



Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

Prepared by the Finance Department

Town of Smyrna, Tennessee
Annual Comprehensive Financial Report
For Fiscal Year Ended June 30, 2023

Contents

Introductory Section (Unaudited)

Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	x
Management of Organization Chart	xi
Town Officials	xii

Financial Section

Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of the Balance Sheet - Governmental Funds to the Government-wide Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Government-wide Statement of Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual - General Fund	20
Statement of Net Position - Proprietary Funds	26
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	28
Statement of Cash Flows - Proprietary Funds	30
Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33
Notes to Financial Statements	34
Required Supplementary Information (Unaudited)	
Town of Smyrna Pension Plan	
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	67
Schedule of Employer Contributions	68
Notes to Schedule Relating to the Actuarially Determined Contribution for the Town of Smyrna Pension Plan	69
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	72

Town of Smyrna, Tennessee
Annual Comprehensive Financial Report
For Fiscal Year Ended June 30, 2023

Contents

Financial Section

Budgetary Information for Governmental Funds	73
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	
Drug	74
State Street Aid	75
Stormwater	76
Impact Fee	77
Debt Service	78
Capital Projects	79
Other Schedules	
Capital Assets Used in Operation of Governmental Funds	
Schedule by Function and Activity	80
Schedule of Changes by Function and Activity	81
Schedule of Changes in Property Taxes Receivable, General Fund	82
Schedule of Changes in Long-term Debt by Individual Issue	83
Schedule of Debt Service Requirements, General Obligation Debt	84
Schedule of Debt Service Requirements, Enterprise Fund Debt	85
Schedule of Changes in Lease Obligations	86
Schedule of Lease Obligations, Principal, and Interest Requirements by Fiscal Year	87
Schedule of Utilities Data	88

Statistical Section (Unaudited)

Financial Trends	
Net Position by Component	89
Changes in Net Position	90
Fund Balances of Governmental Funds	93
Changes in Fund Balances of Governmental Funds	94
Revenue Capacity	
Assessed and Estimated Actual Value of Property	96
Direct and Overlapping Property Tax Rates	97
Principal Property Tax Payers	98
Property Tax Levies and Collections	99
Debt Capacity	
Ratios of Outstanding Debt by Type	100
Ratios of General Bonded Debt Outstanding	101
Direct and Overlapping Governmental Activities Debt	102
Debt Margin Information	103
Pledged, Revenue Coverage	104
Demographic and Economic Information	
Demographic and Economic Statistics	105
Principal Employers	106

Town of Smyrna, Tennessee
Annual Comprehensive Financial Report
For Fiscal Year Ended June 30, 2023

Contents

Statistical Section (Unaudited)

Operating Information	
Full-time Equivalent Town Government Employees by Function/Program	107
Operating Indicators by Function/Program	108
Capital Asset Statistics by Function/Program	111

Internal Control and Compliance Section

Schedule of Expenditures of Federal Awards and State Financial Assistance	114
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	116
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	118
Summary Schedule of Prior Year Findings	121
Schedule of Findings and Questioned Costs	122

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

January 30, 2024

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, 2023, 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 Blankenship CPA Group, PLLC. 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 32% 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 56,516.

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

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 in the Reporting entity section.

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 in the Budget Compliance and Accountability section of the notes to the financial statements.

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 employs 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. According to Greystone Group Investment Banking, "SRM Concrete is the largest privately-owned ready-mix concrete manufacturer in the country. Established in 1999 by Mike and Melissa Hollingshead in Smyrna, Tennessee, the family-owned company owns and operates an expansive network of ready-mix concrete plants, quarries, cement terminals, and other ancillary services. SRM Concrete focuses on providing building material services across the commercial and residential construction segments." SRM relocated its corporate headquarters from Nashville to Smyrna into a five-story building just off Interstate 840. The corporate staff will number around 300 employees. The company has grown to more than 5,000 employees in 16 states. This project along with the road, sewer and natural gas improvements to Jefferson Pike has the potential to open up future growth investment and job opportunities along the eastern section of Smyrna.

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/Rutherford County Airport. Stevens Aerospace indicated the facility will have more space which increases efficiency and allows for growing its workforce.

New businesses that have opened or in the process of opening include Topre Phase IX, Steel Technologies Phase III, Strickland Bros Oil & Lube, Tommy's Car Wash, Hollingshead Aviation Phase III, Whataburger, Almadale Station convenience store, Dunkin', an addition to Traditions of Smyrna Assisted living, Dutch Bros Coffee, Just Love Coffee Cafe, Primary Care and Hope Clinic, Fast Pace Clinic, Raising Cane's, ETC Gymnastics, Seven Oaks Business Park Phase 2B, and Smyrna Storage Center. Businesses currently under construction are a Courtyard by Marriott Hotel, Burn Boot Camp, an office building for national homebuilder DR Horton, three buildings in Southpark Industrial Park Phase II, Decorama Homes and Cabinetry, Florence Road Storage, Giant Garages boat and RV storage, three industrial buildings on Tridon Drive, Spine & Orthopedic Solutions, a small industrial building on Huntly Industrial Drive, LivAway Suites, Champy's, Andy's Frozen Custard, Grand Wash car wash, a medical building on Old Nashville Highway, an addition to Storplace, a retail package liquor store near Potomac Place, two industrial buildings on Mayfield Drive, a small retail strip center on Sam Ridley Parkway, and Seven Oaks Business Park Phase 2C. Businesses that have been approved by the Planning Commission include Six Cedars Business Park, Extended Stay America Hotel, Hyatt Hotel, Seven Oaks Self Storage, Stonecrest 375 medical office building, Ashton Creek Center retail building, Ken Pilkerton Drive small retail building, 770 Nissan Drive small retail building, Mr. Clean Car Wash, Rock Springs Business Park, Volunteer State Bank, The Ark Pet Spa & Hotel, Scooter's Coffee, Stewart Creek Station convenience store, At Home Studios home Range USA, Primrose School, a retail strip center at 825 Rock Springs Road, and a retail strip center on Sgt. Asbury Hawn Way. 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 4.49%, while the national unemployment rate for the same time period has averaged about 5.13%. As of June 30, 2023, the local unemployment rate was 2.9%. 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 live and work. Fortune Magazine named Smyrna as one of the best places for families to live in Tennessee. It cited the low crime rate, good educational system, plentiful nearby dining and numerous out door recreational opportunities as the major reasons for this honor in 2023. 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).

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 approved a development plan for a mixed use center to be known as Sewart's Landing. This development may include national retailers, restaurants, a hotel, offices, and up to 75 condominiums. This project is located on Sam Ridley Parkway, West adjacent to Motlow State Community College and near over 2,000 planned apartments. This project will be a major economic development in Smyrna over the next few years.

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 the 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 includes Lowry Street from Sam Davis Road to Jackson Street, which is approximately .25 of a mile. The project includes replacement and/or addition of sidewalks, crosswalks, and reducing vehicular access in strategic locations to increase safety for pedestrian and bicycle traffic. Phase I is completed. 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 in the design phase. The Town received grants for this project from the Nashville Area Metropolitan Planning Organization.

Construction has been completed 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.

A plan has been implemented to increase fire protection on the eastern part of the Town. Fire Hall #4 is under construction and it is a state of the art building costing \$10.5 million dollars. The facility can also serve as a substation for the police department, a computer backup center and a

place for community outreach. The fire department recently put into service an apparatus and issued purchase orders for five more apparatus to upgrade the fleet at a cost of \$9 million dollars.

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 the ROW Phase of a diverging diamond interchange at this location. Once the ROW is complete, TDOT will perform utility clearances, 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. We recently completed the widening of Sam Ridley from 2 lanes in each direction to 3 lanes and closed 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 has been completed and new timings implemented to help improve traffic flow throughout the Town at signalized intersections. The Town completed construction of Phases 1 and 2 of a five phase project to link 32 of our 53 traffic signals around town and built out a Traffic Operations Center to be able to monitor traffic. The Town is in Construction Phase but waiting on additional funding before bidding Phases 3 through 5 to cover the expected cost overruns.

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 is being designed as a Gateway Entrance into the Town of Smyrna in anticipation of a future interchange at I-24 and Rocky Fork Road.

To provide needed pedestrian access, the town applied for and received FHWA funding for 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. Recently, we completed construction of a new roadway from Nolan Drive into Lee Victory Park. We have acquired right-of-way to extend Genie Lane from Wolverine Drive to Potomac Place and are currently under construction on this project. Also, the town will be constructing 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 construction phase of the expansion of the Waste Water Treatment Plant. The cost was approximately \$35.5 million. This expansion increased 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.

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 users. 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 construction phase for the Olive Branch sewer extension project at a cost of \$8.5 million. 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 and Water portion of the AMI meter conversion and network to automatically read meters, evaluate data and provide a high level of service for our customers. The project includes approximately 11,800 gas meters and 15,000 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 has completed a water model project on Sam Ridley/Weakley Lane to upgrade fire flow and provide additional capacity. This is an SRF funded project and upsizes lines on Sam Ridley from Jefferson Pike to G Street and also on Weakley Lane from Swan Drive to 11th Avenue.

The Town has completed a sewer rehab project in the downtown area in Basins A8/A9. This upgrades an aging portion of the sewer system on Hicks, Coleman, Richardson, Highland and parts of Morton. This is an SRF funded project.

The Town of Smyrna Parks and Recreation Department's mission is to enhance the quality of life for all Smyrna citizens by providing diverse programs and a wide variety of recreational facilities. The department continues this mission by making facility improvements and also offering numerous programs and events. The department uses four departmental divisions to accomplish the mission. Administration, Athletics/Aquatics, Maintenance and the Smyrna Outdoor Adventure Center (SOAC) staff make up the team that maintains and operates the Smyrna Park System.

The department offers a multitude of facilities including picnic shelters, playgrounds, three rentable buildings, athletic fields, the SOAC, SplashTown Aquatic Complex and many more park facilities. In addition to general park operations the team offers multiple large events. Large events include the Independence Day Celebration, BBQ Fest, Depot Days, Halloween in the Park, Lighting Ceremony, and the Top Gun Night Run. All of these events are well attended and are staples for the Smyrna Community.

The SOAC continues to offer a variety of programs and rental exhibits for the public. Programs emphasize environmental education, outdoor recreation, STEAM education, health and wellness. SOAC visitation continues to increase due to excellent exhibits, climbing rooms, use of party rooms and a variety of programs. Participation increased in summer camps, the Mobile Adventures Education Program and field trips. SOAC staff was successful in obtaining exhibit sponsorships from Middle Tennessee Electric and the Jennings and Rebecca Jones Foundation. The SOAC was selected by Bloomberg TV as one of the "World's Greatest." It offers a blend of extraordinary recreational activities for all ages.

SplashTown attendance and revenue continued to increase this year. The lone public pool in the north end of the county is frequently used and has become home to many residents and visitors. SplashTown provides aquatics for the general public, swim lessons and pool parties. Aquatic staff work long days to offer a quality pool experience with a wide range of operating hours. This past year operating hours were adjusted to keep aquatic staff fresh and alert throughout the summer while also sustaining the customer experience. Pool improvements this past year include replacement pool lighting in the current channel and panel replacement in the play pool.

The department again continued with asphalt improvements this year. The walking trail at the Rotary Soccer Park was repaved this past year. The trail was originally paved in 1996 and was due for a new surface. This walking trail is connected to the Smyrna Greenway System and the park serves as a trailhead. The one mile walking trail is used by walkers, joggers and commuters on a daily basis.

The second phase of playground equipment was installed at the Old Rock School/J.J. McWilliams Park this past year. The new playground equipment targets children from the ages 2-5 years old completing the playground for this neighborhood park. A new playground was installed in Sharp Springs Park. The playground was placed near the Patti King O'Connor shelter and is the first full playground in Sharp Springs Park.

Town staff constructed a new concession and restroom facility at the Rotary Soccer Park Annex. The building was opened to the public in the fall of 2022. The building includes a satellite concession area, restrooms, staff room and a large covered porch area and patio. The building

overlooks the three large soccer fields in the soccer annex. In addition, the restrooms at the Freedom Playground were completed. This facility includes a family restroom with an adult changing table. Again town staff constructed the building thus saving taxpayer funds for construction. The project was funded by the Town of Smyrna and the Smyrna Rotary Club.

Several projects were recently started and will continue into the new fiscal year. The tennis courts at Lee Victory Park have been repaved and will be color coated and striped after the asphalt cures. Staff started constructing a parking lot at the EA Victory Shelter. The parking area includes 24 parking spaces and 2 ADA parking spaces with pedestrian access to the shelter.

Cedar Stone Park continues to evolve as planned. The Cedar Stone Park restroom project has started and is expected to be completed in 180 days. Located adjacent to the playground, this facility will include a family restroom with an adult changing table. The building is located between the playground and the future tennis and pickleball courts. The Town of Smyrna was awarded a grant to construct six tennis and six pickleball courts. Staff continue to move through the grant process and hope to get this project to the bidding stage soon. Phase II design of Cedar Stone Park is mostly complete. The east park area was recently added to the project therefore design of that area will take place this year. Our goal is to be prepared for the bidding stage when the project is funded.

Town facilities hosted numerous sports tournaments at multiple sites including Cedar Stone Park, Volunteer Park and the Rotary Soccer Park. In addition to tournaments, local recreation leagues call the Smyrna Park System home for their respective programs. Recreation leagues include North Rutherford Soccer Club, Smyrna Baseball League, Smyrna Fastpitch League, Smyrna Adult Softball League, Smyrna Youth Football League, and the Smyrna Parks Flag Football League.

Awards and Acknowledgements

Moody's Investors Service upgraded its credit rating of the Town to Aaa. This is the highest possible rating that can be obtained. Moody's based the upgrade on several years of solid financial results that strengthened our reserves. The Town has achieved the highest double "AA" bond credit rating from 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 prudent financial management and a manageable debt burden.

The Tennessee Municipal League honors cities in the State of Tennessee for overall excellence, improvement, specific outstanding programs or department accomplishments. This year the Town of Smyrna was presented an award for Excellence in Governance. It cited numerous significant infrastructure investments in its utilities system, transportation system and public safety facilities. This was accomplished by strong leadership and establishing a comprehensive plan for the future.

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, 2022. 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.

The preparation of this report would not have been possible without the efforts of the members of the Finance Department staff, Beth Morris, Donna Getner, Stephanie Donithan-Marrow, Nicole Goins and the cooperation of each of the Town's departments. Specific appreciation is expressed to Finance Manager, Sierra Lowry and Financial Analysts, Danita Hunt and Robert Morrison, 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
Assistant Town Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Smyrna
Tennessee**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

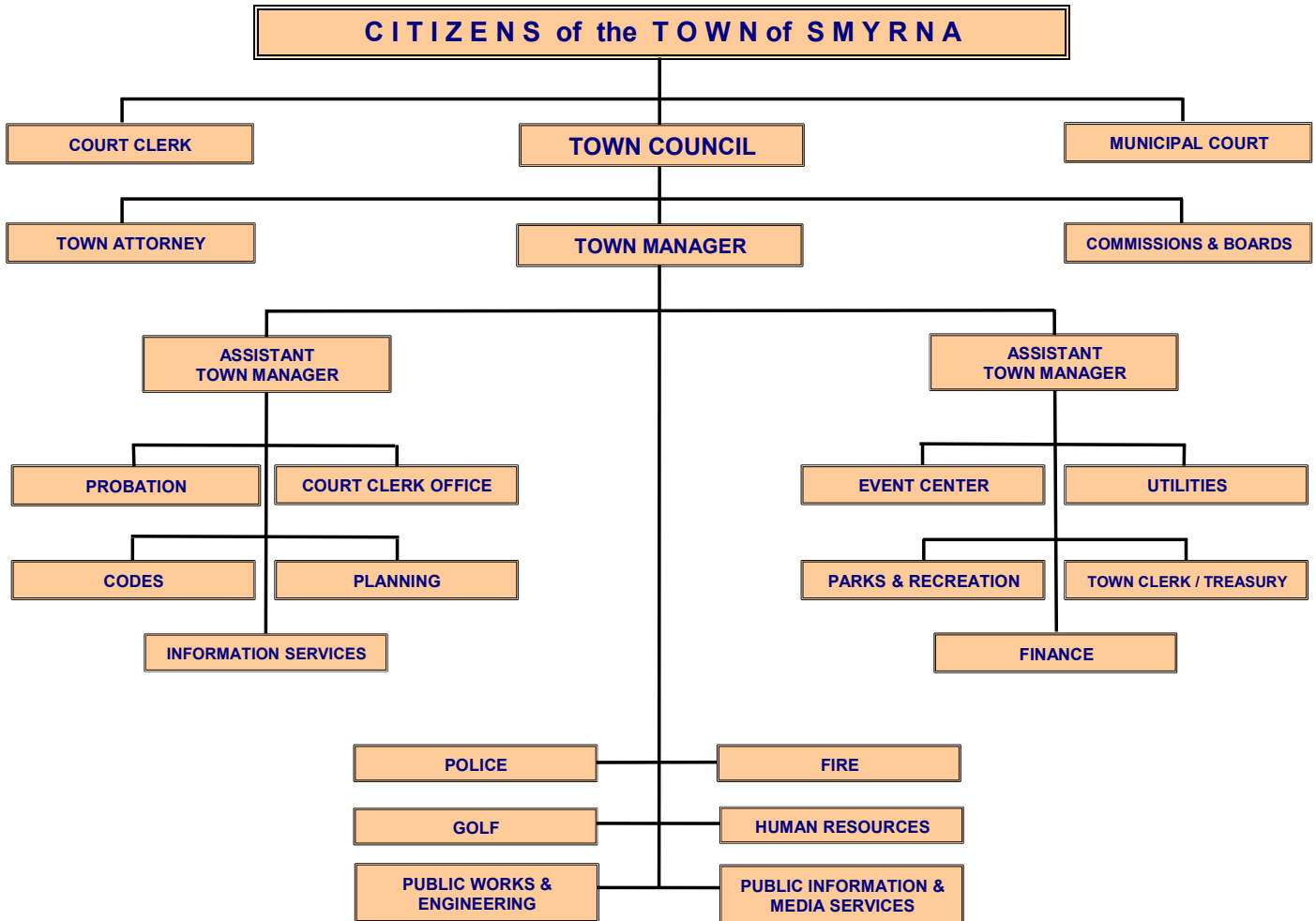
June 30, 2022

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART

July 2020



Town of Smyrna, Tennessee
Town Officials
As of June 30, 2023

Elected Officials

Name	Title	Term Expires
Mary Esther Reed	Mayor	November 2026
Marc Adkins	Vice Mayor, Councilmember	November 2026
H. G. Cole	Councilmember	November 2026
Tim Morrell	Councilmember	November 2024
Racquel Peebles	Councilmember	November 2024
Gerry Short	Councilmember	November 2026
Steve Sullivan	Councilmember	November 2024

Town of Smyrna, Tennessee
Town Officials
As of June 30, 2023

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**	Assistant Town Manager / Director of Finance	November 2010
Jeff Peach	Town Attorney	June 2013
Jason Irvin	Chief of Police	December 2022
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
Amber Hobbs	Town Clerk	December 2021

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

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

Financial Section



Independent Auditor's Report

Honorable Mayor and Town Council
Town of Smyrna, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of changes in net pension liability (asset) and related ratios and employer contributions on pages 67-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary 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 fund financial statements and other schedules on pages 71-88 and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on pages 114-115 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the supplementary information on pages 71-88 and the schedule of expenditures of federal awards and state financial assistance on pages 114-115 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024 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 Town's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
January 30, 2024



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, 2023. 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-ix) 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 \$454,302,713 (net position). Of this amount, \$80,981,694 (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 \$38,990,120.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$77,560,986, an increase of \$7,249,265 in comparison with the prior year. Approximately 39.4% of this total amount, \$30,573,457, 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 \$30,573,457, or 69.9% 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's total outstanding debt (bonds, notes, loans, leases, and SBITAs) decreased by \$1,254,675 during the current fiscal year. This was a result of the issuance of \$6,871,417 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'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'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 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 14-15 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 16-19 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 20-25 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 71-79 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 26-31 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 32-33 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 34-66 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$454,302,713 at the close of the most recent fiscal year.

**Net Position - Primary Government
June 30**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 114,143,986	\$ 101,961,196	\$ 50,651,707	\$ 55,946,323	\$ 164,795,693	\$ 157,907,519
Capital Assets	165,724,893	151,692,786	233,902,334	211,452,320	399,627,227	363,145,106
Total Assets	<u>279,868,879</u>	<u>253,653,982</u>	<u>284,554,041</u>	<u>267,398,643</u>	<u>564,422,920</u>	<u>521,052,625</u>
Deferred Outflows of Resources	<u>287,273</u>	<u>464,967</u>	<u>272,519</u>	<u>474,662</u>	<u>559,792</u>	<u>939,629</u>
Long-term Liabilities Outstanding	27,426,994	28,916,417	46,887,383	46,874,516	74,314,377	75,790,933
Other Liabilities	11,349,448	6,992,223	6,187,675	8,471,812	17,537,123	15,464,035
Total Liabilities	<u>38,776,442</u>	<u>35,908,640</u>	<u>53,075,058</u>	<u>55,346,328</u>	<u>91,851,500</u>	<u>91,254,968</u>
Deferred Inflows of Resources	<u>18,828,499</u>	<u>15,424,693</u>	-	-	<u>18,828,499</u>	<u>15,424,693</u>
Net Positions:						
Net Investment in Capital Assets	141,357,695	129,719,519	186,625,988	164,349,049	327,983,683	294,068,568
Restricted	45,337,336	38,264,700	-	-	45,337,336	38,264,700
Unrestricted	<u>35,856,180</u>	<u>34,801,397</u>	<u>45,125,514</u>	<u>48,177,928</u>	<u>80,981,694</u>	<u>82,979,325</u>
Total Net Position	\$ 222,551,211	\$ 202,785,616	\$ 231,751,502	\$ 212,526,977	\$ 454,302,713	\$ 415,312,593

By far the largest portion of the Town’s net position 72.19% 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 uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town’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 9.98% represents resources that are subject to external restrictions on how they may be used. These include net position restricted for capital projects \$39,983,325, highways and streets \$441,870, stormwater \$3,210,946, debt service \$1,200,610 and law enforcement \$500,585. The remaining balance of unrestricted net position \$80,981,694 may be used to meet the government’s ongoing obligations to citizens and creditors.

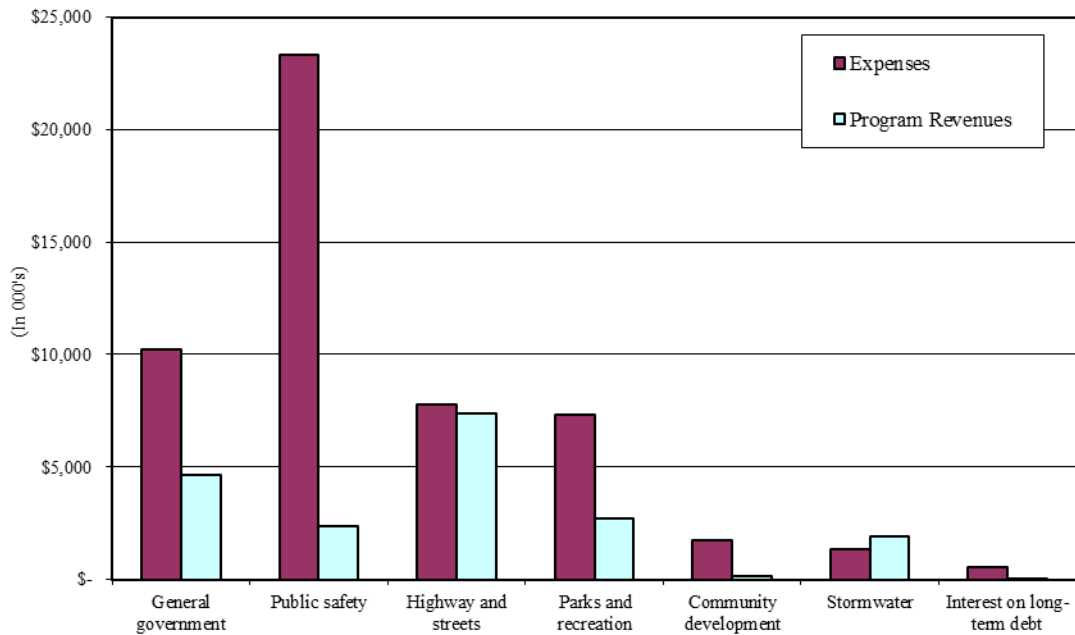
At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental activities. Governmental activities increased the Town’s net position by \$19,765,595. The town’s revenues were \$12,173,020 more than last year. Revenue showed growth in other taxes 7.31%, charges for services 12.51%, property and in lieu of taxes 7.24%, sales tax 7.70%, capital grants and contributions 112.45%, operating grants and contributions -23.18%. Revenues increased in other revenues 54.83%. The town’s expenses were \$5,060,776 more than last year. Departmental expenses increased (or decreased) in general government 6.95%, public safety 10.60%, highways and streets 12.49%, community development .53%, parks and recreation 7.67%, interest on long-term debt -2.91%, and stormwater 26.53%.

**Change in Net Position
For the Year Ended June 30**

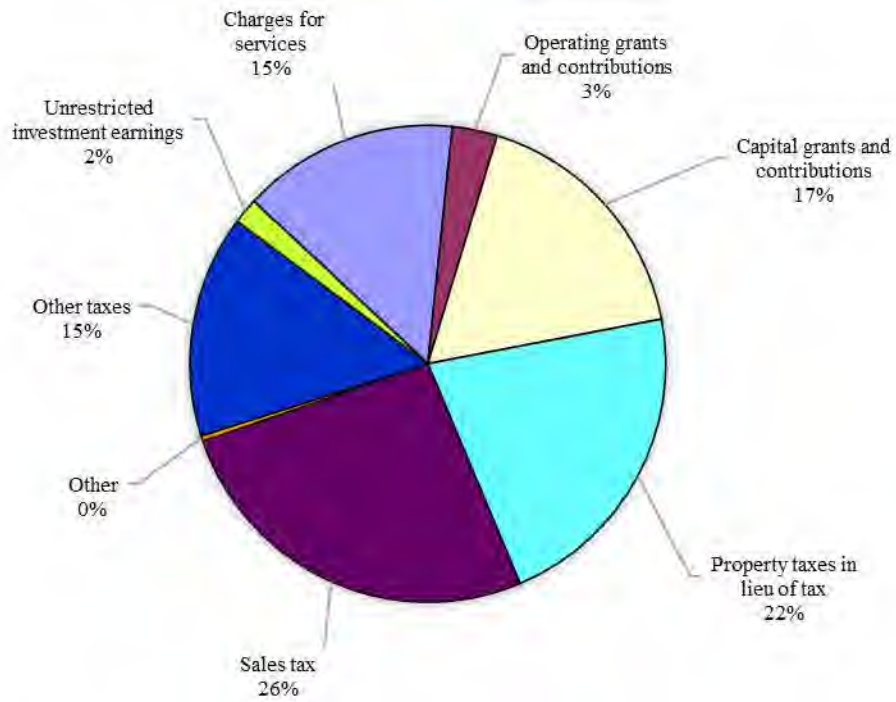
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue						
Charges for services	\$ 11,212,613	\$ 9,966,231	\$ 45,303,076	\$ 42,591,207	\$ 56,515,689	\$ 52,557,438
Operating grants and contributions	2,334,565	3,039,094	-	-	2,334,565	3,039,094
Capital grants and contributions	13,187,692	6,207,551	16,538,489	9,253,958	29,726,181	15,461,509
General Revenues						
Property taxes in lieu of tax	16,529,520	15,413,365	-	-	16,529,520	15,413,365
Sales tax	19,872,296	18,451,706	-	-	19,872,296	18,451,706
Other taxes	11,519,052	10,734,379	-	-	11,519,052	10,734,379
Gain on sale of capital assets	-	-	-	-	-	-
Unrestricted investment earnings	1,327,910	100,125	809,616	64,483	2,137,526	164,608
Special Items	-	-	-	-	-	-
Other	287,541	185,718	-	-	287,541	185,718
Total revenues	<u>76,271,189</u>	<u>64,098,169</u>	<u>62,651,181</u>	<u>51,909,648</u>	<u>138,922,370</u>	<u>116,007,817</u>
Expenses						
General government	10,905,015	10,196,302	-	-	10,905,015	10,196,302
Public Safety	25,804,821	23,331,752	-	-	25,804,821	23,331,752
Highway and streets	8,746,028	7,774,708	-	-	8,746,028	7,774,708
Parks and recreation	7,895,203	7,332,665	-	-	7,895,203	7,332,665
Community Development	1,742,981	1,733,871	-	-	1,742,981	1,733,871
Stormwater	1,681,209	1,328,658	-	-	1,681,209	1,328,658
Interest on long-term debt	551,383	567,908	-	-	551,383	567,908
Water and Sewer	-	-	22,803,376	21,376,002	22,803,376	21,376,002
Natural gas	-	-	19,802,234	18,953,750	19,802,234	18,953,750
Total expenses	<u>57,326,640</u>	<u>52,265,864</u>	<u>42,605,610</u>	<u>40,329,752</u>	<u>99,932,250</u>	<u>92,595,616</u>
Increase in net position before transfers	18,944,549	11,832,305	20,045,571	11,579,896	38,990,120	23,412,201
Transfers	821,046	731,351	(821,046)	(731,351)	-	-
Increase in net position	19,765,595	12,563,656	19,224,525	10,848,545	38,990,120	23,412,201
Net position - beginning	<u>202,785,616</u>	<u>190,221,960</u>	<u>212,526,977</u>	<u>201,678,432</u>	<u>415,312,593</u>	<u>391,900,392</u>
Net position - ending	\$ 222,551,211	\$ 202,785,616	\$ 231,751,502	\$ 212,526,977	\$ 454,302,713	\$ 415,312,593

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.

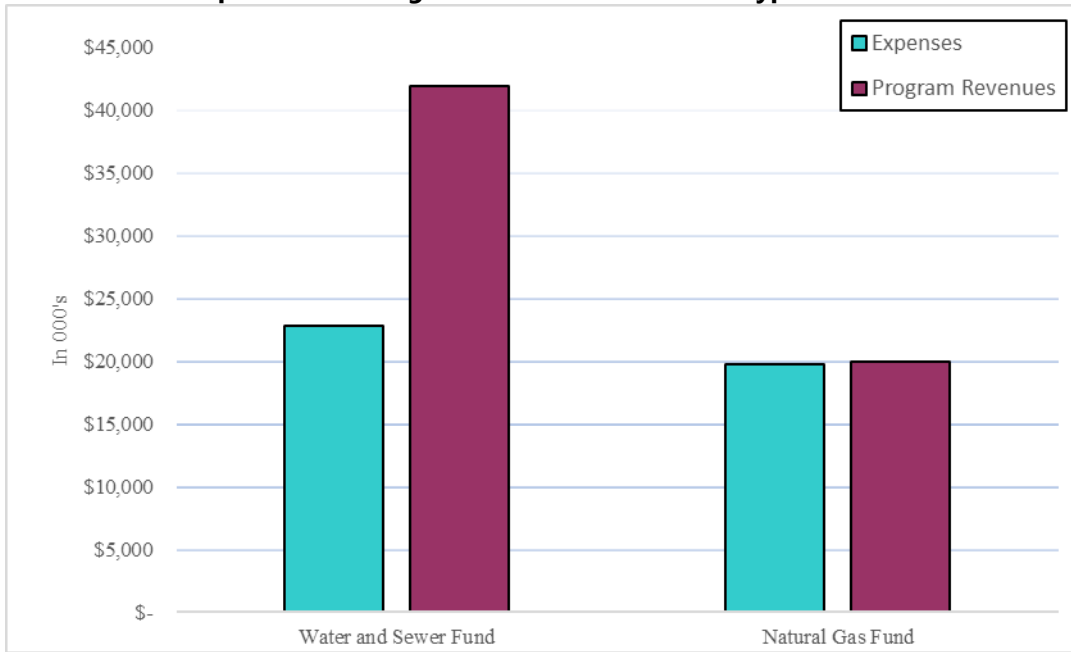
Revenue by Source – Governmental Activities



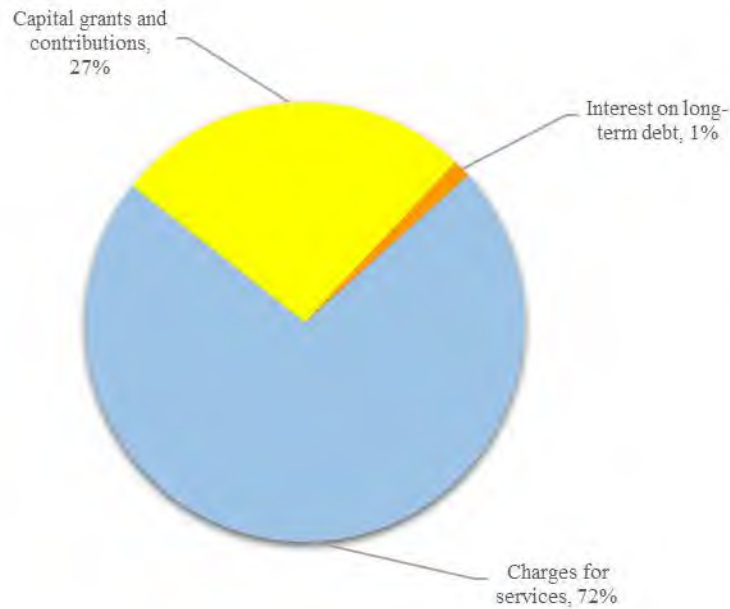
Business-type activities. Business-type activities increased the Town’s net position by \$19,224,525. Key elements of this increase are as follows:

- The business-type activities total revenue increased by \$10,741,533. Capitalized lines and contributed lines from developers decreased overall by 78.72%. Unrestricted investment earnings increased by 1156%.
- The business-type activities total expenses increased by \$2,275,858. Revenues for Water and Sewer increased by 26.53% and Natural Gas increased by 6.46%.

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 uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the Town'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 \$77,560,986, an increase of \$7,249,265 in comparison with the prior year. Approximately 39.42% of this total amount \$30,573,457 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved, committed, assigned or nonspendable to indicate that it is not available for new spending. This amounted to \$46,987,529 including prepaid items and inventory of \$118,368.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$30,573,457, while total fund balance was \$32,334,388. 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 69.93% of total general fund expenditures, while total fund balance represents 73.95% of that same amount.

The general fund balance increased by \$225,667 during the current fiscal year.

This increase is primarily due to a 7.24% increase in property tax revenues and an 8.48% increase in local sales tax revenues. The Town transferred \$10 million in surplus revenues to the capital projects fund at year end. This transfer will enable the Town to pay cash for the following upcoming projects: Cedar Stone Park, Jefferson Pike Fire Station, and the expansion of infrastructure on the west side of town.

The capital projects fund has a total fund balance of \$33,539,633. There was a net increase in fund balance of \$7,055,333 during the current year primarily resulting from using COVID-19 grants in place of 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 \$35,987,918 and the Natural Gas Fund amounted to \$8,762,802. The change in unrestricted net position for the funds was a decrease of \$1,953,989 and a decrease of \$1,100,238 respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

During the year, there was a \$336,650 increase in appropriations between the original and final amended General Fund expenditure budget and can be summarized with the following:

- \$112,850 in amendments to travel & mileage to reflect additional training opportunities, specifically a new CALEA certification in the police department.
- \$96,800 amendment in salaries & benefits to reflect increased overtime and disability insurances in public safety.
- \$40,000 amendment in repair & maintenance in the police dept to accommodate larger than average repair
- \$35,100 amendment for Event Center utilities to accommodate high water usage.
- \$33,500 in amendments to contractual services including:

- \$23,000 in HR for a new consulting firm
- \$9,000 in Streets Department for contract increase for mowing services
- \$12,800 amendment to increase cost sharing allocation to the local library
- \$5,600 in amendments to miscellaneous sundry accounts

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

There was an increase of \$11,408,800 in appropriations between the original and final amended general fund budget in Other Financing Uses for transfers to the Capital Projects Fund that can be summarized as follows:

- \$10,000,000 amendment to appropriate funds for current and future capital projects.
- \$600,000 amendment to appropriate funds for paving projects over State Street Aid revenue amount
- \$347,000 amendment to appropriate funds for paving the Town Hall parking lot for ADA compliance
- \$169,000 amendment to appropriate funds for vehicles for Buildings and Grounds
- \$70,000 amendment to appropriate funds for additional expenses for the Lowry Street Phase 1 project
- \$54,500 amendment to appropriate funds for the purchase of golf carts instead of renewing a lease
- \$52,000 amendment to appropriate funds for a new steamer and ice cream machine for the event center
- \$41,300 amendment to appropriate funds for unmarked police vehicles
- \$20,000 amendment to appropriate additional funds for a truck in the fire department

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

The Town had a surplus of \$132,162 in the General Fund. The surplus is primarily resulted from excess sales tax revenues and delayed capital projects.

Additional information about the budget process can be found in note 2, on page 43 of this report.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business type activities as of June 30, 2023 amounts to \$395,780,129 (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's investment in capital assets for the current fiscal year was 15.70%, 6.60% for governmental activities and 10.62% for business-type activities.

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

- \$1,457,372 in continued improvements to Genie Lane
- \$1,427,100 for an Aerial Apparatus for the Fire Department
- \$943,446 in continued improvements to Lowry Street
- \$850,752 in continued expansion of a fire station on West Enon Springs
- \$728,500 in paving projects over funds provided by State Street Aid revenue
- \$637,284 in improvements to existing parks
- \$579,071 in continued improvements to Spring Hill Drive
- \$554,130.22 in continued improvements to storm water drainage
- \$466,642 in design and engineering of a new fire station on Jefferson Pike

Capital Assets
(net of accumulated depreciation)
June 30

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 7,913,165	\$ 7,699,851	\$ 1,681,903	\$ 1,681,903	\$ 9,595,068	\$ 9,381,754
Water rights	-	-	3,172,539	3,172,539	3,172,539	3,172,539
Buildings and system	12,316,597	13,043,942	195,474,930	147,535,127	207,791,527	160,579,069
Improvements other than buildings	22,487,657	21,559,012	-	-	22,487,657	21,559,012
Machinery and equipment	10,399,991	8,353,321	2,181,300	2,405,809	12,581,291	10,759,130
Infrastructure	102,178,437	83,337,714	-	-	102,178,437	83,337,714
Right-to-use assets	3,847,097	3,765,654	-	-	3,847,097	3,765,654
Construction in progress	6,581,949	17,698,946	31,391,662	56,656,944	37,973,611	74,355,890
Total	\$ 165,724,893	\$ 155,458,440	\$ 233,902,334	\$ 211,452,322	\$ 399,627,227	\$ 366,910,762

Additional information on the Town's capital assets can be found in note 7 on page 48-49 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt, revolving loan obligations, lease obligations, and SBITA obligations outstanding of \$70,824,814. Of this amount, \$27,688,925 is debt backed by the full faith and credit of the government; \$39,256,581 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); and \$3,879,308 relates to right-of-use assets for leases and SBITAs.

Outstanding Debt
General Obligations, Revenue Bonds, Loans, Leases, and SBITAs
June 30

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 19,764,006	\$ 21,692,539	\$ 7,471,252	\$ 12,054,574	\$ 27,235,258	\$ 33,747,113
Capital outlay notes	453,667	-	-	-	453,667	-
Revolving loans	-	-	39,256,581	34,529,083	39,256,581	34,529,083
Leases	3,669,953	3,803,293	-	-	3,669,953	3,803,293
SBITAs	209,355	-	-	-	209,355	-
Total	\$ 24,096,981	\$ 25,495,832	\$ 46,727,833	\$ 46,583,657	\$ 70,824,814	\$ 72,079,489

The Town's total outstanding debt decreased by \$1,254,675 or 1.74%. This was a result of the issuance of new debt of \$6,871,417 and payment of current debt owed. The Town was upgraded to a "AAA" rating from Standard and Poor's.

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 .90% of assessed property value.

Additional information on the Town's long-term debt can be found in note 10 on pages 51-54 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 7.24% more than in the previous year.
- Local sales tax collections were 8.48% more than in the previous year. This is due to the continued development of commercial businesses and residential growth.
- Business tax collections increased 14.11% from the previous year.
- State shared taxes were 7.40% more than in the previous year.
- Water (3%) and sewer (4%) rates were increased to fund a future plant expansion.
- The economic growth following the Coronavirus Pandemic seems to be levelling off.
- A surplus of \$150,721 is projected for the General Fund in the 2024 fiscal year.

These factors were considered in preparing the Town's budget for the 2024 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Smyrna
Office of the Finance Director
315 South Lowry
Smyrna, Tennessee 37167
E-mail: rex.gaither@townofsmyrna.org

Town of Smyrna, Tennessee

Statement of Net Position

June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Charity Assistance Fund
Assets				
Cash and cash equivalents	\$ 86,485,280	\$ 41,909,270	\$ 128,394,550	\$ 398,576
Receivables, net of allowance for uncollectibles				
Property taxes	15,388,605	-	15,388,605	-
Other taxes	3,097,887	-	3,097,887	-
Due from other governments	5,337,023	-	5,337,023	-
Accounts receivable	345,070	3,977,151	4,322,221	995
Inventories	125,656	1,583,040	1,708,696	-
Internal balances	(374,794)	374,794	-	-
Restricted assets				
Cash and cash equivalents, customer and developer deposits	-	2,797,278	2,797,278	-
Cash, bond proceeds	1,387,223	-	1,387,223	-
Note receivable	1,167,500	10,174	1,177,674	-
Lease receivable	1,184,153	-	1,184,153	-
Prepaid items	383	-	383	-
Capital assets not being depreciated	14,495,114	36,246,104	50,741,218	-
Capital assets, net	151,229,779	197,656,230	348,886,009	-
Total assets	279,868,879	284,554,041	564,422,920	399,571
Deferred Outflows of Resources	287,273	272,519	559,792	-
Liabilities				
Accounts payable	2,684,912	1,926,579	4,611,491	500
Accrued liabilities	869,916	690,367	1,560,283	-
Interest payable	175,311	88,562	263,873	-
Contracts payable	291,869	650,741	942,610	-
Retainage payable	-	33,723	33,723	-
Unearned revenues	7,327,440	-	7,327,440	32,088
Liabilities payable from restricted assets	-	2,797,703	2,797,703	-
Noncurrent liabilities				
Due within one year	5,290,430	5,438,310	10,728,740	-
Due in more than one year				
Net pension liability	310,321	159,550	469,871	-
Bonds, loans, leases, SBITA, and and compensated absences	21,826,243	41,289,523	63,115,766	-
Total liabilities	38,776,442	53,075,058	91,851,500	32,588
Deferred Inflows of Resources	18,828,499	-	18,828,499	-
Net Position				
Net investment in capital assets	141,357,695	186,625,988	327,983,683	-
Restricted				
Street maintenance	441,870	-	441,870	-
Law enforcement	500,585	-	500,585	-
Stormwater	3,210,946	-	3,210,946	-
Debt service	1,200,610	-	1,200,610	-
Capital projects	39,983,325	-	39,983,325	-
Unrestricted	35,856,180	45,125,514	80,981,694	366,983
Total net position	\$ 222,551,211	\$ 231,751,502	\$ 454,302,713	\$ 366,983

Town of Smyrna, Tennessee
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit Charity Assistance Fund
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 10,905,015	\$ 4,714,937	55,520	\$ -	\$ (6,134,558)	\$ -	\$ (6,134,558)	\$ -
Public safety								
Police	14,318,626	1,665,652	211,905	-	(12,441,069)	-	(12,441,069)	-
Fire	11,486,195	-	65,600	867,332	(10,553,263)	-	(10,553,263)	-
Highways and streets	8,746,028	-	2,001,540	11,617,232	4,872,744	-	4,872,744	-
Recreation	7,895,203	2,648,285	-	703,128	(4,543,790)	-	(4,543,790)	-
Community development	1,742,981	233,947	-	-	(1,509,034)	-	(1,509,034)	-
Stormwater	1,681,209	1,902,554	-	-	221,345	-	221,345	-
Interest on long-term debt	551,383	47,238	-	-	(504,145)	-	(504,145)	-
Total governmental activities	57,326,640	11,212,613	2,334,565	13,187,692	(30,591,770)	-	(30,591,770)	-
Business-type Activities								
Water and sewer	22,803,376	25,644,459	-	16,254,444	-	19,095,527	19,095,527	-
Natural gas	19,802,234	19,658,617	-	284,045	-	140,428	140,428	-
Total business-type activities	42,605,610	45,303,076	-	16,538,489	-	19,235,955	19,235,955	-
Total primary government	\$ 99,932,250	\$ 56,515,689	\$ 2,334,565	\$ 29,726,181	(30,591,770)	19,235,955	(11,355,815)	-
Component Unit								
Charity Assistance Fund	\$ 172,136	\$ -	\$ 197,502	\$ -	-	-	-	25,366
General Revenues								
Property taxes and in lieu of tax					16,529,520	-	16,529,520	-
Sales taxes					19,872,296	-	19,872,296	-
Business tax					2,115,122	-	2,115,122	-
Wholesale beer tax					1,148,261	-	1,148,261	-
Hotel/motel tax					861,990	-	861,990	-
Cable TV and gas franchise tax					428,770	-	428,770	-
Unrestricted other locally assessed taxes					132,933	-	132,933	-
Unrestricted state shared taxes								
State shared income tax					20,540	-	20,540	-
State shared beer tax					24,233	-	24,233	-
State shared sales tax					6,313,872	-	6,313,872	-
State shared mixed drink tax					229,182	-	229,182	-
Other unrestricted state shared taxes					244,149	-	244,149	-
Investment earnings					1,327,910	809,616	2,137,526	8,274
Other					287,541	-	287,541	-
Transfers					821,046	(821,046)	-	-
Total general revenues and transfers					50,357,365	(11,430)	50,345,935	8,274
Change in net position					19,765,595	19,224,525	38,990,120	33,640
Net position, beginning of year					202,785,616	212,526,977	415,312,593	333,343
Net position, end of year					\$ 222,551,211	\$ 231,751,502	\$ 454,302,713	\$ 366,983

Town of Smyrna, Tennessee
Balance Sheet
Governmental Funds
June 30, 2023

	General	Capital projects	Other governmental	Total governmental
Assets				
Cash	\$ 30,681,637	\$ 40,068,615	\$ 10,704,163	\$ 81,454,415
Receivables, net				
Property taxes	15,388,605	-	-	15,388,605
Other taxes	3,097,887	-	-	3,097,887
Due from other governments	4,868,053	153,748	315,222	5,337,023
Due from other funds	-	259,170	-	259,170
Accounts receivable	128,736	-	216,334	345,070
Inventory of supplies	117,985	-	-	117,985
Lease receivable	1,184,153	-	-	1,184,153
Note receivable	-	-	1,167,500	1,167,500
Prepaid items	383	-	-	383
Restricted cash, bond proceeds	-	1,387,223	-	1,387,223
Total assets	<u>\$ 55,467,439</u>	<u>\$ 41,868,756</u>	<u>\$ 12,403,219</u>	<u>\$ 109,739,414</u>
Liabilities				
Accounts payable	\$ 392,422	\$ 812,639	\$ 275,737	\$ 1,480,798
Accrued costs	847,199	-	22,717	869,916
Due to other funds	-	-	259,170	259,170
Contracts payable	-	291,869	-	291,869
Unearned revenues	102,825	7,224,615	-	7,327,440
Total liabilities	<u>1,342,446</u>	<u>8,329,123</u>	<u>557,624</u>	<u>10,229,193</u>
Deferred Inflows of Resources	21,790,605	-	158,630	21,949,235
Fund balances				
Nonspendable	118,368	-	1,076,250	1,194,618
Restricted for				
Street maintenance	-	-	441,870	441,870
Law enforcement	-	-	500,585	500,585
Stormwater	-	-	3,210,946	3,210,946
General capital projects	110,738	33,539,633	-	33,650,371
Roads capital projects	-	-	1,993,564	1,993,564
Parks capital projects	-	-	1,485,583	1,485,583
Fire protection capital projects	-	-	2,853,807	2,853,807
Debt service	-	-	124,360	124,360
Committed for cemetery maintenance	1,531,825	-	-	1,531,825
Unassigned	30,573,457	-	-	30,573,457
Total fund balances	<u>32,334,388</u>	<u>33,539,633</u>	<u>11,686,965</u>	<u>77,560,986</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 55,467,439</u>	<u>\$ 41,868,756</u>	<u>\$ 12,403,219</u>	<u>\$ 109,739,414</u>

Town of Smyrna, Tennessee
 Reconciliation of Balance Sheet - Governmental Funds to
 Government-wide Statement of Net Position
 June 30, 2023

Amounts reported for fund balance, total governmental funds	\$ 77,560,986
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.	165,724,893
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	2,472,580
Property taxes receivable	648,156
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.	3,459,627
Interest payable on long-term obligations is not due in the current period and, therefore, is not reported in the governmental funds balance sheet.	(175,311)
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.	21,652
Net differences between projected and actual earnings related to pensions are deferred and amortized as a component of pension expense.	265,621
Bond premiums are amortized as a component of interest in the statement of activities.	(1,609,006)
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	(18,608,667)
Compensated absences	(3,019,692)
Lease liabilities	(3,669,953)
SBITA liabilities	(209,355)
Net pension obligation	(310,320)
Net position of governmental activities	\$ 222,551,211

Town of Smyrna, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Capital projects	Other governmental	Total governmental
Revenues				
Taxes	\$ 38,110,664	\$ -	\$ -	\$ 38,110,664
Payment in lieu of taxes	2,565,654	-	-	2,565,654
Licenses and permits	2,608,327	-	4,534,943	7,143,270
Intergovernmental	7,131,956	1,019,662	1,862,696	10,014,314
Fines and forfeitures	1,558,568	-	107,084	1,665,652
Uses of money and property	5,338,516	666,128	2,190,101	8,194,745
Miscellaneous	<u>274,126</u>	<u>-</u>	<u>19,647</u>	<u>293,773</u>
Total revenues	57,587,811	1,685,790	8,714,471	67,988,072
Expenditures				
Current				
General government	10,667,586	240,986	35,000	10,943,572
Public safety				
Police	12,572,802	71,060	23,866	12,667,728
Fire	11,316,847	45,555	-	11,362,402
Highways and streets	545,737	1,110,078	2,331,218	3,987,033
Recreation	6,242,774	139,496	-	6,382,270
Community development	1,720,938	-	-	1,720,938
Stormwater	-	3,055	1,476,255	1,479,310
Debt service	275,239	-	2,698,913	2,974,152
Capital outlay	<u>380,845</u>	<u>10,011,890</u>	<u>-</u>	<u>10,392,735</u>
Total expenditures	43,722,768	11,622,120	6,565,252	61,910,140
Excess (deficiency) of revenues over expenditures	13,865,043	(9,936,330)	2,149,219	6,077,932
Other financing sources (uses)				
Transfers in	1,015,471	16,991,663	2,560,307	20,567,441
Transfers out	(15,005,134)	-	(4,741,261)	(19,746,395)
Leases (as lessee)	19,967	-	-	19,967
SBITA	<u>330,320</u>	<u>-</u>	<u>-</u>	<u>330,320</u>
Total other financing sources (uses)	(13,639,376)	16,991,663	(2,180,954)	1,171,333
Net change in fund balances	225,667	7,055,333	(31,735)	7,249,265
Fund balances, beginning of year	<u>32,108,721</u>	<u>26,484,300</u>	<u>11,718,700</u>	<u>70,311,721</u>
Fund balances, end of year	\$ 32,334,388	\$ 33,539,633	\$ 11,686,965	\$ 77,560,986

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, 2023

Amounts reported for net change in fund balance, total governmental funds	\$ 7,249,265
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	10,713,154
Depreciation expense	(8,326,888)
Basis of capital assets disposed of	(158,397)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	412,574
Contributed capital assets	7,957,141
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	1,236,333
Amortization of debt-related premium	239,533
Amortization of deferred charge on refunding	(28,869)
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	19,293
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	(154,008)
Changes in lease assets and lease liabilities	(14,539)
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.	
	94,756
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).	
	526,247
Change in net position of governmental activities	\$ 19,765,595

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, 2023

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
Revenues				
Taxes				
Real estate taxes	\$ 13,773,300	\$ 13,773,300	\$ 13,551,292	\$ (222,008)
Business tax	1,840,000	1,840,000	2,115,122	275,122
Wholesale beer tax	1,200,000	1,200,000	1,148,261	(51,739)
Local option sales tax	17,700,000	19,246,750	19,872,296	625,546
Hotel/motel tax	693,000	693,000	861,990	168,990
Cable TV/gas franchise tax	527,800	527,800	428,770	(99,030)
Other	112,000	112,000	132,933	20,933
Total taxes	35,846,100	37,392,850	38,110,664	717,814
Payments in lieu of taxes	2,850,000	2,850,000	2,565,654	(284,346)
Licenses and permits	2,042,500	2,042,500	2,608,327	565,827
Intergovernmental revenues				
State income tax	30,000	30,000	20,540	(9,460)
State beer tax	23,600	23,600	24,233	633
State sales tax	5,600,000	5,800,000	6,313,872	513,872
State mixed drink tax	213,000	213,000	229,182	16,182
State petroleum special tax	97,500	97,500	97,225	(275)
Federal and state grants	53,400	53,400	17,356	(36,044)
State street maintenance contracts	180,000	180,000	41,619	(138,381)
State fire supplement	65,000	65,000	65,600	600
State police supplement	60,800	60,800	58,400	(2,400)
Other state and county shared taxes	99,000	99,000	244,149	145,149
Donations and memorials	-	-	19,780	19,780
Total intergovernmental revenues	6,422,300	6,622,300	7,131,956	509,656
Fines and forfeitures	1,391,200	1,391,200	1,558,568	167,368
Uses of property and money				
Penalties	35,500	35,500	57,878	22,378
Interest earned	40,000	40,000	349,674	309,674
Rent	90,000	90,000	99,124	9,124
Traffic school fees	85,000	85,000	90,611	5,611
Administrative support charges	1,667,807	1,667,807	1,667,807	-
Cemetery revenues	216,000	216,000	191,190	(24,810)
Recreation fees and community center fees	2,140,800	2,140,800	2,648,285	507,485
Food sales	150,000	150,000	233,947	83,947
Total uses of property and money	4,425,107	4,425,107	5,338,516	913,409

Continued

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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget + / (-)
	Original	Final		
Revenues				
Other				
Sale of property	\$ 65,000	\$ 65,000	\$ 100,451	\$ 35,451
Miscellaneous	<u>134,400</u>	<u>134,400</u>	<u>173,675</u>	<u>39,275</u>
Total other	199,400	199,400	274,126	74,726
Total revenues	53,176,607	54,923,357	57,587,811	2,664,454
Expenditures				
General government				
Current				
Legislative board				
Salaries	94,800	94,800	89,414	(5,386)
Benefits and payroll taxes	111,100	111,100	108,409	(2,691)
Insurance	25,500	25,500	25,500	-
Travel	10,000	10,000	2,378	(7,622)
Other	<u>8,300</u>	<u>8,300</u>	<u>4,406</u>	<u>(3,894)</u>
Total legislative board	249,700	249,700	230,107	(19,593)
Town and general sessions court				
Salaries	967,400	980,200	877,976	(102,224)
Benefits and payroll taxes	470,800	470,800	393,747	(77,053)
Contractual services	187,500	187,500	182,553	(4,947)
Supplies	18,300	18,800	20,425	1,625
Other	<u>12,300</u>	<u>12,900</u>	<u>10,406</u>	<u>(2,494)</u>
Total town and general sessions court	1,656,300	1,670,200	1,485,107	(185,093)
Codes, engineering, and planning				
Salaries	1,317,600	1,317,600	1,304,566	(13,034)
Benefits and payroll taxes	545,700	545,700	539,390	(6,310)
Contractual services	89,500	89,500	62,651	(26,849)
Insurance	13,100	13,100	12,995	(105)
Professional services	20,000	20,000	13,730	(6,270)
Repairs and maintenance	1,800	1,800	5,851	4,051
Supplies	25,800	25,800	31,037	5,237
Telephone and utilities	7,800	7,800	12,264	4,464
Travel	2,900	2,900	1,183	(1,717)
Other	<u>8,500</u>	<u>13,500</u>	<u>18,258</u>	<u>4,758</u>
Total codes, engineering, and planning	2,032,700	2,037,700	2,001,925	(35,775)

Continued

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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget + / (-)
	Original	Final		
Expenditures				
General government				
Current				
Vehicle maintenance				
Salaries	\$ 281,200	\$ 281,200	\$ 289,914	\$ 8,714
Benefits and payroll taxes	161,300	171,300	150,465	(20,835)
Supplies and repairs	48,900	49,250	59,564	10,314
Utilities	14,300	14,300	16,979	2,679
Other	10,300	10,300	9,430	(870)
Total vehicle maintenance	<u>516,000</u>	<u>526,350</u>	<u>526,352</u>	<u>2</u>
Building and grounds				
Salaries	468,800	468,800	448,537	(20,263)
Benefits and payroll taxes	277,500	277,500	245,150	(32,350)
Cemetery	25,900	28,500	28,437	(63)
Insurance	30,100	30,100	30,138	38
Repairs and maintenance	120,200	120,200	100,001	(20,199)
Supplies	33,000	33,000	30,751	(2,249)
Other	-	-	-	-
Total building and grounds	<u>955,500</u>	<u>958,100</u>	<u>883,014</u>	<u>(75,086)</u>
Finance and administration				
Salaries	2,863,700	2,872,700	2,940,812	68,112
Benefits and payroll taxes	1,321,600	1,326,600	1,223,740	(102,860)
Contractual services	595,635	618,635	504,444	(114,191)
Insurance	30,200	30,200	30,663	463
Memberships and testing	51,800	51,800	95,981	44,181
Outside services	431,190	431,190	388,945	(42,245)
Professional services	77,500	77,500	40,124	(37,376)
Repairs and maintenance	11,000	11,000	13,461	2,461
Supplies	60,600	60,600	79,742	19,142
Telephone and utilities	168,400	168,400	171,042	2,642
Other	72,000	72,000	52,127	(19,873)
Total finance and administration	<u>5,683,625</u>	<u>5,720,625</u>	<u>5,541,081</u>	<u>(179,544)</u>
Total current general government expenditures	<u>11,093,825</u>	<u>11,162,675</u>	<u>10,667,586</u>	<u>(495,089)</u>
Debt service				
Principal	274,272	274,272	274,272	-
Interest and fiscal charges	967	967	967	-
Total debt service	<u>275,239</u>	<u>275,239</u>	<u>275,239</u>	<u>-</u>
Capital outlay	<u>350,287</u>	<u>350,287</u>	<u>350,287</u>	<u>-</u>
Total general government expenditures	<u>11,719,351</u>	<u>11,788,201</u>	<u>11,293,112</u>	<u>(495,089)</u>

Continued

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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget + / (-)
	Original	Final		
Expenditures				
Public safety				
Police department				
Current				
Salaries	\$ 8,442,100	\$ 8,442,100	\$ 7,799,496	\$ (642,604)
Benefits and payroll taxes	3,967,200	3,967,200	3,512,472	(454,728)
Insurance	320,600	320,600	320,514	(86)
Memberships and testing	26,900	26,900	30,884	3,984
Outside services	292,230	292,230	229,715	(62,515)
Repairs and maintenance	103,600	143,600	149,245	5,645
Supplies	352,800	432,800	435,782	2,982
Telephone	52,500	52,500	57,083	4,583
Travel	37,500	37,500	15,452	(22,048)
Other	17,900	17,900	22,159	4,259
Total current	<u>13,613,330</u>	<u>13,733,330</u>	<u>12,572,802</u>	<u>(1,160,528)</u>
Capital outlay	-	-	308	308
Total police department	<u>13,613,330</u>	<u>13,733,330</u>	<u>12,573,110</u>	<u>(1,160,220)</u>
Fire department				
Current				
Salaries	7,089,100	7,089,100	7,249,444	160,344
Benefits and payroll taxes	3,436,300	3,496,300	3,144,838	(351,462)
Insurance	58,000	58,000	58,022	22
Memberships and testing	4,900	4,900	9,567	4,667
Outside services	191,100	191,100	176,885	(14,215)
Repairs and maintenance	178,600	178,600	290,410	111,810
Supplies	289,300	289,300	232,834	(56,466)
Telephone and utilities	120,000	120,000	111,509	(8,491)
Travel	89,600	89,600	42,275	(47,325)
Other	9,700	9,700	1,063	(8,637)
Total current	<u>11,466,600</u>	<u>11,526,600</u>	<u>11,316,847</u>	<u>(209,753)</u>
Capital outlay	-	-	-	-
Total fire department	<u>11,466,600</u>	<u>11,526,600</u>	<u>11,316,847</u>	<u>(209,753)</u>
Total public safety	<u>25,079,930</u>	<u>25,259,930</u>	<u>23,889,957</u>	<u>(1,369,973)</u>

Continued

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, 2023

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance from final budget +/-</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Highways and streets				
Current				
Salaries	\$ 242,900	\$ 242,900	\$ 244,608	\$ 1,708
Benefits and payroll taxes	172,100	172,100	164,023	(8,077)
Insurance	12,200	12,200	12,281	81
Outside services	1,900	10,900	25,412	14,512
Repairs and maintenance	11,000	11,000	29,004	18,004
Supplies	21,500	53,500	63,973	10,473
Telephone and utilities	2,700	2,700	4,479	1,779
Other	22,400	22,400	1,957	(20,443)
Total current	<u>486,700</u>	<u>527,700</u>	<u>545,737</u>	<u>18,037</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total highways and streets	486,700	527,700	545,737	18,037
Recreation				
Current				
Salaries	3,341,100	3,341,100	3,068,872	(272,228)
Benefits and payroll taxes	1,517,000	1,517,000	1,388,845	(128,155)
Advertising and promotion	3,400	3,400	3,411	11
Food purchases	146,500	146,500	211,183	64,683
Insurance	69,100	69,100	69,071	(29)
Memberships and testing	14,900	14,900	8,774	(6,126)
Outside services	284,480	284,480	283,425	(1,055)
Recreation programs	45,600	45,600	48,188	2,588
Rent	67,826	67,826	30,554	(37,272)
Repairs and maintenance	212,400	242,400	328,185	85,785
Supplies	285,500	285,500	288,137	2,637
Telephone and utilities	368,700	368,700	453,200	84,500
Other	56,300	56,300	60,929	4,629
Total current	<u>6,412,806</u>	<u>6,442,806</u>	<u>6,242,774</u>	<u>(200,032)</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>30,250</u>	<u>30,250</u>
Total recreation	6,412,806	6,442,806	6,273,024	(169,782)

Continued

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, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget + / (-)
	Original	Final		
Expenditures				
Community development				
Current				
Salaries	\$ 428,100	\$ 428,100	\$ 393,652	\$ (34,448)
Benefits and payroll taxes	181,600	181,600	162,723	(18,877)
Advertising and promotion	200	200	-	(200)
Contributions to non-profits	662,363	675,163	674,640	(523)
Food purchases	255,300	255,300	263,047	7,747
Insurance	1,900	1,900	1,909	9
Outside services	27,500	27,500	42,283	14,783
Repairs and maintenance	21,800	21,800	32,091	10,291
Supplies	34,000	34,000	45,736	11,736
Telephone and utilities	67,500	101,500	100,958	(542)
Other	6,000	6,000	3,899	(2,101)
Total current	<u>1,686,263</u>	<u>1,733,063</u>	<u>1,720,938</u>	<u>(12,125)</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total community development	1,686,263	1,733,063	1,720,938	(12,125)
Total expenditures	45,385,050	45,751,700	43,722,768	(2,028,932)
Excess revenues over expenditures	7,791,557	9,171,657	13,865,043	4,693,386
Other financing sources (uses)				
Transfer to capital projects fund	(7,340,800)	(18,749,600)	(13,782,677)	4,966,923
Transfer to debt service fund	(1,222,190)	(1,223,490)	(1,222,457)	1,033
Transfer from stormwater fund	194,425	194,425	194,425	-
Transfer from gas fund	206,190	206,190	206,190	-
Transfer from water and sewer fund	614,856	614,856	614,856	-
Leases (as lessee)	19,967	19,967	19,967	-
SBITA	330,320	330,320	330,320	-
Total other financing sources (uses)	<u>(7,197,232)</u>	<u>(18,607,332)</u>	<u>(13,639,376)</u>	<u>4,967,956</u>
Net change in fund balance	594,325	(9,435,675)	225,667	9,661,342
Fund balance, beginning of year	<u>32,108,721</u>	<u>32,108,721</u>	<u>32,108,721</u>	<u>-</u>
Fund balance, end of year	\$ 32,703,046	\$ 22,673,046	\$ 32,334,388	\$ 9,661,342

Town of Smyrna, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities			Governmental Activities
	Water and sewer	Natural gas	Total enterprise	Internal service fund
Assets				
Current assets				
Cash and cash equivalents	\$ 33,868,821	\$ 8,040,449	\$ 41,909,270	\$ 5,030,865
Restricted assets				
Cash, customer deposits, and construction bond	1,723,752	1,073,526	2,797,278	-
Accounts receivable				
Utility customers, net	3,231,909	745,242	3,977,151	-
Note receivable, current portion	10,174	-	10,174	-
Total accounts receivable	3,242,083	745,242	3,987,325	-
Due from other funds	-	-	-	-
Inventory, at cost	959,969	623,071	1,583,040	7,670
Total current assets	39,794,625	10,482,288	50,276,913	5,038,535
Noncurrent assets				
Capital assets	339,914,561	40,742,292	380,656,853	-
Less: accumulated depreciation	(123,628,217)	(23,126,302)	(146,754,519)	-
Capital assets, net	216,286,344	17,615,990	233,902,334	-
Note receivable, net of current portion				
	-	-	-	-
Total noncurrent assets	216,286,344	17,615,990	233,902,334	-
Total assets	256,080,969	28,098,278	284,179,247	5,038,535
Deferred Outflows of Resources				
Deferred charge on refunding	135,951	-	135,951	-
Net difference between projected and actual earnings, pension	81,986	54,582	136,568	-
Total deferred outflows of resources	217,937	54,582	272,519	-

Continued

Town of Smyrna, Tennessee

Statement of Net Position

Proprietary Funds

June 30, 2023

	Business-type Activities			Governmental Activities
	Water and sewer	Natural gas	Total enterprise	Internal service fund
Liabilities				
Current liabilities, payable from current assets				
Accounts payable	\$ 1,470,946	\$ 455,633	\$ 1,926,579	\$ 1,204,114
Accrued expenses	473,150	217,217	690,367	-
Interest payable	88,562	-	88,562	-
Contract payable	650,741	-	650,741	-
Retainage payable	33,723	-	33,723	-
Long-term debt, current portion	5,438,310	-	5,438,310	-
Total current liabilities, payable from current assets	8,155,432	672,850	8,828,282	1,204,114
Current liabilities, payable from restricted assets				
Construction bonds	1,682,387	-	1,682,387	-
Customer deposits and project assistance	77,865	1,037,451	1,115,316	-
Total current liabilities, payable from restricted assets	1,760,252	1,037,451	2,797,703	-
Total current liabilities	9,915,684	1,710,301	11,625,985	1,204,114
Noncurrent liabilities				
Net pension liability	95,783	63,767	159,550	-
Long-term debt, net of current portion	41,289,523	-	41,289,523	-
Total noncurrent liabilities	41,385,306	63,767	41,449,073	-
Total liabilities	51,300,990	1,774,068	53,075,058	1,204,114
Net Position				
Net investment in capital assets	169,009,998	17,615,990	186,625,988	-
Unrestricted	35,987,918	8,762,802	44,750,720	3,834,421
Total net position	\$ 204,997,916	\$ 26,378,792	231,376,708	\$ 3,834,421
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			\$ 374,794	
Net position of business-type activities			\$ 231,751,502	

Town of Smyrna, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities			Governmental Activities
	Water and sewer	Natural gas	Total enterprise	Internal service fund
Operating Revenues				
Services	\$ 25,163,122	\$ 19,527,421	\$ 44,690,543	\$ 12,020,972
Other	121,953	11,295	133,248	-
Forfeited discounts	359,384	119,901	479,285	-
Total operating revenues	<u>25,644,459</u>	<u>19,658,617</u>	<u>45,303,076</u>	<u>12,020,972</u>
Operating Expenses				
Gas purchases	-	15,166,342	15,166,342	-
Salaries	2,934,768	1,009,223	3,943,991	-
Benefits and payroll taxes	1,521,324	561,992	2,083,316	8,033,048
Administrative support services	1,019,342	648,465	1,667,807	-
Depreciation and amortization	8,408,924	1,241,686	9,650,610	-
Insurance	210,369	27,222	237,591	1,827,923
Maintenance and repair	892,654	111,228	1,003,882	-
Operating supplies	2,582,482	194,549	2,777,031	-
Outside services	12,636	-	12,636	149,232
Contractual services	1,936,159	406,418	2,342,577	-
Professional services	33,530	30,852	64,382	-
Property claims	-	-	-	1,567,049
Telephone and utilities	2,575,434	47,529	2,622,963	-
Travel	2,644	3,590	6,234	-
Other	142,373	144,279	286,652	-
Total operating expenses	<u>22,272,639</u>	<u>19,593,375</u>	<u>41,866,014</u>	<u>11,577,252</u>
Operating income (loss)	3,371,820	65,242	3,437,062	443,720
Nonoperating Revenues and Expenses				
Interest income	649,654	147,419	797,073	84,342
Interest expense	(728,868)	-	(728,868)	-
Total nonoperating revenues (expenses)	<u>(79,214)</u>	<u>147,419</u>	<u>68,205</u>	<u>84,342</u>
Net income (loss) before capital contributions and transfers	3,292,606	212,661	3,505,267	528,062

Continued

Town of Smyrna, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities			Governmental Activities
	Water and sewer	Natural gas	Total enterprise	Internal service fund
Capital contributions, tap fees	\$ 3,431,489	\$ 284,045	\$ 3,715,534	\$ -
Capital contributions from developers	12,822,955	-	12,822,955	-
Transfers out, in lieu tax payments	(614,856)	(206,190)	(821,046)	-
Change in net position	18,932,194	290,516	19,222,710	528,062
Net position, beginning of year	186,065,722	26,088,276		3,306,359
Net position, end of year	\$ 204,997,916	\$ 26,378,792		\$ 3,834,421
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,815	
Change in net position of business-type activities			\$ 1,815	

Town of Smyrna, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities			Governmental Activities
	Water and Sewer	Natural Gas	Total Enterprise	Internal Service Fund
Cash flows from operating activities				
Receipts from customers	\$ 26,896,131	\$ 20,516,250	\$ 47,412,381	\$ -
Receipts from internal services provided	-	-	-	12,021,437
Payments to employees	(3,038,683)	(1,041,870)	(4,080,553)	-
Payments to suppliers	(9,559,106)	(17,514,119)	(27,073,225)	(11,669,302)
Payment for interfund administrative support services	(1,019,342)	(648,465)	(1,667,807)	-
Net cash provided (used) by operating activities	13,279,000	1,311,796	14,590,796	352,135
Cash flows from noncapital financing activities				
Transfers out	(7,779,471)	(206,190)	(7,985,661)	-
Net cash provided (used) by capital and related noncapital financing activities	(7,779,471)	(206,190)	(7,985,661)	-
Cash flows from capital and related financing activities				
Tap fees	3,431,489	284,045	3,715,534	-
Receipts from note receivable	43,128	-	43,128	-
Receipts on construction bonds	910,952	-	910,952	-
Receipts on revolving loan, net	5,838,923	-	5,838,923	-
Acquisition of capital assets	(16,737,408)	(2,632,442)	(19,369,850)	-
Principal paid on capital debt	(5,306,425)	-	(5,306,425)	-
Interest paid on capital debt	(1,048,547)	-	(1,048,547)	-
Capital grants	3,977,156	-	3,977,156	-
Net cash provided (used) by capital and related financing activities	(8,890,732)	(2,348,397)	(11,239,129)	-
Cash flows from investing activities				
Interest on investments	649,654	147,419	797,073	84,342
Net change in cash, cash equivalents, and restricted cash	(2,741,549)	(1,095,372)	(3,836,921)	436,477
Cash, cash equivalents, and restricted cash, beginning of year	38,334,122	10,209,347	48,543,469	4,594,388
Cash, cash equivalents, and restricted cash, end of year	\$ 35,592,573	\$ 9,113,975	\$ 44,706,548	\$ 5,030,865
Reconciliation of amounts to statement of net position				
Cash and cash equivalents	\$ 33,868,821	\$ 8,040,449	\$ 41,909,270	\$ 5,030,865
Restricted cash and cash equivalents	1,723,752	1,073,526	2,797,278	-
Cash and cash equivalents, end of year	\$ 35,592,573	\$ 9,113,975	\$ 44,706,548	\$ 5,030,865

Continued

Town of Smyrna, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities			Governmental
	Water and Sewer	Natural Gas	Total Enterprise	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 3,371,820	\$ 65,242	\$ 3,437,062	\$ 443,720
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	8,408,924	1,241,686	9,650,610	-
Change in:				
Accounts receivable	1,238,347	826,307	2,064,654	465
Inventory	(440,157)	(208,115)	(648,272)	847
Accounts payable	791,108	(604,747)	186,361	(92,897)
Accrued expenses	(73,736)	(20,286)	(94,022)	-
Customer deposits	13,325	31,326	44,651	-
Net pension liability	(80,680)	(50,629)	(131,309)	-
Deferred inflows of resources related to pension	50,049	31,012	81,061	-
Net cash provided (used) by operating activities	\$ 13,279,000	\$ 1,311,796	\$ 14,590,796	\$ 352,135
Supplemental disclosures of noncash capital and related financing activities				
Contributions of capital assets	\$ 12,822,955	\$ -	\$ 12,822,955	\$ -
Capital assets acquired with contracts payable	\$ 684,464	\$ -	\$ 684,464	\$ -
Payment of contract payable for capital assets	\$ 776,647	\$ -	\$ 776,647	\$ -
Amortization of bond premiums	\$ 395,324	\$ -	\$ 395,324	\$ -
Amortization of deferred charge on refunding	\$ 121,082	\$ -	\$ 121,082	\$ -

Town of Smyrna, Tennessee
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Pension	Custodial
Assets		
Cash	\$ 371,050	\$ 66,130
Investments at fair value		
Certificates of deposit	148,785	-
United States backed securities	248,334	-
Municipal obligations	490,697	-
Corporate obligations	2,118,298	-
Mutual funds	3,741,398	-
Interest receivable	26,755	-
Total assets	<u>7,145,317</u>	<u>66,130</u>
Liabilities		
Accounts payable	-	66,130
Net Position		
Restricted for		
Pensions	7,145,317	-
Individuals and organizations	-	-
Total net position	<u>\$ 7,145,317</u>	<u>\$ -</u>

Town of Smyrna, Tennessee
Statement Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Pension	Custodial
Additions		
Contributions		
Employer	\$ 325,200	\$ -
Fines and fees for other governments	-	505,058
Taxes for other governments	-	228,344
Total contributions	<u>325,200</u>	<u>733,402</u>
Investment earnings		
Interest and dividends	229,568	-
Net increase (decrease) in fair value of investments	368,898	-
Total investment earnings	<u>598,466</u>	<u>-</u>
Investment expense	<u>(58,084)</u>	<u>-</u>
Net investment earnings (loss)	540,382	-
Total additions	865,582	733,402
Deductions		
Benefits	485,769	-
Recipient payments	-	733,402
Total deductions	<u>485,769</u>	<u>733,402</u>
Change in net position	379,813	-
Net position, beginning of year	<u>6,765,504</u>	<u>-</u>
Net position, end of year	\$ 7,145,317	\$ -

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

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 (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.

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 benefiting 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 2023. 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, 2023

Note 1. Summary of Significant Accounting Policies

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) 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, 2023

Note 1. Summary of Significant Accounting Policies

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 effects 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 nonoperating 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 nonoperating 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, 2023

Note 1. Summary of Significant Accounting Policies

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 La Vergne. The Town has no equity interest in the entity; 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 15.

Use of Estimates

The preparation of the Town's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

The Town 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 (LGIP) 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. 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 LGIP 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 at the lower of cost or net realizable value using the first-in, first-out method (FIFO). Any inventories of governmental funds have been valued at cost 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.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

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 and due from other funds.

All trade receivables and property tax receivables are shown net of an allowance for uncollectible amounts.

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.

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 No. 10.

Unearned Revenues

Unearned revenues consist primarily of unearned grant funds received, rent, and event charges.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

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 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.

Leases

The Town determines if an arrangement is or contains a lease at contract inception and recognizes an intangible right of use asset and a lease liability at the lease commencement date. Subsequently, the intangible right of use asset is amortized on a straight-line basis over its useful life. The Town also enters into agreements, as lessor, to lease property, recognizing a lease receivable and a deferred inflow of resources. The lease term includes the noncancelable period of the lease plus an additional period covered by either an option to extend or not to terminate the lease that the lessee is reasonably certain to exercise, or an option to extend or not to terminate the lease controlled by the lessor. The Town uses its estimated incremental borrowing rate as the discount rate for leases.

The Town monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the intangible right of use asset.

Subscription-Based Information Technology Arrangements

SBITA right-to-use assets and liabilities are recognized upon the commencement of the contract term in relation to contracts in which the Town is contracting for the right to use this type of asset. These assets include all subscription-based software contracts including cloud-based software contracts. These are measured at the present value of payments expected to be made by the Town during the contract term in addition to certain other costs related to the assets.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Subscription-Based Information Technology Arrangements

The interest rate utilized to calculate the present value of lease payments is calculated annually and represents the weighted cost of debt.

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 in 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting in this category: (1) deferred charge on bond refunding resulting from the difference in the carrying amount of refunded debt and its requisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt; (2) amounts relating to pensions and other postretirement benefits which may result from differences between expected and actual actuarial experience, differences between expected and actual investment earnings of the pension plan, certain changes in actuarial assumptions, and amounts of employer contributions to the plans made subsequent to the measurement date.

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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has the following types of deferred inflows of resources: the unavailable revenues reported in the governmental funds balance sheet, which arise under a modified accrual basis of accounting, representing amounts that are deferred and recognized as an inflow of resources in the periods in which the amounts become available. These amounts relate primarily to unavailable property taxes, lease receivables, and other receivables not within the collection period. The deferred inflows of resources reported in the statement of net position arise from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year, but levied in the subsequent year. Pension and other postretirement benefit-related deferred inflows of resources may result from actuarial gains related to the difference between expected and actual experience for the plan's adopted economic and demographic assumptions, and differences between expected and actual earnings on plan investments.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

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 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 – all other net position that does not meet the definition of restricted or net investment in capital assets.

Fund Balance

In accordance with GASB Statement No. 54, fund balances are reported in the fund financial statements under the following categories:

Nonspendable – represents amounts that are not in spendable form, such as inventories, prepaid items, and the noncurrent portion of notes receivable.

Restricted – that portion of fund balance that can be spent only for the specific purposes stipulated by external resource or through enabling legislation.

Committed – 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 – 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 – 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 \$17,276,000. This policy may be modified by majority vote of the Council and the reserve is included in unassigned fund balance.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

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 and \$0.5257 per \$100 of assessed value for tax years 2022 and 2023, respectively. Payments may be made during the period from October 1 through February 28 of the subsequent calendar year. Current tax collections of \$13,701,099 for the fiscal year ended June 30, 2023 were approximately 96.4% of the tax levy. Delinquent taxes past due for 14 months are turned over to the county clerk for collection.

Of the \$15,388,605 of property taxes receivable at June 30, 2023, \$14,800,000 represents the estimated net realizable 2023 property taxes, which will be assessed but not levied in the current fiscal year, and which are included in deferred inflows of resources. This receivable is reported in the balance sheet – governmental funds with offsetting deferred inflows of resources for the amounts not available at June 30, 2023. Amounts available at June 30, 2023 have been recorded as revenues in the governmental fund statements.

Other taxes receivable reported in the governmental statements are \$253,541 for beer, liquor, and motel taxes, and \$2,844,346 for estimated net realizable 2023 in lieu of tax, assessed but not levied in the current fiscal year. There were no tax abatements requiring disclosure.

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.

Recently Adopted New Accounting Pronouncements

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (Statement No. 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding liability; (3) provides capitalization criteria for outlays other than subscription payments, including implementation costs of SBITA; (4) and requires note disclosures regarding a SBITA. Statement No. 96 is effective for fiscal years beginning after June 15, 2022. Adoption of this Statement is reflected on the Town's financial statements.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 2. Budget Compliance and Accountability

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

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 GAAP. All budget appropriations lapse at year-end.

During the fiscal year, the following budgets were amended:

	Revenues	Expenditures	Transfers (out)
General	\$ 1,746,750	\$ 366,650	\$ (11,410,100)
Capital projects	112,000	3,260,800	18,908,000
Debt service	-	1,300	1,300
State street aid	-	25,000	-
Stormwater	74,500	26,000	(48,500)

The capital projects expenditure amendments primarily related to road and street improvements. The general fund transfer of \$11,410,100 was to fund future capital projects and debt service. State street aid fund amendments related to road repairs and general fund amendments primarily related to fuel, maintenance, and insurance.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 3. 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, 2023, there were no amounts exposed to custodial credit risk.

Investments

The Town investments only in the types of investments permitted by TCA 6-56-106.

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, 2023 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, 2023 was \$74,375.

Investments, Fiduciary Fund

	Fair value/ carrying amount	Weighted average days to maturity	Average credit quality ratings	Fair value hierarchy classification
Pension				
Certificates of deposits	\$ 148,785	61	N/A	Level 1
US backed securities	248,334	3,417	AA+	Level 2
Municipal obligations	490,697	2,346	A-AAA	Level 2
Corporate obligations	2,118,298	1,690	BBB-AA	Level 2
Mutual funds equity	<u>3,741,398</u>	N/A	N/A	Level 1
	\$ 6,747,512			

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 3. Deposits and Investments

Investments, Fiduciary Fund

Level 1 hierarchy investments are valued using prices quoted in active markets for those securities. 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 Town’s pension 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, 2023.

	Asset allocation	Target allocation	Actual allocation
Equity		40% to 60%	52.6%
Fixed income		40% to 60%	42.2%
Cash and receivables		0% to 10%	5.2%

The long-term expected rate of return on pension plan investments is 6.75%.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return based on monthly cash flows on pension plan investments, net of pension plan investment expense, was 8.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, except that TCA 6-56-106 stipulates that investments may have a maturity of not greater than four years from the date of investment unless approved by the state director of local finance.

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, 2023, the Town had investments in three organizations that each represented 5% or more of total investment value.

William Blair Large Cap Fund	\$	589,851
Vanguard Growth Index Admiral Fund	\$	618,921
Victory Portfolio Fund	\$	510,240

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 4. **Receivables**

A summary of receivables at June 30, 2023 is as follows:

	<u>General</u>	<u>Capital projects</u>	<u>Water and sewer</u>	<u>Natural gas</u>	<u>Nonmajor governmental</u>	<u>Internal service</u>	Total
Property tax	\$ 15,475,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,475,605
Other taxes and in lieu taxes	3,097,887	-	-	-	-	-	3,097,887
Customer	128,736	-	4,035,869	858,711	275,854	-	5,299,170
Other governments	4,868,053	153,748	-	-	315,222	-	5,337,023
Less: allowance	<u>(87,000)</u>	<u>-</u>	<u>(803,960)</u>	<u>(113,469)</u>	<u>(59,520)</u>	<u>-</u>	<u>(1,063,949)</u>
Total	\$23,483,281	\$ 153,748	\$ 3,231,909	\$ 745,242	\$ 531,556	\$ -	\$28,145,736

The water and sewer fund includes a note receivable from the Airport Authority, a joint venture of the Town, in the amount of \$10,174, 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 nonmajor governmental fund) also includes a note from the Airport Authority for \$1,167,500 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 \$1,190,000 (see note 10).

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 5. Interfund Balances and Transactions

Internal balances in the government-wide financial statements include \$374,794 related to the consolidation of the internal service fund.

Interfund receivables and payables are attributable to obligations between funds. The actual cash transfers had not been made at June 30, 2023. Any interfund amounts are a result of temporary interfund financing at year-end and are liquidated subsequent to year end. There was \$259,170 due to the capital projects fund from the impact fee fund as of June 30, 2023.

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

	Transfers in			Total
	General	Capital projects	Debt service	
Transfers out				
Natural gas	\$ 206,190	\$ -	\$ -	\$ 206,190
Water and sewer	614,856	-	-	614,856
General	-	13,782,677	1,222,457	15,005,134
State street aid	-	43,302	-	43,302
Stormwater	194,425	559,886	-	754,311
Impact fee	-	<u>2,605,798</u>	<u>1,337,850</u>	<u>3,943,648</u>
Total	\$ 1,015,471	\$ 16,991,663	\$ 2,560,307	\$ 20,567,441

The transfers from the proprietary funds to the general fund relate to in lieu of tax payments. At year-end, the Town transferred \$10,000,000 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 6. Restricted Assets

A summary of restricted assets is as follows:

	Governmental Funds	Enterprise Funds		Total
	Capital projects	Water and sewer	Natural gas	
Cash	\$ 1,387,223	\$ 1,723,752	\$ 1,073,526	\$ 4,184,501

Cash is restricted for approved capital projects in the governmental activities and for construction bonds and customer deposits in the business-type activities.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 7. Capital Assets

Governmental Activities

Capital assets activity for the year was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases and transfers</u>	<u>Ending balance</u>
Capital assets not being depreciated				
Land	\$ 7,699,851	\$ -	\$ 213,314	\$ 7,913,165
Construction in progress	<u>17,698,946</u>	<u>8,214,316</u>	<u>(19,331,313)</u>	<u>6,581,949</u>
	25,398,797	8,214,316	(19,117,999)	14,495,114
Capital assets being depreciated				
Buildings	31,116,829	5,300	-	31,122,129
Improvements	34,928,138	1,125,258	856,666	36,910,062
Equipment	33,819,178	6,806,745	(3,098,238)	37,527,685
Right-to-use lease assets	3,980,690	19,967	-	4,000,657
Right-to-use SBITA assets	-	330,319	-	330,319
Infrastructure	<u>155,878,431</u>	<u>8,715,152</u>	<u>14,820,260</u>	<u>179,413,843</u>
	259,723,266	17,002,741	12,578,688	289,304,695
Less: accumulated depreciation				
Buildings	(18,072,886)	(732,646)	-	(18,805,532)
Improvements	(13,369,126)	(1,053,279)	-	(14,422,405)
Equipment	(25,465,856)	(1,577,433)	84,405	(27,127,694)
Right-to-use lease assets	(215,036)	(150,506)	-	(365,542)
Right-to-use SBITA assets	-	(118,337)	-	(118,337)
Infrastructure	<u>(72,540,719)</u>	<u>(4,694,687)</u>	<u>-</u>	<u>(77,235,406)</u>
	(129,663,623)	(8,326,888)	84,405	(138,074,916)
Governmental activities capital assets, net	\$ 155,458,440	\$ 16,890,169	\$ (6,623,716)	\$ 165,724,893

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

General government	\$ 480,204
Public safety	
Police	754,341
Fire	475,877
Highways and streets	4,690,819
Stormwater	221,816
Recreation	1,633,556
Community development	<u>70,275</u>
Total depreciation expense	\$ 8,326,888

Infrastructure donated by developers in the current year was valued at \$7,957,141.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 7. Capital Assets

Business-type Activities

Capital assets activity for enterprise funds for the year was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases and transfers</u>	<u>Ending balance</u>
Capital assets not being depreciated				
Land and land rights	\$ 1,681,903	\$ -	\$ -	\$ 1,681,903
Water rights	3,172,539	-	-	3,172,539
Construction in progress	<u>56,656,944</u>	<u>14,512,260</u>	<u>(39,777,542)</u>	<u>31,391,662</u>
	61,511,386	14,512,260	(39,777,542)	36,246,104
Capital assets being depreciated				
Utility plant and buildings	273,930,874	16,977,610	39,777,542	330,686,026
Machinery and equipment	<u>13,113,971</u>	<u>610,752</u>	<u>-</u>	<u>13,724,723</u>
	287,044,845	17,588,362	39,777,542	344,410,749
Less: accumulated depreciation				
Utility plant and buildings	(126,395,747)	(8,815,349)	-	(135,211,096)
Machinery and equipment	<u>(10,708,162)</u>	<u>(835,261)</u>	<u>-</u>	<u>(11,543,423)</u>
	(137,103,909)	(9,650,610)	-	(146,754,519)
Business-type activities capital assets, net	\$ 211,452,322	\$ 22,450,012	\$ -	\$ 233,902,334

Depreciation expense for the year was \$9,650,610.

Current year donated infrastructure was valued at \$12,822,955.

Note 8. Leases

Lessor

The Town, as lessor, leases land for cell towers under non-cancelable lease arrangements. Terms of the leases range from 10 to 30 years and contain fixed payment terms. Certain leases contain an option to renew that has been considered in the lease receivable when the lessee is reasonably certain to exercise the renewal option. The Town recognized lease revenue, which is included in other operating revenues, of \$99,124 in 2023. Total lease receivables were \$1,184,153 (\$74,567 current) as of June 30, 2023, and are included in other assets on the statement of net position.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 8. **Leases**

Lessor

Principal and interest requirements on these leases are as follows:

Years ended June 30,	Principal	Interest	Total
2024	\$ 74,567	\$ 25,794	\$ 100,361
2025	74,746	25,615	100,361
2026	77,930	25,434	103,364
2027	78,124	25,241	103,365
2028	82,667	25,019	107,686
2029-2033	148,292	121,188	269,480
2034-2038	71,290	112,049	183,339
2039-2043	125,576	94,432	220,008
2044-2048	198,695	65,314	264,009
2049-2053	<u>252,266</u>	<u>21,203</u>	<u>273,469</u>
Total	\$ 1,184,153	\$ 541,289	\$ 1,725,442

Lessee

The Town leases land for Sharp Springs Park. Lease payments are \$8,120 per year. The Town used the risk-free rate in effect as of the lease inception date, which was 0.37%.

The Town holds multiple land leases with the Rutherford County Airport Authority. Lease terms are as follows:

Golf course - Lease payments are \$10,000 per month, with escalating increases through lease expiration in June 2046. The Town used the risk-free rate in effect as of the lease inception date, which was 0%.

Park – Lease payments are \$1,120 per month, with escalating increases through lease expiration in June 2046. The Town used the risk-free rate in effect as of the lease inception date, which was 0%.

Firing Range - Lease payments are \$974 per month, with escalating increases through lease expiration in June 2046. The Town used the risk-free rate in effect as of the lease inception date, which was 0.91%.

The Town leases a copier.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 8. Leases

Leasee

Principal and interest requirements on these leases are as follows:

Year ended June 30,	Principal	Interest	Total
2024	\$ 158,740	\$ 1,549	\$ 160,289
2025	160,366	1,285	161,651
2026	162,011	1,015	163,026
2027	163,675	738	164,414
2028	164,632	457	165,089
2029-2033	784,106	484	783,680
2034-2038	767,003	-	767,005
2039-2043	806,125	-	806,130
2044-2047	503,295	-	504,197
Total	\$ 3,669,953	\$ 5,528	\$ 3,675,481

Note 9. Subscription-Based Information Technology Arrangements (SBITAs)

The Town has SBITAs for various technology systems. The most significant contracts are for e-mail and office productivity in a contract that ends in fiscal year 2025. The Town has contracted with other software subscription providers, and the remaining terms on those contracts range from one to two years. There were no termination penalties, no material variable payments not included in the lease term, no commitments prior to the commencement of the SBITA contracts, and no impairments to subscription liabilities for the year ended June 30, 2023.

Principal and interest requirements on these SBITAs are as follows:

Year ended June 30,	Principal	Interest	Total
2024	\$ 115,731	\$ 5,234	\$ 120,965
2045	93,624	2,341	95,965
Total	\$ 209,355	\$ 7,575	\$ 216,930

Note 10. 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 nonmajor fund). Pension liabilities and compensated absences are liquidated by the fund responsible for the employee, which could be any of the general, stormwater, water and sewer, or natural gas fund.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 10. Long-term Debt and Other Obligations Payable

The following is a summary of changes in long-term liabilities for the year, except for the net pension obligation, which is described in note 12:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental Activities					
General obligation bonds	\$ 19,845,000	\$ -	\$ (1,690,000)	\$ 18,155,000	\$ 1,770,000
Capital outlay notes	-	682,207	(228,540)	453,667	226,267
Unamortized premiums	<u>1,848,539</u>	<u>-</u>	<u>(239,533)</u>	<u>1,609,006</u>	<u>-</u>
	21,693,539	682,207	(2,158,073)	20,217,673	1,996,267
Lease liabilities	3,803,293	19,967	(153,307)	3,669,953	158,740
SBITA liabilities	-	330,320	(120,965)	209,355	115,731
Compensated absences	<u>2,865,684</u>	<u>2,476,870</u>	<u>(2,322,862)</u>	<u>3,019,692</u>	<u>3,019,692</u>
Total governmental activities	\$ 28,362,516	\$ 3,509,364	\$ (4,755,207)	\$ 27,116,673	\$ 5,290,430
Business-type Activities					
	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>	<u>Due within one year</u>
General obligation bonds	\$ 11,280,000	\$ -	\$ (4,195,000)	\$ 7,085,000	\$ 4,385,000
Unamortized premiums	774,574	-	(388,322)	386,252	-
Direct borrowings					
State revolving loans	<u>34,529,083</u>	<u>5,838,923</u>	<u>(1,111,425)</u>	<u>39,256,581</u>	<u>1,053,310</u>
Total business-type activities	\$ 46,583,657	\$ 5,838,923	\$ (5,694,747)	\$ 46,727,833	\$ 5,438,310
Compensated absences*	\$ 474,088	\$ 406,607	\$ (363,618)	\$ 517,077	\$ 517,077

*Included in accrued liabilities

Long-term debt payable is comprised of the following:

Governmental Activities

2014A General Obligation Bonds (\$2,020,000), due in annual installments through June 2024 at 3.00% to 4.00% interest	\$ 260,000
2014B General Obligation Bonds (\$1,765,000), due in annual installments through April 2034 at 1.10% to 4.125% interest (airport improvements, noncapital-related)	1,190,000
2017 General Obligation Refunding Bonds (\$3,107,850), due in annual installments through April 2024 at 5.00% interest	690,000

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 10. Long-term Debt and Other Obligations Payable

Governmental Activities

2019 General Obligation Refunding Bonds (\$18,000,000), due in annual installments through April 2039 at 2.00% to 5.00% interest 16,015,000

2022 Capital Outlay Notes (\$682,207), due in annual installments through February 2025 at 0.50% interest 453,667

Total governmental activities **\$ 18,608,667**

Business-type Activities

2009 State Revolving Loan Program (\$5,750,000 with \$2,300,000 forgiven), due in 240 installments through 2032 at an interest rate of 2.14% \$ 1,603,460

2010 State Revolving Loan Program (\$600,000 with \$120,000 forgiven), due in 240 installments through 2033 at an interest rate of 1.94% 172,968

2015 State Revolving Loan Program (\$83,377), due in monthly installments of \$384 through 2038 at an interest rate of 1.00% 62,745

2015 State Revolving Loan Program (\$190,683), due in monthly installments of \$635 through 2048 at an interest rate of 1.24% 161,728

2017 General Obligation Refunding Bonds (\$20,042,150), due in annual installments through 2026 at an interest rate of 5.00% 7,085,000

2019 State Revolving Loan Program (\$3,000,000 loan with \$300,000 forgiveness), due in monthly installments of \$9,593 through 2050 at an interest rate of 1.70% 2,469,738

2020 State Revolving Loan Program (\$18,000,000), due in monthly installments of \$60,409 through 2051 at an interest rate of 1.30% 17,047,794

2020-01 State Revolving Loan Program, \$17,200,000 authorized, \$15,214,153 draws at June 30, 2023. Amortization to begin at project completion at an interest rate of 0.90% 15,214,153

2021 State Revolving Loan Program (\$2,687,373), due in monthly installments of \$11,951 through 2042 at an interest rate of 0.68% 2,523,995

Total business-type activities **\$ 46,341,581**

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 10. Long-term Debt and Other Obligations Payable

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2023, including interest payments, are as follows:

Governmental Activities				
Year ended June 30,	General obligation bonds		Capital Outlay	
	Principal	Interest	Principal	Interest
2024	\$ 1,770,000	\$ 698,213	\$ 226,267	\$ 2,274
2025	860,000	614,112	227,400	1,140
2026	895,000	572,657	-	-
2027	920,000	553,450	-	-
2028	940,000	533,425	-	-
2029 – 2033	5,415,000	1,934,944	-	-
2034 – 2038	6,055,000	755,812	-	-
2039 – 2043	<u>1,300,000</u>	<u>39,000</u>	<u>-</u>	<u>-</u>
	\$ 18,155,000	\$ 5,701,613	\$ 453,667	\$ 3,414

Business-type Activities				
Year ended June 30,	General obligation bonds		Loans from direct borrowings and placements	
	Principal	Interest	Principal	Interest
2024	\$ 4,385,000	\$ 354,250	\$ 913,246	\$ 306,910
2025	1,320,000	135,000	926,357	296,282
2026	1,380,000	69,000	939,635	285,575
2027	-	-	953,130	274,695
2028	-	-	966,857	263,687
2029 – 2033	-	-	4,650,439	1,148,538
2034 – 2038	-	-	4,150,917	872,990
2039 – 2043	-	-	4,214,747	594,233
2044 – 2048	-	-	3,939,112	314,085
2049 – 2053	-	-	2,387,988	51,432
*	<u>-</u>	<u>-</u>	<u>15,214,153</u>	<u>-</u>
	\$ 7,085,000	\$ 558,250	\$ 39,256,581	\$ 4,408,427

*This is for certain state revolving loan funds drawn down in 2023; amortization will be over 30 years and will begin upon completion of the project.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 10. Long-term Debt and Other Obligations Payable

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 nonmajor 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, 2023, 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 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 11. Deferred Outflows of Resources and Deferred 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, leases, and state shared revenues. At June 30, 2023, 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	\$ 21,652	\$ 135,951
Net difference in projected and actual earnings, pension	<u>265,621</u>	<u>136,568</u>
	\$ 287,273	\$ 272,519
Deferred inflows of resources		
Leases	\$ 1,184,153	\$ -
Property taxes		
2023 assessed and unlevied	14,800,000	-
2023 in lieu assessed and unlevied	<u>2,844,346</u>	<u>-</u>
	\$ 18,828,499	\$ -

Deferred inflows of resources in the fund statements of \$21,949,235 consist of unlevied property taxes and in lieu taxes of \$17,644,346, delinquent property taxes of \$648,156, deferred inflows of leases of \$1,184,153 and unavailable state and county-shared taxes of \$2,472,580.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 12. **Defined Benefit Pension Plan**

Plan Description and Benefits

Effective October 20, 1970, the Town established the Town of Smyrna Pension Plan (the Plan), a single employer defined benefit pension plan, to provide benefits for employees of the Town. The Plan is administered by the 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 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 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 effective June 30, 2022.

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.

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.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 12. **Defined Benefit Pension Plan**

Early Retirement

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

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

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.

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%

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 12. **Defined Benefit Pension Plan**

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 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 three years.

Other Plan Provisions

None.

Summary of Participants

Inactive plan participants

Retirees and beneficiaries currently receiving benefits	23
Terminated employees entitled to deferred benefits	12
Total	<u>35</u>

Active plan participants

Vested (fully and partially)	8
Non-vested	-
Total	<u>8</u>

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 12. Defined Benefit Pension Plan

Net Pension Liability (Asset)

The Town's net pension liability (asset) was measured as of June 30, 2023 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
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	6.75% per annum effective July 1, 2021 – the assets of the pension plan are invested by Pinnacle Bank in accordance with the terms of the Trust agreement.
Provision for expenses	None – paid separately by employer
Marriage assumptions	100% of both males and females are assumed to be married with husbands three years older than their wives.

Net Pension Liability (Asset)

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

Asset Class	Long-term Expected Rate of Return
Domestic equity, Small Cap	7.8%
Domestic equity, Large Cap	7.4%
Domestic equity, Mid Cap	7.8%
International equity	7.8%
International equity, Emerging Markets	8.6%
Fixed income	4.8%
Limited partnerships	10.1%
Cash	3.2%

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 12. **Defined Benefit Pension Plan**

Net Pension Liability (Asset)

The annual money-weighted rate of return based on monthly cash flows on pension investments, net of pension expense, was 8.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate Beginning July 2021, 6.75% 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'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, 2022 was 88.89%. Based on actuarial theory, if the actuarial assumptions are met, the Plan's fiduciary net position will remain positive.

Schedule of Changes in Net Pension Liability

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a)-(b)
Balance, June 30, 2022	\$ 7,610,264	\$ 6,765,504	\$ 844,760
Service cost	25,796	-	25,796
Interest	499,661	-	499,661
Changes of benefit terms	-	-	-
Experience (gains)/losses	(34,762)	-	(34,762)
Changes in assumptions	-	-	-
Contributions, town	-	325,200	(325,200)
Contributions, members	-	-	-
Expected investment return	-	451,252	(451,252)
Difference between expected and actual returns	-	89,132	(89,132)
Benefits paid, including refunds and contributions	(485,771)	(485,771)	-
Administrative expenses	-	-	-
Other changes	-	-	-
Net change	<u>4,924</u>	<u>379,813</u>	<u>(374,889)</u>
Balance, June 30, 2023	\$ 7,615,188	\$ 7,145,317	\$ 469,871

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 12. Defined Benefit Pension Plan

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.

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 (5.75%)	Current rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$ 1,056,310	\$ 469,871	\$ (45,019)

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2023, governmental activities pension expense was \$116,245, water and sewer and gas activities pension expense was \$39,669 and \$24,284, respectively, for the total pension expense of \$180,198. At June 30, 2023, 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	402,189	-
Changes in assumptions	-	-
Contributions made subsequent to measurement date	-	-
	\$ 402,189	\$ -

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,	
2024	\$ 116,475
2025	63,431
2026	240,111
2027	(17,828)
2028	-
Thereafter	-

The pension contribution receivable of \$325,000 was liquidated immediately after year end.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 13. Defined Contribution Pension Plans

Town employees are eligible to participate in the following defined contribution pension plans depending on date of hire and certain eligibility factors:

Plan name	Plan administrator	Plan type
Town of Smyrna Retirement Savings Plan	Town	401(a)
Town of Smyrna 457(b) Deferred Compensation Plan	Town	457(b)

Participation in the defined contribution pension plans permits participants to defer a portion of their salary to future years. The deferred compensation is not available to them until termination, retirement, death, or unforeseeable emergency. The plans' investments are each held in trust by VOYA Retirement, Insurance and Annuity Company. Investments in both plans are managed by the Plan trustees through a selection of mutual funds. The choice of investments is made by the participants. The Plan assets do not include any type of securities of the employer or any related party.

The Town has determined that neither of its defined contribution pension plans are fiduciary component units or fiduciary activities of the government.

Town of Smyrna Retirement Savings Plan

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 2023, there were \$20,845 in forfeitures and there is \$147,312 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, 2023, the Town contributed \$1,557,638 (5.80% of \$26,844,112 covered payroll) and the employees contributed \$1,904,005 (7.09% of \$26,844,112 covered payroll).

Town of Smyrna 457(b) 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 does not make matching or non-matching contributions and, as such, forfeiture policies are not applicable. Benefit terms and contribution rates are established and may be amended by formal resolution of the Town Council.

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 14. Commitments and Contingencies

Litigation

There were several pending lawsuits in which the Town was involved as of June 30, 2023, 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.

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 1.98% of the Corps' actual costs. In 2023, the Town paid \$39,442.

Commitments

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, 2023, the Town has entered into several construction contracts totaling approximately \$46,580,000. These contracts were approximately 70% complete at year-end. The projects involved road, park, and utility projects and will be funded by unspent bond funds and reserves.

Purchase Agreement

The Town has entered into a purchase agreement in the amount of \$5,754,954 for the purchase of 4 fire trucks.

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 subrecipient. 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 100 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, 2023

Note 15. Joint Venture with Rutherford County

In 1991, 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, 2023, the Authority had net position of \$40,287,916. Net operating income (losses) for the 2023 and 2022 fiscal years were \$87,851 and \$(162,098), respectively. During the year, the Town of Smyrna paid a total of \$146,457 in rent for use of Authority property for recreational purposes. Separate financial statements for this joint venture are available at 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 .25 years remaining. Interest accrues at 2% and the balance on the loan is \$10,174. 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 \$1,167,500. The note is accounted for in the debt service fund.

Note 16. 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 \$137,238, respectively, including interest.

Note 17. Major Customer

The Town supplies water, sewer, and natural gas services to a large manufacturing company. During the fiscal year ended June 30, 2023, services to this company accounted for the following percentages of total revenues of the natural gas, water and sewer, and stormwater fund customer revenues.

Natural gas	39.4%
Water and sewer	9.0%
Stormwater	6.2%

Town of Smyrna, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 18. Risk Management

The Town has chosen to establish the self-insurance fund for risks associated with employees health insurance, workers' compensation insurance, 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

The Town retains the risk of loss to a limit of \$100,000 per employee, The Town has obtained an 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

The Town is self-insured for its workers' compensation claims up to a limit of \$500,000 for police and fire and \$250,000 for all other employees per claim. The Town obtained commercial insurance for claims beyond the noted limit.

Liability and Property Insurance

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, 2023

Note 18. Risk Management

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 two fiscal years are as follows:

	Liability at beginning of fiscal year	Claims	Changes in estimates	Claim payments	Liability at end of fiscal year*
2021-2022	\$ 1,028,367	\$ 11,536,640	\$ 30,146	\$(11,298,142)	\$ 1,297,011
2022-2023	\$ 1,297,011	\$ 9,038,542	\$ (55,825)	\$ (9,075,614)	\$ 1,204,114

*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.

Required Supplementary Information

Town of Smyrna, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios -
Town of Smyrna Pension Plan (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 25,796	\$ 35,011	\$ 38,166	\$ 37,474	\$ 54,970	\$ 52,724	\$ 51,187	\$ 54,304	\$ 86,040
Interest	499,661	482,661	492,116	488,539	507,958	463,624	445,440	450,429	428,073
Changes in benefit terms	-	-	-	1	-	-	-	-	-
Differences between expected and actual experience	(34,762)	307,670	(39,779)	(91,457)	(7,136)	131,200	189,721	(164,933)	274,843
Changes in assumptions	-	(136,988)	-	-	(23,995)	-	-	-	(55,334)
Benefit payments/refunds	(485,771)	(380,904)	(360,876)	(371,060)	(430,044)	(423,259)	(423,646)	(398,497)	(366,522)
Net change in total pension liability	4,924	307,450	129,627	63,497	101,753	224,289	262,702	(58,697)	367,100
Total pension liability, beginning	7,610,264	7,302,814	7,173,187	7,109,690	7,007,937	6,783,648	6,520,946	6,579,643	6,212,543
Total pension liability, ending (a)	7,615,188	7,610,264	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	325,200	325,200	805,100	205,100	145,402	182,266
Contributions, employee	-	-	-	-	-	-	-	-	-
Net investment income	540,384	(778,568)	1,323,942	166,541	294,713	342,900	367,587	78,722	76,270
Benefit payments, including refunds of employee contributions	(485,771)	(380,904)	(360,878)	(371,060)	(430,044)	(423,259)	(423,646)	(398,497)	(366,522)
Change in mortality assumptions	-	-	-	-	4,032	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	379,813	(834,272)	1,288,264	120,681	193,901	724,741	149,041	(174,373)	(107,986)
Plan fiduciary net position, beginning	6,765,504	7,599,776	6,311,509	6,190,828	5,996,927	5,272,186	5,123,145	5,297,518	5,405,504
Plan fiduciary net position, ending (b)	7,145,317	6,765,504	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)	\$ 469,871	\$ 844,760	\$ (296,959)	\$ 861,678	\$ 918,862	\$ 1,011,010	\$ 1,511,462	\$ 1,397,801	\$ 1,282,125
Plan fiduciary net position as a percentage of total pension liability	93.8%	88.9%	104.1%	88.0%	87.1%	85.6%	77.7%	78.6%	80.5%
Covered payroll	\$ 765,941	\$ 856,982	\$ 810,601	\$ 793,071	\$ 898,722	\$ 885,460	\$ 860,733	\$ 934,571	\$ 922,561
Net pension liability (asset) as a percentage of covered payroll	61.3%	98.6%	-36.6%	108.7%	102.2%	114.2%	175.6%	149.6%	139.0%
Annual money-weighted rate of return, net of investment expense	8.24%	-10.48%	21.52%	3.23%	5.54%	7.25%	7.95%	2.00%	1.96%

Town of Smyrna, Tennessee
Schedule of Employer Contributions -
Town of Smyrna Pension Plan (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 96,489	\$ 35,011	\$ 109,110	\$ 108,232	\$ 189,266	\$ 186,129	\$ 176,181	\$ 145,402	\$ 182,266
Contributions in relation to the actuarially determined contribution	<u>325,200</u>	<u>325,200</u>	<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)	\$ (228,711)	\$ (290,189)	\$ (216,090)	\$ (216,968)	\$ (135,934)	\$ (618,971)	\$ (28,919)	\$ -	\$ -
Covered payroll	\$ 765,941	\$ 856,982	\$ 810,601	\$ 793,071	\$ 898,722	\$ 885,460	\$ 860,733	\$ 934,571	\$ 922,561
Contributions as a percentage of covered payroll	42.5%	37.9%	40.1%	41.0%	36.2%	90.9%	23.8%	15.6%	19.8%

Town of Smyrna, Tennessee
Notes to Schedule Relating to the Actuarially Determined Contribution
For the Year Ended June 30, 2023

Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

Actuarially determined contributions rates for fiscal year 2023 were calculated based on the results of the June 30, 2023 actuarial valuation. At June 30, 2016, the cost method was changed from Projected Unit Credit to Entry Age Normal.

The discount rate and rate of investment return were both lowered from 7.00% to 6.75% as of July 1, 2021.

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	6.75%, 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

Town of Smyrna, Tennessee
Notes to Schedule Relating to the Actuarially Determined Contribution
For the Year Ended June 30, 2023

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 Fund
Financial Statements and Schedules**

Town of Smyrna, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue			Capital Projects	Debt service	Total nonmajor governmental
	Drug	State street aid	Stormwater	Impact fee		
Assets						
Cash	\$ 503,956	\$ 317,878	\$ 3,036,768	\$ 6,812,451	\$ 33,110	\$ 10,704,163
Due from other governments	-	315,222	-	-	-	315,222
Accounts receivable	-	-	216,334	-	-	216,334
Note receivable	-	-	-	-	1,167,500	1,167,500
Total assets	\$ 503,956	\$ 633,100	\$ 3,253,102	\$ 6,812,451	\$ 1,200,610	\$ 12,403,219
Liabilities						
Accounts payable	\$ 3,371	\$ 32,600	\$ 19,439	\$ 220,327	\$ -	\$ 275,737
Accrued liabilities	-	-	22,717	-	-	22,717
Due to other funds	-	-	-	259,170	-	259,170
Total liabilities	3,371	32,600	42,156	479,497	-	557,624
Deferred inflows of resources	-	158,630	-	-	-	158,630
Fund balances						
Nondisposable	-	-	-	-	1,076,250	1,076,250
Restricted for						
Law enforcement	500,585	-	-	-	-	500,585
Highways and streets	-	441,870	-	-	-	441,870
Stormwater	-	-	3,210,946	-	-	3,210,946
Debt service	-	-	-	-	124,360	124,360
Capital projects	-	-	-	6,332,954	-	6,332,954
Total fund balances	500,585	441,870	3,210,946	6,332,954	1,200,610	11,686,965
Total liabilities, deferred inflows of resources, and fund balances	\$ 503,956	\$ 633,100	\$ 3,253,102	\$ 6,812,451	\$ 1,200,610	\$ 12,403,219

Town of Smyrna, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue			Capital Projects		Total nonmajor governmental
	Drug	State street aid	Stormwater	Impact fee	Debt service	
Revenues						
Intergovernmental						
Gasoline tax inspection fees	\$ -	\$ 1,843,622	\$ -	\$ -	\$ -	\$ 1,843,622
Grants	7,500	-	-	-	-	7,500
State street maintenance contracts	-	19,074	-	-	-	19,074
Licenses and permits	-	-	-	4,534,943	-	4,534,943
Fines, forfeitures, and seizures	107,084	-	-	-	-	107,084
Use of money and property						
Interest	9,113	38,638	70,529	122,549	47,238	288,067
Stormwater fees, rental, and sales	-	-	1,902,554	-	-	1,902,554
Miscellaneous	-	11,627	-	-	-	11,627
Total uses of money and property	<u>9,113</u>	<u>50,265</u>	<u>1,973,083</u>	<u>122,549</u>	<u>47,238</u>	<u>2,202,248</u>
Total revenues	123,697	1,912,961	1,973,083	4,657,492	47,238	8,714,471
Expenditures						
Current						
General government	-	-	-	35,000	-	35,000
Drug enforcement	23,866	-	-	-	-	23,866
Highways and streets	-	2,331,218	-	-	-	2,331,218
Stormwater	-	-	1,476,255	-	-	1,476,255
Total current	<u>23,866</u>	<u>2,331,218</u>	<u>1,476,255</u>	<u>35,000</u>	<u>-</u>	<u>3,866,339</u>
Debt service	-	-	-	-	2,698,913	2,698,913
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>23,866</u>	<u>2,331,218</u>	<u>1,476,255</u>	<u>35,000</u>	<u>2,698,913</u>	<u>6,565,252</u>
Excess (deficiency) of revenues over expenditures	99,831	(418,257)	496,828	4,622,492	(2,651,675)	2,149,219
Other Financing Sources (Uses)						
Transfer from general fund	-	-	-	-	1,222,457	1,222,457
Transfer from impact fee fund	-	-	-	-	1,337,850	1,337,850
Transfer to general fund	-	-	(194,425)	-	-	(194,425)
Transfer to debt service fund	-	-	-	(1,337,850)	-	(1,337,850)
Transfer to capital projects fund	-	(43,302)	(559,886)	(2,605,798)	-	(3,208,986)
Total other financing sources (uses)	<u>-</u>	<u>(43,302)</u>	<u>(754,311)</u>	<u>(3,943,648)</u>	<u>2,560,307</u>	<u>(2,180,954)</u>
Net change in fund balances	99,831	(461,559)	(257,483)	678,844	(91,368)	(31,735)
Fund balances, beginning of year	400,754	903,429	3,468,429	5,654,110	1,291,978	11,718,700
Fund balances, end of year	<u>\$ 500,585</u>	<u>\$ 441,870</u>	<u>\$ 3,210,946</u>	<u>\$ 6,332,954</u>	<u>\$ 1,200,610</u>	<u>\$ 11,686,965</u>

Budgetary Information for Governmental Funds

Nonmajor Funds and Major Capital Projects Fund

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.

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

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

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 - Nonmajor Governmental Funds
Drug
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
Revenues				
Intergovernmental				
Grants	\$ -	\$ -	\$ 7,500	\$ 7,500
Fines, forfeitures, and seizures	81,000	81,000	107,084	26,084
Uses of money and property				
Interest	<u>300</u>	<u>300</u>	<u>9,113</u>	<u>8,813</u>
Total revenues	81,300	81,300	123,697	42,397
Expenditures				
Current				
Miscellaneous				
Drug enforcement				
Investigation	23,000	23,000	10,500	(12,500)
Training	4,000	4,000	1,320	(2,680)
Travel	4,000	4,000	418	(3,582)
Confiscation, storage, and operations	13,800	13,800	9,905	(3,895)
Supplies and repairs	<u>6,500</u>	<u>6,500</u>	<u>1,723</u>	<u>(4,777)</u>
Total current	51,300	51,300	23,866	(27,434)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	51,300	51,300	23,866	(27,434)
Net change in fund balance	30,000	30,000	99,831	69,831
Fund balance, beginning of year	<u>400,754</u>	<u>400,754</u>	<u>400,754</u>	<u>-</u>
Fund balance, end of year	\$ 430,754	\$ 430,754	\$ 500,585	\$ (69,831)

Town of Smyrna, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
State Street Aid
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
Revenues				
Intergovernmental				
Gasoline and motor fuel tax	\$ 1,875,000	\$ 1,875,000	\$ 945,656	\$ (929,344)
Gas 3-cent tax	-	-	273,270	273,270
Gas 1989 tax	-	-	147,995	147,995
Gas 2017 tax	-	-	476,701	476,701
State street maintenance contracts	-	-	19,074	19,074
Uses of money and property				
Interest	1,200	1,200	38,638	37,438
Miscellaneous	-	-	11,627	11,627
Total revenues	1,876,200	1,876,200	1,912,961	36,761
Expenditures				
Current				
Street maintenance, repairs	1,870,000	1,870,000	1,888,110	18,110
Lighting	350,000	370,000	400,806	30,806
Signals	90,000	95,000	42,302	(52,698)
Total expenditures	2,310,000	2,335,000	2,331,218	(3,782)
Other Financing Sources (Uses)				
Transfers	(40,000)	(40,000)	(43,302)	(3,302)
Net change in fund balance	(473,800)	(498,800)	(461,559)	37,241
Fund balance, beginning of year	903,429	903,429	903,429	-
Fund balance, end of year	\$ 429,629	\$ 404,629	\$ 441,870	\$ 37,241

Town of Smyrna, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
Stormwater
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
Revenues				
Intergovernmental Grants	\$ -	\$ -	\$ -	\$ -
Uses of money and property				
Interest	3,200	30,700	70,529	39,829
Fees	1,835,000	1,882,000	1,902,554	20,554
Total revenues	<u>1,838,200</u>	<u>1,912,700</u>	<u>1,973,083</u>	<u>60,383</u>
Expenditures				
Current				
Salaries	784,100	784,100	761,468	(22,632)
Benefits and payroll taxes	373,100	373,100	359,037	(14,063)
Membership and registrations	4,500	4,500	5,215	715
Telephone	1,400	1,400	1,734	334
Supplies	45,100	45,100	47,498	2,398
Contract services	105,000	105,000	105,972	972
Professional services	16,100	16,100	5,479	(10,621)
Insurance	9,100	9,100	9,130	30
Public promotions	10,400	10,400	9,107	(1,293)
Other	89,000	115,000	171,615	56,615
Total expenditures	<u>1,437,800</u>	<u>1,463,800</u>	<u>1,476,255</u>	<u>12,455</u>
Excess (deficiency) of revenues over expenditures	400,400	448,900	496,828	47,928
Other Financing Sources (Uses)				
Transfers to general fund	(194,425)	(194,425)	(194,425)	-
Transfers to capital projects fund	(643,300)	(691,800)	(559,886)	131,914
Total other financing sources (uses)	<u>(837,725)</u>	<u>(886,225)</u>	<u>(754,311)</u>	<u>131,914</u>
Net change in fund balance	(437,325)	(437,325)	(257,483)	179,842
Fund balance, beginning of year	<u>3,468,429</u>	<u>3,468,429</u>	<u>3,468,429</u>	<u>-</u>
Fund balance, end of year	\$ 3,031,104	\$ 3,031,104	\$ 3,210,946	\$ 179,842

Town of Smyrna, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
Impact Fee
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance from final budget + / (-)
	Original	Final		
Revenues				
Licenses and permits	\$ 3,079,999	\$ 3,079,999	\$ 4,534,943	\$ 1,454,944
Uses of money and property				
Interest	5,201	5,201	122,549	117,348
Total revenues	3,085,200	3,085,200	4,657,492	1,572,292
Expenditures				
Current				
Impact fee study	35,000	35,000	35,000	-
Total expenditures	35,000	35,000	35,000	-
Other Financing Sources (Uses)				
Transfers to debt service fund	(1,337,850)	(1,337,850)	(1,337,850)	-
Transfers to capital projects fund	(3,302,211)	(3,302,211)	(2,605,798)	696,413
Total other financing sources (uses)	(4,640,061)	(4,640,061)	(3,943,648)	696,413
Net change in fund balance	(1,589,861)	(1,589,861)	678,844	2,268,705
Fund balance, beginning of year	5,654,110	5,654,110	5,654,110	-
Fund balance, end of year	\$ 4,064,249	\$ 4,064,249	\$ 6,332,954	\$ 2,268,705

Town of Smyrna, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
Debt Service
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance from final budget + / (-)
	Original	Final		
Revenues				
Uses of money and property				
Interest	\$ 47,912	\$ 47,911	\$ 47,238	\$ (673)
Expenditures				
Debt service				
Principal	1,918,540	1,918,540	1,918,540	-
Interest and fiscal charges	<u>779,412</u>	<u>780,712</u>	<u>780,373</u>	<u>(339)</u>
Total expenditures	2,697,952	2,699,252	2,698,913	(339)
Excess (deficiency) of revenues over expenditures	(2,650,040)	(2,651,341)	(2,651,675)	(334)
Other Financing Sources (Uses)				
Transfers from other funds	2,560,040	2,561,340	2,560,307	(1,033)
Net change in fund balance	(90,000)	(90,001)	(91,368)	(1,367)
Fund balance, beginning of year	<u>1,291,978</u>	<u>1,291,978</u>	<u>1,291,978</u>	<u>-</u>
Fund balance, end of year	\$ 1,201,978	\$ 1,201,977	\$ 1,200,610	\$ (1,367)

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, 2023

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
Revenues				
Intergovernmental				
Grants, state and federal	\$ 4,992,400	\$ 4,992,400	\$ 847,906	\$ (4,144,494)
Donations and memorials	-	112,000	171,756	59,756
Total intergovernmental	4,992,400	5,104,400	1,019,662	(4,084,738)
Uses of money and property				
Interest	10,900	10,900	666,128	655,228
Total revenues	5,003,300	5,115,300	1,685,790	(3,429,510)
Expenditures				
Current				
Recreation and culture				
Supplies and repairs	-	450,000	150,980	(299,020)
Capital outlay	2,877,200	2,542,600	1,305,149	(1,237,451)
Community development				
Supplies	-	-	-	-
Capital outlay	-	-	-	-
Highways and streets				
Supplies and repairs	-	500,000	491,004	(8,996)
Capital outlay	14,626,600	14,736,600	4,170,169	(10,566,431)
Public safety				
Supplies, fire	-	160,000	26,660	(133,340)
Supplies, police	-	300,000	218,241	(81,759)
Capital outlay, fire	1,144,000	2,744,000	2,821,325	77,325
Capital outlay, police	245,400	120,800	69,489	(51,311)
Stormwater				
Supplies and repairs	43,300	43,300	3,055	(40,245)
Capital outlay	600,000	600,000	556,831	(43,169)
General government				
Supplies and repairs	-	-	54,463	54,463
Capital outlay	1,482,000	2,082,000	1,754,754	(327,246)
Total expenditures	21,018,500	24,279,300	11,622,120	(12,657,180)
Other Financing Sources (Uses)				
Transfers from water and sewer	-	7,500,000	-	(7,500,000)
Transfers from State Street Aid	40,000	40,000	43,302	3,302
Transfers from general fund	7,340,800	18,749,600	13,782,676	(4,966,924)
Transfers from stormwater fund	643,300	643,300	559,886	(83,414)
Transfers from impact fee fund	3,337,211	3,337,211	2,605,799	(731,412)
Total other financing sources (uses)	11,361,311	30,270,111	16,991,663	(13,278,448)
Net change in fund balance	(4,653,889)	11,106,111	7,055,333	(4,050,778)
Fund balance, beginning of year	26,484,300	26,484,300	26,484,300	-
Fund balance, end of year	\$ 21,830,411	\$ 37,590,411	\$ 33,539,633	\$ (4,050,778)

Town of Smyrna, Tennessee
 Capital Assets Used in Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2023

Function and Activity	Land	Building and improvements	Improvements other than buildings	Equipment	Infrastructure	Right-to-use assets	Construction in progress	Total
General	\$ 1,610,588	\$ 6,604,550	\$ 1,797,155	\$ 6,133,223	\$ 2,108,898	4,330,976	\$ -	\$ 22,585,390
Public safety								
Police	216,060	3,841,739	28,755	9,205,591	-	-	17,756	13,309,901
Fire	155,690	5,175,284	622,687	10,199,711	-	-	1,445,143	17,598,515
Highway and streets	1,431,685	234,850	3,038,642	3,233,030	171,431,570	-	4,841,952	184,211,729
Stormwater	-	-	387,579	1,823,962	4,694,185	-	1,975	6,907,701
Recreation	4,499,142	11,384,554	31,035,244	6,375,264	1,179,190	-	275,123	54,748,517
Community development	-	3,881,152	-	556,904	-	-	-	4,438,056
Total governmental capital assets	\$ 7,913,165	\$ 31,122,129	\$ 36,910,062	\$ 37,527,685	\$ 179,413,843	\$ 4,330,976	\$ 6,581,949	\$ 303,799,809

Town of Smyrna, Tennessee
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 For the Year Ended June 30, 2023

Function and Activity	Balance July 1, 2022	Additions	Reclasses and disposals	Balance June 30, 2023
General	\$ 20,027,779	\$ 2,600,723	\$ (43,112)	\$ 22,585,390
Public safety				
Police	13,035,315	376,978	(102,392)	13,309,901
Fire	14,865,142	2,802,430	(69,057)	17,598,515
Highways and streets	172,207,879	11,336,736	667,114	184,211,729
Stormwater	6,351,499	556,831	(629)	6,907,701
Recreation	54,259,157	1,284,119	(794,759)	54,748,517
Community development	4,375,292	62,764	-	4,438,056
Total governmental capital assets	\$ 285,122,063	\$ 19,020,581	\$ (342,835)	\$ 303,799,809

Town of Smyrna, Tennessee
Schedule of Changes in Property Taxes Receivable
General Fund
For the Year Ended June 30, 2023

Fiscal Year	Property tax receivable balance July 1, 2022	Assessments	Collections	Adjustments	Property tax receivable balance June 30, 2023
2022 - 2023	\$ -	\$ 14,078,614	\$ (13,570,155)	\$ 57,574	\$ 566,033
2021 - 2022	134,170	-	(103,271)	3,277	34,176
2020 - 2021	26,079	-	(14,853)	647	11,873
2019 - 2020	20,306	-	(8,762)	(13)	11,531
2018 - 2019	11,372	-	(1,795)	(12)	9,565
2017 - 2018	10,937	-	(983)	-	9,954
2016 - 2017	9,927	-	(808)	-	9,119
2015 - 2016	9,536	-	(242)	-	9,294
2014 - 2015	6,794	-	(230)	-	6,564
2013 - 2014	7,496	-	-	-	7,496
2012 - 2013	18,130	-	-	(18,130)	-
	\$ 254,747	\$ 14,078,614	\$ (13,701,099)	\$ 43,343	675,605
2023 - 2024**					14,800,000
Allowance for uncollectibles					15,475,605
Property taxes receivable, net					(87,000)
					\$ 15,388,605

** Unlevied taxes receivable (anticipated current year levy)

Receivables from fiscal year 2021-2022 and prior have been turned over to the County Clerk and Master for collection.

Town of Smyrna, Tennessee
Schedule of Changes in Long-term Debt by Individual Issue
For the Year Ended June 30, 2023

Description of indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 1, 2022	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2023
Governmental Activities									
<i>General obligation bonds</i>									
Payable through debt service fund									
2014A GO bonds	\$ 2,020,000	3.00% - 4.00%	12/18/14	04/01/24	\$ 510,000	\$ -	\$ 250,000	\$ -	\$ 260,000
2014B GO bonds	1,765,000	1.10% - 4.125%	12/18/14	04/01/34	1,280,000	-	90,000	-	1,190,000
2017 GO refunding bonds (split)	3,107,850	5.00%	08/17/17	04/01/24	1,345,000	-	655,000	-	690,000
2019 GO refunding bonds	18,000,000	2.00% - 5.00%	06/12/19	04/01/39	<u>16,710,000</u>	<u>-</u>	<u>695,000</u>	<u>-</u>	<u>16,015,000</u>
Total GO bonds payable through debt service fund					19,845,000	-	1,690,000	-	18,155,000
<i>Capital outlay note</i>									
Payable through debt service fund									
Capital Outlay Note Series 2022	682,207	0.50%	01/11/22	02/15/25	<u>-</u>	<u>682,207</u>	<u>228,540</u>	<u>-</u>	<u>453,667</u>
Total payable through debt service fund					\$ 19,845,000	\$ 682,207	\$ 1,918,540	\$ -	\$ 18,608,667
Business-type Activities									
<i>Loans from direct borrowings and direct placements</i>									
Payable through water and sewer fund									
2009 State revolving loan	\$ 5,750,000	2.14%	10/01/11	04/01/32	\$ 1,779,292	\$ -	\$ 175,832	\$ -	\$ 1,603,460
2010 State revolving loan	600,000	1.94%	08/01/12	01/01/33	190,224	-	17,256	-	172,968
2015 State revolving loan DWA	83,377	1.00%	03/01/15	02/01/38	66,699	-	3,954	-	62,745
2015 State revolving loan CWA	190,683	1.24%	03/01/18	08/01/48	167,308	-	5,580	-	161,728
2019 State revolving loan CWA	3,000,000	1.70%	06/01/19	03/01/50	2,541,954	-	72,216	-	2,469,738
2020 State revolving loan CWA	18,000,000	1.30%	05/01/20	07/01/51	17,547,558	-	499,764	-	17,047,794
2020-01 State revolving loan CWA	17,200,000	1.30%	08/01/21	***	10,788,288	4,634,350	208,485	-	15,214,153
2021 State revolving loan DWA	2,687,373	0.68%	04/01/22	03/01/42	<u>1,447,760</u>	<u>1,204,573</u>	<u>128,338</u>	<u>-</u>	<u>2,523,995</u>
Total loans payable through water and sewer fund					34,529,083	5,838,923	1,111,425	-	39,256,581
<i>General obligation bonds</i>									
Payable through water and sewer fund									
2017 GO refunding bonds (split)	20,042,150	5.00%	08/17/17	04/01/26	<u>11,280,000</u>	<u>-</u>	<u>4,195,000</u>	<u>-</u>	<u>7,085,000</u>
Total payable through water and sewer fund					\$ 45,809,083	\$ 5,838,923	\$ 5,306,425	\$ -	\$ 46,341,581

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

Town of Smyrna, Tennessee
Schedule of Debt Service Requirements
General Obligation Debt
June 30, 2023

Year Ended June 30,	2014A General obligation bonds	2014B General obligation bonds	2017 General obligation ref. bonds	2019 General obligation ref. bonds	2022 Capital Outlay Note	Principal requirements	Interest requirements	Total
2024	\$ 260,000	\$ 90,000	\$ 690,000	\$ 730,000	\$ 226,267	\$ 1,770,000	\$ 698,213	\$ 2,468,213
2025	-	95,000	-	765,000	227,400	860,000	614,112	1,474,112
2026	-	95,000	-	800,000	-	895,000	572,657	1,467,657
2027	-	100,000	-	820,000	-	920,000	553,450	1,473,450
2028	-	105,000	-	835,000	-	940,000	533,425	1,473,425
2029	-	105,000	-	875,000	-	980,000	487,869	1,467,869
2030	-	110,000	-	920,000	-	1,030,000	439,919	1,469,919
2031	-	115,000	-	965,000	-	1,080,000	389,519	1,469,519
2032	-	120,000	-	1,015,000	-	1,135,000	336,668	1,471,668
2033	-	125,000	-	1,065,000	-	1,190,000	280,969	1,470,969
2034	-	130,000	-	1,110,000	-	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	\$ 260,000	\$ 1,190,000	\$ 690,000	\$ 16,015,000	\$ 453,667	\$ 18,155,000	\$ 5,701,613	\$ 23,856,613

Town of Smyrna, Tennessee
Schedule of Debt Service Requirements
Enterprise Fund Debt
June 30, 2023

Year Ended June 30,	2017 Gen obligation ref. bonds	2010 Revolving loan	2009 Revolving loan	2015 Revolving loan	2015 Revolving loan	2019 Revolving loan	2020 Revolving loan	2021 Revolving loan	Interest requirements	Total
2024	\$ 4,385,000	\$ 17,592	\$ 179,632	\$ 3,990	\$ 5,640	\$ 73,452	\$ 506,292	\$ 126,648	\$ 660,160	\$ 5,958,406
2025	1,320,000	17,940	183,515	4,038	5,712	74,724	512,916	127,512	431,282	2,677,639
2026	1,380,000	18,288	187,481	4,074	5,784	76,008	519,624	128,376	354,575	2,674,210
2027	-	18,648	191,532	4,110	5,856	77,316	526,416	129,252	274,695	1,227,825
2028	-	19,020	195,671	4,158	5,928	78,648	533,304	130,128	263,687	1,230,544
2029	-	19,392	199,901	4,194	6,000	80,004	540,276	131,016	252,554	1,233,337
2030	-	19,764	204,220	4,242	6,084	81,384	547,344	131,916	241,221	1,236,175
2031	-	20,148	208,635	4,278	6,156	82,788	554,508	132,816	229,799	1,239,128
2032	-	20,556	52,873	4,326	6,240	84,216	561,756	133,716	218,189	1,081,872
2033	-	1,620	-	4,362	6,312	85,668	569,100	134,628	206,775	1,008,465
2034	-	-	-	4,410	6,396	87,144	576,540	135,552	196,152	1,006,194
2035	-	-	-	4,458	6,468	88,644	584,088	136,476	185,508	1,005,642
2036	-	-	-	4,506	6,552	90,180	591,720	137,400	174,744	1,005,102
2037	-	-	-	4,542	6,636	91,728	599,460	138,348	163,812	1,004,526
2038	-	-	-	3,057	6,720	93,312	607,296	139,284	152,774	1,002,443
2039	-	-	-	-	6,804	94,920	615,240	140,232	141,600	998,796
2040	-	-	-	-	6,888	96,552	623,292	141,192	130,296	998,220
2041	-	-	-	-	6,972	98,220	631,440	142,152	118,848	997,632
2042	-	-	-	-	7,056	99,912	639,696	95,312	107,264	949,240
2043	-	-	-	-	7,140	101,628	648,060	12,039	96,225	865,092
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	-	-	-	-	-	-	60,330	-	69	60,399
Total	\$ 7,085,000	\$ 172,968	\$ 1,603,460	\$ 62,745	\$ 161,728	\$ 2,469,738	\$ 17,047,794	\$ 2,523,995	\$ 4,965,677	36,093,105
										State revolving loan funds *
										<u>15,214,153</u>
										\$ 51,307,258

* 20-30-year amortization to begin at project completion.

Town of Smyrna, Tennessee
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2023

Description of indebtedness	Original amount of issue	Interest rate	Date of issue	Maturity date	Outstanding July 1, 2022	Issued during period	Paid and/or matured during period	Re-measurements	Outstanding June 30, 2023
Governmental Activities									
<i>Leases Payable</i>									
Payable through general fund									
Land Rental - Golf Course	\$ 587,500	0.00%	02/28/14	07/01/23	\$ 3,269,184	\$ -	\$ 121,200	\$ -	\$ 3,147,984
Land Rental - Park	379,589	0.00%	07/01/21	06/30/46	366,149	-	13,574	-	352,575
Land Rental - Firing Range	132,330	0.91%	05/01/18	04/01/30	88,305	-	10,012	-	78,293
Land Rental - Sharp Springs Park	79,655	0.37%	04/15/22	12/31/31	79,655	-	7,911	-	71,744
Copier Rental	19,967	3.54%	04/11/23	04/11/28	-	19,967	610	-	19,357
					<u>-</u>	<u>19,967</u>	<u>610</u>	<u>-</u>	<u>19,357</u>
Total leases payable through general fund					\$ 3,803,293	\$ 19,967	\$ 153,307	\$ -	\$ 3,669,953

Town of Smyrna, Tennessee
Schedule of Lease Obligations, Principal, and Interest Requirements by Fiscal Year
June 30, 2023

Fiscal Year Ending	Land Rental - Golf Course		Land Rental - Park		Land Rental - Firing Range		Land Rental - Sharp Springs		Copier		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 122,412	\$ -	\$ 13,710	\$ -	\$ 11,026	\$ 658	\$ 7,854	\$ 266	\$ 3,738	\$ 625	\$ 158,740	\$ 1,549
2025	123,636	-	13,847	-	11,126	558	7,884	237	3,873	490	160,366	1,285
2026	124,872	-	13,986	-	11,228	456	7,913	208	4,012	351	162,011	1,015
2027	126,121	-	14,125	-	11,331	353	7,942	178	4,156	207	163,675	738
2028	127,382	-	14,267	-	11,434	250	7,971	149	3,578	58	164,632	457
2029	128,656	-	14,409	-	11,539	145	8,000	119	-	-	162,604	264
2030	129,943	-	14,554	-	10,609	40	8,030	90	-	-	163,136	130
2031	131,242	-	14,699	-	-	-	8,060	60	-	-	154,001	60
2032	132,554	-	14,846	-	-	-	8,090	30	-	-	155,490	30
2033	133,880	-	14,995	-	-	-	-	-	-	-	148,875	-
2034	135,219	-	15,144	-	-	-	-	-	-	-	150,363	-
2035	136,571	-	15,296	-	-	-	-	-	-	-	151,867	-
2036	137,937	-	15,449	-	-	-	-	-	-	-	153,386	-
2037	139,316	-	15,603	-	-	-	-	-	-	-	154,919	-
2038	140,709	-	15,759	-	-	-	-	-	-	-	156,468	-
2039	142,116	-	15,917	-	-	-	-	-	-	-	158,033	-
2040	143,537	-	16,076	-	-	-	-	-	-	-	159,613	-
2041	144,972	-	16,237	-	-	-	-	-	-	-	161,209	-
2042	146,422	-	16,399	-	-	-	-	-	-	-	162,821	-
2043	147,886	-	16,563	-	-	-	-	-	-	-	164,449	-
2044	149,365	-	16,729	-	-	-	-	-	-	-	166,094	-
2045	150,859	-	16,896	-	-	-	-	-	-	-	167,755	-
2046	152,377	-	17,069	-	-	-	-	-	-	-	169,446	-
	\$ 3,147,984	\$ -	\$ 352,575	\$ -	\$ 78,293	\$ 2,460	\$ 71,744	\$ 1,337	\$ 19,357	\$ 1,731	\$ 3,669,953	\$ 5,528

Town of Smyrna, Tennessee
 Schedule of Utilities Data
 June 30, 2023

	Number of customers
Services	
Water	15,738
Sewer	17,982
Natural Gas	11,736
Fire Hydrants	1,806
Rates	
Water (in Town)	
First 2,000 gallons	\$ 12.24
2,001 - 5,000 gallons	\$ 3.82 per 1,000 gallons
5,001 - 10,000 gallons	\$ 4.34 per 1,000 gallons
Thereafter	\$ 4.85 per 1,000 gallons
Water (outside Town)	
First 2,000 gallons	\$ 15.00
2,001 - 5,000 gallons	\$ 5.63 per 1,000 gallons
5,001 - 10,000 gallons	\$ 6.22 per 1,000 gallons
Thereafter	\$ 7.14 per 1,000 gallons
Water (wholesale)	
First 2,000 gallons	\$ 12.83
2,001 - 5,000 gallons	\$ 3.93 per 1,000 gallons
5,001 - 10,000 gallons	\$ 4.57 per 1,000 gallons
Thereafter	\$ 5.05 per 1,000 gallons
Pre-certificate of occupancy	\$ 3.82 / thousand
Nissan	\$ 2.32 / thousand
Nolensville	\$ 2.75 / thousand
Irrigation Commercial	
First 10,000 gallons	\$ 23.54
15,000 gallons	\$ 4.85 per 1,000 gallons
25,000 gallons	\$ 5.63 per 1,000 gallons
50,000 gallons	\$ 6.22 per 1,000 gallons
75,000 gallons	\$ 7.14 per 1,000 gallons
Irrigation Residential	
First 2,000 gallons	\$ 12.24
3,000 gallons	\$ 3.82
5,000 gallons	\$ 4.34
10,000 gallons	\$ 4.85
Sewer (in Town)	
First 2,000 gallons	\$ 18.50
Thereafter	\$ 4.94 per 2,000 gallons
Sewer (outside Town)	
First 2,000 gallons	\$ 27.61
Thereafter	\$ 6.59 per 2,000 gallons
Pre-certificate of occupancy	\$ 4.94 / thousand
Repurified water	
First 2,000 gallons	\$ 18.82
(April - October)	\$ 2.77 per 1,000 gallons
(November - March)	\$ 1.50 per 1,000 gallons
Natural gas	
Residential and small commercial	\$ 4.00 demand charge
Commercial	\$ 7.00 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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net investment in capital assets	\$ 141,357,695	\$ 129,719,519	\$ 122,406,762	\$ 115,483,122	\$ 104,041,833	\$ 95,417,145	\$ 89,247,641	\$ 83,122,476	\$ 80,981,915	\$ 80,785,740
Restricted for										
Cemetery maintenance	-	-	-	-	-	-	-	-	-	600,822
Capital projects	39,983,325	32,200,110	26,712,136	12,149,496	11,624,083	9,305,483	4,855,604	6,618,988	5,831,376	5,513,106
Highway and streets maintenance	441,870	903,429	1,209,425	1,705,351	1,408,171	1,205,131	898,849	479,032	341,729	259,832
Stormwater	3,210,946	3,468,429	3,290,034	3,784,072	3,979,036	3,874,736	3,618,993	3,354,896	2,965,303	2,718,258
Debt service	1,200,610	1,291,978	1,377,752	1,463,168	1,543,628	1,624,048	1,704,368	1,779,574	1,779,574	-
Law enforcement	500,585	400,754	367,275	314,757	348,803	351,513	311,696	260,177	138,911	83,257
Unrestricted	35,856,180	34,801,397	34,858,576	37,499,467	35,093,277	32,664,607	32,446,364	27,389,321	23,939,831	20,077,540
Total governmental activities net position	\$ 222,551,211	\$ 202,785,616	\$ 190,221,960	\$ 172,399,433	\$ 158,038,831	\$ 144,442,663	\$ 133,083,515	\$ 123,004,464	\$ 115,978,639	\$ 110,038,555
Business-type Activities										
Net investment in capital assets	\$ 186,625,988	\$ 164,349,049	\$ 155,202,163	\$ 135,882,437	\$ 116,462,875	\$ 114,009,907	\$ 106,389,815	\$ 99,677,909	\$ 97,507,712	\$ 97,024,340
Unrestricted	45,125,514	48,177,928	46,476,269	49,463,811	53,411,032	44,354,441	38,148,611	32,473,431	26,754,183	18,619,992
Total business-type activities net position	\$ 231,751,502	\$ 212,526,977	\$ 201,678,432	\$ 185,346,248	\$ 169,873,907	\$ 158,364,348	\$ 144,538,426	\$ 132,151,340	\$ 124,261,895	\$ 115,644,332
Primary Government										
Net investment in capital assets	\$ 327,983,683	\$ 294,068,568	\$ 277,608,925	\$ 251,365,559	\$ 220,504,708	\$ 209,427,052	\$ 195,637,456	\$ 182,800,385	\$ 178,489,627	\$ 177,810,080
Restricted for										
Cemetery maintenance	-	-	-	-	-	-	-	-	-	600,822
Capital projects	39,983,325	32,200,110	26,712,136	12,149,496	11,624,083	9,305,483	4,855,604	6,618,988	5,831,376	5,513,106
Highway and streets maintenance	441,870	903,429	1,209,425	1,705,351	1,408,171	1,205,131	898,849	479,032	341,729	259,832
Stormwater	3,210,946	3,468,429	3,290,034	3,784,072	3,979,036	3,874,736	3,618,993	3,354,896	2,965,303	2,718,258
Debt service	1,200,610	1,291,978	1,377,752	1,463,168	1,543,628	1,624,048	1,704,368	1,779,574	1,779,574	-
Law enforcement	500,585	400,754	367,275	314,757	348,803	351,513	311,696	260,177	138,911	83,257
Unrestricted	80,981,694	82,979,325	81,334,845	86,963,278	88,504,309	77,019,048	70,594,975	59,862,752	50,694,014	38,697,532
Total primary government net position	\$ 454,302,713	\$ 415,312,593	\$ 391,900,392	\$ 357,745,681	\$ 327,912,738	\$ 302,807,011	\$ 277,621,941	\$ 255,155,804	\$ 240,240,534	\$ 225,682,887

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
General government	\$ 10,905,015	\$ 10,196,302	\$ 9,571,888	\$ 8,577,960	\$ 9,086,900	\$ 8,018,956	\$ 7,005,326	\$ 7,174,316	\$ 7,141,569	\$ 6,928,238
Public safety										
Police	14,318,626	12,539,803	12,334,996	11,053,136	10,179,164	10,571,974	8,979,232	9,703,392	9,538,680	8,445,483
Fire	11,486,195	10,791,949	10,570,262	9,446,916	8,999,957	8,222,826	7,627,186	8,468,330	8,018,987	7,857,744
Highways and streets	8,746,028	7,774,708	7,132,171	5,699,686	5,848,241	5,236,993	1,554,776	4,832,478	4,864,139	4,679,915
Recreation	7,895,203	7,332,665	7,220,160	6,088,077	6,002,908	5,713,129	3,981,542	4,608,184	4,206,565	4,585,924
Community development	1,742,981	1,733,871	1,517,870	1,474,586	1,501,940	1,494,284	1,421,652	1,344,574	1,233,382	1,380,340
Stormwater	1,681,209	1,328,658	1,078,904	1,113,956	1,099,104	989,918	1,019,653	984,420	1,033,845	928,982
Interest expense on long-term debt	551,383	567,908	786,004	833,528	306,249	329,234	2,983,735	537,178	554,043	684,044
Total governmental activities expenses	57,326,640	52,265,864	50,212,255	44,287,845	43,024,463	40,577,314	34,573,102	37,652,872	36,591,210	35,490,670
Business-type activities										
Water and sewer	22,803,376	21,376,002	18,810,895	16,847,386	16,588,841	16,651,408	16,140,048	15,129,731	14,979,525	15,235,532
Natural gas	19,802,234	18,953,750	12,053,397	9,763,929	12,843,143	12,888,817	11,348,911	9,862,349	13,270,956	16,865,335
Total business-type activities expenses	42,605,610	40,329,752	30,864,292	26,611,315	29,431,984	29,540,225	27,488,959	24,992,080	28,250,481	32,100,867
Total primary government expenses	99,932,250	92,595,616	81,076,547	70,899,160	72,456,447	70,117,539	62,062,061	62,644,952	64,841,691	67,591,537
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 4,714,937	\$ 3,899,747	\$ 3,939,511	\$ 3,881,023	\$ 3,520,121	\$ 3,363,106	\$ 3,289,674	\$ 2,886,033	\$ 2,492,133	\$ 2,408,583
Public safety										
Police	1,665,652	1,566,073	1,462,829	1,382,506	1,228,309	1,410,754	1,290,661	1,549,752	1,705,372	1,415,946
Highways and streets	-	-	-	-	-	-	-	-	-	-
Recreation	2,648,285	2,371,230	1,923,413	1,409,637	1,758,617	1,611,736	1,477,395	1,437,676	1,409,063	1,525,046
Community development	233,947	165,500	72,743	192,929	265,846	274,015	257,660	230,705	187,474	172,812
Stormwater	1,902,554	1,913,856	1,836,879	1,768,739	1,697,248	1,669,700	1,621,485	1,556,722	1,505,420	1,491,895
Debt service	47,238	49,825	52,121	54,052	55,773	57,152	58,091	58,298	31,254	-
Operating grants and contributions	2,334,565	3,039,094	5,073,647	2,025,256	1,962,869	1,966,594	1,720,208	1,558,844	1,431,094	1,783,789
Capital grants and contributions	13,187,692	6,207,551	12,549,424	9,115,689	7,844,548	5,164,168	2,876,947	2,536,075	3,052,287	6,248,860
Total governmental activities program revenues	26,734,870	19,212,876	26,910,567	19,829,831	18,333,331	15,517,225	12,592,121	11,814,105	11,814,097	15,046,931

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues										
Business-type activities										
Charges for services										
Water and sewer	\$ 25,644,459	\$ 24,040,051	\$ 22,920,501	\$ 22,232,165	\$ 21,482,036	\$ 20,757,352	\$ 20,358,329	\$ 18,893,503	\$ 16,794,549	\$ 15,917,871
Natural gas	19,658,617	18,551,156	11,750,721	9,657,061	13,780,586	13,451,717	11,390,277	10,118,378	15,371,314	17,515,085
Operating grants and contributions										
Water and Sewer			83,000							
Natural Gas			25,500							
Capital grants and contributions								-		
Water and sewer	16,254,444	9,072,964	12,913,987	10,177,878	5,246,005	9,313,433	8,509,335	4,847,990	3,438,308	4,563,075
Natural gas	<u>284,045</u>	<u>180,994</u>	<u>170,766</u>	<u>207,069</u>	<u>195,583</u>	<u>169,030</u>	<u>252,850</u>	<u>170,050</u>	<u>91,023</u>	<u>55,845</u>
Total business-type activities program revenues	<u>61,841,565</u>	<u>51,845,165</u>	<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>
Total primary government program revenues	\$ 88,576,435	\$ 71,058,041	\$ 74,775,042	\$ 62,104,004	\$ 59,037,541	\$ 59,208,757	\$ 53,102,912	\$ 45,844,026	\$ 47,509,291	\$ 53,098,807
Net (Expenses)Revenues										
Governmental activities	\$ (30,591,770)	\$ (33,052,988)	\$ (23,301,688)	\$ (24,458,014)	\$ (24,691,132)	\$ (25,060,089)	\$ (21,980,981)	\$ (25,838,767)	\$ (24,777,113)	\$ (20,443,739)
Business-type activities	<u>19,235,955</u>	<u>11,515,413</u>	<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>
Total primary government net (expenses) revenues	\$ (11,355,815)	\$ (21,537,575)	\$ (6,301,505)	\$ (8,795,156)	\$ (13,418,906)	\$ (10,908,782)	\$ (8,959,149)	\$ (16,800,926)	\$ (17,332,400)	\$ (14,492,730)

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other										
Changes in Net Position										
Governmental activities										
Taxes										
Property and in lieu of taxes	\$ 16,529,520	\$ 15,413,365	\$ 14,591,093	\$ 14,074,182	\$ 13,818,771	\$ 13,441,018	\$ 12,941,104	\$ 12,490,583	\$ 12,377,938	\$ 12,183,830
Sales	19,872,296	18,451,706	16,206,646	14,476,624	14,044,696	13,104,269	12,367,721	11,981,850	11,293,389	10,891,630
Business	2,115,122	1,865,402	1,717,074	1,664,432	1,559,262	1,481,956	1,512,055	1,579,207	1,226,807	1,142,163
Wholesale beer	1,148,261	1,154,215	1,147,249	1,095,413	1,098,048	1,076,999	1,121,947	1,137,639	1,127,095	1,140,276
Hotel/motel	861,990	791,414	584,216	553,150	662,758	662,932	578,719	535,643	446,025	412,285
Cable TV franchise	428,770	478,504	507,084	541,312	566,107	582,045	610,982	609,206	575,281	516,136
Other locally assessed taxes	132,933	83,402	56,686	26,978	26,610	27,480	27,527	25,490	26,260	26,565
State shared income tax	20,540	4,718	27,656	7,672	106,979	111,320	96,989	136,237	141,565	106,200
State shared beer tax	24,233	24,241	22,498	22,260	21,999	22,169	22,945	19,518	19,118	18,915
State shared sales tax	6,313,872	6,004,232	5,041,809	4,348,876	4,214,626	4,051,324	3,883,964	3,233,301	3,027,429	2,855,975
State shared mixed drink tax	229,182	233,119	174,575	144,218	164,905	144,387	126,435	119,970	110,678	107,223
Other state shared taxes	244,149	95,132	99,449	101,021	59,688	123,750	50,166	37,558	29,810	27,803
Unrestricted investment earnings										
and rental income	1,327,910	100,125	57,036	803,882	1,067,922	567,727	252,565	71,040	30,003	26,664
Other governmental general revenues	287,541	185,718	180,028	112,493	96,283	128,846	79,442	132,776	80,332	116,408
Transfers	821,046	731,351	711,116	846,103	778,645	839,214	848,137	833,402	709,463	715,547
Total governmental activities	<u>50,357,365</u>	<u>45,616,644</u>	<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>
Business-type activities										
Investment earnings	809,616	64,483	43,117	655,586	1,015,978	513,829	213,391	71,536	28,854	27,036
Other	-	-	-	-	-	-	-	351,930	25,104	3,617
Special items	-	-	-	-	-	-	-	-	2,131,398	-
Transfers	(821,046)	(731,351)	(711,116)	(846,103)	(778,645)	(839,214)	(848,137)	(843,402)	(709,463)	(715,547)
Total business-type activities	<u>(11,430)</u>	<u>(666,868)</u>	<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>
Total primary government	\$ 50,345,935	\$ 44,949,776	\$ 40,456,216	\$ 38,628,099	\$ 38,524,632	\$ 36,040,051	\$ 33,885,952	\$ 32,523,484	\$ 32,697,086	\$ 29,602,726
Change in Net Position										
Governmental activities	\$ 19,765,595	\$ 12,563,656	\$ 17,822,527	\$ 14,360,602	\$ 13,596,167	\$ 11,305,347	\$ 12,539,717	\$ 7,104,653	\$ 6,444,080	\$ 9,843,881
Business-type activities	<u>19,224,525</u>	<u>10,848,545</u>	<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>
Total primary government	\$ 38,990,120	\$ 23,412,201	\$ 34,154,711	\$ 29,832,943	\$ 25,105,726	\$ 25,131,269	\$ 24,926,803	\$ 15,722,558	\$ 15,364,686	\$ 15,109,996

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Funds										
General										
Nonspendable	\$ 118,368	\$ 185,115	\$ 119,040	\$ 86,031	\$ 98,044	\$ 100,992	\$ 108,827	\$ 107,036	\$ 93,698	\$ 96,843
Restricted	110,738	61,700	59,240	52,879	17,314	39,783	34,412	32,448	9,986	600,822
Committed	1,531,825	1,355,271	1,188,738	1,046,815	940,783	849,745	775,012	715,127	658,759	-
Assigned	-	-	-	-	-	-	-	-	1,729,203	-
Unassigned	<u>30,573,457</u>	<u>30,506,635</u>	<u>30,340,809</u>	<u>30,491,885</u>	<u>30,440,130</u>	<u>30,335,657</u>	<u>30,365,392</u>	<u>25,702,736</u>	<u>20,465,884</u>	<u>18,810,745</u>
Total general fund	32,334,388	32,108,721	31,707,827	31,677,610	31,496,271	31,326,177	31,283,643	26,557,347	22,957,530	19,508,410
All other governmental										
Nonspendable	1,076,250	1,167,500	1,257,500	1,342,500	1,427,500	1,507,500	1,587,500	-	-	-
Restricted										
Special revenue	10,486,355	4,772,612	4,706,176	5,725,856	5,655,032	5,357,673	4,770,180	4,051,314	3,395,294	3,001,099
Debt service	124,360	124,478	120,116	120,668	116,128	116,548	116,868	1,779,574	1,779,574	-
Capital projects	<u>33,539,633</u>	<u>32,138,410</u>	<u>28,085,881</u>	<u>19,390,038</u>	<u>26,762,386</u>	<u>9,265,700</u>	<u>4,821,192</u>	<u>6,586,540</u>	<u>5,821,390</u>	<u>5,513,106</u>
Total all other governmental funds	<u>45,226,598</u>	<u>38,203,000</u>	<u>34,169,673</u>	<u>26,579,062</u>	<u>33,961,046</u>	<u>16,247,421</u>	<u>11,295,740</u>	<u>12,417,428</u>	<u>10,996,258</u>	<u>8,514,205</u>
Total governmental funds	\$ 77,560,986	\$ 70,311,721	\$ 65,877,500	\$ 58,256,672	\$ 65,457,317	\$ 47,573,598	\$ 42,579,383	\$ 38,974,775	\$ 33,953,788	\$ 28,022,615

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes and in lieu of taxes	\$ 40,676,318	\$ 37,952,005	\$ 34,778,582	\$ 32,443,443	\$ 31,564,888	\$ 30,254,565	\$ 29,172,961	\$ 28,246,126	\$ 27,117,330	\$ 26,300,119
Licenses and permits	7,143,270	4,514,596	5,129,638	4,434,458	3,971,000	3,658,765	3,919,187	2,477,602	1,659,586	1,727,518
Intergovernmental	10,014,314	11,508,359	15,069,336	8,811,675	9,069,954	8,044,717	6,342,991	5,531,934	4,970,970	4,999,448
Fines and fees	1,665,652	1,566,073	1,462,829	1,382,506	1,228,309	1,410,754	1,290,661	1,549,752	1,705,372	1,415,946
Uses of property and money	8,194,745	6,676,136	5,785,922	5,998,109	6,464,392	5,684,228	5,147,278	4,888,921	4,754,840	4,743,143
Other	293,773	185,716	242,655	139,667	113,917	131,936	449,316	784,627	80,331	116,408
Total revenues	<u>67,988,072</u>	<u>62,402,885</u>	<u>62,468,962</u>	<u>53,209,858</u>	<u>52,412,460</u>	<u>49,184,965</u>	<u>46,322,394</u>	<u>43,478,962</u>	<u>40,288,429</u>	<u>39,302,582</u>
Expenditures										
General government	10,908,572	9,507,891	8,956,432	8,573,812	8,634,285	7,446,549	7,011,704	6,816,854	6,446,722	6,227,212
Public safety										
Police	12,667,728	11,338,636	11,000,195	10,609,703	9,965,443	9,731,325	9,458,175	9,329,660	9,071,588	8,243,876
Fire	11,362,402	9,948,542	9,782,158	9,315,459	8,397,932	7,745,783	8,169,620	8,163,837	7,817,013	7,581,436
Highways and streets	3,987,033	3,259,707	3,124,284	2,107,172	2,368,489	1,783,910	1,611,464	1,414,885	1,447,268	1,517,290
Recreation	6,382,270	5,787,162	5,496,313	4,957,009	5,026,260	4,917,553	4,273,344	3,917,232	3,590,692	3,952,785
Community development	1,720,938	1,679,478	1,421,136	1,426,318	1,490,264	1,423,067	1,419,521	1,247,276	1,209,425	1,316,737
Stormwater	1,479,310	1,104,201	873,129	951,117	878,797	863,412	887,856	834,593	878,419	780,823
Debt service										
Principal	2,192,812	2,680,000	2,570,000	2,402,850	2,399,850	2,348,785	2,496,748	2,543,103	2,260,752	2,516,161
Interest	781,340	861,713	963,498	860,718	373,193	360,404	475,915	542,527	556,867	717,609
Capital outlay	10,427,735	12,532,684	11,372,105	20,052,448	15,934,335	8,434,241	7,761,576	4,402,582	5,832,440	2,509,919
Total expenditures	<u>61,910,140</u>	<u>58,700,014</u>	<u>55,559,250</u>	<u>61,256,606</u>	<u>55,468,848</u>	<u>45,055,029</u>	<u>43,565,923</u>	<u>39,212,549</u>	<u>39,111,186</u>	<u>35,363,848</u>
Excess of revenues over (under) expenditures	\$ 6,077,932	\$ 3,702,871	\$ 6,909,712	\$ (8,046,748)	\$ (3,056,388)	\$ 4,129,936	\$ 2,756,471	\$ 4,266,413	\$ 1,177,243	\$ 3,938,734

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 modified accrual basis of accounting, unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other Financing Sources and Uses										
Bond, notes, and leases	\$ -	\$ -	\$ -	\$ -	\$ 18,000,000	\$ 3,107,850	\$ -	\$ -	\$ 9,065,000	\$ 3,000,000
Premium on issuance of bonds	-	-	-	-	2,161,462	522,818	-	-	227,035	-
Bond refundings	-	-	-	-	-	(3,605,603)	-	-	(5,247,568)	(2,970,000)
Transfers	821,046	731,350	711,116	846,103	778,645	839,214	848,137	833,402	709,463	715,547
Leases (as lessee)	19,967	-	-	-	-	-	-	-	-	-
SBITA	330,320	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	3,343
Total other financing sources (uses)	1,171,333	731,350	711,116	846,103	20,940,107	864,279	848,137	833,402	4,753,930	748,890
Net change in fund balance	\$ 7,249,265	\$ 4,434,221	\$ 7,620,828	\$ (7,200,645)	\$ 17,883,719	\$ 4,994,215	\$ 3,604,608	\$ 5,099,815	\$ 5,931,173	\$ 4,687,624
Debt service as percentage of non-capital expenditures	5.8%	7.7%	8.0%	7.9%	7.0%	7.4%	8.3%	8.9%	8.5%	9.8%

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

Schedule 5

Fiscal year	Appriased value					Assessed value	Total direct tax rate*
	Public utilities	Commerical and industrial	Personal property	Residential, farm, and exempt	Total		
2023	\$ 119,345,233	\$ 2,886,994,590	\$ 882,007,647	\$ 4,841,374,880	\$ 8,729,722,350	\$ 2,681,838,044	\$ 0.5257
2022	100,810,179	2,049,661,704	710,967,653	3,740,087,076	6,601,526,612	1,787,414,605	0.7007
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	50,973,662	1,000,642,356	328,359,756	2,125,016,852	3,504,992,626	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	1,058,010,712	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

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 2019 and 2023.

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**	County**	Town*	
2023	\$ 0.5257	\$ 1.6162	\$ 1.6162	\$ 0.5257	\$ 2.1419
2022	\$ 0.7007	\$ 2.2194	\$ 2.2194	\$ 0.7007	\$ 2.9201
2021	\$ 0.7007	\$ 2.2194	\$ 2.2194	\$ 0.7007	\$ 2.9201
2020	\$ 0.7007	\$ 2.2194	\$ 2.2194	\$ 0.7007	\$ 2.9201
2019	\$ 0.7007	\$ 2.0994	\$ 2.0994	\$ 0.7007	\$ 2.8001
2018	\$ 0.8840	\$ 2.6800	\$ 2.6800	\$ 0.8840	\$ 3.5640
2017	\$ 0.8840	\$ 2.6800	\$ 2.6800	\$ 0.8840	\$ 3.5640
2016	\$ 0.8840	\$ 2.6800	\$ 2.6800	\$ 0.8840	\$ 3.5640
2015	\$ 0.8840	\$ 2.4867	\$ 2.4867	\$ 0.8840	\$ 3.3707
2014	\$ 0.9095	\$ 2.5652	\$ 2.5652	\$ 0.9095	\$ 3.4747

* 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

	2023			2014		
	Taxable assessed value	Rank	Percent of total assessed value	Taxable assessed value	Rank	Percent of total assessed value
Taxpayer						
Nissan North America	\$ 51,674,150	1	2.89%	\$ 22,548,182	2	2.23%
Topre America Corporation	41,931,113	2	2.35%	-		0.00%
Prologis L.P.	27,310,230	3	1.53%	-		0.00%
HCA Health services	26,623,795	4	1.49%	24,542,875	1	2.43%
MAA BRIK	25,000,000	5	1.40%	11,433,480	5	1.13%
Wop Sterling LLC	24,800,000	6	1.39%	-		0.00%
Vi Jon, Inc.	23,932,730	7	1.34%	10,189,720	7	1.01%
Star Stoneridge LLC	23,400,000	8	1.31%	11,200,000	6	1.11%
Grand Oak 1 LLC	23,040,000	9	1.29%	-		0.00%
Copperfield Acquisition LP	22,962,040	10	1.28%	-		0.00%
Southpark Warehouse	-		0.00%	15,002,600	4	1.48%
CH Realty V/NIP LLC	-		0.00%	20,547,960	3	2.03%
Sam Ridley LLC	-		0.00%	8,713,840	8	0.86%
Middle Tennessee Electric	-		0.00%	8,669,805	9	0.86%
LW Apartments LLC	-		0.00%	5,954,495	10	0.59%
Totals	\$ 290,674,058		16.26%	\$ 138,802,957		13.72%
Total assessed value	\$ 1,787,414,605			\$ 1,011,844,405		

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

Schedule 8									Outstanding delinquent taxes as percent of levy
Fiscal years	Total tax levy	Current tax collections	Percent collected	Delinquent tax collections	Total collections	Total collected as percent of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percent of levy	
2023	\$ 14,136,188	\$ 13,570,155	96.00%	\$ -	\$ 13,570,155	96.00%	\$ 566,033	4.17%	
2022	12,575,624	12,438,177	98.91%	103,271	12,541,448	99.73%	34,176	0.27%	
2021	11,848,632	11,710,486	98.83%	126,273	11,836,759	99.90%	11,873	0.10%	
2020	11,443,198	11,269,205	98.48%	162,462	11,431,667	99.90%	11,531	0.10%	
2019	10,943,576	10,674,286	97.54%	259,725	10,934,011	99.91%	9,565	0.09%	
2018	10,539,436	10,413,926	98.81%	115,556	10,529,482	99.91%	9,954	0.09%	
2017	10,007,477	9,882,560	98.75%	115,798	9,998,358	99.91%	9,119	0.09%	
2016	9,645,439	9,370,811	97.15%	265,334	9,636,145	99.90%	9,294	0.10%	
2015	9,359,182	9,220,131	98.51%	132,487	9,352,618	99.93%	6,564	0.07%	
2014	9,202,940	9,031,791	98.14%	163,653	9,195,444	99.92%	7,496	0.08%	
							\$ 675,605		

Notes to Schedule

Taxes are assessed as of January 1 and are due on October 1 each year.

Taxes become delinquent on February 28 of the following year.

Town of Smyrna, Tennessee
 Debt Capacity Information
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Schedule 9

Fiscal year	Population*	Governmental activities			Business activities		Total primary government	Percent of personal income	Debt per capita
		General obligation bonds	Capital outlay notes	Leases	Water/Sewer bonds	Water/Sewer revolving loan			
2023	56,516	\$ 18,155,000	\$ 453,667	\$ 3,669,953	\$ 7,471,252	\$ 43,768,850	\$ 73,518,722	3.88%	\$ 1,301
2022	55,518	21,693,539	-	3,803,293	12,054,574	34,529,083	72,080,489	4.55%	1,298
2021	53,262	24,687,545	-	-	16,535,330	29,006,062	70,228,937	4.81%	1,319
2020	52,324	27,480,400	-	-	20,850,750	10,446,933	58,778,083	4.30%	1,123
2019	51,519	30,125,711	-	-	25,094,659	4,095,742	59,316,112	4.58%	1,151
2018	50,183 ***	12,499,969	-	-	29,556,568	2,973,260	45,029,797	3.31%	897
2017	48,596	14,727,713	-	-	32,735,382	3,149,935	50,613,030	4.18%	1,042
2016	47,521	17,252,315	-	-	36,400,810	3,287,260	56,940,385	4.20%	1,198
2015	45,274 **	19,823,274	-	-	39,942,304	3,212,359	62,977,937	5.70%	1,391
2014	42,813	17,763,839	-	-	43,377,539	3,375,330	64,516,708	6.07%	1,507

Notes to Schedule

Details of the Town's debt can be found in note 10 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
2023	56,516	\$ 8,729,722,350	\$ 18,155,000	\$ 7,471,252	\$ -	\$ 1,200,610	\$ 24,425,642	0.28%	\$ 432
2022	55,518	6,601,526,612	21,693,539	12,054,574	-	1,291,978	32,456,135	0.49%	585
2021	53,262	6,208,775,003	24,687,545	16,535,330	-	1,377,616	39,845,259	0.64%	748
2020	52,324	5,328,474,251	27,480,400	19,600,750	-	1,463,168	45,617,982	0.86%	872
2019	51,519 ***	5,072,992,993	30,125,711	22,644,659	-	1,543,628	51,226,742	1.01%	994
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 **	3,504,992,626	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

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	Debt outstanding**	Percentage applicable to Town*	Amount applicable to Town*
Town of Smyrna	\$ 22,278,620	100.00%	\$ 22,278,620
Rutherford County	486,062,736	17.60% *	85,547,042
Total	<u>\$ 508,341,356</u>		<u>\$ 107,825,662</u>

* Based upon assessed value of property in:
 County \$ 15,236,298,953
 Town \$ 2,681,838,044

** 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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Assessed value	\$ 2,681,838,044	\$ 1,787,414,605	\$ 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
General obligation	\$ 25,626,252	\$ 32,456,137	\$ 39,845,260	\$ 45,617,984	\$ 51,226,744	\$ 34,537,489	\$ 15,177,808	\$ 18,388,677	\$ 23,036,748	\$ 21,279,984
Debt as percentage of assessed value	0.96%	1.82%	2.36%	2.79%	3.28%	2.90%	1.34%	1.69%	2.18%	2.10%

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	
2023	\$ 26,294,113	\$ 13,863,715	\$ 12,430,398	\$ 5,323,312	\$ 660,160	\$ 5,983,472	2.08%
2022	24,092,646	13,120,737	10,971,909	4,711,943	1,144,919	5,856,862	1.87%
2021	22,954,942	10,829,297	12,125,645	3,969,164	1,087,256	5,056,420	2.40%
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%

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

**** 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 ***
2023	56,516 ****	\$ 1,896,055,284	\$ 33,549 ****	34.4	16,335	2.8%
2022	55,518 ****	\$ 1,585,705,116	\$ 28,562 ****	33.8	16,052	2.6%
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	24,980 ****	33.0	13,597	4.2%
2014	42,813 ****	1,062,276,156	24,812 ****	33.2	13,895	4.4%

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

	2023			2014		
	Employees	Rank	Percentage	Employees	Rank	Percentage
Taxpayer						
Nissan North America	8,500	1	58.06%	7,500	1	57.67%
Taylor Farms Tennessee	1,500	2	10.25%	1,000	3	7.69%
Asurion	1,250	3	8.54%	1,250	2	9.61%
Vi Jon (Cumberland Swan)	736	4	5.03%	738	5	5.67%
TriStar StoneCrest Medical Center	700	5	4.78%	320	7	2.46%
Square D/Schneider Electric	515	6	3.52%	900	4	6.92%
Federal Mogul	500	7	3.42%	292	9	2.25%
Franke Foodservice Systems	360	8	2.46%	300	8	2.31%
VA Mid-South CPAC	300	9	2.05%	456	6	3.51%
WWL Vehicle Service Americas	280	10	1.91%	250	10	1.92%
Total	14,641			13,006		

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Administration	10.0	9.0	10.0	10.0	8.0	8.0	6.0	6.0	6.0	6.0
Finance	15.0	14.0	14.8	15.6	14.6	15.8	15.8	15.6	14.8	14.6
Personnel	5.8	6.0	5.8	5.8	4.8	4.0	4.0	3.0	3.0	3.0
Planning and codes	15.8	14.8	15.0	13.0	13.0	12.0	11.0	10.0	8.0	8.0
IT services	7.0	7.0	5.0	7.0	7.0	7.0	5.0	5.0	5.0	5.0
Courts	16.0	14.0	15.0	16.0	15.0	15.0	15.0	14.0	13.0	13.6
Building and grounds	8.8	9.0	8.8	8.0	8.0	8.0	7.0	7.0	6.0	6.0
Legislative	5.6	5.6	5.6	5.6	5.6	4.8	5.6	5.6	5.6	5.6
Public safety										
Police										
Officers	101.8	88.0	92.0	90.0	84.0	81.0	78.0	77.0	81.0	78.0
Civilians	24.0	18.6	18.0	25.0	24.0	21.0	21.0	21.0	21.0	21.8
Fire										
Firefighters	100.0	94.0	96.0	96.0	88.0	82.0	84.0	84.0	87.0	82.0
Civilians	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Highways and streets	15.4	13.8	12.8	14.8	12.8	14.8	13.8	12.8	12.6	13.6
Stormwater	17.0	15.0	15.0	12.0	11.0	10.0	10.0	9.0	9.0	8.0
Recreation										
Parks	71.5	50.8	56.3	48.1	57.9	53.6	49.6	28.1	33.1	39.6
Golf course	22.7	18.6	20.0	22.6	21.0	21.6	20.8	16.6	19.8	17.7
Community development	18.2	10.2	10.8	11.6	16.4	19.0	15.6	14.8	16.2	9.6
Water and sewer	51.0	48.0	45.0	43.0	46.0	46.0	42.0	42.0	41.0	42.0
Natural gas	19.0	19.0	19.0	18.0	18.0	19.0	18.0	17.0	18.0	18.0
Total	526.6	457.4	466.9	464.1	457.1	444.6	424.2	390.5	402.1	394.1

Source: Town departments

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

Schedule 17

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Court										
Warrants/summons issued	4,962	4,856	5,479	5,332	7,782	6,937	6,032	6,374	4,014	5,277
Warrants served	3,713	3,578	4,185	5,521	5,632	4,960	4,269	4,908	3,029	4,746
Misdemeanor citations	1,139	1,072	1,302	1,166	579	628	517	604	738	602
General sessions cases	4,392	4,142	6,943	20,080	20,569	10,973	14,361	6,353	5,988	4,806
Traffice court cases	9,507	9,474	8,032	11,200	10,505	10,356	8,489	8,100	11,106	7,809
Juvenile court cases *	408	395	369	619	848	681	694	559		
Planning and codes										
Building permits issued	1,196	1,005	1,428	1,288	887	844	915	933	792	837
Site plans reviewed	48	55	39	27	26	50	39	30	32	22
Zoning/annexation requests	37	33	38	35	39	39	22	18	15	10
Administration										
Population served per employee	107	121	114	110	106	105	107	119	98	104
Finance										
Checks processed	5,407	5,144	6,483	7,087	6,245	5,896	5,859	5,203	4,379	5,442
Amount purchased on competitive bid (in \$millions)	\$29.68	\$26.02	\$37.40	\$24.53	\$14.58	\$6.98	\$7.76	\$4.23	\$6.05	\$3.93
Treasury										
Total number of utility payments	183,698	181,448	179,405	174,074	142,886	94,350	98,545	100,628	105,273	112,802
Total number of other payments	8,817	10,301	13,560	10,982	8,010	95,850	111,590	104,777	78,549	61,035

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.

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

Schedule 17, continued

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Human resources										
Personnel turnover rate	19.7%	21.0%	13.5%	19.6%	20%	18%	15%	17%	17%	17%
New hires	127	136	119	73	123	105	108	75	72	75
Vehicle maintenance										
Number of vehicles maintained	240	237	235	230	266	203	199	292	190	218
Pieces of equipment maintained	108	105	102	102	95	78	78	176	174	112
Public safety										
Police										
Average response time (in minutes)	6:03	6:22	4:50	4:38	6:49	6:40	6:23	6:27	7:16	7:31
Police calls per 1,000 population	1,112	1,097	1,082	1,172	1,240	552	481	491	637	618
Fire										
Average response time (in minutes)	7:29	7:52	12:23	12:42	6:31	6:28	6:41	6:14	6:15	7:21
Dispatch calls for service	2,901	2,841	2,800	2,668	2,211	2,074	1,904	1,870	1,916	1,905
Culture and recreation										
Parks and recreation										
Number of park users	1,698,223	1,647,712	1,472,025	1,069,212	1,655,518	1,555,815	1,333,678	1,106,680	1,323,369	1,353,913
Number of SOAC/pool users	60,735	56,941	20,051	-	-	-	-	-	-	-
Number of league participants	5,916	5,824	5,986	2,597	5,769	7,397	7,077	6,910	7,498	7,000
Town centre										
Number of functions	198	172	62	65	275	303	321	376	283	314
Golf course										
Total rounds	41,986	40,088	41,247	25,394	28,508	32,516	31,341	32,978	32,533	29,979

Continued

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

Schedule 17, Continued

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities										
Water treatment plant										
Gallons treated (in millions)	4,266	4,155	4,172	4,013	4,000	3,776	3,363	3,366	3,309	2,986
Customers	15,738	15,629	15,421	15,080	14,738	14,724	14,522	13,720	13,720	13,579
Waste water treatment plant										
Gallons treated (in millions)	2,298	2,230	2,094	2,375	2,075	2,107	2,198.70	2,180.20	2,104.80	2,041
Customers	17,982	17,783	17,355	16,520	14,124	15,485	15,070	14,021	14,021	13,718
Natural gas										
Customers	11,736	11,664	11,592	11,390	11,057	10,769	10,792	10,048	10,048	9,915

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
General government										
Planning and codes										
Vehicles	12	11	10	8	8	9	5	5	5	5
Engineering										
Vehicles	1	1	1	1	1	1	-	-	-	-
Building and grounds maintenance										
Traffic signals	57	55	52	51	50	50	50	50	50	50
Shop	1	1	1	1	1	1	1	1	1	1
Vehicles	13	10	10	9	9	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	1	1	1
Information services										
Vehicles	1	2	2	2	2	2	2	2	1	2
Stormwater										
Vehicles	9	9	8	6	5	5	5	4	3	2
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	120	110	102	90	81	76	77	79	77	78
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Vehicles	25	26	26	25	24	25	22	22	23	24
Highways and streets										
Streets (miles)	290.6	282.8	279.02	268.73	257	255.1	246.7	238	242	237
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	23	23	22	21	22	21	21	21	20	20

Continued

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

Schedule 18, Continued

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
General government										
Cultural and recreation										
Parks and recreation										
Acres	826	820	826	826	826	826	822	822	822	822
Parks	13	13	13	13	12	12	12	12	12	12
Picnic areas (shelters)	21	21	21	21	20	20	20	19	18	19
Tennis courts	6	6	6	6	6	6	6	6	8	8
Racquetball courts	-	-	-	-	-	-	-	-	-	2
Practice areas	7	7	8	8	8	8	8	8	8	8
Soccer fields	13	13	13	13	13	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	7	7	5	5	5	5	5	5
Playgrounds	12	12	11	10	9	9	9	8	8	8
Shop	2	2	2	1	1	1	1	1	1	1
Pools	3	3	3	3	3	3	3	1	1	1
Splashpad	1	1	1	1	1	1	1	1	1	1
Workout facility	-	-	-	-	-	-	-	-	-	1
Trails and greenways (miles)	14	14	14	14	14	12	12	12	12	12
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	1	1	-	-	-
Vehicles	22	22	22	17	16	16	15	15	14	14
Tower slides	2	2	2	2	2	2	1	1	1	1
Kuss memorial	1	1	1	1	1	1	-	-	-	-

Continued

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

Schedule 18, Continued

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	7
Hydrants	1,806	1,777	1,863	1,828	1,792	1,786	1,765	1,765	1,500	1,477
Shop	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Vehicles	19	17	17	17	15	17	17	17	16	16
Waste water treatment plant										
Plant	1	1	1	1	1	1	1	1	1	1
Shop	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Vehicles	21	19	20	21	19	19	16	16	9	9
Natural gas										
Miles of main	298.67	295.22	292	289	282.98	277.98	273.63	268.6	267.83	306.82
Shop	1	1	1	1	1	1	1	1	1	1
Vehicles	15	15	13	12	13	13	11	10	10	10

Source: Town departments

Note to Schedule

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

Internal Control and Compliance Section

Town of Smyrna, Tennessee
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

Grantor / Pass-through Grantor	Program name	Assistance Listing	Contract number	Expenditures	Passed through to subrecipients
Federal Awards					
Department of Justice / N/A - Direct	Bulletproof Vest Program - Justice Assistance Grants	16.607	N/A	\$ 1,800	\$ -
Department of Transportation/ Tennessee Department of Transportation	<u>Highway Planning and Construction Cluster</u> Highway Planning and Construction (Federal-Aid Highway Program)	20.205	STP-M-9315(12)	16,149	-
Tennessee Department of Transportation	Highway Planning and Construction (Federal-Aid Highway Program)	20.205	STP-M-266(21)	15,581	-
Tennessee Department of Transportation	Highway Planning and Construction (Federal-Aid Highway Program)	20.205	CM-9315(11)	336	-
Tennessee Department of Transportation	Highway Planning and Construction (Federal-Aid Highway Program)	20.205	CM-266(30)	55,475	-
Tennessee Department of Transportation	Highway Planning and Construction (Federal-Aid Highway Program)	20.205	STP-M-NH-1(352)	486,226	-
Tennessee Department of Transportation	Highway Planning and Construction (Federal-Aid Highway Program)	20.205	HIP-C-M-1059(18)	90,490	-
	Total Highway Planning and Construction Cluster			<u>664,257</u>	-
Department of Transportation/ Tennessee Department of Safety and Homeland Security	Alcohol Open Container Requirements	20.607	154AL-18-49	25,724	-
Environmental Protection Agency	<u>Clean Water State Revolving Fund (CWSRF) Cluster</u>				
TN Office of State and Local Finance TDEC	Capitalization Grants for Clean Water State Revolving Funds	66.458	SRF 2020-438-01	4,994,371	-
TN Office of State and Local Finance TDEC	Capitalization Grants for Clean Water State Revolving Funds	66.458	CG20 22-474	800,000	-
TN Office of State and Local Finance TDEC	Capitalization Grants for Clean Water State Revolving Funds	66.458	SRF 2023-481	936,557	-
	Total CWSRF Cluster			<u>6,730,928</u>	-
Environmental Protection Agency	<u>Drinking Water State Revolving Fund (DWSRF) Cluster</u>				
TN Office of State and Local Finance TDEC	Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWF22-246	2,500,000	-
TN Office of State and Local Finance TDEC	Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWF22-246-01	261,936	-
	Total DWSRF Cluster			<u>2,761,936</u>	-
Total federal awards				10,184,645	-
State Financial Assistance					
TN Office of Criminal Justice Programs	Violent Crime Intervention Fund		N/A	111,015	\$ -
TN Dept of Intellectual and Development Disabilities	Adult Changing Table		N/A	5,000	-
Total state financial assistance				116,015	-
Total federal awards and state financial assistance				\$ 10,300,660	\$ -

Continued

Town of Smyrna, Tennessee
 Schedule of Expenditures of Federal Awards and State Financial Assistance
 For the Year Ended June 30, 2023

Notes to Schedule

Note 1. Basis of Presentation

This schedule of expenditures of federal awards and state financial assistance summarizes the expenditures of the Town under programs of the federal and state governments for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, change in net position, or cash flows of the Town. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. Indirect Cost Rate

The Town has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Loans Outstanding

At June 30, 2023, loan program outstanding balances were as follows:

Capitalization Grants for Drinking Water State Revolving Funds	DWA 14-154	\$ 62,745
Capitalization Grants for Drinking Water State Revolving Funds	CGO 2010-258	172,968
Capitalization Grants for Drinking Water State Revolving Funds	DG9 2021-231	2,523,995
Capitalization Grants for Clean Water State Revolving Funds	CWA 14-343	161,728
Capitalization Grants for Clean Water State Revolving Funds	CGA 2009-234	1,603,460
Capitalization Grants for Clean Water State Revolving Funds	CG7 2019-423	2,469,738
Capitalization Grants for Clean Water State Revolving Funds	SRF 2020-438	17,047,794
Capitalization Grants for Clean Water State Revolving Funds	SRF 2020-438-01	15,214,153
		<u>\$ 39,256,581</u>

At June 30, 2023, there was a Department of Housing and Urban Development Home Investment Partnership grant note outstanding (Assistance Listing No. 14.239). In a prior fiscal year, the funds, in the amount of \$403,973, were passed through to a subrecipient. 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.



**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Honorable Mayor and Town Council
Town of Smyrna, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 30, 2024.

Report on 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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 financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
January 30, 2024



**Independent Auditor’s 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, Tennessee

**Report on Compliance for Each Major Federal Program
*Opinion on Each Major Federal Program***

We have audited the Town of Smyrna, Tennessee’s (the Town) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The Town’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
January 30, 2024

Town of Smyrna, Tennessee
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2023

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, 2023

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
66.458	CWSRF Cluster

Dollar threshold used to distinguish between type A and type B programs \$ 750,000

Auditee qualified as low-risk auditee? X Yes No

Section II. Financial Statement Findings

None

Section IV. Summary of Prior Audit Findings

None