

City of Smyrna, Georgia

Annual Comprehensive Financial Report

Fiscal Year Ending June 30, 2022



Prepared by:
Department of Finance
2800 King Street / P. O. Box 1226
Smyrna, Georgia 30081

**CITY OF SMYRNA, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION



2800 King Street
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(770) 434-6600

City of Smyrna

www.SmyrnaGA.gov

January 25, 2023

Honorable Derek Norton, Mayor
Members of City Council
and the Citizens of the City of Smyrna, GA

The Annual Comprehensive Financial Report of the City of Smyrna, Georgia for the fiscal year ended June 30, 2022, is hereby submitted as mandated by State statute. The statute requires that the City of Smyrna, Georgia issue a report on its financial position and activity on an annual basis, and this report is to be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City of Smyrna, Georgia. All disclosures necessary to enable the reader to gain an understanding of the City financial activities have been included.

Nichols, Cauley & Associates, LLC, a firm of certified public accountants, audited the City of Smyrna's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2022 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Smyrna's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first financial section component of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A section.

Reporting Entity

The financial reporting entity (City of Smyrna) includes all the funds of the primary government, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and included as part of the primary government. The Downtown Smyrna Development Authority is included as a blended component unit.

The City provides a full range of services to its estimated 56,000 citizens. Some of the services which are available to those residents include police and fire protection; court systems; library services; the construction and maintenance of highways, streets and infrastructure; fleet maintenance; buildings and grounds maintenance; tax collection; planning and zoning; building permitting and inspections; recreational activities and cultural events; and inherent administrative support services. The City also provides water and sewer services, which are shown as an Enterprise Fund in this report.

Government Structure, Local Economic Condition and Outlook

Smyrna was incorporated in 1872 as a municipality by the State of Georgia. Its land area encompasses approximately 15 square miles. Smyrna is located 10 miles northwest of Atlanta, Georgia and is part of the metropolitan Atlanta area. Known also as the "Jonquil City", it derives this name from the thousands of jonquils, which flourish in gardens and along the streets in early spring.

The governing body of the City is the Mayor and Council, which appoints a City Administrator to serve as the chief administrative officer. The Mayor and Council are empowered to levy taxes, establish fees and utility rates, adopt a budget, appoint committees and take other actions within the jurisdiction consistent with their function as a policy-making body. The City Administrator is responsible for the daily operations of the City government in accordance with the policies of the Mayor and Council.

The economic outlook for the City remained stable through fiscal year 2022 and management anticipates continued stability moving forward. This continued stability is the result of several factors including increases in development and property values in the City, a continued conservative approach to spending as the City has experienced growth and development, and the benefit of federal dollars through the American Rescue Plan. Being proactive and conservative at the onset of the pandemic in 2020 and continuing through 2022 positioned the City to be able to maintain a strong financial position. In addition, the City was able to maintain its AAA bond rating with Standard & Poor's and a rating of Aa1 with Moody's

The City has seen a lot of new development within and around the City over the last several years. Management of the City anticipate continued new development as a halo effect of exciting developments at our borders as well as the redesign and construction of the City's Downtown. Management anticipates this will continue to fuel the growth and redevelopment of the City. During the year ended June 30, 2022, the City saw property values increasing more than in the last several years. With several projects still in process at year end, we are optimistic values will continue to increase in the future. The net assessment of property in the City increased 5.98 percent from \$2,833,049,210 to \$3,002,474,966. The unemployment rate was slightly lower than the state average this year. At June 30, 2022 the rate was 2.7 percent compared to the State average of 2.8 percent.

The City of Smyrna continues to benefit economically by being an integral part of one of the top growth areas in the United States. The Metropolitan Atlanta region represents one of the nation's primary transportation and distribution centers as well as being a major financial and consumer services leader. Georgia's geographically central location for domestic distribution, excellent surface transportation system, telecommunications infrastructure and proximity to major consumer markets make the State an excellent base for air cargo operations.

Accounting and Budgetary Controls

Management of the City of Smyrna is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

The City maintains budgetary controls to ensure compliance with the legal provision of the annual appropriations budget approved by the Mayor and Council. Statutes of the State of Georgia require the City to operate under an annual balanced budget adopted by resolution. The City Administrator is responsible for preparing the annual budget, which is then submitted to the Mayor and Council for discussion and adoption.

The applicable State statutes require that the City not exceed its budget at the department level. The legal level of City budget control (the level at which expenditures may not exceed appropriations) for each legally adopted annual operating budget is at the department level. Administrative budgetary control is maintained internally at an object of expenditure level within the department or function. The City Administrator can authorize the transfer of appropriations among accounts within their department's budget. The Mayor and Council must approve all other transfers or supplemental appropriations. The City's budget procedures are more fully explained in the accompanying Notes to the Financial Statements.

The City maintains an encumbrance accounting system as another means of accomplishing budgetary control. Encumbered amounts at year-end are reported within restricted, committed, or assigned fund balances of governmental funds and carried forward into the ensuing year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Long-term Financial Planning and Policies

As part of its strategic plan, the Mayor and Council continue to set aside monies for future occurrences. This includes committing funds for future retirement obligations, future debt obligations, capital projects and vehicle replacement. All of these committed funds should ensure continuation of the City's strong financial position.

The Mayor and Council have adopted a minimum fund balance policy. This policy requires 25% of the subsequent year's expenditures to be maintained as unassigned fund balance. The City continues to exceed this minimum for the current year.

Awards and Acknowledgements

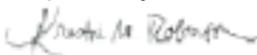
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Smyrna for its annual comprehensive financial report for the year ended June 30, 2021. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the various City departments and officials, and in particular, the staff of the Finance Department. Our sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

We would also like to thank the Mayor and members of Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner and through whose efforts we have made substantial progress in responding to the extraordinary demands placed upon our community. We believe that the accomplishments that have been identified in this transmittal letter and the accompanying MD&A section clearly indicate that the Mayor and Council has effectively and efficiently planned and managed the resources that were entrusted to them by the Citizens of the City.

Respectfully submitted,



Kristin Robinson
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Smyrna
Georgia**

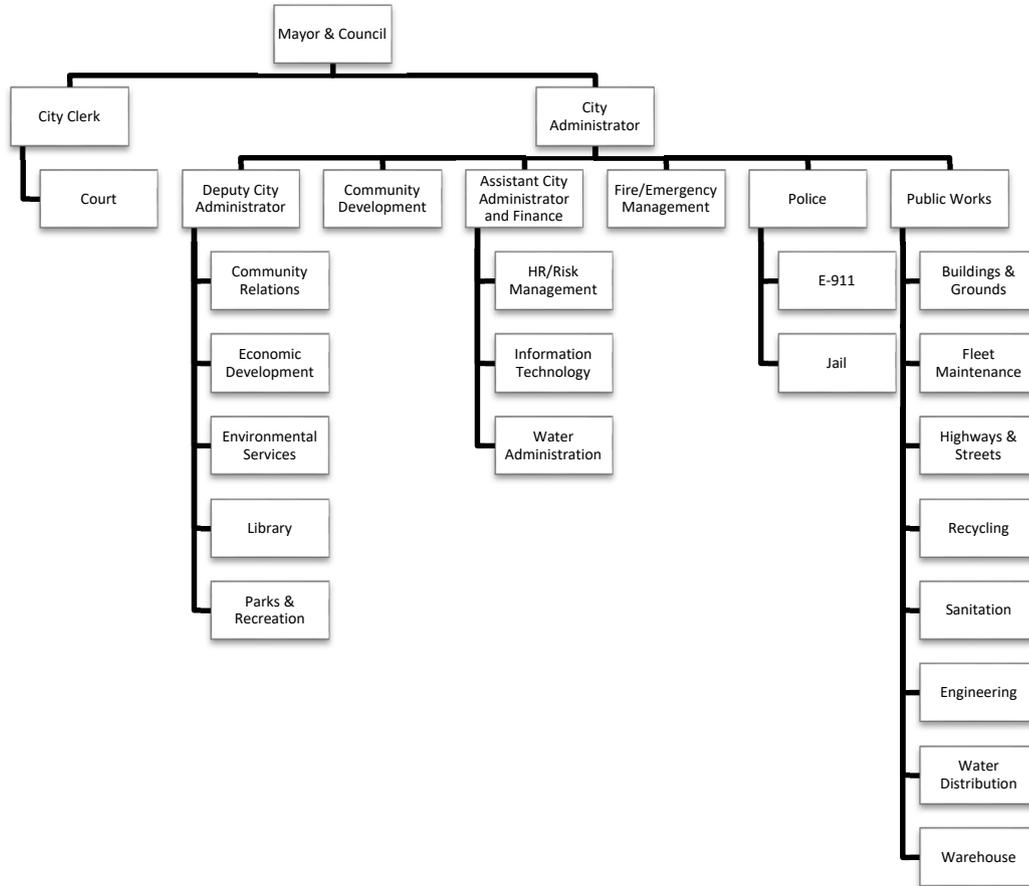
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Organizational Chart City of Smyrna, Georgia



Principal Officials City of Smyrna, Georgia

Mayor & City Council



Derek Norton
Mayor

Glenn Pickens
Ward 1

Latonia P. Hines
Ward 2

Travis Lindley
Ward 3

Charles Welch
Ward 4

Susan Wilkinson
Ward 5

Tim Gould
Ward 6

Lewis Wheaton
Ward 7

Appointed Officials

Heather Peacon-Corn
City Clerk/ Court Services

Joseph Bennett
City Administrator

Department Heads

Penny Mocerri
Deputy City Administrator

Kristin Robinson
Assistant City Administrator and
Finance Director

Andrea Worthy
Director of Economic
Development

Carol Sicard
Director of Human Resources/
Risk Management

Brian Marcos
Fire Chief/ Director of Emergency
Management

Jennifer Bennett
Director of Community Relations

Chris Addicks
Director of Information
Technology

Eric Randall
Director of Public Works

Julie Barwig
Director of Environmental
Services

Water Administration

Keith Zgonc
Police Chief

Mary Moore
Director of the Library

Russell Martin
Director of Community
Development

Richard Garland
Director of Parks and Recreation

FINANCIAL SECTION



NICHOLS, CAULEY & ASSOCIATES, LLC

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INDEPENDENT AUDITOR'S REPORT

The Honorable Derek Norton, Mayor
Members of the City Council
City of Smyrna
Smyrna, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Smyrna, Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Smyrna, Georgia, as of June, 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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. 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 City of Smyrna, Georgia 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

The City of Smyrna, Georgia's 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 City of Smyrna, Georgia'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 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, 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 City of Smyrna, Georgia'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 City of Smyrna, Georgia'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, budgetary comparison information, the Schedule of Changes in the City’s Net Pension Liability and Related Ratios, the Schedule of Pension Contributions, Schedule of Changes in the City’s Net OPEB Liability and Related Ratios, the Schedule of OPEB Contributions, and the Schedule of OPEB Plan Investment Returns on pages 12-22 and 60-70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Smyrna, Georgia’s basic financial statements. The combining and individual fund financial statements and schedules and compliance section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the compliance section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the compliance section 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 Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the

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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 25, 2023, on our consideration of the City of Smyrna, Georgia'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Smyrna, Georgia's internal control over financial reporting and compliance.

Richels, Cauley + Associates, LLC

Kennesaw, Georgia
January 25, 2023

Management's Discussion and Analysis

As management of the City of Smyrna, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the information in the financial statements and the notes to the financial statements.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ◆ The City's combined net position increased \$41.4 million to \$282.9 million from \$241.5 million in 2021.
- ◆ The City's total assets increased \$21.2 million compared to 2021. Total liabilities decreased \$27 million compared to 2021.
- ◆ The City's deferred outflows of resources decreased \$0.3 million to \$10.4 million from \$10.7 million in 2021. The deferred inflows increased by \$6.6 million to \$11.7 million from \$5.1 in 2021.
- ◆ Combined revenue increased \$8 million to \$110.6 million in 2022, of which governmental activities totaled \$88.5 million and business-type activities totaled \$22.1 million.
- ◆ Overall expenses decreased \$1.2 million to \$69.3 million of which governmental activities totaled \$54.2 million and business-type activities totaled \$15.1 million.
- ◆ As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$98.1 million. Approximately 31.49% is available for use (unassigned fund balance).
- ◆ As of June 30, 2022, unassigned fund balance for the general fund was \$30.9 million, or 69.25% of total general fund expenditures.
- ◆ As of June 30, 2022, total governmental funds reported an increase in total assets of \$11.8 million. These funds reported a decrease in total liabilities of \$5.9 million.
- ◆ As of June 30, 2022, total governmental funds deferred inflows of resources decreased \$281 thousand.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Smyrna's basic financial statements. The 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.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's operations, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the City's assets and liabilities and deferred inflows/outflows of resources, with the difference 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 City is improving or deteriorating.

The statement of activities presents information showing how the City'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 not result in cash flows until future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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 City include general government, judiciary, public safety, public works, housing and development, and culture and recreation. The business-type activities include the water and sewer system.

The government-wide financial statements can be found on pages 23-24 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 City, 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 City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds. Most of the basic services provided by the City are financed through 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, the 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 the 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. 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 City maintains three governmental fund types: the General Fund, Special Revenue Funds, and the Capital Projects Funds. Two individual funds are considered major funds – the General Fund and the 1% Road Improvement Tax (SPLOST) Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 25-28 of this report.

Proprietary Funds. Proprietary funds are used to account for activities that operate similar to those commercial enterprises found in the private sector. The City maintains its Water and Sewer Fund as an enterprise fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Fiduciary Funds Fiduciary Funds account for the assets held by the City in a trustee capacity for individuals. The City’s OPEB Trust Fund is utilized to account for the activity of the City’s OPEB Plan and is not reflected in the government-wide financial statements because the resources are not available to support the City’s operations or programs.

The fiduciary fund financial statements can be found on pages 32 and 33.

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 34-59 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the budgetary comparison for the General Fund, Pension Liability and Contributions, and OPEB liability and related notes. Required supplementary information can be found on pages 60-71 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. The City’s combined net position (government and business-type activities) totaled \$282.9 million at June 30, 2022.

The following table provides a summary of the City’s governmental and business-type net position for fiscal years 2022 and 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 47,932,896	\$ 43,163,633	\$ 22,339,066	\$ 20,634,185	\$ 70,271,962	\$ 63,797,818
Capital assets	204,432,990	199,899,524	42,258,701	38,827,546	246,691,691	238,727,070
Restricted assets - non current	54,115,993	47,300,470	587,475	617,773	54,703,468	47,918,243
Total assets	<u>306,481,879</u>	<u>290,363,627</u>	<u>65,185,242</u>	<u>60,079,504</u>	<u>371,667,121</u>	<u>350,443,131</u>
Deferred outflows of resources:	9,894,390	10,196,359	548,589	536,650	10,442,979	10,733,009
Liabilities:						
Current liabilities	12,063,396	21,692,641	2,007,184	1,951,282	14,070,580	23,643,923
Long-term liabilities outstanding	72,521,768	89,435,994	943,368	1,438,784	73,465,136	90,874,778
Total liabilities	<u>84,585,164</u>	<u>111,128,635</u>	<u>2,950,552</u>	<u>3,390,066</u>	<u>87,535,716</u>	<u>114,518,701</u>
Deferred inflows of resources:	11,113,008	4,912,797	605,342	235,818	11,718,350	5,148,615
Net position:						
Net investment in capital assets	173,848,250	163,873,415	42,229,961	38,778,083	216,078,211	202,651,498
Restricted	28,492,519	20,708,560	-	-	28,492,519	20,708,560
Unrestricted	18,337,328	(63,421)	19,947,976	18,212,187	38,285,304	18,148,766
Total net position	<u>\$ 220,678,097</u>	<u>\$ 184,518,554</u>	<u>\$ 62,177,937</u>	<u>\$ 56,990,270</u>	<u>\$ 282,856,034</u>	<u>\$ 241,508,824</u>

Total assets for the City at June 30, 2022 had a \$21.2 million increase over 2021. The City's assets increased in each classification in 2022. The two largest increases were an increase related to capital assets of \$8 million (3.34% increase over 2021), and an increase related to restricted assets of \$6.8 million (14.16% increase over 2021).

Deferred outflows related to OPEB and pension decreased \$0.3 million and deferred inflows related to OPEB and pension increased \$6.6 million.

Total liabilities decreased by \$27 million over 2021. The largest decreases were from a net decrease in outstanding debt of \$10.9 million and a decrease of \$10.7 million in OPEB and pension related liabilities in 2022.

The largest portion of the City's net position (76.4%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure, less any related debt used to acquire those assets that is still outstanding. Net investment in capital assets increased by \$13.4 million.

The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City'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 City's net position (10.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (13.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2022, the City is able to report positive balances in net position for the governmental and business-type activities. For fiscal year 2022, the City's net position increased \$41.4 million.

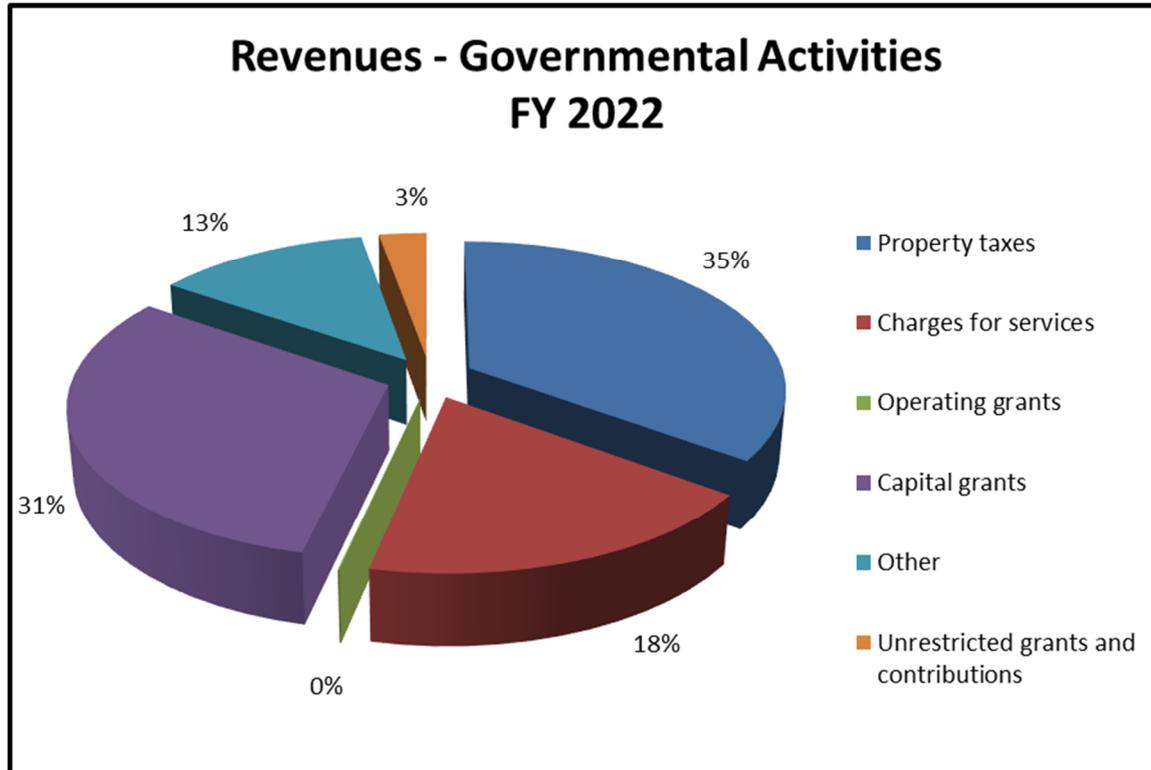
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 16,239,987	\$ 15,816,789	\$ 21,989,707	\$ 21,917,505	\$ 38,229,694	\$ 37,734,294
Operating grants and contributions	65,509	3,048,259	-	-	65,509	3,048,259
Capital grants and contributions	27,554,841	20,251,310	96,800	47,923	27,651,641	20,299,233
General revenues:						
Property taxes	31,040,706	29,307,816	-	-	31,040,706	29,307,816
Other	10,727,123	9,708,968	-	-	10,727,123	9,708,968
Grants and contributions not restricted to specific programs	2,473,536	2,341,620	-	-	2,473,536	2,341,620
Unrestricted investment earnings	39,246	37,385	2,689	3,298	41,935	40,683
Gain on sale of capital assets	407,497	-	-	-	407,497	-
Total revenues	<u>88,548,445</u>	<u>80,512,147</u>	<u>22,089,196</u>	<u>21,968,726</u>	<u>110,637,641</u>	<u>102,480,873</u>
Expenses:						
General government	7,724,484	7,746,559	-	-	7,724,484	7,746,559
Judicial	857,514	779,743	-	-	857,514	779,743
Public safety	21,630,548	23,562,750	-	-	21,630,548	23,562,750
Public works	13,632,755	14,079,320	-	-	13,632,755	14,079,320
Housing and development	1,390,932	1,375,469	-	-	1,390,932	1,375,469
Culture and recreation	6,656,828	6,464,074	-	-	6,656,828	6,464,074
Water and sewer	-	-	15,102,187	14,590,956	15,102,187	14,590,956
Interest & fiscal charges	2,295,183	1,928,666	-	-	2,295,183	1,928,666
Total expenses	<u>54,188,244</u>	<u>55,936,581</u>	<u>15,102,187</u>	<u>14,590,956</u>	<u>69,290,431</u>	<u>70,527,537</u>
Change in net position before transfers and special item	34,360,201	24,575,566	6,987,009	7,377,770	41,347,210	31,953,336
Transfers	1,799,342	1,662,662	(1,799,342)	(1,662,662)	-	-
Change in net position	<u>36,159,543</u>	<u>26,238,228</u>	<u>5,187,667</u>	<u>5,715,108</u>	<u>41,347,210</u>	<u>31,953,336</u>
Net position- beginning	184,518,554	158,280,326	56,990,270	51,275,162	241,508,824	209,555,488
Net position - ending	<u>\$ 220,678,097</u>	<u>\$ 184,518,554</u>	<u>\$ 62,177,937</u>	<u>\$ 56,990,270</u>	<u>\$ 282,856,034</u>	<u>\$ 241,508,824</u>

Governmental Activities. Governmental activities increased the City's net position by \$36.2 million. Increases in property values and continued development within the City provided increased tax revenue which was a large contributor to this increase. The City also received the second tranche of ARPA grant funds from the Federal government and was able to fully recognize the revenue by electing the standard allowance. In addition, the City was able to reduce operating expenses mainly due to continued staff vacancies throughout the year.

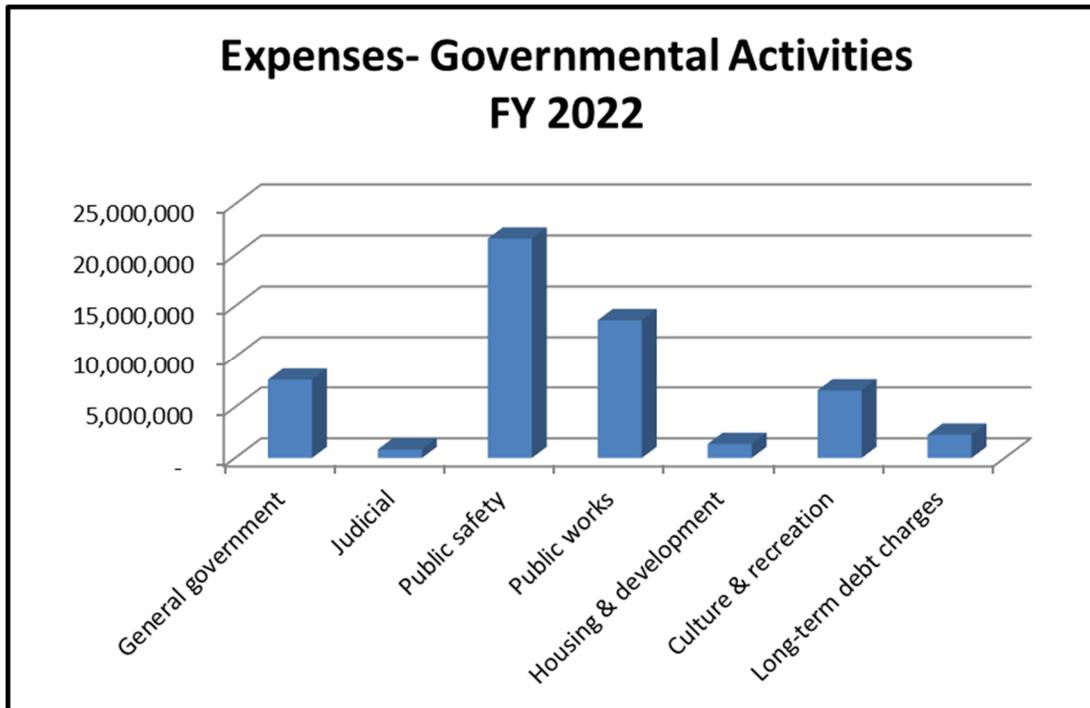
Property tax revenue increased 5.91% as the result of increased property taxes and growth in the digest. Revenue for charges for services increased 2.68% as a result of large increases from City serves coming back post pandemic that were partially offset by a reduction in sanitation from the complete outsourcing of commercial sanitation. Capital grants and contributions increased by 36.06% due to federal funds received.

General government expenses remained consistent with 2021 and Judicial increased by 10% due to the Solicitor becoming a full time employee in 2022. The City saw decreases in Public Safety of 8.2% and in

Public Works of 3.2% mainly due to vacancies. The City also saw an increase in interest and fiscal charges of 19% with the first payments being made on the new bond issued at the end of fiscal year 2021.



Governmental activity revenues are generated from a variety of sources including fees, grants, intergovernmental transfers and taxes. Taxes are the majority revenue source for the City at 35.1% of total revenue. Capital grants was a large revenue source in 2022 making up 31.1%. Charges for services was a large revenue making up 18.3% of total revenue.



Governmental activity expenses are generated by providing a variety of services to Smyrna’s citizens. The largest use of funds is for public safety (fire and police) which accounts for 39.9% of the City’s expenses. Public works (streets, traffic engineering, sanitation and Environmental Services) is the second largest use of funds accounting for 25.2% of total expenses. General government which includes administrative activities such as human resources, information technology, finance, community relations, etc., and maintenance of government property accounts for 14.3%. Culture and Recreation saw an increase this year as the City gets back to pre-pandemic levels and accounts for 12.3% due to additional events and programming.

Public safety expense reflects the city’s desire to invest in this important area to provide the best services and protection for Smyrna’s citizens. Public works expense includes SPLOST expenditures and culture and recreation expense reflects expenditure of hotel/motel taxes to promote tourism and parks events and programming.

Business-Type Activities. Business type revenues exceeded expenses (including transfers out of \$1.8 million) resulting in an increase in net position of \$5.2 million in 2022 which is consistent with 2021. Increased utility rates accounted for the operating revenue increase in FY 2022. Rates are scheduled to increase as needed on an ongoing annual basis as the City faces increases in wholesale purchase rates.

Financial Analysis of the Government’s Funds

As noted earlier, the City of Smyrna uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City’s

financial requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$98.1 million. Of this total, \$30.9 million or 31.5% constitutes *unassigned fund balance*, which is available for spending in the coming year. The remainder of fund balance is *Nonspendable, Restricted, Committed, or Assigned* to indicate that it is not available for new spending because it is not in spendable form (\$1,961,776), restricted (\$56,296,231), committed (\$8,622,927), or assigned (\$325,996) for a particular purpose.

Major Governmental Funds

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, Unassigned Fund Balance of the General Fund was \$30.9 million, and total fund balance was \$35.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both the Unassigned Fund Balance and total Fund Balance to total fund expenditures. Unassigned Fund Balance represents 69.3% of total general fund expenditures and total fund balance represents 79.3% of that same amount.

In FY 2022, the total fund balance of the General Fund increased \$4.6 million.

The key factors to this increase were:

- ◆ The City receives most of its revenue from property taxes and the City saw an increase due to the large revaluation of property values and also maintained a collection rate consistent with the past several years.
- ◆ The City conservatively budgeted license and permit fees and other user related fees due to uncertainty with development within the City and rebounding of businesses post-pandemic. These revenues came in stronger than anticipated.
- ◆ The City experienced a large amount of staff vacancies throughout the year which reduced wage expense and other related costs of employment for the second year in a row.
- ◆

The 1% Road Improvement Tax (SPLOST) Fund is used to account for financial resources collected and used for construction and enhancement of the city's infrastructure. The fund balance increased \$3 million from \$40.8 million to \$43.8 million. This increase is partially due to issuance of debt to update the City's public safety radio system (\$1.5 million). The remainder relates to collections above budgeted amounts and the timing of projects beginning throughout the City.

Non-Major Governmental Funds

The Special Revenue Funds are used to account for the City's collection and disbursement of specific revenues that are legally restricted to expenditures for specified purposes. Included in this classification are: Confiscated Assets, Hotel/Motel Tax Premium Tax, Multiple Grant, Auto Rental Tax, Emergency 911 Telephone, ARPA Grant, and the Housing and Urban Development (HUD) Grant (CDBG) .

The Debt Service Funds are used to account for the resources restricted for the principal and interest on long term obligations. Included in this classification is the Tax Allocation District fund.

The Capital Project Funds are used to account for financial resources that are *restricted* or *committed* to be used for the acquisition or construction of major capital facilities. Included in this classification are: Capital Fund, Downtown Smyrna Development Authority, Parks and Recreation, Capital Projects, and Bio Diesel.

Non-major governmental funds revenues and other financing sources totaled \$22.9 million for the fiscal year ended June 30, 2022. Non-major governmental funds expenditures and other financing uses totaled \$12.5 million. The net change in fund balance for all non-major governmental funds was an increase of \$10.4 million.

Proprietary Fund. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The City has one enterprise fund, which is the Water and Sewer Fund.

The *Unrestricted* Net Position for Water and Sewer is \$19.9 million. Total net position increased \$5.2 million. The *Restricted* Cash Balance totals \$0.6 million as of June 30, 2022.

General Fund Budgetary Highlights

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level within funds. The most significant budgeted fund is the General Fund. The original budget of \$55,866,627 was amended to \$58,250,207 in a series of budget amendments. These amendments were necessary to meet changing economic conditions. Tax revenue exceeded the budgeted amount as a result of a higher than anticipated increase in the digest and collection rate. Licenses and permit revenue exceeded the budgeted amount due to continued development within the City. Charges for services revenue decreased due to the full outsourcing of commercial sanitation. General Government went through a series of adjustments related to vacancies in personnel and movement of personnel between divisions within departments.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$246.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the city, such as roads, bridges, sidewalks, drainage, curb and gutter and the water and sewer systems.

The net increase in the City's investment in capital assets for fiscal year 2022 was 3.3% from \$238.7 million to \$246.7 million, an increase of \$8 million. Additional information on the City's capital assets can be found in Note 7 of the notes to the financial statements of this report.

Long-term obligations. As of June 30, 2022, the City of Smyrna had a net of \$80.9 million in outstanding long-term obligations, which does not include interest expense. The City has no general obligation debt. Additional information on the City's long-term obligations can be found in Note 8 of the notes to the financial statements of this report.

Economic Factors

The Mayor and Council, along with a dedicated staff of professionals, have continued to aggressively address the current and future needs of the City by focusing on sound financial management, the use of current resources for capital expenditures, and an extensive budgeting process.

During the year ended June 30, 2022 we continued to navigate the post pandemic environment taking a closer look at the City's budgeted expenditures. Management continued with a conservative approach for non-essential operating expenses and capital expenses throughout much of the year. Management made salary band adjustments that had a big budget impact in 2022 and had to make tough decisions to offset these increases and to be conservative as we move forward in subsequent fiscal years. Because of these decisions, the City was able to not only maintain our reserves, but we were also able to add to those reserves. These reserves are planned to help the City make several long term maintenance related investments to aging infrastructure throughout the City.

The City's top priorities will continue to be the redevelopment of older neighborhoods and aging commercial areas, parks and recreation, public safety, and road and transportation improvements. During the 2022 fiscal year, the City continued its focus on economic development to bring new industry and new additions to the City for our residents. There are several major financial issues for FY 2022 and beyond:

- Commercial redevelopment. Consistent with previous years, the City continues to see both public and private projects City-wide that are in various stages of redevelopment. As in prior years, the City continues to see interest in future projects in Smyrna. The City anticipates these projects will have a positive economic impact on Smyrna and its surrounding areas. These new projects and the completion of other long-term development, once completed, will provide major commercial and residential development to downtown Smyrna and surrounding areas. Smyrna also benefits from projects that continue to be made on the borders of Smyrna and we anticipate the "halo effect" of these developments will continue over the next several years. With changing economic conditions and increased costs to redevelop, the City has seen a slowing of development so this will be a key factor to monitor over the next year.
- Continued transportation improvements to roads, sidewalks and traffic issues using the Cobb County 1% Special Local Option Sales Tax (SPLOST) approved by voters in 2016 and again in 2022. The construction of a significant roadway project continued this fiscal year, and the City anticipates the construction to continue for the next several years. This project should greatly improve one of Cobb County and Smyrna's key corridors upon completion. In addition to this major project, the City has continued to fund, and will continue to fund, other road resurfacing and sidewalk project throughout the City to enhance the mobility of our citizens.
- There has been an increased focus on greenspace in the downtown and the City began the redevelopment of the downtown area during 2022. These projects are expected to continue for the next several years. This focus on greenspace has been the focus of many capital improvement projects throughout the City in 2022. The post-pandemic trend of more park utilization has been a key factor driving these projects.

Request for Information

This financial report is designed to provide a general overview of the City of Smyrna's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Smyrna, Office of the Finance Director, 2800 King Street, Smyrna, Georgia, 30080. Budget information can be obtained by going to www.smyrnacity.com, and selecting financial documents from the drop down menu on quick links.

CITY OF SMYRNA, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash	\$ 40,625,291	\$ 19,247,919	\$ 59,873,210
Receivables, net:			
Trade	976,547	3,080,403	4,056,950
Taxes	355,944	-	355,944
Other	100,035	-	100,035
Due from other governments	3,719,203	-	3,719,203
Inventories	360,201	-	360,201
Prepaid items	1,601,575	10,744	1,612,319
Restricted assets	54,115,993	587,475	54,703,468
Fair value of interest rate swap agreement	194,100	-	194,100
Capital assets, nondepreciated	72,555,260	194,226	72,749,486
Capital assets, depreciated, net	131,877,730	42,064,475	173,942,205
Total assets	306,481,879	65,185,242	371,667,121
Deferred outflows of resources:			
Related to pensions	6,252,988	356,936	6,609,924
Related to OPEB	3,641,402	191,653	3,833,055
Total deferred outflows of resources	9,894,390	548,589	10,442,979
Liabilities:			
Accounts payable and other current liabilities	2,961,204	1,419,709	4,380,913
Unearned revenue	40,871	-	40,871
Deposits payable	562,383	587,475	1,149,858
Accrued interest payable	1,040,357	-	1,040,357
Noncurrent liabilities:			
Due within one year:			
Long-term obligations	7,458,581	-	7,458,581
Due in more than one year:			
Net pension liability	9,316,086	531,785	9,847,871
Net OPEB liability	7,820,074	411,583	8,231,657
Long-term obligations	55,385,608	-	55,385,608
Total liabilities	84,585,164	2,950,552	87,535,716
Deferred inflows of resources:			
Related to pensions	6,889,126	393,248	7,282,374
Related to OPEB	4,029,782	212,094	4,241,876
Accumulated fair value of hedge transaction	194,100	-	194,100
Total deferred inflows of resources	11,113,008	605,342	11,718,350
Net position:			
Net investment in capital assets	173,848,250	42,229,961	216,078,211
Restricted for:			
Healthcare	80,968	-	80,968
Culture and recreation	1,816,754	-	1,816,754
Debt service	169,634	-	169,634
Housing and development	1,741,739	-	1,741,739
Completion of projects	24,154,378	-	24,154,378
Public safety	529,046	-	529,046
Unrestricted	18,337,328	19,947,976	38,285,304
Total net position	\$ 220,678,097	\$ 62,177,937	\$ 282,856,034

See Accompanying Notes to Financial Statements.

CITY OF SMYRNA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental activities:							
General government	\$ 7,724,484	\$ 2,666,772	\$ -	\$ 7,995,546	\$ 2,937,834	\$ -	\$ 2,937,834
Judicial	857,514	2,027,709	-	-	1,170,195	-	1,170,195
Public safety:							
Police	10,813,500	134,582	19,117	861,136	(9,798,665)	-	(9,798,665)
Fire	8,794,009	121,781	-	-	(8,672,228)	-	(8,672,228)
Emergency 911	1,945,341	1,527,611	-	67,500	(350,230)	-	(350,230)
Other	77,698	-	-	-	(77,698)	-	(77,698)
Public works	13,632,755	7,226,995	-	15,524,050	9,118,290	-	9,118,290
Culture and recreation	6,656,828	1,475,739	46,392	3,106,609	(2,028,088)	-	(2,028,088)
Housing and development	1,390,932	1,058,798	-	-	(332,134)	-	(332,134)
Interest & fiscal charges on long-term debt	2,295,183	-	-	-	(2,295,183)	-	(2,295,183)
Total governmental activities	54,188,244	16,239,987	65,509	27,554,841	(10,327,907)	-	(10,327,907)
Business-type activities:							
Water and Sewer	15,102,187	21,989,707	-	96,800	-	6,984,320	6,984,320
Total business-type activities	15,102,187	21,989,707	-	96,800	-	6,984,320	6,984,320
Total Primary Government	\$ 69,290,431	\$ 38,229,694	\$ 65,509	\$ 27,651,641	(10,327,907)	6,984,320	(3,343,587)
General revenues:							
Property taxes					31,040,706	-	31,040,706
Hotel, motel tax					1,623,593	-	1,623,593
Insurance premium tax					4,218,710	-	4,218,710
Franchise taxes					3,563,930	-	3,563,930
Alcohol taxes					1,112,870	-	1,112,870
Miscellaneous taxes					127,896	-	127,896
Insurance reimbursement					80,124	-	80,124
Operating grants not restricted to a specific program					2,473,536	-	2,473,536
Unrestricted investment earnings					39,246	2,689	41,935
Gain on sale of capital assets					407,497	-	407,497
Transfers					1,799,342	(1,799,342)	-
Total general revenues and transfers					46,487,450	(1,796,653)	44,690,797
Change in net position					36,159,543	5,187,667	41,347,210
Net position - beginning					184,518,554	56,990,270	241,508,824
Net position - ending					\$ 220,678,097	\$ 62,177,937	\$ 282,856,034

CITY OF SMYRNA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	1% Road Improvement Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets:				
Cash	\$ 34,601,192	\$ -	\$ 6,024,099	\$ 40,625,291
Receivables, net:				
Trade	976,547	-	-	976,547
Taxes	266,047	-	89,897	355,944
Other	-	-	100,035	100,035
Due from other governments	-	3,621,111	98,092	3,719,203
Inventories	360,201	-	-	360,201
Prepaid items	232,887	-	1,368,688	1,601,575
Restricted cash	1,396,818	41,052,320	9,843,221	52,292,359
Restricted investments	-	-	1,823,634	1,823,634
	<u>37,833,692</u>	<u>44,673,431</u>	<u>19,347,666</u>	<u>101,854,789</u>
Total assets	<u>\$ 37,833,692</u>	<u>\$ 44,673,431</u>	<u>\$ 19,347,666</u>	<u>\$ 101,854,789</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities				
Accounts payable	\$ 1,398,374	\$ 394,607	\$ 341,609	\$ 2,134,590
Accrued liabilities	274,851	-	14,972	289,823
Retainage payable	-	524,605	12,186	536,791
Unearned revenue	34,558	-	6,313	40,871
Customer deposits	562,383	-	-	562,383
	<u>2,270,166</u>	<u>919,212</u>	<u>375,080</u>	<u>3,564,458</u>
Total liabilities	<u>2,270,166</u>	<u>919,212</u>	<u>375,080</u>	<u>3,564,458</u>
Deferred inflows of resources:				
Unavailable revenue	192,457	-	-	192,457
	<u>192,457</u>	<u>-</u>	<u>-</u>	<u>192,457</u>
Total deferred inflows of resources	<u>192,457</u>	<u>-</u>	<u>-</u>	<u>192,457</u>
Fund Balances:				
Nonspendable:				
Prepays	232,887	-	1,368,688	1,601,575
Inventories	360,201	-	-	360,201
Restricted for:				
General government	-	-	6,581,458	6,581,458
Healthcare	80,968	-	-	80,968
Capital projects	-	43,754,219	1,823,631	45,577,850
Public safety	112,049	-	412,577	524,626
Culture and recreation	285,650	-	1,334,306	1,619,956
Housing and development	355,768	-	1,385,971	1,741,739
Debt service	-	-	169,634	169,634
Committed for:				
Healthcare	500,000	-	-	500,000
Retirement plans	307,379	-	-	307,379
Capital projects	900,000	-	5,896,321	6,796,321
Debt service	1,019,227	-	-	1,019,227
Assigned for:				
General government	15,370	-	-	15,370
Public safety	20,999	-	-	20,999
Culture and recreation	289,627	-	-	289,627
Unassigned	30,890,944	-	-	30,890,944
	<u>35,371,069</u>	<u>43,754,219</u>	<u>18,972,586</u>	<u>98,097,874</u>
Total fund balances	<u>35,371,069</u>	<u>43,754,219</u>	<u>18,972,586</u>	<u>98,097,874</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,833,692</u>	<u>\$ 44,673,431</u>	<u>\$ 19,347,666</u>	<u>\$ 101,854,789</u>

See Accompanying Notes to Financial Statements.

CITY OF SMYRNA, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 98,097,874
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	204,432,990
 The cumulative inflow from effective hedge transactions are deferred and reported as deferred inflows in the statement of net position	 (194,100)
 Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported or reported as unavailable in the funds:	
Property taxes	192,457
Deferred outflows related to OPEB	3,641,402
Deferred outflows related to pension	6,252,988
Fair value of interest rate swap agreement	194,100
 Long-term liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds:	
Unmatured bonds payable	(53,715,000)
Unamortized debt premium	(4,628,099)
Accrued interest payable	(1,040,357)
Leases payable	(1,466,927)
Certificates of participation	(1,756,000)
Accrued compensated absences	(1,278,163)
Deferred inflows of resources related to pension	(6,889,126)
Deferred inflows of resources related to OPEB	(4,029,782)
Net OPEB liability	(7,820,074)
Net pension liability	(9,316,086)
	(53,715,000)
 Net position of governmental activities	 \$ 220,678,097

CITY OF SMYRNA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	1% Road Improvement Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 38,983,748	\$ -	\$ 2,731,378	\$ 41,715,126
Charges for services	9,247,378	-	1,527,611	10,774,989
Licenses and permits	3,047,026	-	-	3,047,026
Fines and forfeitures	1,608,216	-	-	1,608,216
Intergovernmental	1,611,736	18,939,265	9,746,978	30,297,979
Investment earnings	4,268	4,270	35,277	43,815
Miscellaneous revenue	875,968	-	-	875,968
Total revenues	<u>55,378,340</u>	<u>18,943,535</u>	<u>14,041,244</u>	<u>88,363,119</u>
Expenditures:				
Current:				
General government	15,100,059	-	116,536	15,216,595
Judicial	634,066	-	-	634,066
Public safety				
Police	8,483,625	-	175,201	8,658,826
Fire	6,520,759	-	79,427	6,600,186
Emergency 911	-	-	1,924,487	1,924,487
Other	77,698	-	-	77,698
Public works	8,080,173	-	-	8,080,173
Culture and recreation	4,535,795	-	1,794,551	6,330,346
Housing and development	1,176,940	-	250	1,177,190
Capital outlay	-	9,729,787	1,820,035	11,549,822
Debt service				
Principal, interest, and fees	1,907	8,502,804	5,815,505	14,320,216
Total expenditures	<u>44,611,022</u>	<u>18,232,591</u>	<u>11,725,992</u>	<u>74,569,605</u>
Excess (deficiency) of revenues over expenditures	<u>10,767,318</u>	<u>710,944</u>	<u>2,315,252</u>	<u>13,793,514</u>
Other financing sources (uses):				
Transfers in	2,232,431	754,461	8,060,327	11,047,219
Insurance reimbursements	80,124	-	-	80,124
Sale of capital assets	12,585	-	773,951	786,536
Issuance of debt	-	1,466,927	-	1,466,927
Transfers out	(8,476,870)	-	(771,007)	(9,247,877)
Total other financing sources (uses)	<u>(6,151,730)</u>	<u>2,221,388</u>	<u>8,063,271</u>	<u>4,132,929</u>
Net change in fund balance	4,615,588	2,932,332	10,378,523	17,926,443
Fund balance at beginning of year	<u>30,755,481</u>	<u>40,821,887</u>	<u>8,594,063</u>	<u>80,171,431</u>
Fund balance at end of year	<u>\$ 35,371,069</u>	<u>\$ 43,754,219</u>	<u>\$ 18,972,586</u>	<u>\$ 98,097,874</u>

See Accompanying Notes to Financial Statements.

CITY OF SMYRNA, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 17,926,443

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. When assets are sold or retired, the difference between the sales proceeds, if any, and the net book value of the assets is reported in the Statement of Activities as a gain or loss.

Disposal of capital assets	(379,039)	
Depreciation expense	(7,009,507)	
Capital outlays	<u>11,922,012</u>	4,533,466

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

Property taxes	(27,421)	
Intergovernmental receivable	<u>(254,054)</u>	(281,475)

This issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Issuance of debt		(1,466,927)
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Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position.

12,095,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Net pension liability	7,577,375	
Net OPEB liability	2,623,347	
Deferred outflows of resources related to pensions	227,454	
Deferred inflows of resources related to pensions	(6,381,477)	
Deferred outflows related to OPEB	(529,423)	
Deferred inflows of resources related to OPEB	(56,889)	
Accrued compensated absences	(37,384)	
Accrued interest expense	(335,531)	
Amortization of deferred loss, debt premium, and debt discount	<u>265,564</u>	<u>3,353,036</u>

Change in net position of governmental activities \$ 36,159,543

CITY OF SMYRNA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	<u>Water and Sewer Enterprise Fund</u>
Assets:	
Current assets:	
Cash	\$ 19,247,919
Trade receivables, net	3,080,403
Prepaid expenses	10,744
Total current assets	<u>22,339,066</u>
Noncurrent assets	
Restricted assets:	
Cash	587,475
Property, plant and equipment, net	42,258,701
Total noncurrent assets	<u>42,846,176</u>
Total assets	<u>65,185,242</u>
Deferred outflows of resources:	
Related to pensions	356,936
Related to OPEB	191,653
Total deferred outflows of resources	<u>548,589</u>
Liabilities:	
Current liabilities:	
Accounts payable	1,367,838
Accrued liabilities	51,871
Customer deposits	587,475
Total current liabilities	<u>2,007,184</u>
Long-term liabilities (net of current portion):	
Net pension liability	531,785
Net OPEB liability	411,583
Total noncurrent liabilities	<u>943,368</u>
Total liabilities	<u>2,950,552</u>
Deferred inflows of resources:	
Related to pensions	393,248
Related to OPEB	212,094
Total deferred inflows of resources	<u>605,342</u>
Net position:	
Net investment in capital assets	42,229,961
Unrestricted	19,947,976
Total net position	<u>\$ 62,177,937</u>

See Accompanying Notes to Financial Statements.

CITY OF SMYRNA, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Water and Sewer Enterprise Fund
Operating revenues:	
Charges for services	\$ 21,977,857
Other revenues	11,850
	21,989,707
Operating expenses:	
Personal services and employee benefits	1,381,864
Other operating expenses	12,111,342
Depreciation	1,608,981
	15,102,187
Operating income	6,887,520
Nonoperating revenues (expenses):	
Interest income	2,689
	2,689
Income (loss) before capital contributions and transfers	6,890,209
Capital contributions	96,800
	96,800
Transfers:	
Transfers out	(1,799,342)
	(1,799,342)
Total transfers	(1,799,342)
Change in net position	5,187,667
Net position, beginning of year	56,990,270
Net position, end of year	\$ 62,177,937

See Accompanying Notes to Financial Statements.

CITY OF SMYRNA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Water and Sewer Enterprise Fund
Cash flows from (to) operating activities:	
Cash received from customers	\$ 21,987,449
Cash payments to suppliers for goods and services	(12,011,066)
Cash payments for employee services and fringe benefits	(1,537,248)
Net cash from (to) operating activities	8,439,135
Cash flows from (to) noncapital financing activities:	
Transfers out	(1,799,342)
Net cash from (to) noncapital financing activities	(1,799,342)
Cash flows from (to) capital and related financing activities:	
Acquisition and construction of capital assets	(4,943,336)
Net cash from (to) capital and related financing activities	(4,943,336)
Cash flows from (to) investing activities:	
Interest earned on assets	2,689
Net cash from (to) investing activities	2,689
Net increase (decrease) in cash	1,699,146
Cash at beginning of year (including \$617,773 in restricted accounts)	18,136,248
Cash at end of year (including \$587,475 in restricted accounts)	\$ 19,835,394
Reconciliation of operating income to net cash from operating activities:	
Operating income	\$ 6,887,520
Adjustments to reconcile operating income to net cash from (to) operating activities:	
Depreciation	1,608,981
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	28,040
(Increase) decrease in prepaid expenses	(3,477)
(Increase) decrease in deferred outflows of resources	(11,939)
Increase (decrease) in accounts payable	103,753
Increase (decrease) in customer deposits	(30,298)
Increase (decrease) in net OPEB liability	(138,071)
Increase (decrease) in net pension liability	(357,345)
Increase (decrease) in accrued liabilities	(17,553)
Increase (decrease) in deferred inflows of resources	369,524
Net cash from (to) operating activities	\$ 8,439,135
Noncash investing, capital and financing activities:	\$ 96,800
Capital assets contributed	

See Accompanying Notes to Financial Statements.

CITY OF SMYRNA, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2022

	<u>OPEB Trust Fund</u>
Assets:	
Current assets:	
Investments - money market mutual funds	<u>\$ 4,113,589</u>
Total assets	<u>4,113,589</u>
Net position:	
Restricted for OPEB	<u>4,113,589</u>
Total net position	<u><u>\$ 4,113,589</u></u>

CITY OF SMYRNA, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>OPEB Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 525,352
Total contributions	<u>525,352</u>
 Net appreciation (depreciation) in fair value of assets	 <u>(519,636)</u>
 Total additions	 <u>5,716</u>
 Deductions:	
Benefits and claims	<u>482,019</u>
 Total deductions	 <u>482,019</u>
 Change in net position	 <u>(476,303)</u>
 Net position held in trust, beginning of year	 <u>4,589,892</u>
 Net position held in trust, end of year	 <u><u>\$ 4,113,589</u></u>

CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The accounting methods and procedures adopted by the City of Smyrna, Georgia, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's Annual Comprehensive Financial Report.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City was created in 1872 and operates under an elected Mayor/Council form of government. The City's major operations included public safety, culture-recreation, water and sewer services, highways and streets, sanitation, public improvements, planning and zoning, and general administrative services.

The financial statements of the reporting entity include those of the City of Smyrna (the primary government) and its component unit, an entity for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The fiscal year end of the component unit is June 30. The component unit does not issue separate Component Unit Financial Statements. A brief description of the component unit is as follows:

Downtown Smyrna Development Authority: The Downtown Smyrna Development Authority was created by the City of Smyrna, pursuant to the resolution of the Georgia General Assembly in October 1988. The Authority provides funding through lease agreements for the construction of governmental facilities. Currently the Authority is being used to provide funding sources to the City for the construction of governmental facilities.

The City Council appoints seven of the eight members of the Authority. The eighth position is filled by the Mayor who serves as the chairman. The Authority's debt is expected to be repaid by the City. The Authority provides services almost entirely to the City. The Authority is presented as a blended component unit and presented as a Capital Projects Fund.

Related Organization: The Smyrna Housing Authority is a related organization which has not been included in the reporting entity. The Authority provides housing assistance to eligible families in the City. The Board consists of seven members appointed by the Mayor and City Council; however, the City does not have the ability to impose its will or have a financial benefit or burden relationship. The debts of the Housing Authority are not secured by the City and deficits are not financed by the City. No budgetary or financial relationship exists between the City of Smyrna and the Smyrna Housing Authority.

B. 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 nonfiduciary activities of the primary government. 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 City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

C. 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 a payment is due.

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

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

1% Road Improvement Tax Capital Projects Fund - The City's 1% Road Improvement Tax Fund is used to account for financial resources restricted for transportation projects, 800 MHz radios, park projects, public safety projects, and Keep Smyrna Beautiful projects.

CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The government reports the following major proprietary fund:

The Water and Sewer Fund accounts for the operations of providing water and sewer services to the residents of the City.

Additionally, the government reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund – The Tax Allocation District Fund is used to account for the resources restricted for the principal and interest payments on the tax allocation district long-term obligations.

Capital Project Funds – Capital Project Funds are used to account for financial resources that are restricted or committed to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Fiduciary Funds – The Fiduciary Fund accounts for the assets held by the City in a trustee capacity for individuals. The City’s OPEB Trust Fund is utilized to account for the activity of the City’s OPEB Plan.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s water, sewer, sanitation 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 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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. Operating expenses for enterprise funds 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.

D. Budgets and Budgetary Accounting

Detailed information pertaining to the budget is included in the Required Supplementary Information section.

E. Cash and Investments

For the purpose of the statement of cash flows, cash and cash equivalents include restricted and unrestricted amounts in demand accounts and all highly liquid investments with a maturity of three months or less when purchased.

Investments are stated at fair value. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated “AA” or better by Moody’s

CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Investors Service, Inc., negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. See Note 2 for additional information regarding Cash and Investments.

F. Short-Term/Long-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds.”

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

G. Inventories

Inventories are valued at cost using the first in/first out (FIFO) method. Inventories consist of expendable supplies held for consumption and items needed for repairs or improvements. The consumption method is used to account for inventories.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal period are recorded as prepaid items. The consumption method is used to account for prepaid items within the City’s funds.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

In the case of the initial capitalization of general infrastructure assets (e.g., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The capitalized threshold for capital assets is \$5,000.

**CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation has been calculated on an estimated useful life as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Infrastructure and improvements	30 years	40 years
Buildings and improvements	80 years	15-40 years
Vehicles, machinery, furniture and equipment	5 years	4-10 years

J. Compensated Absences

Accumulated unpaid vacation pay and compensation time amounts are accrued when incurred by the City in the government-wide and proprietary financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. A liability in the governmental funds is reported only if the benefit has matured.

Accumulated sick pay benefits for City employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

K. 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 amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

L. 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 City has two items that qualify for reporting in this category. They are the deferred outflow of resources relating to pensions and OPEB.

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items that qualify for reporting in this category. They are the accumulated fair value of the City's hedge transaction reported in the government-wide statement of net position, the unavailable taxes revenue reported in the governmental funds balance sheet, and the deferred inflows related to pensions and OPEB reported in the government-wide statement of net position

CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

and in the proprietary funds statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Nature and Purpose of Classifications of Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management based on Council direction. Council has designated the Finance Director the authority to make necessary assignments of the fund balance. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has adopted a financial policy to maintain a minimum level of unassigned fund balance in the General Fund. The target level is set at 25% of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and 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.

(2) DEPOSITS AND INVESTMENTS

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City reduces its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2022, the City was not exposed to custodial credit risk.

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For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Per the City's investment policy, the City manages its exposure to custodial risk by requiring full collateralization on two certain types of investments: certificates of deposits and repurchase agreements. As of June 30, 2022, none of the government's investments were exposed to custodial credit risk.

Investments of the City are comprised of money market mutual funds in the City's OPEB Trust fund and guaranteed investment contracts in the City's non-major governmental funds. As of June 30, 2022, money market mutual funds had a fair market value of \$4,113,589 and were not rated. The money market funds had investment maturities of less than one year. The guaranteed investment contract had a fair value of \$1,823,631 as of June 30, 2022. The contract was rated "A1" by Moody's Investor Services, Inc. and has a maturity date of June 1, 2028.

The City has adopted GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the City has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the City's own assumptions, as there is little, if any, related market activity.

The guaranteed investment contract is classified in Level 1 of the fair value hierarchy and is valued using prices quoted in active markets for those securities.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits direct investments in securities maturing more than five years from the date of purchase, unless matched by a specific cash flow.

CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(3) RECEIVABLES

Receivables at June 30, 2022 consist of the following:

	Trade	Taxes	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 1,065,099	\$ 683,219	\$ -	\$ (505,724)	\$ 1,242,594
Non-major Governmental Funds	-	89,897	100,035	-	189,932
Water and Sewer Fund	3,257,598	-	-	(177,195)	3,080,403
Total	\$ 4,322,697	\$ 773,116	\$ 100,035	\$ (682,919)	\$ 4,512,929

(4) DUE FROM OTHER GOVERNMENTS

	Cobb County, GA
1% Road Improvement Tax Fund	\$ 3,621,111
Non-major Funds:	
HUD CDBG Fund	98,092
	<u>\$ 3,719,203</u>

(5) INTERFUND TRANSFERS

Interfund transfers for the current year were as follows:

Transfer In To	Transfer Out From			Total
	General Fund	Non-major Governmental Funds	Water and Sewer Fund	
General Fund	\$ -	\$ 572,089	\$ 1,660,342	\$ 2,232,431
1% Road Improvement Tax Fund	754,461	-	-	754,461
Non-major Governmental Funds	7,722,409	198,918	139,000	8,060,327
Total	\$ 8,476,870	\$ 771,007	\$ 1,799,342	\$ 11,047,219

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

**CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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(6) RESTRICTED ASSETS

The City’s restricted assets at June 30, 2022, consist of the following:

Governmental Funds:

General fund:

Customer deposits	\$ 562,383
Healthcare	80,968
Public safety	112,049
Culture and recreation	285,650
Housing and development	355,768
	1,396,818

1% Road Improvement Tax:

Completion of projects	41,052,320
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Non-major governmental funds:

Law enforcement	97,558
Tourism	1,249,509
Unspent grant money	6,671,910
E911 operations	262,003
Tax allocation district	169,870
Completion of projects	1,829,945
Housing and development	1,386,050
Culture and recreation	10
	11,666,855

Total governmental funds	\$ 54,115,993
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Proprietary Funds

Water and Sewer Enterprise Fund:

Customer deposits	\$ 587,475
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Total proprietary funds	\$ 587,475
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CITY OF SMYRNA, GEORGIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(7) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 48,780,089	\$ 136,329	\$ (188,135)	\$ 48,728,283
Construction in progress	17,168,573	6,849,308	(190,904)	23,826,977
Total capital assets not being depreciated	<u>65,948,662</u>	<u>6,985,637</u>	<u>(379,039)</u>	<u>72,555,260</u>
Capital assets, being depreciated:				
Infrastructure	178,287,034	1,212,577	-	179,499,611
Buildings and improvements	77,108,934	847,163	-	77,956,097
Motorized and heavy equipment	1,943,020	543,145	(136,482)	2,349,683
Office furniture and equipment	811,501	61,588	(15,384)	857,705
Computer equipment	4,195,476	113,636	(339,823)	3,969,289
Motor vehicles	14,024,888	402,085	(402,427)	14,024,546
Nonmotorized equipment	3,766,779	1,756,181	(111,702)	5,411,258
Total capital assets being depreciated	<u>280,137,632</u>	<u>4,936,375</u>	<u>(1,005,818)</u>	<u>284,068,189</u>
Less accumulated depreciation for:				
Infrastructure	(109,621,742)	(3,492,636)	-	(113,114,378)
Buildings and improvements	(17,527,944)	(1,017,837)	-	(18,545,781)
Motorized and heavy equipment	(1,242,672)	(337,501)	136,482	(1,443,691)
Office furniture and equipment	(804,794)	(8,704)	15,384	(798,114)
Computer equipment	(3,279,537)	(325,289)	339,823	(3,265,003)
Motor vehicles	(10,743,647)	(1,140,611)	402,427	(11,481,831)
Nonmotorized equipment	(2,966,434)	(686,929)	111,702	(3,541,661)
Total accumulated depreciation	<u>(146,186,770)</u>	<u>(7,009,507)</u>	<u>1,005,818</u>	<u>(152,190,459)</u>
Total capital assets being depreciated, net	<u>133,950,862</u>	<u>(2,073,132)</u>	<u>-</u>	<u>131,877,730</u>
Governmental activities capital assets, net	<u>\$ 199,899,524</u>	<u>\$ 4,912,505</u>	<u>\$ (379,039)</u>	<u>\$ 204,432,990</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 891,655	\$ 194,226	\$ (891,655)	\$ 194,226
Total capital assets not being depreciated	<u>891,655</u>	<u>194,226</u>	<u>(891,655)</u>	<u>194,226</u>
Capital assets, being depreciated:				
Infrastructure and improvements	56,775,393	5,641,265	-	62,416,658
Buildings and improvements	118,550	-	-	118,550
Machinery and equipment	9,524,486	-	(206,944)	9,317,542
Computer equipment	5,304	-	(5,304)	-
Motor vehicles	878,568	96,300	(85,581)	889,287
Total capital assets being depreciated	<u>67,302,301</u>	<u>5,737,565</u>	<u>(297,829)</u>	<u>72,742,037</u>
Less accumulated depreciation for:				
Infrastructure and improvements	(20,990,189)	(1,333,478)	-	(22,323,667)
Buildings and improvements	(3,798)	(1,576)	-	(5,374)
Machinery and equipment	(7,905,727)	(73,604)	206,944	(7,772,387)
Computer equipment	(5,304)	-	5,304	-
Motor vehicles	(461,392)	(200,323)	85,581	(576,134)
Total accumulated depreciation	<u>(29,366,410)</u>	<u>(1,608,981)</u>	<u>297,829</u>	<u>(30,677,562)</u>
Total capital assets being depreciated, net	<u>37,935,891</u>	<u>4,128,584</u>	<u>-</u>	<u>42,064,475</u>
Business-type activities capital assets, net	<u>\$ 38,827,546</u>	<u>\$ 4,322,810</u>	<u>\$ (891,655)</u>	<u>\$ 42,258,701</u>

**CITY OF SMYRNA, GEORGIA
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 400,390
Public safety	1,508,179
Public works, including depreciation of general infrastructure	4,225,352
Culture and recreation	875,586
Total depreciation expense - governmental activities	\$ 7,009,507
Business-type activities:	
Water and sewer	\$ 1,608,981

(8) LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Debt:					
Revenue bonds	\$ 54,860,000	\$ -	\$ (10,715,000)	\$ 44,145,000	\$ 5,920,000
Premium	4,961,562	-	(333,463)	4,628,099	-
Discount	(67,899)	-	67,899	-	-
Leases	-	1,466,927	-	1,466,927	479,959
Tax Allocation District Bonds	10,950,000	-	(1,380,000)	9,570,000	100,000
Certificates of participation	1,756,000	-	-	1,756,000	-
Total Debt	72,459,663	1,466,927	(12,360,564)	61,566,026	6,499,959
Compensated absences	1,240,779	972,971	(935,587)	1,278,163	958,622
Total Governmental activities	\$ 73,700,442	\$ 2,439,898	\$ (13,296,151)	\$ 62,844,189	\$ 7,458,581

For Governmental Activities compensated absences are typically liquidated in the General Fund.

Operating Leases

The City has several operating leases for equipment that are not material.

Governmental Activities:

Revenue Bonds (Direct Borrowing/Placements)

Revenue bonds have been issued for governmental activities and are comprised of the following individual issues at June 30, 2022:

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\$22,000,000 Series 2005 Downtown Smyrna Development Authority bonds, serviced through lease payments from the City, due in annual installments commencing on August 1, 2005 of \$220,000 to \$3,070,000 through February 1, 2028; interest at 3.00% to 5.25% (\$16,285,000 outstanding). The bonds were issued for acquiring, construction, and renovation of parks and recreation facilities.

\$3,855,000 Series 2016B Downtown Smyrna Development Authority Economic Refunding Revenue bonds, serviced through lease payments from the City, due in annual installments commencing on August 1, 2005 of \$10,000 to \$770,000 through February 1, 2027; interest at 1.86% (\$3,125,000 outstanding). The bonds were issued to refund the Series 2014B Downtown Smyrna Development Authority bonds. The advance refunding reduced total debt service payments over the remaining years by \$344,210. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$357,056.

\$24,735,000 Series 2021 Downtown Smyrna Development Authority Revenue bonds, serviced through lease payments from the City, due in annual installments commencing on February 1, 2022 of \$400,000 to \$3,510,000 through February 1, 2040; interest at 3.00% to 5.00% (\$24,735,000 outstanding). The bonds were issued to finance the cost of acquiring, constructing, and installing various capital projects.

The City and the Smyrna Downtown Development Authority have entered into intergovernmental contracts which obligate the City to make lease payments directly to the Authority for the purpose of paying the principal and interest on the outstanding balance of the Series 2005, 2016B, and 2021 Revenue Bonds issued by the Authority. The contracts will not expire until full payment of the bonds. The contracts enable the City to lease from the Authority the facilities constructed by the Authority. The leases are a direct financing lease in accordance with generally accepted accounting principles. The Authority has no obligation for the debt beyond the resources provided by the City under the contract; therefore the obligation for the bonds is not reported on the financial statements of the Smyrna Downtown Development Authority.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 5,920,000	\$ 2,005,338	\$ 7,925,338
2024	6,170,000	1,754,517	7,924,517
2025	6,440,000	1,492,454	7,932,454
2026	6,710,000	1,188,045	7,898,045
2027	6,385,000	869,157	7,254,157
2028-2032	8,275,000	1,286,775	9,561,775
2033-2037	2,520,000	520,750	3,040,750
2038-2040	1,725,000	104,400	1,829,400
Total	<u>\$ 44,145,000</u>	<u>\$ 9,221,436</u>	<u>\$ 53,366,436</u>

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Leases (Direct Borrowing/Placements)

The City is obligated under a lease agreement covering equipment. Lease debt service requirements to maturity for Governmental Activities are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 479,959	\$ 23,838	\$ 503,797
2024	490,078	13,719	503,797
2025	496,890	6,907	503,797
Total	<u>\$ 1,466,927</u>	<u>\$ 44,464</u>	<u>\$ 1,511,391</u>

Tax Allocation District Bonds (Direct Borrowing/Placements)

During 2020, the City refunded \$12,444,154 in notes payable to undertake certain redevelopment projects within a tax allocation district established by the City. The issuance is an obligation of the City, not secured by the full faith and credit of the City, but is secured solely by, and payable solely from, pledged revenues. The pledged revenues are defined as the tax allocation increments, the amount of property taxes generated within the district area which exceed the amount collected from the same area prior to development, from the City and Cobb County. The property tax increments are pledged until the bonds are paid in full in fiscal year 2040. The tax allocation increments are projected to produce 100% of the debt service requirements over the life of the bonds. For the current year, total principal and interest paid and total tax allocation increments were \$1,586,468 and \$1,588,903, respectively. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,122,027.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 100,000	\$ 349,305	\$ 449,305
2024	100,000	345,655	445,655
2025	100,000	342,005	442,005
2026	100,000	338,355	438,355
2027	100,000	334,705	434,705
2028 - 2032	500,000	1,618,775	2,118,775
2033 - 2037	500,000	1,527,525	2,027,525
2038 - 2040	8,070,000	872,715	8,942,715
Total	<u>\$ 9,570,000</u>	<u>\$ 5,729,040</u>	<u>\$ 15,299,040</u>

Certificates of Participation (Direct Borrowing/Placements)

In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (GMA). The funding of the lease pool was provided by the issuance of \$150,126,000 certificates of participation by GMA. GMA passed the net proceeds through the participating municipalities with the City's participation totaling \$1,756,000. The lease pool agreement with GMA provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of

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the certificates of participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City may draw on the investment to lease equipment from GMA. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998(A) GMA certificates of participation. The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ -	\$ 83,410	\$ 83,410
2024	-	83,410	83,410
2025	-	83,410	83,410
2026	-	83,410	83,410
2027	-	83,410	83,410
2028	1,756,000	83,410	1,839,410
Total	<u>\$ 1,756,000</u>	<u>\$ 500,460</u>	<u>\$ 2,256,460</u>

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the swap agreement, the City is required to (a) pay a semiannual floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index to, or behalf of, the swap counterparty; and the swap counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the swap agreement, but generally equal to the outstanding unpaid principal portion of such contract, less the amount originally deposited in the reserve fund relating to the contract, and (b) a one-time swap premium to be paid on the effective date of the swap agreement. The semiannual payments from the swap counterparty with respect to the City are structured, and expected to be sufficient to make all interest payments due under the contract, and related distributions of interest on the certificates. Monthly interest payments between the City, the holders of the certificates of participation, and the swap counterparty can be made in a net settlement form as part of this agreement. Under the swap agreement, the City's obligation to pay floating payments to the swap counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement also matures on June 1, 2028. This derivative qualifies as a fair market hedge.

In the unlikely event that the swap counterparty becomes insolvent, or fails to make payments as specified in the swap agreement, the City would be exposed to credit risk in the amount of the swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength. At June 30, 2022, the market value of this agreement is \$194,100, a decrease of \$238,155 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2022 based on the derivative contract. This market value is reported as an asset in the statement of net position. This derivative is an effective hedge and qualifies for hedge accounting. Therefore, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred inflows of resources in the statement of net position.

Legal Debt Margin

The City is subject to a debt limit that is 10% of its total assessed taxable property valuation. At June 30, 2022 that amount was \$334,069,520. As of June 30, 2022 the total outstanding debt applicable to the limit was \$0.

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(9) PROPERTY TAXES

The City bills and collects its own real and personal property taxes. Ad valorem tax on motor vehicles and mobile homes is collected by the Cobb County Tax Commissioner and remitted to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied in September of each year on the assessed valuation of property as of the preceding January 1. Taxes were levied on September 15, 2021. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending 60 days after the tax bill mailing. At that later date, generally mid-November, the bill becomes delinquent, subject to lien, and penalties and interest may be assessed by the City.

Assessed values are established by the Cobb County Tax Assessor's office and are currently calculated at 40% of the market value. The net assessed values of real and personal property (excluding public utility franchise motor vehicles, heavy duty equipment and mobile home taxes) at January 1, 2022 were \$3,467,098,906.

Based on the 2021 millage levy of 8.99, a property owner would pay \$8.99 per \$1,000 of assessed valuation. Current tax collections of \$27,405,162 for the fiscal year ended June 30, 2022 were 99.32% of the tax levy.

(10) EMPLOYEE RETIREMENT SYSTEM

General Information about the Pension Plan

The City has established a defined benefit pension plan ("Plan") and contributes to the Georgia Municipal Employees Benefit System ("GMEBS"), an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for cities in the state of Georgia. The benefit provisions and all other requirements are established by GMEBS and the Adoption Agreement executed by the City.

Employees and officials are grouped into one of seven classes with varying benefits based on station and start date. During the fiscal year ended June 30, 2003, all personnel were offered the option of acquiring an early retirement benefit at age 55 with thirty years of service completed. Full-time employees hired on or after April 1, 2010, are eligible to participate in the current hybrid plan with defined benefit and defined contribution components. There is no waiting period for eligibility. Normal retirement age is 65 with 10 years of credited service. A reduced benefit is payable at age 55 with 10 years of service. An early unreduced benefit is payable after 35 years of service or after achieving the Rule of 80 (minimum age plus years of service to equal 80). Benefits vest after completing ten years of service. Employee benefits are calculated as a percentage of the average basic earnings in the five consecutive years prior to retirement multiplied by the number of years of service. The death and disability benefits are based on a percentage of final average earnings.

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At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	258
Inactive employees entitled to but not yet receiving benefits	80
Active employees	362
Elected officials	<u>11</u>
Total	<u><u>711</u></u>

All employees are covered under the early retirement benefit and are required by the City to contribute between 2.50% - 5.00% based on retirement class. Contributions are determined under the projected unit credit actuarial cost method. The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions. For the year ended June 30, 2022, the actuarially determined rate was 14.16% of annual pay. The January 1, 2020 valuation is used to determine the recommended contribution for the fiscal year 2022. During the plan year, total pension contributions were \$2,732,463 from the City.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% - 8.50% including inflation
Investment rate of return	7.375%
Post-retirement benefit increases	Not applicable

Mortality rates were based on the sex distinct Pri-2012 head-count weighted Mortality Tables. The mortality and actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 to June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45.00%	6.55%
International equity	20.00%	7.30%
Global fixed income	5.00%	0.50%
Domestic fixed income	20.00%	0.40%
Real estate	<u>10.00%</u>	3.65%
Total	<u><u>100.00%</u></u>	

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The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/2020	\$ 73,345,341	\$ 55,562,750	\$ 17,782,591
Changes for the year:			
Service cost	999,045	-	999,045
Interest	5,289,862	-	5,289,862
Differences between expected and actual experience	2,465,703	-	2,465,703
Contributions - employer	-	2,687,184	(2,687,184)
Contributions - employee	-	893,018	(893,018)
Net investment income	-	13,231,528	(13,231,528)
Benefit payments, including refunds of employee contributions	(5,234,898)	(5,234,898)	-
Administrative expense	-	(122,400)	122,400
Other	-	-	-
Net changes	3,519,712	11,454,432	(7,934,720)
Balances at 9/30/2021	<u>\$ 76,865,053</u>	<u>\$ 67,017,182</u>	<u>\$ 9,847,871</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount (7.375%)	1% Increase (8.375%)
Net pension liability	\$ 18,224,575	\$ 9,847,871	\$ 2,794,725

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS Retirement Trust financial report. The Georgia Municipal Employee Benefit System issues a publicly available financial report that includes financial statements and required supplementary information of GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling

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FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

404-688-0472. The Plan’s fiduciary net position has been determined on the same basis as that used by the plan.

The GMEBS’s financial statements are prepared using the accrual basis of accounting. Contributions are recognized as revenues in the period in which the contributions are received. Investment income is recognized as earned by the GMEBS. The net appreciation (depreciation) in the fair value of investments held by the GMEBS is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the Statement of Net Position. Plan refunds, transfers and benefits to participants are recorded as they are received or paid. Other expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Investments are reported at fair value as of the Statement of Net Position date.

Investments of the System consist of common and preferred stocks, corporate fixed income securities, equity and fixed income mutual funds, governmental and governmental agency securities, and real estate. There are no investments in any one organization other than the securities guaranteed by the U.S. government that represent five percent or more of plan net position. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in real estate funds are valued based on appraisals and valuations prepared by Morgan Stanley Real Estate Advisors. The Office of the Comptroller of Currency is the oversight agency for the external collective investment trusts. Temporary cash and cash equivalent investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair values.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense of \$1,278,859. At June 30, 2022, the City 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
Differences between expected and actual experience	\$ 3,444,357	\$ -
Changes of assumptions	1,116,220	-
Net difference between projected and actual earnings on pension plan investments	-	(7,282,374)
Employer contributions to the pension plan subsequent to the measurement date of the net pension liability	2,049,347	-
Total	\$ 6,609,924	\$ (7,282,374)

**CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

\$2,049,347 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other 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,	
2023	84,356
2024	(65,202)
2025	(1,394,231)
2026	(1,346,720)

(11) POST EMPLOYMENT HEALTH CARE PLAN

Plan Description

The City of Smyrna OPEB Plan is a single-employer defined benefit healthcare plan administered by the City of Smyrna. The OPEB Plan is administered through an equivalent trust agreement. The Trust is an irrevocable trust established pursuant to Section 115 of the Internal Revenue Code for the purpose of pre-funding other postemployment health benefits. Contributions and earnings to the trust are irrevocable, dedicated to providing OPEB to plan members in accordance with benefit terms, and are legally protected from creditors of the City and from the City. The trust was established June 1, 2009, by the City Council to pre-fund medical and prescription drug benefits for retirees and their eligible dependents who are eligible for such benefits under existing City policy. The City Council has the authority to establish and amend the benefit terms. The City provides medical, prescription drug, dental, and life insurance benefits to retirees. Retirees' spouses are eligible for the same benefits as the retiree. Substantially all of the City's employees may become eligible for those benefits if they retire on or after the age of 65 with 10 years of service, or provided that the employee's age (minimum age of 55) plus completed years of service with the City at the time of the employee's retirement is equal to or greater than 80. As of January 1, 2021, there were 40 and 151 inactive plan members or beneficiaries receiving benefit payments for medical and life, respectively, 0 inactive plan members entitled to but not yet receiving benefits, and 399 active plan members.

Summary of Significant Accounting Policies

The plan financial statements are prepared on the accrual basis of accounting. Contributions from the City are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefit payments and refunds are recognized when due and payable in accordance with the terms of the plan.

Investment income is recognized as earned by the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The net appreciation (depreciation) in the fair value of investments held by the plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of net position.

There are no investments in, loans to, or leases with parties related to the pension plan. Administrative costs are financed through investment earnings.

**CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Funding Policy

The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. During the fiscal year 2022, the City contributed \$525,352 to the plan. For the year ended June 30, 2022, the City’s contribution was 2.68% of covered payroll. The cost of benefits for retirees is paid by the City and by the retiree. Currently, retirees contribute between 12.00% and 90.00% of the cost of premiums. The retirees’ contribution is based on their enrollment in a City sponsored wellness program, as well as their smoker/nonsmoker status. Total retiree contributions to the plan during the fiscal year 2022 totaled \$233,192.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (11.17)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The net OPEB liability reported by the City at June 30, 2022 is based on the measurement date of June 30, 2021 and determined by an actuarial valuation as of January 1, 2022. Updated procedures were used to roll forward the total OPEB liability to the plan’s fiscal year end, June 30, 2021 for disclosure purposes. The components of the net OPEB liability as of the Plan’s fiscal year end, June 30, 2022 are as follows:

Total OPEB Liability	\$ 13,525,113
Plan Fiduciary Net Position	4,113,589
Net OPEB Liability	\$ 9,411,524
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	30.41%

CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Changes in the Net OPEB Liability

The components of the net OPEB liability of the City as of the following measurement dates, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2020	\$14,499,686	\$ 3,506,611	\$ 10,993,075
Changes for the year:			
Service cost	346,363	-	346,363
Interest	988,285	-	988,285
Change in benefit terms	(1,930,453)	-	(1,930,453)
Differences between expected and actual experience	(1,241,582)	-	(1,241,582)
Change in assumptions	1,639,681	-	1,639,681
Contributions - employer	-	1,740,431	(1,740,431)
Net investment income	-	823,281	(823,281)
Benefit payments, including refunds of employee contributions	(1,480,431)	(1,480,431)	-
Net changes	(1,678,137)	1,083,281	(2,761,418)
Balances at 6/30/2021	<u>\$12,821,549</u>	<u>\$ 4,589,892</u>	<u>\$ 8,231,657</u>

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2021	\$12,821,549	\$ 4,589,892	\$ 8,231,657
Changes for the year:			
Service cost	345,565	-	345,565
Interest	903,622	-	903,622
Change in benefit terms	-	-	-
Differences between expected and actual experience	(325,789)	-	(325,789)
Change in assumptions	305,518	-	305,518
Contributions - employer	-	525,352	(525,352)
Net investment income	-	(514,986)	514,986
Benefit payments, including refunds of employee contributions	(525,352)	(482,018)	(43,334)
Administrative expense	-	(4,651)	4,651
Other	-	-	-
Net changes	703,564	(476,303)	1,179,867
Balances at 6/30/2022	<u>\$13,525,113</u>	<u>\$ 4,113,589</u>	<u>\$ 9,411,524</u>

**CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The total OPEB liability was determined by an actuarial valuation as of January 1, 2021 and 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	June 30, 2021 and 2022: 2.25%
Salary increases	June 30, 2021 and 2022: 2.25% plus serviced based merit increases
Discount rate	June 30, 2021: 7.00% and 2022: 6.50%
Healthcare cost trend rates	June 30, 2021: 7.00% trended down to 4.50% by 2031 June 30, 2022: 6.75% trended down to 4.50% by 2031
Healthy mortality rates	June 30, 2021 and 2022: Sex-Distinct Pri-2012 Tables with adjustments and mortality improvement from 2012.

The actuarial assumptions used in the valuations were based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 and 2022 are summarized in the following table:

Asset Class	2021		2022	
	Target Allocation	Long Term Expected Real Rate of Return	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	65.80%	6.55%	57.36%	6.40%
International equity	0.00%	0.00%	0.00%	0.00%
Domestic fixed income	28.50%	3.10%	41.18%	0.40%
Cash and short-term	5.70%	0.00%	1.46%	0.00%
	<u>100.00%</u>		<u>100.00%</u>	

The discount rate used to measure the Total OPEB Liability (TOL) was 7.00% for the June 30, 2021 and 6.50% 2022 measurement date. The projection of cash flows used to determine the discount rate assume that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to fully cover the projected benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to the periods of projected benefit payments that were covered by the City contributions.

CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

For the measurement date June 30, 2021:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	\$ 9,591,250	\$ 8,231,657	\$ 7,072,477

For the measurement date June 30, 2022:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability	\$ 10,897,323	\$ 9,411,524	\$ 8,150,129

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

For the measurement date June 30, 2021:

	6.00% grading to 3.50%	7.00% grading to 4.50%	8.00% grading to 5.50%
Net OPEB liability	\$ 7,570,431	\$ 8,231,657	\$ 8,998,048

For the measurement date June 30, 2022:

	5.75% grading to 3.50%	6.75% grading to 4.50%	7.75% grading to 5.50%
Net OPEB liability	\$ 8,651,563	\$ 9,411,524	\$ 10,299,377

**CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$1,618,896. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,305,096	\$ (1,359,473)
Change in assumptions	2,002,607	(2,536,444)
Net difference between project and actual earnings on OPEB plan investments	-	(345,959)
Employer contributions to the OPEB plan subsequent to the measurement date of the net OPEB liability	525,352	-
	\$ 3,833,055	\$ (4,241,876)

\$525,352 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year Ended June 30,	
2023	(413,774)
2024	(519,661)
2025	(21,170)
2026	(45,918)
2027	66,350

The plan does not issue separate financial statements.

(12) DEFINED CONTRIBUTION PLAN

The City contributes to the City of Smyrna 401(a) Plan, a defined contribution pension plan, for all employees hired after April 1, 2010. Mass Mutual is the administrator for the City's plan. Benefit terms, including contribution requirements, for the plan are established and may be amended by the City Council. The City of Smyrna matches 50.00% of an employee's voluntary contributions to the City's 457(b) plan, up to 4.00% of their income in the 401(a) plan. Employees are eligible to participate immediately upon employment. Employees are permitted to make contributions to the 457(b) plan up to \$18,000 or 100% of salary, whichever is less. Participants become fully vested after 5 years of service. For the year ended June 30, 2022, the City contributed \$115,503 to the 401(a) plan.

**CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

(13) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City participates in a public entity risk pool managed by the Georgia Interlocal Risk Management Agency (GIRMA) whereby the risk is pooled with other entities. Participation in this pool allows the City to share liability, crime, motor vehicle and property damage risks. Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities. GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.

To select a person to serve as a Member representative.

To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.

To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.

To assist and cooperate in the defense and settlement of claims against the City.

To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purpose of GIRMA.

To follow all loss reduction and prevention procedures established by GIRMA.

To furnish to GIRMA such budget, operating and underwriting information as may be requested.

To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City is also exposed to risks of loss related to job-related illnesses or injuries to employees for which the City has transferred its risk through participation in a public entity risk pool managed by the Georgia Municipal Association Group Self Insurance Workers' Compensation Fund whereby the risk is pooled with other entities.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The liability

**CITY OF SMYRNA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

(14) JOINT VENTURE

Under Georgia law, the City in conjunction with other cities and counties in the ten county Atlanta region is a member of the Atlanta Regional Commission (ARC). Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the officials of political subdivisions and private citizens representing districts with the Atlanta region. OCGA 50-8-39.1 provides that certain member governments are liable for any debts or obligations of a RC. Separate financial statements may be obtained from the Atlanta Regional Commission, 229 Peachtree Street #100, Atlanta, Georgia 30303.

(15) COMMITMENTS AND CONTINGENCIES

Cobb County Water System

The City entered into an agreement with Cobb County, Georgia (the "County") in April 2005. The term of the agreement is 30 years. The agreement provides for the County to take and treat wastewater from the City and requires the purchase of the County's water in certain circumstances. The County is authorized to establish rates and charges. The City purchased water and wastewater treatment services totaling \$10,618,747 from the County during the fiscal year ended June 30, 2022.

Encumbrances

Encumbrances outstanding at year end totaled \$25,594,192 (\$1,011,604 in the General Fund, \$24,010,044 in the 1% Road Improvement Tax Fund, and \$572,544 in the non-major funds).

CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability								
Service cost	\$ 933,885	\$ 875,072	\$ 878,764	\$ 964,817	\$ 972,158	\$ 956,672	\$ 1,009,700	\$ 999,045
Interest	4,075,477	4,112,198	4,315,482	4,523,856	4,657,925	4,869,430	5,161,080	5,289,862
Differences between expected and actual experience	(182,608)	2,157,281	1,798,490	663,986	1,925,234	1,455,483	840,920	2,465,703
Changes of assumptions	(326,563)	-	-	1,078,584	-	2,790,550	-	-
Changes of benefit terms	53,852	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,359,424)	(4,801,033)	(4,242,011)	(4,366,083)	(4,574,055)	(4,865,471)	(5,274,820)	(5,234,898)
Net change in total pension liability	1,194,619	2,343,518	2,750,725	2,865,160	2,981,262	5,206,664	1,736,880	3,519,712
Total pension liability - beginning	54,266,513	55,461,132	57,804,650	60,555,375	63,420,535	66,401,797	71,608,461	73,345,341
Total pension liability - ending (a)	\$55,461,132	\$57,804,650	\$60,555,375	\$63,420,535	\$66,401,797	\$71,608,461	\$73,345,341	\$76,865,053
Plan fiduciary net position								
Contributions - employer	\$ 2,155,027	\$ 3,499,154	\$ 1,599,088	\$ 1,997,898	\$ 2,070,684	\$ 2,202,145	\$ 2,387,093	\$ 2,687,184
Contributions - employee	632,129	705,776	743,536	740,826	787,313	856,526	861,833	893,018
Net investment income	4,410,989	502,934	4,642,702	6,642,488	4,872,030	1,519,944	4,894,361	13,231,528
Benefit payments including refunds of employee contributions	(3,359,424)	(4,801,033)	(4,242,011)	(4,366,083)	(4,574,055)	(4,865,471)	(5,274,820)	(5,234,898)
Administrative expense	(53,811)	(69,270)	(66,209)	(127,313)	(120,740)	(114,649)	(118,974)	(122,400)
Net change in plan fiduciary net position	3,784,910	(162,439)	2,677,106	4,887,816	3,035,232	(401,505)	2,749,493	11,454,432
Plan fiduciary net position - beginning	38,992,137	42,777,047	42,614,608	45,291,714	50,179,530	53,214,762	52,813,257	55,562,750
Plan fiduciary net position - ending (b)	\$42,777,047	\$42,614,608	\$45,291,714	\$50,179,530	\$53,214,762	\$52,813,257	\$55,562,750	\$67,017,182
Net pension liability - ending (a) - (b)	\$12,684,085	\$15,190,042	\$15,263,661	\$13,241,005	\$13,187,035	\$18,795,204	\$17,782,591	\$9,847,871
Plan fiduciary net position as a percentage of the total pension liability	77.13%	73.72%	74.79%	79.12%	80.14%	73.75%	75.75%	87.19%
Covered payroll	\$16,751,826	\$16,942,753	\$17,565,791	\$18,184,267	\$18,861,638	\$19,150,927	\$19,087,936	\$19,757,351
Net pension liability as a percentage of covered payroll	75.72%	89.66%	86.89%	72.82%	69.91%	98.14%	93.16%	49.84%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution	\$ 1,966,855	\$ 1,734,147	\$ 1,790,463	\$ 2,038,041	\$ 2,173,074	\$ 2,294,669	\$ 2,671,260	\$ 2,732,463
Contributions in relation to the actuarially determined contribution	<u>1,972,737</u>	<u>1,734,272</u>	<u>1,790,463</u>	<u>2,038,041</u>	<u>2,173,074</u>	<u>2,302,400</u>	<u>2,671,517</u>	<u>2,732,463</u>
Contribution deficiency (excess)	<u>\$ (5,882)</u>	<u>\$ (125)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,731)</u>	<u>\$ (257)</u>	<u>\$ -</u>
 Covered payroll	 \$ 18,460,213	 \$ 19,141,675	 \$ 19,443,143	 \$ 20,032,942	 \$ 21,232,918	 \$ 21,475,831	 \$ 21,904,176	 \$ 22,964,755
Contributions as a percentage of covered payroll	10.69%	9.06%	9.21%	10.17%	10.23%	10.72%	12.20%	11.90%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS

	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	\$ 478,095	\$ 465,098	\$ 550,405	\$ 308,295	\$ 346,363	\$ 345,565
Interest	668,317	770,227	679,073	1,055,525	988,285	903,622
Changes of benefit terms	(844,938)	-	(41,766)	(168,063)	(1,930,453)	-
Differences between expected and actual experience	(820,492)	(564,222)	1,465,162	1,078,549	(1,241,582)	(325,789)
Changes of assumptions	1,415,095	1,201,076	(4,558,288)	(1,069,691)	1,639,681	305,518
Benefit payments	(439,363)	(689,164)	(689,164)	(923,912)	(1,480,431)	(525,352)
Net change in total OPEB liability	456,714	1,183,015	(2,594,578)	280,703	(1,678,137)	703,564
Total OPEB liability - beginning	15,173,832	15,630,546	16,813,561	14,218,983	14,499,686	12,821,549
Total OPEB liability - ending (a)	<u>\$ 15,630,546</u>	<u>\$ 16,813,561</u>	<u>\$ 14,218,983</u>	<u>\$ 14,499,686</u>	<u>\$ 12,821,549</u>	<u>\$ 13,525,113</u>
Plan fiduciary net position						
Contributions - employer	\$ 699,363	\$ 949,164	\$ 949,164	\$ 1,183,912	\$ 1,740,431	\$ 525,352
Net investment income	213,607	149,285	143,949	120,470	823,281	(514,986)
Benefit payments	(439,363)	(689,164)	(689,164)	(923,912)	(1,480,431)	(482,018)
Administrative expense	-	-	-	-	-	(4,651)
Net change in plan fiduciary net position	473,607	409,285	403,949	380,470	1,083,281	(476,303)
Plan fiduciary net position - beginning	1,839,300	2,312,907	2,722,192	3,126,141	3,506,611	4,589,892
Plan fiduciary net position - ending (b)	<u>\$ 2,312,907</u>	<u>\$ 2,722,192</u>	<u>\$ 3,126,141</u>	<u>\$ 3,506,611</u>	<u>\$ 4,589,892</u>	<u>\$ 4,113,589</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 13,317,639</u>	<u>\$ 14,091,369</u>	<u>\$ 11,092,842</u>	<u>\$ 10,993,075</u>	<u>\$ 8,231,657</u>	<u>\$ 9,411,524</u>
Plan fiduciary net position as a percentage of the total OPEB liability	14.80%	16.19%	21.99%	24.18%	35.80%	30.41%
Covered payroll	\$ 17,280,347	\$ 17,280,347	\$ 18,861,638	\$ 19,150,927	\$ 19,581,823	\$ 19,595,208
Net OPEB liability as a percentage of covered payroll	77.07%	81.55%	58.81%	57.40%	42.04%	48.03%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution	\$ 451,794	\$ 466,133	\$ 481,283	\$ 683,053	\$ 633,646	\$ 375,747
Contributions in relation to the actuarially determined contribution	<u>699,363</u>	<u>949,164</u>	<u>1,183,912</u>	<u>1,480,431</u>	<u>1,398,858</u>	<u>525,352</u>
Contribution deficiency (excess)	<u>\$ (247,569)</u>	<u>\$ (483,031)</u>	<u>\$ (702,629)</u>	<u>\$ (797,378)</u>	<u>\$ (765,212)</u>	<u>\$ (149,605)</u>
 Covered payroll	 \$17,280,347	 \$17,280,347	 \$18,861,638	 \$ 19,150,927	 \$19,581,823	 \$19,595,208
Contributions as a percentage of covered payroll	4.05%	5.49%	6.28%	7.73%	7.14%	2.68%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**CITY OF SMYRNA, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF OPEB INVESTMENT RETURNS**

	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	10.85%	6.11%	5.05%	3.70%	22.64%	-11.17%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 37,099,085	\$ 37,196,314	\$ 38,983,748	\$ 1,787,434
Charges for services	10,053,000	9,253,000	9,247,378	(5,622)
Licenses and permits	2,306,750	2,306,750	3,047,026	740,276
Fines and forfeitures	1,617,500	1,627,500	1,608,216	(19,284)
Intergovernmental revenues	1,600,000	1,600,000	1,611,736	11,736
Investment income	3,500	3,500	4,268	768
Miscellaneous revenue	656,400	656,400	875,968	219,568
Total revenues	53,336,235	52,643,464	55,378,340	2,734,876
Expenditures:				
Current:				
General government				
Governing body	504,351	523,350	457,538	65,812
Chief executive	850,801	902,206	813,944	88,262
Financial administration	611,408	626,577	617,641	8,936
Data processing	1,405,463	1,823,252	1,376,133	447,119
Human resources	683,455	747,662	602,449	145,213
Buildings and plant	12,916,768	12,554,431	11,205,210	1,349,221
Judicial				
Recorders court	616,169	635,996	634,066	1,930
Public safety				
Police	8,824,452	9,370,578	8,447,579	922,999
Fire				
Fire administration	5,481,656	5,636,010	5,596,949	39,061
Fire prevention	507,424	510,803	505,839	4,964
Fire training	282,640	307,291	306,844	447
Emergency management	52,936	79,145	77,698	1,447
Public works				
Highways and streets	2,504,061	2,665,585	2,462,581	203,004
Traffic engineering	991,859	1,092,606	684,440	408,166
Sanitary administration	4,588,718	3,853,324	3,752,540	100,784
Recyclable collections	540,947	556,342	491,631	64,711
Public education	315,624	320,123	261,731	58,392
Maintenance and shop	435,145	455,120	427,250	27,870
Culture and recreation				
Administration	1,177,354	1,262,029	1,259,238	2,791
Participant recreation	677,257	649,991	621,228	28,763
Recreation center	234,877	261,520	261,381	139
Park areas	224,397	240,097	211,766	28,331
Library administration	862,115	913,689	901,457	12,232
Park maintenance	1,118,805	1,434,309	1,092,027	342,282
Smyrna History Museum	116,930	128,646	101,813	26,833
Housing and development				
Protective inspection administration	1,279,605	1,322,594	1,176,940	145,654
Culture and recreation				
Donations and special fees	375,000	395,606	263,109	132,497
Total expenditures	48,180,217	49,268,882	44,611,022	4,657,860

Continued on next page.

**CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Excess (deficiency) of revenues over expenditures	5,156,018	3,374,582	10,767,318	7,392,736
Other financing sources (uses):				
Transfers in	2,030,390	2,582,027	2,232,431	(349,596)
Insurance reimbursements	50,000	50,000	80,124	30,124
Sale of capital assets	50,000	50,000	12,585	(37,415)
Transfers out	(7,686,410)	(8,981,325)	(8,476,870)	504,455
Total other financing sources (uses)	(5,556,020)	(6,299,298)	(6,151,730)	147,568
Net change in fund balance	\$ (400,002)	\$ (2,924,716)	4,615,588	\$ 7,540,304
Fund balance at beginning of year- GAAP basis			30,755,481	
Fund balance at end of year- GAAP basis			\$ 35,371,069	

CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Changes in Assumptions

Changes in Assumptions for Pension Plan:

Amounts reported for fiscal years ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct rates under the 2019 OASDI Trustees Report used for the intermediate alternative. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at

CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
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ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.

Changes in Assumptions for OPEB Plan:

Amounts reported in the Schedule of Changes in the City's Total OPEB Liability and Related Ratios for the fiscal year ending June 30, 2022 reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

- Healthcare cost trend rates were changed from 7.00% trended down to 4.50% by 2031 to from 6.75% trended down to 4.50% by 2031
- The discount rate was decreased from 7.00% to 6.50%.

2. Methods and Assumptions to Determine Contribution Rates

Methods and Assumptions to Determine Contribution Rates for Pension Plan:

Valuation date – January 1, 2021

Actuarial cost method – Projected unit credit

Amortization method – Closed level dollar for remaining unfunded liability

Remaining amortization period – Varies for the bases, with a net effective amortization period of 10 years.

Asset valuation method - Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Projected salary increase – 2.25% plus service based merit increases

Investment rate of return – 7.375%

Retirement Age –

- Class 1 (Old Plan) = Rule of 85 with a minimum age of 60

CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

- Class 2 (Old Plan) = 65+5
- Officials (Old Plan) = 65
- Class 3, 6 (New Plan) = 65+5 or Rule of 80 with a minimum age of 55
- Officials (New Plan) = 65 or Rule of 80 with a minimum age of 55
- Class 4, 5, 7 = 65+10, 35 years with the city, or Rule of 80 with a minimum age of 55

Mortality - Sex-distinct Pri-2012 head-count weighted Mortality Table.

Methods and Assumptions to Determine Contribution Rates for OPEB Plan:

Valuation date – Prospectively actuarially determined contribution rates are determined 30 months prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method – Entry age; the implicit subsidy is not reflected in these calculations.

Amortization method – Closed 25 years, level dollar

Remaining amortization method – 18 years as of July 1, 2022

Asset valuation method - Market value

Projected salary increase – 3.00% to 8.50%, including inflation of 2.25%

Investment rate of return – 7.00%

The demographic assumptions used in the valuation (including mortality, disability, turnover, retirement, percent married and relative ages of spouses) were approved by the GMEBS Board in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019.

Mortality - Sex-distinct Pri-2012 tables with adjustments and mortality improvement from 2012.

3. Budgetary Data

An operating budget is legally adopted each fiscal year for the General, Special Revenue, and the Debt Service Funds. Project length budgets are adopted for the Capital Project Funds at the beginning of each project.

Budgets for the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that the Capital Project Funds adopt project length budgets and encumbrances are treated as budgetary expenditure on the year of incurrence of the commitment to purchase. In the General Fund, debt service expenditures are budgeted as general governmental expenditures and the

CITY OF SMYRNA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

expenditures of donations and special fees are budgeted together rather than in the function the donation or fee relates to.

The City generally follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed operating budget including proposed expenditures and the means of financing them is submitted to City Council by the City Administrator.
2. A public hearing on the budget is held.
3. The budget is then revised and adopted or amended by City Council at the first regular meeting following the hearing.
4. The level of control (the level at which expenditures may not legally exceed appropriations) for each of the above adopted budgets is at the department level. The City's department heads may make transfers of appropriations within a department with approval from the City Administrator and Finance Director. Transfers of appropriations between departments require the approval of the Mayor and City Council. The total budget so adopted may be revised during the year only by formal action of City Council in a regular meeting and no increase shall be made therein without provision also being made for financing the same. For a non-budgeted activity or item, or one which has a high likelihood of exceeding the budget appropriation, approval must come from the Mayor and City Council.
5. Formal budgetary integration is employed as a management control device during the year for all funds.

Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted, or as amended, by City Council. Individual amendments were not material in relation to the original appropriations which were amended.

Unencumbered appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

**CITY OF SMYRNA, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds					
	Confiscated Assets	Hotel/Motel Premium Tax	Multiple Grant	Auto Rental Tax	Emergency 911 Telephone	HUD CDBG
Assets:						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	89,897	-	-	100,035	-
Due from other governments	-	-	-	-	-	98,092
Prepaid items	-	184,612	-	-	4,420	-
Restricted cash	97,558	1,249,509	113	7	262,003	72,216
Restricted investments	-	-	-	-	-	-
Total assets	\$ 97,558	\$ 1,524,018	\$ 113	\$ 7	\$ 366,458	\$ 170,308
Liabilities:						
Accounts payable	\$ -	\$ 124,728	\$ -	\$ -	\$ 34,100	\$ 36,564
Retainage payable	-	-	-	-	-	12,186
Accrued liabilities	-	1,940	-	-	13,032	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	126,668	-	-	47,132	48,750
Fund balances:						
Nonspendable:						
Prepays	-	184,612	-	-	4,420	-
Restricted for:						
General government	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Public safety	97,558	-	113	-	314,906	-
Culture and recreation	-	1,212,738	-	7	-	121,558
Housing and development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Committed for capital projects	-	-	-	-	-	-
Total fund balance	97,558	1,397,350	113	7	319,326	121,558
Total liabilities, deferred inflows of resources, and fund balances	\$ 97,558	\$ 1,524,018	\$ 113	\$ 7	\$ 366,458	\$ 170,308

**CITY OF SMYRNA, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

ARPA Grant	Debt Service Fund	Capital Projects Funds					Total Non-Major Governmental Funds
	Tax Allocation District	Capital	Downtown Smyrna Development Authority	Parks and Recreation	Capital Projects	Bio Diesel	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,024,099	\$ -	\$ 6,024,099
-	-	-	-	-	-	-	189,932
-	-	-	-	-	-	-	98,092
1,179,656	-	-	-	-	-	-	1,368,688
6,599,581	169,870	-	1,386,050	-	-	6,314	9,843,221
-	-	1,823,631	-	3	-	-	1,823,634
<u>\$ 7,779,237</u>	<u>\$ 169,870</u>	<u>\$ 1,823,631</u>	<u>\$ 1,386,050</u>	<u>\$ 3</u>	<u>\$ 6,024,099</u>	<u>\$ 6,314</u>	<u>\$ 19,347,666</u>
\$ 18,123	\$ 236	\$ -	\$ 79	\$ -	\$ 127,779	\$ -	\$ 341,609
-	-	-	-	-	-	-	12,186
-	-	-	-	-	-	-	14,972
-	-	-	-	-	-	6,313	6,313
<u>18,123</u>	<u>236</u>	<u>-</u>	<u>79</u>	<u>-</u>	<u>127,779</u>	<u>6,313</u>	<u>375,080</u>
1,179,656	-	-	-	-	-	-	1,368,688
6,581,458	-	-	-	-	-	-	6,581,458
-	-	1,823,631	-	-	-	-	1,823,631
-	-	-	-	-	-	-	412,577
-	-	-	-	3	-	-	1,334,306
-	-	-	1,385,971	-	-	-	1,385,971
-	169,634	-	-	-	-	-	169,634
-	-	-	-	-	5,896,320	1	5,896,321
<u>7,761,114</u>	<u>169,634</u>	<u>1,823,631</u>	<u>1,385,971</u>	<u>3</u>	<u>5,896,320</u>	<u>1</u>	<u>18,972,586</u>
<u>\$ 7,779,237</u>	<u>\$ 169,870</u>	<u>\$ 1,823,631</u>	<u>\$ 1,386,050</u>	<u>\$ 3</u>	<u>\$ 6,024,099</u>	<u>\$ 6,314</u>	<u>\$ 19,347,666</u>

CITY OF SMYRNA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds					HUD CDBG
	Confiscated Assets	Hotel / Motel Premium Tax	Multiple Grant	Auto Rental Tax	Emergency 911 Telephone	
Revenues:						
Taxes	\$ -	\$ 1,623,603	\$ -	\$ 192,402	\$ -	\$ -
Charges for services	-	-	-	-	1,527,611	-
Intergovernmental	7,079	-	13,038	-	67,500	598,448
Investment earnings	11	127	1	7	178	8
Total revenues	<u>7,090</u>	<u>1,623,730</u>	<u>13,039</u>	<u>192,409</u>	<u>1,595,289</u>	<u>598,456</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety:						
Police	11,796	-	11,431	-	-	-
Fire	-	-	-	-	-	-
Emergency 911	-	-	-	-	1,910,540	-
Culture and recreation	-	1,119,690	-	-	-	598,447
Housing and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Principal, interest, and fees	-	-	-	-	-	-
Total expenditures	<u>11,796</u>	<u>1,119,690</u>	<u>11,431</u>	<u>-</u>	<u>1,910,540</u>	<u>598,447</u>
Excess (deficiency) of revenues over expenditures	<u>(4,706)</u>	<u>504,040</u>	<u>1,608</u>	<u>192,409</u>	<u>(315,251)</u>	<u>9</u>
Other financing sources (uses):						
Transfers in	-	192,402	-	-	315,998	-
Sale of capital assets	-	-	-	-	-	-
Transfers out	-	(572,089)	-	(192,402)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(379,687)</u>	<u>-</u>	<u>(192,402)</u>	<u>315,998</u>	<u>-</u>
Net change in fund balance	<u>(4,706)</u>	<u>124,353</u>	<u>1,608</u>	<u>7</u>	<u>747</u>	<u>9</u>
Fund balance (deficit) at beginning of year	<u>102,264</u>	<u>1,272,997</u>	<u>(1,495)</u>	<u>-</u>	<u>318,579</u>	<u>121,549</u>
Fund balance (deficit) at end of year	<u>\$ 97,558</u>	<u>\$ 1,397,350</u>	<u>\$ 113</u>	<u>\$ 7</u>	<u>\$ 319,326</u>	<u>\$ 121,558</u>

CITY OF SMYRNA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

ARPA Grant	Debt Service Fund	Capital Projects Funds					Total Non-Major Governmental Funds
	Tax Allocation District	Downtown Smyrna Development Authority	Parks and Recreation	Capital Projects	Bio Diesel		
\$ -	\$ 915,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,731,378
-	-	-	-	-	-	-	1,527,611
8,199,005	861,800	-	-	-	108	-	9,746,978
407	312	34,225	-	-	-	1	35,277
8,199,412	1,777,485	34,225	-	-	108	1	14,041,244
116,536	-	-	-	-	-	-	116,536
151,974	-	-	-	-	-	-	175,201
79,427	-	-	-	-	-	-	79,427
13,947	-	-	-	-	-	-	1,924,487
76,414	-	-	-	-	-	-	1,794,551
-	250	-	-	-	-	-	250
-	-	-	-	-	1,820,035	-	1,820,035
-	1,779,675	-	4,029,314	-	6,516	-	5,815,505
438,298	1,779,925	-	4,029,314	-	1,826,551	-	11,725,992
7,761,114	(2,440)	34,225	(4,029,314)	-	(1,826,443)	1	2,315,252
-	-	-	4,049,327	-	3,502,600	-	8,060,327
-	-	-	600,000	-	173,951	-	773,951
-	-	(6,516)	-	-	-	-	(771,007)
-	-	(6,516)	4,649,327	-	3,676,551	-	8,063,271
7,761,114	(2,440)	27,709	620,013	-	1,850,108	1	10,378,523
-	172,074	1,795,922	765,958	3	4,046,212	-	8,594,063
<u>\$ 7,761,114</u>	<u>\$ 169,634</u>	<u>\$ 1,823,631</u>	<u>\$ 1,385,971</u>	<u>\$ 3</u>	<u>\$ 5,896,320</u>	<u>\$ 1</u>	<u>\$ 18,972,586</u>

CITY OF SMYRNA, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 96,403	\$ 7,079	\$ (89,324)
Investment earnings	-	11	11
	96,403	7,090	(89,313)
Total Revenues			
Expenditures:			
Current:			
Police	98,678	11,796	86,882
Total Expenditures	98,678	11,796	86,882
Net change in fund balance	\$ (2,275)	(4,706)	\$ (2,431)
Fund balance at beginning of year-GAAP basis		102,264	
Fund balance at end of year-GAAP basis		\$ 97,558	

CITY OF SMYRNA, GEORGIA
HOTEL/MOTEL PREMIUM TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 1,291,293	\$ 1,623,603	\$ 332,310
Investment earnings	-	127	127
Total Revenues	<u>1,291,293</u>	<u>1,623,730</u>	<u>332,437</u>
Expenditures:			
Current:			
Culture and recreation	1,121,129	1,119,690	1,439
Total Expenditures	<u>1,121,129</u>	<u>1,119,690</u>	<u>1,439</u>
Excess (deficiency) of revenues over expenditures	<u>170,164</u>	<u>504,040</u>	<u>333,876</u>
Other financing sources (uses):			
Transfers in	160,000	192,402	32,402
Transfers out	(570,007)	(572,089)	(2,082)
Total other financing sources (uses)	<u>(410,007)</u>	<u>(379,687)</u>	<u>30,320</u>
Net change in fund balance	<u>\$ (239,843)</u>	124,353	<u>\$ 364,196</u>
Fund balance at beginning of year-GAAP basis		<u>1,272,997</u>	
Fund balance at end of year-GAAP basis		<u>\$ 1,397,350</u>	

CITY OF SMYRNA, GEORGIA
MULTIPLE GRANT FUND SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 12,000	\$ 13,038	\$ 1,038
Investment earnings	-	1	1
	<u>12,000</u>	<u>13,039</u>	<u>1,039</u>
Total Revenues			
Expenditures:			
Current:			
Public Safety:			
Police	<u>13,163</u>	<u>11,431</u>	<u>1,732</u>
Total Expenditures	<u>13,163</u>	<u>11,431</u>	<u>1,732</u>
Excess (deficiency) of revenues over expenditures	<u>(1,163)</u>	<u>1,608</u>	<u>2,771</u>
Net change in fund balance	<u>\$ (1,163)</u>	1,608	<u>\$ 2,771</u>
Fund balance at beginning of year-GAAP basis		<u>(1,495)</u>	
Fund balance at end of year-GAAP basis		<u>\$ 113</u>	

CITY OF SMYRNA, GEORGIA
AUTO RENTAL TAX FUND SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 193,000	\$ 192,402	\$ (598)
Investment earnings	-	7	7
	<u>193,000</u>	<u>192,409</u>	<u>(591)</u>
Other financing sources (uses):			
Transfers out	<u>(193,000)</u>	<u>(192,402)</u>	<u>598</u>
Total other financing sources (uses)	<u>(193,000)</u>	<u>(192,402)</u>	<u>598</u>
Net change in fund balance	<u>\$ -</u>	7	<u>\$ 7</u>
Fund balance at beginning of year-GAAP basis		<u>-</u>	
Fund balance at end of year-GAAP basis		<u>\$ 7</u>	

CITY OF SMYRNA, GEORGIA
EMERGENCY 911 TELEPHONE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 1,675,239	\$ 1,527,611	\$ (147,628)
Intergovernmental	75,000	67,500	(7,500)
Investment earnings	3,000	178	(2,822)
	<u>1,753,239</u>	<u>1,595,289</u>	<u>(157,950)</u>
Expenditures:			
Current:			
Public Safety:			
Emergency 911	2,098,632	1,910,540	188,092
	<u>2,098,632</u>	<u>1,910,540</u>	<u>188,092</u>
Excess (deficiency) of revenues over expenditures	<u>(345,393)</u>	<u>(315,251)</u>	<u>30,142</u>
Other financing sources (uses):			
Transfers in	316,531	315,998	(533)
	<u>316,531</u>	<u>315,998</u>	<u>(533)</u>
Net change in fund balance	<u>\$ (28,862)</u>	<u>747</u>	<u>\$ 29,609</u>
Fund balance at beginning of year-GAAP basis		<u>318,579</u>	
Fund balance at end of year-GAAP basis		<u>\$ 319,326</u>	

CITY OF SMYRNA, GEORGIA
HUD COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 390,000	\$ 598,448	\$ 208,448
Investment earnings	-	8	8
Total Revenues	<u>390,000</u>	<u>598,456</u>	<u>208,456</u>
Expenditures:			
Current:			
Culture and recreation	<u>707,430</u>	<u>598,447</u>	<u>108,983</u>
Total Expenditures	<u>707,430</u>	<u>598,447</u>	<u>108,983</u>
Net change in fund balance	<u>\$ (317,430)</u>	9	<u>\$ 317,439</u>
Fund balance at beginning of year-GAAP basis		<u>121,549</u>	
Fund balance at end of year-GAAP basis		<u>\$ 121,558</u>	

CITY OF SMYRNA, GEORGIA
ARPA GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 8,199,005	\$ 8,199,005
Investment earnings	-	407	407
	<u>-</u>	<u>8,199,412</u>	<u>8,199,412</u>
Total Revenues			
Expenditures:			
Current:			
General government	1,679,656	116,536	1,563,120
Public safety:			
Police	67,000	151,974	(84,974)
Fire	-	79,427	(79,427)
Emergency 911	-	13,947	(13,947)
Culture and recreation	102,000	76,414	25,586
	<u>1,848,656</u>	<u>438,298</u>	<u>1,410,358</u>
Total Expenditures			
Excess (deficiency) of revenues over expenditures	<u>(1,848,656)</u>	<u>7,761,114</u>	<u>9,609,770</u>
Net change in fund balance	<u>\$ (1,848,656)</u>	<u>7,761,114</u>	<u>\$ 9,609,770</u>
Fund balance at beginning of year-GAAP basis		<u>-</u>	
Fund balance at end of year-GAAP basis		<u>\$ 7,761,114</u>	

CITY OF SMYRNA, GEORGIA
TAX ALLOCATION DISTRICT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Taxes	\$ 918,200	\$ 915,373	\$ (2,827)
Intergovernmental	861,800	861,800	-
Investment earnings	-	312	312
	<u>1,780,000</u>	<u>1,777,485</u>	<u>(2,515)</u>
Total Revenues			
Expenditures:			
Current:			
Housing and development	-	250	(250)
Debt Service	1,780,000	1,779,675	325
	<u>1,780,000</u>	<u>1,779,925</u>	<u>75</u>
Total Expenditures			
Net change in fund balance	<u>\$ -</u>	<u>(2,440)</u>	<u>\$ (2,440)</u>
Fund balance at beginning of year-GAAP basis		<u>172,074</u>	
Fund balance at end of year-GAAP basis		<u>\$ 169,634</u>	

STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding the financial statements, note disclosures, required supplementary information as well as the overall financial position of the City.

Financial Trends

These schedules contain trend information to help the user understand how the City's financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the user assess the City's major revenue sources.

Debt Capacity

These schedules present information to help the user assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules present demographic and economic indicators to help the user understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain staffing, key operating and capital statistics comparisons to help the user understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Except where noted, the information in these schedules is derived from the City's Annual Comprehensive Financial Report for the relevant year.

City of Smyrna, Georgia
Net Position by Component
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	Fiscal Year									
	2013	2014*	2015	2016	2017*	2018	2019	2020*	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 93,417,083	\$ 98,670,865	\$ 111,254,960	\$ 121,837,996	\$ 131,962,362	\$ 137,078,774	\$ 142,531,485	\$ 150,657,847	\$ 163,873,415	\$ 173,848,250
Restricted	12,052,601	13,945,013	11,406,509	7,630,174	5,078,037	9,882,604	12,882,157	15,295,102	20,708,560	28,492,519
Unrestricted	12,223,410	(834,171)	(3,197,366)	165,038	(8,397,847)	(3,230,066)	2,008,587	(7,672,623)	(63,421)	18,337,328
Total governmental activities net position	<u>\$ 117,693,094</u>	<u>\$ 111,781,707</u>	<u>\$ 119,464,103</u>	<u>\$ 129,633,208</u>	<u>\$ 128,642,552</u>	<u>\$ 143,731,312</u>	<u>\$ 157,422,229</u>	<u>\$ 158,280,326</u>	<u>\$ 184,518,554</u>	<u>\$ 220,678,097</u>
Business-type activities										
Net investment in capital assets	\$ 17,486,264	\$ 20,017,889	\$ 22,088,286	\$ 23,727,778	\$ 26,338,734	\$ 28,167,396	\$ 30,651,277	\$ 34,503,076	\$ 38,778,083	\$ 42,229,961
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	10,138,106	10,588,857	10,891,703	11,913,784	11,860,908	14,002,734	16,418,826	16,772,086	18,212,187	19,947,976
Total business-type activities net position	<u>\$ 27,624,370</u>	<u>\$ 30,606,746</u>	<u>\$ 32,979,989</u>	<u>\$ 35,641,562</u>	<u>\$ 38,199,642</u>	<u>\$ 42,170,130</u>	<u>\$ 47,070,103</u>	<u>\$ 51,275,162</u>	<u>\$ 56,990,270</u>	<u>\$ 62,177,937</u>
Primary government										
Net investment in capital assets	\$ 110,903,347	\$ 118,688,754	\$ 133,343,246	\$ 145,565,774	\$ 158,301,096	\$ 165,246,170	\$ 173,182,762	\$ 185,160,923	\$ 202,651,498	\$ 216,078,211
Restricted	12,052,601	13,945,013	11,406,509	7,630,174	5,078,037	9,882,604	12,882,157	15,295,102	20,708,560	28,492,519
Unrestricted	22,361,516	9,754,686	7,694,337	12,078,822	3,463,061	10,772,668	18,427,413	9,099,463	18,148,766	38,285,304
Total primary government net position	<u>\$ 145,317,464</u>	<u>\$ 142,388,453</u>	<u>\$ 152,444,092</u>	<u>\$ 165,274,770</u>	<u>\$ 166,842,194</u>	<u>\$ 185,901,442</u>	<u>\$ 204,492,332</u>	<u>\$ 209,555,488</u>	<u>\$ 241,508,824</u>	<u>\$ 282,856,034</u>

* - As Restated

City of Smyrna, Georgia
Changes in Net Position
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	Fiscal Year									
	2013	2014*	2015	2016	2017**	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General government	\$ 5,597,496	\$ 6,779,626	\$ 6,698,341	\$ 5,420,066	\$ 6,705,299	\$ 7,147,663	\$ 8,890,126	\$ 6,772,651	\$ 7,746,559	\$ 7,724,484
Judicial	533,504	505,821	440,520	455,612	458,628	494,401	523,023	679,587	779,743	857,514
Public Safety	17,729,276	17,103,469	16,411,663	20,736,794	21,163,120	20,153,820	23,603,235	24,046,707	23,562,750	21,630,548
Public works	10,658,449	14,464,681	13,822,512	12,129,044	11,602,017	11,302,495	11,395,749	13,590,369	14,079,320	13,632,755
Housing and development	1,131,446	1,232,458	1,692,161	2,514,369	1,670,823	2,108,079	2,642,933	1,424,195	1,375,469	1,390,932
Culture and recreation	4,425,185	4,490,477	3,355,658	4,745,312	5,696,721	6,011,943	6,042,281	6,089,336	6,464,074	6,656,828
Interest on long-term debt	2,865,013	2,712,343	2,466,637	2,035,725	1,933,342	1,731,915	1,577,240	2,463,560	1,928,666	2,295,183
Total governmental activities expenses	42,940,369	47,288,875	44,887,492	48,036,922	49,229,950	48,950,316	54,674,587	55,066,405	55,936,581	54,188,244
Business-type activities:										
Water and Sewer	14,398,939	13,908,854	14,701,631	15,449,744	15,770,400	13,949,353	13,794,544	15,677,685	14,590,956	15,102,187
Total business-type activities expenses	14,398,939	13,908,854	14,701,631	15,449,744	15,770,400	13,949,353	13,794,544	15,677,685	14,590,956	15,102,187
Total primary government expenses	\$ 57,339,308	\$ 61,197,729	\$ 59,589,123	\$ 63,486,666	\$ 65,000,350	\$ 62,899,669	\$ 68,469,131	\$ 70,744,090	\$ 70,527,537	\$ 69,290,431
Program Revenues										
Governmental Activities:										
Charges for services	\$ 13,505,267	\$ 14,612,425	\$ 14,160,254	\$ 14,357,939	\$ 14,690,479	\$ 15,497,880	\$ 16,357,830	\$ 15,007,653	\$ 15,816,789	\$ 16,239,987
Operating grants and contributions	408,012	336,975	147,404	223,914	95,674	59,591	214,872	770,064	3,048,259	65,509
Capital grants and contributions	11,244,681	10,780,772	10,544,682	10,935,026	10,625,600	11,336,173	11,826,077	11,386,650	20,251,310	27,554,841
Total governmental activities program revenues	25,157,960	25,730,172	24,852,340	25,516,879	25,411,753	26,893,644	28,398,779	27,164,367	39,116,358	43,860,337
Business-type activities:										
Charges for services	17,972,656	18,277,070	18,551,309	19,054,100	19,909,711	19,637,548	20,261,852	21,481,772	21,917,505	21,989,707
Capital grants and contributions	-	692,562	156,789	731,107	713,373	-	-	-	47,923	96,800
Total business-type activities program revenues	17,972,656	18,969,632	18,708,098	19,785,207	20,623,084	19,637,548	20,261,852	21,481,772	21,965,428	22,086,507
Total primary government program revenues	\$ 43,130,616	\$ 44,699,804	\$ 43,560,438	\$ 45,302,086	\$ 46,034,837	\$ 46,531,192	\$ 48,660,631	\$ 48,646,139	\$ 61,081,786	\$ 65,946,844

* - As Restated

City of Smyrna, Georgia
Changes in Net Position
Last Ten Fiscal Years (Unaudited) (Continued)
(accrual basis of accounting)

	Fiscal Year									
	2013	2014*	2015	2016	2017**	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental Activities	\$ (17,782,409)	\$ (21,558,704)	\$ (20,035,152)	\$ (22,520,043)	\$ (23,818,197)	\$ (22,056,672)	\$ (26,275,808)	\$ (27,902,038)	\$ (16,820,223)	\$ (10,327,907)
Business-type activities	3,573,717	5,060,778	4,006,467	4,335,463	4,852,684	5,688,195	6,467,308	5,804,087	7,374,472	6,984,320
Total primary government net expense	<u>\$ (14,208,692)</u>	<u>\$ (16,497,926)</u>	<u>\$ (16,028,685)</u>	<u>\$ (18,184,580)</u>	<u>\$ (18,965,513)</u>	<u>\$ (16,368,477)</u>	<u>\$ (19,808,500)</u>	<u>\$ (22,097,951)</u>	<u>\$ (9,445,751)</u>	<u>\$ (3,343,587)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 17,774,261	\$ 18,573,387	\$ 19,324,509	\$ 20,777,333	\$ 22,206,304	\$ 23,839,967	\$ 26,147,383	\$ 27,059,496	\$ 29,307,816	\$ 31,040,706
Franchise taxes	3,472,230	3,437,475	3,756,118	3,837,622	3,699,086	3,707,348	3,602,131	3,652,292	3,429,377	3,563,930
Insurance Premium taxes	2,554,327	2,644,762	2,764,966	2,953,912	3,199,661	3,414,299	3,669,901	3,897,186	4,098,857	4,218,710
Other taxes	1,713,519	1,912,156	2,003,296	2,340,043	2,404,706	2,599,881	2,566,761	2,353,166	2,124,819	2,864,359
Investment earnings	10,164	34,615	29,854	34,737	43,674	53,885	62,793	69,543	37,385	39,246
Grants / Contributions	734,532	733,822	1,401,222	1,472,471	1,629,238	1,788,925	2,161,393	2,321,102	2,341,620	2,473,536
Miscellaneous	45,136	-	346,475	-	-	-	160,455	223,075	55,915	487,621
Special Item	-	-	(3,542,116)	(418,097)	-	-	-	-	-	-
Transfers	1,591,127	1,591,127	1,633,224	1,691,127	1,691,127	1,741,127	1,595,908	1,628,429	1,662,662	1,799,342
Total governmental activities	<u>27,895,296</u>	<u>28,927,344</u>	<u>27,717,548</u>	<u>32,689,148</u>	<u>34,873,796</u>	<u>37,145,432</u>	<u>39,966,725</u>	<u>41,204,289</u>	<u>43,058,451</u>	<u>46,487,450</u>
Business-type activities										
Investment earnings	1,828	-	-	17,237	28,282	23,420	28,573	29,401	3,298	2,689
Transfers	(1,591,127)	(1,591,127)	(1,633,224)	(1,691,127)	(1,691,127)	(1,741,127)	(1,595,908)	(1,628,429)	(1,662,662)	(1,799,342)
Total business-type activities	<u>(1,589,299)</u>	<u>(1,591,127)</u>	<u>(1,633,224)</u>	<u>(1,673,890)</u>	<u>(1,662,845)</u>	<u>(1,717,707)</u>	<u>(1,567,335)</u>	<u>(1,599,028)</u>	<u>(1,659,364)</u>	<u>(1,796,653)</u>
Total primary government	<u>\$ 26,305,997</u>	<u>\$ 27,336,217</u>	<u>\$ 26,084,324</u>	<u>\$ 31,015,258</u>	<u>\$ 33,210,951</u>	<u>\$ 35,427,725</u>	<u>\$ 38,399,390</u>	<u>\$ 39,605,261</u>	<u>\$ 41,399,087</u>	<u>\$ 44,690,797</u>
Change in Net Position										
Governmental activities	\$ 10,112,887	\$ 7,368,641	\$ 7,682,396	\$ 10,169,105	\$ 11,055,599	\$ 15,088,760	\$ 13,690,917	\$ 13,302,251	\$ 26,238,228	\$ 36,159,543
Business-type activities	1,984,418	3,469,651	2,373,243	2,661,573	3,189,839	3,970,488	4,899,973	4,205,059	5,715,108	5,187,667
Total primary government	<u>\$ 12,097,305</u>	<u>\$ 10,838,292</u>	<u>\$ 10,055,639</u>	<u>\$ 12,830,678</u>	<u>\$ 14,245,438</u>	<u>\$ 19,059,248</u>	<u>\$ 18,590,890</u>	<u>\$ 17,507,310</u>	<u>\$ 31,953,336</u>	<u>\$ 41,347,210</u>

*-The effect of implementing GASB Statement No. 68 and the correction of pension expenses to previously reported changes in net position has not been determined. For Governmental Activities, the effect of the restatement relating to grant revenues to previously reported changes in net position is an increase of \$199,999.

**The effect of implementing GASB 75 to previously reported changes in net position has not been determined.

City of Smyrna, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ 405,203	\$ 434,129	\$ 523,731	\$ 553,613	\$ 564,738	\$ 509,084	\$ 472,155	\$ 349,891	\$ 442,310	\$ 593,088
Restricted	380,855	374,848	360,286	412,376	450,701	490,242	556,400	551,264	634,726	834,435
Committed	2,929,605	5,254,605	5,254,605	3,811,985	3,601,607	4,922,125	3,326,606	2,926,606	2,826,606	2,726,606
Assigned	53,692	77,857	83,955	74,678	145,361	283,732	341,218	245,534	207,787	325,996
Unassigned	10,836,607	11,483,674	9,522,518	12,555,085	15,358,875	17,422,526	18,107,475	21,533,688	26,644,052	30,890,944
Total general fund	<u>\$ 14,605,962</u>	<u>\$ 17,625,113</u>	<u>\$ 15,745,095</u>	<u>\$ 17,407,737</u>	<u>\$ 20,121,282</u>	<u>\$ 23,627,709</u>	<u>\$ 22,803,854</u>	<u>\$ 25,606,983</u>	<u>\$ 30,755,481</u>	<u>\$ 35,371,069</u>
All Other Governmental Funds										
Nonspendable	\$ 125	\$ -	\$ 4,502	\$ 4,633	\$ 4,705	\$ 4,105	\$ 3,710	\$ -	\$ 34,890	\$ 1,368,688
Restricted	26,426,028	27,030,274	15,416,554	12,652,368	8,090,735	11,078,096	14,048,273	16,141,390	45,336,343	55,461,796
Committed	1,087,100	1,075,758	1,439,482	1,681,805	1,983,740	2,888,769	2,577,983	2,962,216	4,046,212	5,896,321
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(257,083)	(352,262)	(173,063)	(277,789)	(286,531)	(277,961)	-	(159,001)	(1,495)	-
Total all other governmental funds	<u>\$ 27,256,170</u>	<u>\$ 27,753,770</u>	<u>\$ 16,687,475</u>	<u>\$ 14,061,017</u>	<u>\$ 9,792,649</u>	<u>\$ 13,693,009</u>	<u>\$ 16,629,966</u>	<u>\$ 18,944,605</u>	<u>\$ 49,415,950</u>	<u>\$ 62,726,805</u>
Total fund balances, before restatements	\$ 41,862,132	\$ 45,378,883	\$ 32,432,570	\$ 31,468,754	\$ 29,913,931	\$ 37,320,718	\$ 39,433,820	\$ 44,551,588	\$ 80,171,431	\$ 98,097,874
Restatements*	-	(1,316,355)	-	-	-	-	-	-	-	-
Total fund balances, after restatements	<u>\$ 41,862,132</u>	<u>\$ 44,062,528</u>	<u>\$ 32,432,570</u>	<u>\$ 31,468,754</u>	<u>\$ 29,913,931</u>	<u>\$ 37,320,718</u>	<u>\$ 39,433,820</u>	<u>\$ 44,551,588</u>	<u>\$ 80,171,431</u>	<u>\$ 98,097,874</u>

Note: Restatements to ending fund balances were made to 2014 for certain grant revenues and pension expenses.

City of Smyrna, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	Fiscal Year									
	2013	2014*	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 25,506,375	\$ 26,851,993	\$ 27,872,063	\$ 29,893,228	\$ 31,539,223	\$ 33,529,213	\$ 35,993,638	\$ 36,885,716	\$ 39,023,183	\$ 41,715,126
Charges for services	8,985,356	9,197,860	9,331,961	9,473,654	9,968,431	10,330,845	11,526,552	10,295,868	10,402,589	10,774,989
Licenses and permits	2,144,746	2,255,371	2,746,850	2,774,834	2,695,743	3,117,354	2,806,610	2,976,193	3,016,393	3,047,026
Fines and forfeitures	2,049,274	2,202,192	1,471,777	1,521,404	1,429,196	1,370,060	1,296,472	1,086,228	1,814,710	1,608,216
Intergovernmental	13,497,000	10,771,205	12,050,188	12,133,063	12,120,859	13,139,357	14,157,015	14,104,434	25,680,431	30,297,979
Investment earnings	71,138	34,615	36,188	43,275	55,815	61,054	74,447	85,285	39,040	43,815
Miscellaneous revenue	429,435	557,299	587,944	581,968	638,101	941,495	780,113	700,446	616,992	875,968
Total revenues	52,683,324	51,870,535	54,096,971	56,421,426	58,447,368	62,489,378	66,634,847	66,134,170	80,593,338	88,363,119
Expenditures										
General government	10,553,172	10,626,214	13,131,328	12,351,227	12,570,656	12,866,800	15,238,337	13,828,226	16,256,899	15,216,595
Judicial	423,743	421,235	362,096	352,985	350,487	373,519	379,874	499,857	543,197	634,066
Police	7,224,031	7,366,926	7,499,571	7,909,361	7,650,123	7,670,258	8,640,843	8,793,819	8,349,042	8,658,826
Fire	4,842,779	4,726,331	4,901,741	5,144,043	5,392,278	5,527,444	5,723,667	5,866,741	6,019,412	6,600,186
Other	1,326,874	1,353,386	1,377,112	2,193,963	1,428,553	1,593,824	1,928,850	1,974,167	2,800,364	2,002,185
Public Works	6,256,667	6,405,215	6,664,217	6,905,763	7,039,235	7,468,843	7,580,175	8,146,883	8,522,170	8,080,173
Culture and recreation	3,633,412	3,697,554	3,614,943	3,910,015	4,276,324	5,392,770	5,609,487	4,932,151	5,230,838	6,330,346
Housing and development	863,042	1,022,618	1,479,400	1,274,294	1,590,673	1,765,332	2,241,396	1,053,857	970,408	1,177,190
Capital outlay	9,458,623	9,635,041	15,003,860	17,101,927	22,502,348	14,750,324	15,322,683	11,805,773	13,427,584	11,549,822
Debt service										
Principal	1,718,408	2,010,913	10,364,316	3,915,369	5,282,099	4,480,217	3,046,055	16,408,511	11,779,257	12,095,000
Interest	2,843,710	2,724,345	2,673,106	2,146,821	2,165,890	1,799,384	1,644,855	2,408,873	2,296,611	2,225,216
Total expenditures	49,144,461	49,989,778	67,071,690	63,205,768	70,248,666	63,688,715	67,356,222	75,718,858	76,195,782	74,569,605
Excess of revenues over (under) expenditures	3,538,863	1,880,757	(12,974,719)	(6,784,342)	(11,801,298)	(1,199,337)	(721,375)	(9,584,688)	4,397,556	13,793,514
Other Financing Sources (Uses)										
Transfers in	8,455,657	7,712,069	14,181,852	10,098,597	18,701,446	17,637,460	13,527,228	9,433,201	11,191,307	11,047,219
Transfers out	(6,864,530)	(6,120,942)	(12,495,723)	(8,407,470)	(17,010,319)	(15,896,333)	(11,931,320)	(7,804,772)	(9,528,645)	(9,247,877)
Bonds issued	-	-	3,179,928	2,634,990	-	6,716,844	1,058,011	12,725,000	24,735,000	-
Premium on bonds issued	-	-	-	-	-	-	-	-	4,555,047	-
Proceeds of refunding bonds	-	-	-	-	14,548,687	-	-	-	-	-
Debt service - principal	-	-	-	-	(6,175,000)	-	-	-	-	-
Finance leases	-	-	-	-	-	-	-	-	-	1,466,927
Intergovernmental agreement proceeds	-	-	-	1,130,545	-	-	-	-	-	-
Insurance recoveries	-	-	92,442	60,932	120,497	144,522	38,519	223,075	55,915	80,124
Sale of capital assets	45,136	44,866	346,475	302,932	61,164	3,631	142,039	125,952	213,663	786,536
Total other financing sources (uses)	1,636,263	1,635,993	5,304,974	5,820,526	10,246,475	8,606,124	2,834,477	14,702,456	31,222,287	4,132,929
Special Item:										
Loss on sale of land held for sale	-	-	(3,960,213)	-	-	-	-	-	-	-
Net change in fund balances	\$ 5,175,126	\$ 3,516,750	\$ (11,629,958)	\$ (963,816)	\$ (1,554,823)	\$ 7,406,787	\$ 2,113,102	\$ 5,117,768	\$ 35,619,843	\$ 17,926,443
Debt service as a percentage of noncapital expenditures	11.62%	10.82%	25.73%	13.12%	15.17%	12.73%	9.01%	29.35%	22.81%	22.86%

*-The effect of the correction of pension expenses to previously reported change in fund balance has not been determined. The effect of the restatement relating to grant revenues to previously reporting change in fund balance is an increase of \$199,999.

City of Smyrna, Georgia
Tax Revenue by Source, Governmental Funds
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Intangible Tax</u>	<u>Alcoholic Beverage Excise Tax</u>	<u>Franchise Tax</u>	<u>Premium Tax</u>	<u>Vehicle Ad Valorem Tax</u>	<u>Other</u>	<u>Total</u>
2013	\$ 15,156,347	\$ 249,876	\$ 771,469	\$ 3,443,843	\$ 2,554,327	\$ 1,767,323	\$1,563,190	\$ 25,506,375
2014	15,457,022	225,909	760,690	3,437,475	2,644,762	2,983,045	1,343,090	26,851,993
2015	16,023,129	253,749	795,545	3,729,229	2,764,966	2,750,806	1,554,639	27,872,063
2016	17,549,587	276,893	834,312	3,810,635	2,953,912	2,655,645	1,812,244	29,893,228
2017	19,253,773	578,272	876,159	3,671,847	3,199,661	2,050,445	1,909,066	31,539,223
2018	20,791,711	577,926	912,393	3,707,348	3,414,299	2,142,600	1,982,936	33,529,213
2019	22,928,402	542,596	916,806	3,602,130	3,669,901	2,303,345	2,030,458	35,993,638
2020	24,352,272	714,055	924,895	3,652,292	3,897,186	1,485,785	1,859,231	36,885,716
2021	25,657,385	1,036,653	1,019,343	3,429,377	4,098,857	2,117,859	1,663,709	39,023,183
2022	27,116,588	978,456	1,112,870	3,563,930	4,218,710	2,371,163	2,353,409	41,715,126

City of Smyrna, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Direct Tax Rate</u>	<u>Actual Taxable Value</u>	<u>Value as a Percentage of Actual Value</u>
2013	\$ 1,137,110,379	\$ 608,860,653	\$ 19,884,205	\$ 79,512,618	\$ 1,686,342,619	8.99	\$ 4,215,856,548	40.00
2014	1,126,000,517	599,205,711	19,831,907	141,380,471	1,603,657,664	8.99	4,009,144,160	40.00
2015	1,202,265,817	616,109,155	18,700,840	138,971,560	1,698,104,252	8.99	4,245,260,630	40.00
2016	1,317,665,997	691,747,506	18,780,608	121,736,809	1,906,457,302	8.99	4,766,143,256	40.00
2017	1,501,431,278	739,428,599	19,538,554	145,637,540	2,114,760,892	8.99	5,286,902,230	40.00
2018	1,650,149,758	800,214,906	21,664,185	179,249,429	2,292,779,420	8.99	5,731,948,550	40.00
2019	1,820,174,285	910,020,412	22,082,086	245,696,135	2,506,580,648	8.99	6,266,451,620	40.00
2020	1,947,954,162	883,575,585	24,307,303	263,240,769	2,592,596,281	8.99	6,481,490,703	40.00
2021	2,099,141,898	990,454,956	25,088,740	281,636,384	2,833,049,210	8.99	7,082,623,026	40.00
2022	2,281,627,057	1,032,977,119	26,091,024	338,220,234	3,002,474,966	8.99	7,506,187,415	40.00

Source: Cobb County Board of Equalization and Assessment.

Notes: Property in the county is reassessed once every three years. The county assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

City of Smyrna, Georgia
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years (Unaudited)
(rate per \$1,000 of assessed value)

Fiscal Year	City of Smyrna		Cobb County			Overlapping Rates Cobb County Board of Education			State of Georgia		Total Direct & Overlapping Rates
	Operating Millage	Total City Millage	General Millage	Bond Millage	Total County Millage	General Millage	School Bond	Total School Millage	General Millage	Total School Millage	
	2013	8.99	8.99	7.72	0.33	8.05	18.90	-	18.90	0.20	
2014	8.99	8.99	7.52	0.33	7.85	18.90	-	18.90	0.15	0.15	35.89
2015	8.99	8.99	7.32	0.33	7.65	18.90	-	18.90	0.10	0.10	35.64
2016	8.99	8.99	7.12	0.33	7.45	18.90	-	18.90	0.05	0.05	35.39
2017	8.99	8.99	6.66	0.23	6.89	18.90	-	18.90	0.00	0.00	34.78
2018	8.99	8.99	6.76	0.13	6.89	18.90	-	18.90	0.00	0.00	34.78
2019	8.99	8.99	8.46	0.13	8.59	18.90	-	18.90	0.00	0.00	36.48
2020	8.99	8.99	8.46	0.13	8.59	18.90	-	18.90	0.00	0.00	36.48
2021	8.99	8.99	8.46	0.13	8.59	18.90	-	18.90	0.00	0.00	36.48
2022	8.99	8.99	8.46	0.13	8.59	18.90	-	18.90	0.00	0.00	36.48

Source: Cobb County Board of Equalization and Assessment.

Note: Overlapping rates are those of local and county governments that apply to property owners within The City of Smyrna.

**City of Smyrna, Georgia
Principal Property Taxpayers
Current Year and Nine Years Ago (Unaudited)**

Taxpayer	2022				2013		
	Real or Personal Property	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GC Alcove Owner LLC	R	\$29,624,000	1	0.99	-		-
Lake Park Partners Phase 4 LLC	R	26,693,912	2	0.89	-		-
Belmont Rec LLC	R	23,716,400	3	0.79	-		-
Glock Inc	P	22,545,672	4	0.75	-		-
Sync At Jonquil LP	R	22,360,000	5	0.74	-		-
NA Glen Park 77 LP	R	22,270,240	6	0.74	\$13,341,760	4	0.79
Avonlea Square LLC	R	21,963,788	7	0.73	-		-
Valley Summit LLC	R	20,380,000	8	0.68	11,400,000	7	0.68
Blue Atlantic Vinings LP	R	20,020,000	9	0.67	-		-
Lake Park Partners Phase 3 LLC	R	18,422,841	10	0.61	-		-
Lake Park Properties LLC		-		-	45,231,768	1	2.68
UCB Inc		-		-	14,497,485	2	0.86
GS Vinings LP		-		-	13,508,732	3	0.80
DDRTC Heritage Pavilion LLC		-		-	12,009,858	5	0.71
Jasmine Woodlands LLC		-		-	11,831,065	6	0.70
United Distributors Inc		-		-	10,117,320	8	0.60
Consultinvest Inc		-		-	8,842,542	9	0.52
Mission Galleria 34 LLC		-		-	7,505,280	10	0.45
Total		\$ 227,996,853		7.59%	\$ 148,285,810		8.79%

Source: City of Smyrna Tax Department

Note: By reporting individual accounts only beginning FY 2020, this schedule removes the subjectivity inherent in grouping taxpaying entities by similar name and/or location.

City of Smyrna, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$15,160,220	\$ 14,926,568	98.46	\$ 134,000	\$ 15,060,568	99.34
2014	15,070,296	14,963,651	99.29	115,259	15,078,910	100.06
2015	15,815,515	15,718,002	99.38	80,245	15,798,247	99.89
2016	17,327,237	17,243,993	99.52	81,869	17,325,861	99.99
2017	18,991,543	18,915,333	99.60	100,757	19,016,090	100.13
2018	20,520,715	20,437,904	99.60	124,516	20,562,420	100.20
2019	22,606,217	22,496,121	99.51	96,714	22,592,834	99.94
2020	24,193,463	23,961,620	99.04	217,478	24,179,098	99.94
2021	25,274,679	25,012,147	98.96	238,539	25,250,686	99.91
2022	27,593,645	27,405,162	99.32	n/a	27,405,162	99.32

Sources: Cobb County Board of Equalization and Assessment and The City of Smyrna Finance Department.

City of Smyrna, Georgia
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities			Inter-governmental Agreement	Business-Type Activities		Total Primary Government	Percentage of Personal Income²	Per Capita²
	Revenue Bonds¹	Certificates of Participation	Finance Leases		Water/Sewer Bonds	Finance Leases			
2013	\$50,506,252	\$1,756,000	\$ 599,313	0	0	\$2,209,622	\$ 55,071,187	2.88	1,074
2014	48,437,368	1,756,000	508,400	0	0	1,826,173	52,527,941	2.75	998
2015	41,199,913	1,756,000	414,084	0	0	1,255,722	44,625,719	2.21	819
2016	40,009,339	1,756,000	316,222	993,038	0	714,053	43,788,652	2.06	780
2017	43,607,463	1,756,000	214,680	712,992	0	126,584	46,417,719	2.15	819
2018	45,844,337	1,756,000	109,320	731,595	0	0	48,441,252	2.20	855
2019	44,157,217	1,756,000	0	441,845	0	0	46,355,062	1.95	817
2020	53,367,379	1,756,000	0	149,257	0	0	55,272,636	2.18	975
2021	70,703,663	1,756,000	0	0	0	0	72,459,663	2.79	1,302
2022	58,343,099	1,756,000	1,466,927	0	0	0	61,566,026	2.30	1,106

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ \$24,735,000 revenue bonds issued 2021. \$12,725,000 revenue bonds issued 2019. \$6,175,000 revenue bonds issued 2014.

² See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Smyrna, Georgia
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities			Percentage of Actual Taxable Value of Property¹	Per Capita²
	Revenue Bonds	Finance Leases	Total		
2013	\$ 50,506,252	\$ 599,363	\$ 49,544,363	1.18	997
2014	48,437,368	508,400	47,533,400	1.19	930
2015	41,199,913	414,084	41,613,997	0.98	764
2016	40,009,339	316,222	40,325,561	0.85	718
2017	43,607,463	214,680	43,822,143	0.83	773
2018	45,844,337	109,320	45,953,657	0.80	811
2019	44,157,217	-	44,157,217	0.70	779
2020	53,367,379	-	53,367,379	0.82	942
2021	70,703,663	-	70,703,663	1.00	1,270
2022	58,343,099	1,466,927	59,810,026	0.80	1,074

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² See the Schedule of Demographic and Economic Statistics for population data.

City of Smyrna, Georgia
Pledge Revenue Coverage
As of June 30, 2022
(Unaudited)

<u>Fiscal Year</u>	<u>Tax Allocation District Series 2019 (1)</u>			
	<u>TAD Revenues (2)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal (2)</u>	<u>Interest (2)</u>	
2020	\$ 1,483,797	\$ 630,000	\$ 83,861	2.1
2021	\$ 1,588,902	\$ 1,145,000	\$ 441,468	1.0
2022	\$ 1,777,485	\$ 1,380,000	\$ 399,675	1.0

Notes:

(1) During FY 2020, the City refunded \$12,444,154 in notes payable related to a 2003 agreement to undertake certain redevelopment projects with the TAD district.

The difference between revenues collected and the amounts paid for principal and interest was used to pay off interest due on the old note payable.

Additional details regarding the city's outstanding debt can be found in Note 8 in the financial statements.

(2) Past years are non-determinable.

City of Smyrna, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable¹</u>	<u>Overlapping Debt</u>
Debt repaid with property taxes			
Cobb County General Obligation Debt	\$4,650,000	7.87%	\$365,955
Other debt			
Cobb County Revenue Anticipation Certificates	4,765,000	7.87%	375,006
Cobb County Parking Deck Certificates	5,955,000	7.87%	468,659
Cobb-Marietta Coliseum and Exhibit Hall	53,790,000	7.87%	4,233,273
Stadium Construction Bonds	338,395,000	7.87%	26,631,687
South Cobb Redevelopment Authority	7,695,000	7.87%	<u>605,597</u>
Subtotal, overlapping debt			32,680,177
City of Smyrna direct debt			<u>61,566,026</u>
Total direct and overlapping debt			<u><u>\$94,246,203</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Cobb County Board of Equalization and Assessment.
Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of The City of Smyrna. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident-and therefore responsible for repaying the debt-of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**City of Smyrna, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 176,585,524	\$ 174,503,814	\$ 183,707,581	\$ 202,819,411	\$ 226,039,843	\$ 247,202,885	\$ 275,227,678	\$ 285,583,705	\$ 311,468,559	\$ 334,069,520
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$176,585,524</u>	<u>\$174,503,814</u>	<u>\$183,707,581</u>	<u>\$202,819,411</u>	<u>\$ 226,039,843</u>	<u>\$ 247,202,885</u>	<u>\$ 275,227,678</u>	<u>\$ 285,583,705</u>	<u>\$ 311,468,559</u>	<u>\$ 334,069,520</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 3,002,474,966
Add back exempt real property	338,220,234
Total assessed value	<u>3,340,695,200</u>
Debt limit (10% of total assessed value)	334,069,520
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 334,069,520</u>

Notes:

Under state finance law, The City of Smyrna's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

City of Smyrna, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population¹	Total Personal Income	Per Capita Personal Income²	Median Age²	CCSD School Enrollment³	Unemployment Rate⁴
2013	51,271	1,910,357,460	37,260	34	108,262	7.90%
2014	52,650	1,907,562,150	36,231	34	109,760	7.60%
2015	54,490	2,022,014,920	37,108	34	111,460	4.80%
2016	56,146	2,124,789,224	37,844	36	112,708	4.30%
2017	56,664	2,161,731,600	38,150	36	112,831	4.00%
2018	56,685	2,198,187,615	38,779	35	112,084	3.50%
2019	56,706	2,374,280,220	41,870	35	111,722	3.20%
2020	56,666	2,539,940,118	44,823	35	113,741	7.70%
2021	55,663	2,598,404,503	46,681	35	107,379	3.90%
2022	55,689	2,676,580,407	48,063	35	106,970	2.70%

Data sources

¹U.S. Census Bureau QuickFacts, Population Estimates Base, April 1, 2020 (V2021)

²U.S Census Bureau, 2016-2020 ACS Estimates

³The Cobb County Board of Education

⁴Georgia Department of Labor

**City of Smyrna, Georgia
Principal Employers,
Current Year and Nine Years Ago (Unaudited)**

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
United Distributors, Inc.	800	1	2.32%	550	2	1.73%
GLOCK, Inc.	638	2	1.85%	400	7	1.26%
UCB Inc.	499	3	1.45%	400	7	1.26%
Publix Super Markets, Inc.	384	4	1.11%			
City of Smyrna	381	5	1.10%	425	4	1.34%
RV Behavioral LLC	350	6	1.01%	420	6	1.32%
FedEx Freight, Inc.	282	7	0.82%			
The Kroger Company	244	8	0.71%			
Roman Catholic Archdiocese of Atlanta, Inc.	200	9	0.58%	225	10	0.71%
Delmar Gardens of Smyrna, LLC	183	10	0.53%			
IBM				775	1	2.44%
Emory-Adventist Hospital at Smyrna				499	3	1.57%
S.P. Richards				423	5	1.33%
National Envelope				245	9	0.77%
Total	3,961		11.48%	4,362		13.73%

Data sources

City of Smyrna Economic Development

Georgia Department of Labor, August 2022 estimate of total city employment is 34,497

City of Smyrna, Georgia
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years (Unaudited)

Function/Program

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government										
Governing Body	9	9	9	9	9	9	9	9	9	9
Chief Executive (Mgr. Or Admin.)	6	6	7	7	6	7	7	7	6	6
Data Processing / MIS	4	4	4	4	5	5	5	5	5	6
Recorder's Court	6	6	6	6	4	4	4	7	6	6
Financial Administration	6	6	7	5	6	6	7	6	7	7
General Govt. Bldgs. & Plant	6	6	4	3	4	4	4	4	4	2
Water Administration	4	4	3	4	4	7	7	7	6	7
Human Resources	4	4	4	4	4	4	4	4	3	5
Public Safety										
Police Administration	95	102	94	100	96	94	98	103	96	93
Jail Operations	21	21	21	22	26	25	19	21	18	16
Fire Administration	70	72	72	68	68	5	4	4	7	5
Fire Response	-	-	-	-	-	67	63	67	65	65
Fire Prevention	3	3	4	4	4	5	5	6	6	6
Fire Training	2	3	3	3	3	3	3	3	3	3
E-911 Communications	18	18	18	14	20	20	21	20	22	16
Emergency Management	1	1	1	1	1	-	-	-		1
Community Services										
Public Information	2	2	2	2	2	2	2	2	2	2
Public Education	3	3	3	3	5	4	4	5	3	5
Culture/Recreation Administration	11	10	10	6	7	8	9	9	10	10
Participant Recreation	1	3	3	1	1	1	1	1	1	1
Recreation Center	4	3	3	4	4	3	4	4	4	4
Parks Maintenance	-	-	-	-	5	9	10	10	7	7
Library Administration	7	8	8	7	7	7	7	7	7	7
Protective Insp. Administration	13	14	14	14	14	15	14	11	13	13
Economic Development	-	-	-	-	-	-	-	2	2	2
Public Works										
Highways & Streets Admin.	28	29	29	28	22	22	20	22	21	22
Traffic Engineering	2	2	3	3	4	4	5	7	8	7
Sanitary Administration	20	21	23	19	23	19	26	29	22	24
Distribution (Water)	21	23	24	20	24	20	16	15	16	11
Recyclables Collection	5	5	5	6	6	6	11	10	7	7
Maintenance & Shop	7	7	7	7	4	7	6	6	6	6
Total	379	395	391	374	388	392	395	413	392	381

Source: Finance Department

July 2017 The City of Smyrna divided Fire Response from Fire Administration.

July 2020 The City of Smyrna divided Economic Development from Protective Inspection Administration (Community Development).

City of Smyrna, Georgia
Operating Indicators by Function
Last Ten Fiscal Years (Unaudited)

Function	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public Works:										
Street resurfacing (feet)	39,475	59,097	71,824	50,475	20,275	10,645	35,310	30,624	28,653	42,618
Potholes misc. repairs	54	113	163	109	75	91	81	64	74	56
Fire protection:										
Number of calls answered	5,038	5,325	5,706	6,086	6,094	6,650	6,686	6,841	7,032	7,495
Police protection:										
Number of citations written	18,104	21,597	15,294	21,569	18,989	16,199	10,908	11,230	14,147	9,332
Number of automobile accidents	2,413	2,676	2,544	2,831	3,320	3,364	3,422	1,647	2,208	2,036
Number of reported crimes	2,055	1,931	1,678	2,237	2,118	1,691	1,158	1,685	1,234	966
Water system:										
Water mains breaks	21	22	27	23	21	17	12	15	18	10
Install water meter	82	83	165	201	178	183	137	122	220	256
Sewerage system:										
Sewer backup	228	194	195	180	201	162	102	118	136	89
Sanitation										
Large items pick up	1,006	1,070	1,263	1,220	1,304	1,321	1,068	1,418	1,661	1,668
Recreation and culture:										
Community Center bookings	892	1,147	1,220	1,046	1,009	998	874	546	350	748
Visitors to the Center	285,000	300,000	300,000	300,000	291,847	311,172	268,626	136,676	101,698	71,711
Senior Aquatic Center classes	1,192	1,231	1,352	1,352	1,300	1,300	1,300	850	850	850
Library										
Attendance	235,666	239,516	204,277	202,754	196,059	188,142	208,799	146,954	59,429	120,823
Circulation	216,810	243,502	261,411	277,144	294,161	306,020	321,173	270,489	248,630	305,997

Sources: Various city departments.

City of Smyrna, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years (Unaudited)

Function	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public Works:										
Miles of streets ¹	223	225	225	232	232	232	232	250	250	348
Number of traffic signals ²	699	699	699	690	690	690	690	676	676	551
Number of street lights ³	3,972	328	328	328	328	328	328	328	328	328
Fire protection:										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of fire fighters and officers	80	80	80	81	82	79	79	78	74	77
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of police officers	87	90	87	90	87	91	87	92	92	78
Water system:										
Average monthly number of accounts	14,500	14,417	14,417	14,956	15,144	15,267	15,431	15,646	15,855	16,041
Average daily consumption in gallons	3,897,000	3,721,000	3,540,000	3,752,000	3,770,000	3,529,000	3,614,000	3,739,000	3,567,000	4,141,000
Miles of water mains	241	241	241	178	185	185	250	250	250	250
Sewerage system:										
Miles of sanitary sewers	179	181	181	185	188	188	188	188	188	192
Miles of storm sewers	142	147	147	151	159	159	159	172	172	172
Building permits issued	1,041	754	741	832	872	1,000	820	913	1,157	1,003
Recreation and culture:										
Number of parks	27	27	27	27	30	30	30	30	30	31
Park acreage	327	327	327	327	302	302	302	302	302	308
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of items	93,246	90,972	92,703	91,726	89,415	88,815	92,145	94,024	90,319	92,774

Sources: Various city departments.

Notes:

1. In FY 2022, the city clarified that this schedule is tracking paved lane miles and adjusted its measurement accordingly.
2. In FY 2022, the city updated its method of counting traffic signals, resulting in a smaller number than shown in prior years.
3. In FY 2014, the city began reporting only the street and pedestrian lights it owns and maintains. Other street lights in Smyrna are maintained by Georgia Power.

COMPLIANCE SECTION

**CITY OF SMYRNA, GEORGIA
 CAR RENTAL TAX
 SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues	Expenditures *	Percentage Expended
\$ 192,402	\$ 192,402	100.00%

* Funds were transferred to the Hotel/Motel Special Revenue fund and were expended in Hotel/Motel Fund

**CITY OF SMYRNA, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues	Expenditures *	Percentage Expended
\$ 1,623,603	\$ 927,288	57.11%

* Expended in Hotel/Motel Special Revenue Fund

CITY OF SMYRNA, GEORGIA
1 PERCENT SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX
PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2016 SPLOST Program:					
Transportation Projects	\$ 44,773,203	\$ 81,311,296	\$ 49,091,503	\$ 2,745,188	\$ 51,836,691
Parks Projects	3,890,000	4,038,220	4,038,219	-	4,038,219
Public Safety Projects	4,110,000	6,496,100	6,480,103	-	6,480,103
	<u>\$ 52,773,203</u>	<u>\$ 91,845,616</u>	59,609,825	2,745,188	62,355,013
Debt Service Expenditures			10,068,017	7,844,420	72,873,335
Total			<u>\$ 69,677,842</u>	<u>\$ 10,589,608</u>	<u>\$ 135,228,348</u>
2022 SPLOST Program:					
City-Wide Projects	\$ 24,715,237	\$ 26,825,895	\$ 125,506	\$ 1,946,747	\$ 2,072,253
Transportation Projects	21,520,000	32,844,868	1,690,578	3,497,556	5,188,134
Parks Projects	4,205,000	6,419,134	3,296,550	51,278	3,347,828
Public Safety Projects	2,305,000	2,305,000	-	1,489,018	1,489,018
	<u>\$ 52,745,237</u>	<u>\$ 68,394,897</u>	5,112,634	6,984,599	12,097,233
Debt Service Expenditures			10,068,017	658,384	10,726,401
Total			<u>\$ 15,180,651</u>	<u>\$ 7,642,983</u>	<u>\$ 22,823,634</u>