



TOWN OF TYRONE, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2023

Prepared by:

Department of Finance

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TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

INTRODUCTORY SECTION:

| | <u>Page(s)</u> |
|-------------------|----------------|
| Table of Contents | i-iv |

FINANCIAL SECTION:

| | |
|------------------------------|-----|
| Independent Auditor's Report | 1-3 |
|------------------------------|-----|

BASIC FINANCIAL STATEMENTS

Exhibit

| Government-wide Statements | | |
|-----------------------------------|--|-----|
| A-1 | Statement of Net Position | 4-5 |
| A-2 | Statement of Activities | 6 |
| Fund Financial Statements | | |
| A-3 | Balance Sheet – Governmental Funds | 7 |
| A-4 | Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 8 |
| A-5 | Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 9 |
| A-6 | Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 10 |
| A-7 | Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP) and Actual – General Fund | 11 |
| A-8 | Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP) and Actual – American Rescue Plan Special Revenue Fund | 12 |
| A-9 | Statement of Net Position – Proprietary Funds | 13 |
| A-10 | Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds | 14 |
| A-11 | Statement of Cash Flows – Proprietary Funds | 15 |
| A-12 | Statement of Fiduciary Net Position – Municipal Court Custodial Fund | 16 |

TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2023

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

| <u>Exhibit</u> | | <u>Page(s)</u> |
|----------------|---|----------------|
| | Fund Financial Statements, continued | |
| A-13 | Statement of Changes in Fiduciary Net Position – Municipal Court Custodial Fund | 17 |
| A-14 | Notes to the Financial Statements | 18-49 |
| | Item # | Page # |
| | 1. Description of Government Unit | 18 |
| | 2. Summary of Significant Accounting Policies | 18-31 |
| | 3. Deposit and Investment Risk | 31-33 |
| | 4. Accounts Receivable | 33 |
| | 5. Intergovernmental Receivables | 33 |
| | 6. Leases Receivable | 34 |
| | 7. Taxes Receivable | 34 |
| | 8. Interfund Receivables, Payables and Transfers | 35 |
| | 9. Capital Assets | 36-37 |
| | 10. Long Term Liabilities | 38-40 |
| | 11. Net Investment in Capital Assets | 41 |
| | 12. Restricted Fund Balances | 41 |
| | 13. Pension Plan | 41-46 |
| | 14. Joint Ventures | 46 |
| | 15. Risk Management | 46-47 |
| | 16. Commitments and Contingencies | 48 |
| | 17. New Accounting Pronouncements | 48-49 |

REQUIRED SUPPLEMENTARY INFORMATION

| | | |
|-----|---|-------|
| B-1 | Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios | 50-51 |
| B-2 | Schedule of Contributions | 52-53 |
| B-3 | Notes to the Required Supplementary Information | 54-55 |

TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2023

Table of Contents, continued

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS AND SCHEDULES

| <u>Exhibit</u> | <u>Page(s)</u> |
|---|----------------|
| GENERAL FUND | |
| C-1 Comparative Balance Sheets | 56 |
| C-2 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance | 57 |
| C-3 Schedule of Revenues - Budget (GAAP Basis) and Actual | 58 |
| C-4 Schedule of Expenditures - Budget (GAAP Basis) and Actual | 59-61 |
| SPECIAL REVENUE FUNDS | |
| D-1 Confiscated Assets Special Revenue Fund Comparative Balance Sheets | 62 |
| D-2 Confiscated Assets Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual | 63 |
| D-3 American Rescue Plan Special Revenue Fund Comparative Balance Sheets | 64 |
| D-4 American Rescue Plan Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 65 |
| CAPITAL PROJECTS FUND | |
| E-1 2017 Special Purpose Local Option Sales Tax Capital Projects Fund Comparative Balance Sheets | 66 |
| E-2 2017 Special Purpose Local Option Sales Tax Capital Projects Fund Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance | 67 |
| ENTERPRISE FUNDS | |
| F-1 Sewer Enterprise Fund Comparative Statements of Net Position | 68 |
| F-2 Sewer Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position | 69 |
| F-3 Sewer Enterprise Fund Comparative Statements of Cash Flows | 70 |

TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2023

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS AND SCHEDULES, continued

| <u>Exhibit</u> | | <u>Page(s)</u> |
|----------------|--|----------------|
| | <i>ENTERPRISE FUNDS, continued</i> | |
| F-4 | Sanitation Enterprise Fund Comparative Statements of Net Position | 71 |
| F-5 | Sanitation Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position | 72 |
| F-6 | Sanitation Enterprise Fund Comparative Statements of Cash Flows | 73 |
| | <i>CUSTODIAL FUND</i> | |
| G-1 | Municipal Court Custodial Fund Comparative Statements of Fiduciary Net Position | 74 |
| G-2 | Municipal Court Custodial Fund Comparative Statements of Changes in Fiduciary Net Position | 75 |
| | <i>COMPONENT UNIT</i> | |
| H-1 | Downtown Development Authority Comparative Balance Sheets | 76 |
| H-2 | Downtown Development Authority Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance | 77 |

OTHER REPORTING SECTION:

SINGLE AUDIT SECTION

| | | |
|-----|---|-------|
| | Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> | 78-79 |
| | Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance | 80-82 |
| I-1 | Schedule of Expenditures of Federal Awards | 83 |
| I-2 | Notes to the Schedule of Expenditures of Federal Awards | 84 |

TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2023

Table of Contents, continued

OTHER REPORTING SECTION (continued):

SINGLE AUDIT SECTION, continued

| <u>Exhibit</u> | | <u>Page(s)</u> |
|----------------|---|----------------|
| I-3 | Schedule of Findings and Questioned Costs | 85-87 |

STATE REPORTING SECTION

| | | |
|-----|---|-----------|
| J-1 | Schedule of Projects Financed with Special Purpose Local Option Sales Tax | 88 |
|-----|---|-----------|

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Independent Auditor's Report

Honorable Mayor and
Members of the Town Council
Town of Tyrone, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund and American Rescue Plan Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Town of Tyrone, 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Tyrone, 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Tyrone, 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 Town of Tyrone, 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 required supplementary information on pages 50 through 55, 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.

The Town of Tyrone, Georgia, has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tyrone, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the Town of Tyrone, Georgia's basic financial statements for the year ended June 30, 2022, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tyrone's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the financial statements for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2022 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023, on our consideration of the Town of Tyrone, 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 the effectiveness of the Town of Tyrone, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Tyrone, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
December 1, 2023

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BASIC FINANCIAL STATEMENTS

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

| | Primary Government | | | Component Unit |
|---|----------------------------|-----------------------------|-------------------|-------------------|
| | Governmental Activities | Business-type Activities | Total | |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 17,350,994 | \$ 1,466,752 | \$ 18,817,746 | \$ 23,616 |
| Restricted assets | | | | |
| Cash and cash equivalents | 4,961 | 0 | 4,961 | 0 |
| Certificates of deposit | 1,238,252 | 0 | 1,238,252 | 0 |
| Receivables (net) | | | | |
| Accounts | 16,664 | 30,884 | 47,548 | 0 |
| Taxes | 297,354 | 0 | 297,354 | 0 |
| Intergovernmental | 408,289 | 0 | 408,289 | 0 |
| Leases | 7,162 | 0 | 7,162 | 0 |
| Interest | 9,238 | 0 | 9,238 | 0 |
| Prepaid items | 224,128 | 12,525 | 236,653 | 3,646 |
| Total current assets | <u>19,557,042</u> | <u>1,510,161</u> | <u>21,067,203</u> | <u>27,262</u> |
| Noncurrent assets | | | | |
| Leases receivable | 18,258 | 0 | 18,258 | 0 |
| Capital assets | | | | |
| Non-depreciable | 3,788,203 | 15,010 | 3,803,213 | 0 |
| Depreciable/amortizable capital assets (net) | 12,220,253 | 4,012,376 | 16,232,629 | 4,570 |
| Total noncurrent assets | <u>16,026,714</u> | <u>4,027,386</u> | <u>20,054,100</u> | <u>4,570</u> |
| Total assets | <u>35,583,756</u> | <u>5,537,547</u> | <u>41,121,303</u> | <u>31,832</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension contributions subsequent to measurement date | 118,294 | 0 | 118,294 | 0 |
| Pension experience differences | 10,182 | 0 | 10,182 | 0 |
| Pension investment return differences | 335,721 | 0 | 335,721 | 0 |
| Total deferred outflows of resources | <u>464,197</u> | <u>0</u> | <u>464,197</u> | <u>0</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable | 1,389,662 | 47,302 | 1,436,964 | 2,626 |
| Retainage payable | 40,730 | 0 | 40,730 | 0 |
| Accrued salaries and payroll liabilities | 62,413 | 1,567 | 63,980 | 0 |
| Compensated absences | 74,891 | 0 | 74,891 | 0 |
| Accrued interest payable | 6,175 | 0 | 6,175 | 0 |
| Unearned revenue | 25 | 0 | 25 | 0 |
| Due to others | 3,950 | 0 | 3,950 | 0 |
| Subscription liabilities | 21,172 | 0 | 21,172 | 0 |
| Bonds payable | 232,000 | 0 | 232,000 | 0 |
| Notes payable | 161,080 | 0 | 161,080 | 0 |
| Total current liabilities | <u>1,992,098</u> | <u>48,869</u> | <u>2,040,967</u> | <u>2,626</u> |

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|----------------------|-------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Noncurrent liabilities | | | | |
| Compensated absences | \$ 8,321 | \$ 0 | \$ 8,321 | \$ 0 |
| Net pension liability | 883,838 | 0 | 883,838 | 0 |
| Subscription liabilities | 22,386 | 0 | 22,386 | 0 |
| Bonds payable | 3,497,000 | 0 | 3,497,000 | 0 |
| Notes payable | 1,299,673 | 0 | 1,299,673 | 0 |
| Total noncurrent liabilities | <u>5,711,218</u> | <u>0</u> | <u>5,711,218</u> | <u>0</u> |
| Total liabilities | <u>7,703,316</u> | <u>48,869</u> | <u>7,752,185</u> | <u>2,626</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension experience differences | 3,846 | 0 | 3,846 | 0 |
| Leases | 23,495 | 0 | 23,495 | 0 |
| Total deferred inflows of resources | <u>27,341</u> | <u>0</u> | <u>27,341</u> | <u>0</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 10,093,036 | 4,027,386 | 14,120,422 | 4,570 |
| Restricted for: | | | | |
| Capital Outlay | 5,817,758 | 0 | 5,817,758 | 0 |
| Public Safety | 35,993 | 0 | 35,993 | 0 |
| Unrestricted | 12,370,509 | 1,461,292 | 13,831,801 | 24,636 |
| Total net position | <u>\$ 28,317,296</u> | <u>\$ 5,488,678</u> | <u>\$ 33,805,974</u> | <u>\$ 29,206</u> |

TOWN OF TYRONE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

| | General | American Rescue Plan | 2017 SPLOST | (Non-major) Confiscated Assets | Total |
|--|----------------------|----------------------------|---------------------|--------------------------------------|----------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 11,670,434 | \$ 0 | \$ 5,650,044 | \$ 30,516 | \$ 17,350,994 |
| Restricted assets | | | | | |
| Cash and cash equivalents | 4,961 | 0 | 0 | 0 | 4,961 |
| Certificates of deposit | 1,238,252 | 0 | 0 | 0 | 1,238,252 |
| Receivables (net) | | | | | |
| Accounts | 16,664 | 0 | 0 | 0 | 16,664 |
| Taxes | 297,354 | 0 | 0 | 0 | 297,354 |
| Intergovernmental | 0 | 0 | 408,289 | 0 | 408,289 |
| Leases | 25,420 | 0 | 0 | 0 | 25,420 |
| Interest | 9,238 | 0 | 0 | 0 | 9,238 |
| Prepaid items | 224,128 | 0 | 0 | 0 | 224,128 |
| Total assets | \$ 13,486,451 | \$ 0 | \$ 6,058,333 | \$ 30,516 | \$ 19,575,300 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 1,173,303 | \$ 0 | \$ 216,359 | \$ 0 | \$ 1,389,662 |
| Retainage payable | 0 | 0 | 40,730 | 0 | 40,730 |
| Accrued salaries and payroll liabilities | 62,413 | 0 | 0 | 0 | 62,413 |
| Due to others | 3,950 | 0 | 0 | 0 | 3,950 |
| Unearned revenue | 25 | 0 | 0 | 0 | 25 |
| Total liabilities | 1,239,691 | 0 | 257,089 | 0 | 1,496,780 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenues - property taxes | 9,828 | 0 | 0 | 0 | 9,828 |
| Leases | 23,495 | 0 | 0 | 0 | 23,495 |
| Total deferred inflows of resources | 33,323 | 0 | 0 | 0 | 33,323 |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | 224,128 | 0 | 0 | 0 | 224,128 |
| Leases receivable | 1,925 | 0 | 0 | 0 | 1,925 |
| Restricted for: | | | | | |
| Capital Outlay | 16,514 | 0 | 5,801,244 | 0 | 5,817,758 |
| Public Safety | 5,477 | 0 | 0 | 30,516 | 35,993 |
| Assigned for government projects | 2,764,823 | 0 | 0 | 0 | 2,764,823 |
| Unassigned | 9,200,570 | 0 | 0 | 0 | 9,200,570 |
| Total fund balances | 12,213,437 | 0 | 5,801,244 | 30,516 | 18,045,197 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 13,486,451 | \$ 0 | \$ 6,058,333 | \$ 30,516 | \$ 19,575,300 |

TOWN OF TYRONE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2023

Total fund balance - total governmental funds \$ 18,045,197

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

Some assets are not financial resources and, therefore, are not reported in the funds.

These are:

Capital assets net of accumulated depreciation and amortization 16,008,456

Long term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.

These are:

Property taxes 9,828

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:

Pension contributions subsequent to measurement date \$ 118,294

Pension experience differences 10,182

Pension investment return differences 335,721

Deferred inflows of resources:

Pension experience differences (3,846) 460,351

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

These are:

Net pension liability (883,838)

Subscription liability (43,558)

Notes payable (1,460,753)

Interest payable (6,175)

Bonds payable (3,729,000)

Compensated absences (83,212) (6,206,536)

Net position of governmental activities \$ 28,317,296

TOWN OF TYRONE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2023

| | General | American Rescue Plan | 2017 SPLOST | (Non-major) Confiscated Assets | Total |
|--|----------------------|----------------------------|---------------------|--------------------------------------|----------------------|
| REVENUES | | | | | |
| Taxes | \$ 5,835,115 | \$ 0 | \$ 0 | \$ 0 | \$ 5,835,115 |
| Licenses and permits | 127,325 | 0 | 0 | 0 | 127,325 |
| Fines, fees and forfeitures | 139,188 | 0 | 0 | 0 | 139,188 |
| Charges for services | 53,401 | 0 | 0 | 0 | 53,401 |
| Intergovernmental | 151,054 | 2,803,013 | 2,341,276 | 0 | 5,295,343 |
| Interest and investment | 226,348 | 37,702 | 81,624 | 326 | 346,000 |
| Contributions | 45,541 | 0 | 0 | 0 | 45,541 |
| Other | 206,239 | 0 | 0 | 0 | 206,239 |
| Total revenues | 6,784,211 | 2,840,715 | 2,422,900 | 326 | 12,048,152 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | 993,253 | 0 | 0 | 0 | 993,253 |
| Judicial | 210,595 | 0 | 0 | 0 | 210,595 |
| Public Safety | 1,872,746 | 0 | 0 | 5,445 | 1,878,191 |
| Public Works | 2,525,133 | 0 | 0 | 0 | 2,525,133 |
| Culture and Recreation | 793,397 | 0 | 0 | 0 | 793,397 |
| Housing and Development | 300,763 | 0 | 0 | 0 | 300,763 |
| Debt service | 307,308 | 0 | 210,142 | 0 | 517,450 |
| Capital outlay | 0 | 0 | 1,110,709 | 0 | 1,110,709 |
| Total expenditures | 7,003,195 | 0 | 1,320,851 | 5,445 | 8,329,491 |
| Excess (deficiency) of revenues over (under) expenditures | (218,984) | 2,840,715 | 1,102,049 | (5,119) | 3,718,661 |
| Other financing sources (uses) | | | | | |
| Transfers in | 2,842,430 | 0 | 0 | 0 | 2,842,430 |
| Transfers out | 0 | (2,842,430) | 0 | 0 | (2,842,430) |
| Proceeds from sale of assets | 59,062 | 0 | 0 | 0 | 59,062 |
| Proceeds from issuance of debt | 65,203 | 0 | 0 | 0 | 65,203 |
| Total other financing sources (uses) | 2,966,695 | (2,842,430) | 0 | 0 | 124,265 |
| Net change in fund balances | 2,747,711 | (1,715) | 1,102,049 | (5,119) | 3,842,926 |
| Fund balances, July 1 | 9,465,726 | 1,715 | 4,699,195 | 35,635 | 14,202,271 |
| Fund balances, June 30 | \$ 12,213,437 | \$ 0 | \$ 5,801,244 | \$ 30,516 | \$ 18,045,197 |

TOWN OF TYRONE, 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, 2023

Net change in fund balances - total governmental funds \$ 3,842,926

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|---------------------------|------------------|-----------|
| Capital outlays | \$ 1,963,731 | |
| Depreciation/amortization | <u>(805,241)</u> | 1,158,490 |

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

| | | |
|----------------------------------|----------------|-----------|
| Cost of assets disposed | (235,926) | |
| Related accumulated depreciation | <u>120,753</u> | (115,173) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. These include recognition of unavailable deferred inflows. 3,562

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

| | | |
|---|------------------|----------|
| Pension contributions | 157,724 | |
| Cost of benefits earned net of employee contributions | <u>(222,133)</u> | (64,409) |

The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

| | | |
|---------------------------------|---------------|---------|
| Debt principal payments | 398,601 | |
| Net change in interest payable | 376 | |
| Subscription proceeds | (65,203) | |
| Subscription principal payments | <u>21,645</u> | 355,419 |

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

| | | |
|------------------------------------|--|----------------|
| Net change in compensated absences | | <u>(4,042)</u> |
|------------------------------------|--|----------------|

| | | |
|---|--|---------------------|
| Change in net position of governmental activities | | <u>\$ 5,176,773</u> |
|---|--|---------------------|

TOWN OF TYRONE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2023

| | Budget | | Actual | Variance with |
|--|--------------------|--------------------|----------------------|----------------------|
| | Original | Final | | Final Budget |
| REVENUES | | | | |
| Taxes | \$ 5,127,270 | \$ 5,127,270 | \$ 5,835,115 | \$ 707,845 |
| Licenses and permits | 148,050 | 148,050 | 127,325 | (20,725) |
| Fines, fees and forfeitures | 120,000 | 120,000 | 139,188 | 19,188 |
| Charges for services | 39,600 | 39,600 | 53,401 | 13,801 |
| Intergovernmental | 1,937,426 | 1,937,426 | 151,054 | (1,786,372) |
| Interest and investment | 20,000 | 20,000 | 226,348 | 206,348 |
| Contributions | 440,275 | 440,275 | 45,541 | (394,734) |
| Other | 23,000 | 23,000 | 206,239 | 183,239 |
| Total revenues | <u>7,855,621</u> | <u>7,855,621</u> | <u>6,784,211</u> | <u>(1,071,410)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | | | | |
| Administration | 1,024,789 | 974,789 | 657,983 | 316,806 |
| Finance | 305,894 | 355,894 | 335,270 | 20,624 |
| Judicial | | | | |
| Municipal Court | 265,979 | 265,979 | 210,595 | 55,384 |
| Public Safety | | | | |
| Public Safety | 1,793,845 | 1,793,845 | 1,582,994 | 210,851 |
| Public Safety Administration | 307,627 | 307,627 | 289,752 | 17,875 |
| Public Works | | | | |
| Public Works | 6,045,334 | 6,045,334 | 2,525,133 | 3,520,201 |
| Culture and Recreation | | | | |
| Library | 356,950 | 356,950 | 310,952 | 45,998 |
| Museum | 14,920 | 14,920 | 10,023 | 4,897 |
| Parks and Recreation | 545,234 | 545,234 | 457,145 | 88,089 |
| Founders Day | 31,459 | 31,459 | 15,277 | 16,182 |
| Housing and Development | | | | |
| Planning and Zoning | 520,998 | 520,998 | 300,763 | 220,235 |
| Debt Service | | | | |
| General Administration | 307,308 | 307,308 | 307,308 | 0 |
| Total expenditures | <u>11,520,337</u> | <u>11,520,337</u> | <u>7,003,195</u> | <u>4,517,142</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,664,716)</u> | <u>(3,664,716)</u> | <u>(218,984)</u> | <u>3,445,732</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 2,805,513 | 2,805,513 | 2,842,430 | 36,917 |
| Proceeds from sale of assets | 3,000 | 3,000 | 59,062 | 56,062 |
| Proceeds from issuance of debt | 0 | 0 | 65,203 | 65,203 |
| Total other financing sources (uses) | <u>2,808,513</u> | <u>2,808,513</u> | <u>2,966,695</u> | <u>158,182</u> |
| Net change in fund balances | (856,203) | (856,203) | 2,747,711 | 3,603,914 |
| Fund balances, July 1 | 856,203 | 856,203 | 9,465,726 | 8,609,523 |
| Fund balances, June 30 | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 12,213,437</u> | <u>\$ 12,213,437</u> |

TOWN OF TYRONE, GEORGIA
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2023

| | Budget | | Actual | Variance with Final Budget |
|---|--------------------|--------------------|--------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 1,401,507 | \$ 1,401,507 | \$ 2,803,013 | \$ 1,401,506 |
| Interest | 800 | 800 | 37,702 | 36,902 |
| Total revenues | <u>1,402,307</u> | <u>1,402,307</u> | <u>2,840,715</u> | <u>1,438,408</u> |
| EXPENDITURES | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,402,307 | 1,402,307 | 2,840,715 | 1,438,408 |
| Other financing sources (uses) | | | | |
| Transfers (out) | <u>(2,805,513)</u> | <u>(2,805,513)</u> | <u>(2,842,430)</u> | <u>(36,917)</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (1,403,206) | (1,403,206) | (1,715) | 1,401,491 |
| Fund balances, July 1 | <u>1,403,206</u> | <u>1,403,206</u> | <u>1,715</u> | <u>(1,401,491)</u> |
| Fund balances, June 30 | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> |

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

| | Sewer |
|--|---------------------|
| ASSETS | |
| Current assets | |
| Cash and cash equivalents | \$ 1,466,752 |
| Accounts receivable (net) | 30,884 |
| Prepaid items | 12,525 |
| Total current assets | 1,510,161 |
| Noncurrent assets | |
| Capital assets | |
| Non-depreciable | 15,010 |
| Depreciable (net) | 4,012,376 |
| Total noncurrent assets | 4,027,386 |
| Total assets | 5,537,547 |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | 47,302 |
| Accrued salaries and payroll liabilities | 1,567 |
| Total current liabilities | 48,869 |
| NET POSITION | |
| Investment in capital assets | 4,027,386 |
| Unrestricted | 1,461,292 |
| Total net position | \$ 5,488,678 |

TOWN OF TYRONE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

| | Sewer |
|---------------------------------|---------------------|
| OPERATING REVENUES | |
| Charges for sales and services | \$ 394,685 |
| Total operating revenue | 394,685 |
| OPERATING EXPENSES | |
| Costs of sales and services | 253,417 |
| Personal services | 99,531 |
| Depreciation | 194,589 |
| Total operating expenses | 547,537 |
| Operating income (loss) | (152,852) |
| Net position, July 1 | 5,641,530 |
| Net position, June 30 | \$ 5,488,678 |

TOWN OF TYRONE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

| | Sewer |
|---|---------------------|
| Cash flows from operating activities: | |
| Receipts from customers | \$ 397,670 |
| Payments to suppliers | (225,398) |
| Payments to employees | (99,130) |
| | 73,142 |
| Cash flows from capital and related financing activities: | |
| Payments for acquisition of capital assets | (27,594) |
| Payments to other funds | (203,533) |
| | (231,127) |
| Net increase (decrease) in cash and cash equivalents | (157,985) |
| Cash and cash equivalents, July 1 | 1,624,737 |
| Cash and cash equivalents, June 30 | \$ 1,466,752 |
| Reconciliation of operating income (loss) | |
| to net cash provided (used) by operating activities: | |
| Operating income (loss) | \$ (152,852) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | |
| Depreciation expense | 194,589 |
| (Increase) decrease in accounts receivable | 2,985 |
| (Increase) decrease in prepaid items | (367) |
| Increase (decrease) in accounts payable | 28,386 |
| Increase (decrease) in accrued salaries and other payroll liabilities | 401 |
| | 225,994 |
| Total adjustments | 225,994 |
| Net cash provided (used) by operating activities | \$ 73,142 |

TOWN OF TYRONE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

ASSETS

Cash and cash equivalents \$ 34,517

LIABILITIES

Due to others 34,517

NET POSITION

Restricted for individuals, organizations, and other governments \$ 0

TOWN OF TYRONE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2023

| | |
|---|--------------------|
| ADDITIONS | |
| Fines and forfeitures collected for other governments | \$ 92,083 |
| DEDUCTIONS | |
| Distributions of fines and forfeitures to other governments | 92,083 |
| Change in net position | 0 |
| Net position, July 1 | 0 |
| Net position, June 30 | <u><u>\$ 0</u></u> |

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

1. Description of Government Unit

The Town of Tyrone was incorporated on August 18, 1911. The Town operates under a council/mayor form of government and provides the following services: public safety, recreation, planning and zoning, and general and administrative services. In addition, the Town operates public utilities for sewer for the incorporated and immediate surrounding areas.

The Town is governed by an elected five-member council.

2. Summary of Significant Accounting Policies

A. Description of Government-wide 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 and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Tyrone (the primary government) and material component units. The component units discussed below are included in the Town's reporting entity because of the significance of their operational and financial relationship with the Town. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, The Financial Reporting Entity, the financial statements of component units have been included either as blended or discretely presented component units.

Blended Component Units – Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Town Council or the component unit provides service entirely to the Town.

The activity and assets of the following component unit were blended in the Town's General Fund financial statements. Component unit financial statements are available at the office of Town Hall, 950 Senoia Rd., Tyrone, Georgia 30290.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Town of Tyrone Public Facilities Authority – The Town of Tyrone Public Facilities Authority was created by an act of the General Assembly of the State of Georgia (Ga. Laws 1979 p. 3938 *et. seq.*, as amended). Pursuant to the Act, the Authority has the power to (a) acquire by purchase, lease or otherwise, and to hold, lease and dispose of real and personal property for its corporate purposes, (b) acquire, construct, purchase, own, equip, operate, extend, improve, lease and sell any “project” (as defined in the Act) and (c) issue revenue bonds for the purpose of paying the costs of any project, for use by Town of Tyrone. The Authority is governed by a three member Board of Directors appointed by the Town of Tyrone Mayor and Council and provides services entirely to the Town. Through an installment sale agreement, the Town is also responsible for the repayment of the debt of the Authority.

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

Downtown Development Authority of Tyrone – The Development Authority is governed by a seven-member board consisting of one member of the governing body of the Town of Tyrone and six appointed by the Town Council. The Development Authority functions to provide the revitalization and redevelopment of the central business district of the Town of Tyrone and to promote trade, commerce, industry, and employment opportunities and promote the general welfare of the Town.

The Downtown Development Authority is reported in a separate column to emphasize that it is legally separate from the Town. The Development Authority has a June 30th year-end. Individual financial statements may be obtained by contacting the Downtown Development Authority, 950 Senoia Rd., Tyrone, Georgia 30290.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government’s enterprise funds.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements, continued

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

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

American Rescue Plan Special Revenue Fund - This fund is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

2017 SPLOST Fund – Accounts for long-term projects financed by the passage of the Fayette County, Georgia 2017 special purpose local option sales tax.

The Town reports the following major proprietary fund:

Sewer Fund – This fund accounts for the provision of sewer services to the residents of the Town and some residents of Fayette County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Additionally, the Town reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Fiduciary Fund Types

Custodial Funds – These funds are custodial in nature and are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others. The City has a custodial fund to account for the activity of the Municipal Court.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

The 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 payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Revenues and Expenditures/Expenses

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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sewer Fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal services 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 non-operating revenues and expenses.

G. Budgets and Budgetary Accounting

The Town Council adopts an annual budget for all governmental fund types, prior to July 1, except for the Capital Projects Fund. The Capital Projects Fund is budgeted by Town Council when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

In April each year, the departments submit their budget requests to the Finance Director. The Finance Department compiles a complete Town-wide budget and submits the proposed budget to the Town Manager for review. Meetings are held between the Town Manager, Finance Director, and department heads in April to review the proposed budget. The Town Manager then submits the proposed budget to the Town Council in the May Council meeting.

During June, the Mayor and Council conduct a public hearing to discuss the proposed budget and to obtain input from the citizens of the Town of Tyrone. This hearing is publicized in the local newspaper at least two weeks before the hearing. The final proposed budget is then adopted by the Town Council on or before June 30 during a regular Council meeting, which is also open to the public.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Changes may be made within an operating budget by departmental request through the Town Manager except for equipment requests under \$5,000, which must be approved by the Town Manager, and equipment requests over \$5,000 and changes in personal services budgets, which must be approved by the Town Council. All operating budget transfers between departments and all changes to Capital Projects budgets must be approved by Town Council. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year-end.

The Town does not use the encumbrance system of accounting.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

I. Intergovernmental Receivables

Receivables for state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Leases Receivable

Leases receivable are measured at the present value of lease payments expected to be received during the lease terms. Under the lease agreements, the Town may receive variable lease payments that are dependent upon lessees' revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for each of the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the respective lease.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

L. Capital Assets

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

GASB Statement No. 34 required the Town to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ended June 30, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. Prior to July 1, 2003, neither their historical costs nor related depreciation had historically been reported in the financial statements. For entities the size of the Town of Tyrone, retroactive reporting of infrastructure assets was not required.

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 their acquisition value.

The Town has recorded intangible right-to-use assets as a result of implementing GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The assets are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any payments made prior to the lease or subscription term, less lease or subscription incentives, and plus ancillary charges necessary to place the lease or subscription into service. The intangible right-to-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying asset or life of the related lease or subscription.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

| | Useful Life | Capitalization |
|-----------------------------------|--------------------|-----------------------|
| | in Years | Threshold |
| Buildings | 30-50 | \$ 5,000 |
| Infrastructure | 10-30 | \$ 5,000 |
| Intangibles | 15 | \$ 5,000 |
| Improvements other than buildings | 10-30 | \$ 5,000 |
| Library collections | 4-20 | \$ 5,000 |
| Vehicles & equipment | 7-20 | \$ 5,000 |
| Utility system | 20-50 | \$ 5,000 |

All land will be valued and capitalized.

The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to their defined benefit pension plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also reports deferred inflows of resources related to their leases and defined benefit pension plans.

N. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from Town service. Accumulated unpaid vacation pay amounts are accrued when incurred by the Town in the government-wide, proprietary, and fiduciary fund 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. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

O. 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, as well as prepaid bond insurance, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized during the current period.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

P. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

Q. Fund Balances – Governmental Funds

The Town implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at June 30 by the Town are nonspendable in form. The Town has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Town Council, the Town of Tyrone's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed must be determined as soon as information is available.

Assigned – includes amounts that the Town intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the Town Council's adopted policy, amounts may be assigned by the Finance Director, under the authorization of the Town Council. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and are documented by adoption of the Town's annual operating budget. Equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds, continued

Unassigned – includes amounts that do not fall into one of the above four categories. This classification 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 General Fund is the only fund that should report a positive amount in this category of fund balance.

The Town's fund balance policy for the General Fund is to maintain a minimum of 40% of the annual budget.

For the purposes of fund balance classification, the Town considers restricted amounts spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, committed amounts are spent first, followed by assigned amounts, and then unassigned amounts.

R. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

S. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued)

T. Restricted Assets and Restricted Net Position

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of reserve.

U. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the Town's financial position and operations. Certain 2022 amounts have been reclassified to conform with the 2023 presentation.

V. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Tyrone Employees' Pension Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned. The Town's policy follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Interest Rate Risk

The Town limits investment maturities to no greater than five years from the date of purchase, unless matched to a specific cash flow greater than five years, as a means of managing its exposure to fair value losses arising from increasing interest rates.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

3. Deposit and Investment Risk (continued)

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

The Town further limits its investment choices by imposing the following parameters:

- No more than 20% of the portfolio may be invested in investments with maturities greater than 12 months, and the weighted average maturity of the portfolio shall never exceed one year.
- No more than 20% of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury.
- No more than 20% of the portfolio may be invested in each of the following categories of securities: commercial paper, negotiable certificates of deposit, banker's acceptances, and any other obligation that does not bear the full faith and credit of the United States government or which is not fully collateralized or insured.
- At least 20% of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice.

The Town participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAf/S1+ by Fitch. The weighted average maturity at the end of the current fiscal year was 28 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$741,478.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

3. Deposit and Investment Risk (continued)

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Concentration of Credit Risk

No more than 20 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury.

Foreign Currency Risk

The Town has no investments denominated in a foreign currency.

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

| | |
|----------------------------|-------------------------|
| Primary Government: | |
| Major Funds | |
| General Fund | \$ 16,664 |
| Enterprise Funds | |
| Sewer | <u>30,884</u> |
| Total Primary Government | <u><u>\$ 47,548</u></u> |

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

| | |
|----------------------------|--------------------------|
| Primary Government: | |
| Major Funds | |
| 2017 SPLOST Fund | <u><u>\$ 408,289</u></u> |

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

6. Leases Receivable

In a previous fiscal year, the Town entered into a lease with a communications provider for the right to use land for a tower. The lease term is 336 months, when including optional extensions. Monthly payments are \$782 and provide for annual escalation. Leases receivable are measured as the present value of the future minimum rent payments expected to be received during the lease term. During the current fiscal year, the Town recognized \$7,049 of lease revenue (reported as charges for services on the statement of revenues, expenditures, and changes in fund balances) and \$1,541 of interest revenue under the lease. As of June 30, 2023, the Town recognized \$25,420 of lease receivable in the General Fund.

7. Taxes Receivable

Taxes receivable at the end of the current fiscal year include property taxes for seven years as follows:

| Year of Levy | Amount |
|--|-----------|
| 2022 | \$ 9,232 |
| 2021 | 1,504 |
| 2020 | 711 |
| 2019 | 588 |
| 2018 | 427 |
| 2017 | 793 |
| 2016 | 1,519 |
| | 14,774 |
| Less allowance for uncollectible | (4,391) |
| | 10,383 |
| Add amount due from Fayette County Tax Commissioner | 35,674 |
| Total | \$ 46,057 |

Property tax rates are set by the Town Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2023, based upon the assessments of January 1, 2022, were billed on September 15, 2022 and due on November 15, 2022. Tax liens are issued 90 days after the due date. The tax rate of 2.889 mills for fiscal year 2023 was levied on September 1, 2022.

Other Taxes

\$197,209 of local option sales tax and \$54,088 of other taxes is included in taxes receivable.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

8. Interfund Receivables, Payables, and Transfers

Interfund balances represent charges for services, reimbursable expenses, or interfund loans to assist with capital projects. These balances result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made.

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

The Town had no interfund receivables and payables as of June 30.

A summary of interfund transfers is a follows:

| Transfer Out Fund | Transfer In Fund | Amount |
|--------------------------|-------------------------|---------------|
| American Rescue Plan | General | \$ 2,842,430 |

Interfunds transfers were used to transfer unrestricted revenues from payor funds to subsidize operations in payee funds in accordance with budgetary authorizations, to transfer Town matching funds in accordance with grant agreements, to transfer funds to Capital Projects Funds for capital projects in accordance with budgetary authorizations, and to move capital assets between governmental activities and business-type activities. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

9. Capital Assets

Capital asset activity for the primary government for the current fiscal year was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|------------------------------|---------------------|---------------------|---------------------------|
| Governmental activities | | | | |
| Non-depreciable assets | | | | |
| Land | \$ 2,145,150 | \$ 122,344 | \$ 0 | \$ 2,267,494 |
| Construction in progress | 387,175 | 1,221,778 | (130,704) | 1,478,249 |
| Easements | 34,100 | 8,360 | 0 | 42,460 |
| Total non-depreciable assets | <u>2,566,425</u> | <u>1,352,482</u> | <u>(130,704)</u> | <u>3,788,203</u> |
| Depreciable/amortizable assets | | | | |
| Buildings | 7,534,729 | 36,869 | (5,000) | 7,566,598 |
| Infrastructure | 6,223,963 | 20,779 | 0 | 6,244,742 |
| Improvements other than buildings | 2,126,358 | 0 | (57,110) | 2,069,248 |
| Library collections | 709,617 | 12,014 | (29,325) | 692,306 |
| Furnishings, vehicles, machinery and equipment | 2,404,617 | 601,238 | (144,491) | 2,861,364 |
| Intangible right-to-use assets | | | | |
| Software | 0 | 71,053 | 0 | 71,053 |
| Total depreciable/amortizable assets | <u>18,999,284</u> | <u>741,953</u> | <u>(235,926)</u> | <u>19,505,311</u> |
| Accumulated depreciation/amortization | | | | |
| Buildings | (1,029,494) | (176,884) | 333 | (1,206,045) |
| Infrastructure | (2,244,264) | (307,263) | 0 | (2,551,527) |
| Improvements other than buildings | (1,522,632) | (65,495) | 0 | (1,588,127) |
| Library collections | (482,575) | (34,476) | 29,325 | (487,726) |
| Furnishings, vehicles, machinery and equipment | (1,321,605) | (217,176) | 91,095 | (1,447,686) |
| Intangible right-to-use assets | | | | |
| Software | 0 | (3,947) | 0 | (3,947) |
| Total accumulated depreciation/amortization | <u>(6,600,570)</u> | <u>(805,241)</u> | <u>120,753</u> | <u>(7,285,058)</u> |
| Total depreciable/amortizable assets, net | <u>12,398,714</u> | <u>(63,288)</u> | <u>(115,173)</u> | <u>12,220,253</u> |
| Governmental activities capital assets, net | <u>\$ 14,965,139</u> | <u>\$ 1,289,194</u> | <u>\$ (245,877)</u> | <u>\$ 16,008,456</u> |
| Business-type activities | | | | |
| Non-depreciable assets | | | | |
| Construction in progress | \$ 0 | \$ 8,410 | \$ 0 | \$ 8,410 |
| Easements | 6,600 | 0 | 0 | 6,600 |
| Total non-depreciable assets | <u>6,600</u> | <u>8,410</u> | <u>0</u> | <u>15,010</u> |
| Depreciable assets | | | | |
| Infrastructure | 3,622,275 | 0 | 0 | 3,622,275 |
| Intangibles | 3,015,889 | 0 | 0 | 3,015,889 |
| Equipment | 105,841 | 19,184 | 0 | 125,025 |
| Total depreciable assets | <u>6,744,005</u> | <u>19,184</u> | <u>0</u> | <u>6,763,189</u> |
| Accumulated depreciation | | | | |
| Infrastructure | (687,980) | (68,126) | 0 | (756,106) |
| Intangibles | (1,825,816) | (113,340) | 0 | (1,939,156) |
| Equipment | (42,428) | (13,123) | 0 | (55,551) |
| Total accumulated depreciation | <u>(2,556,224)</u> | <u>(194,589)</u> | <u>0</u> | <u>(2,750,813)</u> |
| Total depreciable assets, net | <u>4,187,781</u> | <u>(175,405)</u> | <u>0</u> | <u>4,012,376</u> |
| Business-type activities capital assets, net | <u>\$ 4,194,381</u> | <u>\$ (166,995)</u> | <u>\$ 0</u> | <u>\$ 4,027,386</u> |

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

9. Capital Assets (continued)

Capital asset activity for the component unit for the current fiscal year was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Downtown Development Authority | | | | |
| Depreciable assets | | | | |
| Buildings | \$ 0 | \$ 5,000 | \$ 0 | \$ 5,000 |
| Accumulated depreciation | | | | |
| Buildings | 0 | (430) | 0 | (430) |
| Downtown Development Authority capital assets, net | <u>\$ 0</u> | <u>\$ 4,570</u> | <u>\$ 0</u> | <u>\$ 4,570</u> |

Depreciation/amortization expense was charged to functions/programs as follows:

Primary Government

Governmental activities

| | |
|---|-------------------|
| General Government | \$ 164,946 |
| Public Safety | 119,152 |
| Public Works | 324,992 |
| Culture and Recreation | 196,151 |
| Total depreciation/amortization expense for governmental activities | <u>\$ 805,241</u> |

Business-type activities

| | |
|-------|-------------------|
| Sewer | <u>\$ 194,589</u> |
|-------|-------------------|

Component Unit

| | |
|---------------------------------------|--------------|
| Downtown Development Authority | <u>\$ 97</u> |
|---------------------------------------|--------------|

| | <u>Downtown Development Authority</u> |
|---|---|
| Current year depreciation expense | \$ 97 |
| Prior accumulated depreciation on assets transferred between primary government, governmental activities, and component unit | 333 |
| Additions to accumulated depreciation | <u>\$ 430</u> |

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

10. Long-Term Liabilities

Governmental Activities

Notes from Direct Borrowings

On September 18, 2014, the Town entered into an agreement with the Georgia Transportation Infrastructure Bank for the Downtown Tyrone Rehabilitation project. The note contains a provision that in an event of default, the lender may declare the note immediately due and payable. The Town borrowed \$2,465,000 due at the completion of the project in monthly installments of principal and interest through January 1, 2031; interest at 2.48% (\$1,346,676 outstanding).

On September 18, 2014, the Town entered into an agreement with the Georgia Transportation Infrastructure Bank for the Tyrone Road Safety Improvement project. The note contains a provision that in an event of default, the lender may declare the note immediately due and payable. The Town borrowed \$165,000 due at the completion of the project in 180 monthly installments of principal and interest; interest at 2.48% (\$114,077 outstanding).

Annual debt service requirements for notes payable are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------------------|---------------------|-------------------|---------------------|
| 2024 | \$ 161,080 | \$ 31,550 | \$ 192,630 |
| 2025 | 179,945 | 30,196 | 210,141 |
| 2026 | 184,460 | 25,682 | 210,142 |
| 2027 | 189,087 | 21,055 | 210,142 |
| 2028 | 193,830 | 16,312 | 210,142 |
| 2029-2033 | 552,351 | 20,179 | 572,530 |
| Totals | <u>\$ 1,460,753</u> | <u>\$ 144,974</u> | <u>\$ 1,605,727</u> |

Bonds from Direct Placements

Bonds from direct placements have been issued for the governmental activities and were comprised of the following individual issue for the current fiscal year:

On November 21, 2019, the Town of Tyrone Public Facilities Authority issued Town of Tyrone Public Facilities Authority Revenue Bond (Town of Tyrone Project), Series 2019, in an original principal amount of \$4,395,000 (\$3,729,000 outstanding). The bond was issued for the purpose of (a) financing or reimbursing the acquisition and construction of a town municipal complex and (b) paying the costs of issuing this bond.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

10. Long-Term Liabilities (continued)

Bonds from Direct Placements, continued

The bonds are due in annual principal payments on December 1 beginning December 1, 2021 with semi-annual interest payments (2.09%) due on June 1 and December 1, commencing June 1, 2021. The bond is secured by an installment sale agreement between the Authority and the Town. If necessary, the Town will levy an ad valorem property tax within the 15 mill limitation currently in effect (or such higher rate as may be hereafter authorized by applicable law), which may be levied upon all property in the Town subject to such tax.

Upon the occurrence and continuance of any event of default, the owner of the bond may take action and pursue any remedy available under the laws of the State, including without limitation, bringing an action for specific performance regarding ad valorem tax as noted above. However, the owner of the bond shall not have the right to accelerate the principal of the bond.

Annual debt service requirements to maturity for bonds from direct placement are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------------------|---------------------|-------------------|---------------------|
| 2024 | \$ 232,000 | \$ 75,512 | \$ 307,512 |
| 2025 | 237,000 | 70,611 | 307,611 |
| 2026 | 242,000 | 65,605 | 307,605 |
| 2027 | 247,000 | 60,495 | 307,495 |
| 2028 | 252,000 | 55,281 | 307,281 |
| 2029-2033 | 1,342,000 | 194,307 | 1,536,307 |
| 2034-2037 | 1,177,000 | 49,857 | 1,226,857 |
| Totals | <u>\$ 3,729,000</u> | <u>\$ 571,668</u> | <u>\$ 4,300,668</u> |

Subscription Liabilities

In May 2023, the Town entered into a subscription-based information technology arrangement (SBITA) with a vendor for software. The subscription requires 3 annual payments of \$21,465, \$22,294, and \$22,963 beginning May 1, 2023. The subscription liability was measured at a discount rate of 2.576%. As a result of the subscription and additional ancillary costs to place the software in service, the Town has recorded an intangible right-to-use asset of \$71,053, with related accumulated amortization of \$3,947, at the end of the current fiscal year. Amortization on the asset totaled \$3,947 for the current fiscal year.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

10. Long-Term Liabilities (continued)

Subscription Liabilities, continued

The following is a schedule of the future minimum subscription payments together with the present value of the net minimum subscription payments at the end of the current fiscal year:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|------------------|-----------------|------------------|
| 2024 | \$ 21,172 | \$ 1,122 | \$ 22,294 |
| 2025 | 22,386 | 577 | 22,963 |
| Totals | <u>\$ 43,558</u> | <u>\$ 1,699</u> | <u>\$ 45,257</u> |

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the Town for current fiscal year:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|------------------------------------|------------------------------|-------------------|-------------------|---------------------------|--------------------------------|
| Governmental Activities | | | | | |
| Notes from direct borrowings | \$ 1,632,354 | \$ 0 | \$ 171,601 | \$ 1,460,753 | \$ 161,080 |
| Bonds from direct placements | 3,956,000 | 0 | 227,000 | 3,729,000 | 232,000 |
| Subscription liabilities | 0 | 65,203 | 21,645 | 43,558 | 21,172 |
| Compensated absences | 79,170 | 83,212 | 79,170 | 83,212 | 74,891 |
| Total governmental activities | <u>\$ 5,667,524</u> | <u>\$ 148,415</u> | <u>\$ 499,416</u> | <u>\$ 5,316,523</u> | <u>\$ 489,143</u> |

Total interest expense in the governmental activities for the current fiscal year was \$118,473.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

11. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows for the current fiscal year:

| | Governmental Activities | Business-Type Activities | Component Unit |
|--|------------------------------------|-------------------------------------|---------------------------|
| Cost of capital assets | \$ 23,293,514 | \$ 6,778,199 | \$ 5,000 |
| Accumulated depreciation | (7,285,058) | (2,750,813) | (430) |
| Book value | 16,008,456 | 4,027,386 | 4,570 |
| Capital-related accounts payable | (641,379) | 0 | 0 |
| Capital-related retainages payable | (40,730) | 0 | 0 |
| Capital-related subscription liabilities | (43,558) | 0 | 0 |
| Capital-related notes payable | (1,460,753) | 0 | 0 |
| Capital-related bonds payable | (3,729,000) | 0 | 0 |
| Net investment in capital assets | <u>\$ 10,093,036</u> | <u>\$ 4,027,386</u> | <u>\$ 4,570</u> |

12. Restricted Fund Balances

The following is a summary of restricted fund balances of the governmental funds for fiscal year the current fiscal year:

| | General | 2017 SPLOST | Nonmajor Confiscated Assets | Total Governmental Funds |
|------------------------|------------------|------------------------|--|---|
| Restricted for: | | | | |
| Public Safety | | | | |
| Fire services | | | | |
| and equipment | \$ 4,961 | \$ 0 | \$ 0 | \$ 4,961 |
| Police equipment | 516 | 0 | 30,516 | 31,032 |
| Capital Outlay | 16,514 | 5,801,244 | 0 | 5,817,758 |
| | <u>\$ 21,991</u> | <u>\$ 5,801,244</u> | <u>\$ 30,516</u> | <u>\$ 5,853,751</u> |

13. Pension Plan

Plan Description. The Town is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. Officials are not covered under the plan. The Commission has established provisions, which assign the authority to the Commission council members to establish and amend the benefit provisions of the plan.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

13. Pension Plan (continued)

The plan provides that the Town has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the Town but shall be allocated to employees. All employees are eligible for immediate participation.

There are no loans to any of the Town officials or other “party-in-interest,” and there are no prohibited transactions. The plan assets do not include any securities or investments in the Town of Tyrone. The funds are managed by independent money managers.

The annual report and more detailed information regarding the plan can be obtained from the Plan Administrator, the Georgia Municipal Employees Benefit System.

At January 1, 2023, the date of the most recent actuarial valuation, there were 93 participants consisting of the following:

| | |
|--|----|
| Retirees and beneficiaries currently receiving benefits | 17 |
| Terminated vested participants entitled to but not yet receiving benefits | 42 |
| Active participants | 34 |
| Total number of participants | 93 |

Benefits Provided. The plan provides retirement, disability, and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Participants with five years of total service are eligible to retire at age 65 with no reduction in benefit. Participants with ten years of total service are eligible to retire at age 55 with no reduction in benefit. Participants are also eligible to retire under the Rule of 70 (age plus years of service) with a minimum age of 55. Officials are not covered under the plan. Participants are eligible for early retirement with reduced benefits based on the early retirement reduction table at age 55 after 10 years of service. The benefit formula is 1.25% to 2.00% with a five year vesting schedule.

Contributions. Employees make no contributions to the plan. The Town is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

13. Pension Plan (continued)

The Town's actuarially determined contribution rate for the current fiscal year was \$157,724 or 7.21% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the Town reported a net pension liability of \$883,838. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. For the current fiscal year, the Town recognized pension expense in the amount of \$222,133. For the Governmental Activities, the net pension liability is liquidated by the General Fund.

At the end of the current fiscal year, the Town reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 10,182 | \$ (3,846) |
| Net difference between projected and actual earnings on pension plan investments | 335,721 | 0 |
| Town contributions subsequent to the measurement date | 118,294 | 0 |
| Totals | \$ 464,197 | \$ (3,846) |

The \$118,294 of deferred outflows of resources resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

| Year Ending June 30 | | |
|------------------------------------|----|---------|
| 2024 | \$ | 73,885 |
| 2025 | | 57,762 |
| 2026 | | 63,153 |
| 2027 | | 147,257 |
| Totals | \$ | 342,057 |

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

13. Pension Plan (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-------------------------------|--|
| Inflation | 2.25% |
| Projected salary increases | 2.25% plus service based merit increases |
| Cost of living adjustments | 2.10% for terminations on or after November 1, 2003 N/A otherwise |
| Net investment rate of return | 7.375% |

Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25. Active participant mortality rates were based on the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

The mortality and economic actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through 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 difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

13. Pension Plan (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2022 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% | 6.40% |
| International equity | 20% | 6.80% |
| Domestic fixed income | 20% | 0.40% |
| Real estate | 10% | 3.90% |
| Global fixed income | 5% | 46.00% |
| Cash | 0% | |
| Total | <u>100%</u> | |

Discount Rate. The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

| | <u>Liability</u> | <u>Net Position</u> | <u>Liability</u> |
|---|---------------------|---------------------|-------------------|
| | <u>(a)</u> | <u>(b)</u> | <u>(a) - (b)</u> |
| Balances at 9/30/21 | \$ 3,260,548 | \$ 3,052,599 | \$ 207,949 |
| Changes for the year: | | | |
| Service cost | 78,078 | 0 | 78,078 |
| Interest | 241,944 | 0 | 241,944 |
| Differences between expected and actual experience | 15,272 | 0 | 15,272 |
| Contributions—employer | 0 | 180,751 | (180,751) |
| Net investment income | 0 | (509,219) | 509,219 |
| Benefit payments, including refunds of employee contributions | (116,069) | (116,069) | 0 |
| Administrative expense | 0 | (12,127) | 12,127 |
| Other | 0 | 0 | 0 |
| Net changes | <u>219,225</u> | <u>(456,664)</u> | <u>675,889</u> |
| Balances at 9/30/22 | <u>\$ 3,479,773</u> | <u>\$ 2,595,935</u> | <u>\$ 883,838</u> |

| | |
|--|--------------|
| Plan's fiduciary net position as a percentage of the total pension liability | 74.60% |
| Covered payroll | \$ 1,727,278 |
| Net pension liability as a percentage of covered payroll | 51.17% |

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

13. Pension Plan (continued)

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

| | <u>Discount Rate</u> | <u>Net Pension Liability (Asset)</u> |
|-----------------------|--------------------------|--|
| 1% decrease | 6.375% | \$ 1,378,342 |
| Current discount rate | 7.375% | 883,838 |
| 1% increase | 8.375% | 479,175 |

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

Other Plan

In addition to the plan above, various Town employees are covered under the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding this plan can be obtained from the plan's annual report. This plan is immaterial to the Town's financial statements.

14. Joint Ventures

Under Georgia law, the Town, in conjunction with other cities and counties in the ten county Atlanta, Georgia area, is a member of the Atlanta Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2023, the Town's membership dues were paid by Fayette County, Georgia. Membership in an 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 chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Atlanta Regional Commission, 40 Courtland Street, NE Atlanta, Georgia 30303-2538.

15. Risk Management

Material estimates have been made by management about the life of depreciated capital assets. Management has used a conservative approach on these estimates.

The Town is exposed to various risks of loss related to torts; injuries to employees; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

15. Risk Management (continued)

The Town has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the Town is obligated to pay all contributions and assessments as prescribed by the pools, 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 Town is also obligated to allow the pool's agents and attorneys to represent the Town in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Town within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia.

The funds are to pay all cost 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.

Settled claims in the past three years have not exceeded the coverages.

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2022, the Town has no losses that are probable or estimable and accordingly has not recognized any liability.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

16. Commitments and Contingencies

Commitments

The Town has active construction projects at the end of the current fiscal year. At fiscal year end, the Town's commitments with contractors are as follows:

| Project | Amount Expended to Date | Remaining Commitment |
|-------------------------------------|------------------------------------|---------------------------------|
| Pendleton Trail Culvert Replacement | \$ 59,569 | \$ 250,506 |
| Dorothea Redwine Park Phase 1 | 530,597 | 165,463 |
| Total | \$ 590,166 | \$ 415,969 |

Contingencies

The Georgia Environmental Protection Division has reclassified the Pendleton Lake Dam as a Category 1 structure. This reclassification will require the Town to seek additional permitting with the Georgia Department of Natural Resources and develop an inspection and maintenance plan. Cost of permitting and this plan has been estimated to cost \$2,160,000. The project has not begun as of the date of this report.

17. New Accounting Pronouncements

The Town implemented GASB Statement No. 91, *Conduit Debt*, effective for the Town's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2021. The implementation of this new standard had no impact on the Town's net position.

The Town implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the Town's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the Town's net position.

The Town implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the Town's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the Town's net position.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

17. New Accounting Pronouncements (continued)

The Town implemented GASB Statement No. 99, *Omnibus 2022*, effective for the Town's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the Town's net position.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TYRONE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
(Unaudited)

| | Fiscal Year End | | |
|--|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2021 |
| Total pension liability | | | |
| Service cost | \$ 78,078 | \$ 81,552 | \$ 55,065 |
| Interest | 241,944 | 228,249 | 184,788 |
| Differences between expected and actual experience | 15,272 | (11,539) | 121,694 |
| Changes of assumptions | 0 | 0 | 0 |
| Benefit payments, including refunds of employee contributions | (116,069) | (102,128) | (92,722) |
| Other changes | 0 | 0 | 298,695 |
| Net change in total pension liability | 219,225 | 196,134 | 567,520 |
| Total pension liability - beginning | 3,260,548 | 3,064,414 | 2,496,894 |
| Total pension liability - ending (a) | \$ 3,479,773 | \$ 3,260,548 | \$ 3,064,414 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 180,751 | \$ 72,945 | \$ 77,443 |
| Net investment income | (509,219) | 602,723 | 220,878 |
| Benefit payments, including refunds of employee contributions | (116,069) | (102,128) | (92,722) |
| Administrative expense | (12,127) | (12,193) | (12,585) |
| Net change in fiduciary net position | (456,664) | 561,347 | 193,014 |
| Plan fiduciary net position - beginning | 3,052,599 | 2,491,252 | 2,298,238 |
| Plan fiduciary net position - ending (b) | \$ 2,595,935 | \$ 3,052,599 | \$ 2,491,252 |
| Net pension liability (asset) - ending : (a) - (b) | \$ 883,838 | \$ 207,949 | \$ 573,162 |
| Plan's fiduciary net position as a percentage of the total pension liability | 74.60% | 93.62% | 81.30% |
| Covered payroll | \$ 1,727,278 | \$ 1,631,196 | \$ 1,656,039 |
| Net pension liability as a percentage of covered payroll | 51.17% | 12.75% | 34.61% |

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior are not reported.

Fiscal Year End

| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 55,586 | \$ 56,454 | \$ 57,367 | \$ 52,847 | \$ 49,332 | \$ 48,292 |
| 173,255 | 166,510 | 153,845 | 149,236 | 141,847 | 136,273 |
| 78,756 | (60,423) | 30,531 | (76,436) | (30,392) | (46,186) |
| 0 | 0 | 5,741 | 0 | 0 | 0 |
| (72,787) | (70,697) | (67,106) | (65,238) | (65,672) | (56,285) |
| (28,788) | 0 | 0 | 0 | 0 | (5,466) |
| 206,022 | 91,844 | 180,378 | 60,409 | 95,115 | 76,628 |
| 2,290,872 | 2,199,028 | 2,018,650 | 1,958,241 | 1,863,126 | 1,786,498 |
| <u>\$ 2,496,894</u> | <u>\$ 2,290,872</u> | <u>\$ 2,199,028</u> | <u>\$ 2,018,650</u> | <u>\$ 1,958,241</u> | <u>\$ 1,863,126</u> |
| | | | | | |
| \$ 81,528 | \$ 76,527 | \$ 75,163 | \$ 71,484 | \$ 76,884 | \$ 81,141 |
| 67,598 | 202,115 | 267,219 | 178,451 | 17,602 | 160,444 |
| (72,787) | (70,697) | (67,106) | (65,238) | (65,672) | (56,285) |
| (12,554) | (12,032) | (12,860) | (7,486) | (8,354) | (6,621) |
| 63,785 | 195,913 | 262,416 | 177,211 | 20,460 | 178,679 |
| 2,234,453 | 2,038,540 | 1,776,124 | 1,598,913 | 1,578,453 | 1,399,774 |
| <u>\$ 2,298,238</u> | <u>\$ 2,234,453</u> | <u>\$ 2,038,540</u> | <u>\$ 1,776,124</u> | <u>\$ 1,598,913</u> | <u>\$ 1,578,453</u> |
| | | | | | |
| <u>\$ 198,656</u> | <u>\$ 56,419</u> | <u>\$ 160,488</u> | <u>\$ 242,526</u> | <u>\$ 359,328</u> | <u>\$ 284,673</u> |
| 92.04% | 97.54% | 92.70% | 87.99% | 81.65% | 84.72% |
| | | | | | |
| \$ 1,433,265 | \$ 1,302,777 | \$ 1,305,716 | \$ 1,138,501 | \$ 1,192,988 | \$ 1,181,282 |
| 13.86% | 4.33% | 12.29% | 21.30% | 30.12% | 24.10% |

TOWN OF TYRONE, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
(Unaudited)

| | Fiscal Year End | | |
|--|-----------------|--------------|--------------|
| | 2023 | 2022 | 2021 |
| Actuarially determined contribution | \$ 157,724 | \$ 154,583 | \$ 79,576 |
| Contributions in relation to the actuarially determined contribution | (157,724) | (154,583) | (79,576) |
| Contribution deficiency (excess) | \$ 0 | \$ 0 | \$ 0 |
| Covered payroll | \$ 2,187,981 | \$ 1,978,792 | \$ 1,838,330 |
| Contributions as a percentage of covered payroll | 7.21% | 7.81% | 4.33% |

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior are not reported.

| Fiscal Year End | | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| \$ 75,565 (77,590) | \$ 81,982 (81,982) | \$ 74,709 (74,709) | \$ 75,314 (75,314) | \$ 70,208 (70,208) | \$ 79,109 (79,109) |
| <u>\$ (2,025)</u> | <u>\$ 0</u> |
| \$ 1,729,102 | \$ 1,639,749 | \$ 1,571,670 | \$ 1,512,512 | \$ 1,358,223 | \$ 1,405,585 |
| 4.37% | 5.00% | 4.75% | 4.98% | 5.17% | 5.63% |

TOWN OF TYRONE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023
(Unaudited)

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2023, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2024.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 17 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.

Net investment rate of return = 7.375%

Inflation = 2.25%

Projected salary increases = 2.25% plus service-based merit increases

Cost of living adjustments = 2.10% for terminations on or after November 1, 2003
N/A otherwise

Retirement age for inactive vested participants = 65

TOWN OF TYRONE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023
(Unaudited)

2. Methods and Assumptions Used to Determine Contribution Rates (continued)

Mortality = Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25. Active participant mortality rates were based on the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

3. Changes in Benefits

There were no changes in benefit provisions in the last two fiscal years.

4. Changes of Assumptions

There were no changes in assumptions in the last two fiscal years.

GENERAL FUND

The general operating fund of the Town is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF TYRONE, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

| | 2023 | 2022 |
|--|----------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 11,670,434 | \$ 9,301,202 |
| Restricted assets | | |
| Cash | 4,961 | 5,094 |
| Certificates of deposit | 1,238,252 | 0 |
| Receivables (net) | | |
| Accounts | 16,664 | 828 |
| Taxes | 297,354 | 281,703 |
| Leases | 25,420 | 32,214 |
| Interest | 9,238 | 0 |
| Prepaid items | 224,128 | 173,516 |
| | \$ 13,486,451 | \$ 9,794,557 |
| LIABILITIES | | |
| Accounts payable | \$ 1,173,303 | \$ 230,718 |
| Accrued salaries and payroll liabilities | 62,413 | 39,314 |
| Due to others | 3,950 | 3,950 |
| Unearned revenue | 25 | 18,039 |
| | 1,239,691 | 292,021 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue - property taxes | 9,828 | 6,266 |
| Leases | 23,495 | 30,544 |
| | 33,323 | 36,810 |
| FUND BALANCES | | |
| Nonspendable: | | |
| Prepaid items | 224,128 | 173,516 |
| Leases receivable | 1,925 | 1,670 |
| Restricted for: | | |
| Capital Outlay | 16,514 | 15,194 |
| Public Safety | 5,477 | 3,861 |
| Assigned for government projects | 2,764,823 | 0 |
| Unassigned | 9,200,570 | 9,271,485 |
| | 12,213,437 | 9,465,726 |
| | \$ 13,486,451 | \$ 9,794,557 |

TOWN OF TYRONE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
June 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|---------------------|
| REVENUES | | |
| Taxes | \$ 5,835,115 | \$ 5,398,495 |
| Licenses and permits | 127,325 | 202,470 |
| Fines, fees and forfeitures | 139,188 | 109,611 |
| Charges for services | 53,401 | 53,616 |
| Intergovernmental | 151,054 | 263,049 |
| Interest | 226,348 | 17,765 |
| Contributions | 45,541 | 9,810 |
| Other | <u>206,239</u> | <u>23,464</u> |
| Total revenues | <u>6,784,211</u> | <u>6,078,280</u> |
| EXPENDITURES | | |
| Current | | |
| General Government | 993,253 | 905,661 |
| Judicial | 210,595 | 186,017 |
| Public Safety | 1,872,746 | 1,740,478 |
| Public Works | 2,525,133 | 1,078,120 |
| Culture and Recreation | 793,397 | 528,037 |
| Housing and Development | <u>300,763</u> | <u>363,652</u> |
| Total Current | <u>6,695,887</u> | <u>4,801,965</u> |
| Debt Service | | |
| General Government | 307,308 | 308,011 |
| Public Safety | <u>0</u> | <u>23,124</u> |
| Total Debt Service | <u>307,308</u> | <u>331,135</u> |
| Total expenditures | <u>7,003,195</u> | <u>5,133,100</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(218,984)</u> | <u>945,180</u> |
| Other financing sources (uses) | | |
| Transfers in | 2,842,430 | 50,081 |
| Proceeds from sale of assets | 59,062 | 14,607 |
| Proceeds from issuance of debt | <u>65,203</u> | <u>0</u> |
| Total other financing sources (uses) | <u>2,966,695</u> | <u>64,688</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 2,747,711 | 1,009,868 |
| Fund balances, July 1 | <u>9,465,726</u> | <u>8,455,858</u> |
| Fund balances, June 30 | <u>\$ 12,213,437</u> | <u>\$ 9,465,726</u> |

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ended June 30, 2022)

| | 2023 | | | 2022 |
|------------------------------------|-------------------------|---------------------|-----------------------|---------------------|
| | Final Budget | Actual | Variance | Actual |
| REVENUES | | | | |
| Taxes | | | | |
| General property taxes | | | | |
| Property tax | \$ 1,634,640 | \$ 1,686,633 | \$ 51,993 | \$ 1,453,426 |
| Motor vehicle tax | 226,000 | 433,836 | 207,836 | 420,962 |
| Total general property taxes | <u>1,860,640</u> | <u>2,120,469</u> | <u>259,829</u> | <u>1,874,388</u> |
| Local option sales tax | 1,900,000 | 2,185,611 | 285,611 | 2,099,987 |
| Intangible tax | 35,000 | 18,004 | (16,996) | 38,263 |
| Franchise tax | 596,000 | 672,704 | 76,704 | 618,968 |
| Insurance premium tax | 550,000 | 642,521 | 92,521 | 571,297 |
| Beer and wine tax | 62,630 | 63,793 | 1,163 | 65,040 |
| Occupational tax | 114,000 | 122,872 | 8,872 | 119,748 |
| Transfer tax | 9,000 | 9,141 | 141 | 10,804 |
| Total taxes | <u>5,127,270</u> | <u>5,835,115</u> | <u>707,845</u> | <u>5,398,495</u> |
| Licenses and Permits | | | | |
| Building permits | 110,050 | 85,665 | (24,385) | 149,799 |
| Other | 38,000 | 41,660 | 3,660 | 52,671 |
| Total licenses and permits | <u>148,050</u> | <u>127,325</u> | <u>(20,725)</u> | <u>202,470</u> |
| Fines, fees and forfeitures | <u>120,000</u> | <u>139,188</u> | <u>19,188</u> | <u>109,611</u> |
| Charges for Services | | | | |
| Founders day | 2,460 | 6,405 | 3,945 | 4,868 |
| Recreation fees | 18,000 | 22,316 | 4,316 | 19,196 |
| Rents and royalties | 10,000 | 12,047 | 2,047 | 11,837 |
| Other | 9,140 | 12,633 | 3,493 | 17,715 |
| Total charges for services | <u>39,600</u> | <u>53,401</u> | <u>13,801</u> | <u>53,616</u> |
| Intergovernmental | <u>1,937,426</u> | <u>151,054</u> | <u>(1,786,372)</u> | <u>263,049</u> |
| Interest | <u>20,000</u> | <u>226,348</u> | <u>206,348</u> | <u>17,765</u> |
| Contributions | <u>440,275</u> | <u>45,541</u> | <u>(394,734)</u> | <u>9,810</u> |
| Other | <u>23,000</u> | <u>206,239</u> | <u>183,239</u> | <u>23,464</u> |
| Total revenues | <u>\$ 7,855,621</u> | <u>\$ 6,784,211</u> | <u>\$ (1,071,410)</u> | <u>\$ 6,078,280</u> |

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ended June 30, 2022)

| | <u>2023</u> | | | <u>2022</u> |
|------------------------------------|-------------------------|------------------|-----------------|------------------|
| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Actual</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | | | | |
| Administration | | | | |
| Personal services | \$ 351,936 | \$ 351,499 | \$ 437 | \$ 306,344 |
| Contractual services | 203,080 | 134,937 | 68,143 | 161,408 |
| Materials and supplies | 172,000 | 149,629 | 22,371 | 147,822 |
| Payments to other agencies | 77,773 | 0 | 77,773 | 77,023 |
| Capital outlay | 170,000 | 21,918 | 148,082 | 0 |
| Total Administration | <u>974,789</u> | <u>657,983</u> | <u>316,806</u> | <u>692,597</u> |
| Finance | | | | |
| Personal services | 190,004 | 183,361 | 6,643 | 164,613 |
| Contract services | 76,265 | 80,377 | (4,112) | 46,835 |
| Materials and supplies | 4,625 | 479 | 4,146 | 1,616 |
| Capital outlay | 85,000 | 71,053 | 13,947 | 0 |
| Total Finance | <u>355,894</u> | <u>335,270</u> | <u>20,624</u> | <u>213,064</u> |
| Total General Government | <u>1,330,683</u> | <u>993,253</u> | <u>337,430</u> | <u>905,661</u> |
| Judicial | | | | |
| Municipal Court | | | | |
| Personal Services | 165,624 | 159,536 | 6,088 | 134,849 |
| Contractual services | 95,630 | 49,752 | 45,878 | 48,729 |
| Materials and supplies | 4,725 | 1,307 | 3,418 | 2,439 |
| Total Municipal Court | <u>265,979</u> | <u>210,595</u> | <u>55,384</u> | <u>186,017</u> |
| Public Safety | | | | |
| Public Safety | | | | |
| Personal services | 1,380,007 | 1,209,119 | 170,888 | 1,115,129 |
| Contractual services | 167,700 | 128,122 | 39,578 | 129,366 |
| Materials and supplies | 118,200 | 106,542 | 11,658 | 132,013 |
| Payments to other agencies | 20,000 | 2,915 | 17,085 | 19,931 |
| Capital outlay | 107,938 | 136,296 | (28,358) | 88,681 |
| Total Public Safety | <u>1,793,845</u> | <u>1,582,994</u> | <u>210,851</u> | <u>1,485,120</u> |
| Public Safety Administration | | | | |
| Personal services | 294,217 | 284,209 | 10,008 | 250,258 |
| Contract services | 8,110 | 2,585 | 5,525 | 2,322 |
| Materials and supplies | 5,300 | 2,958 | 2,342 | 2,778 |
| Total Public Safety Administration | <u>307,627</u> | <u>289,752</u> | <u>17,875</u> | <u>255,358</u> |
| Total Public Safety | <u>2,101,472</u> | <u>1,872,746</u> | <u>228,726</u> | <u>1,740,478</u> |

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ended June 30, 2022)

| | 2023 | | | 2022 |
|--------------------------------|-------------------------|------------------|------------------|------------------|
| | Final Budget | Actual | Variance | Actual |
| Public Works | | | | |
| Public Works | | | | |
| Personal services | \$ 469,956 | \$ 466,340 | \$ 3,616 | \$ 389,261 |
| Contractual services | 2,750,778 | 1,546,825 | 1,203,953 | 583,989 |
| Materials and supplies | 46,850 | 42,636 | 4,214 | 32,590 |
| Capital outlay | 2,777,750 | 469,332 | 2,308,418 | 72,280 |
| Total Public Works | <u>6,045,334</u> | <u>2,525,133</u> | <u>3,520,201</u> | <u>1,078,120</u> |
| Culture and Recreation | | | | |
| Library | | | | |
| Personal services | 286,201 | 250,200 | 36,001 | 193,050 |
| Contractual services | 20,520 | 22,272 | (1,752) | 21,244 |
| Materials and supplies | 50,229 | 38,480 | 11,749 | 44,045 |
| Total Library | <u>356,950</u> | <u>310,952</u> | <u>45,998</u> | <u>258,339</u> |
| Museum | | | | |
| Contractual services | 10,000 | 5,770 | 4,230 | 4,515 |
| Materials and supplies | 4,920 | 4,253 | 667 | 4,628 |
| Total Museum | <u>14,920</u> | <u>10,023</u> | <u>4,897</u> | <u>9,143</u> |
| Parks and Recreation | | | | |
| Personal services | 125,550 | 109,095 | 16,455 | 90,894 |
| Contractual services | 149,090 | 106,639 | 42,451 | 99,843 |
| Materials and supplies | 85,400 | 59,453 | 25,947 | 52,170 |
| Capital outlay | 185,194 | 181,958 | 3,236 | 0 |
| Total Parks and Recreation | <u>545,234</u> | <u>457,145</u> | <u>88,089</u> | <u>242,907</u> |
| Founders Day | | | | |
| Personal services | 5,059 | 690 | 4,369 | 4,121 |
| Contractual services | 20,900 | 11,559 | 9,341 | 10,797 |
| Materials and supplies | 5,500 | 3,028 | 2,472 | 2,730 |
| Total Founders Day | <u>31,459</u> | <u>15,277</u> | <u>16,182</u> | <u>17,648</u> |
| Total Culture and Recreation | <u>948,563</u> | <u>793,397</u> | <u>155,166</u> | <u>528,037</u> |
| Housing and Development | | | | |
| Planning and Zoning | | | | |
| Personal services | 219,983 | 171,961 | 48,022 | 142,317 |
| Contractual services | 247,040 | 86,380 | 160,660 | 216,121 |
| Materials and supplies | 8,975 | 4,128 | 4,847 | 5,214 |
| Capital outlay | 45,000 | 38,294 | 6,706 | 0 |
| Total Planning and Zoning | <u>520,998</u> | <u>300,763</u> | <u>220,235</u> | <u>363,652</u> |
| Total Housing and Development | <u>520,998</u> | <u>300,763</u> | <u>220,235</u> | <u>363,652</u> |

**TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ended June 30, 2022)**

| | 2023 | | | 2022 |
|---------------------------|-----------------|--------------|--------------|--------------|
| | Final Budget | Actual | Variance | Actual |
| Debt Service | | | | |
| General Administration | \$ 307,308 | \$ 307,308 | \$ 0 | \$ 308,011 |
| Public Safety | 0 | 0 | 0 | 23,124 |
| Total Debt Service | 307,308 | 307,308 | 0 | 331,135 |
| Total expenditures | \$ 11,520,337 | \$ 7,003,195 | \$ 4,517,142 | \$ 5,133,100 |

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SPECIAL REVENUE FUND

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted, or committed by adoption of a resolution by the Town Council to expenditure for specified purposes.

Confiscated Assets Fund - Used to account for the cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

American Rescue Plan Fund – This fund is used to account for revenues and expenditures of the American Rescue Plan Coronavirus State and Local Fiscal Recovery Fund.

TOWN OF TYRONE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

| | 2023 | 2022 |
|--|------------------|------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 30,516 | \$ 35,635 |
| Total assets | \$ 30,516 | \$ 35,635 |
| LIABILITIES | \$ 0 | \$ 0 |
| FUND BALANCES | | |
| Restricted for Public Safety | 30,516 | 35,635 |
| Total liabilities and fund balances | \$ 30,516 | \$ 35,635 |

TOWN OF TYRONE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ended June 30, 2022)

| | 2023 | | | 2022 |
|---|-------------------------|------------------|------------------|------------------|
| | Final Budget | Actual | Variance | Actual |
| REVENUES | | | | |
| Fines and forfeitures | \$ 0 | \$ 0 | \$ 0 | \$ 3,026 |
| Intergovernmental | 975 | 0 | (975) | 330 |
| Interest | 0 | 326 | 326 | 16 |
| Total revenues | <u>975</u> | <u>326</u> | <u>(649)</u> | <u>3,372</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Safety | | | | |
| Materials and supplies | 14,500 | 0 | 14,500 | 5,300 |
| Capital outlay | 0 | 5,445 | (5,445) | 0 |
| Total expenditures | <u>14,500</u> | <u>5,445</u> | <u>9,055</u> | <u>5,300</u> |
| Excess (deficiency) of revenues over (under) expenditures | (13,525) | (5,119) | 8,406 | (1,928) |
| Other financing sources (uses) | | | | |
| Proceeds from sale of capital assets | 7,025 | 0 | (7,025) | 17,201 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (6,500) | (5,119) | 1,381 | 15,273 |
| Fund balances, July 1 | 6,500 | 35,635 | 29,135 | 20,362 |
| Fund balances, June 30 | <u>\$ 0</u> | <u>\$ 30,516</u> | <u>\$ 30,516</u> | <u>\$ 35,635</u> |

TOWN OF TYRONE, GEORGIA
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

| | 2023 | 2022 |
|--|-------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 0 | \$ 1,403,221 |
| Total assets | \$ 0 | \$ 1,403,221 |
| LIABILITIES | | |
| Unearned revenue | \$ 0 | \$ 1,401,506 |
| FUND BALANCES | | |
| Restricted for Grant Specifications | 0 | 1,715 |
| Total liabilities and fund balances | \$ 0 | \$ 1,403,221 |

TOWN OF TYRONE, GEORGIA
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ended June 30, 2022)

| | 2023 | | | 2022 |
|---|-------------------------|--------------------|--------------------|------------------------|
| | Final Budget | Actual | Variance | Actual |
| REVENUES | | | | |
| Intergovernmental | \$ 1,401,507 | \$ 2,803,013 | \$ 1,401,506 | \$ 0 |
| Interest | 800 | 37,702 | 36,902 | 1,715 |
| Total revenues | <u>1,402,307</u> | <u>2,840,715</u> | <u>1,438,408</u> | <u>1,715</u> |
| EXPENDITURES | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,402,307 | 2,840,715 | 1,438,408 | 1,715 |
| Other financing sources (uses) | | | | |
| Transfers (out) | <u>(2,805,513)</u> | <u>(2,842,430)</u> | <u>(36,917)</u> | <u>0</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (1,403,206) | (1,715) | 1,401,491 | 1,715 |
| Fund balances, July 1 | <u>1,403,206</u> | <u>1,715</u> | <u>(1,401,491)</u> | <u>0</u> |
| Fund balances, June 30 | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 1,715</u></u> |

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CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

2017 Special Purpose Local Option Sales Tax Fund – Used to account for long-term projects financed by the passage of the 2017 special purpose local option sales tax.

TOWN OF TYRONE, GEORGIA
2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 5,650,044 | \$ 4,360,040 |
| Intergovernmental receivable | 408,289 | 402,971 |
| Due from other funds | 0 | 203,533 |
| Total assets | \$ 6,058,333 | \$ 4,966,544 |
| LIABILITIES | | |
| Accounts payable | \$ 216,359 | \$ 267,349 |
| Retainage payable | 40,730 | 0 |
| Total liabilities | 257,089 | 267,349 |
| FUND BALANCES | | |
| Restricted for Capital Outlay | 5,801,244 | 4,699,195 |
| Total liabilities and fund balances | \$ 6,058,333 | \$ 4,966,544 |

TOWN OF TYRONE, GEORGIA
2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| REVENUES | | |
| Intergovernmental | \$ 2,341,276 | \$ 2,181,488 |
| Interest | 81,624 | 5,317 |
| Total revenues | <u>2,422,900</u> | <u>2,186,805</u> |
| EXPENDITURES | | |
| Capital Outlay | | |
| Public Safety | 17,970 | 32,557 |
| Public Works | 505,971 | 325,873 |
| Culture and Recreation | 586,768 | 29,410 |
| Debt Service | | |
| Public Works | 210,142 | 227,654 |
| Total expenditures | <u>1,320,851</u> | <u>615,494</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,102,049 | 1,571,311 |
| Fund balances, July 1 | <u>4,699,195</u> | <u>3,127,884</u> |
| Fund balances, June 30 | <u>\$ 5,801,244</u> | <u>\$ 4,699,195</u> |

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Sewer Fund - Used to account for activities connected with the development, operation and maintenance of sewer services in the Town of Tyrone.

Sanitation Fund - Used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste in the Town of Tyrone.

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

| | 2023 | 2022 |
|--|--------------|--------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,466,752 | \$ 1,624,737 |
| Accounts receivable (net) | 30,884 | 33,869 |
| Prepaid items | 12,525 | 12,158 |
| Total current assets | 1,510,161 | 1,670,764 |
| Capital assets | | |
| Non-depreciable | 15,010 | 6,600 |
| Depreciable (net) | 4,012,376 | 4,187,781 |
| Total capital assets (net of accumulated depreciation) | 4,027,386 | 4,194,381 |
| Total assets | 5,537,547 | 5,865,145 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 47,302 | 18,916 |
| Accrued salaries and payroll liabilities | 1,567 | 1,166 |
| Due to other funds | 0 | 203,533 |
| Total liabilities | 48,869 | 223,615 |
| NET POSITION | | |
| Investment in capital assets | 4,027,386 | 4,194,381 |
| Unrestricted | 1,461,292 | 1,447,149 |
| Total net position | \$ 5,488,678 | \$ 5,641,530 |

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2023 and 2022

| | 2023 | 2022 |
|---------------------------------|--------------|--------------|
| OPERATING REVENUES | | |
| Charges for sales and services | \$ 394,685 | \$ 409,520 |
| Total operating revenues | 394,685 | 409,520 |
| OPERATING EXPENSES | | |
| Costs of sales and services | 253,417 | 195,544 |
| Personal services | 99,531 | 74,787 |
| Depreciation | 194,589 | 202,697 |
| Total operating expenses | 547,537 | 473,028 |
| Operating income (loss) | (152,852) | (63,508) |
| Capital contributions | 0 | 155 |
| Change in net position | (152,852) | (63,353) |
| Net position, July 1 | 5,641,530 | 5,704,883 |
| Net position, June 30 | \$ 5,488,678 | \$ 5,641,530 |

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------------|----------------------------|
| Cash flows from operating activities: | | |
| Receipts from customers | \$ 397,670 | \$ 392,753 |
| Payments to suppliers | (225,398) | (195,836) |
| Payments to employees | (99,130) | (74,265) |
| | <u>73,142</u> | <u>122,652</u> |
| Net cash provided (used) by operating activities | | |
| Cash flows from capital and related financing activities: | | |
| Receipts of capital contributions | 0 | 155 |
| Payments for acquisitions of capital assets | (27,594) | (204,407) |
| Payments of capital related payables | 0 | (289,596) |
| Payments of capital related retainage | 0 | (171,118) |
| Payments to other funds | (203,533) | 0 |
| | <u>(231,127)</u> | <u>(664,966)</u> |
| Net cash provided (used) by capital and related financing activities | | |
| Net increase (decrease) in cash and cash equivalents | (157,985) | (542,314) |
| Cash and cash equivalents, July 1 | <u>1,624,737</u> | <u>2,167,051</u> |
| Cash and cash equivalents, June 30 | <u><u>\$ 1,466,752</u></u> | <u><u>\$ 1,624,737</u></u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (152,852) | \$ (63,508) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation expense | 194,589 | 202,697 |
| (Increase) decrease in accounts receivable | 2,985 | 2,433 |
| (Increase) decrease in prepaid items | (367) | 3,036 |
| Increase (decrease) in accounts payable | 28,386 | (3,328) |
| Increase (decrease) in accrued salaries and other payroll liabilities | 401 | 522 |
| Increase (decrease) in unearned revenue | 0 | (19,200) |
| | <u>225,994</u> | <u>186,160</u> |
| Total adjustments | | |
| Net cash provided (used) by operating activities | <u><u>\$ 73,142</u></u> | <u><u>\$ 122,652</u></u> |

**TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022**

| | 2023 | 2022 |
|---------------------------|-------------|-------------|
| ASSETS | \$ 0 | \$ 0 |
| LIABILITIES | \$ 0 | \$ 0 |
| NET POSITION | | |
| Unrestricted | \$ 0 | \$ 0 |
| Total net position | \$ 0 | \$ 0 |

**TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2023 and 2022**

| | 2023 | 2022 |
|------------------------------|-------------|-------------|
| OPERATING REVENUES | \$ 0 | \$ 0 |
| OPERATING EXPENSES | 0 | 0 |
| Operating income (loss) | 0 | 0 |
| Transfers in (out) | | |
| General Fund | 0 | (50,081) |
| Change in net position | 0 | (50,081) |
| Net position, July 1 | 0 | 50,081 |
| Net position, June 30 | \$ 0 | \$ 0 |

TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

| | 2023 | 2022 |
|---|-------------|-------------|
| Cash flows from non-capital financing activities: | | |
| Payments to other funds | \$ 0 | \$ (50,081) |
| Net increase (decrease) in cash and cash equivalents | 0 | (50,081) |
| Cash and cash equivalents, July 1 | 0 | 50,081 |
| Cash and cash equivalents, June 30 | \$ 0 | \$ 0 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 0 | \$ 0 |

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CUSTODIAL FUND

Custodial funds are used to account for assets held by the Town as a custodian to be expended in accordance with the conditions of its custodial capacity.

Municipal Court Custodial Fund - Used to account, on a temporary basis, for fines collected by the Municipal Court that are ultimately disbursed to other parties.

TOWN OF TYRONE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023 and 2022

| | 2023 | 2022 |
|--|-------------|-------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 34,517 | \$ 32,009 |
| LIABILITIES | | |
| Due to others | 34,517 | 32,009 |
| NET POSITION | | |
| Restricted for individuals, organizations, and other governments | \$ 0 | \$ 0 |

TOWN OF TYRONE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2023 and 2022

| | 2023 | 2022 |
|---|-------------|-------------|
| ADDITIONS | | |
| Fines and forfeitures collected for other governments | \$ 92,083 | \$ 84,637 |
| DEDUCTIONS | | |
| Distributions of fines and forfeitures to other governments | 92,083 | 84,637 |
| Change in net position | 0 | 0 |
| Net position, July 1 | 0 | 0 |
| Net position, June 30 | \$ 0 | \$ 0 |

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COMPONENT UNIT

Downtown Development Authority – Used to account for funds reserved for revitalization and redevelopment of the central business district of the Town.

TOWN OF TYRONE, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

| | 2023 | 2022 |
|--|------------------|------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 23,616 | \$ 48,507 |
| Accounts receivable (net) | 0 | 3 |
| Prepaid items | 3,646 | 0 |
| Total assets | \$ 27,262 | \$ 48,510 |
| LIABILITIES | | |
| Accounts payable | \$ 2,626 | \$ 1,715 |
| FUND BALANCES | | |
| Nonspendable prepaid items | 3,646 | 0 |
| Unassigned | 20,990 | 46,795 |
| Total fund balances | 24,636 | 46,795 |
| Total liabilities and fund balances | \$ 27,262 | \$ 48,510 |

TOWN OF TYRONE, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2023 and 2022

| | 2023 | 2022 |
|--|------------------|------------------|
| PROGRAM REVENUES | | |
| Operating grants and contributions | \$ 0 | \$ 49,250 |
| Charges for services | 785 | 0 |
| Interest | 77 | 0 |
| Total program revenues | 862 | 49,250 |
| EXPENDITURES | | |
| Contract services | 20,637 | 2,174 |
| Supplies | 2,384 | 281 |
| Total expenditures | 23,021 | 2,455 |
| Excess (deficiency) of revenues over (under) expenditures | (22,159) | 46,795 |
| Fund balances, July 1 | 46,795 | 0 |
| Fund balances, June 30 | \$ 24,636 | \$ 46,795 |

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OTHER REPORTING SECTION

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SINGLE AUDIT SECTION

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

Honorable Mayor and
Members of the Town Council
Town of Tyrone, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Tyrone, Georgia's basic financial statements and have issued our report thereon dated December 1, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

The Town of Tyrone, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Tyrone, Georgia's responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Tyrone, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
December 1, 2023

**Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control
over Compliance Required by the Uniform Guidance**

Honorable Mayor and
Members of the Town Council
Town of Tyrone, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Tyrone, Georgia’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Tyrone, Georgia’s major federal programs for the year ended June 30, 2023. The Town of Tyrone, Georgia’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Tyrone, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Tyrone, Georgia’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not

detecting material noncompliance resulting from fraud is higher than for that resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Tyrone, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Tyrone, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Tyrone, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Tyrone, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

detecting material noncompliance resulting from fraud is higher than for that resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Tyrone, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Tyrone, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Tyrone, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Tyrone, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
December 1, 2023

TOWN OF TYRONE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2023

| Federal Grant/Pass-Through Grantor/Program Title | Federal Assistance Listing Number | Pass- Through Number | Expenditures |
|---|--|-------------------------------------|----------------------------|
| U.S. Department of Justice | | | |
| Bulletproof Vest Partnership Program | 16.607 | N/A | \$ 1,645 |
| Equitable Sharing Program | 16.922 | N/A | <u>5,445</u> |
| Total U.S. Department of Justice | | | <u>7,090</u> |
| U.S. Department of Treasury | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N/A | <u>2,803,013</u> |
| Total U.S. Department of Treasury | | | <u>2,803,013</u> |
| Total Federal Awards | | | <u><u>\$ 2,810,103</u></u> |

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

TOWN OF TYRONE, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Tyrone, Georgia, under programs for the federal government for the fiscal year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

The Town of Tyrone, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Payments to Subrecipients

For the current fiscal year, the Town of Tyrone, Georgia did not pass federal funds through to subrecipients.

TOWN OF TYRONE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2023

1. Summary of the Auditor's Results

A. Financial Statements

| | |
|--|---------------|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | None reported |
| Significant deficiencies identified not considered material weaknesses? | Yes |
| Noncompliance material to financial statements noted? | None reported |

B. Federal Awards

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weaknesses identified? | None reported |
| Significant deficiencies identified not considered material weaknesses? | None reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | None reported |
| Identification of major programs: | |
| 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds | |
| Dollar threshold used to distinguish Between Type A and Type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | No |

TOWN OF TYRONE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2023

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

2023-001

Condition: The size of the Town's accounting and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties. As a result, there is not adequate segregation of duties between authorization, custody, record keeping, and reconciliation in certain operational functions of the Town.

Criteria: Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons.

Effect: Failure to properly segregate the duties exposes the Town to a greater risk of loss due to fraud.

Cause: Segregation of duties could be improved if the size of the Town's accounting and administrative staff were large enough to provide optimum segregation of duties.

Recommendation: Segregation of duties should be implemented to the extent practical and accounting records should be reviewed by responsible officials on a regular basis.

Management Response: Management concurs with this finding. The size of the Town's accounting and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties. Town management will work to continually improve and implement as many procedures as possible to improve internal controls. This action was taken immediately upon receipt of the comment from our auditors.

2023-002

Condition: While performing audit procedures on cash, we noted multiple instances where the bank reconciliations were not performed in a timely manner.

Criteria: Proper internal controls require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Effect: Failure to reconcile cash accounts on a timely basis exposes the Town to greater risk of loss and may lead to management decisions based on incorrect information.

Cause: Staff is not reconciling the bank accounts within one month of receiving the bank statements.

Recommendation: Bank reconciliations should be completed for all bank accounts on a monthly basis.

Management Response: Management concurs with this finding. The size of the Town's accounting staff precludes certain internal controls that would be preferred if the staff were large enough. Town management will work to continually improve and implement as many procedures as possible to improve month end close procedures. This action was taken immediately upon receipt of the comment from our auditors.

TOWN OF TYRONE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2023

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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STATE REPORTING SECTION

TOWN OF TYRONE, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2023

| Project | Estimated Cost * | | Expenditures | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Original | Current | Prior Years | Current Year | Total |
| 2017 SPLOST | | | | | |
| Roads and Streets - LMIG | | | | | |
| Matching Funds | \$ 425,000 | \$ 425,000 | \$ 284,597 | \$ 140,403 | \$ 425,000 |
| Debt Services Reduction (GTIB Project Loans) | 2,350,000 | 2,350,000 | 1,041,053 | 210,142 | 1,251,195 |
| Sanitary Sewer Connection/ Expansion | 1,700,000 | 1,700,000 | 1,699,999 | 0 | 1,699,999 |
| Sidewalks/Paths Expansion (Commerce, Spencer, Palmetto, Swanson) Roads | 500,000 | 500,000 | 0 | 38,067 | 38,067 |
| Miniature Roundabout at Palmetto/Spencer/Arrowwood | 350,000 | 350,000 | 90,813 | 193,720 | 284,533 |
| Handley Park Phase IV Fields and Facilities | 325,000 | 325,000 | 55,917 | 2,520 | 58,437 |
| Dorothea Redwine Park Multiuse Redevelopment | 350,000 | 350,000 | 12,500 | 584,248 | 596,748 |
| FDR and Repaving of Powers Court/Senoia Road | 550,000 | 550,000 | 287,402 | 0 | 287,402 |
| Replacement of Culverts on Dogwood & Pendelton Trails | 625,000 | 625,000 | 432,118 | 104,981 | 537,099 |
| Installation of SR74 North On-Ramp/ Senoia Road Extension | 400,000 | 400,000 | 2,306 | 0 | 2,306 |
| Mill, Patch and Paving of Briarwood and Farr Roads | 900,000 | 900,000 | 523,124 | 0 | 523,124 |
| Gateway and Streetscape Improvements (Lighting, Signage, Landscape) | 150,000 | 150,000 | 65,542 | 28,800 | 94,342 |
| Town Hall Renovations/ADA Compliance Improvements | 275,000 | 275,000 | 11,355 | 0 | 11,355 |
| Purchase of Public Safety Patrol Vehicles | 125,000 | 125,000 | 105,903 | 17,970 | 123,873 |
| | <u>\$ 9,025,000</u> | <u>\$ 9,025,000</u> | <u>\$ 4,612,629</u> | <u>\$ 1,320,851</u> | <u>\$ 5,933,480</u> |

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.