



Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Prepared by the Finance Department

Town of Smyrna, Tennessee
Financial Statements
For Fiscal Year Ended June 30, 2021

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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 22, 2021

The Honorable Mayor, Town Council and Citizens of the Town of Smyrna, Tennessee:

The Annual Comprehensive Financial Report of the Town of Smyrna, Tennessee (the “Town” or “Town of Smyrna”) for the fiscal year ending June 30, 2021, 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 33.2% 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 53,262.

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, has added 200 new jobs and invested \$35 million to expand capacity in Smyrna. Topre America Corporation, a major automotive stamping supplier, continues to reinvest in its Smyrna manufacturing plant. It has added 51 new jobs and made a \$63 million capital investment. This is 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, has relocated its operations to Smyrna Airport. Stevens Aerospace has relocated 75 jobs from Nashville to Smyrna, and has added 30 new jobs with the intention of growing its workforce. Taylor Farms has expanded its operations to include deli and fruit products and now has over 1,000 employees.

Hunter Industrial, a division of the Hunter Fan Company, has leased a new 101,000-square-foot commercial and industrial headquarters—more than three times the size of its previous office space and manufacturing warehouse. The building includes 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 Avid Hotel, Topre Phase VIII, Dollar General, Rock Springs Market gas station, and Rock Springs Plaza Phase II, which is a retail/restaurant development with a gas station as well. Businesses currently under construction are a Courtyard by Marriott Hotel, SRM Concrete corporate headquarters, Topre Phase IX, Woodspring Suites by Marriott, two medical office buildings, Veritas Federal Credit Union, Steel Technologies Phase III, Premier Vetcare Addition, 7-11, Freddy’s Frozen Custard and Hamburgers, a three story climate controlled storage facility next to Home Depot, and three projects at Smyrna/Rutherford County Airport known as Hangar 692, 4 Flyers Hangar, and Stevens Airport Hangar. Businesses that have been approved by the Planning Commission include RaceTrac, Primary Care and Hope Clinic, Decorama Homes and Cabinetry, Florence Road Storage, Seven Oaks Office Park Phase 2B, an addition to Traditions of Smyrna assisted living, Sam Griffin warehouse, Chicken Salad Chick, Dutch Bros Coffee, Just Love Coffee Cafe, Slim Chickens, and a small retail building near Potomac Place. 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 5.62%, while the national unemployment rate for the same time period has averaged about 6.2%. As of June 30, 2021, the local unemployment rate was 4.8%. 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 has completed 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. This plan has been submitted to the Planning Commission and Town Council for review and approval.

The Town of Smyrna has begun 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 is currently in Design Phase of a diverging diamond interchange at this location. Once the design is complete, TDOT will perform utility clearances and right-of-way acquisition, if necessary, prior to bidding the project.

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 under 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 a notice to proceed to construction.

The Enon Springs West Extension project has been constructed from the intersection of Enon Springs and Old Nashville to the Rocky Fork Road Bridge over I-24. This 1.5 miles of roadway was 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 six (6) multimodal sidewalk projects. Currently we are in construction or design phase on four 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. One of the sidewalk projects is along Florence Road from Rebel Road to Westfork Park. This project will connect existing sidewalk along residential areas to the park.

We are also working on roadway projects that are not eligible for grant funding. Currently, we are under construction on a new roadway from Nolan Drive into Lee Victory Park. We are acquiring right-of-way to extend Genie Lane from Wolverine Drive to Potomac Place. Also, the town is designing an extension of Spring Hill Drive to a section of Wildwood Drive just north of the Rocky Fork Elementary and Middle Schools.

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 is nearing the end of year two (2) of a three (3) year project. This project is 100% SRF funded and the upgraded plant will be operational in fall 2022.

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 and installation of new 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 active with utilities being installed.

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 is currently under construction with a completion date estimated to be spring of 2022. The project is a green initiative with the removal of existing lift stations and will be a gravity system. 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 15,500 water meter upgrades to AMI, adding of additional collectors and repeaters and also installation of approximately 3,600 leak sensors throughout the water system to aid in water loss reduction

The Town of Smyrna Parks and Recreation continued to maintain and operate an expanded park system for the Smyrna citizens. Several projects were completed in 2020 resulting in increased usage of the park system. The department reopened the park system after operating with a modified plan due to COVID. The department offered several annual programs while also introducing new programs for our patrons. Staff coordinated numerous park improvements to existing facilities while also constructing new facilities.

Zama Park was completed and opened in September of 2020. The park was built in the former Tire World location in the heart of downtown Smyrna. The linear park showcases another investment into the Depot District by town leaders and is one of the many planned improvements

along Lowry Street. The goal of this facility was to improve beautification along Lowry Street while also creating usable space for our downtown area. This goal was accomplished.

The town partnered with the Smyrna Rotary Club, Christy Houston Foundation and several other partners to complete Smyrna's first all-inclusive playground. Located in Lee Victory Recreation Park, "Freedom Playground" became a reality in May of 2021 with a grand opening celebration in our most visited park. The playground is connected to the Captain Jeff Kuss USMC Memorial and the original main playground via walking trail resulting in a positive visit for all ages. Design of ADA compliant restrooms is underway with construction to follow.

Additional park improvements include trail and greenway paving, a new playground, ADA improvements, and new scoreboards for the football fields. The trail loop at Lee Victory Recreation Park was repaved in December of 2020 thus improving one of the town's most popular trails in the park system. Two miles of greenway was repaved at Sharp Springs this past spring. With the new Jefferson Springs Greenway Extension completed in 2018 and the greenway paving, all trails at Sharp Springs Park have fresh asphalt. The twenty-plus year old playground at J.J. McWilliams/Old Rock School Park was replaced with a new library-themed playground. This new playground inspires us of the imagination while also encouraging physical activities by our youth. ADA accessible sidewalk connectors were installed at the Lee Victory Recreation Park basketball courts this year. In addition the trails and greenways paving work improved grades per ADA guidelines. The town partnered with the Smyrna Youth Football League to purchase and install new scoreboards at the league's home fields.

After operating with reduced fields, Cedar Stone Park operated at full capacity in the spring resulting in a successful spring baseball season and numerous tournaments. The park is one of the best youth baseball venues in the area. The SplashTown Pool, Smyrna Outdoor Adventure Center, Gregory Mill Splash Pad, new Depot Stage Canopy and rental buildings reopened with high usage numbers and strong revenue. The park system was also impacted by spring floods, and thanks to town leaders and staff, impacted parks were reopened within a month.

The Smyrna Outdoor Adventure Center (SOAC) launched the new Paddlecraft Adventures watercraft rental program to the Smyrna citizens. The new program allows patrons to rent and pick up watercraft for use on local waterways. The SOAC already hosts several watercraft programs and this allows patrons the opportunity to get on the water without having to purchase or store the watercraft. As with many of the SOAC programs the goal is to encourage outdoor recreation for all.

The Parks and Recreation Department strives to improve the quality of life for citizens and visitors alike. The town continues to partner with volunteers, fellow departments, numerous non-profit organizations, and adjacent government organizations to present a successful park system.

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 annual comprehensive financial report (ACFR) for the year ended June 30, 2020. 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 ACFR. 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 ACFR 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, Beth Morris, Donna Geener, Robert Morrison, Stephanie Donithan and the cooperation of each of the Town's departments. Specific appreciation is expressed to Finance Manager Sierra Nolen 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

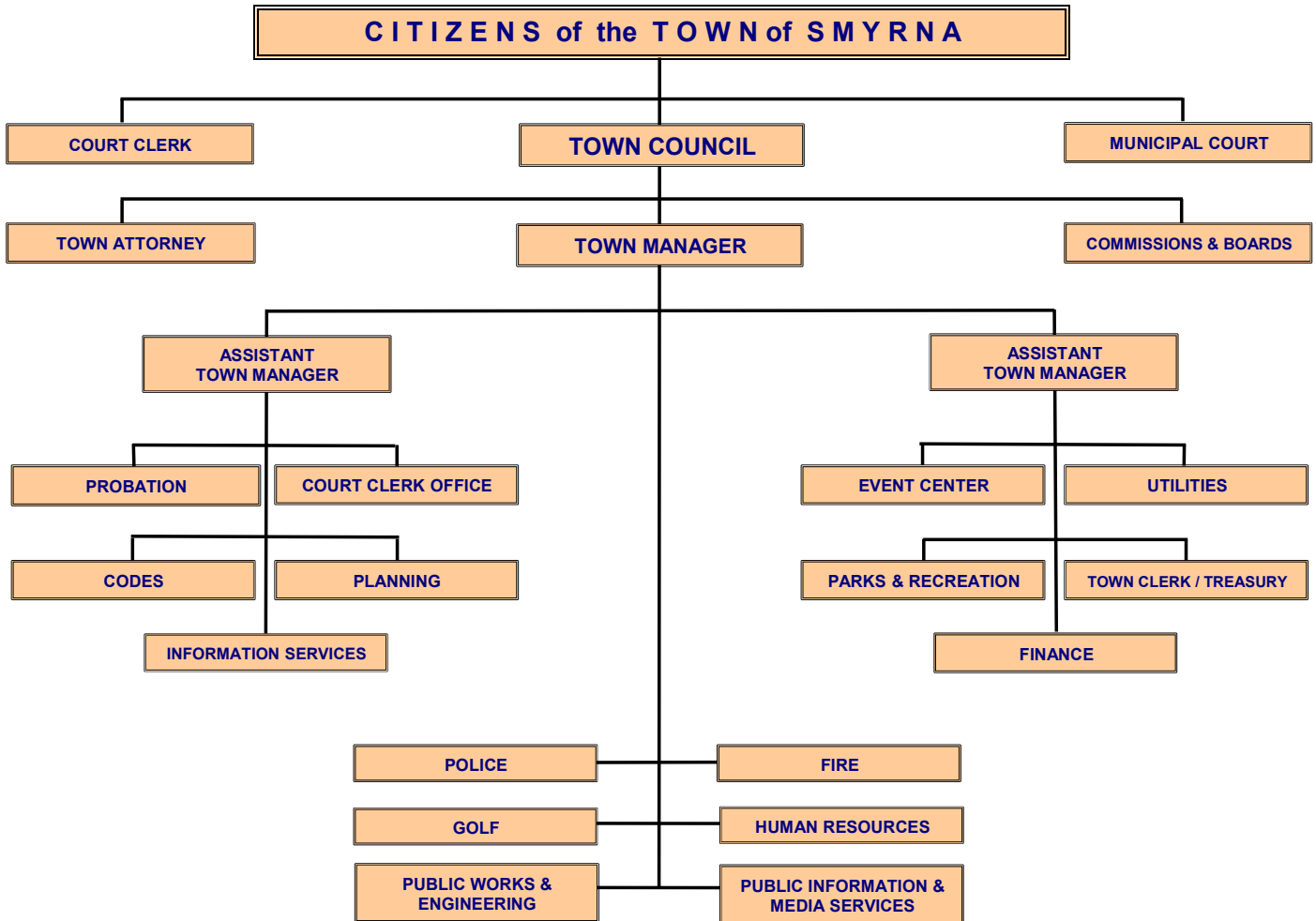
June 30, 2020

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART

July 2020



Town of Smyrna, Tennessee

Town Officials

June 30, 2021

Elected Officials

Name	Title	Term Expires
Mary Esther Reed	Mayor	November 2022
Marc Adkins	Vice Mayor, Councilmember	November 2022
H. G. Cole	Councilmember	November 2022
Tim Morrell	Councilmember	November 2024
Racquel Peebles	Councilmember	November 2024
Gerry Short	Councilmember	November 2022
Steve Sullivan	Councilmember	November 2024

Town of Smyrna, Tennessee
Town Officials
June 30, 2021

Appointed Officials

Name	Title	Date of Appointment
Brian D. Hercules*	Town Manager	September 2018
Todd Spearman	Assistant Town Manager	January 2020
Rex S. Gaither, CMFO, CPPB**	Assistant Town Manager / Director of Finance	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 Entity maintains a \$200,000 bond on the Town Manager.

**The Entity 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

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Independent Auditor's Report

Honorable Mayor and Town Council
Town of 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, 2021, 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.

Auditors' 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 from 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 auditors' 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 Town'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 Town'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, 2021, 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.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pages 4-13, and required supplementary information on pages 66-68, 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, which 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

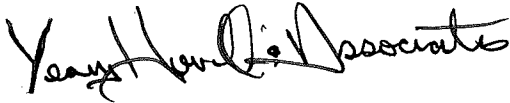
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual non-major fund statements and schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 US *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 non-major 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 non-major 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 *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2021 on 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's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Yeary, Howell & Associates". The signature is written in a cursive, flowing style.

Yeary, Howell & Associates
Nashville, Tennessee
October 11, 2021

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, 2021. 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 14).

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 \$391,900,392 (net position). Of this amount, \$81,334,981 (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 \$34,154,711.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$65,877,500, an increase of \$7,620,828 in comparison with the prior year. Approximately 46.1% of this total amount, \$30,340,809, 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 \$30,340,809, or 83.90% 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, bond premiums, and notes) increased by \$4,740,024 during the current fiscal year. This was a result of the issuance of \$15,484,787 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 14-16 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 17-20 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 21-26 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 69-77 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 27-32 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 33-34 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 35-65 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 \$391,900,392 at the close of the most recent fiscal year.

Net Position - Primary Government June 30

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 92,500,571	\$ 86,732,229	\$ 94,692,442	\$ 50,284,815	\$ 187,193,013	\$ 137,017,044
Capital Assets	145,790,869	137,061,727	168,606,442	168,606,442	314,397,311	305,668,169
Total Assets	238,291,440	223,793,956	263,298,884	218,891,257	501,590,324	442,685,213
Deferred Outflows of Resources	92,421	337,747	378,115	619,165	470,536	956,912
Long-term Liabilities Outstanding	22,007,547	30,422,371	31,645,160	28,272,835	53,652,707	58,695,206
Other Liabilities	10,989,920	6,825,899	5,891,339	5,891,339	16,881,259	12,717,238
Total Liabilities	32,997,467	37,248,270	37,536,499	34,164,174	70,533,966	71,412,444
Deferred Inflows of Resources	14,843,352	14,484,000	-	-	14,843,352	14,484,000
Net Positions:						
Net Investment in Capital Assets	122,406,762	115,483,122	155,202,163	135,882,438	277,608,925	251,365,560
Restricted	32,956,622	19,416,844	-	-	32,956,622	19,416,844
Unrestricted	34,858,576	37,499,467	46,476,269	49,463,810	81,334,845	86,963,277
Total Net Position	\$ 190,221,960	\$ 172,399,433	\$ 201,678,432	\$ 185,346,248	\$ 391,900,392	\$ 357,745,681

By far the largest portion of the Town of Smyrna's net position 70.84% 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 8.41% represents resources that are subject to external restrictions on how they may be used. These include net position restricted for capital projects \$26,712,136, highways and streets \$1,209,425, stormwater \$3,290,034, debt service \$1,377,616 and law enforcement \$367,275. The remaining balance of unrestricted net position \$81,334,981 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 \$17,822,527. A brief analysis of this increase is as follows:

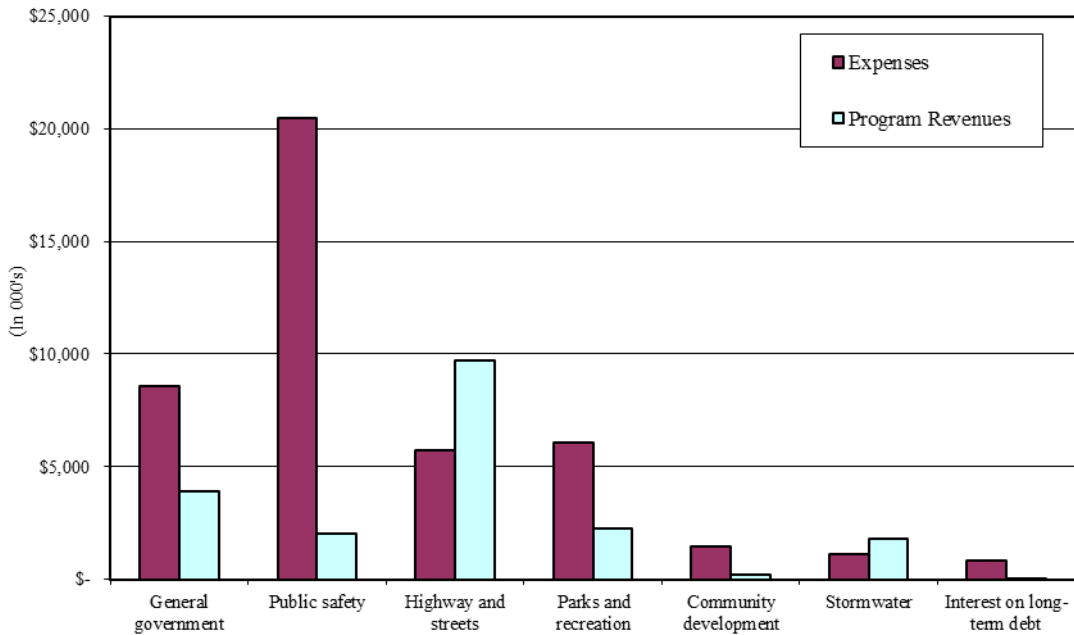
- The Town's total revenue was \$67,000,000. This is a \$9,500,000 increase over last year, primarily due to:
 - \$1,700,000 increase in Local Option Sales Tax due to a rise in retail and online sales, as well as an increase in population size
 - \$6,500,000 increase in Capital Grants and Operational grants due to additional grant opportunities provided by state and federal agencies, which were primarily related to Covid-19

- The town's total expense was \$50,000,000. This is only a \$6,000,000 increase over last year, primarily due to:
 - \$1,500,000 increase in capital projects related to the Sam Ridley Road Widening project
 - \$1,400,000 increase in capital projects related to the All-Inclusive Playground and other park improvements
 - \$700,000 increase in Public Safety salaries and benefits due to Covid-19 supplements and increased staff size
 - \$600,000 increase in Public Safety insurance and compensated absences likely due to Covid-19 claims and leave time
- The stated change in net position of \$17,800,000 is a \$3,500,000 increase over last year. This is partially due to a \$3,400,000 difference between amended appropriations and actual departmental total expenditures. These budgetary cuts were enacted in an effort to offset economic uncertainties due to the global pandemic.

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

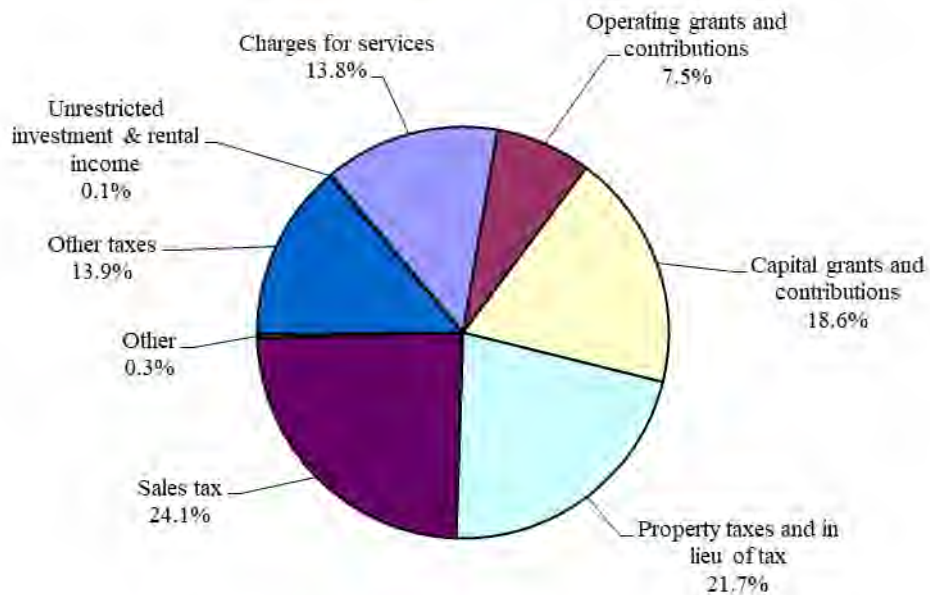
	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues:						
Charges for services	\$ 9,287,496	\$ 8,688,887	\$ 34,671,222	\$ 31,889,226	\$ 43,958,718	\$ 40,578,113
Operating grants and contributions	5,073,647	2,025,257	108,500	-	5,182,147	2,025,257
Capital grants and contributions	12,549,424	9,115,690	13,084,753	10,384,947	25,634,177	19,500,637
General revenues:						
Property taxes and in lieu of tax	14,591,093	14,074,182	-	-	14,591,093	14,074,182
Sales tax	16,206,646	14,476,624	-	-	16,206,646	14,476,624
Other taxes	9,378,296	8,505,332	-	-	9,378,296	8,505,332
Gain on sale of capital assets	-	-	-	-	-	-
Unrestricted investment earnings	57,036	803,882	43,117	655,586	100,153	1,459,468
Special Item	-	-	-	-	-	-
Other	180,028	112,493	-	-	180,028	112,493
Total Revenues	67,323,666	57,802,347	47,907,592	42,929,759	115,231,258	100,732,106
General government	9,571,888	8,577,960	-	-	9,571,888	8,577,960
Public safety	22,905,258	20,500,052	-	-	22,905,258	20,500,052
Highway and streets	7,132,171	5,699,686	-	-	7,132,171	5,699,686
Parks and recreation	7,220,160	6,088,077	-	-	7,220,160	6,088,077
Community development	1,517,870	1,474,586	-	-	1,517,870	1,474,586
Stormwater	1,078,904	1,113,956	-	-	1,078,904	1,113,956
Interest on long-term debt	786,004	833,528	-	-	786,004	833,528
Water and Sewer	-	-	-	16,847,386	-	16,847,386
Natural Gas	-	-	-	9,763,929	-	9,763,929
Total expenses	50,212,255	44,287,845	-	26,611,315	50,212,255	70,899,160
Increase in net position before transfers	17,111,411	13,514,502	47,907,592	16,318,444	65,019,003	29,832,946
Transfers	711,116	846,103	(711,116)	(846,103)	-	-
Increase in net position	17,822,527	14,360,605	47,196,476	15,472,341	65,019,003	29,832,946
Net position - beginning	172,399,433	158,038,828	169,873,907	169,873,907	357,745,681	255,155,804
Net position - ending	\$ 190,221,960	\$ 172,399,433	\$ 217,070,383	\$ 185,346,248	\$ 422,764,684	\$ 357,745,681

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.

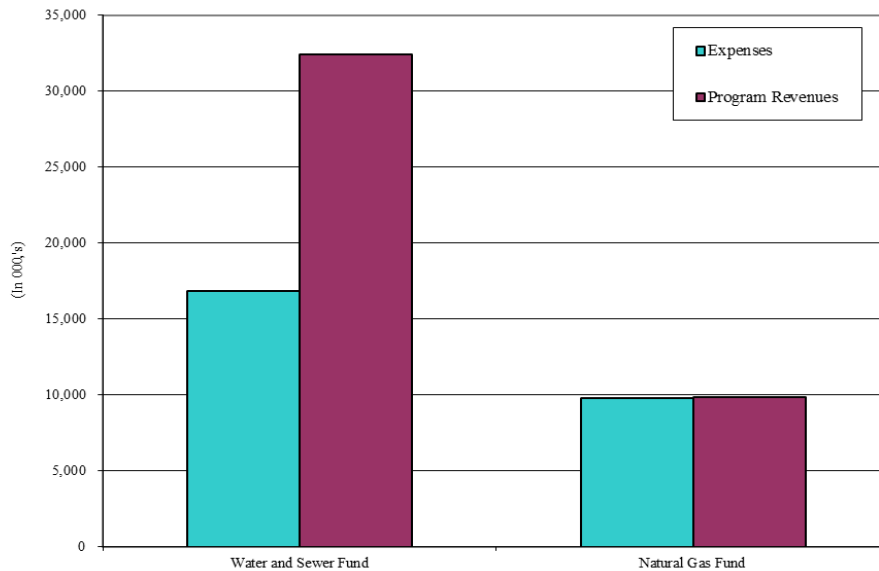
Revenue by Source – Governmental Activities



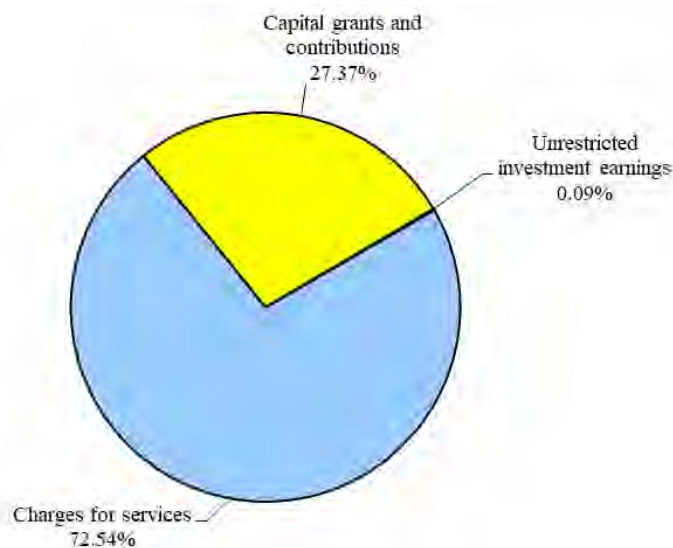
Business-type activities. Business-type activities increased the Town of Smyrna’s net position by \$16,332,184. Key elements of this increase are as follows:

- The business-type activities total revenue was \$48,000,000. This is a \$5,000,000 increase over last year, primarily due to:
 - \$2,000,000 increase in Contributed Lines due to incoming residential developments
 - \$2,700,000 increase in charges for utility services due to rate increased and higher population size
- The business-type activities total expenses were \$30,900,000. This is a \$4,300,000 increase over last year, primarily due to:
 - \$600,000 increase in loss on disposal of assets in the Water & Sewer Fund after removing discontinued projects
 - \$500,000 increase in depreciation in the Water & Sewer Fund
 - \$2,100,000 increase in natural gas for resale due to unseasonably warm weather in previous year

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 \$65,877,500, an increase of \$7,620,828 in comparison with the prior year. Approximately 46.1% of this total amount \$30,340,809 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 \$35,536,691 including prepaid items and inventory of \$119,040.

The general fund is the chief operating fund of the Town of Smyrna. The general fund balance increased by \$30,217 during the current fiscal year. At the end of the current fiscal year, unassigned fund balance of the general fund was \$30,340,809, while total fund balance was \$31,707,827. 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 83.9% of total general fund expenditures, while total fund balance represents 87.7% of that same amount.

The capital projects fund has a total fund balance of \$21,729,519. There was a net increase in fund balance of \$7,698,455 during the current year primarily resulting from using CoronaVirus grants in place of capital projects and transfer from the General Fund for future capital projects.

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 \$36,030,814 and the Natural Gas Fund amounted to \$9,649,420. The change in unrestricted net position for the funds was a decrease of \$2,433,063 and a decrease of \$221,670 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

The increase in appropriations between the original and final amended General Fund expenditure budget can be summarized with the following:

- \$50,500 increase in contractual services for Probation; funded by increase in Probation Program Fees
- \$500 increase in contractual services for the cemetery; funded by increase in Cemetery Charges
- \$569,100 increase to transfers to Capital Projects Fund, funded by increase in Local Option Sales Tax
- \$666,000 appropriation for Premium Pay; funded by the American Rescue Grant
- \$8,900,000 appropriation for current and future capital projects, funded by a decrease in General Fund balance

The increase in appropriations between the original and final amended State Street Aid Fund expenditure budget can be summarized with the following:

- \$141,200 increase in road repair and maintenance; funded by decrease in fund balance
- \$442,800 increase in street paving; funded by decrease in fund balance
- \$46,000 increase in transfers to Capital Projects; funded by decrease in fund balance

The increase in appropriations between the original and final amended Drug Fund expenditure budget can be summarized with the following:

- \$9,200 increase in operations expenditures; funded by increase in forfeitures and settlements revenue

The increase in appropriations between the original and final amended Stormwater Fund expenditure budget can be summarized with the following:

- \$16,500 appropriation for Premium Pay; funded by the American Rescue Grant

The increase in appropriations between the original and final amended Capital Projects Fund expenditure budget can be summarized with the following:

- \$100 increase in Human Resources Computer expenditures; funded by increase in General Fund transfers
- \$567,300 increase in Parks All-Inclusive Playground expenditures; funded by increase in grant revenue
- \$1,700 increase in Event Center Improvements; funded by increase in General Fund transfers
- \$8,900,000 appropriation for current and future capital projects; funded by increase in General Fund transfers

The Town had a surplus of \$30,217 in the General Fund. The surplus resulted from both a decrease in expenditures and the delay of capital projects due to Covid-19 economic uncertainties, as well as excess revenues. Total revenues exceeded amended estimates by \$5,185,699. The primary cause of this excess revenue resulted from a \$3,707,940 increase in tax revenue over amended estimates.

Additional information about the budget process can be found in Note 15, on page 64 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, 2021 amounts to \$342,079,650 (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 11.94 percent, a 6.37 percent increase for governmental activities and a 16.42 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 \$8,940,265 and general government activities street infrastructure and signals in the amount of \$4,803,060.
- Old Rock School Park had its playground replaced, amounting to \$116,475.
- Several stormwater system improvements were implemented, amounting to \$1,147,433.73.
- Olive Branch Water Service continued, amounting to \$4,430,643.
- Enon Springs Road West Extension was completed at a total cost of \$9,476,738.
- Several pieces of mechanical equipment were purchased by Parks, amounting to 76,095.
- The Vehicle Maintenance Building roof was replaced, amounting to \$105,714.
- Sixteen police vehicles and related equipment were purchased for \$583,696.
- Improvements to the Town's Event Center HVAC system were made, amounting to \$116,692.76.
- Expansion of the Waste Water Treatment Plant continued, amounting to \$16,842,934.
- A dump truck was purchased for the Storm Water Department, amounting to \$100,752.
- Work on the Jefferson Pike Sewer Line Extension continued with costs amounting to \$410,209.
- The Gas Fund extended subdivision lines in the amount of \$471,705.
- Work was completed on the Police Firing Range amounting to \$22,935, and radios in-car camera systems were purchased for \$111,009.
- Improvements were made to Fire Station #4 (Lowry Street) amounting to \$196,894.
- Improvements and expansions were made at the Lee Victory Park amounting to \$873,313.
- Vehicles were purchased for several departments as follows: Parks, three vehicles, \$102,995;

Fire Department, two vehicles, \$1,012,102; Storm Water, one vehicle, \$31,118 and Planning and Codes, two vehicles, \$41,355.

- A truck and a backhoe were purchased for the Gas Department, amounting to \$37,350 and \$103,135, respectively.
- Several sidewalk were rehabilitated at a cost of \$369,509.

Capital Assets
(net of accumulated depreciation)
June 30

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 7,699,851	\$ 7,699,851	\$ 1,681,903	\$ 1,681,903	\$ 9,381,754	\$ 9,381,754
Water rights			2,350,000	2,350,000	2,350,000	2,350,000
Buildings and system	13,777,941	14,097,165	144,582,263	136,702,577	158,360,204	150,799,742
Improvements other than buildings	21,486,602	18,903,910	-	-	21,486,602	18,903,910
Machinery and equipment	9,373,707	8,785,703	3,176,631	3,378,095	12,550,338	12,163,798
Infrastructure	83,811,616	60,894,046	-	-	83,811,616	60,894,046
Construction in progress	9,641,153	26,681,053	44,497,984	24,493,867	54,139,137	51,174,920
Total Assets, net	\$ 145,790,869	\$ 137,061,727	\$ 196,288,781	\$ 168,606,442	\$ 342,079,650	\$ 305,668,169

Additional information on the Town’s capital assets can be found in Note 3 on page 46-47 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 \$63,518,109. Of this amount, \$41,222,878 is debt backed by the full faith and credit of the government; \$22,295,231 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		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 24,687,547	\$ 27,480,402	\$ 16,535,331	\$ 19,600,750	\$ 41,222,878	\$ 47,081,152
Revenue and tax bonds	-	-	-	1,250,000	-	1,250,000
Revolving Loan	-	-	22,295,231	10,446,933	22,295,231	10,446,933
Total	\$ 24,687,547	\$ 27,480,402	\$ 38,830,562	\$ 31,297,683	\$ 63,518,109	\$ 58,778,085

The Town of Smyrna’s total outstanding debt increased by \$4,740,024 or 8.06%. This was a result of the issuance of new debt of \$15,484,787 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 49-53 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 3.67% more than in the previous year.
- Local sales tax collections were 11.86% more than in the previous year. This is due to the continued development of commercial businesses and residential growth.
- Business tax collections increased 6.91% from the previous year.
- State shared taxes were 8.73% 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 \$109,095 is projected for the General Fund in the 2022 fiscal year.

These factors were considered in preparing the Town of Smyrna's budget for the 2022 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
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Town of Smyrna, Tennessee

Statement of Net Position

June 30, 2021

	<u>Primary government</u>		Total	<u>Component units</u>
	Governmental activities	Business-type activities		Charity assistance fund
Assets				
Cash and cash equivalents	\$ 68,552,308	\$ 46,246,339	\$ 114,798,647	\$ 356,097
Receivables (net of allowance for uncollectibles)				
Property taxes	12,184,261	-	12,184,261	-
Other taxes	3,071,725	-	3,071,725	-
Due from other governments	5,909,822	-	5,909,822	-
Accounts receivable	471,474	3,935,401	4,406,875	13,384
Inventories, at cost	120,114	749,212	869,326	-
Internal balances	(796,035)	796,035	-	
Restricted assets				
Cash and cash equivalents, customer and developer deposits	-	1,680,447	1,680,447	-
Cash, bond proceeds	1,432,985	-	1,432,985	-
Note receivable	1,343,750	95,577	1,439,327	-
Prepaid items	16,018	-	16,018	-
Pension asset	194,149	102,813	296,962	
Nondepreciable capital assets	17,341,004	48,529,887	65,870,891	-
Depreciable capital assets, net of accumulated depreciation	128,449,865	147,758,894	276,208,759	-
Total assets	<u>238,291,440</u>	<u>249,894,605</u>	<u>488,186,045</u>	<u>369,481</u>
Deferred Outflows of Resources				
Deferred charge on refunding	92,421	378,115	470,536	-
Total deferred outflows of resources	<u>92,421</u>	<u>378,115</u>	<u>470,536</u>	<u>-</u>
Total assets and deferred outflows of resources	\$ 238,383,861	\$ 250,272,720	\$ 488,656,581	\$ 369,481

Continued

Town of Smyrna, Tennessee

Statement of Net Position

June 30, 2021

	Primary Government			Component Units
	Governmental activities	Business-type activities	Total	Charity assistance fund
Liabilities				
Accounts payable	\$ 2,125,112	\$ 1,201,742	\$ 3,326,854	\$ 7,471
Accrued liabilities	1,563,925	700,385	2,264,310	-
Interest payable	218,267	190,438	408,705	-
Contracts payable	1,586,966	2,634,171	4,221,137	-
Unearned revenues	61,266	3,186,362	3,247,628	7,345
Long-term debt, due within one year	5,434,384	4,676,903	10,111,287	-
Liabilities payable from restricted assets	-	1,680,597	1,680,597	-
Long-term liabilities, due in more than one year				
Long-term debt, net of current portion	22,007,547	34,153,659	56,161,206	-
Total liabilities	32,997,467	48,424,257	81,421,724	14,816
Deferred Inflows of Resources				
Unlevied property and in-lieu of tax	14,843,352	-	14,843,352	-
Pension - net difference in projected and actual earnings	321,082	170,031	491,113	-
Net Position				
Net investment in capital assets	122,406,762	155,202,163	277,608,925	-
Restricted				
Street maintenance	1,209,425	-	1,209,425	-
Law enforcement	367,275	-	367,275	-
Stormwater	3,290,034	-	3,290,034	-
Debt service	1,377,616	-	1,377,616	-
Capital projects	26,712,136	-	26,712,136	-
Unrestricted	34,858,712	46,476,269	81,334,981	354,665
Total net position	190,221,960	201,678,432	391,900,392	354,665
Total liabilities, deferred inflows of resources, and net position	\$ 238,383,861	\$ 250,272,720	\$ 488,656,581	\$ 369,481

Town of Smyrna, Tennessee
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Primary Government Net (expenses) revenues and change in net position		Total	Component Units Charity assistance fund
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities		
Primary Government								
Governmental Activities								
General government	\$ 9,571,888	\$ 3,939,511	2,879,672	\$ -	\$ (2,752,705)	\$ -	\$ (2,752,705)	\$ -
Public safety								
Police	12,334,996	1,462,829	88,138	-	(10,784,029)	-	(10,784,029)	-
Fire	10,570,262	-	68,723	586,599	(9,914,940)	-	(9,914,940)	-
Highways and streets	7,132,171	-	2,002,313	10,995,105	5,865,247	-	5,865,247	-
Recreation	7,220,160	1,923,413	-	967,720	(4,329,027)	-	(4,329,027)	-
Community development	1,517,870	72,743	-	-	(1,445,127)	-	(1,445,127)	-
Stormwater	1,078,904	1,836,879	34,801	-	792,776	-	792,776	-
Interest expense on long-term debt	786,004	52,121	-	-	(733,883)	-	(733,883)	-
Total governmental activities	50,212,255	9,287,496	5,073,647	12,549,424	(23,301,688)	-	(23,301,688)	-
Business-type Activities								
Water and sewer	18,810,895	22,920,501	83,000	12,913,987	-	17,106,593	17,106,593	-
Natural gas	12,053,397	11,750,721	25,500	170,766	-	(106,410)	(106,410)	-
Total business-type activities	30,864,292	34,671,222	108,500	13,084,753	-	17,000,183	17,000,183	-
Total primary government	\$ 81,076,547	\$ 43,958,718	\$ 5,182,147	\$ 25,634,177	\$ (23,301,688)	\$ 17,000,183	\$ (6,301,505)	\$ -
Component Unit								
Charity assistance fund	\$ 48,891	\$ -	\$ 156,224	\$ -	\$ -	\$ -	\$ -	\$ 107,333
General Revenues								
Property taxes and in lieu of tax					\$ 14,591,093	\$ -	\$ 14,591,093	\$ -
Sales taxes					16,206,646	-	16,206,646	-
Business tax					1,717,074	-	1,717,074	-
Wholesale beer tax					1,147,249	-	1,147,249	-
Hotel/motel tax					584,216	-	584,216	-
Cable TV and gas franchise tax					507,084	-	507,084	-
Unrestricted other locally assessed taxes					56,686	-	56,686	-
State shared unrestricted taxes								
State shared income tax					27,656	-	27,656	-
State shared beer tax					22,498	-	22,498	-
State shared sales tax					5,041,809	-	5,041,809	-
State shared mixed drink tax					174,575	-	174,575	-
Other unrestricted state shared taxes					99,449	-	99,449	-
Unrestricted investment earnings					57,036	43,117	100,153	287
Other					180,028	-	180,028	-
Transfers					711,116	(711,116)	-	-
Total general revenues and transfers					41,124,215	(667,999)	40,456,216	287
Change in net position					17,822,527	16,332,184	34,154,711	107,620
Net position, beginning of year					172,399,433	185,346,248	357,745,681	247,045
Net position, end of year					\$ 190,221,960	\$ 201,678,432	\$ 391,900,392	\$ 354,665

Town of Smyrna, Tennessee
Balance Sheet, Governmental Funds
June 30, 2021

	General fund	Capital projects fund	Other governmental funds	Total governmental funds
Assets				
Cash	\$ 31,027,277	\$ 20,685,247	\$ 11,136,716	\$ 62,849,240
Cash, bond proceeds	-	1,432,985	-	1,432,985
Receivables (net of allowance for uncollectibles)				
Property taxes	12,299,545	-	-	12,299,545
Other taxes	3,071,725	-	-	3,071,725
Due from other governments	4,089,325	1,503,815	316,682	5,909,822
Accounts receivable	251,181	10,000	207,752	468,933
Inventory of supplies	104,986	-	-	104,986
Note receivable	-	-	1,343,750	1,343,750
Prepaid items	14,054	-	-	14,054
Total assets	\$ 50,858,093	\$ 23,632,047	\$ 13,004,900	\$ 87,495,040
Liabilities				
Accounts payable	\$ 416,053	\$ 529,128	\$ 151,568	\$ 1,096,749
Accrued costs	1,524,871	-	39,054	1,563,925
Contracts payable	-	1,373,400	213,566	1,586,966
Unearned revenues	61,266	-	-	61,266
Total liabilities	<u>2,002,190</u>	<u>1,902,528</u>	<u>404,188</u>	<u>4,308,906</u>
Deferred Inflows of Resources				
Unavailable revenues	17,148,076	-	160,558	17,308,634
Fund balances				
Non-spendable				
Inventory	104,986	-	-	104,986
Prepays	14,054	-	-	14,054
Restricted for				
Street maintenance	-	-	1,048,867	1,048,867
Law enforcement	-	-	367,275	367,275
Stormwater	-	-	3,290,034	3,290,034
General capital projects	59,240	21,729,519	-	21,788,759
Roads capital projects	-	-	2,912,144	2,912,144
Parks capital projects	-	-	1,269,051	1,269,051
Fire protection capital projects	-	-	2,175,167	2,175,167
Debt service	-	-	1,377,616	1,377,616
Committed for cemetery maintenance	1,188,738	-	-	1,188,738
Unassigned	30,340,809	-	-	30,340,809
Total fund balances	<u>31,707,827</u>	<u>21,729,519</u>	<u>12,440,154</u>	<u>65,877,500</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 50,858,093	\$ 23,632,047	\$ 13,004,900	\$ 87,495,040

Town of Smyrna, Tennessee
 Reconciliation of Balance Sheet to
 Statement of Net Position of Governmental Activities
 June 30, 2021

Amounts reported for fund balance, total governmental funds	\$ 65,877,500
 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.	145,790,869
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 receivables	2,215,527
Property taxes receivable	134,471
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.	3,896,339
Interest payable on long-term obligations is not due in the current period and, therefore, is not reported in the governmental funds balance sheet.	(218,267)
Prepaid insurance related to bond issues is amortized over the life of the bonds in the statement of activities.	1,964
Deferred charges on refundings are reported in the governmental funds when the refunding debt is issued, but are deferred and amortized over the remaining life of the debt in the government-wide statements.	92,421
Net differences between projected and actual earnings related to pensions are deferred and amortized as a component of pension expense.	(321,084)
Bond premiums are amortized as a component of interest in the statement of activities.	(2,162,545)
Long-term liabilities, including bonds payable, are not due in the current period and, therefore, are not recorded in the funds:	
Governmental bonds and notes payable	(22,525,000)
Compensated absences	(2,754,384)
Net pension obligation	<u>194,149</u>
 Net position of governmental activities	 \$ 190,221,960

Town of Smyrna, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	General fund	Capital projects fund	Other governmental funds	Total governmental funds
Revenues				
Taxes	\$ 31,925,740	\$ -	\$ -	\$ 31,925,740
Payment in lieu of taxes	2,852,842	-	-	2,852,842
Licenses and permits	2,091,203	-	3,038,435	5,129,638
Inter-governmental	7,188,663	6,137,948	1,742,725	15,069,336
Fines and forfeits	1,312,951	-	149,878	1,462,829
Uses of money and property	3,875,203	11,455	1,899,264	5,785,922
Miscellaneous	242,655	-	-	242,655
Total revenues	<u>49,489,257</u>	<u>6,149,403</u>	<u>6,830,302</u>	<u>62,468,962</u>
Expenditures				
Current				
General government	\$ 8,861,177	95,255	-	8,956,432
Public safety				
Police	10,635,808	285,957	78,430	11,000,195
Fire	9,629,397	152,761	-	9,782,158
Highways and streets	561,213	484,119	2,078,952	3,124,284
Recreation	5,055,560	440,753	-	5,496,313
Community development	1,421,136	-	-	1,421,136
Stormwater	-	-	873,129	873,129
Debt service	-	-	3,533,498	3,533,498
Capital outlay	-	11,352,873	19,232	11,372,105
Total expenditures	<u>36,164,291</u>	<u>12,811,718</u>	<u>6,583,241</u>	<u>55,559,250</u>
Excess (deficiency) of revenues over expenditures	13,324,966	(6,662,315)	247,061	6,909,712
Other Financing Sources (Uses)				
Transfers in	878,550	14,360,770	3,395,825	18,635,145
Transfers out	<u>(14,173,299)</u>	<u>-</u>	<u>(3,750,730)</u>	<u>(17,924,029)</u>
Total other financing sources (uses)	(13,294,749)	14,360,770	(354,905)	711,116
Net change in fund balance	30,217	7,698,455	(107,844)	7,620,828
Fund balance, beginning of year	<u>31,677,610</u>	<u>14,031,064</u>	<u>12,547,998</u>	<u>58,256,672</u>
Fund balance, end of year	\$ 31,707,827	\$ 21,729,519	\$ 12,440,154	\$ 65,877,500

Town of Smyrna, Tennessee
 Reconciliation of Statement of Revenues, Expenditures, and
 Changes in Fund Balance of Governmental Funds to Statement of Activities
 For the Year Ended June 30, 2021

Net change in fund balances, total governmental funds	\$ 7,620,828
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	11,372,105
Depreciation expense	(7,431,474)
Basis of capital assets disposed of	(14,550)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	(40,387)
Local option sales tax	99,949
State shared taxes	50,131
Contributed capital assets	4,803,060
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 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	2,570,000
Amortization of prepaid insurance related to bond issue	(1,967)
Amortization of debt-related premium	222,857
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	22,433
Expenses reported for governmental activities which do not require the use of financial resources are not reported as expenditures in the governmental funds.	
Compensated absences	(326,616)
Pension expenditures in 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.	
	209,737
Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenues (expenses) of certain activities of internal service funds are reported with governmental activities (net of amount allocated to business activities).	
	(1,265,782)
Change in net position of governmental activities	\$ 17,822,527

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, 2021

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget positive (negative)
	Original	Final		
Revenues				
Taxes				
Real estate taxes	\$ 11,310,000	\$ 11,310,000	\$ 11,778,638	\$ 468,638
Business tax	1,477,600	1,477,600	1,754,869	277,269
Wholesale beer tax	1,100,000	1,100,000	1,147,249	47,249
Local option sales tax	12,802,600	13,371,700	16,106,697	2,734,997
Hotel/motel tax	396,000	396,000	584,216	188,216
Cable TV/gas franchise tax	534,500	534,500	507,344	(27,156)
Other	<u>28,000</u>	<u>28,000</u>	<u>46,727</u>	<u>18,727</u>
Total taxes	27,648,700	28,217,800	31,925,740	3,707,940
Payments in lieu of taxes	2,884,000	2,884,000	2,852,842	(31,158)
Licenses and permits	1,820,000	1,820,000	2,091,203	271,203
Inter-governmental revenues				
State income tax	105,000	105,000	46,467	(58,533)
State beer tax	23,760	23,760	22,498	(1,262)
State sales tax	4,383,812	4,383,812	4,960,905	577,093
State mixed drink tax	136,000	136,000	170,535	34,535
State petroleum special tax	95,042	95,042	94,344	(698)
Federal and state grants	11,300	677,300	1,482,514	805,214
State street maintenance contracts	180,000	180,000	184,211	4,211
State fire supplement	56,800	56,800	68,000	11,200
State police supplement	40,000	40,000	60,000	20,000
Other state and county shared taxes	<u>33,000</u>	<u>33,000</u>	<u>99,189</u>	<u>66,189</u>
Total inter-governmental revenues	5,064,714	5,730,714	7,188,663	1,457,949
Fines and forfeits	1,561,900	1,612,400	1,312,951	(299,449)
Uses of property and money				
Penalties	22,500	22,500	47,530	25,030
Interest earned	95,000	95,000	30,739	(64,261)
Rent	95,000	95,000	105,225	10,225
Traffic school fees	101,000	101,000	73,269	(27,731)
Administrative support charges	1,439,844	1,439,844	1,439,844	-
Cemetery revenues	99,000	99,500	182,440	82,940
Recreation fees and community center fees	1,818,000	1,818,000	1,923,413	105,413
Food sales	<u>270,000</u>	<u>270,000</u>	<u>72,743</u>	<u>(197,257)</u>
Total uses of property and money	3,940,344	3,940,844	3,875,203	(65,641)

Continued
See notes to financial statements

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, 2021

	Budgeted amounts		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Other				
Sale of property	30,000	30,000	98,534	68,534
Miscellaneous	67,800	67,800	144,121	76,321
Total other	97,800	97,800	242,655	144,855
Total revenues	43,017,458	44,303,558	49,489,257	5,185,699
Expenditures				
General government				
Current				
Legislative board				
Salaries	85,800	85,800	87,600	(1,800)
Benefits and payroll taxes	80,400	80,400	77,715	2,685
Insurance	10,000	10,000	-	10,000
Travel	25,500	25,500	25,500	-
Other	7,300	7,300	8,172	(872)
Total legislative board	209,000	209,000	198,987	10,013
Town and general sessions court				
Salaries	965,200	975,700	891,855	83,845
Benefits and payroll taxes	434,000	443,000	352,804	90,196
Contractual services	123,542	174,042	173,219	823
Supplies	23,660	23,660	19,027	4,633
Other	19,390	19,390	10,319	9,071
Total town and general sessions court	1,565,792	1,635,792	1,447,224	188,568
Codes, engineering, and planning				
Salaries	1,140,900	1,161,900	1,108,723	53,177
Benefits and payroll taxes	504,756	504,756	416,382	88,374
Contractual services	65,333	65,333	64,081	1,252
Insurance	13,100	13,100	12,995	105
Professional services	31,500	31,500	17,311	14,189
Repairs and maintenance	1,750	1,750	7,718	(5,968)
Supplies	21,150	21,150	20,015	1,135
Telephone and utilities	7,280	7,280	5,892	1,388
Travel	1,400	1,400	-	1,400
Other	12,650	12,650	8,007	4,643
Total codes, engineering, and planning	1,799,819	1,820,819	1,661,124	159,695

Continued
See notes to financial statements

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, 2021

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Expenditures				
General government				
Current				
Vehicle maintenance				
Salaries	236,200	236,200	219,690	16,510
Benefits and payroll taxes	116,700	122,700	110,702	11,998
Supplies and repairs	49,400	49,400	44,043	5,357
Utilities	15,700	15,700	14,030	1,670
Other	9,300	9,300	9,276	24
Total vehicle maintenance	<u>427,300</u>	<u>433,300</u>	<u>397,741</u>	<u>35,559</u>
Building and grounds				
Salaries	407,000	418,500	370,697	47,803
Benefits and payroll taxes	188,050	188,050	157,942	30,108
Cemetery	26,400	26,900	26,806	94
Insurance	30,000	30,000	29,942	58
Repairs and maintenance	128,300	128,300	106,667	21,633
Supplies	32,800	32,800	29,063	3,737
Other	-	-	-	-
Total building and grounds	<u>812,550</u>	<u>824,550</u>	<u>721,117</u>	<u>103,433</u>
Finance and administration				
Salaries	2,568,500	2,611,000	2,539,366	71,634
Benefits and payroll taxes	1,054,400	1,054,400	942,183	112,217
Contractual services	858,200	858,200	521,917	336,283
Insurance	25,200	25,200	26,148	(948)
Memberships and testing	52,620	52,620	48,558	4,062
Outside services	60,000	60,000	34,643	25,357
Professional services	55,000	55,000	51,172	3,828
Repairs and maintenance	8,200	8,200	15,063	(6,863)
Supplies	70,340	70,340	50,773	19,567
Telephone and utilities	167,800	167,800	161,753	6,047
Other	82,000	82,000	43,408	38,592
Total finance and administration	<u>5,002,260</u>	<u>5,044,760</u>	<u>4,434,984</u>	<u>609,776</u>
Total current general government expenditures	<u>9,816,721</u>	<u>9,968,221</u>	<u>8,861,177</u>	<u>1,107,044</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general government expenditures	<u>9,816,721</u>	<u>9,968,221</u>	<u>8,861,177</u>	<u>1,107,044</u>

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, 2021

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Expenditures				
Public safety				
Police department				
Current				
Salaries	7,131,100	7,370,100	6,828,752	541,348
Benefits and payroll taxes	3,163,200	3,163,200	2,615,727	547,473
Insurance	318,900	318,900	318,817	83
Memberships and testing	26,651	26,651	20,556	6,095
Outside services	305,500	305,500	338,006	(32,506)
Repairs and maintenance	105,883	105,883	118,785	(12,902)
Supplies	308,399	308,399	290,124	18,275
Telephone	51,051	51,051	50,505	546
Travel	38,000	38,000	34,554	3,446
Other	19,359	19,359	19,982	(623)
Total current	<u>11,468,043</u>	<u>11,707,043</u>	<u>10,635,808</u>	<u>1,071,235</u>
Capital outlay	-	-	-	-
Total police department	<u>11,468,043</u>	<u>11,707,043</u>	<u>10,635,808</u>	<u>1,071,235</u>
Fire department				
Current				
Salaries	6,128,900	6,349,400	6,480,206	(130,806)
Benefits and payroll taxes	2,755,964	2,755,964	2,461,868	294,096
Insurance	54,500	54,500	54,484	16
Memberships and testing	7,825	7,825	2,870	4,955
Outside services	158,114	158,114	180,544	(22,430)
Repairs and maintenance	189,500	189,500	153,525	35,975
Supplies	268,340	268,340	178,822	89,518
Telephone and utilities	129,377	129,377	103,215	26,162
Travel	67,900	67,900	7,231	60,669
Other	17,900	17,900	6,632	11,268
Total current	<u>9,778,320</u>	<u>9,998,820</u>	<u>9,629,397</u>	<u>369,423</u>
Capital outlay	-	-	-	-
Total fire department	<u>9,778,320</u>	<u>9,998,820</u>	<u>9,629,397</u>	<u>369,423</u>
Total public safety	<u>21,246,363</u>	<u>21,705,863</u>	<u>20,265,205</u>	<u>1,440,658</u>

Continued

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, 2021

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Expenditures				
Highways and streets				
Current				
Salaries	234,000	241,000	189,537	51,463
Benefits and payroll taxes	174,000	174,000	127,083	46,917
Insurance	12,200	12,200	12,194	6
Outside services	46,400	46,400	72,506	(26,106)
Repairs and maintenance	86,500	86,500	108,019	(21,519)
Supplies	49,800	49,800	45,308	4,492
Telephone and utilities	2,400	2,400	2,728	(328)
Other	22,600	22,600	3,838	18,762
Total current	<u>627,900</u>	<u>634,900</u>	<u>561,213</u>	<u>73,687</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total highways and streets	627,900	634,900	561,213	73,687
Recreation				
Current				
Salaries	2,776,000	2,776,000	2,309,396	466,604
Benefits and payroll taxes	1,180,810	1,266,310	1,086,258	180,052
Advertising and promotion	4,000	4,000	1,945	2,055
Food purchases	111,500	111,500	149,998	(38,498)
Insurance	61,300	61,300	61,314	(14)
Memberships and testing	12,670	12,670	13,953	(1,283)
Outside services	279,150	279,150	313,472	(34,322)
Recreation programs	45,840	45,840	27,236	18,604
Rent	228,428	228,428	230,729	(2,301)
Repairs and maintenance	201,470	201,470	245,050	(43,580)
Supplies	249,005	249,005	212,407	36,598
Telephone and utilities	367,200	367,200	356,994	10,206
Other	41,650	41,650	46,808	(5,158)
Total current	<u>5,559,023</u>	<u>5,644,523</u>	<u>5,055,560</u>	<u>588,963</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total recreation	5,559,023	5,644,523	5,055,560	588,963

Continued

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, 2021

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Expenditures				
Community development				
Current				
Salaries	404,000	404,000	323,848	80,152
Benefits and payroll taxes	156,450	169,950	153,892	16,058
Advertising and promotion	750	750	-	750
Contributions to non-profits	625,725	625,725	624,311	1,414
Food purchases	216,000	216,000	176,523	39,477
Insurance	1,900	1,900	1,909	(9)
Outside services	25,000	25,000	28,455	(3,455)
Repairs and maintenance	10,000	10,000	19,076	(9,076)
Supplies	52,250	52,250	20,391	31,859
Telephone and utilities	65,000	65,000	68,728	(3,728)
Other	6,000	6,000	4,003	1,997
Total current	<u>1,563,075</u>	<u>1,576,575</u>	<u>1,421,136</u>	<u>155,439</u>
Capital outlay	-	-	-	-
Total community development	<u>1,563,075</u>	<u>1,576,575</u>	<u>1,421,136</u>	<u>155,439</u>
Total expenditures	38,813,082	39,530,082	36,164,291	3,365,791
Excess revenues over expenditures	4,204,376	4,773,476	13,324,966	8,551,490
Other financing sources (uses)				
Transfer to capital projects fund	(3,016,300)	(12,485,400)	(12,114,824)	370,576
Transfer to debt service fund	(2,058,775)	(2,058,775)	(2,058,475)	300
Transfer from stormwater fund	167,434	167,434	167,434	-
Transfer from gas fund	192,879	192,879	192,879	-
Transfer from water and sewer fund	518,237	518,237	518,237	-
Total other financing sources (uses)	<u>(4,196,525)</u>	<u>(13,665,625)</u>	<u>(13,294,749)</u>	<u>370,876</u>
Net change in fund balance	7,851	(8,892,149)	30,217	8,922,366
Fund balance, beginning of year	<u>31,516,415</u>	<u>27,416,415</u>	<u>31,677,610</u>	<u>4,261,195</u>
Fund balance, end of year	\$ 31,524,266	\$ 18,524,266	\$ 31,707,827	\$ 13,183,561

Town of Smyrna, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities		Total	Internal Service Fund
	Enterprise Funds			
	Water and Sewer Fund	Natural Gas Fund		
Assets				
Current assets				
Cash and cash equivalents	\$ 36,980,308	\$ 9,266,031	\$ 46,246,339	\$ 5,703,068
Accounts receivable				
Utility customers, net of allowance for estimated uncollectible	3,135,333	800,068	3,935,401	-
Insurance receivable	-	-	-	2,541
Grant receivable	-	-	-	-
Note receivable, current portion	42,275	-	42,275	-
Total accounts receivable	<u>3,177,608</u>	<u>800,068</u>	<u>3,977,676</u>	<u>2,541</u>
Due from other funds	-	-	-	-
Inventory, at cost	<u>388,152</u>	<u>361,060</u>	<u>749,212</u>	<u>15,128</u>
Total current assets	40,546,068	10,427,159	50,973,227	5,720,737
Noncurrent assets				
Restricted assets				
Cash, customer deposits, and construction bond	700,607	979,840	1,680,447	-
Property, plant, and equipment	287,525,343	37,208,534	324,733,877	-
Less accumulated depreciation	<u>(107,801,336)</u>	<u>(20,643,760)</u>	<u>(128,445,096)</u>	<u>-</u>
Property, plant, and equipment, net	179,724,007	16,564,774	196,288,781	-
Other assets				
Pension asset	62,634	40,179	102,813	
Note receivable, net of current portion	<u>53,302</u>	<u>-</u>	<u>53,302</u>	<u>-</u>
Total non-current assets	<u>180,540,550</u>	<u>17,584,793</u>	<u>198,125,343</u>	<u>-</u>
Total assets	221,086,618	28,011,952	249,098,570	5,720,737
Deferred Outflows of Resources				
Deferred charge on refunding	378,115	-	378,115	-
Net difference between projected and actual earnings, pension	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	378,115	-	378,115	-
Total assets and deferred outflows of resources	\$ 221,464,733	\$ 28,011,952	\$ 249,476,685	\$ 5,720,737

Continued

Town of Smyrna, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities			Internal Service Fund
	Enterprise Funds		Total	
	Water and Sewer Fund	Natural Gas Fund		
Liabilities				
Liabilities				
Current liabilities, payable from current assets				
Accounts payable	\$ 641,590	\$ 560,152	\$ 1,201,742	\$ 1,028,363
Accrued expenses	491,717	208,668	700,385	-
Interest payable	190,438	-	190,438	-
Contract payable	2,634,171	-	2,634,171	-
Long-term debt, current portion	<u>4,676,903</u>	<u>-</u>	<u>4,676,903</u>	<u>-</u>
Total current liabilities, payable from current assets	8,634,819	768,820	9,403,639	1,028,363
Current liabilities, payable from restricted assets				
Construction bonds	657,414	-	657,414	-
Customer deposits and project assistance	<u>60,693</u>	<u>962,490</u>	<u>1,023,183</u>	<u>-</u>
Total current liabilities, payable from restricted assets	<u>718,107</u>	<u>962,490</u>	<u>1,680,597</u>	<u>-</u>
Total current liabilities	9,352,926	1,731,310	11,084,236	1,028,363
Noncurrent liabilities				
Deferred grant revenue	3,186,362	-	3,186,362	-
Long-term debt, net of current portion	<u>34,153,659</u>	<u>-</u>	<u>34,153,659</u>	<u>-</u>
Total liabilities	46,692,947	1,731,310	48,424,257	1,028,363
Deferred Inflows of Resources				
Net difference between projected and actual earnings, pension	103,583	66,448	170,031	
Net Position				
Net investment in capital assets	138,637,389	16,564,774	155,202,163	-
Unrestricted	<u>36,030,814</u>	<u>9,649,420</u>	<u>45,680,234</u>	<u>4,692,374</u>
Total net position	\$ 174,668,203	\$ 26,214,194	\$ 200,882,397	\$ 4,692,374
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>\$ 1,673,655</u>	<u>\$ (877,620)</u>	<u>\$ 796,035</u>	
Net position of business-type activities	\$ 176,341,858	\$ 25,336,574	\$ 201,678,432	

Town of Smyrna, Tennessee
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities		Total	Internal Service Fund
	Enterprise Funds			
	Water and Sewer Fund	Natural Gas Fund		
Operating Revenues				
Services	\$ 22,580,294	\$ 11,662,023	\$ 34,242,317	\$ 9,458,820
Other	39,326	8,817	48,143	-
Forfeited discounts	300,881	79,881	380,762	-
Total operating revenues	<u>22,920,501</u>	<u>11,750,721</u>	<u>34,671,222</u>	<u>9,458,820</u>
Operating Expenses				
Gas/water purchases	-	8,284,119	8,284,119	-
Salaries	2,200,751	827,399	3,028,150	-
Benefits and payroll taxes	1,043,242	425,124	1,468,366	7,950,349
Administrative support services	873,258	566,586	1,439,844	-
Depreciation and amortization	6,946,149	1,186,417	8,132,566	-
Insurance	182,975	26,789	209,764	1,597,615
Maintenance and repair	564,055	111,994	676,049	-
Operating supplies	1,967,482	151,398	2,118,880	-
Outside services	1,397,141	111,092	1,508,233	-
Professional services	89,862	34,285	124,147	-
Property claims	-	-	-	1,514,776
Telephone and utilities	2,132,825	43,545	2,176,370	-
Travel	-	-	-	-
Other	77,706	82,585	160,291	-
Total operating expenses	<u>17,475,446</u>	<u>11,851,333</u>	<u>29,326,779</u>	<u>11,062,740</u>
Operating income (loss)	5,445,055	(100,612)	5,344,443	(1,603,920)
Nonoperating Revenues and Expenses				
Gain (loss) on disposal of capital assets	(606,036)	-	(606,036)	-
Interest income	34,441	7,927	42,368	5,328
Interest expense	(597,919)	-	(597,919)	-
Total nonoperating revenues (expenses)	<u>(1,169,514)</u>	<u>7,927</u>	<u>(1,161,587)</u>	<u>5,328</u>
Net income (loss) before contributions and special items	4,275,541	(92,685)	(1,161,587)	(1,598,592)

Continued

Town of Smyrna, Tennessee
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds, Continued
For the Year Ended June 30, 2021

	Business-type activities enterprise funds		Total	Internal Service Fund
	Water and Sewer Fund	Natural Gas Fund		
Contributions and Special Items				
Capital contributions, tap fees	3,973,722	170,766	4,144,488	-
Grant, federal	83,000	25,500	108,500	-
Contributions from developers, noncash	8,940,265	-	8,940,265	-
Transfers out, in lieu tax payments	<u>(518,237)</u>	<u>(192,879)</u>	<u>(711,116)</u>	<u>-</u>
Total contributions and special items	12,478,750	3,387	12,482,137	-
Change in net position	16,754,291	(89,298)	16,664,993	(1,598,592)
Net position, beginning of year	<u>157,913,912</u>	<u>26,303,492</u>	<u>184,217,404</u>	<u>6,290,966</u>
Net position, end of year	\$ 174,668,203	\$ 26,214,194	\$ 200,882,397	\$ 4,692,374
Change in net position shown above	16,754,291	(89,298)	16,664,993	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>(130,986)</u>	<u>(201,823)</u>	<u>(332,809)</u>	
Change in net position of business-type activities	\$ 16,623,305	\$ (291,121)	\$ 16,332,184	

Town of Smyrna, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities			Internal Service Fund
	Enterprise Funds		Total	
	Water and Sewer Fund	Natural Gas Fund		
Cash and cash equivalents and restricted cash, beginning of year	\$ 34,217,637	\$ 10,616,198	\$ 44,833,835	\$ 6,775,926
Cash flows from operating activities				
Cash received from customers	22,729,316	11,421,113	34,150,429	-
Cash paid to employees for services	(2,178,970)	(797,082)	(2,976,052)	-
Cash paid to suppliers for goods and services	(7,494,089)	(9,148,940)	(16,643,029)	-
Payment for interfund administrative support services	(873,258)	(566,586)	(1,439,844)	-
Cash received (returned) on customer deposits	3,750	28,643	32,393	-
Premiums and insurance reimbursements received	-	-	-	9,462,806
Claims, insurance, and administrative expenses paid	-	-	-	(10,540,992)
Net cash provided (used) by operating activities	12,186,749	937,148	13,123,897	(1,078,186)
Cash flows from capital and related financing activities				
Purchases of property, plant, and equipment	(25,453,235)	(1,318,789)	(26,772,024)	-
Cash received from capital contributions	3,973,722	170,766	4,144,488	-
Cash received from note receivable	41,438	-	41,438	-
Cash received (paid) on construction bonds	(464,475)	-	(464,475)	-
Interest paid on debt	(1,122,110)	-	(1,122,110)	-
Cash received on revolving loan	15,484,787	-	15,484,787	-
Cash received from capital grant	3,186,362	-	3,186,362	-
Payments on long-term debt	(3,969,164)	-	(3,969,164)	-
Net cash provided (used) by capital and related financing activities	(8,322,675)	(1,148,023)	(9,470,698)	-
Cash flows from non-capital financing activities				
Cash received for operating grant	83,000	25,500	108,500	-
Transfers	(518,237)	(192,879)	(711,116)	-
Net cash provided (used) by capital and related non-capital financing activities	(435,237)	(167,379)	(602,616)	-
Cash flows from investing activities				
Interest received on investments	34,441	7,927	42,368	5,328
Net change in cash	3,463,278	(370,327)	3,092,951	(1,072,858)
Cash and cash equivalents and restricted cash, end of year	\$ 37,680,915	\$ 10,245,871	\$ 47,926,786	\$ 5,703,068

Continued

See notes to financial statements

Town of Smyrna, Tennessee
Statement of Cash Flows
Proprietary Funds, Continued
For the Year Ended June 30, 2021

	Business-type Activities		Total	Internal Service Fund
	Enterprise Funds			
	Water and Sewer Fund	Natural Gas Fund		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations				
Operating income (loss)	\$ 5,445,055	\$ (100,612)	\$ 5,344,443	\$ (1,603,920)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	6,946,149	1,186,417	8,132,566	-
Change in:				
Deferred outflows of resources related to pension plan	103,583	39,203	142,786	-
Net pension liability	-	-	-	-
Accounts receivable	(191,185)	(329,608)	(520,793)	3,986
Inventory	(7,405)	28,706	21,301	303
Net pension asset	(62,634)	(40,179)		
Accounts payable	70,351	137,175	207,526	521,445
Accrued expenses	32,250	34,503	66,753	-
Net pension liability	(233,929)	(113,548)		
Customer deposits	3,750	28,643		
Deferred inflows of resources related to pension plan	80,764	66,448	147,212	-
Net cash provided (used) by operating activities	\$ 12,186,749	\$ 937,148	\$ 13,123,897	\$ (1,078,186)
Supplemental Disclosures of Noncash Capital Financing Activities				
Contributed water and sewer lines	\$ 8,940,265			
Acquisition of capital assets with contract payable	\$ 2,634,171			
Payment of contract payable for capital assets	\$ (1,748,824)	\$ (176,696)		
Amortization of bond premiums	\$ (610,419)			
Amortization of deferred interest	\$ 121,082			
Loss on disposal of capital assets	\$ (606,036)	\$ (22,646)		

Town of Smyrna, Tennessee
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Pension Fund	Custodial Fund
Assets		
Cash	\$ 611,929	\$ 33,020
Investments at fair value		
Certificates of deposit	-	-
Mutual funds	4,124,461	-
Municipal obligations	698,123	-
Corporate obligations	2,143,862	-
Interest receivable	21,401	-
Total assets	<u>\$ 7,599,776</u>	<u>\$ 33,020</u>
Liabilities		
Payable to other governments	\$ -	\$ 33,020
Net Position		
Net position restricted for pensions	\$ 7,599,776	\$ -
Net position restricted for other governments	-	-

Town of Smyrna, Tennessee
Statement Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Pension Fund	Custodial Fund
Additions		
Contributions, employer	\$ 325,200	\$ -
Fines and fees collected for other governments	-	541,816
Investment earnings		
Interest, dividends, and other investment income (loss)	240,076	-
Net increase (decrease) in fair value of investments	<u>1,083,867</u>	<u>-</u>
Net investment earnings (loss)	<u>1,323,943</u>	<u>-</u>
Total additions	1,649,143	541,816
Deductions		
Pension benefits	360,876	-
Payments for fines and fees to other governments	-	541,816
Change in net position	1,288,267	-
Net position, beginning of year	<u>6,311,509</u>	<u>-</u>
Net position, end of year	\$ 7,599,776	\$ -

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 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 accounting principles generally accepted in the United States of America (US 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 and 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 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 2021. The Board consists of the Mayor or her/his 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 the 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.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

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 non-fiduciary 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment of the Town 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 the purpose of 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 are 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 revenues 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 collected through intermediary 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 eligible for 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.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 and Sewer Fund accounts for the water and wastewater 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:

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

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

The Custodial Fund accounts for fines and fees collected for other governments.

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.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Joint Venture

The Town appoints two of the five members of the Smyrna/Rutherford County Airport Authority, with the other members being appointed by Rutherford County and the City of LaVergne. The Town has no equity interest in the joint venture; however, the Town is required to appropriate funds to supplement short-falls in airport operations. 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 US Treasury bills and certificates of deposit at local banks, as well as to participate in the Local Government Investment Pool administered by the State of Tennessee. The pool contains investments in certificates of deposit, US Treasury securities, and repurchase agreements backed by the 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 being deposited in an institution which participates in the State Collateral Pool or being deposited in an escrow account in another institution for the benefit of the Town of Smyrna. Said collateral 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 needs, the Town considers the funds deposited in the Local Government Investment Pool to be 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 FIFO method. Inventory of governmental funds is 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 on the consumption basis.

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 uncollectible amounts. The property tax receivable allowance is equal to 35.3% of the outstanding undeferred receivable.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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 Revenues

Unearned revenues consist of rent and event charges.

Appropriations

Appropriations to other funds are accounted for as interfund 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, which 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
For the Year Ended June 30, 2021

Note 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 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 October 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, up 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 20 workdays of accrued sick leave credit counts as one month of service time towards retirement. All PTO pay is accrued in the government-wide and proprietary fund financial statements when incurred. A liability for these amounts is reported in governmental funds only if they have matured, e.g., 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 part of other financing sources. Premiums received on debt issuance are also 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 on all financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 one item which qualify for reporting in this category. Deferred charges on refunding are reported in the government-wide statement of net position.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 1. **Summary of Significant Accounting Policies, Continued**

Deferred Outflows/Inflows of Resources

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 as the difference in projected and actual investment returns, which will be amortized over four years.

In addition to liabilities, the statement of net 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 in which the amounts become available. The deferred inflows of resources reported in the statement of net position consist primarily of assessed and unlevied property taxes and in lieu of taxes, as well as income taxes, and arise from imposed non-exchange revenues (property taxes and in lieu taxes), which are assessed prior to the end of a year but levied in the subsequent year.

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 its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

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

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Equity Classification

In accordance with Governmental Accounting Standard Board (GASB) Statement Number 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, prepaid items, and the 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. In the same way, action by the Town Council is also required to rescind or modify a fund balance commitment.

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 Town 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' 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 requires that committed amounts 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 Town Council, the Town has set a policy to maintain General Fund unassigned reserves equal to a minimum of 30% of General Fund operating revenues, which equates to \$14,846,777. This policy may be modified by majority vote of the Council and the reserve is included in unassigned fund balance.

Reclassification

Certain prior year amounts in the statement of cash flows, notes to financial statements, and supplementary information have been reclassified to conform to the current year presentation.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

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 \$0.7007 per \$100 of assessed value for tax years 2020 and 2021, respectively. Payments may be made during the period from October 1 through February 28 of the subsequent calendar year. Current tax collections of \$11,710,572 for the fiscal year ended June 30, 2021 were approximately 98.8% of the tax levy. Delinquent taxes past due for 14 months are turned over to the county clerk for collection.

The government-wide financial statements report property taxes receivable of \$12,184,261, net of an allowance for doubtful collections of \$115,284. This receivable amount is comprised of \$299,545, representing prior year property taxes, and \$12,000,000, representing the estimated net realizable 2021 property taxes, which will be assessed but not levied in the current fiscal year, and which are included in deferred inflows of resources. The receivable reported in the governmental funds balance sheet is \$12,299,545, with an offsetting deferred inflow of resources for amounts not available at June 30, 2021. Other taxes receivable reported in the governmental statements are \$228,373 for beer, liquor, and motel taxes, and \$2,843,352 for estimated net realizable 2021 in lieu of tax, assessed but not levied in the current fiscal year. There were no tax abatements requiring disclosure under GASB Statement 77.

Note 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 may not be able to recover collateral securities in the possession of an external party. The Town's policy, as required by state statutes, requires deposits to be 105% 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, 2021, there were no amounts exposed to custodial credit risk.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 2. Deposits and Investments, Continued

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, 2021 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, 2021 was \$72,838.

Investments, Fiduciary Fund

	Fair value/ carrying amount	Weighted average days to maturity	Average credit quality ratings	Fair value hierarchy classification
Fiduciary Fund, Pension Fund				
Corporate obligations	\$ 2,143,862	3,058	BBB- AAA	Level 2
Municipal obligations	698,123	2,621	A+ -AA+	Level 2
Mutual funds equity	<u>4,124,461</u>	N/A	N/A	Level 1
	\$ 6,966,446			

Level 1 hierarchy investments are based on quoted prices of securities at year-end. Level 2 hierarchy investments are based on fair values derived from a matrix pricing technique.

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 over 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, 2021.

	Asset allocation	Target allocation	Actual allocation
Equity		40% to 60%	54.3%
Fixed income		40% to 60%	37.4%
Cash and receivables		0% to 10%	8.3%

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return based on monthly cash flows on pension plan investments, net of pension plan investment expense, was 21.52%. 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
For the Year Ended June 30, 2021

Note 2. **Deposits and Investments, Continued**

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

Town policy is to limit investments classified as equity in the pension plan to a maximum of 40-60%.

As of June 30, 2021, the Town had investments in five organizations that each represented 5% or more of total investment value.

Victory Portfolio II Fund	\$	558,966
William Blair Large Cap Fund		644,422
Hartford Schroders Intl Multi Cap Fund		321,755
Vanguard Growth Index Admiral Fund		517,814
William Blair Intl Leaders Fund		367,772

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Capital Assets

Governmental Activities

Capital assets activity for Governmental Activities for the year ended June 30, 2021, was as follows:

	Balance					Balance
	July 1, 2020	Increases	Decreases	Reclasses		June 30, 2021
Capital assets not being depreciated						
Land	\$ 7,699,851	\$ -	\$ -	\$ -		\$ 7,699,851
Construction in progress	26,681,053	6,533,883	-	(23,573,783)		9,641,153
Capital assets being depreciated						
Buildings	30,717,697	399,132	-	-		31,116,829
Improvements other than buildings	30,271,487	1,764,829	-	1,795,017		33,831,333
Equipment	31,376,428	1,253,165	(303,771)	1,124,141		33,449,963
Infrastructure	<u>125,069,211</u>	<u>6,224,156</u>	<u>-</u>	<u>20,654,625</u>		<u>151,947,992</u>
Total capital assets	251,815,727	16,175,165	(303,771)	-		267,687,121
Accumulated depreciation						
Buildings	16,620,533	718,355	-	-		17,338,888
Improvements	11,367,577	977,154	-	-		12,344,731
Equipment	22,590,725	1,774,754	(289,222)	-		24,076,257
Infrastructure	<u>64,175,165</u>	<u>3,961,211</u>	<u>-</u>	<u>-</u>		<u>68,136,376</u>
Total accumulated depreciation	<u>114,754,000</u>	<u>\$ 7,431,474</u>	<u>\$ (289,222)</u>	<u>\$ -</u>		<u>121,896,252</u>
Capital assets, net	\$ 137,061,727					\$ 145,790,869

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

General government	\$ 432,218
Public safety	
Police	759,368
Fire	440,418
Highways and streets	4,002,877
Stormwater	185,195
Recreation	1,548,083
Community development	<u>63,315</u>
	\$ 7,431,474

Infrastructure donated by developers in the current year was valued at \$4,803,060, respectively.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. **Capital Assets, Continued**

Business-type Activities

Capital assets activity of the Enterprise Funds for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Increases	Decreases	Reclasses	Balance June 30, 2021	Water and Sewer Fund	Gas Fund
Capital assets not being depreciated							
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	24,493,867	24,891,613	(606,036)	(4,281,460)	44,497,984	41,222,689	3,275,295
Capital assets being depreciated							
Utility plant and buildings	247,912,998	10,967,722	-	4,249,789	263,130,509	235,261,288	27,869,221
Machinery and equipment	12,502,849	561,606	(22,645)	31,671	13,073,481	7,220,072	5,853,409
Less accumulated							
Utility plant and buildings	(111,210,421)	(7,337,825)	-	-	(118,548,246)	(102,357,453)	(16,190,793)
Machinery and equipment	(9,124,754)	(794,741)	22,645	-	(9,896,850)	(5,443,883)	(4,452,967)
Total	\$ 168,606,442	\$ 28,288,375	\$ (606,036)	\$ -	\$ 196,288,781	\$ 179,724,007	\$ 16,564,774

Depreciation expense for the year ended June 30, 2021 was \$8,132,566.

Current year donated infrastructure was valued at \$8,940,265.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. **Receivables**

A summary of receivables at June 30, 2021, is as follows:

	General Fund	Capital Projects Fund	Water and Sewer Fund	Natural Gas Fund	Non-major Funds	Internal Service Fund	Total
Property taxes	\$ 12,299,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,299,545
Other taxes and in lieu taxes	3,071,725	-	-	-	-	-	3,071,725
Customer	251,181	10,000	3,839,047	894,440	257,992	2,541	5,255,201
Other governments	4,089,325	1,503,815	-	-	316,682	-	5,909,822
Less: allowance	<u>(115,284)</u>	<u>-</u>	<u>(703,714)</u>	<u>(94,372)</u>	<u>(50,240)</u>	<u>-</u>	<u>(963,610)</u>
Total	\$ 19,596,492	\$ 1,513,815	\$ 3,135,333	\$ 800,068	\$ 524,434	\$ 2,541	\$ 25,572,683

The Enterprise Fund includes a note receivable from the Airport Authority, a joint venture of the Entity, in the amount of \$95,577, related to a construction project. The note is repayable in monthly installments of \$3,650, including interest at 2.0%, through September 2023.

The Debt Service Fund (a non-major governmental fund) also includes a note from the Airport Authority for \$1,343,750 related to airport improvements. The note is repayable in semi-annual installments that mirror the 2014 general obligation bond issue, except that the Airport Authority is making monthly payments in lieu of semi-annual payments. The 2014B General Obligation Bond balance is \$1,365,000 (see note 7).

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 5. Deferred Outflows and Inflows of Resources

Deferred inflows of resources on the governmental funds balance sheet consist 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, 2021, the components of deferred outflows and inflows of resources on the government-wide statement of net position consisted of the following:

	Governmental activities	Business-type activities
Deferred outflows of resources		
Deferred charge on refunding	\$ 92,421	\$ 378,115
	\$ 92,421	\$ 378,115
Deferred inflows of resources		
Net difference in projected and actual earnings, pension	\$ 321,082	\$ 170,031
Property taxes		
2020 assessed and unlevied	12,000,000	-
2020 in lieu assessed and unlevied	2,843,352	-
	\$ 15,164,437	\$ 170,031

Deferred inflows of resources in the fund statements of \$17,308,634 consist of unlevied property taxes and in lieu taxes of \$14,843,352, delinquent property taxes of \$249,755, and unavailable state and county-shared taxes of \$2,215,527.

Note 6. Restricted Assets

A summary of restricted assets at June 30, 2021, is as follows:

	Governmental Funds	Enterprise Funds		Total
	Capital Projects Fund	Water and Sewer Fund	Natural Gas Fund	
Cash	\$ 1,432,985	\$ 718,107	\$ 962,340	\$ 3,113,432

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

Note 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 (a non-major fund). Pension liabilities are liquidated by the fund responsible for the employee, which could be any of the General Fund, Stormwater Fund, Water and Sewer Fund, or Gas Fund.

The government also issues bonds in situations where the government pledges income derived from the acquired or constructed assets to pay debt service, viz a viz, 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

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 7. Long-term Debt and Other Obligations Payable, Continued

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021, except for the Pension Obligation which is described in note 8:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Payable within one year
Governmental activities					
General obligation					
bonds	\$ 25,095,000	\$ -	\$ (2,570,000)	\$ 22,525,000	\$ 2,680,000
Bond premium /					
discounts	2,385,402	-	(222,855)	2,162,547	-
Compensated					
absences	2,427,768	2,300,697	(1,974,081)	2,754,384	2,754,384
Total	\$ 29,908,170	\$ 2,300,697	\$ (4,766,936)	\$ 27,441,931	\$ 5,434,384
Business-type activities					
Revenue and					
tax bonds	\$ 1,250,000	\$ -	\$ (1,250,000)	\$ -	\$ -
General obligation					
bonds	17,690,000	-	(2,455,000)	15,235,000	3,955,000
Bond premiums	1,910,750	-	(610,419)	1,300,331	
Direct borrowings					
State revolving					
loans	7,074,608	15,484,787	(264,164)	22,295,231	721,903
Total	\$ 27,925,358	\$ 15,484,787	\$ (4,579,583)	\$ 38,830,562	\$ 4,676,903

Bonds, notes, and loans payable for governmental activities at June 30, 2021 are comprised of the following:

2014 General Obligation Refunding Bonds (\$5,280,000), due in annual installments through April 2022 at 1.69% interest	\$ 1,065,000
2014A General Obligation Bonds (\$2,020,000), due in annual installments through June 2024 at 3% to 4% interest	750,000
2014B General Obligation Bonds (\$1,765,000), due in annual installments through April 2034 at 1.1% to 4.125% interest (airport improvements, noncapital-related)	1,365,000
2017 General Obligation Refunding Bonds (\$3,107,850), due in annual installments through April 2024 at 5% interest	1,975,000
2019 General Obligation Bonds (\$18,000,000), due in annual installments through April 2039 at 2% to 5% interest	17,370,000
Total governmental	\$ 22,525,000

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 7. Long-term Debt and Other Obligations Payable, Continued

2009 State Revolving Loan Program (\$5,750,000 with \$2,300,000 forgiven), due in 240 installments at an interest rate of 2.14%	\$ 1,951,404
2010 State Revolving Loan Program (\$600,000 with \$120,000 forgiven), due in 240 installments at an interest rate of 1.94%	207,156
2015 State Revolving Loan Program, due in monthly installments of \$384 through 2038 at an interest rate of 1%	70,617
2015 State Revolving Loan Program, due in monthly installments of \$635 through 2048 at an interest rate of 1.24%	172,816
2017 General Obligation Refunding Bonds (\$20,042,150), due in annual installments through April 2026 at 5% interest	15,235,000
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	2,612,946
2020 State Revolving Loan Program, \$18,000,000 authorized, \$17,280,292 draws at June 30, 2021. Amortization to begin at project completion at a 1.3% interest rate	<u>17,280,292</u>
Total governmental	\$ 37,530,231

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 7. **Long-term Debt and Other Obligations Payable, Continued**

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2021, including interest payments, are as follows:

Year	Governmental activities		Business-type activities			
	Bonds		Bonds		Notes from direct borrowings and placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,680,000	\$ 873,061	\$ 3,955,000	\$ 761,750	\$ 721,903	\$ 318,223
2023	1,690,000	778,412	4,195,000	564,000	774,602	326,675
2024	1,770,000	698,213	4,385,000	354,250	786,598	314,212
2025	860,000	614,112	1,320,000	135,000	798,845	301,484
2026	895,000	572,657	1,380,000	69,000	811,259	288,602
2027-2031	4,950,000	2,404,182	-	-	4,249,923	1,241,905
2032-2036	5,900,000	1,183,249	-	-	3,448,135	941,204
2037-2041	3,780,000	229,200	-	-	3,593,079	691,478
2042-2046	-	-	-	-	3,836,472	425,642
2047-2051	-	-	-	-	3,933,790	142,992
2052	-	-	-	-	60,333	69
*	-	-	-	-	(719,708)	-
	\$ 22,525,000	\$ 7,353,086	\$ 15,235,000	\$ 1,884,000	\$ 22,295,231	\$ 4,992,486

*This is for State Revolving Loan funds drawn down in 2022; amortization will be over 30 years and will begin upon completion of the project.

Debt Coverage

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

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 7. Long-term Debt and Other Obligations Payable, Continued

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 for the Airport Authority mirror the payment terms on the Town bonds; however, the Airport Authority is making monthly payments, whereas the Town's payments are semi-annual. The receivable for the Airport Authority note is accounted for in the Debt Service Fund, a non-major governmental fund.

The Town's outstanding notes and bonds payable contain provisions stating that, in the event of default, outstanding amounts are to become immediately due if the Town is unable to make payments. At June 30, 2021, there were no unused lines of credit. Governmental Activities General Obligation Bonds are secured by the full taxing authority of the Town. Business-type Activities General Obligation Bonds as well as Revenue Bonds are secured by the user fees of the various systems, 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.

Note 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 assumptions and methods for the year ended June 30, 2021.

Effective Date of the Plan Year

The effective date of the restated plan is July 1, 1999. The original effective date was 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 July 1 of the year following the date on which the employee 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.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 8. Pension Plan and Deferred Compensation Plan, Continued

Plan Benefit and Vesting Service

Service credited for vesting and benefit purposes means the number of plan years since the date of employment upon 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, and 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 latter 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 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 retirement.

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 benefits in the form of a 100% qualified joint survivor benefit immediately prior to the employee's death. If the participant and 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.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 8. Pension Plan and Deferred Compensation Plan, Continued

Termination of Employment after Five Years of Vesting Service

If a participant terminates employment after completion of five years of vesting service, the participant is entitled to a deferred vested retirement benefit commencing on the 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 date of termination. A participant's vesting percentage shall be determined from the following table:

Years of vesting	Vesting percentage
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 a participant (e.g., 50% of the participant's actuarially reduced retirement income from the plan). However if no monthly option is elected and the participant is married at the date on which benefits commence, 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 to the cost of the plan. Administrative 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 in each of the last two years.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 8. Pension Plan and Deferred Compensation Plan, Continued

Summary of Participants

Inactive plan participants	
Retirees and beneficiaries currently receiving benefits	21
Terminated employees entitled to deferred benefits	13
Total	34
Active plan participants	
Vested (fully and partially)	10
Non-vested	-
Total	10

Net Pension Liability (Asset)

The Town's net pension liability (asset) was measured as of June 30, 2021 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%
Salary increases	4.00% 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 and 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 period, is one year. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants. The actuarially determined contribution is based on amortization of the unfunded supplemental liability over 25 years, as of July 1, 2014.
No assumptions are made for disability rates, disabled mortality, or recovery rates.	
Plan expenses are paid separately.	
Investment rate of return	7.00% per annum – the assets of the pension plan are invested by Pinnacle Bank in accordance with the terms of the Trust agreement.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 8. Pension Plan and Deferred Compensation Plan, Continued

Net Pension Liability (Asset)

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

Asset Class	Long-term Expected Rate of Return
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 21.52%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate Beginning July 2013, 7.00% per annum

The standard method for calculating the annual required contribution to the Pension Plan is based on the Plan's fiduciary net position, derived from projected contributions, benefit payments, and investment earnings. Paragraph 43 of GASB Statement No. 67 provides for an alternative method to be used. The Town of Smyrna's funding policy is to contribute the amounts calculated under the actuarial cost method. Effective July 1, 2016, the cost method is based on Entry Age Normal with a 30-year closed amortization period. Effective July 1, 1999, the cost method is the Projected Unity Credit method with a 25-year level-dollar amortization of the unfunded liability. Prior to July 1, 1999, the Town of Smyrna's contribution policy was to amortize the unfunded AAL over 25 years (level-dollar basis). The ratio of the actuarial value of assets to the present value of accrued benefits as of July 1, 2020 was 93.14%. Based on actuarial theory, if the actuarial assumptions are met, the plan's fiduciary net position will remain positive.

Determination of Net Pension Liability

The components of the net pension liability at June 30, 2021 were as follows:

Total pension liability (7.00%)	\$ 7,302,813
Plan fiduciary net position	<u>(7,599,775)</u>
Net pension liability (asset)	\$ (296,962)
 Plan fiduciary net position as a percentage of total pension liability	 104.06%

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 8. Pension Plan and Deferred Compensation Plan, Continued

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease (6.00%)	Current rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	\$ 282,842	\$ (296,962)	\$ (804,930)

Schedule of Changes in Net Pension Liability

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a-b)
Balance, June 30, 2020	\$ 7,173,186	\$ 6,311,509	\$ 861,677
Service cost	38,166	-	38,166
Interest	492,116	-	492,116
Changes of benefit terms	-	-	-
Experience (gains)/losses	(39,779)	-	(39,779)
Changes in assumptions	-	-	-
Contributions, town	-	325,200	(325,200)
Contributions, members	-	-	-
Expected investment return	-	440,557	(440,557)
Difference between expected and actual returns	-	883,385	(883,385)
Benefits paid, including refunds and contributions	(360,876)	(360,876)	-
Administrative expenses	-	-	-
Other changes	-	-	-
Net change	<u>129,627</u>	<u>1,288,266</u>	<u>(1,158,639)</u>
Balance, June 30, 2021	\$ 7,302,813	\$ 7,599,775	\$ (296,962)

Notes to Schedule

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

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 8. Pension Plan and Deferred Compensation Plan, Continued

Pension Expense and Deferred Outflows/Inflows of Resources

	For the Year Ended June 30, 2021
Service cost	\$ 38,166
Interest	492,116
Benefit changes	-
Contributions, members	-
Expected investment return	(440,557)
Recognition for current year	
Economic/demographic (gains) losses	(39,779)
Assumption changes	-
Investment (gains) losses	(176,677)
Recognition of deferred inflows/outflows of resources	
Economic/demographic (gains) losses	81,901
Assumption changes	-
Investment (gains) losses	-
Administrative expenses	-
Other	-
Pension expense (benefit)	<u>\$ (44,830)</u>

For the year ended June 30, 2021, governmental activities pension expense was \$1,262, water and sewer pension expense (benefit) was (\$41,916) and (\$4,176), respectively, for the total pension expense (benefit) of (\$44,830)). At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ -
Net difference between expected and actual earnings	215,595	706,708
Changes in assumptions	-	-
Contributions made subsequent to measurement date	-	-
	<u>\$ 215,595</u>	<u>\$ 706,708</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,	Outflows	Inflows	Net
2022	\$ 85,227	\$ 176,677	\$ (91,450)
2023	77,324	176,677	(99,353)
2024	53,044	176,677	(123,633)
2025	-	176,677	(176,677)
Thereafter	-	-	-

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 8. Pension Plan and Deferred Compensation Plan, Continued

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan, Town of Smyrna 457(b) Deferred Compensation Plan (the 457 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 to 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 respective employees.

The Town has also established the Town of Smyrna Retirement Savings Plan, which is in accordance with Internal Revenue Service Code Section 401(a). The Plan is available to all Town employees with six months and 1,000 hours of service. The Town has no fiduciary responsibility for this Plan. 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 matches 50% of the employee 457 Plan contributions up to 6% of employee pay. Vesting of amounts in the plan occurs at 20% per year until full vesting 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 2021, there were \$31,334 in forfeitures and there is \$81,877 in the forfeiture account that can be used to reduce the Town's contribution in future years. None of these funds were used in the current year. During the fiscal year ended June 30, 2021, the Town contributed \$1,155,458 (5.43% of \$21,269,794 covered payroll) and the employees contributed \$1,272,292 (5.98% of \$21,269,794 covered payroll). Investments in both plans are managed by the Plan's trustee through a selection of mutual funds. The choice of investments 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 any related party.

Note 9. Commitments and Contingencies

Litigation

There were several pending lawsuits in which the Town was involved as of June 30, 2021, 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 under an agreement amended in May 2001. The lease is through July 1, 2025, and is adjusted annually in July with the CPI; the lease expires in July 2025. During 2021, 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 2021, the Town paid \$13,440 in rent to the Airport Authority.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 9. Commitments and Contingencies, Continued

Commitments

Golf Course and Park Leases

The Town has entered into two operating leases for golf course equipment. Both leases have monthly payments of \$2,499 through August 2021 and September 2021, respectively. The equipment can be purchased at fair market value at the end of the lease. Total lease expense for this equipment in 2021 was \$59,974.

The Town has a commitment with the Army Corps of Engineers to reimburse the Corps for water storage operations and maintenance costs. These costs will be based on 1.303% of the Corps' actual costs. In 2021, the Town paid \$30,600.

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 the required supply. The Town has entered into a contract with Symmetry Energy for its natural gas supply. The local industry will execute hedges through Symmetry Energy. The industry will be responsible for all associated costs with the hedge.

Contracts

At June 30, 2021, the Town has entered into several construction contracts totaling approximately \$69,705,462. These contracts were approximately 60% 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, that any potential future assessments would be material to the Town's financial statements.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 10. Joint Ventures with Rutherford County

In 1991, the Metropolitan Nashville Airport Authority transferred the assets of the Smyrna 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, 2021, the Authority had net position of \$37,289,761. Net operating losses for the 2021 and 2020 fiscal years were \$(304,471) and \$(1,144,369), 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 2007. This loan is being repaid in monthly installments of \$3,650, with approximately 2.25 years remaining. Interest accrues at 2% and the balance on the loan is \$95,577. During 2015, the Town also loaned the Airport Authority \$1,765,000 for improvements. This loan is being repaid under approximately the same terms as the Town's 2014B bond issue and the note balance is \$1,343,750. The note is accounted for in the Debt Service Fund.

Note 11. Interfund Transactions

Interfund receivables and payables are attributable to obligations between funds. The actual cash transfers had not been made at June 30, 2021. There were not interfund receivables or payables as of June 30, 2021.

Any interfund amounts are a result of temporary interfund financing at year-end and are liquidated subsequent to year end. There were no interfund balances as of June 30, 2021

Internal balances in the government-wide financial statements include \$796,035 related to the consolidation of the Internal Service Fund.

Interfund transfers for the year ended June 30, 2021 are attributable to the budgeted allocation of resources from one fund to another and consist of the following:

	General Fund	Transfer in Capital Project Fund	Non-major Governmental	Total
Transfer out				
Gas Fund	\$ 192,879	\$ -	\$ -	\$ 192,879
Water and Sewer Fund	518,237	-	-	518,237
General Fund	-	12,114,824	2,058,475	14,173,299
Non-major Governmental Funds	<u>167,434</u>	<u>2,245,946</u>	<u>1,337,350</u>	<u>3,750,730</u>
Totals	\$ 878,550	\$ 14,360,770	\$ 3,395,825	\$ 18,635,145

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 11. Interfund Transactions

The transfers from the proprietary funds to the General Fund relate to in lieu of tax payments. At year-end, the Town transferred \$8,900,000 from the General Fund to the Capital Projects Fund to fund future capital projects. Also, transfers were made from the General and Capital Projects Funds to the debt service fund to pay debt principal and interest requirements.

Note 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 \$137,120, respectively, including interest.

Note 13. Major Customer

The Town supplies water, sewer, and natural gas services to a large manufacturing company. During the fiscal year ended June 30, 2021, services to this company accounted for the following percentages of total revenues of the natural gas, water and sewer, and stormwater fund customer revenues.

Gas Fund	32.3%
Water and Sewer Fund	9.4%
Stormwater Fund	6.4%

Note 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 other liability risks. The fund is accounted for as an internal service fund, in which 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, The Town has obtained a unlimited 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.

Workers' Compensation Insurance Plan

The Town is self-insured for its workers' compensation claims up to a limit of \$250,000 per claim. The Town obtained commercial insurance for claims beyond the noted limit.

Liability and Property Insurance Plan

The Town is self-insured to a limit of \$200,000 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.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 14. Risk Management, Continued

Liabilities of the self-insurance 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 is the best estimate available, and is 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:

	Liability at beginning of fiscal year	Claims and changes in estimates	Claim payments	Liability at end of fiscal year
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
2020– 2021	506,918	9,645,096	(8,943,647)	1,028,367

*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.

Note 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 premise 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 US GAAP. The legal level of budgetary control is at the department level. Any changes to departmental total budgets must be approved by the Town Council.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 15. Budget Compliance and Accountability, Continued

The Town applies the following 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 budgets establish 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.
4. The Town Manager is authorized to transfer budgeted amounts between 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 US GAAP. All budget appropriations lapse at year-end.

During the fiscal year, the following budgets were amended:

	Revenues	Expenditures	Transfers (out)
General Fund	\$ 1,286,100	\$ 717,000	\$ (9,469,100)
Capital Projects Fund	567,300	569,100	8,901,800
State Street Aid Fund	-	584,000	(46,000)
Drug Fund	9,200	9,200	-
Stormwater Fund	16,500	16,500	-

The capital project expenditure amendments primarily related to park improvements. The General Fund transfer of \$8,900,000 was to fund future capital projects. State Street Aid Fund amendments related to road repairs and General Fund amendments primarily related to salaries and benefits funded from COVID-19 related grant funds.

Note 16. Implementation of New Standard

On July 1, 2020, the Town implemented GASB statement No. 84, *Fiduciary Activities* (GASB 84), certain activities previously accounted for in the General Fund are now reported as a custodial fund activity.

Required Supplementary Information

Town of Smyrna, Tennessee
Schedules of Changes in Net Pension Liability (Asset)
and Related Ratios Based on Participation in Town of Smyrna Pension Plan
For the Years Ended June 30, 2015 through 2021

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 38,166	\$ 37,474	\$ 54,970	\$ 52,724	\$ 51,187	\$ 54,304	\$ 86,040
Interest	492,116	488,539	507,958	463,624	445,440	450,429	428,073
Changes in benefit terms	-	1	-	-	-	-	-
Experience (gains) losses	(39,779)	(91,457)	(7,136)	131,200	189,721	(164,933)	274,843
Change in assumptions	-	-	(23,995)	-	-	-	(55,334)
Benefit payments, including refunds of employee contributions	<u>(360,876)</u>	<u>(371,060)</u>	<u>(430,044)</u>	<u>(423,259)</u>	<u>(423,646)</u>	<u>(398,497)</u>	<u>(366,522)</u>
Net change in total pension liability	129,627	63,497	101,753	224,289	262,702	(58,697)	367,100
Total pension liability, beginning	<u>7,173,187</u>	<u>7,109,690</u>	<u>7,007,937</u>	<u>6,783,648</u>	<u>6,520,946</u>	<u>6,579,643</u>	<u>6,212,543</u>
Total pension liability, ending (a)	7,302,814	7,173,187	7,109,690	7,007,937	6,783,648	6,520,946	6,579,643
Plan Fiduciary Net Position							
Contributions, employer	325,200	325,200	325,200	805,100	205,100	145,402	182,266
Contributions, employee	-	-	-	-	-	-	-
Net investment income	1,323,942	166,541	294,713	342,900	367,587	78,722	76,270
Benefit payments, including refunds of employee contributions	(360,878)	(371,060)	(430,044)	(423,259)	(423,646)	(398,497)	(366,522)
Change in mortality assumptions	-	-	4,032	-	-	-	-
Administrative expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	1,288,264	120,681	193,901	724,741	149,041	(174,373)	(107,986)
Plan fiduciary net position, beginning	<u>6,311,509</u>	<u>6,190,828</u>	<u>5,996,927</u>	<u>5,272,186</u>	<u>5,123,145</u>	<u>5,297,518</u>	<u>5,405,504</u>
Plan fiduciary net position, ending (b)	7,599,773	6,311,509	6,190,828	5,996,927	5,272,186	5,123,145	5,297,518
Net pension liability (asset), ending (a - b)	\$ (296,959)	\$ 861,678	\$ 918,862	\$ 1,011,010	\$ 1,511,462	\$ 1,397,801	\$ 1,282,125
Pension expense	-	141,355	255,016	384,129	446,560	92,338	425,922
Plan fiduciary net position as a percentage of total pension liability	104.1%	88.0%	87.1%	85.6%	77.7%	78.6%	80.5%
Covered payroll	\$ 810,601	\$ 793,071	\$ 898,722	\$ 885,460	\$ 860,733	\$ 934,571	\$ 922,561
Net pension liability (asset) as a percentage of covered payroll	-36.6%	108.7%	102.2%	114.2%	175.6%	149.6%	139.0%

Notes to Schedules

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

GASB 68 requires this data to be presented as part of a 10-year schedule, but it is not required to be presented retroactively prior to the implementation date of GASB 68. Years will be added to this schedule in future years until 10 years of information is available. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

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 for
Town of Smyrna Pension Plan
For the Years Ended June 30, 2015 through 2021

	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	21.52%	3.23%	5.54%	7.25%	7.95%	2.00%	1.96%

Note to Schedule

GASB 68 requires this data to be presented as part of a 10-year schedule, but it is not required to be presented retroactively prior to the implementation date of GASB 68. Years will be added to this schedule in future years until 10 years of information is available. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Town of Smyrna, Tennessee
Schedules of Contributions Based on Participation
in the Town of Smyrna Pension Plan
For the Years Ended June 30, 2015 through 2021

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 109,110	\$ 108,232	\$ 189,266	\$ 186,129	\$ 176,181	\$ 145,402	\$ 182,266
Contributions in relation to							
actuarially determined contribution	<u>325,200</u>	<u>325,200</u>	<u>325,200</u>	<u>805,100</u>	<u>205,100</u>	<u>145,402</u>	<u>182,266</u>
Contribution deficiency (excess)	\$ (216,090)	\$ (216,968)	\$ (135,934)	\$ (618,971)	\$ (28,919)	\$ -	\$ -
Covered payroll	\$ 810,601	\$ 793,071	\$ 898,722	\$ 885,460	\$ 860,733	\$ 934,571	\$ 922,561
Contributions as a percentage of covered payroll	40.1%	41.0%	36.2%	90.9%	23.8%	15.6%	19.8%

Notes to Schedules

See Notes to Schedule Relating to Actuarially Determined Contribution (next page) for details regarding the methods and assumptions used to determine rates.

GASB 68 requires this data to be presented as part of a 10-year schedule, but it is not required to be presented retroactively prior to the implementation date of GASB 68. Years will be added to this schedule in future years until 10 years of information is available. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Town of Smyrna, Tennessee
Notes to Schedule Relating to the Actuarially Determined Contribution
For the Year Ended June 30, 2021

Actuarially determined contributions rates for fiscal year 2021 were calculated based on the results of the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine 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	4.00% annual increase to age 85
Investment rate of return	7.00%, net of investment expense, including inflation
Retirement age	Participants assumed to retire 100% at age 65
Rate of retirement	100% at age
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
Change in assumptions	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 01, 2014.
Withdrawal rates	See table below per 1,000 employees

Estimated experience in years (select and ultimate years)

Age	1	5	10	15
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
Non-major Fund Statements and Schedules

Town of Smyrna, Tennessee
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2021

	<u>Special revenues</u>			<u>Capital projects</u>	<u>Debt service fund</u>	<u>Total non-major governmental funds</u>
	<u>Drug fund</u>	<u>State street aid fund</u>	<u>Stormwater fund</u>	<u>Impact fee fund</u>		
Assets						
Cash in bank	\$ 390,549	\$ 964,260	\$ 3,129,056	\$ 6,618,985	\$ 33,866	\$ 11,136,716
Due from other governments	-	316,682	-	-	-	316,682
Receivables	-	-	207,752	-	-	207,752
Note receivable	-	-	-	-	1,343,750	1,343,750
Total assets	<u>\$ 390,549</u>	<u>\$ 1,280,942</u>	<u>\$ 3,336,808</u>	<u>\$ 6,618,985</u>	<u>\$ 1,377,616</u>	<u>\$ 13,004,900</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ 23,274	\$ 71,517	\$ 7,720	\$ 49,057	\$ -	\$ 151,568
Accrued liabilities	-	-	39,054	-	-	39,054
Contract payables	-	-	-	213,566	-	213,566
Total liabilities	<u>23,274</u>	<u>71,517</u>	<u>46,774</u>	<u>262,623</u>	<u>-</u>	<u>404,188</u>
Deferred inflows of resources						
Unavailable revenues	-	160,558	-	-	-	160,558
Fund balances						
Restricted for law enforcement	367,275	-	-	-	-	367,275
Restricted for highways and streets	-	1,048,867	-	-	-	1,048,867
Restricted for stormwater	-	-	3,290,034	-	-	3,290,034
Restricted for debt service	-	-	-	-	1,377,616	1,377,616
Restricted for capital projects	-	-	-	6,356,362	-	6,356,362
Total fund balances	<u>367,275</u>	<u>1,048,867</u>	<u>3,290,034</u>	<u>6,356,362</u>	<u>1,377,616</u>	<u>12,440,154</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 390,549</u>	<u>\$ 1,280,942</u>	<u>\$ 3,336,808</u>	<u>\$ 6,618,985</u>	<u>\$ 1,377,616</u>	<u>\$ 13,004,900</u>

Town of Smyrna, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2021

	<u>Special revenues</u>			<u>Capital projects</u>	<u>Debt service fund</u>	<u>Total non-major governmental funds</u>
	<u>Drug fund</u>	<u>State street aid fund</u>	<u>Stormwater fund</u>	<u>Impact fee fund</u>		
Revenues						
Intergovernmental						
Gasoline tax inspection fees	\$ -	\$ 1,707,924	\$ -	\$ -	\$ -	\$ 1,707,924
Grants	-	-	34,801	-	-	34,801
Licenses and permits	-	-	-	3,038,435	-	3,038,435
Fines, forfeitures, and seizures	149,878	-	-	-	-	149,878
Use of money and property						
Interest	302	1,080	3,231	5,651	52,121	62,385
Stormwater fees, rental, and sales	-	-	1,836,879	-	-	1,836,879
Total uses of money and property	<u>302</u>	<u>1,080</u>	<u>1,840,110</u>	<u>5,651</u>	<u>52,121</u>	<u>1,899,264</u>
Total revenues	150,180	1,709,004	1,874,911	3,044,086	52,121	6,830,302
Expenditures						
Current						
General government	-	-	-	-	-	-
Drug enforcement	78,430	-	-	-	-	78,430
Stormwater	-	-	873,129	-	-	873,129
Highways and streets	-	2,078,952	-	-	-	2,078,952
Total current	<u>78,430</u>	<u>2,078,952</u>	<u>873,129</u>	<u>-</u>	<u>-</u>	<u>3,030,511</u>
Debt service	-	-	-	-	3,533,498	3,533,498
Capital outlay	19,232	-	-	-	-	19,232
Total expenditures	<u>97,662</u>	<u>2,078,952</u>	<u>873,129</u>	<u>-</u>	<u>3,533,498</u>	<u>6,583,241</u>
Excess (deficiency) of revenues over expenditures	52,518	(369,948)	1,001,782	3,044,086	(3,481,377)	247,061
Other Financing Sources (Uses)						
Transfer from general fund	-	-	-	-	2,058,475	2,058,475
Transfer from impact fee fund	-	-	-	-	1,337,350	1,337,350
Transfer to general fund	-	-	(167,434)	-	-	(167,434)
Transfer to debt service fund	-	-	-	(1,337,350)	-	(1,337,350)
Transfer to capital projects fund	-	(137,813)	(1,398,785)	(709,348)	-	(2,245,946)
Total other financing sources (uses)	<u>-</u>	<u>(137,813)</u>	<u>(1,566,219)</u>	<u>(2,046,698)</u>	<u>3,395,825</u>	<u>(354,905)</u>
Net change in fund balances	52,518	(507,761)	(564,437)	997,388	(85,552)	(107,844)
Fund balances, beginning of year	314,757	1,556,628	3,854,471	5,358,974	1,463,168	12,547,998
Fund balances, end of year	\$ 367,275	\$ 1,048,867	\$ 3,290,034	\$ 6,356,362	\$ 1,377,616	\$ 12,440,154

Budgetary Information for Governmental Funds

Non-major Funds and Major Debt Service and Capital Projects Funds

The following are explanations of the various types of activity of the Town's governmental funds.

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 revenues and expenditures from the Town's share of state gasoline taxes. Tennessee state law requires these receipts to be kept in a separate fund and used for the construction and maintenance of town streets and certain other related 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, 2021

	Budgeted amounts		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Fines, forfeitures, and seizures	\$ 110,100	\$ 119,300	\$ 149,878	\$ 30,578
Uses of money and property				
Interest	1,000	1,000	302	(698)
Total revenues	111,100	120,300	150,180	29,880
Expenditures				
Current				
Miscellaneous				
Drug enforcement				
Investigation	15,000	15,000	29,000	(14,000)
Training	4,000	4,000	720	3,280
Travel	8,500	8,500	2,232	6,268
Confiscation, storage, and operations	18,000	27,200	46,261	(19,061)
Supplies and repairs	7,999	7,999	217	7,782
Total current	53,499	62,699	78,430	(15,731)
Capital outlay	35,000	35,000	19,232	15,768
Total expenditures	88,499	97,699	97,662	37
Net change in fund balance	21,601	22,601	52,518	29,917
Fund balance, beginning of year	314,757	314,757	314,757	-
Fund balance, end of year	\$ 336,358	\$ 337,358	\$ 367,275	\$ (29,917)

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, 2021

	Budgeted amounts		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Intergovernmental				
State gasoline and motor fuel tax	\$ 1,800,000	\$ 1,800,000	\$ 1,707,924 *	\$ (92,076)
Uses of money and property				-
Interest	3,200	3,200	1,080	(2,120)
Total revenues	1,803,200	1,803,200	1,709,004	(94,196)
Expenditures				
Street maintenance, repairs	1,070,000	1,654,000	1,686,795	(32,795)
Lighting	370,000	370,000	344,739	25,261
Signals	55,000	55,000	47,418	7,582
Total expenditures	1,495,000	2,079,000	2,078,952	48
Other Financing Sources (Uses)				
Transfers	(91,900)	(137,900)	(137,813)	87
Net change in fund balance	216,300	(413,700)	(507,761)	(94,157)
Fund balance, beginning of year	1,556,628	1,556,628	1,556,628	-
Fund balance, end of year	\$ 1,772,928	\$ 1,142,928	\$ 1,048,867	\$ (94,157)
			Gas 1989 tax	\$ 136,737
			Gas 3-cent tax	253,364
			Gasoline/motor fuel city tax	876,825
			Gas 2017 tax	440,999
			\$ 1,707,924 *	

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, 2021

	Budgeted amounts		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Licenses and permits	\$ 2,419,999	\$ 2,419,999	\$ 3,038,435	\$ 618,436
Uses of money and property				
Interest	11,501	11,501	5,651	(5,850)
Total revenues	2,431,500	2,431,500	3,044,086	612,586
Expenditures				
Total expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers to debt service fund	(1,337,350)	(1,337,350)	(1,337,350)	-
Transfers to capital project fund	(1,086,000)	(1,086,000)	(709,348)	376,652
Total other financing sources (uses)	(2,423,350)	(2,423,350)	(2,046,698)	376,652
Net change in fund balance	8,150	8,150	997,388	989,238
Fund balance, beginning of year	5,358,974	5,358,974	5,358,974	-
Fund balance, end of year	\$ 5,367,124	\$ 5,367,124	\$ 6,356,362	\$ 989,238

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, 2021

	Budgeted amounts		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Intergovernmental				
Grants	-	16,500	34,801	18,301
Uses of money and property				
Interest	10,100	10,100	3,231	(6,869)
Fees	1,737,500	1,737,500	1,836,879	99,379
Total revenues	<u>1,747,600</u>	<u>1,764,100</u>	<u>1,874,911</u>	<u>110,811</u>
Expenditures				
Salaries	670,600	670,600	525,360	145,240
Benefits and payroll taxes	342,075	358,575	209,603	148,972
Membership and registrations	5,250	5,250	4,993	257
Telephone	1,500	1,500	1,572	(72)
Supplies	13,700	13,700	10,598	3,102
Contract services	80,000	80,000	91,364	(11,364)
Professional services	16,250	16,250	13,429	2,821
Insurance	9,100	9,100	9,138	(38)
Public promotions	10,500	10,500	11,843	(1,343)
Other	4,500	4,500	(4,771)	9,271
Total expenditures	<u>1,153,475</u>	<u>1,169,975</u>	<u>873,129</u>	<u>296,846</u>
Other Financing Sources (Uses)				
Transfers to general fund	(167,434)	(167,434)	(167,434)	-
Transfers to capital project fund	(2,651,400)	(2,651,400)	(1,398,785)	1,252,615
Total other financing sources (uses)	<u>(2,818,834)</u>	<u>(2,818,834)</u>	<u>(1,566,219)</u>	<u>1,252,615</u>
Net change in fund balance	(2,224,709)	(2,224,709)	(564,437)	(1,660,272)
Fund balance, beginning of year	<u>3,854,471</u>	<u>3,854,471</u>	<u>3,854,471</u>	<u>-</u>
Fund balance, end of year	\$ 1,629,762	\$ 1,629,762	\$ 3,290,034	\$ 1,660,272

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, 2021

	Budgeted amounts		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Uses of money and property				
Interest	\$ 52,673	\$ 52,673	\$ 52,121	\$ (552)
Expenditures				
Debt service				
Principal retirement	2,570,000	2,570,000	2,570,000	-
Interest and fiscal charges	<u>963,797</u>	<u>963,797</u>	<u>963,498</u>	<u>299</u>
Total expenditures	3,533,797	3,533,797	3,533,498	299
Other Financing Sources (Uses)				
Transfers from other funds	3,396,125	3,396,125	3,395,825	(300)
Net change in fund balance	(84,999)	(84,999)	(85,552)	(553)
Fund balance, beginning of year	<u>1,463,168</u>	<u>1,463,168</u>	<u>1,463,168</u>	<u>-</u>
Fund balance, end of year	\$ 1,378,169	\$ 1,378,169	\$ 1,377,616	\$ (553)

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, 2021

	Budgeted amounts		Actual amounts	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Intergovernmental				
Grants, state and federal	\$ 8,082,400	\$ 8,399,700	\$ 5,878,968	\$ (2,520,732)
Donations and memorials	-	250,000	258,980	8,980
Total intergovernmental	8,082,400	8,649,700	6,137,948	(2,511,752)
Uses of money and property				
Interest	42,300	42,300	11,455	(30,845)
Total revenues	8,124,700	8,692,000	6,149,403	(2,542,597)
Expenditures				
Recreation and culture				
Supplies and repairs	450,000	450,000	440,753	9,247
Capital outlay	1,723,300	2,292,300	2,298,089	(5,789)
Community development				
Supplies	-	-	-	-
Capital outlay	-	-	-	-
Highways and streets				
Supplies and repairs	500,000	500,000	484,119	15,881
Capital outlay	12,245,100	12,245,100	6,409,344	5,835,756
Public safety				
Supplies, fire	160,000	160,000	152,761	7,239
Supplies, police	300,000	300,000	285,957	14,043
Capital outlay, fire	337,500	337,500	270,258	67,242
Capital outlay, police	733,900	733,900	705,062	28,838
Stormwater				
Supplies and repairs	-	-	-	-
Capital outlay	2,651,400	2,651,400	1,398,786	1,252,614
General government				
Supplies and repairs	100,000	100,000	95,255	4,745
Capital outlay	809,200	809,300	271,334	537,966
Total expenditures	20,010,400	20,579,500	12,811,718	7,767,782
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Transfers from State Street Aid Fund and Drug Fund	91,900	91,900	137,813	45,913
Transfers from Impact Fee Fund	1,086,000	1,086,000	709,348	(376,652)
Transfers from Stormwater Fund	2,651,400	2,651,400	1,398,786	(1,252,614)
Transfers from General Fund	3,016,300	11,918,100	12,114,823	196,723
Total other financing sources (uses)	6,845,600	15,747,400	14,360,770	(1,386,630)
Net change in fund balance	(5,040,100)	3,859,900	7,698,455	(11,697,009)
Fund balance, beginning of year	14,031,064	14,031,064	14,031,064	-
Fund balance, end of year	\$ 8,990,964	\$ 17,890,964	\$ 21,729,519	\$ (11,697,009)

Town of Smyrna, Tennessee
 Capital Assets Used in Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2021

Function and Activity	Land	Building and improvements	Improvements other than buildings	Equipment	Infrastructure	Construction in progress	Total
General	\$ 1,610,588	\$ 6,623,376	\$ 1,450,417	\$ 5,536,455	\$ 210,730	\$ 322,788	\$ 15,754,354
Public safety							
Police	216,060	3,841,739	-	8,342,204	-	-	12,400,003
Fire	155,690	5,175,284	622,686	8,742,519	-	2,001	14,698,180
Highway and streets	1,431,685	216,024	3,038,642	2,851,585	147,059,414	8,304,297	162,901,647
Stormwater	-	-	387,579	1,522,351	3,498,658	119,482	5,528,070
Recreation	4,285,828	11,379,254	28,332,009	5,960,709	1,179,190	892,585	52,029,575
Community development	-	3,881,152	-	494,140	-	-	4,375,292
Total governmental capital assets	<u>\$ 7,699,851</u>	<u>\$ 31,116,829</u>	<u>\$ 33,831,333</u>	<u>\$ 33,449,963</u>	<u>\$ 151,947,992</u>	<u>\$ 9,641,153</u>	<u>\$ 267,687,121</u>

Town of Smyrna, Tennessee
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 June 30, 2021

Function and Activity	Balance July 1, 2020	Additions	Reclasses and disposals	Balance June 30, 2021
General	\$ 15,495,661	\$ 271,332	\$ (12,639)	\$ 15,754,354
Public safety				
Police	11,857,940	724,295	(182,232)	12,400,003
Fire	14,485,783	270,258	(57,861)	14,698,180
Highways and streets	151,731,443	11,212,404	(42,200)	162,901,647
Stormwater	4,129,284	1,398,786	-	5,528,070
Recreation	49,853,178	2,181,397	(5,000)	52,029,575
Community development	<u>4,262,438</u>	<u>116,693</u>	<u>(3,839)</u>	<u>4,375,292</u>
Total governmental capital assets	\$ 251,815,727	\$ 16,175,165	\$ (303,771)	\$ 267,687,121

Town of Smyrna, Tennessee
Schedule of Cash and Cash Equivalents, All Funds
June 30, 2021

	Interest rate	Amount
Major Governmental Funds		
Type of investment or account		
General Fund		
Demand deposits and savings	Various	\$ 30,952,002
Local Governmental Investment Pool	Various	68,704
Change funds	-	6,571
Total General Fund		31,027,277
Capital Projects Fund		
Demand deposits and savings	-	22,118,232
Non-major Governmental Funds		
Drug Fund		
Cash	-	-
Demand deposit	-	390,549
Total Drug Fund		390,549
State Street Aid Fund		
Local Governmental Investment Pool	Various	1,147
Demand deposits and savings	Various	963,113
Total State Street Aid Fund		964,260
Impact Fee Fund		
Demand deposits and savings	Various	6,618,985
Stormwater Fund		
Demand deposits and savings	Various	3,129,056
Debt Service Fund		
Demand deposits and savings	Various	33,866
Proprietary Funds		
Water and Sewer Fund		
Demand deposits and savings	Various	37,678,423
Local Governmental Investment Pool	Various	1,892
Change funds	-	600
Total Water and Sewer Fund		37,680,915
Natural Gas Fund		
Local Governmental Investment Pool	Various	1,095
Demand deposits and savings	Various	10,244,776
Total Natural Gas Fund		10,245,871
Internal Service Fund		
Demand deposits and savings	Various	5,703,068
Total primary government		\$ 117,912,079
Component Units		
Charity Assistance Fund		
Demand deposits and savings		\$ 356,097

Town of Smyrna, Tennessee
Schedule of Changes in Property Taxes Receivable
General Fund
For the Year Ended June 30, 2021

Fiscal Year	Property tax receivable balance	Assessments	Collections	Adjustments	Property tax receivable balance
	June 30, 2020				June 30, 2021
2020 - 2021	\$ -	\$ 11,847,955	\$ (11,710,486)	\$ -	\$ 137,469
2019 - 2020	174,005	-	(233,141)	97,451	38,315
2018 - 2019	40,672	-	(20,733)	(1,665)	18,274
2017 - 2018	19,343	-	(6,962)	828	13,209
2016 - 2017	9,871	-	(3,063)	5,434	12,242
2015 - 2016	12,233	-	(499)	(84)	11,650
2014 - 2015	8,705	-	(46)	-	8,659
2013 - 2014	9,610	-	(166)	-	9,444
2012 - 2013	21,001	-	(1,034)	-	19,967
2011 - 2012	30,698	-	(382)	-	30,316
2010 - 2011	10,908	-	(111)	(10,797)	-
	\$ 337,046	\$ 11,847,955	\$ (11,976,623)	\$ 91,167	299,545

2021 - 2022**	12,000,000
Property taxes receivable per Governmental Funds Financial Statements	12,299,545
Allowance for uncollectibles	(115,284)
Property taxes receivable per Governmental-wide Financial Statements	\$ 12,184,261

Receivables from fiscal year 2016-17 and prior have been turned over to the County Clerk and Master for collection.

** Unlevied taxes receivable (anticipated current year levy)

Town of Smyrna, Tennessee
Schedule of Changes in Long-term Debt by Individual Issue
For the Year Ended June 30, 2021

Description of indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 01, 2020	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2021
Governmental Activities									
Bonds payable									
Payable through Debt Service Fund									
2014 GO Bonds A	\$ 2,020,000	3.00% to 4.00%	6/18/14	6/1/24	\$ 980,000	\$ -	\$ 230,000	\$ -	\$ 750,000
2014 GO Bonds B	1,765,000	1.10% to 4.125%	6/18/14	4/1/34	1,450,000	-	85,000	-	1,365,000
2014 GO Refunding Bonds	5,280,000	1.69%	6/28/14	4/1/22	2,105,000	-	1,040,000	-	1,065,000
2017 GO Refunding (Split)	3,107,850	5.00%	9/1/17	4/1/24	2,560,000	-	585,000	-	1,975,000
2019 GO Refunding	18,000,000	2.00% to 5.00%	6/25/19	4/1/39	<u>18,000,000</u>	<u>-</u>	<u>630,000</u>	<u>-</u>	<u>17,370,000</u>
Total bonds payable through debt service fund					\$ 25,095,000	\$ -	\$ 2,570,000	\$ -	\$ 22,525,000
Business-type Activities									
Other loans payable									
Payable through Water Fund									
2009 State Revolving Loan	\$ 5,750,000	2.14%	10/1/11	4/1/32	\$ 2,119,874	\$ -	\$ 168,470	\$ -	\$ 1,951,404
2010 State Revolving Loan	600,000	1.94%	8/1/12	1/1/33	223,752	-	16,596	-	207,156
2015 State Revolving Loan DWA	83,377	1.00%	3/1/15	8/1/38	74,487	-	3,870	-	70,617
2015 State Revolving Loan CWA	190,683	1.24%	3/1/18	8/1/48	178,252	-	5,436	-	172,816
2019 State Revolving Loan CWA	3,000,000	1.70%	6/1/19	6/1/50	2,682,738	-	69,792	-	2,612,946
State Revolving Loan	18,000,000	1.30%	5/1/20	***	<u>1,795,505</u>	<u>15,484,787</u>	<u>-</u>	<u>-</u>	<u>17,280,292</u>
Total other loans payable					\$ 7,074,608	\$ 15,484,787	\$ 264,164	\$ -	\$ 22,295,231
Bonds Payable									
Payable through Water and Sewer Fund									
2011 Rev/Tax W&S Imp Bonds	\$ 16,150,000	4.00%	4/28/11	6/1/21	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -	\$ -
2017 GO Refunding (Split)	20,042,150	5.00%	9/1/17	4/1/26	<u>17,690,000</u>	<u>-</u>	<u>2,455,000</u>	<u>-</u>	<u>15,235,000</u>
Total bonds payable					\$ 18,940,000	\$ -	\$ 3,705,000	\$ -	\$ 15,235,000

*** 30-year amortization to begin at project completion.

Town of Smyrna, Tennessee
Schedule of Debt Service Requirements
General Obligation Debt

Year Ended 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
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
Total	\$ 17,370,000	\$ 750,000	\$ 1,365,000	\$ 1,065,000	\$ 1,975,000	\$ 22,525,000	\$ 7,353,086	\$ 29,878,086

Town of Smyrna, Tennessee
Schedule of Debt Service Requirements
Enterprise Fund Debt

Year Ended June 30,	Bond issues 2017	2010 Revolving loan	2009 Revolving loan	2015 Revolving loan	2015 Revolving loan	2019 Revolving loan	2020 Revolving loan	Interest requirements	Total
2022	\$ 3,955,000	\$ 16,932	\$ 172,112	\$ 3,918	\$ 5,508	\$ 70,992	\$ 452,441	\$ 1,079,973	\$ 5,756,876
2023	4,195,000	17,256	175,832	3,954	5,580	72,216	499,764	890,675	5,860,277
2024	4,385,000	17,592	179,632	3,990	5,640	73,452	506,292	668,462	5,840,060
2025	1,320,000	17,940	183,515	4,038	5,712	74,724	512,916	436,484	2,555,329
2026	1,380,000	18,288	187,481	4,074	5,784	76,008	519,624	357,602	2,548,861
2027	-	18,648	191,532	4,110	5,856	77,316	526,416	275,479	1,099,357
2028	-	19,020	195,671	4,158	5,928	78,648	533,304	262,148	1,098,877
2029	-	19,392	199,901	4,194	6,000	80,004	540,276	248,618	1,098,385
2030	-	19,764	204,220	4,242	6,084	81,384	547,344	234,818	1,097,856
2031	-	20,148	208,635	4,278	6,156	82,788	554,508	220,842	1,097,355
2032	-	20,556	52,873	4,326	6,240	84,216	561,756	207,728	937,695
2033	-	1,620	-	4,362	6,312	85,668	569,100	197,880	864,942
2034	-	-	-	4,410	6,396	87,144	576,540	188,292	862,782
2035	-	-	-	4,458	6,468	88,644	584,088	178,572	862,230
2036	-	-	-	4,506	6,552	90,180	591,720	168,732	861,690
2037	-	-	-	4,542	6,636	91,728	599,460	158,748	861,114
2038	-	-	-	3,057	6,720	93,312	607,296	148,646	859,031
2039	-	-	-	-	6,804	94,920	615,240	138,420	855,384
2040	-	-	-	-	6,888	96,552	623,292	128,076	854,808
2041	-	-	-	-	6,972	98,220	631,440	117,588	854,220
2042	-	-	-	-	7,056	99,912	639,696	106,968	853,632
2043	-	-	-	-	7,140	101,628	648,060	96,218	853,046
2044	-	-	-	-	7,236	103,380	656,532	85,284	852,432
2045	-	-	-	-	7,320	105,168	665,124	74,208	851,820
2046	-	-	-	-	7,416	106,980	673,824	62,964	851,184
2047	-	-	-	-	7,512	108,828	682,632	51,588	850,560
2048	-	-	-	-	4,900	110,700	691,560	40,041	847,201
2049	-	-	-	-	-	112,608	700,608	28,428	841,644
2050	-	-	-	-	-	85,626	709,764	16,719	812,109
2051	-	-	-	-	-	-	719,052	6,216	725,268
2052	-	-	-	-	-	-	60,331	69	60,400
Total	\$ 15,235,000	\$ 207,156	\$ 1,951,404	\$ 70,617	\$ 172,816	\$ 2,612,946	\$ 18,000,000	\$ 6,876,486	\$ 45,126,425

* State Revolving Loan Funds (719,708)

* 30-year amortization to begin at project completion.

\$ 44,406,717

Town of Smyrna, Tennessee
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2021

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

CFDA number	State grant number	Program name	Grantor agency	Expenditures	Total program expenditures
16.607	N/A	Bullet Proof Vest Partnership Program	US Department of Justice	\$ 6,030	\$ 6,030
16.034	N/A	COVID - 19 Coronavirus emergency supplemental funding program	US Department of Justice	42,547	42,547
20.205	STP-M-9315(10)	Surface Transportation Program	TN Department of Transportation (Federal Highway Administration)	81,768	
20.205	STP-M-9315(12)	Surface Transportation Program	TN Department of Transportation (Federal Highway Administration)	1,560	
20.205	75LPLM-F0-080 CM-266(30)	Intelligent Transportation System Grant	TN Department of Transportation (Federal Highway Administration)	67,250	
20.205	75LPLM-F3-051 STP-M-266(21)	Surface Transportation Program	TN Department of Transportation (Federal Highway Administration)	388,309	
20.205	75-LPLM-F3-96 STP-M-NH-1-(418)	Surface Transportation Program	TN Department of Transportation (Federal Highway Administration)	4,000	
20.205	STP-M-NH-1(352) 75LPLM-F1-056	Surface Transportation Program	TN Department of Transportation (Federal Highway Administration)	56,115	
20.205	75LPLM-S3-071	Surface Transportation Program	TN Department of Transportation	3,805,949	4,404,951 *
20.607	154AL-19-185 PT-20-71/402	Network Coordinator Grant	TN Highway Safety Office (Federal Highway Administration)	22,109	22,109
21.019	N/A	COVID - 19 Coronavirus Relief Fund	TN Department of Finance and Administration (U.S. Department of Treasury)	761,618	761,618 *
21.027	N/A	COVID - 19 Coronavirus State and Local Fiscal Recovery Funds	U.S. Department of Treasury	791,000	791,000 *
66.458	CG7 2019-423	Capitalization Grants For Clean Water Revolving Loan Funds	TN Office of State and Local Finance & TDEC (Environmental Protection Agency)	3,520,658	
66.458	SRF-2020-438	Capitalization Grants For Clean Water Revolving Loan Funds	TN Office of State and Local Finance & TDEC (Environmental Protection Agency)	12,832,170	16,352,828 *
66.468	SRF DG9	Capitalization Grants For Drinking Water Revolving Program	TN Office of State and Local Finance & TDEC (Environmental Protection Agency)	2,470,466	2,470,466 *
Total federal assistance				<u>\$ 24,851,549</u>	<u>\$ 24,851,549</u>
State Assistance					
	N/A	Governors Relief Grant (COVID)	TN Department of Revenue	1,150,526	
	N/A	Business Relief Grant (COVID)	TN Department of Revenue	20,000	
	N/A	Sam Ridley Improvements - Widening	TN Department of Transportation	1,000,000	
	N/A	Sam Ridley Improvements - Widening	TN Department of Transportation	726,255	
Total state assistance				<u>\$ 2,896,781</u>	

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

There were no amounts passed through to subrecipients

* Major Program

Continued

Town of Smyrna, Tennessee
 Schedule of Expenditures of Federal Awards and State Financial Assistance, Continued
 For the Year Ended June 30, 2021

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

Notes to Schedule

At June 30, 2021, loan program outstanding balances were as follows:

Capitalization Grants For Drinking Water State Revolving Loan Funds	DWA 14-154	\$ 70,617
Capitalization Grants For Drinking Water State Revolving Loan Funds	CGO 2010-258	207,156
Capitalization Grants For Clean Water State Revolving Loan Funds	CWA 14-343	172,816
Capitalization Grants For Clean Water State Revolving Loan Funds	CGA 2009-234	1,951,404
Capitalization Grants For Clean Water State Revolving Loan Funds	CG7 2019-423	2,612,946
Capitalization Grants For Clean Water State Revolving Loan Funds	SRF-2020-438	<u>17,280,292</u>
		\$ 22,295,231

At June 30, 2021, 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 sub-recipient. The grant note is forgivable, provided the Town continues to meet the terms of the grant. The remaining balance of the grant note is due in June 2032.

During 2021, there were no federal grant amounts provided to sub-recipients. The Entity did not apply any indirect costs to the grant, nor did it elect to use the de minimis cost rate.

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

Town of Smyrna, Tennessee

Schedules of Utilities Data

June 30, 2021

Services	Number of customers
Water	15,421
Sewer	17,355
Natural Gas	11,592
Fire Hydrants	1,828
 Rates	
Water (in Town)	
First 2,000 gallons	\$ 11.77
2,001 - 5,000 gallons	\$ 3.67 per 1,000 gallons
5,001 - 10,000 gallons	\$ 4.17 per 1,000 gallons
Thereafter	\$ 4.67 per 1,000 gallons
Water (outside Town)	
First 2,000 gallons	\$ 14.42
2,001 - 5,000 gallons	\$ 5.41 per 1,000 gallons
5,001 - 10,000 gallons	\$ 5.98 per 1,000 gallons
Thereafter	\$ 6.86 per 1,000 gallons
Water (wholesale)	
First 2,000 gallons	\$ 12.33
2,001 - 5,000 gallons	\$ 3.78 per 1,000 gallons
5,001 - 10,000 gallons	\$ 4.39 per 1,000 gallons
Thereafter	\$ 4.85 per 1,000 gallons
Pre-certificate of occupancy	\$ 3.67 / thousand
Nissan	\$ 2.23 / thousand
Nolensville	\$ 2.75 / thousand
Irrigation Meter	\$ 22.63
First 10,000 gallons	\$ 4.68 per 1,000 gallons
15,000 gallons	\$ 5.41 per 1,000 gallons
25,000 gallons	\$ 5.98 per 1,000 gallons
50,000 gallons	\$ 6.86 per 1,000 gallons
Sewer (in Town)	
First 2,000 gallons	\$ 17.44
Thereafter	\$ 4.66 per 2,000 gallons
Sewer (outside Town)	
First 2,000 gallons	\$ 26.02
Thereafter	\$ 6.21 per 2,000 gallons
Pre-certificate of occupancy	\$ 4.66 / thousand
Repurified water	
First 2,000 gallons	\$ 17.74
(April - October)	\$ 2.61 per 1,000 gallons
(November - March)	\$ 1.42 per 1,000 gallons
Natural gas	
Residential and small commercial	\$ 3.50 demand charge
Excess at current market rate	\$ 2.00 plus market value at time of purchase

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.

Contents

	Schedule #
Financial Trends These schedules contain trend information to help readers understand how the Town’s financial performance and well-being changed over time.	1 – 4
Revenue Capacity These schedules contain trend 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 Fiscal Years

Schedule 1 (prepared using the accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities										
Net investment in capital assets	\$ 122,406,762	\$ 115,483,122	\$ 104,041,833	\$ 95,417,145	\$ 89,247,641	\$ 83,122,476	\$ 80,981,915	\$ 80,785,740	\$ 76,999,847	\$ 77,980,535
Restricted for										
Cemetery maintenance	-	-	-	-	-	-	-	600,822	558,342	510,430
Capital projects	26,712,136	12,149,496	11,624,083	9,305,483	4,855,604	6,618,988	5,831,376	5,513,106	4,530,099	4,311,274
Highway and streets maintenance	1,209,425	1,705,351	1,408,171	1,205,131	898,849	479,032	341,729	259,832	190,200	177,509
Stormwater	3,290,034	3,784,072	3,979,036	3,874,736	3,618,993	3,354,896	2,965,303	2,718,258	2,296,550	1,771,032
Debt service	1,377,752	1,463,168	1,543,628	1,624,048	1,704,368	1,779,574	1,779,574	-	-	-
Law enforcement	367,275	314,757	348,803	351,513	311,696	260,177	138,911	83,257	53,571	71,091
Unrestricted	<u>34,858,576</u>	<u>37,499,467</u>	<u>35,093,277</u>	<u>32,664,607</u>	<u>32,446,364</u>	<u>27,389,321</u>	<u>23,939,831</u>	<u>20,077,540</u>	<u>15,566,065</u>	<u>13,613,831</u>
Total governmental activities net position	\$ 190,221,960	\$ 172,399,433	\$ 158,038,831	\$ 144,442,663	\$ 133,083,515	\$ 123,004,464	\$ 115,978,639	\$ 110,038,555	\$ 100,194,674	\$ 98,435,702
Business-type Activities										
Net investment in capital assets	\$ 155,202,163	\$ 135,882,437	\$ 116,462,875	\$ 114,009,907	\$ 106,389,815	\$ 99,677,909	\$ 97,507,712	\$ 97,024,340	\$ 96,772,588	\$ 97,067,481
Unrestricted	<u>46,476,269</u>	<u>49,463,811</u>	<u>53,411,032</u>	<u>44,354,441</u>	<u>38,148,611</u>	<u>32,473,431</u>	<u>26,754,183</u>	<u>18,619,992</u>	<u>13,605,629</u>	<u>10,151,659</u>
Total business-type activities net position	\$ 201,678,432	\$ 185,346,248	\$ 169,873,907	\$ 158,364,348	\$ 144,538,426	\$ 132,151,340	\$ 124,261,895	\$ 115,644,332	\$ 110,378,217	\$ 107,219,140
Primary Government										
Net investment in capital assets	\$ 277,608,925	\$ 251,365,559	\$ 220,504,708	\$ 209,427,052	\$ 195,637,456	\$ 182,800,385	\$ 178,489,627	\$ 177,810,080	\$ 173,772,435	\$ 175,048,016
Restricted for										
Cemetery maintenance	-	-	-	-	-	-	-	600,822	558,342	510,430
Capital projects	26,712,136.0	12,149,496	11,624,083	9,305,483	4,855,604	6,618,988	5,831,376	5,513,106	4,530,099	4,311,274
Highway and streets maintenance	1,209,425.0	1,705,351	1,408,171	1,205,131	898,849	479,032	341,729	259,832	190,200	177,509
Stormwater	3,290,034.0	3,784,072	3,979,036	3,874,736	3,618,993	3,354,896	2,965,303	2,718,258	2,296,550	1,771,032
Debt service	1,377,752.0	1,463,168	1,543,628	1,624,048	1,704,368	1,779,574	1,779,574	-	-	-
Law enforcement	367,275.0	314,757	348,803	351,513	311,696	260,177	138,911	83,257	53,571	71,091
Unrestricted	<u>81,334,845.0</u>	<u>86,963,278</u>	<u>88,504,309</u>	<u>77,019,048</u>	<u>70,594,975</u>	<u>59,862,752</u>	<u>50,694,014</u>	<u>38,697,532</u>	<u>29,171,694</u>	<u>23,765,490</u>
Total primary government net position	\$ 391,900,392	\$ 357,745,681	\$ 327,912,738	\$ 302,807,011	\$ 277,621,941	\$ 255,155,804	\$ 240,240,534	\$ 225,682,887	\$ 210,572,891	\$ 205,654,842

Town of Smyrna, Tennessee

Financial Trends Information

Changes in Net Position

Last Ten Fiscal Years

Schedule 2, (prepared using the accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities										
General government	\$ 9,571,888	\$ 8,577,960	\$ 9,086,900	\$ 8,018,956	\$ 7,005,326	\$ 7,174,316	\$ 7,141,569	\$ 6,928,238	\$ 7,372,627	\$ 7,321,245
Public safety										
Police	12,334,996	11,053,136	10,179,164	10,571,974	8,979,232	9,703,392	9,538,680	8,445,483	8,847,423	9,318,385
Fire	10,570,262	9,446,916	8,999,957	8,222,826	7,627,186	8,468,330	8,018,987	7,857,744	8,073,938	8,249,674
Highways and streets	7,132,171	5,699,686	5,848,241	5,236,993	1,554,776	4,832,478	4,864,139	4,679,915	4,879,112	4,517,730
Recreation	7,220,160	6,088,077	6,002,908	5,713,129	3,981,542	4,608,184	4,206,565	4,585,924	4,336,852	4,540,006
Community development	1,517,870	1,474,586	1,501,940	1,494,284	1,421,652	1,344,574	1,233,382	1,380,340	1,271,570	1,362,977
Stormwater	1,078,904	1,113,956	1,099,104	989,918	1,019,653	984,420	1,033,845	928,982	772,488	677,236
Interest expense on long-term debt	786,004	833,528	306,249	329,234	2,983,735	537,178	554,043	684,044	740,988	775,834
Total governmental activities expenses	50,212,255	44,287,845	43,024,463	40,577,314	34,573,102	37,652,872	36,591,210	35,490,670	36,294,998	36,763,087
Business-type activities										
Water and sewer	18,810,895	16,847,386	16,588,841	16,651,408	16,140,048	15,129,731	14,979,525	15,235,532	13,499,799	13,426,393
Natural gas	12,053,397	9,763,929	12,843,143	12,888,817	11,348,911	9,862,349	13,270,956	16,865,335	12,620,752	13,005,327
Total business-type activities expenses	30,864,292	26,611,315	29,431,984	29,540,225	27,488,959	24,992,080	28,250,481	32,100,867	26,120,551	26,431,720
Total primary government expenses	81,076,547	70,899,160	72,456,447	70,117,539	62,062,061	62,644,952	64,841,691	67,591,537	62,415,549	63,194,807
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 3,939,511	\$ 3,881,023	\$ 3,520,121	\$ 3,363,106	\$ 3,289,674	\$ 2,886,033	\$ 2,492,133	\$ 2,408,583	\$ 2,466,490	\$ 2,441,772
Public safety										
Police	1,462,829	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
Highways and streets	-	-	-	-	-	-	-	-	-	-
Recreation	1,923,413	1,409,637	1,758,617	1,611,736	1,477,395	1,437,676	1,409,063	1,525,046	1,499,155	1,511,587
Community development	72,743	192,929	265,846	274,015	257,660	230,705	187,474	172,812	168,638	188,995
Stormwater	1,836,879	1,768,739	1,697,248	1,669,700	1,621,485	1,556,722	1,505,420	1,491,895	1,481,119	1,462,760
Debt service	52,121	54,052	55,773	57,152	58,091	58,298	31,254	-	-	-
Operating grants and contributions	5,073,647	2,025,256	1,962,869	1,966,594	1,720,208	1,558,844	1,431,094	1,783,789	2,039,015	1,534,671
Capital grants and contributions	12,549,424	9,115,689	7,844,548	5,164,168	2,876,947	2,536,075	3,052,287	6,248,860	1,880,582	3,276,378
Total governmental activities program revenues	26,910,567	19,829,831	18,333,331	15,517,225	12,592,121	11,814,105	11,814,097	15,046,931	11,211,132	12,147,117

Town of Smyrna, Tennessee
 Financial Trends Information
 Changes in Net Position
 Last Ten Fiscal Years

Schedule 2, Continued (prepared using the accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues										
Business-type activities										
Charges for services										
Water and sewer	\$ 22,920,501	\$ 22,232,165	\$ 21,482,036	\$ 20,757,352	\$ 20,358,329	\$ 18,893,503	\$ 16,794,549	\$ 15,917,871	\$ 15,718,937	\$ 14,237,225
Natural gas	11,750,721	9,657,061	13,780,586	13,451,717	11,390,277	10,118,378	15,371,314	17,515,085	12,790,335	9,648,504
Operating grants and contributions										
Water and Sewer	83,000									
Natural Gas	25,500									
Capital grants and contributions						-				
Water and sewer	12,913,987	10,177,878	5,246,005	9,313,433	8,509,335	4,847,990	3,438,308	4,563,075	1,943,293	2,139,912
Natural gas	170,766	207,069	195,583	169,030	252,850	170,050	91,023	55,845	45,331	57,011
Total business-type activities program revenues	<u>47,864,475</u>	<u>42,274,173</u>	<u>40,704,210</u>	<u>43,691,532</u>	<u>40,510,791</u>	<u>34,029,921</u>	<u>35,695,194</u>	<u>38,051,876</u>	<u>30,497,896</u>	<u>26,082,652</u>
Total primary government program revenues	\$ 74,775,042	\$ 62,104,004	\$ 59,037,541	\$ 59,208,757	\$ 53,102,912	\$ 45,844,026	\$ 47,509,291	\$ 53,098,807	\$ 41,709,028	\$ 38,229,769
Net (Expenses)Revenues										
Governmental activities	\$ (23,301,688)	\$ (24,458,014)	\$ (24,691,132)	\$ (25,060,089)	\$ (21,980,981)	\$ (25,838,767)	\$ (24,777,113)	\$ (20,443,739)	\$ (25,083,866)	\$ (24,615,970)
Business-type activities	<u>17,000,183</u>	<u>15,662,858</u>	<u>11,272,226</u>	<u>14,151,307</u>	<u>13,021,832</u>	<u>9,037,841</u>	<u>7,444,713</u>	<u>5,951,009</u>	<u>4,377,345</u>	<u>(349,068)</u>
Total primary government net (expenses) revenues	\$ (6,301,505)	\$ (8,795,156)	\$ (13,418,906)	\$ (10,908,782)	\$ (8,959,149)	\$ (16,800,926)	\$ (17,332,400)	\$ (14,492,730)	\$ (20,706,521)	\$ (24,965,038)

Continued

Town of Smyrna, Tennessee

Financial Trends Information

Changes in Net Position

Last Ten Fiscal Years

Schedule 2, Continued (prepared using the accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other										
Changes in Net Position										
Governmental activities										
Taxes										
Property and in lieu of taxes	\$ 14,591,093	\$ 14,074,182	\$ 13,818,771	\$ 13,441,018	\$ 12,941,104	\$ 12,490,583	\$ 12,377,938	\$ 12,183,830	\$ 10,047,891	\$ 10,100,115
Sales	16,206,646	14,476,624	14,044,696	13,104,269	12,367,721	11,981,850	11,293,389	10,891,630	10,116,499	9,278,787
Business	1,717,074	1,664,432	1,559,262	1,481,956	1,512,055	1,579,207	1,226,807	1,142,163	1,155,289	951,603
Wholesale beer	1,147,249	1,095,413	1,098,048	1,076,999	1,121,947	1,137,639	1,127,095	1,140,276	1,138,256	1,090,307
Hotel/motel	584,216	553,150	662,758	662,932	578,719	535,643	446,025	412,285	424,920	304,430
Cable TV franchise	507,084	541,312	566,107	582,045	610,982	609,206	575,281	516,136	544,562	474,154
Other locally assessed taxes	56,686	26,978	26,610	27,480	27,527	25,490	26,260	26,565	27,481	25,626
State shared income tax	27,656	7,672	106,979	111,320	96,989	136,237	141,565	106,200	75,934	57,141
State shared beer tax	22,498	22,260	21,999	22,169	22,945	19,518	19,118	18,915	19,763	19,622
State shared sales tax	5,041,809	4,348,876	4,214,626	4,051,324	3,883,964	3,233,301	3,027,429	2,855,975	2,763,240	2,711,648
State shared mixed drink tax	174,575	144,218	164,905	144,387	126,435	119,970	110,678	107,223	95,056	93,635
Other state shared taxes	99,449	101,021	59,688	123,750	50,166	37,558	29,810	27,803	24,936	23,041
Unrestricted investment earnings and rental income	57,036	803,882	1,067,922	567,727	252,565	71,040	30,003	26,664	225,037	437,803
Other governmental general revenues	180,028	112,493	96,283	128,846	79,442	132,776	80,332	116,408	97,612	76,185
Transfers	711,116	846,103	778,645	839,214	848,137	833,402	709,463	715,547	708,257	703,312
Total governmental activities	<u>41,124,215</u>	<u>38,818,616</u>	<u>38,287,299</u>	<u>36,365,436</u>	<u>34,520,698</u>	<u>32,943,420</u>	<u>31,221,193</u>	<u>30,287,620</u>	<u>27,464,733</u>	<u>26,347,409</u>
Business-type activities										
Investment earnings	43,117	655,586	1,015,978	513,829	213,391	71,536	28,854	27,036	94,510	202,056
Other	-	-	-	-	-	351,930	25,104	3,617	18,775	-
Special items	-	-	-	-	-	-	2,131,398	-	-	-
Transfers	(711,116)	(846,103)	(778,645)	(839,214)	(848,137)	(843,402)	(709,463)	(715,547)	(708,257)	(703,312)
Total business-type activities	<u>(667,999)</u>	<u>(190,517)</u>	<u>237,333</u>	<u>(325,385)</u>	<u>(634,746)</u>	<u>(419,936)</u>	<u>1,475,893</u>	<u>(684,894)</u>	<u>(594,972)</u>	<u>(501,256)</u>
Total primary government	\$ 40,456,216	\$ 38,628,099	\$ 38,524,632	\$ 36,040,051	\$ 33,885,952	\$ 32,523,484	\$ 32,697,086	\$ 29,602,726	\$ 26,869,761	\$ 25,846,153
Change in Net Position										
Governmental activities	\$ 17,822,527	\$ 14,360,602	\$ 13,596,167	\$ 11,305,347	\$ 12,539,717	\$ 7,104,653	\$ 6,444,080	\$ 9,843,881	\$ 2,380,867	\$ 1,731,439
Business-type activities	<u>16,332,184</u>	<u>15,472,341</u>	<u>11,509,559</u>	<u>13,825,922</u>	<u>12,387,086</u>	<u>8,617,905</u>	<u>8,920,606</u>	<u>5,266,115</u>	<u>3,782,373</u>	<u>(850,324)</u>
Total primary government	\$ 34,154,711	\$ 29,832,943	\$ 25,105,726	\$ 25,131,269	\$ 24,926,803	\$ 15,722,558	\$ 15,364,686	\$ 15,109,996	\$ 6,163,240	\$ 881,115

See independent auditor's report

Town of Smyrna, Tennessee
 Financial Trends Information
 Fund Balances of Governmental Funds
 Last Ten Fiscal Years

Schedule 3 (prepared using the accrual basis of accounting, unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Funds										
General fund										
Non-spendable	\$ 119,040	\$ 86,031	\$ 98,044	\$ 100,992	\$ 108,827	\$ 107,036	\$ 93,698	\$ 96,843	\$ 89,785	\$ 77,458
Restricted	59,240	52,879	17,314	39,783	34,412	32,448	9,986	600,822	558,342	510,430
Committed	1,188,738	1,046,815	940,783	849,745	775,012	715,127	658,759	-	-	-
Assigned	-	-	-	-	-	-	1,729,203	-	-	2,441,742
Unassigned	30,340,809	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
Total general fund	31,707,827	31,677,610	31,496,271	31,326,177	31,283,643	26,557,347	22,957,530	19,508,410	15,914,840	13,719,391
Other governmental funds										
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Deb service fund	1,377,616	1,463,168	1,543,628	1,624,048	1,704,368	1,779,574	1,779,574	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Non-spendable	-	-	-	-	-	-	-	-	-	160,497
Restricted										
Capital projects fund	28,085,881	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
Special revenue funds	4,706,176	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
Total other governmental funds	34,169,673	26,579,062	33,961,046	16,247,421	11,295,740	12,417,428	10,996,258	8,514,205	7,420,151	6,895,567
Total governmental funds	\$ 65,877,500	\$ 58,256,672	\$ 65,457,317	\$ 47,573,598	\$ 42,579,383	\$ 38,974,775	\$ 33,953,788	\$ 28,022,615	\$ 23,334,991	\$ 20,614,958

Town of Smyrna, Tennessee
 Financial Trends Information
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years

Schedule 4 (prepared using the accrual basis of accounting, unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes and in lieu of taxes	\$ 34,778,582	\$ 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
Licenses and permits	5,129,638	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
Intergovernmental	15,069,336	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
Fines and fees	1,462,829	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
Uses of property and money	5,785,922	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
Other	242,655	139,667	113,917	131,936	449,316	784,627	80,331	116,408	185,752	86,745
Total revenues	62,468,962	53,209,858	52,412,460	49,184,965	46,322,394	43,478,962	40,288,429	39,302,582	37,068,795	35,727,782
Expenditures										
General government	8,956,432	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
Public safety										
Police	11,000,195	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
Fire	9,782,158	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
Highways and streets	3,124,284	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
Recreation	5,496,313	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
Community development	1,421,136	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
Stormwater	873,129	951,117	878,797	863,412	887,856	834,593	878,419	780,823	778,633	551,954
Debt service										
Principal	2,570,000	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
Interest	963,498	860,718	373,193	360,404	475,915	542,527	556,867	717,609	752,761	1,631,730
Capital outlay	11,372,105	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
Total expenditures	55,559,250	61,256,606	55,468,848	45,055,029	43,565,923	39,212,549	39,111,186	35,363,848	35,772,587	37,464,470
Excess of revenues over (under) expenditures	\$ 6,909,712	\$ (8,046,748)	\$ (3,056,388)	\$ 4,129,936	\$ 2,756,471	\$ 4,266,413	\$ 1,177,243	\$ 3,938,734	\$ 1,296,208	\$ (1,736,688)

Continued

Town of Smyrna, Tennessee
 Financial Trends Information
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years

Schedule 4, Continued (prepared using the accrual basis of accounting, unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other Financing Sources and Uses										
Bond, notes, and leases	\$ -	\$ -	\$ 18,000,000	\$ 3,107,850	\$ -	\$ -	\$ 9,065,000	\$ 3,000,000	\$ 611,019	\$ 649,109
Premium on issuance of bonds	-	-	2,161,462	522,818	-	-	227,035	-	-	-
Bond refundings	-	-	-	(3,605,603)	-	-	(5,247,568)	(2,970,000)	-	-
Transfers	711,116	846,103	778,645	839,214	848,137	833,402	709,463	715,547	708,257	703,312
Other	-	-	-	-	-	-	-	3,343	19,849	57,388
Total other financing sources (uses)	711,116	846,103	20,940,107	864,279	848,137	833,402	4,753,930	748,890	1,339,125	1,409,809
Net change in fund balance	\$ 7,620,828	\$ (7,200,645)	\$ 17,883,719	\$ 4,994,215	\$ 3,604,608	\$ 5,099,815	\$ 5,931,173	\$ 4,687,624	\$ 2,635,333	\$ (326,879)
Debt service as percentage of non-capital expenditures	8.0%	7.9%	7.0%	7.4%	8.3%	8.9%	8.5%	9.8%	7.4%	7.2%

Town of Smyrna, Tennessee
 Revenue Capacity Information
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Schedule 5

Fiscal year	Appraised value					Assessed value	Total direct tax rate*
	Public utilities	Commerical and industrial	Personal property	Residential, farm, and exempt	Total		
2021	\$ 89,537,931	\$ 1,991,719,065	\$ 650,419,877	\$ 3,477,098,130	\$ 6,208,775,003	\$ 1,687,635,165	\$ 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
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
2018	60,744,696	1,472,870,638	447,984,669	2,224,624,743	4,206,224,746	1,190,402,066	0.8840
2017	49,397,267	1,014,184,934	385,529,250	2,212,237,277	3,661,348,728	1,130,249,953	0.8840
2016	50,973,661	1,000,642,356	328,359,756	2,125,016,852	3,504,992,625	1,090,555,706	0.8840
2015	46,675,058	1,040,319,600	342,923,826	2,057,112,600	3,487,031,084	1,058,010,715	0.8840
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
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
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

Property is assessed as follows

Industrial and commercial	
Real	40%
Personal	30%
Public utility	55%
Farm and residential	25%

* Per \$100 of assessed valuation

Note to Schedule

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 Fiscal Years

Schedule 6

Fiscal year	Direct rate		Overlapping rate		Total
	Town*		County**		
2021	\$	0.7007	\$	2.2194	\$ 2.9201
2020	\$	0.7007	\$	2.2194	\$ 2.9201
2019	\$	0.7007	\$	2.0994	\$ 2.8001
2018	\$	0.8840	\$	2.6800	\$ 3.5640
2017	\$	0.8840	\$	2.6800	\$ 3.5640
2016	\$	0.8840	\$	2.6800	\$ 3.5640
2015	\$	0.8840	\$	2.4867	\$ 3.3707
2014	\$	0.9095	\$	2.5652	\$ 3.4747
2013	\$	0.7595	\$	2.4652	\$ 3.2247
2012	\$	0.7595	\$	2.4650	\$ 3.2245

* 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

	2021			2012		
	Taxable assessed value	Rank	Percent of total assessed value	Taxable assessed value	Rank	Percent of total assessed value
Taxpayer						
Nissan North America, Inc.	\$ 30,129,616	1	1.79%	\$ 18,897,559	3	1.88%
Prologis, L.P.	21,372,920	2	1.27%	-		0.00%
HCA Health Services	19,503,800	3	1.16%	24,489,635	2	2.43%
Star Stoneridge, LLC	19,200,000	4	1.14%	11,200,000	5	1.11%
Copperfield Acquisition, LP	19,028,120	5	1.13%	-		0.00%
MAA BRIK	18,960,000	6	1.12%	11,459,840	4	1.14%
Taylor Farms Tennessee	18,783,383	7	1.11%	-		0.00%
Grand Oak 1 LLC	18,640,000	8	1.10%	-		0.00%
Smyrna/Ruth. County Airport	15,188,454	9	0.90%	-		0.00%
Big Box Property Owner BL	14,685,647	10	0.87%	-		0.00%
Southpark Warehouse	-			35,797,560	1	3.55%
Vi Jon, Inc.	-			9,632,716	6	0.96%
Sam Ridley, LLC	-			8,973,160	7	0.89%
Middle Tennessee Electric	-			8,694,053	8	0.86%
Wireless Customer Solutions	-			6,816,831	9	0.68%
LW Apartments LLC	-			5,954,495	10	0.59%
Totals	\$ 195,491,940		11.58%	\$ 141,915,849		14.08%
Total assessed value	\$ 1,687,635,165			\$ 1,007,791,748		

Notes to Schedule

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

This data is sourced from the Town tax rolls.

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 bonds	Obligations and capital leases	Water/Sewer general obligation bonds	Water/Sewer revenue and tax bonds	Water/Sewer revolving loan			
2021	53,262	\$ 24,687,547	\$ -	\$ 16,535,331	\$ -	\$ 22,295,231	\$ 63,518,109	4.35%	\$ 1,193
2020	52,324	27,480,402	-	19,600,750	1,250,000	7,074,608	55,405,760	4.05%	1,059
2019	51,519	30,125,713	-	22,644,659	2,450,000	4,095,742	59,316,114	4.58%	1,151
2018	50,183 ***	12,499,969	-	23,661,568	5,895,000	2,973,260	45,029,797	3.31%	897
2017	48,596	14,727,713	-	2,154,463	30,580,919	3,149,936	50,613,031	4.18%	1,042
2016	47,521	17,252,315	-	2,915,936	33,484,874	3,287,260	56,940,385	4.20%	1,198
2015	45,274 **	19,823,274	-	3,213,474	36,728,830	3,212,359	62,977,937	5.70%	1,391
2014	42,813	17,763,839	21,392	3,494,753	39,882,786	3,375,330	64,538,100	6.08%	1,507
2013	41,705	19,671,270	582,847	3,995,979	42,714,827	3,534,881	70,499,804	6.96%	1,690
2012	39,974	20,739,991	51,043	4,166,132	44,837,471	3,689,912	73,484,549 0	7.58%	1,838

Notes to Schedule

Details of the Town's debt can be found in note 7 of the 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 a census is taken.

** Census year

*** US Census Bureau

Town of Smyrna, Tennessee
Debt Capacity Information
Ratios of General Bonded 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 and 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
2021	53,262	\$ 6,208,775,003	\$ 24,687,547	\$ 16,535,331	\$ -	\$ 1,377,615	\$ 39,845,263	0.64%	\$ 748
2020	52,324	5,328,474,251	27,480,402	19,600,750	-	1,463,168	45,617,984	0.86%	872
2019	51,519	5,072,992,993	30,125,713	22,644,659	-	1,543,628	51,226,744	1.01%	1,014
2018	50,183 ***	4,206,224,746	12,499,969	23,661,568	-	1,624,048	34,537,489	0.82%	688
2017	48,596	3,661,348,728	14,727,713	2,154,463	-	1,704,368	15,177,808	0.41%	312
2016	47,521	3,504,992,625	17,252,315	2,915,936	-	1,779,574	18,388,677	0.52%	387
2015	45,274 **	3,487,031,084	19,823,274	3,213,474	-	-	23,036,748	0.66%	509
2014	42,813	3,383,818,668	17,763,839	3,494,753	21,392	-	21,279,984	0.63%	497
2013	41,705	3,286,501,994	19,671,270	3,995,979	582,847	-	24,250,096	0.74%	581
2012	39,974	3,288,933,659	20,739,991	4,166,132	51,043	-	24,957,166	0.76%	624

Notes to Schedule

The above general obligation debt includes the 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 non-resources externally restricted for the payment of the above debt.

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

** Census year

*** US Census Bureau

Town of Smyrna, Tennessee
 Debt Capacity Information
 Direct and Overlapping Governmental Activities Debt

Schedule 11

Jurisdiction	General obligation debt outstanding**	Percentage applicable to Town*	Amount applicable to Town*
Town of Smyrna	\$ 24,687,547	100.00%	\$ 24,687,547
Rutherford County	198,272,868	16.63%	32,972,778
Total	<u>\$ 222,960,415</u>		<u>\$ 57,660,325</u>

* Based upon assessed value of property in:

County	\$	10,146,742,045
Town	\$	1,687,635,165

** Debt includes premiums

Notes to schedule

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Assessed value	\$ 1,687,635,165	\$ 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
General obligation	\$ 39,845,263	\$ 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
Debt as percentage of assessed value	2.36%	2.79%	3.28%	2.90%	1.34%	1.69%	2.18%	2.10%	2.49%	2.48%

Note to Schedule

The Town has no legal debt limit.

Town of Smyrna, Tennessee
 Debt Capacity Information
 Pledged, Revenue Coverage
 Last Ten Fiscal Years

Schedule 13

Water and Sewer Enterprise Fund

Year	Gross revenues*	Direct operating expenses**	Net revenues available for debt service	Debt service requirements			Coverage
				Principal	Interest***	Total	
2021	\$ 22,954,942	\$ 10,829,297	\$ 12,425,647	\$ 3,969,164	\$ 1,087,256	\$ 5,056,420	2.46%
2020	22,708,188	10,258,687	12,449,501	3,914,372	1,177,279	5,091,651	2.45%
2019	22,194,509	9,808,283	12,386,226	4,102,085	1,304,360	5,406,445	2.29%
2018	21,098,143	9,771,348	11,326,795	3,868,001	996,778	4,864,779	2.33%
2017	20,531,783	9,343,557	11,188,226	3,752,059	1,395,154	5,147,213	2.17%
2016	18,942,651	8,252,356	10,690,295	3,656,485	1,395,154	5,051,639	2.12%
2015	16,838,229	8,158,839	8,679,390	3,509,705	1,474,716	4,984,421	1.74%
2014	15,944,968	8,227,176	7,717,792	3,274,765	1,601,372	4,876,137	1.58%
2013	15,753,215	7,827,113	7,926,102	3,506,407	1,685,519	5,191,926	1.53%
2012	14,263,815	8,848,065	5,415,750	3,329,948	1,925,107	5,255,055	1.03%

Notes to schedule

* Includes non-operating revenues (does not include gain and/or loss on sale of capital assets)

** Net of depreciation and amortization

*** Does not include refunding amounts of \$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 Statistics
Last Ten Calendar Years

Schedule 14

Year	Population	Personal income	Per capita income	Median age**	School enrollment***	Unemployment rate ***
2021	53,262 *	\$ 1,461,456,018	\$ 27,439 ****	35.2	15,896	4.5%
2020	52,324 ****	1,368,115,628	26,147 ****	34.7	15,243	9.1%
2019	51,519 ****	1,296,321,078	25,162 **	33.1	15,227	2.3%
2018	50,183 ****	1,361,665,522	27,134 ****	34.3	15,090	3.3%
2017	48,596 **	1,210,088,996	24,901 **	34.0	14,220	3.4%
2016	47,521 *	1,356,962,155	28,555 ****	35.0	14,141	4.1%
2015	45,274 ****	1,103,941,140	24,384 ****	33.0	13,597	4.2%
2014	42,813 ****	1,062,276,156	24,812 ****	33.2	13,895	4.4%
2013	41,705 ****	1,012,305,465	24,273 ****	32.8	13,326	6.9%
2012	39,974 ****	969,889,162	24,263 ****	32.5	10,781	7.4%

Notes to schedule

* 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

	2021			2012		
	Employees	Rank	Percentage	Employees	Rank	Percentage
Taxpayer						
Nissan North America	8,400	1	56.13%	6,350	1	56.16%
Asurion	1,250	2	8.35%	1,050	2	9.29%
Taylor Farms Tennessee	1,000	3	6.68%	650	5	5.75%
Square D/Schneider Electric	900	4	6.01%	900	3	7.96%
Tristar StoneCrest Medical Center	900	5	6.01%	320	7	2.83%
Vi-Jon (Cumberland Swan)	728	6	4.87%	738	4	6.53%
Federal Mogul	500	7	3.34%	292	9	2.58%
WWL Vehicle Service Americas	480	8	3.21%	250	10	2.21%
VA Midsouth CPAC	456	9	3.05%			0.00%
Franke Foodservice Systems	350	10	2.34%	300	8	2.65%
Smyrna VA Call Center	-	0	0.00%	456	6	4.03%
Total	14,964			11,306		

Notes to Schedule

Source: Rutherford County Chamber of Commerce

The percentages reflect the percentage of each employer's number of employees as a percentage of the top ten employers for that year.

The Town's total employment is not available.

Town of Smyrna, Tennessee
 Operating Information
 Full-time Equivalent Town Government Employees by Function/Program
 Last Ten Fiscal Years

Schedule 16

Function	Full-time equivalent employees as of June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government										
Administration	10.0	10.0	8.0	8.0	6.0	6.0	6.0	6.0	6.0	6.0
Finance	14.8	15.6	14.6	15.8	15.8	15.6	14.8	14.6	13.6	13.6
Personnel	5.8	5.8	4.8	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Planning and codes	15.0	13.0	13.0	12.0	11.0	10.0	8.0	8.0	8.0	8.0
IT services	5.0	7.0	7.0	7.0	5.0	5.0	5.0	5.0	4.0	3.8
Courts	15.0	16.0	15.0	15.0	15.0	14.0	13.0	13.6	14.6	13.8
Building and grounds	8.8	8.0	8.0	8.0	7.0	7.0	6.0	6.0	6.0	6.0
Legislative	5.6	5.6	5.6	4.8	5.6	5.6	5.6	5.6	5.6	5.6
Public safety										
Police										
Officers	92.0	90.0	84.0	81.0	78.0	77.0	81.0	78.0	66.0	76.0
Civilians	18.0	25.0	24.0	21.0	21.0	21.0	21.0	21.8	20.8	20.8
Fire										
Firefighters	96.0	96.0	88.0	82.0	84.0	84.0	87.0	82.0	84.0	94.0
Civilians	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Highways and streets	12.8	14.8	12.8	14.8	13.8	12.8	12.6	13.6	12.8	16.6
Stormwater	15.0	12.0	11.0	10.0	10.0	9.0	9.0	8.0	8.0	5.0
Recreation										
Parks	56.3	48.1	57.9	53.6	49.6	28.1	33.1	39.6	38.3	37.2
Golf course	20.0	22.6	21.0	21.6	20.8	16.6	19.8	17.7	17.6	16.8
Community development	10.8	11.6	16.4	19.0	15.6	14.8	16.2	9.6	10.4	11.2
Water and sewer	45.0	43.0	46.0	46.0	42.0	42.0	41.0	42.0	40.0	43.0
Natural gas	19.0	18.0	18.0	19.0	18.0	17.0	18.0	18.0	17.8	18.0
Total	466.9	464.1	457.1	444.6	424.2	390.5	402.1	394.1	378.5	400.4

Source: Town departments

Town of Smyrna, Tennessee
 Operating Information
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Schedule 17

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Court										
Warrants/summons issued	5,479	5,332	7,782	6,937	6,032	6,374	4,014	5,277	4,492	3,470
Warrants served	4,185	5,521	5,632	4,960	4,269	4,908	3,029	4,746	4,396	2,635
Misdemeanor citations	1,302	1,166	579	628	517	604	738	602	539	485
General sessions cases	6,943	20,080	20,569	10,973	14,361	6,353	5,988	4,806	12,095	12,532
Traffice court cases	8,032	11,200	10,505	10,356	8,489	8,100	11,106	7,809	10,652	10,978
Juvenile court cases *	369	619	848	681	694	559	-	-	-	-
Planning and codes										
Building permits issued	1,428	1,288	887	844	915	933	792	837	747	733
Site plans reviewed	39	27	26	50	39	30	32	22	20	23
Zoning/annexation requests	38	35	39	39	22	18	15	10	23	11
Administration										
Population served per employee	114	110	106	105	107	119	113	109	110	88
Finance										
Checks processed	6,483	7,087	6,245	5,896	5,859	5,203	4,379	5,442	5,075	6,694
Amount purchased on competitive bid (in \$millions)	\$ 37.40	\$ 24.53	\$ 14.58	\$ 6.98	\$ 7.76	\$ 4.23	\$ 6.05	\$ 3.93	\$ 3.67	\$ 3.58
Treasury										
Total number of utility payments	179,405	174,074	1,428,866 **	94,350	98,545	100,628	105,273	112,802	163,063	160,429
Total number of other payments	13,560	10,982	8,010 **	85,850	111,590	104,777	78,549	61,035	18,980	10,489

Continued

* 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 that were previously included in other payments are now included in utility payments.

[See independent auditor's report](#)

Town of Smyrna, Tennessee
 Operating Information
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Schedule 17, Continued

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Human resources										
Personnel turnover rate	13.50%	19.60%	20.00%	18.00%	15.00%	17.00%	17.00%	17.00%	18.90%	26.70%
New hires	119	73	123	105	108	75	72	75	43	48
Vehicle maintenance										
Number of vehicles maintained	235	230	266	203	199	292	190	218	203	230
Pieces of equipment maintained	102	102	95	78	78	176	174	112	109	109
Public safety										
Police										
Average response time (in minutes)	4:50	4:38	6:49	6:40	6:23	6:27	7:16	7:31	7:18	6:57
Police calls per 1,000 population	1,082	1,172	1,240	552	481	4,527	637	618	3,090	2,376
Fire										
Average response time (in minutes)	12:23	12:42	6:31	6:28	6:41	6:14	6:15	7:21	6:09	5:32
Dispatch calls for service	2,800	2,668	2,211	2,074	1,904	1,870	1,916	1,905	1,647	1,808
Culture and recreation										
Parks and recreation										
Number of park users	1,472,025	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
Number of league participants	5,986	2,597	5,769	7,397	7,077	6,910	7,498	7,000	7,500	7,569
Town centre										
Number of functions	62	65	275	303	321	376	283	314	340	365
Golf course										
Total rounds	41,247	25,394	28,508	32,516	31,341	32,978	32,533	29,979	30,817	30,346

Continued

Town of Smyrna, Tennessee
 Operating Information
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Schedule 17, Continued

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities										
Water treatment plant										
Gallons treated (in millions)	4,172	4,013	4,000	3,776	3,363	3,366	3,309	2,986	2,905	2,598
Customers	15,421	15,080	14,738	14,724	14,522	14,400	13,720	13,579	13,855	13,641
Waste water treatment plant										
Gallons treated (in millions)	2,094	2,375	2,075	2,107	2,199	2,180	2,105	2,041	2,210	2,088
Customers	17,355	16,520	14,124	15,485	15,070	14,721	14,021	13,718	13,819	12,740
Natural gas										
Customers	11,592	11,390	11,057	10,769	10,792	10,300	10,048	9,915	9,790	9,627

Source: Town departments

Note to Schedule

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

Town of Smyrna, Tennessee
 Operating Information
 Capital Assets Statistics by Function/Program
 Last Ten Fiscal Years

Schedule 18

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
General government										
Planning and codes										
Vehicles	10	8	8	9	5	5	5	5	5	5
Engineering										
Vehicles	1	1	1	1	-	-	-	-	-	-
Building and grounds maintenance										
Traffic signals	52	51	50	50	50	50	50	50	49	45
Shop	1	1	1	1	1	1	1	1	1	1
Vehicles	10	9	9	8	8	8	8	8	8	8
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	10	1	2	2	2
Stormwater										
Vehicles	8	6	5	5	5	4	3	2	2	2
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	102	90	81	76	77	79	77	78	77	81
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Vehicles	26	25	24	25	22	22	23	24	25	24
Highways and streets										
Streets (miles)	279.02	268.7	257.0	255.1	247.0	238.0	242.0	174.0	160.4	133.2
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	22	21	22	21	21	21	20	20	22	25

Continued
 See independent auditor's report

Town of Smyrna, Tennessee
 Operating Information
 Capital Assets Statistics by Function/Program
 Last Ten Fiscal Years

Schedule 18, Continued

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
General government										
Cultural and recreation										
Parks and recreation										
Acres	826	826	826	826	822	822	822	822	821	815
Parks	13	13	12	12	12	12	12	12	12	12
Picnic areas (shelters)	21	21	20	20	20	19	18	19	17	17
Tennis courts	6	6	6	6	6	6	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	13	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	7	5	5	5	5	5	5	5	5
Playgrounds	11	10	9	9	9	8	8	8	8	8
Shop	2	1	1	1	1	1	1	1	1	1
Pools	3	3	3	3	3	1	1	1	9	9
Splashpad	1	1	1	1	1	5	1	1	1	1
Workout facility	-	-	-	-	-	-	-	1	1	1
Trails and greenways (miles)	13.8	13.8	13.8	12.4	12.0	12.0	12.0	12.0	14.0	14.0
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	1	1	1
Outdoor adventure center	1	1	1	1	1	-	-	-	-	-
Vehicles	22	17	16	16	15	15	14	14	15	15
Tower slides	2	2	2	1	1	1	1	1	1	-
Kuss memorial	1	1	1	1	-	-	-	-	-	-

Continued

See independent auditor's report

Town of Smyrna, Tennessee
 Operating Information
 Capital Assets Statistics by Function/Program
 Last Ten Fiscal Years

Schedule 18, Continued

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
General government										
Cultural and recreation										
Event center										
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	7	5
Hydrants	1,863	1,828	1,792	1,786	1,765	9,034	1,500	1,477	1,473	1,457
Shop	0.5	0.5	0.5	0.5	0.5	2.5	0.5	0.5	0.5	0.5
Vehicles	17	17	15	17	17	17	16	16	16	20
Waste water treatment plant										
Plant	1	1	1	1	1	1	1	1	1	1
Shop	1	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Vehicles	20	21	19	19	16	16	18	18	18	16
Natural gas										
Miles of main	292	289.00	282.98	277.98	273.63	268.60	267.83	306.82	306.00	305.00
Shop	1	1	1	1	1	1	1	1	1	1
Vehicles	13	12	13	13	11	10	10	10	10	8

Source: Town departments

Note to Schedule

The Town changed from analog to GIS digital measurement for street mileage in 2013.
[See independent auditor's report](#)

AWWA Reporting Worksheet (Unaudited)

WAS v5.0
American Water Works Association.
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AWWA Free Water Audit Software: Reporting Worksheet

? Click to access definition

+ Click to add a comment

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

Reporting Year: 2021 7/2020 - 6/2021

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	4,171.525	MG/Yr
Water imported:	+	?	9	0.684	MG/Yr
Water exported:	+	?	10	1,003.339	MG/Yr
WATER SUPPLIED:				3,168.875	MG/Yr

Master Meter and Supply Error Adjustments

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

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

AUTHORIZED CONSUMPTION

Billed metered:	+	?	9	2,006.407	MG/Yr
Billed unmetered:	+	?	10	0.000	MG/Yr
Unbilled metered:	+	?	10	4.800	MG/Yr
Unbilled unmetered:	+	?	8	232.540	MG/Yr
AUTHORIZED CONSUMPTION:				2,243.748	MG/Yr

Unbilled Unmetered volume entered is greater than the recommended default value

Click here: ?
for help using option buttons below

Pcnt:	+	?	9	0.00%	<input type="radio"/> <input checked="" type="radio"/>	MG/Yr
Pcnt:	+	?	9	0.25%	<input checked="" type="radio"/> <input type="radio"/>	MG/Yr
Pcnt:	+	?	9	0.50%	<input checked="" type="radio"/> <input type="radio"/>	MG/Yr
Pcnt:	+	?	9	3.100	<input type="radio"/> <input checked="" type="radio"/>	MG/Yr

Use buttons to select percentage of water supplied **OR** value

WATER LOSSES (Water Supplied - Authorized Consumption)

925.127 MG/Yr

Apparent Losses

Unauthorized consumption: + ? 9 7.922 MG/Yr

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

Customer metering inaccuracies:	+	?	9	10.107	MG/Yr
Systematic data handling errors:	+	?	9	3.100	MG/Yr
Apparent Losses:				21.129	MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: + ? 9 903.998 MG/Yr

WATER LOSSES: **925.127** MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: + ? 9 1,162.467 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	19,270	
Service connection density:	+	?	9	77	conn./mile main

Are customer meters typically located at the curbside or property line? Yes (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	\$10,541,531	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+	?	9	\$4.55	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+	?	9	\$1,643.25	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

*** 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: 2021 7/2020 - 6/2021

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

System Attributes:

	Apparent Losses:	21.129	MG/Yr
	+ Real Losses:	903.998	MG/Yr
	= <u>Water Losses:</u>	925.127	MG/Yr
<div style="display: flex; align-items: center;"> ? Unavoidable Annual Real Losses (UARL): 100.54 MG/Yr </div>			
	Annual cost of Apparent Losses:	\$96,136	
	Annual cost of Real Losses:	\$1,485,495	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:	36.7%	
		Non-revenue water as percent by cost of operating system:	18.7%	Real Losses valued at Variable Production Cost
Operational Efficiency:	{	Apparent Losses per service connection per day:	3.00	gallons/connection/day
		Real Losses per service connection per day:	128.53	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):	904.00	million gallons/year
		? Infrastructure Leakage Index (ILI) [CARL/UARL]:	8.99	

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

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Other Reports

YEARY, HOWELL & ASSOCIATES

Certified Public Accountants

501 EAST IRIS DRIVE

NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY

(615) 385-1008

GREGORY V. HOWELL

FAX (615) 385-1208

Independent Auditors' 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

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 Town of Smyrna (the Town) as of and for the year ended June 30, 2021 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 11, 2021

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) as a basis for designing 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 the 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 Town'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*.

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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Yeary, Howell & Associates
Nashville, Tennessee
October 11, 2021

YEARY, HOWELL & ASSOCIATES

Certified Public Accountants

501 EAST IRIS DRIVE

NASHVILLE, TN 37204-3109

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Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and Town Council
Town of Smyrna

Report on Compliance for Each Major Federal Program

We have audited the Town of Smyrna's (the Town) 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's major federal programs for the year ended June 30, 2021. The Town's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town'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 US 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's compliance with those requirements and performing such other procedures as we consider 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's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town 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, 2021.

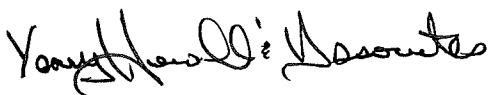
Report on Internal Control Over Compliance

Management of the Town 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'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 were 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'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 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, as defined above. 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.



Yeary, Howell, and Associates
Nashville, Tennessee
October 11, 2021

Town of Smyrna, Tennessee

Schedule of Disposition of Prior Year Findings and Questioned Costs
For Fiscal Year Ended June 30, 2021

Financial Statement Findings

Finding Number	Finding Title	Status
N/A	There were no prior findings reported.	N/A

Federal Award Findings and Questioned Costs

Finding Number	Finding Title	Status
N/A	There were no prior findings reported.	N/A

Town of Smyrna, Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I. Summary of Auditors' Results

- A. The June 30, 2021 Auditors' 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 were 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, 2021 report on compliance for major programs was an unmodified opinion.
- F. The audit did not disclose any audit findings which were required to be reported under 2CFR Section 200.516(a).
- G. Major Programs –
 - 20.205 U.S. Department of Transportation/
Highway Planning and Construction Cluster
 - 21.019 U.S. Department of Treasury/
Coronavirus Relief Funds
 - 21.027 U.S. Department of Treasury/
Coronavirus State and local Fiscal Recovery Funds
 - 66.458. U.S. Environmental Protection Agency/
Capitalization Grants for Clean Water State Revolving Funds Cluster
 - 66.468. U.S. Environmental Protection Agency/
Capitalization Grants for Drinking Water State Revolving Funds Cluster
- H. Type A programs have been distinguished as those programs with expenditures greater than \$750,000.
- I. The Town of Smyrna was considered to be a low risk auditee.

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

None reported.