna Retirement Savings Plan” which is in accordance with Internal Revenue Service Code Section 401A. The Plan is available to all Town employees with six months service with 1,000 hours. The Town has no fiduciary responsibility. The Plan provides that all assets and all income attributable to those assets, are solely the property of the respective employees and accordingly are not reported as Town assets. The Plan was established to hold assets transferred by participants who elected out of the Town of Smyrna Pension Plan and basic and matching contributions made by the Town. The Town contributes 3% of eligible employee pay for a basic contribution and match 50% of the employee 457 Plan contributions up to 6% of employee pay. Vesting of amount in the plan occurs at 20% per year until fully vested after five years. Plan amounts are not available to employees until termination, retirement, death or an unforeseeable emergency. Any forfeited benefits by employees can be used to reduce future contributions by the Town. During 2020 there were \$21,910 in forfeitures and there is \$50,470 in the forfeiture account that can be used to reduce the Town’s contribution. None were used in the current year. During the fiscal year the Town contributed \$1,078,898 (5.4% of \$20,120,892 covered payroll) and the employees contributed \$1,158,055 (5.8 % of \$20,120,892 covered payroll). Investments in both plans are managed by the Plan’s trustee under a selection of mutual funds. The choice of the investment is made by the participants. The Plans are administered by the VOYA Retirement, Insurance and Annuity Company. The Plan assets do not include any type of securities of the employer or related party.

9) COMMITMENTS AND CONTINGENCIES

Litigation

There were several pending lawsuits in which the Town was involved, as well as certain unasserted claims and assessments. The Town contests all the claims and intends to vigorously defend itself. The Town attorney is unable, at this time, to determine the probable outcome of such litigation, however, Town officials do not believe the eventual outcome will materially affect the financial condition of the Town.

Commitments

Golf Course and Park Leases:

The Town leases land for a golf course from the Smyrna/Rutherford County Airport Authority, a joint venture, under an agreement amended May 2001. The lease is through July 1, 2025, and is adjusted annually in July with the CPI and expires July 2025. During 2020, the Town paid \$150,984 in rent to the Airport Authority. The Town also leases land for a park from the Smyrna/Rutherford County Airport Authority under an agreement expiring May 2, 2025 with an option for an additional five year term. The lease is subject to review at the end of each five year term to reflect changes in the fair market rental value of the property. During 2020, the Town paid \$13,440 in rent to the Airport Authority.

The Town has entered into two operating leases for golf course equipment, both leases have monthly payments of \$2,499 through August 2020 and September 2020 respectively. The equipment can be purchased at fair market value at end of lease. Total lease expense for 2020 was \$59,974.

The Town has a commitment with the Army Corps of Engineers to reimburse the Corps for water storage operation and maintenance costs. These costs will be based on 1.303% of the Corps’ actual costs. In 2020, the Town paid \$30,377.

Gas Service Contract

The Town has a contract with a local industry to provide natural gas service on a firm basis. The contract provides that the Town will guarantee natural gas service to the industry up to 160,000 mcf per month on a “best efforts” basis and deliver the gas at a minimum pressure of 25 pounds per square inch. The industry will be billed all costs incurred plus a mark-up of \$0.31 per mcf. The industry can hedge a portion of their required supply. The Town has entered into a contract with Symmetry Energy for all natural gas supply. The industry will execute hedges through Symmetry Energy. The industry will be responsible for all associated costs with the hedge.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

9) COMMITMENTS AND CONTINGENCIES, (Continued)

Contracts

At June 30, 2020, the Town has entered into several construction contracts totaling approximately \$64,148,160. These contracts were approximately 37% complete at year end. The projects involved road, park and utility projects and will be funded by unspent bond funds and reserves.

Contingencies

In a prior fiscal year, the Town received a Department of Housing and Urban Development Home Investment Partnership Grant Note. The funds, in the amount of \$403,973, were passed through to a sub-recipient. This grant note is forgivable as long as the Town continues to meet the terms of the grant note through June 2032. Amounts received from Grantor agencies are subject to audit and adjustment by Grantor agencies. Any disallowed claims, including amounts already collected, could become a liability to the applicable fund.

The Town previously participated in the Local Government Insurance Cooperative (LOGIC), a public entity risk pool that operated as a common risk management and worker's compensation insurance program for approximately one hundred governmental entities. LOGIC was self-sustaining through member premiums and also obtained excess and aggregate excess coverage through a commercial insurance company. The Town has learned the commercial insurance company is in bankruptcy, and the Town will be assessed by LOGIC to help cover claims incurred during the Town's participation. All known assessments have been accrued. The Town does not believe based on current information, any potential future assessments would be material to the Town's financial statements.

10) JOINT VENTURES WITH RUTHERFORD COUNTY

In 1991, the Metropolitan Nashville Airport Authority transferred the assets of the airport to the Smyrna/Rutherford County Airport Authority. The Smyrna/Rutherford County Airport Authority is operated through a joint operations agreement between Rutherford County and the Town of Smyrna. The agreement provides that the county and Town will share in any funding shortfalls 60% and 40% respectively. At June 30, 2020, the Authority had net position of \$35,928,350. Net operating losses for the 2020 and 2019 fiscal years were \$(1,144,369) and \$(671,890) respectively. During the year, the Town of Smyrna paid a total of \$164,424 in rent for use of Authority property for recreational purposes. Separate financial statements for this joint venture are available at Town of Smyrna Town Hall from the Town Manager. The Town does not have an explicit claim to net resources. In the past five years of operation, it has not been necessary for the Town to provide supplemental funding. The Town originally loaned the Authority \$497,784 in 1999 and increased the loan amount by \$285,879 in fiscal year 2007. This loan is being repaid in monthly installments of \$3,650 with approximately 3.25 years remaining. Interest accrues at 2% and the balance is \$137,015. During 2015, the Town also loaned the Airport Authority \$1,765,000 for improvements. The loan is being repaid under approximately the same terms as the Town's 2014B bond issue and the note balance is \$1,428,750. The note is accounted for in the Debt Service Fund.

11) INTERFUND TRANSACTIONS

Interfund receivables and payables are attributable to obligations between funds. The actual cash transfer had not been made at June 30, 2020. The composition of interfund balances at June 30, 2020 were as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Capital Projects Fund	<u>\$240,138</u>	Impact Fee Fund	<u>\$240,138</u>

The interfund amounts are a result of temporary interfund financing at year end. Subsequent to year end, the Town liquidated the interfund amounts.

Internal balances in the Government-wide financial statements also include \$1,128,844 related to the consolidation of the internal service fund.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

11) INTERFUND TRANSACTIONS, (Continued)

Interfund transfers for the year ended June 30, 2020 are attributable to the budgeted allocation of resources from one fund to another and consist of the following:

	Transfer In:			
	General Fund	Capital Project Fund	Nonmajor Governmental	Totals
Transfer Out:				
Gas Fund	\$ 188,021	-	-	188,021
Water and Sewer Fund	658,082	-	-	658,082
General Fund	-	8,288,286	2,586,754	10,875,040
Nonmajor Governmental Funds	<u>145,293</u>	<u>1,773,627</u>	<u>542,302</u>	<u>2,461,222</u>
Totals	\$ <u>991,396</u>	<u>10,061,913</u>	<u>3,129,056</u>	<u>14,182,365</u>

The transfers from the proprietary funds to the General Fund relate to in lieu of tax payments.

At year end the Town transferred \$4,100,00 from the General Fund to the Capital Projects Fund to fund future capital projects.

12) RELATED PARTY TRANSACTIONS

The Town has extended two loans to the Airport Authority, which is a related organization, but does not meet the criteria for component units. During the year, repayments were made on the loans in the amount of \$43,800 and \$135,303, including interest.

13) MAJOR CUSTOMER

The Town supplies water, sewer and natural gas services to a large manufacturing company. During the fiscal year ended June 30, 2020, services to this company accounted for the following percentages of total revenues of the stormwater, water, sewer and natural gas fund customer revenues.

Gas Fund	30.2 %
Water and Sewer Fund	9.1 %
Stormwater Fund	6.5 %

14) RISK MANAGEMENT

The Town has chosen to establish the Self Insurance Fund (internal service fund) for risks associated with the employees' health insurance plan, workers' compensation insurance coverage and liability risks. The fund is accounted for as an internal service fund where assets are set aside for claim settlements.

Employee Health Insurance Plan

The Town retains the risk of loss to a limit of \$50,000 per employee, and \$1,000,000 aggregate annual cap. The Town has obtained a stop/loss commercial insurance policy to cover claims beyond this liability. All full-time employees of the government are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on estimates of the amounts needed to pay prior and current-year claims and to establish an amount for catastrophic losses.

Worker's Compensation Insurance Plan

The Town is self insured for its worker's compensation claims up to a limit of \$500,000 per claim. The Town obtained commercial insurance for claims beyond the noted limit.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

14) RISK MANAGEMENT

Liability and Property Insurance Plan

The Town is self insured to a limit of \$100,000 per claim for liability claims and \$50,000 per claim for property and crime claims. The Town obtained commercial insurance for claims beyond the above noted amounts.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The process used to compute claims liabilities does not necessarily result in an exact amount but it is the best estimate based on credible information. For the government-wide financial statements the activity and assets and liabilities of the fund have been allocated to the participating funds.

Changes in the balance of claims liabilities during the past three fiscal years are as follows:

	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance of Fiscal Year-End</u>
2017-2018	\$ 727,208	7,797,932	(7,397,879)	1,127,261*
2018-2019	1,127,261	7,950,848	(8,609,935)	468,174*
2019-2020	468,174	7,053,115	7,014,371	506,918

*The balance includes amounts for medical, workers' comp, property and liability claims.

The Town continues to carry commercial insurance for all other risks of loss, such as employee honesty and surety bonds. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

15) 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. 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 1, 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 citizen 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.

TOWN OF SMYRNA, TENNESSEE

Notes to Financial Statements

June 30, 2020

15) BUDGET COMPLIANCE AND ACCOUNTABILITY, Continued

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. 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 following budgets were amended:

	Expenditures	<u>Transfers (Out)</u>
General Fund	\$ 11,700	(4,182,100)
Capital Projects Fund	841,400	4,182,100

The capital project expenditure amendments primarily related to park improvements and \$4,100,000 of the transfer is to fund future capital projects.

16) SUBSEQUENT EVENT

Subsequent to year end, the Town made application to the State for CARES Act funds of approximately \$761,000 to reimburse the Town for COVID related expenses. These expenses were primarily related to public safety salaries.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SMYRNA, TENNESSEE
Schedule of Changes in Town of Smyrna's Net Pension Liability
(Asset) and Related Ratios Based on Participation in the
Town of Smyrna Pension Plan
Fiscal Year Ending June 30,

	2015	2016	2017	2018	2019	2020
Total pension liability						
Service cost	\$ 86,040	54,304	51,187	52,724	54,970	37,474
Interest	428,073	450,429	445,440	463,624	507,958	488,539
Changes in benefit terms	-	-	-	-	-	1
Experience (Gains)/Losses	274,843	(164,933)	189,721	131,200	(7,136)	(91,457)
Change of assumptions	(55,334)	-	-	-	(23,995)	-
Benefit payments, including refunds of employee contributions	(366,522)	(398,497)	(423,646)	(423,259)	(430,044)	(371,060)
Net change in total pension liability	367,100	(58,697)	262,702	224,289	101,753	63,497
Total pension liability- beginning	6,212,543	6,579,643	6,520,946	6,783,648	7,007,937	7,109,690
Total pension liability- ending (a)	\$ 6,579,643	6,520,946	6,783,648	7,007,937	7,109,690	7,173,187
Plan fiduciary net position						
Contributions - employer	\$ 182,266	145,402	205,100	805,100	325,200	325,200
Contributions - employee	-	-	-	-	-	-
Net investment income	76,270	78,722	367,587	342,900	294,713	166,541
Benefit payments, including refunds of employee contributions	(366,522)	(398,497)	(423,646)	(423,259)	(430,044)	(371,060)
Change in mortality assumption	-	-	-	-	4,032	-
Administrative expense	-	-	-	-	-	-
Net change in plan fiduciary net position	(107,986)	(174,373)	149,041	724,471	193,901	120,681
Plan fiduciary net position- beginning	5,405,504	5,297,518	5,123,145	5,272,186	5,996,927	6,190,828
Plan fiduciary net position- ending (b)	\$ 5,297,518	5,123,145	5,272,186	5,996,927	6,190,828	6,311,509
Net Pension Liability (asset) ending (a) - (b)	\$ 1,282,125	1,397,801	1,511,462	1,011,010	918,862	861,678
Pension expense	\$ 425,922	92,338	446,560	384,129	255,016	141,355
Plan fiduciary net position as a percentage of total pension liability	80.50%	78.6%	77.7%	85.6%	87.1%	88.0%
Covered payroll	\$ 922,561	934,571	860,733	885,460	898,722	793,071
Net pension liability (asset) as a percentage of covered payroll	139.0%	149.6%	175.6%	114.2%	102.2%	108.7%

Notes to schedule

At June 30, 2016, the cost method changed from Projected Unit Credit to Entry Age Normal.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

See Summary of Plan Provisions for notes regarding benefit changes and the Summary of Actuarial Assumptions and Methods for notes regarding changes in assumptions.

TOWN OF SMYRNA, TENNESSEE
Schedule of Investment Returns
Based on Participation in the
Town of Smyrna Pension Plan
Fiscal Year ending June 30,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	1.96%	2.00%	7.95%	7.25%	5.54%	3.23%

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

TOWN OF SMYRNA, TENNESSEE
Schedule of Contributions
Based on Participation in the
Town of Smyrna Pension Plan
Fiscal Year ending June 30,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 182,266	145,402	176,181	186,129	189,266	108,232
Contributions in relation to actuarially determined contribution	<u>182,266</u>	<u>145,402</u>	<u>205,100</u>	<u>805,100</u>	<u>325,200</u>	<u>325,200</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>(28,919)</u>	<u>(618,971)</u>	<u>(135,934)</u>	<u>(216,968)</u>
Covered payroll	\$ 922,561	934,571	860,733	885,460	898,722	793,071
Contributions as a percentage covered payroll	19.8%	15.6%	23.8%	21.02%	36.2%	41.0%

See the Notes to Schedule Relating to the Actuarially Determined Contributions for details regarding methods and assumptions used to determine rates.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**TOWN OF SMYRNA, TENNESSEE
NOTES TO SCHEDULE RELATING TO
THE ACTUARIALLY DETERMINED CONTRIBUTION
FOR THE YEAR ENDED JUNE 30, 2020**

Valuation date: Actuarially determined contribution rates for 2020 were calculated based on the July 1, 2019 actuarial valuation.

Methods and assumptions used to determine the contribution rates:

Actuarial valuation method	Entry Age normal, with amortization of initial unfunded over 30 years. Annual amortization of actuarial and investment gains and losses over 30 years.
Amortization method	Level dollar
Amortization period	30 years closed period
Asset valuation	Market value
Salary increases	4% annual increase to age 85
Investment rate of return	7 percent, net of investment expense, including inflation
Retirement age	Participants assumed to retire 100% at age 65
Rate of retirement	100% at age 65
Mortality	105% of the RP-2014 (adjusted to 2006) Blue Collar Mortality Base Table
Cost of living	None
Provision for expense	Paid separately by employer
Form of payment	Participants elect normal form of payment
Marriage assumption	100% assumed with husbands 3 years older than wives
Changes in assumption	None
Disability rates	None assumed
Disability mortality	None assumed
Recovery rates	None assumed
Amortization period	For Statement 68 as of June 30, 2020: Investment gains or losses are amortized over 5 years Experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is one year. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants. For determining the actuarially determined contribution: Amortization of unfunded supplemental liability over 25 years as of July 1, 2014.
Withdrawal rates:	See table below per 1,000 employees

Estimated Experience in Years (Select and Ultimate Years)

<u>Age</u>	<u>1</u>	<u>5</u>	<u>10</u>	<u>15</u>
20	171.0	52.8	52.8	52.8
25	171.2	43.2	43.2	43.2
30	169.2	35.6	35.6	35.6
35	164.7	29.9	29.9	29.9
40	158.5	25.7	25.7	25.7
45	149.8	22.2	22.2	22.2
50	138.5	19.2	19.2	19.2
55	125.3	17.3	17.3	17.3
60	109.7	15.7	15.7	15.7
65	0.0	0.0	0.0	0.0

**COMBINING AND INDIVIDUAL NONMAJOR FUND
STATEMENTS AND SCHEDULES**

TOWN OF SMYRNA, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

	Special Revenue			Capital Projects	Debt Service Fund	Total Nonmajor Governmental Funds
	Drug Fund	State Street Aid Fund	Stormwater Fund	Impact Fee Fund		
<u>Assets:</u>						
Cash in bank	\$394,612	1,458,032	3,692,875	5,758,607	34,418	11,338,544
Due from other governments	-	280,112	-	-	-	280,112
Receivables	-	-	207,949	-	-	207,949
Prepays	377	-	-	-	-	377
Note receivable	-	-	-	-	1,428,750	1,428,750
Total Assets	<u>\$394,989</u>	<u>1,738,144</u>	<u>3,900,824</u>	<u>5,758,607</u>	<u>1,463,168</u>	<u>13,255,732</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>						
Liabilities:						
Accounts payable	\$80,232	32,793	9,788	159,495	-	282,308
Accrued liabilities	-	-	36,565	-	-	36,565
Due to other funds	-	-	-	240,138	-	240,138
Total Liabilities	<u>80,232</u>	<u>32,793</u>	<u>46,353</u>	<u>399,633</u>	<u>-</u>	<u>559,011</u>
<u>Deferred Inflows of Resources:</u>						
Unavailable revenues	-	148,723	-	-	-	148,723
Fund balance:						
Restricted for law enforcement	314,757	-	-	-	-	314,757
Restricted for highways and streets	-	1,556,628	-	-	-	1,556,628
Restricted for stormwater	-	-	3,854,471	-	-	3,854,471
Restricted for debt service	-	-	-	-	1,463,168	1,463,168
Restricted for capital projects	-	-	-	5,358,974	-	5,358,974
Total Fund Balance	<u>314,757</u>	<u>1,556,628</u>	<u>3,854,471</u>	<u>5,358,974</u>	<u>1,463,168</u>	<u>12,547,998</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$394,989</u>	<u>1,738,144</u>	<u>3,900,824</u>	<u>5,758,607</u>	<u>1,463,168</u>	<u>13,255,732</u>

TOWN OF SMYRNA, TENNESSEE

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2020

	Special Revenue			Capital Projects	Debt Service	Total Nonmajor Governmental Funds
	Drug Fund	State Street Aid Fund	Stormwater Fund	Impact Fee Fund	Fund	
Revenues:						
Intergovernmental:						
Gasoline tax inspection fees	\$ -	1,681,412	-	-	-	1,681,412
Total Intergovernmental	-	1,681,412	-	-	-	1,681,412
Licenses and permits	-	-	-	2,383,972	-	2,383,972
Fines, forfeitures and seizures	72,708	-	-	-	-	72,708
Uses of Money and Property:						
Interest	-	15,690	49,758	57,929	54,052	177,429
Stormwater fees, rental, and sales	-	-	1,768,739	-	-	1,768,739
Total Uses of Money and Property	-	15,690	1,818,497	57,929	54,052	1,946,168
Total Revenues	72,708	1,697,102	1,818,497	2,441,901	54,052	6,084,260
Expenditures:						
General government	-	-	-	-	-	-
Drug enforcement	106,754	-	-	-	-	106,754
Stormwater	-	-	948,263	-	-	948,263
Highways and streets	-	1,342,543	-	-	-	1,342,543
Total Current	106,754	1,342,543	948,263	-	-	2,397,560
Debt service	-	-	-	-	3,263,568	3,263,568
Capital outlay	-	-	-	-	-	-
Total Expenditures	106,754	1,342,543	948,263	-	3,263,568	5,661,128
Excess (deficiency) of revenues over expenditures	(34,046)	354,559	870,234	2,441,901	(3,209,516)	423,132
Other Financing Sources (Uses):						
Transfer from General Fund	-	-	-	-	2,586,754	2,586,754
Transfer from Impact Fee Fund	-	-	-	-	542,302	542,302
Transfer to General Fund	-	-	(145,293)	-	-	(145,293)
Transfer to Debt Service Fund	-	-	-	(542,302)	-	(542,302)
Transfer to Capital Projects Fund	-	(64,796)	(909,834)	(798,997)	-	(1,773,627)
Total Other Financing Sources (Uses)	-	(64,796)	(1,055,127)	(1,341,299)	3,129,056	667,834
Net change in fund balance	(34,046)	289,763	(184,893)	1,100,602	(80,460)	1,090,966
Fund balance, beginning of year	348,803	1,266,865	4,039,364	4,258,372	1,543,628	11,457,032
Fund balance, end of year	\$314,757	1,556,628	3,854,471	5,358,974	1,463,168	12,547,998

GOVERNMENTAL FUNDS BUDGETARY INFORMATION
(NON-MAJOR FUNDS AND MAJOR DEBT SERVICE AND CAPITAL PROJECTS FUND)

Drug Fund - This fund accounts for funds received directly from the enforcement of laws associated with illegal drug activity. Under state law, the funds are to be used only for law enforcement related expenditures.

State Street Aid Fund - This fund accounts for all revenue and expenditures from the Town's share of state gasoline taxes. Tennessee state law requires these receipts be kept in a separate fund and used for the construction and maintenance of town streets and certain related street expenditures.

Impact Fee Fund - This fund is used to account for the collection of fees restricted for certain capital improvements.

Stormwater Fund – This fund is used to account for the collection of fees restricted for improvements related to stormwater drainage and related projects.

Debt Service Fund - This fund is used to account for the disbursement of funds for governmental debt service requirements.

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition and construction of major government capital assets, improvements or repairs.

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Fines, forfeitures and seizures	\$140,000	140,000	72,708	(67,292)
Total Revenue	140,000	140,000	72,708	(67,292)
Expenditures:				
Current:				
Miscellaneous:				
Drug enforcement				
Investigations	15,000	15,000	19,500	(4,500)
Training	2,000	2,000	1,695	305
Travel	20,000	20,000	1,410	18,590
Confiscation, storage & operations	18,000	18,000	83,158	(65,158)
Supplies and repairs	18,000	18,000	991	17,009
Total Current	73,000	73,000	106,754	(33,754)
Capital outlay	84,500	84,500	-	84,500
Total Expenditures	157,500	157,500	106,754	50,746
Excess (deficiency) of revenues over expenditures	(17,500)	(17,500)	(34,046)	(16,546)
Net change in fund balance	(17,500)	(17,500)	(34,046)	(16,546)
Fund balance, beginning of year	348,803	348,803	348,803	-
Fund balance, end of year	\$331,303	331,303	314,757	(16,546)

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Intergovernmental:				
State gasoline and motor fuel tax	\$1,585,000	1,585,000	1,681,412 *	96,412
Uses of Money and Property:				
Interest	16,000	16,000	15,690	(310)
Total Revenues	1,601,000	1,601,000	1,697,102	96,102
Expenditures:				
Current:				
Street maintenance - repairs	1,075,000	1,075,000	952,631	122,369
Lighting	370,000	370,000	344,323	25,677
Signals	55,000	55,000	45,589	9,411
Total Current	1,500,000	1,500,000	1,342,543	157,457
Total Expenditures	1,500,000	1,500,000	1,342,543	157,457
Excess (deficiency) of revenues over expenditures	101,000	101,000	354,559	253,559
Other Financing Sources (Uses):				
Transfers out	(470,000)	(470,000)	(64,796)	405,204
Net change in fund balance	(369,000)	(369,000)	289,763	658,763
Fund balance, beginning of year	1,266,865	1,266,865	1,266,865	-
Fund balance, end of year	\$897,865	897,865	1,556,628	658,763
			Gas 1989 Tax	\$136,832
			Gas 3 Cent Tax	\$253,541
			Gasoline-Motor Fuel City Tax	\$865,035
			Gas 2017 Tax	426,004
			\$1,681,412 *	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$1,950,000	1,950,000	2,383,972	433,972
Uses of Money and Property:				
Interest	20,000	20,000	57,929	37,929
Total Revenue	<u>1,970,000</u>	<u>1,970,000</u>	<u>2,441,901</u>	<u>471,901</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1,970,000	1,970,000	2,441,901	471,901
Other Financing Sources (Uses):				
Transfers to Debt Service Fund	(1,800,000)	(1,800,000)	(542,302)	1,257,698
Transfers to Capital Project Fund	(1,137,820)	(1,137,820)	(798,997)	338,823
Total Other Financing Sources (Uses)	<u>(2,937,820)</u>	<u>(2,937,820)</u>	<u>(1,341,299)</u>	<u>1,596,521</u>
Net change in fund balance	(967,820)	(967,820)	1,100,602	2,068,422
Fund balance, beginning of year	<u>4,258,372</u>	<u>4,258,372</u>	<u>4,258,372</u>	<u>-</u>
Fund balance, end of year	<u><u>\$3,290,552</u></u>	<u><u>3,290,552</u></u>	<u><u>5,358,974</u></u>	<u><u>2,068,422</u></u>

TOWN OF SMYRNA, TENNESSEE

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

Stormwater Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
Revenues:	Original	Final	Amounts	Positive (Negative)
Uses of Money and Property:				
Interest	\$60,000	60,000	49,758	(10,242)
Fees	1,682,500	1,682,500	1,768,739	86,239
Total Revenue	1,742,500	1,742,500	1,818,497	75,997
Expenditures:				
Stormwater:				
Salaries	618,090	618,090	566,760	51,330
Benefits and payroll taxes	359,195	359,195	260,119	99,076
Memberships and registrations	6,250	6,250	4,129	2,121
Telephone	1,500	1,500	1,332	168
Supplies	17,700	17,700	15,502	2,198
Contract services	100,000	100,000	73,136	26,864
Professional services	11,000	11,000	9,072	1,928
Insurance	8,220	8,220	8,220	-
Public promotions	11,375	11,375	9,853	1,522
Other	1,000	1,000	140	860
Total Expenditures	1,134,330	1,134,330	948,263	186,067
Excess (deficiency) of revenues over expenditures	608,170	608,170	870,234	262,064
Other Financing Sources (Uses):				
Transfers to General Fund	(145,293)	(145,293)	(145,293)	-
Transfers to Capital Project Fund	(2,037,449)	(2,037,449)	(909,834)	1,127,615
Total Other Financing Sources (Uses)	(2,182,742)	(2,182,742)	(1,055,127)	1,127,615
Net change in fund balance	(1,574,572)	(1,574,572)	(184,893)	1,389,679
Fund balance, beginning of year	4,039,364	4,039,364	4,039,364	-
Fund balance, end of year	\$2,464,792	2,464,792	3,854,471	1,389,679

TOWN OF SMYRNA, TENNESSEE

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

Debt Service Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Uses of Money and Property:				
Interest	\$54,513	54,513	54,052	(461)
Total Revenue	54,513	54,513	54,052	(461)
Expenditures:				
Debt service:				
Principal retirement	3,402,850	3,402,850	2,402,850	1,000,000
Interest and fiscal charges	1,120,117	1,120,117	860,718	259,399
Total Expenditures	4,522,967	4,522,967	3,263,568	1,259,399
Excess (deficiency) of revenues over expenditures	(4,468,454)	(4,468,454)	(3,209,516)	1,258,938
Other Financing Sources (Uses):				
Transfers from other funds	4,388,454	4,388,454	3,129,056	(1,259,398)
Net change in fund balance	(80,000)	(80,000)	(80,460)	(460)
Fund balance, beginning of year	1,543,628	1,543,628	1,543,628	-
Fund balance, end of year	\$1,463,628	1,463,628	1,463,168	(460)

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental :				
Grants - state and federal	\$5,696,000	5,836,600	2,139,554	(3,697,046)
Donations and memorials	-	-	29,713	29,713
Total Intergovernmental	<u>5,696,000</u>	<u>5,836,600</u>	<u>2,169,267</u>	<u>(3,667,333)</u>
Uses of Money and Property:				
Interest	-	-	215,662	215,662
Contributions				
Total Revenue	<u>5,696,000</u>	<u>5,836,600</u>	<u>2,384,929</u>	<u>(3,451,671)</u>
Expenditures:				
Recreation and Culture:				
Current				
Supplies & repairs	-	-	143,278	(143,278)
Capital outlay	6,340,257	6,993,357	6,450,310	543,047
Community Development:				
Current				
Supplies	45,500	45,500	8,048	37,452
Capital outlay	-	-	-	-
Highways and Streets:				
Current				
Supplies & repairs	7,087,800	7,087,800	265,014	6,822,786
Capital outlay	10,500,000	10,557,100	10,422,253	134,847
Public Safety:				
Current				
Supplies - fire	237,935	296,635	167,041	129,594
Supplies - police	226,725	226,725	155,055	71,670
Capital outlay - fire	1,300,000	1,335,300	770,685	564,615
Capital outlay - police	600,000	637,200	559,794	77,406
Stormwater				
Current				
Supplies & repairs	5,000	5,000	2,854	2,146
Capital outlay	2,032,449	2,032,449	906,960	1,125,489
General Government:				
Current				
Supplies & repairs	234,041	234,041	151,337	82,704
Capital outlay	1,000,000	1,000,000	917,163	82,837
Total Expenditures	<u>29,609,707</u>	<u>30,451,107</u>	<u>20,919,792</u>	<u>9,531,315</u>
Excess (deficiency) of revenues over expenditures	<u>(23,913,707)</u>	<u>(24,614,507)</u>	<u>(18,534,863)</u>	<u>6,079,644</u>
Other Financing Sources:				
Issuance of debt	13,050,000	13,050,000	-	(13,050,000)
Transfers from State Street Aid Fund and Drug Fund	470,000	470,000	64,796	(405,204)
Transfers from Impact Fee Fund	1,137,820	1,137,820	798,997	(338,823)
Transfers from Stormwater Fund	2,037,449	2,037,449	909,834	(1,127,615)
Transfers from General Fund	4,868,438	9,050,538	8,288,286	(762,252)
Total Other Financing Sources	<u>21,563,707</u>	<u>25,745,807</u>	<u>10,061,913</u>	<u>(15,683,894)</u>
Net change in fund balance	<u>(2,350,000)</u>	<u>1,131,300</u>	<u>(8,472,950)</u>	<u>(9,604,250)</u>
Fund balance, beginning of year	<u>22,504,014</u>	<u>22,504,014</u>	<u>22,504,014</u>	<u>-</u>
Fund balance, end of year	<u>\$20,154,014</u>	<u>23,635,314</u>	<u>14,031,064</u>	<u>(9,604,250)</u>

FINANCIAL SCHEDULES

Financial Schedules are used to demonstrate finance-related legal and contractual compliance, provide details of data summarized in the financial statements, and present other information deemed useful.

TOWN OF SMYRNA, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds

Schedule By Function and Activity

June 30, 2020

Function and Activity	Land	Buildings & Improvements	Improvements Other Than Buildings	Equipment	Infrastructure	Construction In Progress	Total
General government	\$1,610,588	6,517,662	906,702	5,364,698	210,730	885,281	15,495,661
Public safety:							
Police	216,060	3,812,149	-	7,806,796	-	22,935	11,857,940
Fire	155,690	5,128,150	425,792	7,762,084	-	1,014,067	14,485,783
Highways and streets	1,431,685	216,024	2,229,995	2,893,782	121,553,167	23,406,790	151,731,443
Stormwater	-	-	387,579	1,390,481	2,126,124	225,100	4,129,284
Recreation	4,285,828	11,279,253	26,321,419	5,660,608	1,179,190	1,126,880	49,853,178
Community development	-	3,764,459	-	497,979	-	-	4,262,438
Total governmental capital assets	<u>\$7,699,851</u>	<u>30,717,697</u>	<u>30,271,487</u>	<u>31,376,428</u>	<u>125,069,211</u>	<u>26,681,053</u>	<u>251,815,727</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, 2020

Function and Activity	Balance July 1, 2019	Additions	Reclasses & Deletions	Balance June 30, 2020
General government	\$14,586,786	921,863	(12,988)	15,495,661
Public safety:				
Police	11,345,743	569,133	(56,936)	11,857,940
Fire	13,715,096	770,685	2	14,485,783
Highways and streets	136,142,385	14,902,512	686,546	151,731,443
Stormwater	3,222,328	906,960	(4)	4,129,284
Recreation	44,063,723	6,501,210	(711,755)	49,853,178
Community development	4,262,437		1	4,262,438
	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental capital assets	<u>\$227,338,498</u>	<u>24,572,363</u>	<u>(95,134)</u>	<u>251,815,727</u>

TOWN OF SMYRNA, TENNESSEE

Schedule of Cash and Cash Equivalents

All Funds

June 30, 2020

Major Governmental Funds

<u>Type of Investment or Account</u>	<u>Interest Rate</u>	<u>Amount</u>
<u>General Fund:</u>		
Demand deposits and savings	Various	\$30,616,000
Local Government Investment Pool	Various	68,606
Change funds	-	4,921
Total General Fund		<u>30,689,527</u>

<u>Capital Projects Fund:</u>		
Demand deposits and savings	-	16,312,723
Total Capital Projects Fund		<u>16,312,723</u>

Nonmajor Governmental Funds

<u>Drug Fund:</u>		
Cash	-	-
Demand deposit	-	394,612
Total Drug Fund		<u>394,612</u>

<u>State Street Aid Fund:</u>		
Local Government Investment Pool	Various	1,145
Demand deposits and savings	Various	1,456,887
Total State Street Aid Fund		<u>1,458,032</u>

<u>Impact Fee Fund:</u>		
Demand deposits and savings	Various	5,758,607
Total Impact Fee Fund		<u>5,758,607</u>

<u>Stormwater Fund:</u>		
Demand deposits and savings	Various	3,692,875
Total Stormwater Fund		<u>3,692,875</u>

<u>Debt Service Fund:</u>		
Demand deposits and savings	Various	34,418
Total Stormwater Fund		<u>34,418</u>

Proprietary Funds:

<u>Water and Sewer Fund:</u>		
Demand deposits and savings	Various	34,215,148
Local Government Investment Pool	Various	1,889
Change funds	-	600
Total Water and Sewer Fund		<u>34,217,637</u>

<u>Natural Gas Fund:</u>		
Local Government Investment Pool	Various	1,093
Demand deposits and savings	Various	10,615,105
Total Natural Gas Fund		<u>10,616,198</u>

<u>Internal Service Fund:</u>		
Demand deposits and savings	Various	6,775,926
Total Internal Service Fund		<u>6,775,926</u>

Total Primary Government		<u>\$109,950,555</u>
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Component Units:

<u>Charity Assistance Fund:</u>		
Demand deposits and savings	-	\$245,989
Total Charity Assistance Fund		<u>\$245,989</u>

TOWN OF SMYRNA, TENNESSEE

Schedule of Changes in Property Taxes Receivable

General Fund

For the Year Ended June 30, 2020

<u>Fiscal Year</u>	Property Tax Receivable Balance June 30, 2019	<u>Assessments</u>	<u>Collections</u>	<u>Adjustments</u>	Property Tax Receivable Balance June 30, 2020
2019 - 2020	\$ -	11,443,210	(11,269,205)	-	174,005
2018 - 2019	269,302	(14,452)	(214,178)	-	40,672
2017 - 2018	41,237	(11,038)	(10,856)	-	19,343
2016 - 2017	13,687	-	(3,816)	-	9,871
2015 - 2016	13,557	-	(1,324)	-	12,233
2014 - 2015	9,238	-	(533)	-	8,705
2013 - 2014	9,873	-	(263)	-	9,610
2012 - 2013	22,059	-	(1,058)	-	21,001
2011 - 2012	30,744	-	(46)	-	30,698
2010 - 2011	10,908	-	-	-	10,908
2009 - 2010	13,543	133,435	(108)	-	-
	<u>\$434,148</u>	<u>11,551,155</u>	<u>(11,501,387)</u>	<u>0</u>	337,046
2020 - 2021**					<u>11,600,000</u>
Property taxes receivable per Governmental Funds Financial Statements					11,937,046
Allowance for uncollectibles					(118,908)
Property taxes receivable per Government Wide Financial Statements					<u>\$11,818,138</u>

Fiscal year 2015-2016 and prior have been turned over to the County Clerk and Master for collection.

** Unlevied taxes receivable (Anticipated current year levy)

Town Of Smyrna
Schedule Of Changes In Long-Term Debt By Individual Issue
June 30, 2020

Description Of Indebtedness	Original Amount Of Issue	Interest Rate	Date Of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid And/Or Matured During Period	Refunded During Period	Outstanding 6-30-20
Governmental Activities									
<u>BONDS PAYABLE</u>									
<u>Payable Through Debt Service Fund</u>									
2014 GO Refunding Bonds	\$ 3,000,000	1.38	3-21-14	6-1-20	\$ 530,000	-	530,000	-	-
2014 GO Bonds A	2,020,000	3.0 to 4.0	6-18-14	6-1-24	1,200,000	-	220,000	-	980,000
2014 GO Bonds B	1,765,000	1.1 to 4.125	6-18-14	4-1-34	1,530,000	-	80,000	-	1,450,000
2014 GO Refunding Bonds	5,280,000	1.69	6-28-14	4-1-22	3,130,000	-	1,025,000	-	2,105,000
2017 G O Refunding (Split)	3,107,850	5.0	9-1-17	4-1-24	3,107,850	-	547,850	-	2,560,000
2019 G O Refunding	18,000,000	2.0 to 5.0	6-25-19	4-1-39	18,000,000	-	-	-	18,000,000
Total Bonds Payable Through Debt Service Fund					\$ 27,497,850	-	2,402,850	-	25,095,000
Business-Type Activities									
<u>OTHER LOANS PAYABLE</u>									
<u>Payable Through Water Fund</u>									
2009 State Revolving Loan	\$ 5,750,000	2.14 %	10/2011	4-1-32	\$ 2,284,782	-	164,908	-	2,119,874
2010 State Revolving Loan	600,000	1.94	8/2012	1-1-33	240,036	-	16,284	-	223,752
2015 State Revolving Loan DWA	83,377	1.0	3/2015	8-1-38	78,321	-	3,834	-	74,487
2015 State Revolving Loan CWA	190,683	1.24	3/2018	8-1-48	183,627	-	5,375	-	178,252
2019 State Revolving Loan CWA	3,000,000	1.7	6/2019	6-1-50	1,308,976	1,545,583	171,821	-	2,682,738
State Revolving Loan	18,000,000	1.3	5/2020	***	-	5,167,830	-	-	5,167,830
Total Other Loans Payable					\$ 4,095,742	6,713,413	362,222	-	10,446,933
<u>BONDS PAYABLE</u>									
<u>Payable Through Water and Sewer Fund</u>									
2011 Rev/Tax W&S Imp Bonds	\$ 16,150,000	4.0	nn	6-1-21	\$ 2,450,000	-	1,200,000	-	1,250,000
ws b	20,042,150	5.0	9-1-17	4-1-26	20,042,150	-	2,352,150	-	17,690,000
Total Bonds Payable					\$ 22,492,150	-	3,552,150	-	18,940,000

*** 30 yr amortization to begin at project completion.

TOWN OF SMYRNA, TENNESSEE

Schedule of Maturities of Bond and Other Indebtedness
and Interest Requirements

General Obligation

June 30, 2020

Year Ending June 30,	2019 General Obligation Bonds	2014A General Obligation Bonds	2014B General Obligation Bonds	2014 Ref. General Obligation Bonds	2017 Ref. General Obligation Bonds	Principal Requirements	Interest Requirements	Total
2021	\$630,000	230,000	85,000	1,040,000	585,000	2,570,000	962,797	3,532,797
2022	660,000	240,000	85,000	1,065,000	630,000	2,680,000	873,061	3,553,061
2023	695,000	250,000	90,000	-	655,000	1,690,000	778,412	2,468,412
2024	730,000	260,000	90,000	-	690,000	1,770,000	698,213	2,468,213
2025	765,000	-	95,000	-	-	860,000	614,112	1,474,112
2026	800,000	-	95,000	-	-	895,000	572,657	1,467,657
2027	820,000	-	100,000	-	-	920,000	553,450	1,473,450
2028	835,000	-	105,000	-	-	940,000	533,425	1,473,425
2029	875,000	-	105,000	-	-	980,000	487,869	1,467,869
2030	920,000	-	110,000	-	-	1,030,000	439,919	1,469,919
2031	965,000	-	115,000	-	-	1,080,000	389,519	1,469,519
2032	1,015,000	-	120,000	-	-	1,135,000	336,668	1,471,668
2033	1,065,000	-	125,000	-	-	1,190,000	280,969	1,470,969
2034	1,110,000	-	130,000	-	-	1,240,000	233,212	1,473,212
2035	1,150,000	-	-	-	-	1,150,000	183,450	1,333,450
2036	1,185,000	-	-	-	-	1,185,000	148,950	1,333,950
2037	1,220,000	-	-	-	-	1,220,000	113,400	1,333,400
2038	1,260,000	-	-	-	-	1,260,000	76,800	1,336,800
2039	1,300,000	-	-	-	-	1,300,000	39,000	1,339,000
	<u>\$18,000,000</u>	<u>980,000</u>	<u>1,450,000</u>	<u>2,105,000</u>	<u>2,560,000</u>	<u>25,095,000</u>	<u>8,315,883</u>	<u>33,410,883</u>

TOWN OF SMYRNA, TENNESSEE

Schedule of Maturities of Indebtedness and Interest Requirements

Enterprise Fund

June 30, 2020

Year Ending June 30,	Bond Issues		Revolving	Revolving	Revolving	Revolving	Revolving	Interest	Total
	2011	2017	Loan	Loan	Loan	Loan	Loan	Requirements	
2021	\$1,250,000	2,455,000	69,792	16,596	168,472	3,870	5,436	1,032,988	5,002,154
2022	-	3,955,000	70,992	16,932	172,112	3,918	5,508	854,869	5,079,331
2023	-	4,195,000	72,216	17,256	175,832	3,954	5,580	651,671	5,121,509
2024	-	4,385,000	73,452	17,592	179,632	3,990	5,640	436,394	5,101,700
2025	-	1,320,000	74,724	17,940	183,515	4,038	5,712	211,448	1,817,377
2026	-	1,380,000	76,008	18,288	187,481	4,074	5,784	139,682	1,811,317
2027	-	-	77,316	18,648	191,532	4,110	5,856	64,771	362,233
2028	-	-	78,648	19,020	195,671	4,158	5,928	58,748	362,173
2029	-	-	80,004	19,392	199,901	4,194	6,000	52,622	362,113
2030	-	-	81,384	19,764	204,220	4,242	6,084	46,322	362,016
2031	-	-	82,788	20,148	208,633	4,278	6,156	39,954	361,957
2032	-	-	84,216	20,556	52,873	4,326	6,240	34,532	202,743
2033	-	-	85,668	1,620	-	4,362	6,312	32,484	130,446
2034	-	-	87,144	-	-	4,410	6,396	30,792	128,742
2035	-	-	88,644	-	-	4,458	6,468	29,088	128,658
2036	-	-	90,180	-	-	4,506	6,552	27,348	128,586
2037	-	-	91,728	-	-	4,542	6,636	25,584	128,490
2038	-	-	93,312	-	-	3,057	6,720	23,798	126,887
2039	-	-	94,920	-	-	-	6,804	22,008	123,732
2040	-	-	96,552	-	-	-	6,888	20,208	123,648
2041	-	-	98,220	-	-	-	6,972	18,372	123,564
2042	-	-	99,912	-	-	-	7,056	16,512	123,480
2043	-	-	101,628	-	-	-	7,140	14,642	123,410
2044	-	-	103,380	-	-	-	7,236	12,696	123,312
2045	-	-	105,168	-	-	-	7,320	10,740	123,228
2046	-	-	106,980	-	-	-	7,416	8,736	123,132
2047	-	-	108,828	-	-	-	7,512	6,708	123,048
2048	-	-	110,700	-	-	-	4,900	4,641	120,241
2049	-	-	112,608	-	-	-	-	2,628	115,236
2050	-	-	85,626	-	-	-	-	639	86,265
<hr/>									
	\$1,250,000	17,690,000	2,682,738	223,752	2,119,874	74,487	178,252	3,931,625	28,150,728

*State Revolving Loan Funds 5,167,860

\$33,318,588

* Amortization to be over 30 years and to begin at completion of project.

TOWN OF SMYRNA, TENNESSEE

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

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

CFDA Number	Program Name	Grantor Agency	Pass Through Entity Identifying Number	Federal Expenditures	Total Program Expenditures
16.607	Bullet Proof Vest Partnership Program	US Department of Justice		\$3,127	\$3,127
20.205	Intelligent Transportation System Grant (Highway Planning and Construction Cluster)	TN Department of Transportation (Federal Highway Administration)	75LPLM-F1-051 & 064 STP-M-266-21 & CM-9315(11)	14,753	
20.205	Intelligent Transportation System Grant (Highway Planning and Construction Cluster)	TN Department of Transportation (Federal Highway Administration)	75LPLM-F0-080 CM-266(30)	8,000	
20.205	Surface Transportation Program (Highway Planning and Construction Cluster)	TN Department of Transportation (Federal Highway Administration)	75LPLM-F3-045 STP-M-9345(10)	187,179	
20.205	Surface Transportation Program (Highway Planning and Construction Cluster)	TN Department of Transportation (Federal Highway Administration)	75LPLM-F3-049 STP-M-266(20)	37,127	
20.205	Surface Transportation Program (Highway Planning and Construction Cluster)	TN Department of Transportation (Federal Highway Administration)	75LPLM-F3-051 STP-M-266(21)	227	
20.205	Surface Transportation Program (Highway Planning and Construction Cluster)	TN Department of Transportation (Federal Highway Administration)	75LPLM-F1-056 STP-M-NH-1(352)	960	248,246 *
20.607	Alcohol Open Container Requirements	TN Highway Safety Office (Federal Highway Administration)	154AL-19-185 PT-20-71/402	25,651	25,651
66.458	Capitalization Grants For Clean Water Revolving Program	TN Office of State and Local Finance & TDEC (Environmental Protection Agency)	CG7 2019-423	1,545,583	
66.458	Capitalization Grants For Clean Water Revolving Program	TN Office of State and Local Finance & TDEC (Environmental Protection Agency)	SRF-2020-438	5,167,830	6,713,413 *
				<u>\$6,990,437</u>	<u>\$6,990,437</u>

* Major Program

Notes:

At June 30, 2020, loan program outstanding balances were as follows:

Capitalization Grants For Drinking Water State Revolving Loan Funds	DWA 14-154 CGO 2010-258	\$74,487 223,752
Capitalization Grants For Clean Water State Revolving Loan Funds	CWA 14-343 CGA 2009-234	178,252 2,119,874
Capitalization Grants For Clean Water State Revolving Loan Funds	CG7 2019-423	2,682,738
Capitalization Grants For Clean Water State Revolving Loan Funds	SRF-2020-438	5,167,830
		<u>\$10,446,933</u>

The current year cleanwater loans were considered 100.00% federally funded per TDEC and the current year draw down was \$6,713,413. The CG7-2019-423 loan provided for a 10% forgiveness which amounted to \$154,558 in the current year. Payments have not begun as of 6/30/20 on the SRF-2020-438 loan in 2020.

At June 30, 2020, there was a Department of Housing and Urban Development Home Investment Partnership Grant Note outstanding (CFDA #14.239). In a prior fiscal year, the funds, in the amount of \$403,973 were passed to a subrecipient and the grant note is forgivable as long as the Town continues to meet the terms of the grant through August 2019 for \$195,000 and through June 2032 for the remainder.

During 2020 there were no federal grant amounts provided to subrecipients, and the Town claimed no indirect costs and the Town did not elect to use the de minimus cost rate.

This schedule was prepared using the modified accrual basis of accounting.

TOWN OF SMYRNA, TENNESSEE
Schedule of Federal and State Financial Assistance
For the Year Ended June 30, 2020

Federal Awards 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, 2019	Program Income & Grant Receipts	Adjustments	Expenditures	(Accrued) or Deferred Revenue at June 30, 2020
16.607	N/A	Bullet Proof Vest Partnership Program	U.S. Department of Justice	(\$7,205)	10,332	-	3,127	-
16.922	N/A	Equitable Sharing Program	U.S. Department of Justice	17,314	5,020	-	-	22,334
20.205	HPP-9315 (6) & (9) HPP-7500	High Priority Program, Greenway Grant	Federal Highway Administration	(627,845)	627,845	-	-	-
20.205	STP-M-266-21 & CM-9315(11) 75LPLM-F1-051 & 064	Surface Transportation Program	TN Department of Transportation	(44,900)	59,435	-	14,753	(218)
20.205	CM-266(30) 75LPLM-F0-080	Intelligent Transportation Program	TN Department of Transportation	-	8,000	-	8,000	-
20.205	STP-M-9345(10) 75LPLM-F3-045	Surface Transportation Program	TN Department of Transportation (Federal Highway Administration)	(477,349)	664,528	-	187,179	-
20.205	STP-M-266(20) 75LPLM-F3-049	Surface Transportation Program	TN Department of Transportation (Federal Highway Administration)	(249,488)	262,566	-	37,127	(24,049)
20.205	STP-M-266(21) 75LPLM-F1-051	Surface Transportation Program	TN Department of Transportation (Federal Highway Administration)	-	-	-	227	(227)
20.205	STP-M-NH-1(352) 75LPLM-F1-056	Surface Transportation Program	TN Department of Transportation (Federal Highway Administration)	-	-	-	960	(960)
20.607	154AL-19-185 PT-20-71/402	Network Coordinator Grant	TN Highway Safety Office (Federal Highway Administration)	(22,400)	44,069	-	25,651	(3,982)
66.468	CG7 2019-423	Capitalization Grants For Clean Water Revolving Loan Funds	TN Office Of State and Local Finance & TDEC (Environmental Protection Agency)	(1,454,417)	3,000,000	-	1,545,583	-
66.468	SRF-2020-438	Capitalization Grants For Clean Water Revolving Loan Funds	TN Office Of State and Local Finance & TDEC (Environmental Protection Agency)	-	1,795,505	-	5,167,830	(3,372,325)
Total Federal Assistance				<u>(\$2,866,290)</u>	<u>6,477,300</u>	<u>-</u>	<u>6,990,437</u>	<u>(3,379,427)</u>
State Assistance								
	75LPLM-S3-071	Interstate Connector Grant	TN Department of Transportation	(\$8,375)	298,018	-	1,748,418	(1,458,775)
	32601-2100	Local Park & Recreation Fund Grant	TN Environment and Conservation	(18,135)	34,120	-	15,985	-
	N/A	Community Grant for Playground	Dept. of Finance and Administration	-	75,000	-	75,000	-
Total State Assistance				<u>(\$26,510)</u>	<u>407,138</u>	<u>-</u>	<u>1,839,403</u>	<u>(1,458,775)</u>

This schedule was prepared using the modified accrual basis of accounting.

TOWN OF SMYRNA, TENNESSEE

Schedule of Utility Data

June 30, 2020

<u>Services</u>	<u>Number of Customers</u>
Water	15,080
Sewer	16,520
Natural Gas	11,390
Fire Hydrants	1,828
 <u>Rates</u>	
Water (in Town)	
First 2,000 gallons	\$11.54
2,001 - 5,000 gallons	3.60/1,000 gallons
5,001 - 10,000 gallons	4.09/1,000 gallons
thereafter	4.57/1,000 gallons
Water (outside Town)	
First 2,000 gallons	\$14.14
2,001 - 5,000 gallons	5.31/1,000 gallons
5,001 - 10,000 gallons	5.86/1,000 gallons
thereafter	6.73/1,000 gallons
Wholesale	
First 2,000 gallons	\$12.09
2,001 - 5,000 gallons	3.70/1,000 gallons
5,001 - 10,000 gallons	4.31/1,000 gallons
thereafter	4.75/1,000 gallons
Pre-certificate of occupancy	\$3.60/ thousand
Nissan	By Contract
Nolensville	By Contract
Irrigation Meter	
First 10,000 gallons	\$22.19
15,000 gallons	4.57/1,000 gallons
25,000 gallons	5.31/1,000 gallons
50,000 gallons	5.86/1,000 gallons
	6.73/1,000 gallons
Sewer (in Town)	
First 2,000 gallons	\$16.93
thereafter	4.52/2,000 gallons
Sewer (outside Town)	
First 2,000 gallons	\$25.26
thereafter	6.03/2,000 gallons
Pre-certificate of occupancy	\$4.52/ thousand
Repurified Water	
First 2,000 gallons	\$17.22
(April - October)	2.54/1,000 gallons
(November - March)	1.38/1,000 gallons
Natural Gas	
Residential and Small Commercial	\$3.50 demand charge
<i>Excess at current market rate</i>	\$2.00 - Plus MV at time of purchase

TOWN OF SMYRNA, TENNESSEE

STATISTICAL SECTION

This part of the Town of Smyrna's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Schedule #

Contents

Financial Trends	These Schedules contain trend information to help readers understand how theTown's financial performance and well - being have changed over time.	1-4
Revenue Capacity	These Schedules contain information to help readers assess the Town's most significant local revenue source-its property tax.	5-8
Debt Capacity	These Schedules present information to help readers assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	9-13
Demographic and Economic Information	These Schedules offer demographic and economic indicators to help readers understand the environment within which the Town's financial activities take place.	14-15
Operating Information	These Schedules contain service and infrastructure data to help readers understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	16-18

Except where noted, the information in these Schedules is derived from the Town of Smyrna's comprehensive annual financial reports for the relevant year.

TOWN OF SMYRNA, TENNESSEE

**Financial Trends Information -
Net Position by Components - Last Ten Years**

Schedule 1

(Prepared using the accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Governmental Activities:</u>										
Net investment in capital assets	\$77,232,023	77,980,535	76,999,847	80,785,740	80,981,915	83,122,476	89,247,641	95,417,145	104,041,833	115,483,122
Restricted for:										
Cemetery maintenance	453,875	510,430	558,342	600,822	-	-	-	-	-	-
Capital projects	4,504,069	4,311,274	4,530,099	5,513,106	5,831,376	6,618,988	4,855,604	9,305,483	11,624,083	12,149,496
Highway and streets maintenance	156,300	177,509	190,200	259,832	341,729	479,032	898,849	1,205,131	1,408,171	1,705,351
Stormwater	1,310,636	1,771,032	2,296,550	2,718,258	2,965,303	3,354,896	3,618,993	3,874,736	3,979,036	3,784,072
Debt service	-	-	-	-	1,779,574	1,779,574	1,704,368	1,624,048	1,543,628	1,463,168
Law enforcement	40,712	71,091	53,571	83,257	138,911	260,177	311,696	351,513	348,803	314,757
Unrestricted	13,006,648	13,613,831	15,566,065	20,077,540	23,939,831	27,389,321	32,446,364	32,664,607	35,093,277	37,499,467
Total Governmental Activities Net Position	96,704,263	98,435,702	100,194,674	110,038,555	115,978,639	123,004,464	133,083,515	144,442,663	158,038,831	172,399,433
<u>Business-Type Activities</u>										
Net investment in capital assets	94,513,896	97,067,481	96,772,588	97,024,340	97,507,712	99,677,909	106,389,815	114,009,907	116,462,875	135,882,437
Other projects										
Unrestricted	13,555,568	10,151,659	13,605,629	18,619,992	26,754,183	32,473,431	38,148,611	44,354,441	53,411,032	49,463,811
Total Business-type Activities Net Position	108,069,464	107,219,140	110,378,217	115,644,332	124,261,895	132,151,340	144,538,426	158,364,348	169,873,907	185,346,249
<u>Primary Government</u>										
Net investment in capital assets	171,745,919	175,048,016	173,772,435	177,810,080	178,489,627	182,800,385	195,637,456	209,427,052	220,504,708	251,365,559
Restricted for:										
Cemetery maintenance	453,875	510,430	558,342	600,822	-	-	-	-	-	-
Capital projects	4,504,069	4,311,274	4,530,099	5,513,106	5,831,376	6,618,988	4,855,604	9,305,483	11,624,083	12,149,496
Highway and streets maintenance	156,300	177,509	190,200	259,832	341,729	479,032	898,849	1,205,131	1,408,171	1,705,351
Stormwater	1,310,636	1,771,032	2,296,550	2,718,258	2,965,303	3,354,896	3,618,993	3,874,736	3,979,036	3,784,072
Debt service	-	-	-	-	1,779,574	1,779,574	1,704,368	1,624,048	1,543,628	1,463,168
Law enforcement	40,712	71,091	53,571	83,257	138,911	260,177	311,696	351,513	348,803	314,757
Unrestricted	26,562,216	23,765,490	29,171,694	38,697,532	50,694,014	59,862,752	70,594,975	77,019,048	88,504,309	86,963,278
Total Primary Government Net Position	204,773,727	205,654,842	210,572,891	225,682,887	240,240,534	255,155,804	277,621,941	302,807,011	327,912,738	357,745,681

TOWN OF SMYRNA, TENNESSEE
Financial Trends Information -
Changes in Net Position - Last Ten Fiscal Years

Schedule 2
(Prepared using the accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
General government	\$8,275,614	7,321,245	7,372,627	6,928,238	7,141,569	7,174,316	7,005,326	8,018,956	9,086,900	8,577,960
Public safety:										
Police	9,568,842	9,318,385	8,847,423	8,445,483	9,538,680	9,703,392	8,979,232	10,571,974	10,179,164	11,053,136
Fire	8,379,595	8,249,674	8,073,938	7,857,744	8,018,987	8,468,330	7,627,186	8,222,826	8,999,957	9,446,916
Highways and streets	4,801,834	4,517,730	4,879,112	4,679,915	4,864,139	4,832,478	1,554,776	5,236,993	5,848,241	5,699,686
Recreation	4,650,655	4,540,006	4,336,852	4,585,924	4,206,565	4,608,184	3,981,542	5,713,129	6,002,908	6,088,077
Community development	1,331,653	1,362,977	1,271,570	1,380,340	1,233,382	1,344,574	1,421,652	1,494,284	1,501,940	1,474,586
Stormwater	593,683	677,236	772,488	928,982	1,033,845	984,420	1,019,653	989,918	1,099,104	1,113,956
Interest expense on long-term debt	820,094	775,834	740,988	684,044	554,043	537,178	2,983,735	329,234	306,249	833,528
Total Governmental Activities Expenses	38,421,970	36,763,087	36,294,998	35,490,670	36,591,210	37,652,871	34,573,100	40,577,314	43,024,462	44,287,845
Business-Type Activities:										
Water and Sewer	13,312,416	13,426,393	13,499,799	15,235,532	14,979,525	15,129,731	16,140,048	16,651,408	16,588,841	16,847,386
Natural Gas	13,663,394	13,005,327	12,620,752	16,865,335	13,270,956	9,862,349	11,348,911	12,888,817	12,843,143	9,763,929
Total Business-type Activities Expenses	26,975,811	26,431,720	26,120,551	32,100,867	28,250,480	24,992,081	27,488,960	29,540,226	29,431,986	26,611,315
Total Primary Government Expenses	65,397,780	63,194,807	62,415,549	67,591,537	64,841,690	62,644,952	62,062,060	70,117,540	72,456,448	70,899,160
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	2,334,212	2,441,772	2,466,490	2,408,583	2,492,133	2,886,033	3,289,674	3,363,106	3,520,121	3,881,023
Public safety:										
Police	1,686,516	1,730,954	1,676,133	1,415,946	1,705,372	1,549,752	1,290,661	1,410,754	1,228,309	1,382,506
Highways and streets	-	-	-	-	-	-	-	-	-	-
Recreation	1,395,252	1,511,587	1,499,155	1,525,046	1,409,063	1,437,676	1,477,395	1,611,736	1,758,617	1,409,637
Community development	183,142	188,995	168,638	172,812	187,474	230,705	257,660	274,015	265,846	192,929
Stormwater	1,431,163	1,462,760	1,481,119	1,491,895	1,505,420	1,556,722	1,621,485	1,669,700	1,697,248	1,768,739
Debt service	-	-	-	-	31,254	58,298	58,091	57,152	55,773	54,052
Operating grants and contributions	1,283,978	1,534,671	2,039,015	1,783,789	1,431,094	1,558,844	1,720,208	1,966,594	1,962,869	2,025,256
Capital grants and contributions	1,779,839	3,276,378	1,880,582	6,248,860	3,052,287	2,536,075	2,876,947	5,164,168	7,844,548	9,115,689
Total Governmental Activities Program Revenues	10,094,102	12,147,117	11,211,132	15,046,931	11,814,097	11,814,105	12,592,121	15,517,225	18,333,331	19,829,831
Business-Type Activities:										
Charges for services:										
Water and Sewer	13,089,220	14,237,225	15,718,937	15,917,871	16,794,549	18,893,503	20,358,329	20,757,352	21,482,036	22,232,165
Natural Gas	12,413,680	9,648,504	12,790,335	17,515,085	15,371,314	10,118,378	11,390,277	13,451,717	13,780,586	9,657,061
Capital grants and contributions:										
Water and Sewer	2,064,306	2,139,912	1,943,293	4,563,075	3,438,308	4,847,990	8,509,335	9,313,433	5,246,005	10,177,878
Natural Gas	26,777	57,011	45,331	55,845	91,023	170,050	252,850	169,030	195,583	207,069
Total Business-type Activities Program Revenues	27,593,983	26,082,652	30,497,896	38,051,876	35,695,194	34,029,921	40,510,791	43,691,532	40,704,210	42,274,173
Total Primary Government Program Revenues	\$37,688,085	38,229,769	41,709,028	53,098,807	47,509,291	45,844,026	53,102,912	59,208,757	59,037,541	62,104,004
Net (Expense)/Revenue										
Governmental Activities										
	(28,327,868)	(24,615,970)	(25,083,866)	(20,443,739)	(24,777,113)	(25,838,766)	(21,980,979)	(25,060,089)	(24,691,131)	(24,458,014)
Business-Type Activities										
	618,172	(349,068)	4,377,345	5,951,009	7,444,713	9,037,840	13,021,831	14,151,307	11,272,226	15,662,858
Total Primary Government Net Expense	(\$27,709,696)	(24,965,038)	(20,706,521)	(14,492,730)	(17,332,400)	(16,800,926)	(8,959,148)	(10,908,782)	(13,418,905)	(8,795,156)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property and in lieu of taxes	\$10,049,065	10,100,115	10,047,891	12,183,830	12,377,938	12,490,583	12,941,104	13,441,018	13,818,771	14,074,182
Sales	8,967,292	9,278,787	10,116,499	10,891,630	11,293,389	11,981,850	12,367,721	13,104,269	14,044,696	14,476,624
Business	728,197	951,603	1,155,289	1,142,163	1,226,807	1,579,207	1,512,055	1,481,956	1,559,262	1,664,432
Wholesale beer	1,036,175	1,090,307	1,138,256	1,140,276	1,127,095	1,137,639	1,121,947	1,076,999	1,098,048	1,095,413
Hotel / motel tax	259,613	304,430	424,920	412,285	446,025	535,643	578,719	662,932	662,758	553,150
Cable TV Franchise tax	440,851	474,154	544,562	516,136	575,281	609,206	610,982	582,045	566,107	541,312
Other locally assessed taxes	26,621	25,626	27,481	26,565	26,260	25,490	27,527	27,480	26,610	26,978
State shared income taxes	60,874	57,141	75,934	106,200	141,565	136,237	96,989	111,320	106,979	7,672
State shared beer taxes	19,862	19,622	19,763	18,915	19,118	19,518	22,945	22,169	21,999	22,260
State shared sales taxes	2,533,912	2,711,648	2,763,240	2,855,975	3,027,429	3,233,301	3,883,964	4,051,324	4,214,626	4,348,876
State shared mixed drink tax	173,260	93,635	95,056	107,223	110,678	119,970	126,435	144,387	164,905	144,218
Other state shared taxes	241,384	23,041	24,936	27,803	29,810	37,558	50,166	123,750	59,688	101,021
Unrestricted investment earnings and rental income	441,617	437,803	225,037	26,664	30,003	71,040	252,565	567,727	1,067,922	803,882
Other	343,927	76,185	97,612	116,408	80,332	132,776	79,442	128,846	96,283	112,493
Total Governmental Activities	639,859	703,312	708,257	715,547	709,463	833,402	848,137	839,214	778,645	846,103
Business-Type Activities:										
Investments earnings	225,070	202,056	94,510	27,036	28,854	71,536	213,391	513,829	1,015,978	655,586
Other	1,583	-	18,775	3,617	25,104	351,930	-	-	-	-
Special items	-	-	-	-	2,131,398	-	-	-	-	-
Transfers	(639,859)	(703,312)	(708,257)	(715,547)	(709,463)	(843,402)	(848,137)	(839,214)	(778,645)	(846,103)
Total Business-type Activities	(413,206)	(501,256)	(594,972)	(684,894)	1,475,893	(419,936)	(634,746)	(325,385)	237,333	(190,517)
Total Primary Government	\$25,549,303	25,846,153	26,869,761	29,602,726	32,697,086	32,523,484	33,885,952	36,040,051	38,524,632	38,628,099
Change in Net Position										
Governmental activities										
	(2,365,360)	1,731,439	2,380,867	9,843,881	6,444,080	7,104,653	12,539,717	11,305,347	13,596,168	14,360,602
Business-type activities										
	204,967	(850,324)	3,782,373	5,266,115	8,920,606	8,627,905	12,387,086	13,825,922	11,509,559	15,472,341
Total Primary Government	(\$2,160,393)	881,115	6,163,240	15,109,996	15,364,686	15,732,558	24,926,803	25,131,269	25,105,727	29,832,943

TOWN OF SMYRNA, TENNESSEE

Financial Trends Information -
Fund Balances of Governmental Funds - Last Ten Fiscal Years

Schedule 3

(Prepared using the modified accrual basis of accounting)-unaudited

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Funds:										
General Fund										
Nonspendable	\$86,031	98,044	100,992	108,827	107,036	93,698	96,843	89,785	77,458	69,667
Restricted	52,879	17,314	39,783	34,412	32,448	9,986	600,822	558,342	510,430	453,875
Committed	1,046,815	940,783	849,745	775,012	715,127	658,759	-	-	-	-
Assigned	-	-	-	-	-	1,729,203	-	-	2,441,742	2,625,725
Unassigned	30,491,885	30,440,130	30,335,657	30,365,392	25,702,736	20,465,884	18,810,745	15,266,713	10,689,761	10,530,089
Total General Fund	<u>\$31,677,610</u>	<u>31,496,271</u>	<u>31,326,177</u>	<u>31,283,643</u>	<u>26,557,347</u>	<u>22,957,530</u>	<u>19,508,410</u>	<u>15,914,840</u>	<u>13,719,391</u>	<u>13,679,356</u>
All Other										
Governmental										
Funds										
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	\$1,463,168	1,543,628	1,624,048	1,704,368	1,779,574	1,779,574	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	160,497	170,456
Restricted in capital projects funds	19,390,038	26,762,386	9,265,700	4,821,192	6,586,540	5,821,390	5,513,106	4,950,119	4,771,376	5,673,986
Restricted in special revenue funds	5,725,856	5,655,032	5,357,673	4,770,180	4,051,314	3,395,294	3,001,099	2,470,032	1,963,694	1,418,039
Total all other	<u>26,579,062</u>	<u>33,961,046</u>	<u>16,247,421</u>	<u>11,295,740</u>	<u>12,417,428</u>	<u>10,996,258</u>	<u>8,514,205</u>	<u>7,420,151</u>	<u>6,895,567</u>	<u>7,262,481</u>
governmental funds										
Total Governmental Funds	<u>\$58,256,672</u>	<u>65,457,317</u>	<u>47,573,598</u>	<u>42,579,383</u>	<u>38,974,775</u>	<u>33,953,788</u>	<u>28,022,615</u>	<u>23,334,991</u>	<u>20,614,958</u>	<u>20,941,837</u>

TOWN OF SMYRNA, TENNESSEE

Financial Trend Information -
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years

Schedule 4
(Prepared using the modified accrual basis of accounting)-unaudited

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Taxes and in lieu tax	\$32,443,443	31,564,888	30,254,565	29,172,961	28,246,126	27,117,330	26,300,119	23,419,317	22,364,500	21,300,902
Licenses and permits	4,434,458	3,971,000	3,658,765	3,919,187	2,477,602	1,659,586	1,727,518	1,535,238	1,762,861	1,089,550
Intergovernmental	8,811,675	9,069,954	8,044,717	6,342,991	5,531,934	4,970,970	4,999,448	5,128,803	4,437,303	4,563,135
Fines and fees	1,382,506	1,228,309	1,410,754	1,290,661	1,549,752	1,705,372	1,415,946	1,676,133	1,730,954	1,686,516
Uses of property and money	5,998,109	6,464,392	5,684,228	5,147,278	4,888,921	4,754,840	4,743,143	5,123,552	5,345,419	5,226,554
Other	139,667	113,917	131,936	449,316	784,627	80,331	116,408	185,752	86,745	358,819
Total revenues	<u>53,209,858</u>	<u>52,412,460</u>	<u>49,184,965</u>	<u>46,322,394</u>	<u>43,478,962</u>	<u>40,288,429</u>	<u>39,302,582</u>	<u>37,068,795</u>	<u>35,727,782</u>	<u>34,225,476</u>
Expenditures:										
General government	8,573,812	8,634,285	7,446,549	7,011,704	6,816,854	6,446,722	6,227,212	6,435,101	6,899,647	7,891,085
Public safety:										
Police	10,609,703	9,965,443	9,731,325	9,458,175	9,329,660	9,071,588	8,243,876	8,816,765	9,189,523	8,928,822
Fire	9,315,459	8,397,932	7,745,783	8,169,620	8,163,837	7,817,013	7,581,436	8,055,281	8,365,447	8,137,924
Highways and streets	2,107,172	2,368,489	1,783,910	1,611,464	1,414,885	1,447,268	1,517,290	1,807,075	1,540,682	1,673,430
Recreation	4,957,009	5,026,260	4,917,553	4,273,344	3,917,232	3,590,692	3,952,785	3,858,186	4,002,391	3,857,577
Community development	1,426,318	1,490,264	1,423,067	1,419,521	1,247,276	1,209,425	1,316,737	1,238,062	1,269,548	1,260,465
Stormwater	951,117	878,797	863,412	887,856	834,593	878,419	780,823	778,633	551,954	562,305
Debt service										
Principal	2,402,850	2,399,850	2,348,785	2,496,748	2,543,103	2,260,752	2,516,161	1,722,674	824,751	804,609
Interest	860,718	373,193	360,404	475,915	542,527	556,867	717,609	752,761	1,631,730	1,630,980
Capital outlay	20,052,448	15,934,335	8,434,241	7,761,576	4,402,582	5,832,440	2,509,919	2,308,049	3,188,797	961,581
Total expenditures	<u>61,256,606</u>	<u>55,468,848</u>	<u>45,055,029</u>	<u>43,565,923</u>	<u>39,212,549</u>	<u>39,111,186</u>	<u>35,363,848</u>	<u>35,772,587</u>	<u>37,464,470</u>	<u>35,708,778</u>
Excess of revenues over (under) expenditures	<u>(8,046,748)</u>	<u>(3,056,388)</u>	<u>4,129,936</u>	<u>2,756,471</u>	<u>4,266,413</u>	<u>1,177,243</u>	<u>3,938,734</u>	<u>1,296,208</u>	<u>(1,736,688)</u>	<u>(1,483,302)</u>
Other Financing Sources & Uses:										
Bond, notes and leases	-	18,000,000	3,107,850	-	-	9,065,000	3,000,000	611,019	649,109	257,086
Premium on issuance of bonds	-	2,161,462	522,818	-	-	227,035	-	-	-	-
Bond refundings	-	0	(3,605,603)	-	-	(5,247,568)	(2,970,000)	-	-	-
Transfers	846,103	778,645	839,214	848,137	833,402	709,463	715,547	708,257	703,312	639,859
Other	-	-	-	-	-	-	3,343	19,849	57,388	153,986
Total other financing sources (uses)	<u>846,103</u>	<u>20,940,107</u>	<u>864,279</u>	<u>848,137</u>	<u>833,402</u>	<u>4,753,930</u>	<u>748,890</u>	<u>1,339,125</u>	<u>1,409,809</u>	<u>1,050,931</u>
Net Change in Fund Balance	<u>(\$7,200,645)</u>	<u>17,883,719</u>	<u>4,994,215</u>	<u>3,604,608</u>	<u>5,099,815</u>	<u>5,931,173</u>	<u>4,687,624</u>	<u>2,635,333</u>	<u>(326,879)</u>	<u>(432,371)</u>
Debt Service as percentage of noncapital Expenditures	<u>7.9%</u>	<u>7.0%</u>	<u>7.4%</u>	<u>8.3%</u>	<u>8.9%</u>	<u>8.5%</u>	<u>9.8%</u>	<u>7.4%</u>	<u>7.2%</u>	<u>7.0%</u>

TOWN OF SMYRNA, TENNESSEE

**Revenue Capacity Information
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Years**

Schedule 5

Fiscal Year	Appraised Value					Assessed Value	Total Direct Tax Rate*
	Public Utilities	Commercial & Industrial	Personal Property	Residential, Farm & Exempt	Total		
2011	\$41,959,829	1,097,280,630	288,939,523	1,832,036,300	3,260,216,282	1,005,813,825	0.7595
2012	44,495,525	1,088,270,062	293,561,172	1,862,606,900	3,288,933,659	1,007,791,748	0.7595
2013	43,234,516	1,072,157,800	291,926,378	1,879,183,300	3,286,501,994	1,003,903,157	0.7595
2014	42,436,776	1,070,401,532	299,588,940	1,971,391,420	3,383,818,668	1,011,844,405	0.9095
2015	46,675,058	1,040,319,600	342,923,826	2,057,112,600	3,487,031,084	1,058,010,712	0.884
2016	50,973,661	1,000,642,356	328,359,756	2,125,016,852	3,504,992,625	1,090,555,706	0.884
2017	49,397,267	1,014,184,934	385,529,250	2,212,237,277	3,661,348,728	1,130,249,953	0.884
2018	60,744,696	1,472,870,638	447,984,669	2,224,624,743	4,206,224,746	1,190,402,066	0.884
2019	76,872,515	1,693,065,875	481,941,567	2,821,113,036	5,072,992,993	1,560,641,932	0.7007
2020	84,592,942	1,742,458,645	565,965,720	2,935,456,944	5,328,474,251	1,637,562,229	0.7007

Property is assessed as follows:

Industrial and Commercial:

Real 40%

Personal 30%

Public Utility 55%

Farm and Resi 25%

* Per \$100 of assessed valuation

Note - Property of the Town is reappraised frequently. For this reason appraised value is considered equal to actual value.

Property was reappraised in tax years 2014 and 2018

TOWN OF SMYRNA, TENNESSEE

**Revenue Capacity Information
Direct and Overlapping Property Tax Rates, Last Ten Years**

Schedule 6

Fiscal Year	Direct Rate	Overlapping Rates	Total
	Town*	County**	
2011	\$0.7595	\$2.465	\$3.225
2012	0.7595	2.4650	3.225
2013	0.7595	2.4652	3.225
2014	0.9095	2.5652	3.4747
2015	0.8840	2.4867	3.3707
2016	0.8840	2.6800	3.5640
2017	0.8840	2.6800	3.5640
2018	0.8840	2.6800	3.5640
2019	0.7007	2.0994	2.8001
2020	0.7007	2.2194	2.9201

* Source - County Tax Assessor

There are no components of the Town direct tax rate.

** Levied on County property within the Town

Per \$100 of Assessed Valuation

TOWN OF SMYRNA, TENNESSEE

**Revenue Capacity Information
Principal Property Taxpayers, Current Year and Nine Years Ago**

Schedule 7

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percent of Total Assessed Value	Taxable Assessed Value	Rank	Percent of Total Assessed Value
Nissan North America, Inc	\$33,886,640	1	2.07%	\$24,275,286	3	2.41%
Prologis L.P.	28,621,960	2	1.75%	-		-
HCA Health Services	19,400,000	3	1.18%	24,811,640	2	2.47%
Star Stoneridge LLC	19,200,000	4	1.17%	11,200,000	6	1.11%
Copperfield Acquisition LP	19,028,120	5	1.16%	-		-
MAA BRIK	18,960,000	6	1.16%	-		-
Grand Oak 1 LLC	18,640,000	7	1.14%	-		-
Taylor Farms Tennessee	17,591,774	8	1.07%	-		-
Smyrna/Ruth. County Airport	14,359,400	9	0.88%	-		-
Big Box Property Owner BL	14,030,360	10	0.86%	-		-
Southpark Warehouse	-		-	35,797,560	1	3.56%
Smyrna Village, LLC	-		-	17,655,510	4	1.76%
Vi Jon, Inc.	-		-	12,332,966	5	1.23%
Middle Tennessee Electric	-		-	8,139,689	8	0.81%
Sam Ridley, LLC	-		-	8,774,700	7	0.87%
LW Apartments LLC	-		-	5,954,495	9	0.59%
Swanson Development	-		-	5,492,040	10	0.55%
Totals	<u>\$203,718,254</u>		<u>12.44%</u>	<u>\$154,433,886</u>		<u>15.35%</u>
Total Assessed Value	<u>\$1,637,562,229</u>			<u>\$1,005,813,825</u>		

Property re-appraised in 2019
Source- Town tax rolls

TOWN OF SMYRNA, TENNESSEE

**Revenue Capacity Information
Property Tax Levies and Collections, Last Ten Fiscal Years**

Schedule 8

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Collections	Total Collected as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Levy
2011	\$7,639,156	7,341,727	96.107%	286,521	7,628,248	99.857%	10,908	0.143%
2012	7,677,878	7,379,042	96.108%	268,138	7,647,180	99.600%	30,698	0.400%
2013	7,658,530	7,408,799	96.739%	228,730	7,637,529	99.726%	21,001	0.274%
2014	9,202,940	9,031,791	98.140%	161,539	9,193,330	99.896%	9,610	0.104%
2015	9,359,182	9,220,131	98.514%	130,346	9,350,477	99.907%	8,705	0.093%
2016	9,645,439	9,370,811	97.153%	262,395	9,633,206	99.873%	12,233	0.127%
2017	10,002,044	9,882,560	98.805%	109,613	9,992,173	99.901%	9,871	0.099%
2018	10,539,436	10,413,926	98.809%	106,167	10,520,093	99.816%	19,343	0.184%
2019	10,943,588	10,674,286	97.539%	228,630	10,902,916	99.628%	40,672	0.372%
2020	11,443,210	11,269,205	98.479%	-	11,269,205	98.479%	174,005	1.521%
							<u>\$337,046</u>	

Taxes are assessed as of January 1 and due on October 1 each year.
Taxes become delinquent on February 28 of the following year.

TOWN OF SMYRNA, TENNESSEE

Debt Capacity Information

Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

Schedule 9

Fiscal Year	Population*	Governmental Activities		Business Activities			Total Primary Government	Percent of Personal Income	Debt Per Capita	
		General Obligation Bond	Obligations & Capital Leases	Water and Sewer General Obligation Bonds	Water and Sewer Revenue and Tax Bonds	Water and Sewer Revolving Loan				
2011	39,974	**	\$21,776,630	31,086	5,497,918	46,731,118	3,721,532	\$77,758,284	8.02%	1,945
2012	39,974		20,739,991	51,043	4,166,132	44,837,471	3,689,912	73,484,549	7.58%	1,838
2013	41,705		19,671,270	582,847	3,995,979	42,714,827	3,534,881	70,499,804	6.96%	1,690
2014	42,813		17,763,839	21,392	3,494,753	39,882,786	3,375,330	64,538,100	6.08%	1,507
2015	45,274	**	19,823,274	-	3,213,474	36,728,830	3,212,359	62,977,937	5.70%	1,391
2016	47,521		17,252,315	-	2,915,936	33,484,874	3,287,260	56,940,385	4.20%	1,198
2017	48,596		14,727,713	-	2,154,463	30,580,919	3,149,935	50,613,030	4.18%	1,042
2018	50,183	***	12,499,969	-	23,661,568	5,895,000	2,973,260	45,029,797	3.31%	897
2019	51,519		30,125,713	-	22,644,659	2,450,000	4,095,742	59,316,114	4.58%	1,151
2020	52,324		27,480,402	-	19,600,750	1,250,000	10,446,933	58,778,085	4.30%	1,123

Notes:

Details of the Town's debt can be found in Note 7 in the current financial statements.

Personal income information is on Schedule 14.

Bond obligations include applicable premiums and discounts.

* Population is based on Town Planning Department estimates except in years when census is taken.

** Census year

*** US Census Bureau

TOWN OF SMYRNA, TENNESSEE

**Debt Capacity Information
Ratios of General Obligation Debt Outstanding, Last Ten Fiscal Years**

Schedule 10

Fiscal Year	Population *	Estimated Actual Value	Governmental Activities General Obligation Bonds	Business Activities General Obligation Bonds	Obligations & Capital Leases	Available Debt Service Funds	Net General Obligation Debt	Ratio of Net General Obligation Debt to Actual Value	Net General Obligation Debt Per Capita
2011	39,974 **	\$3,260,216,282	21,776,630	5,497,918	31,086	-	27,305,634	0.84%	683
2012	39,974	3,288,933,659	20,739,991	4,166,132	51,043	-	24,957,166	0.76%	624
2013	41,705	3,286,501,994	19,671,270	3,995,979	582,847	-	24,250,096	0.74%	581
2014	42,813	3,383,818,668	17,763,839	3,494,753	21,392	-	21,279,984	0.63%	497
2015	45,274 **	3,487,031,084	19,823,274	3,213,474	-	-	23,036,748	0.66%	509
2016	47,521	3,504,992,625	17,252,315	2,915,936	-	1,779,574	18,388,677	0.52%	387
2017	48,596	3,661,348,728	14,727,713	2,154,463	-	1,704,368	15,177,808	0.41%	312
2018	50,183 ***	4,206,224,746	12,499,969	23,661,568	-	1,624,048	34,537,489	0.82%	688
2019	50,519	5,072,992,993	30,125,713	22,644,659	-	1,543,628	51,226,744	1.01%	1,014
2020	52,324	5,328,474,251	27,480,402	19,600,750	-	1,463,168	45,617,984	0.86%	872

Note:

The above general obligation debt includes capital outlay notes since they are required to be paid from the tax base of the Town.

Debt includes any applicable premiums or discounts.

There have been nonresources externally restricted for the payment of the above debt.

* Population is based on Town Planning Department estimates except in years when census is taken.

** Census year

*** US Census Bureau

TOWN OF SMYRNA, TENNESSEE

**Debt Capacity Information
Direct and Overlapping Governmental Activities Debt**

Schedule 11

<u>Jurisdiction</u>	General Obligation Debt Outstanding**	Percentage Applicable to Town*	Amount Applicable to Town*
Town of Smyrna	\$27,480,402	100.00%	\$27,480,402
Rutherford County	442,238,726	16.6% *	73,411,629
Total	<u>\$469,719,128</u>		<u>\$100,892,031</u>

* Based upon Assessed Value of Property in:

County \$9,863,285,330

Town \$1,637,562,229

** Debt includes premiums

The percentage of overlapping debt applicable to the Town is estimated using the above assessed property tax values. Applicable percentages were estimated by determining the portion of the county's assessed value that is within the Town's boundaries and dividing it by the county's total assessed value.

TOWN OF SMYRNA, TENNESSEE

**Debt Capacity Information
Debt Margin Information, Last Ten Fiscal Years**

Schedule 12

Fiscal Year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed Value	\$1,637,562,229	1,560,641,932	1,190,402,066	1,130,249,953	1,090,555,706	1,058,010,712	1,011,844,405	1,003,903,157	1,007,791,748	1,001,850,963
General Obligation	45,617,984	51,226,744	34,537,489	15,177,808	18,388,677	23,036,748	21,279,984	24,957,166	24,957,166	27,305,634
Debt as % of Assessed Value	2.79%	3.28%	2.90%	1.34%	1.69%	2.18%	2.10%	2.49%	2.48%	2.73%

Note - The Town has no legal debt limit.

TOWN OF SMYRNA, TENNESSEE

**Debt Capacity Information
Pledged - Revenue Coverage, Last Ten Years**

**Schedule 13
Water and Sewer Enterprise Fund**

Year	Gross Revenues*	Direct** Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest ***	Total	
2011	\$13,125,398	9,104,140	4,021,258	2,938,287	1,234,930 ****	4,173,217	0.96
2012	14,263,815	8,848,065	5,415,750	3,329,948	1,925,107 ****	5,255,055	1.03
2013	15,753,215	7,827,113	7,926,102	3,506,407	1,685,519 ****	5,191,926	1.53
2014	15,944,968	8,227,176	7,717,792	3,274,765	1,601,372	4,876,137	1.58
2015	16,838,229	8,158,839	8,679,390	3,509,705	1,474,716	4,984,421	1.74
2016	18,942,651	8,252,356	10,690,295	3,656,485	1,395,154	5,051,639	2.12
2017	20,531,783	9,343,557	11,188,226	3,752,059	1,395,154	5,147,213	2.17
2018	21,098,143	9,771,348	11,326,795	3,868,001	996,778 *****	4,864,779	2.33
2019	22,194,509	9,808,283	12,386,226	4,102,085	1,304,360 *****	5,406,445	2.29
2020	22,708,188	10,258,687	12,449,501	3,914,372	1,177,279 *****	5,091,651	2.45

* Includes nonoperating revenues (does not include gain on sale of capital assets)

** Net of depreciation and amortization

*** Does not include refunding amounts of \$8,350,000 for 2009, \$1,470,000 for 2014 and \$22,119,450 for 2018.

**** Includes capitalized interest

***** Does not include amortization of deferred charges on refundings and premiums

TOWN OF SMYRNA, TENNESSEE

**Demographic and Economic Information
Demographic and Economic Statistics, Last Ten Years**

Schedule 14

Year	Population	Personal Income	Per Capita Income	Median Age**	School Enrollment***	Unemployment Rate****
2011	39,974 *	\$969,889,162	24,263 ****	33.0	9,921	9.2%
2012	39,974 ****	969,889,162	24,263 ****	32.5	10,781	7.4%
2013	41,705 ****	1,012,305,465	24,273 ****	32.8	13,326	6.9%
2014	42,813 ****	1,062,276,156	24,812 ****	33.2	13,895	4.4%
2015	44,193 ****	1,103,941,140	24,980 ****	33.0	13,597	4.2%
2016	47,521 *	1,356,962,155	28,555 ****	35.0	14,141	4.1%
2017	48,596 **	1,210,088,996	24,901 **	34.0	14,220	3.4%
2018	50,183 ****	1,361,665,522	27,134 ****	34.3	15,090	3.3%
2019	51,519 ****	1,296,321,078	25,162 **	33.1	15,227	2.3%
2020	52,324 ****	1,368,115,628	26,147 ****	34.7	15,243	9.1%

* Census Year

** US Census Bureau

*** Rutherford County Board of Education

**** Rutherford County Chamber of Commerce and Town, County and State Planning Offices.

Personal income is a calculation of per capita income and population.

TOWN OF SMYRNA, TENNESSEE

**Demographic and Economic Information
Principal Employers, Current Year and Nine Years Ago**

Schedule 15

Employer	2020			2011		
	Employees	Rank	Percentage	Employees	Rank	Percentage
Nissan North America	8,400	1	56.13%	3,700	1	43.73%
Asurion	1,250	2	8.35%	1,165	2	13.77%
Taylor Farms Tennessee	1,000	3	6.68%	550	5	6.50%
Square D/Schneider Electric	900	4	6.01%	474	7	5.60%
TriStar StoneCrest Medical Center	900	5	6.01%	550	4	6.50%
Vi-Jon (Cumberland Swan)	728	6	4.87%	737	3	8.71%
Federal Mogul	500	7	3.34%	383	8	4.53%
WWL Vehicle Service Americas	480	8	3.21%	-	-	
VA Midsouth CPAC	456	9	3.05%	481	6	5.68%
Franke Foodservice Systems	350	10	2.34%	224	9	2.65%
Tridon	-	-	-	197	10	2.33%
	14,964		100.00%	8,461		100.00%

Source: Rutherford County Chamber of Commerce
 Percentage reflects the percentage of each employer to the top ten employers for that year.
 Total Town employment is not available.

TOWN OF SMYRNA, TENNESSEE

Operating Information
Full-time Equivalent Town Government Employees by Function, Last Ten Fiscal Years

Schedule 16

Function	Full-time Equivalent Employees as of June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
Administration	10	8	8	6	6	6	6	6	6	7
Finance	15.6	14.6	15.8	15.8	15.6	14.8	14.6	13.6	13.6	12.6
Personnel	5.8	4.8	4	4	3	3	3	3	3	3
Planning and Codes	13	13	12	11	10	8	8	8	8	11
IT Services	7	7	7	5	5	5	5	4	3.8	4.8
Courts	16	15	15	15	14	13	13.6	14.6	13.8	16.4
Building and Grounds	8	8	8	7	7	6	6	6	6	10
Legislative	5.6	5.6	4.8	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Public Safety:										
Police										
Officers	90	84	81	78	77	81	78	66	76	80
Civilians	25	24	21	21	21	21	21.8	20.8	20.8	25.8
Fire										
Firefighters	96	88	82	84	84	87	82	84	94	97
Civilians	2	2	2	2	2	2	2	2	2	2
Highways and streets	14.8	12.8	14.8	13.8	12.8	12.6	13.6	12.8	16.6	17.6
Stormwater	12	11	10	10	9	9	8	8	5	5
Recreation										
Parks	48.1	57.9	53.6	49.6	28.1	33.1	39.6	38.3	37.2	40.7
Golf Course	22.6	21	21.6	20.8	16.6	19.8	17.7	17.6	16.8	20.4
Community Development	11.6	16.4	19	15.6	14.8	16.2	9.6	10.4	11.2	12.2
Water and Sewer	43	46	46	42	42	41	42	40	43	61
Natural Gas	18	18	19	18	17	18	18	17.8	18	21
Totals	464.1	457.1	444.6	424.2	390.5	402.1	394.1	378.5	400.4	453.1

Source: Town Departments

TOWN OF SMYRNA, TENNESSEE

Operating Information
Operating Indicators by Function/Program, Last Ten Fiscal Years

Schedule 17

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
General Government:										
Court										
Warrants/summons issued	5,332	7,782	6,937	6,032	6,374	4,014	5,277	4,492	3,470	4,159
Warrants served	5,521	5,632	4,960	4,269	4,908	3,029	4,746	4,396	2,635	1,651
Misdemeanor citations	1,166	579	628	517	604	738	602	539	486	690
General sessions cases	20,080	20,569	10,973	14,361	6,353	5,988	4,806	12,095	12,532	12,826
Traffic court cases	11,200	10,505	10,356	8,489	8,100	11,106	7,809	10,652	10,978	10,870
Juvenile court cases *	619	848	681	694	559	-	-	-	-	-
Planning and Codes										
Building permits issued	1,288	887	844	915	933	792	837	747	733	726
Site plans reviewed	27	26	50	39	30	32	22	20	23	26
Zoning/annexation requests	35	39	39	22	18	15	10	23	11	11
Administration										
Population served per employee	110	106	105	107	119	113	109	110	100	88
Finance										
Checks processed	7,087	6,245	5,896	5,859	5,203	4,379	5,442	5,075	4,457	6,694
Amount purchased on competitive bid (millions)	\$24.53	\$14.58	\$6.98	\$7.76	\$4.23	\$6.05	\$3.93	\$3.67	\$3.58	\$3.80
Treasury										
Total number of utility payments	174,074	142,886**	94,350	98,545	100,628	105,273	112,802	163,063	160,429	137,119
Total number of other payments	10,982	8,010**	95,850	111,590	104,777	78,549	61,035	18,908	10,489	10,407
Human Resources										
Personnel turnover rate	19.60%	20.00%	18.00%	15.00%	17.00%	17.00%	17.00%	18.90%	26.70%	12.00%
New hires	73	123	105	108	75	72	75	43	48	63
Vehicle Maintenance										
Number of vehicles maintained	230	266	203	199	292	190	218	203	230	214
Pieces of equipment maintained	102	95	78	78	176	174	112	109	109	125
Public Safety:										
Police										
Average response in minutes	4:38	6:49	6:40	6:23	6:27	7:16	7:31	7:18	6:57	7:13
Police calls per 1,000 population	1,172	1,240	552	481	491	637	618	3,090	2,376	724
Fire										
Average response in minutes	12:42	6:31	6:28	6:41	6:14	6:15	7:21	6:09	5:32	5:45
Dispatch calls for service	2,668	2,211	2,074	1,904	1,870	1,916	1,905	1,647	1,808	1,869
Culture and Recreation										
Parks and Recreation										
Number of park users	1,069,212	1,655,518	1,555,815	1,333,678	1,106,680	1,323,369	1,353,913	1,050,000	978,263	1,150,000
Number of league participants	2,597	5,769	7,397	7,077	6,910	7,498	7,000	7,500	7,569	7,200
Town Centre										
Number of functions	65	275	303	321	376	283	314	340	365	411
Golf Course										
Total rounds	25,394	28,508	32,516	31,341	32,978	32,533	29,979	30,817	30,346	31,583
Business-type Activities:										
Water Treatment Plant										
Gallons treated (millions)	4,013	4,000	3,776	3,363	3,366	3,309	2,986	2,905	2,598	3,398
Customers	15,080	14,738	14,724	14,522	14,400	13,720	13,579	13,855	13,641	13,344
Waste Water Treatment Plant										
Gallons treated (millions)	2,375	2,075	2,107	2,199	2,180	2,105	2,041	2,210	2,088	2,092
Customers	16,520	14,124	15,485	15,070	14,721	14,021	13,718	13,819	12,740	12,601
Natural Gas										
Customers	11,390	11,057	10,769	10,792	10,300	10,048	9,915	9,790	9,627	9,608

Sources: Town of Smyrna Departments

The number of water and sewer customers decreased in 2014 due to the removal of duplicate accounts discovered during a change in billing software.

* Juvenile court began in 2016

** In 2019, the County began property tax collections for the Town. There were also changes regarding how payments are processed. Certain miscellaneous utility payments were previously included in Other Payments are now included in Utility Payments.

TOWN OF SMYRNA, TENNESSEE

Operating Information
Capital Assets Statistics by Function/Program, Last Ten Fiscal Years

Schedule 18

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
General Government:										
Planning and Codes										
Vehicles	8	8	9	5	5	5	5	5	5	6
Engineering										
Vehicles	1	1	1	-	-	-	-	-	-	-
Building and Grounds Maintenance										
Traffic signals	51	50	50	50	50	50	50	49	45	46
Shop	1	1	1	1	1	1	1	1	1	1
Vehicles	9	9	8	8	8	8	8	8	8	12
Administration										
Town Hall	1	1	1	1	1	1	1	1	1	1
Vehicles	1	1	1	1	1	1	1	2	2	2
Information Services										
Vehicles	2	2	2	2	2	1	2	2	2	2
Stormwater										
Vehicles	6	5	5	5	4	3	2	2	2	2
Public Safety:										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	90	81	76	77	79	77	78	77	81	81
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Vehicles	25	24	25	22	22	23	24	25	24	22
Highways and streets										
Streets (miles)	268.73	257	255.1	247	238	242	174	160.4	133.2	106.23
Salt storage bin	1	1	1	1	1	1	1	1	1	1
Shop	1	1	1	1	1	1	1	1	1	1
Vehicles	21	22	21	21	21	20	20	22	25	22
Cultural and Recreation										
Parks and Recreation										
Acres	826	826	826	822	822	822	822	821	815	815
Parks	13	12	12	12	12	12	12	12	12	12
Picnic areas (shelters)	21	20	20	20	19	18	19	17	17	17
Tennis courts	6	6	6	6	6	8	8	8	8	8
Racquetball courts	-	-	-	-	-	-	2	2	2	2
Practice areas	8	8	8	8	8	8	8	8	8	8
Soccer fields	13	13	10	10	10	10	10	10	10	10
Softball fields	6	6	6	6	6	6	6	6	6	6
Football fields	2	2	2	2	2	2	2	2	2	2
Baseball fields	7	5	5	5	5	5	5	5	5	5
Playgrounds	10	9	9	9	8	8	8	9	9	9
Shop	1	1	1	1	1	1	1	1	1	1
Pools	3	3	3	3	1	1	1	2	2	2
Splashpad	1	1	1	1	1	1	1	1	1	1
Workout facility	-	-	-	-	-	-	1	1	1	1
Trails and greenways (miles)	13.8	13.8	12.4	12	12	12	12	14	14	14
Discgolf course	1	1	1	1	1	1	1	1	1	1
Community center building	1	1	1	1	1	1	1	1	1	1
Assembly hall	1	1	1	1	1	1	1	1	1	1
Train Depot	1	1	1	1	1	1	1	-	-	-
Outdoor Adventure Center	1	1	1	1	-	-	-	-	-	-
Vehicles	17	16	16	15	15	14	14	15	15	14
Tower slides	2	2	2	1	1	1	1	1	-	-
Kuss memorial	1	1	1	-	-	-	-	-	-	-

continued on next page

TOWN OF SMYRNA, TENNESSEE

Operating Information
Capital Assets Statistics by Function/Program, Last Ten Fiscal Years

Schedule 18, continued

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Event Centre										
Banquet facility	1	1	1	1	1	1	1	1	1	1
Golf Course										
Acres	211	211	211	211	211	211	211	211	211	211
Clubhouse	1	1	1	1	1	1	1	1	1	1
Maintenance facility	1	1	1	1	1	1	1	1	1	1
Regulation course	1	1	1	1	1	1	1	1	1	1
Executive course	1	1	1	1	1	1	1	1	1	1
Vehicles	1	1	1	1	1	1	1	1	1	1
Business-type Activities:										
Water Treatment Plant										
Plant	1	1	1	1	1	1	1	1	1	1
Storage tanks	7	7	7	7	7	7	7	7	5	5
Hydrants	1,828	1,792	1,786	1,765	1,765	1,500	1,477	1,473	1,457	1,448
Shop	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Vehicles	17	15	17	17	17	16	16	16	20	21
Waste Water Treatment Plant										
Plant	1	1	1	1	1	1	1	1	1	1
Shop	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Vehicles	21	19	19	16	16	18	18	18	16	20
Natural Gas										
Miles of main	289	282.98	277.98	273.63	268.6	267.83	306.82	306	305	304
Shop	1	1	1	1	1	1	1	1	1	1
Vehicles	12	13	13	11	10	10	10	10	8	10

Sources: Town of Smyrna Departments

Town changed from analog to GIS digital measurement for street mileage in 2013.

AWWA Reporting Worksheet- Unaudited

AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association
Copyright © 2014, All Rights Reserved

[?](#) Click to access definition
[+](#) Click to add a comment

Water Audit Report for: **Town of Smyrna Water System (0000639)**
Reporting Year: **2020** 7/2019 - 6/2020

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

----- Enter grading in column 'E' and 'J' ----->

Volume from own sources:	+	?	10	3,901.481	MG/Yr
Water imported:	+	?	9	0.000	MG/Yr
Water exported:	+	?	10	1,080.917	MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	Value:	MG/Yr				
+	?	9	0.00%	<input type="radio"/>	<input type="radio"/>	
+	?			<input type="radio"/>	<input type="radio"/>	
+	?	9	0.00%	<input type="radio"/>	<input type="radio"/>	

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 2,820.569 MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	+	?	9	2,052.383	MG/Yr
Billed unmetered:	+	?	10	0.000	MG/Yr
Unbilled metered:	+	?	10	13.844	MG/Yr
Unbilled unmetered:	+	?	8	218.474	MG/Yr

Unbilled Unmetered volume entered is greater than the recommended default value

AUTHORIZED CONSUMPTION: 2,284.701 MG/Yr

Click here: [?](#)
for help using option buttons below

Pcnt: Value: 218.474 MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt: Value: 0.25% MG/Yr

0.50% 3.100 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

535.868 MG/Yr

Apparent Losses

Unauthorized consumption: [+](#) [?](#) **7.051** MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	+	?	9	10.383	MG/Yr
Systematic data handling errors:	+	?	9	3.100	MG/Yr

Apparent Losses: 20.534 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: [?](#) **515.333** MG/Yr

WATER LOSSES: 535.868 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 768.186 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+	?	10	249.0	miles
Number of <u>active AND inactive</u> service connections:	+	?	10	10,957	
Service connection density:	?			44	conn./mile main

Are customer meters typically located at the curbside or property line?

Average length of customer service line: [+](#) [?](#) (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: [+](#) [?](#) 9 **65.0** psi

COST DATA

Total annual cost of operating water system:	+	?	10	\$9,910,660	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+	?	9	\$4.83	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+	?	9	\$2,039.09	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 93 out of 100 *****


A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Unauthorized consumption
- 2: Billed metered
- 3: Customer metering inaccuracies

AWWA Performance Indicators - Unaudited



AWWA Free Water Audit Software:

System Attributes and Performance Indicators

WAS v5.0
American Water Works Association.
Copyright © 2014. All Rights Reserved.

Water Audit Report for: Town of Smyrna Water System (0000639)

Reporting Year: 2020 7/2019 - 6/2020

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 93 out of 100 ***

System Attributes:

	Apparent Losses:	20.534	MG/Yr
	+ Real Losses:	515.333	MG/Yr
	= Water Losses:	535.868	MG/Yr
<div style="display: flex; align-items: center;"> ? Unavoidable Annual Real Losses (UARL): 70.95 MG/Yr </div>			
	Annual cost of Apparent Losses:	\$99,182	
	Annual cost of Real Losses:	\$1,050,811	Valued at Variable Production Cost
			Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	27.2%	
		Non-revenue water as percent by cost of operating system:	16.4%	Real Losses valued at Variable Production Cost
Operational Efficiency:	{	Apparent Losses per service connection per day:	5.13	gallons/connection/day
		Real Losses per service connection per day:	128.86	gallons/connection/day
		Real Losses per length of main per day*:	N/A	
		Real Losses per service connection per day per psi pressure:	1.98	gallons/connection/day/psi
		From Above, Real Losses = Current Annual Real Losses (CARL):	515.33	million gallons/year
		? Infrastructure Leakage Index (ILI) [CARL/UARL]:	7.26	

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

OTHER REPORTS

YEARY, HOWELL & ASSOCIATES

Certified Public Accountants

501 EAST IRIS DRIVE
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY
GREGORY V. HOWELL

(615) 385-1008
FAX (615) 385-1208

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Town Council
Town of Smyrna
Smyrna, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Smyrna, Tennessee's, (the Town) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that were reported to management in a separate letter dated October 9, 2020.

Honorable Mayor and Town Council
Town of Smyrna
Smyrna, Tennessee

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Yonah Howard". The signature is written in a cursive style with a large, stylized initial "Y".

October 9, 2020

YEARY, HOWELL & ASSOCIATES

Certified Public Accountants

501 EAST IRIS DRIVE
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY
GREGORY V. HOWELL

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Town Council
Town of Smyrna
Smyrna, Tennessee

Report on Compliance for Each Major Federal Program

We have audited the Town of Smyrna, Tennessee's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Smyrna, Tennessee's major federal programs for the year ended June 30, 2020. Town of Smyrna, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Smyrna, Tennessee's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Smyrna, Tennessee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Smyrna, Tennessee's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Smyrna, Tennessee, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Honorable Mayor and Town Council
Town of Smyrna
Smyrna, Tennessee

Report on Internal Control Over Compliance

Management of the Town of Smyrna of Smyrna, Tennessee, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Smyrna, Tennessee 's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Smyrna, Tennessee 's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



October 9, 2020

Town of Smyrna, Tennessee

Schedule of Disposition of Prior Year Findings and Questioned Costs

For the Year June 30, 2020

Financial Statement Findings

There were no prior year findings.

Federal Awards Findings and Questioned Costs

There were no prior year findings.

Town of Smyrna, Tennessee

Schedule of Findings and Questioned Costs

For the Year June 30, 2020

I. Summary of Auditor's Results

- A. The June 30, 2020 Auditor's Report on the Financial Statements was an unmodified opinion.
- B. There were no significant deficiencies or material weaknesses in the internal control disclosed during the audit of the financial statements.
- C. The audit disclosed no instances of noncompliance or other matters which is material to the financial statements.
- D. No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit.
- E. The June 30, 2020 report on compliance for major programs was an unmodified opinion.
- F. The audit did not disclose any audit findings which are required to be reported under 2CFR Section 200.516(a).
- G. Major Programs – Surface Transportation Program, Intelligent Transportation System Program, CFDA#20.205 and Capitalization Grants for Clean Water Revolving Loan Funds, CFDA# 66.458.
- H. Type A programs have been distinguished as those programs with expenditures greater than \$750,000.
- I. The Town of Smyrna was not considered to be a low risk auditee.

II. Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Findings and Questioned Costs

Current Year

There are no federal awards findings or questioned costs.