

TOWN OF TYRONE, GEORGIA



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**TOWN OF TYRONE, GEORGIA
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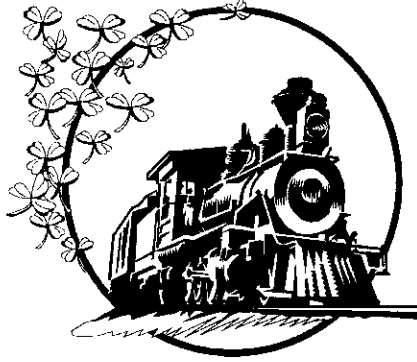
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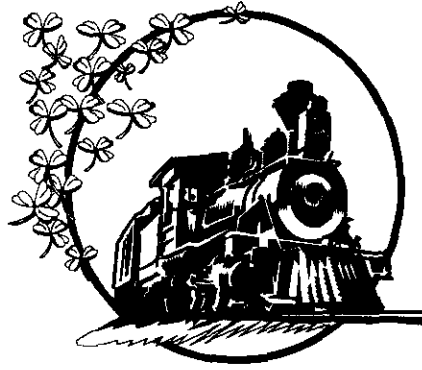
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Introductory Section



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Town of Tyrone

Incorporated 1911

December 5, 2008

Honorable Don Rehwaldt,
Mayor and Members of the Town Council
Tyrone Town Hall Tyrone, Georgia

Ladies and Gentlemen:

The comprehensive annual financial report of the Town of Tyrone, Georgia for the fiscal year ended June 30, 2008, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and activities of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the Town's organizational chart and a list of principal officials. The financial section includes the basic financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi year basis.

This report includes all funds and activities of the Town. The Town provides a full range of services. These services include police protection; sanitation services; library services; and, the support of Town programs. The Town Manager and department heads have the responsibility of administering these programs in accordance with policies and the annual budget adopted by the Town Council.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

General Information. The area now known as the Town of Tyrone originally belonged to the Creek Indians and was settled by Irish farmers in the late 1800s. Some of the first homes built by those settlers are still standing today and descendants of those settlers still live in Tyrone.

Tyrone became quite a bustling little town during the "cotton" years, suffering along with the rest of the South during the Civil War as "Yankee" soldiers passed through on their way to Jonesboro. But the Town recovered nicely, and soon returned to the farming community it had been before the war.

Officially incorporated on August 18, 1911, the Town reportedly got its name from the people who laid railroad track here in 1907. According to the Town's history, railroad workers, many of whom were Scotch and Irish immigrants, thought the land reminded them of the area around County Tyrone in Ireland, and thus our Town was named.

Electricity came to Tyrone in the 1930s and telephone service arrived in 1933 when Tyrone boasted five telephones. In 1948 street paving began, in 1954 the first street lights were installed, and in 1959 the sidewalks were paved.

The oldest church in Tyrone is the Hopewell Methodist Church, founded in 1840. Next came Little Vine Missionary Baptist Church, a Black church that also served as a school, founded in 1888. The Tyrone First Baptist Church was founded in 1912 with 15 members, Crestwood Church, was founded in 1968. The newest Church is Dogwood Church that purchased a tract of land on State Route 74.

Today, the Town of Tyrone boasts more than 7,000 happy residents. A Mayor and four council members govern the Town.

Tyrone is located in Fayette County located in the north central part of the state, approximately 25 miles south of Atlanta. According to U.S. Census figures, Fayette County was the fifth fastest growing county in the nation during the period 1984-1994. This growth has been reflected in the growth of Tyrone's government from \$904,991 in general fund revenues in 1993 to \$3,494,084 in general fund revenues in 2008. The economic condition and outlook of the Town remain strong as the area is predicted to have a sustained growth pattern in the coming years. Town leaders have recognized the inherent problems associated with the long term economic vitality of the Town, so policies and plans have been developed and/or implemented to secure a broadening of the tax base to promote an appropriate balance of residential, commercial, light industrial and office institutional facilities.

The financial position of the Town has continued to be sound over the past year, with actual revenues exceeding expenditures. This is due to careful budget management and expenditure of funds. The implementation of the Local Option Sales Tax has enabled the Town to reduce its reliance and millage rate on ad valorem taxes and to support the General Fund without any loss, but rather an increase in revenue.

Further prospects for the Town of Tyrone are good based upon the solid fund equity position we maintain in our funds. This shows that we have bright prospects for being able to meet the public service responsibilities for which we are chartered for many years into the future. The Town Council feels that with careful planning, the Town of Tyrone should be ready to meet the challenges ahead.

Major Initiatives

Over the past year, Tyrone has experienced a decline in overall growth of the housing market in both new construction and resale as part of the general economic decline. The limited new construction of office and commercial developments this fiscal year are slowly being completed with no new major developments in the planning phase. While the past growth of the previous few years continues to decline, the Mayor and Council continued to maintain a 2.9 mil tax rate while meeting the Town's budgetary requirements through cost cutting measures and sound financial management. Services to the citizens of Tyrone have maintained their high level of excellence due to the efforts and professionalism of Town employees.

Administration—During the second half of this current fiscal year, the Town experienced a major change in administration personnel at all levels. This change has enabled the Town of Tyrone to best utilize the skills of existing employees and seek the services of specialized employees to provide exemplary service to all residents and visitors.

Public Works—Tyrone’s Public Works staff continues to provide a level of service unequaled to the surrounding areas. Council has provided the limited staff with the necessary resources to perform their various duties maintaining the large areas of the Town of Tyrone and its buildings.

Police—The Police Department is one of the most visible departments in the Town, whether in patrol cars or golf carts patrolling Tyrone. The existing staff provides exceptional service to our residents, varied businesses and visitors. The staff maintains its high level of professionalism through continued training and strong leadership.

Library—The Town has completed the construction of a new 10,000 square foot library, funded through State grants and impact fees. The new facility continues to increase circulation by 33.75 % per month.

Recreation—The Recreation Department offers numerous classes and seminars for residents. Working closely with several local youth recreation associations, the Town provides numerous sporting venues for their use. The Recreation Department is also responsible for several Town sponsored events.

Court—The Town’s court system has seen a decline in activity due to the increased presence of our Police Department. The court has instituted an on-line payment system to further reduce the necessity for appearances in many cases.

Financial Information

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

Accounting Systems. In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized user disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Budgetary Control. The Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town's governing body. Activities of the general fund are included in the annual appropriated budget. Formal budgetary integration is employed in all of the Town's funds, and is maintained at the line item level by review of estimated expenditures prior to the release of purchase orders to vendors.

Encumbrances are not recorded in the Town's funds. However, the Town does maintain an informal

monitoring system to facilitate budgetary control over proposed expenditures. Essentially this system entails comparison of the various funds by budgeted line item. These printouts are used by the Town Clerk and department heads to ascertain the budget status of an expenditure category prior to authorizing additional purchases.

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

General Government Functions. The following presents a summary of the general fund for the fiscal year ended June 30, 2008 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues for the general fund totaled \$3,494,084 for fiscal year ending June 30, 2008, a decrease of 2% from the prior year. The most significant increase in revenue sources was derived from property tax revenue due to the growth in the digest. Tax revenues are a combination of three distinct resources: property tax, sales tax, and franchise tax.

General fund expenditures totaled \$2,840,168 for the fiscal year ending June 30, 2008, an increase of 17% from last year.

Special Revenue Funds. This fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In the fiscal year ended June 30, 1996, the creation of a Special Purpose L.O.S.T. Fund was enacted to account for local option sales taxes to provide funds for the construction of a new library in Tyrone. Construction of the library was completed in 2008. The Town also receives revenue from a Special Purpose Local Option Sales Tax for road construction projects that was passed by the voters of Fayette County. In the fiscal year ending June 30, 2008 the Town received \$266,959 in revenues and expended \$285,834 of this revenue for road improvements.

Cash Management. Cash temporarily idle during the year is held in a money market checking account as allowed by state statutes. The Town earned interest revenue of \$124,982 on all cash for the year ended June 30, 2008.

The government's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the Town, its agent or a financial institution's trust department in the Town's name.

Pension Plans. The Town participates in the Joint Municipal Retirement System (JMERS). Full time employees working at least 20 hours per week become eligible for the plan after twelve months of service. The Town has no fiduciary responsibility for the plan. Annual actuarial reviews are performed and funding requirements are adjusted as needed based upon directions received from the Joint Municipal Retirement Systems. All contributions required to meet the actuarial study have been made.

Risk Management. The objective of risk management is to provide maximum quality protection to the Town's assets, employees and the public at the lowest possible cost. The Town is constantly evaluating its risk management practices seeking to improve its safety and loss control functions, insurance placement and financing practices. Outside consultants are retained to assist in the assessment of needs and the critical review of the Town's various risk programs. Third party coverage is still maintained by the Town for property and liability coverage.

Other Information

Independent Audit. State statutes require an annual audit by an independent certified public accountant. The accounting firm of Post & Associates, LLC CPA'S was selected. The independent auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards and Acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both the GAAP and applicable legal requirements.

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

All of our dedicated department heads have assisted in the preparation of this report. Each has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Town Council body of the government, preparation of this report would not have been possible.

Respectfully submitted,

Christine Venice
Town Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Tyrone
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

TOWN OF TYRONE, GEORGIA

TOWN OFFICIALS

TOWN COUNCIL

Don Rehwaldt, Mayor
Grace Caldwell, Mayor Pro Tern
Eric Dial
Gloria Furr
Tracy Young

TOWN MANAGER

Christine Venice

TOWN CLERK

Nancy Goedker

CHIEF OF POLICE

R. Brandon Perkins

TOWN ATTORNEY

McNally, Fox, Grant, Davenport

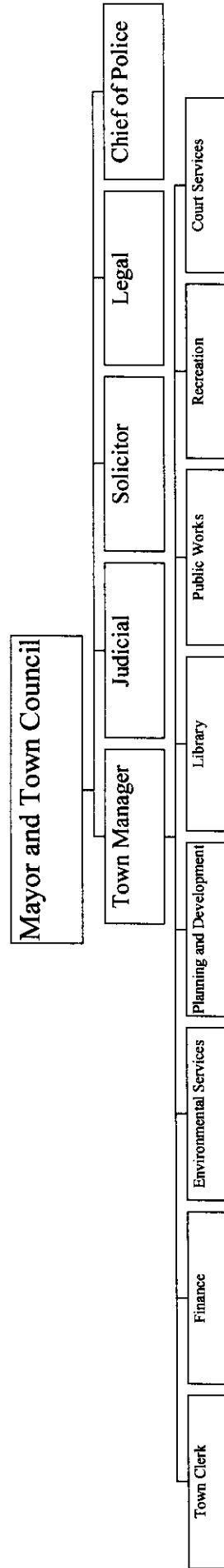
MUNICIPAL JUDGE

Sharon Pierce

TOWN AUDITORS

Post & Associates LLC

Town of Tyrone, Georgia Organizational Chart



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia (the "Town"), as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Tyrone, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2008, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 5 through 9) is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Post & Associates, LLC - Certified Public Accountants

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1130 Senoia Road, Suite 3-B • Tyrone, Georgia 30290 • Office: (770) 774-1872 • Fax: (770) 774-1873

postcpas.com

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 introductory section, combining and individual nonmajor fund financial statements and schedules, capital assets used in the operation of governmental funds schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, capital assets used in the operation of governmental funds schedules, and the schedule of expenditures of special purpose local option sales tax proceeds as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, appearing to be the initials 'PJA' followed by a long horizontal stroke.

Tyrone, Georgia
December 5, 2008

TOWN OF TYRONE, GEORGIA

MANAGEMENT DISCUSSION AND ANALYSIS

As management of the Town of Tyrone (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Tyrone, Georgia for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the fiscal year by \$11,333,349 (net assets). Of this amount, \$2,806,639 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$1,693,040, primarily due to increases in the governmental activities net assets.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,085,698, a decrease of \$559,270 in comparison with the prior year. Approximately sixty-seven percent (67%) of this total amount, or \$2,071,012, is available for spending at the government's discretion (unreserved fund balance).
- The Town's revenues for fiscal year 2008 totaled \$5,940,441. Of this amount, \$5,346,137, or ninety percent (90%), was generated from governmental revenues. The balance of \$594,284, or ten percent (10%), was generated from proprietary revenue.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Tyrone.

Basic Financial Statements

The first two statements (Pages 23 and 24) in the basic financial statements are the Government-Wide Financial Statements. They provide both short and long-term information about the Town's financial status.

The next statements (Pages 25 through 35) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental fund statements; 2) the budgetary comparison statements and 3) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

TOWN OF TYRONE, GEORGIA

MANAGEMENT DISCUSSION AND ANALYSIS

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, judicial, public safety, public works, culture and recreation, and housing and community development. The business-type activities of the Town consist of sewer and sanitation collection services.

The government-wide financial statements are on Pages 23 and 24 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Tyrone uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Tyrone can be divided into three categories; governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps to determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Tyrone adopts an annual budget for its General Fund and special revenue fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council;

TOWN OF TYRONE, GEORGIA

MANAGEMENT DISCUSSION AND ANALYSIS

3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

The basic governmental fund financial statements can be found on pages 25 through 27 of this report.

Proprietary Funds - Town of Tyrone maintains only one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sanitation and sewer.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sanitation and Sewer Funds.

The proprietary fund financial statements can be found on pages 30 through 32 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Tyrone's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page 34 and 35 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 36 through 47 of this report.

Government-Wide Financial Analysis

The government-wide financial statements for the fiscal year ended June 30, 2008, are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of the private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole. The two government-wide statements report the Town's net assets and how they have changed. Net assets are the difference between the Town's total assets and total liabilities. Measuring net assets is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Taxes and user fees finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the sanitation and sewer services offered by the Town of Tyrone. The government-wide financial statements are on pages 23 and 24 of this report.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$11,333,349 at the close of the most recent fiscal year.

The largest portion of the Town's net assets, sixty-seven percent (67%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF TYRONE, GEORGIA

MANAGEMENT DISCUSSION AND ANALYSIS

The Town also has restricted net assets in the amount of \$718,010, which are legally restricted for specific purposes. The remaining balance of the Town's net assets, \$2,806,631 or twenty-five percent (25%), are unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

The following table indicates the changes in net assets for governmental and business-type activities for fiscal year 2008:

Type	Governmental Activities		Business Type Activities		Yearly	
	2008	2007	2008	2007	2008	2007
Current and Other Assets	\$3,647,536	\$3,771,121	582,049	1,689,420	4,229,585	5,460,541
Capital Assets	6,228,070	4,073,830	2,029,239	925,139	8,257,309	4,998,969
Total Assets	9,875,606	7,844,951	2,611,288	2,614,559	12,486,894	10,459,510
Long Term Liabilities	46,558	210,145	245,785	432,400	292,343	642,545
Other Liabilities	675,167	106,254	186,034	70,402	861,201	176,656
Total Liabilities	721,725	316,399	431,819	502,802	1,153,544	\$819,201
Net Assets:						
Invested in Capital Assets, Net of Related Debt	6,137,805	3,987,910	1,670,895	925,139	7,808,700	4,913,049
Restricted	718,010	1,045,249	-	-	718,010	1,045,249
Unrestricted	2,298,066	2,495,393	508,573	1,186,618	2,806,639	3,682,011
Total Net Assets		\$ 7,528,552	\$ 2,179,468	\$ 2,111,757	\$11,333,349	\$ 9,640,309

Governmental Activities. Governmental activities increased the Town's net assets by \$1,983,000, thereby accounting for ninety-nine percent (99%) of the total growth in the net assets of the Town of Tyrone. As illustrated below, taxes constitute the largest revenue line item at \$3,017,507 or sixty percent (60%) of total revenue. Total revenues were up over 2007 due to a substantial increase in inter-governmental (Library Grant) of \$1,081,674 offset by a decrease in fines and forfeitures.

The following table indicates the changes in net assets for governmental and business-type activities for fiscal year 2008:

Town of Tyrone's Changes in Net Assets
June 30, 2008

Type	Governmental Activities		Business Type Activities		Yearly	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues						
Charges for services	\$663,672	\$1,001,026	\$580,189	\$540,307	\$1,243,861	\$1,541,333
Operating grants/contributions	30,000	18,000	-	-	30,000	18,000

TOWN OF TYRONE, GEORGIA

MANAGEMENT DISCUSSION AND ANALYSIS

Type	Governmental Activities		Business Type Activities		Yearly	
	2008	2007	2008	2007	2008	2007
Capital grants/contributions	1,169,837	288,712	-	-	1,169,837	288,712
General revenues						
Taxes	3,017,508	2,846,579	-	9,196	3,017,508	2,855,775
Unrestricted investment earnings	109,887	53,033	15,095	3,037	124,982	56,070
Other revenues	354,253	86,312	-	-	354,253	86,312
Total revenues	5,345,157	4,293,662	595,284	552,540	5,940,441	4,846,202
Expenses						
General government	955,483	826,777	-	-	955,483	826,777
Judicial	101,936	73,750	-	-	101,936	73,750
Public safety	1,390,504	1,124,375	-	-	1,390,504	1,124,375
Public Works	356,329	309,460	-	-	356,329	309,460
Culture and recreation	470,745	341,442	-	-	470,745	341,442
Housing and development	81,476	91,701	-	-	81,476	91,701
Interest and fiscal charges	5,684	5,180	-	-	5,684	5,180
Sewer	-	-	231,153	254,386	231,153	254,386
Sanitation	-	-	296,420	275,438	296,420	275,438
Total Expenses	3,362,157	2,772,685	527,573	529,824	3,889,730	3,302,509
Change in net assets	1,983,000	1,520,977	67,711	22,716	2,050,711	1,543,693
Net assets, beginning	7,170,881	6,007,575	2,111,757	2,089,041	9,282,638	8,096,616
Net assets, ending	\$ 9,153,881	\$ 7,528,552	\$ 2,179,468	\$ 2,111,757	\$11,333,349	\$ 9,640,309

Business-type activities: Business-type activities increased the Town's net assets by \$67,711 accounting for three percent (3%) of the total growth in the government's net assets. As illustrated above, charges for services constitute the major portion of revenue at \$580,189 or ninety-seven percent (97%).

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

TOWN OF TYRONE, GEORGIA

MANAGEMENT DISCUSSION AND ANALYSIS

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,071,012, while total fund balance reached \$2,494,644. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

At June 30, 2008, the governmental funds of the Town reported a combined fund balance of \$3,085,698. It is important to note that a few significant factors affected the Town's total fund balance for the fiscal year ended June 30, 2008.

- The Town has an impact fee program. This program limits the expenditures to certain specified activities. Because of established priorities, impact funds were expended during this budget year in the area of recreation.
- The Town of Tyrone has always practiced a conservative approach to fiduciary management. This includes closely monitoring the training and travel of employees, the purchase of vehicles and equipment, and the hiring of new positions. Due to the diligence of management, the Town did recognize revenues in excess of its expenditures.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the budget as necessary. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

At June 30, 2008, total actual revenues exceeded expenditures from total budgeted revenues and expenditures in the General Fund by an excess of \$375,816. The majority of this variance is due to increases in property tax revenues and interest income and close monitoring of expenditures in the public safety and public works departments.

Proprietary Funds. The Town of Tyrone's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Sanitation and Sewer Fund at the end of the fiscal year amounted to \$507,963. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Tyrone's business-type activities.

Capital Asset and Debt Administration

Capital Assets. The Town of Tyrone's investment in capital assets for its governmental and business-type activities as of June 30, 2008, totals \$8,257,309 (net of accumulated depreciation). These assets include buildings, infrastructure, land, heavy equipment, equipment, and office furniture.

Additional information on the Town's capital assets can be found in Note 7 on pages 42 and 44 of this report.

Longterm Debt. As of June 30, 2008, the Town of Tyrone had total long-term debt outstanding of \$556,482 (including contracts payable). Of this, \$107,873 is attributed to compensated absences, \$358,344 in contracts payable due to the City of Fairburn for the purchase of additional sewer processing capacity, with the remainder of the Town's debt being in the form of capital leases.

Additional information regarding the Town's long-term debt can be found in Note 8 on pages 44 through 45 of this report.

TOWN OF TYRONE, GEORGIA

MANAGEMENT DISCUSSION AND ANALYSIS

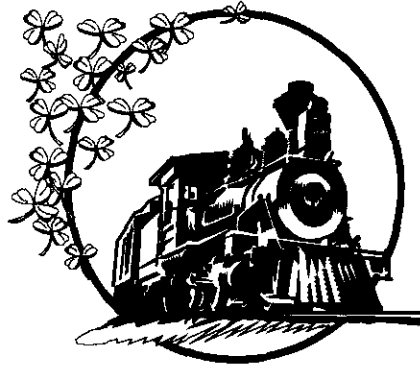
Economic Factors and Next Year's Budgets and Rates

There are many economic factors that were considered when the Town of Tyrone established its budget for fiscal year ended June 30, 2008. It is the Town's practice to take a conservative approach when budgeting for estimated revenues. However, we realize we must be diligent in monitoring external factors that impact these estimates.

For the 2007 tax digest, it is anticipated that there will be approximately a ten percent decrease in property tax revenues due to worsening economic factors causing abnormally high mortgage loan foreclosures.. However, the Town will maintain its current tax rate of 2.9 mills and maintain the same level of service to the citizens.

Requests for Information

This financial report is designed to provide a general overview of the Town of Tyrone's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Town Manager, Town of Tyrone, 881 Senoia Road, Tyrone, Georgia 30290.



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TOWN OF TYRONE
STATEMENT OF NET ASSETS

June 30, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Equivalents	\$ 2,886,937	\$ 514,085	\$ 3,401,022
Property Taxes Receivable	53,690	-	53,690
Sales Tax Receivable	142,636	-	142,636
Accounts Receivable, Net of Allowance	68,976	52,707	121,683
Accrued Interest Receivable	7,274	1,934	9,208
Due From Municipal Agency	20,545	-	20,545
Due From Other Municipal Units	43,846	4,847	48,693
Prepaid Items	65,961	8,475	74,436
Restricted Assets, Cash	357,671	-	357,671
Capital Assets:			
Non-depreciable	1,388,114	-	1,388,114
Wastewater Treatment Rights, Net of Accumulated Amortization	-	1,134,867	1,134,867
Depreciable, Net of Accumulated Depreciation	4,839,956	894,982	5,734,938
Total Capital Assets	<u>6,228,070</u>	<u>2,029,849</u>	<u>8,257,919</u>
Total Assets	<u>\$ 9,875,606</u>	<u>\$ 2,611,897</u>	<u>\$ 12,487,503</u>
LIABILITIES			
Accounts Payable	\$ 397,284	\$ 39,057	\$ 436,341
Accrued Liabilities	187,429	9,285	196,714
Unearned Revenues	-	25,743	25,743
Capital Leases Due Within One Year	43,707	-	43,707
Capital Leases Due in More than One Year	46,558	-	46,558
Compensated Absences	107,873	-	107,873
Intergovernmental Contract Payable Within One Year	-	112,559	112,559
Intergovernmental Contract Payable in More Than One Year	-	245,785	245,785
Total Liabilities	<u>\$ 782,851</u>	<u>\$ 432,429</u>	<u>\$ 1,215,280</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$ 6,137,805	\$ 1,671,505	\$ 7,809,310
Restricted for			
Community Development	357,671	-	357,671
Capital Projects	360,339	-	360,339
Unrestricted	<u>2,236,940</u>	<u>507,963</u>	<u>2,744,903</u>
Total Net Assets	<u>\$ 9,092,755</u>	<u>\$ 2,179,468</u>	<u>\$ 11,272,223</u>

TOWN OF TYRONE, GEORGIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Functions/Programs							
Primary Government							
Governmental Activities:							
Administrative	\$ 955,483	\$ 510,707	\$ 30,000	\$ -	\$ (414,776)	\$ -	\$ (414,776)
Judicial	101,936	-	-	-	(101,936)	-	(101,936)
Public Safety	1,390,504	107,716	-	-	(1,282,788)	-	(1,282,788)
Public Works	356,329	-	-	-	(356,329)	-	(356,329)
Culture and Recreation	470,745	45,249	-	-	(425,496)	-	(425,496)
Housing and Community Development	81,476	-	-	-	1,088,361	-	1,088,361
Interest on Long-term Debt	5,684	-	-	-	(5,684)	-	(5,684)
Total Governmental Activities	3,362,157	663,672	30,000	1,169,837	(1,498,648)	-	(1,498,648)
Business activities:							
Sewer	231,153	275,584	-	-	-	44,431	44,431
Sanitation	296,420	304,605	-	-	-	8,185	8,185
Total Business-Type	527,573	580,189	-	-	-	52,616	52,616
Total Primary Government	\$ 3,889,730	\$ 1,243,861	\$ 30,000	\$ 1,169,837	(1,498,648)	52,616	(1,446,032)
General Revenues:							
Property Taxes					1,276,947		1,276,947
Sales Taxes					856,048		856,048
Franchise Taxes					419,173		419,173
Insurance Premium Taxes					214,044		214,044
Other Taxes					251,296		251,296
Unrestricted Investment Earnings					109,887	15,095	124,982
Contributed Capital					116,810		116,810
Miscellaneous					176,317		176,317
Total General Revenues					3,420,522	15,095	3,435,617
Change in Net Assets					1,921,874	67,711	1,989,585
Net Assets Beginning of Year					7,170,881	2,111,757	9,282,638
Net Assets Ending of Year					9,092,755	2,179,468	11,272,223

The accompanying notes are an integral part of these financial statements.

TOWN OF TYRONE, GEORGIA

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2008

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Equivalents	\$ 2,339,729	\$ 547,208	\$ 2,886,937
Property Taxes Receivable	53,690	-	53,690
Sales Tax Receivable	142,636	-	142,636
Accrued Revenue Receivable	68,976	-	68,976
Accrued Interest Receivable	7,274	-	7,274
Due From Municipal Agency	20,545	-	20,545
Due From Other Governmental Units	-	43,846	43,846
Restricted Assets, Cash	357,671	-	357,671
Prepaid Items	65,961	-	65,961
Total Assets	\$ 3,056,482	\$ 591,054	\$ 3,647,536
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 397,952	\$ -	\$ 397,952
Accrued Liabilities	187,429	-	187,429
Deferred Liabilities	37,583	-	37,583
Total Liabilities	622,964	-	622,964
Fund Balance			
Reserved for			
Prepaid Items	65,961	-	65,961
Community Development	357,671	-	357,671
Capital Project Funds	-	360,339	360,339
Unreserved :			
Designated:			
Special Revenue Funds	-	230,715	230,715
Undesignated:	2,009,886	-	2,009,886
Total Fund Balance	2,433,518	591,054	3,024,572
Total Liabilities and Fund Balance	\$ 3,056,482	\$ 591,054	

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

Capital assets of \$ 6,910,365 net of accumulated depreciation of \$682,295 are not financial resources and, therefore, are not reported in the funds. 6,228,070

Deferred ad valorem taxes are not available to pay current-period expenditures and, therefore, are deferred in the funds. 37,583

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (197,470)

Net Assets of Governmental Activities **\$ 9,092,755**

TOWN OF TYRONE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Sales Tax	\$ 856,048	\$ -	\$ 856,048
Property Tax	1,013,497	263,450	1,276,947
Motor Vehicle Tax	72,735	-	72,735
Franchise Tax	419,173	-	419,173
Insurance Premium Tax	214,044	-	214,044
Beer, Wine, Liquor Tax	44,901	-	44,901
Transfer Taxes	7,489	-	7,489
Intangible Taxes	21,927	-	21,927
Business License/Occupation Tax	70,228	-	70,228
Other Taxes	34,015	-	34,015
Total Taxes	<u>2,754,057</u>	<u>263,450</u>	<u>3,017,507</u>
Licenses, Permits, and Charges			
Business Licenses and Permits	200,214	-	200,214
Charges for Services	117,111	-	117,111
Miscellaneous	54,065	-	54,065
Total Licenses, Permits, and Charges	<u>371,390</u>	<u>-</u>	<u>371,390</u>
Intergovernmental Revenues			
Federal and State Grants	30,000	1,169,837	1,199,837
Total Intergovernmental Revenues	<u>30,000</u>	<u>1,169,837</u>	<u>1,199,837</u>
Fines & Forfeitures			
Fines and Forfeitures	238,632	107,716	346,348
Other Revenue			
Interest on Investments	100,005	9,882	109,887
Total Revenues	<u>\$ 3,494,084</u>	<u>\$ 1,550,885</u>	<u>\$ 5,044,969</u>

TOWN OF TYRONE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Expenditures:			
Current:			
General Government	\$ 944,677	\$ -	\$ 944,677
Judicial	101,936	-	101,936
Public Safety	1,321,058	-	1,321,058
Public Works	317,172	-	317,172
Culture and Recreation	402,999	-	402,999
Housing and Community Development	40,587	-	40,587
SPLOST(Library) Fund	-	35,569	35,569
Confiscated Fund	-	42,180	42,180
Total Current Expenditures	<u>3,128,429</u>	<u>77,749</u>	<u>3,206,178</u>
Debt Service:			
Principal	56,782	-	56,782
Interest	5,684	-	5,684
Total Debt Service	<u>62,466</u>	<u>-</u>	<u>62,466</u>
Capital Outlay:			
Public Safety	10,955	-	10,955
Public Works	106,985	-	106,985
Culture and Recreation	19,397	-	19,397
SPLOST(Library) Fund	-	1,541,957	1,541,957
SPLOST(Roads) Fund	-	285,834	285,834
Confiscated Fund	-	88,191	88,191
Total Capital Outlay	<u>137,337</u>	<u>1,915,982</u>	<u>2,053,319</u>
Total Expenditures	<u>3,328,232</u>	<u>1,993,731</u>	<u>5,321,963</u>
Excess of Revenues Over Expenditures	<u>165,852</u>	<u>(442,846)</u>	<u>(276,994)</u>
Other Financing Sources (Uses)			
Capital Leases	61,126	-	61,126
Transfers In	-	115,000	115,000
Transfers Out	(115,000)	-	(115,000)
Sale of Capital Assets	14,603	-	14,603
Total Other Financing Sources (Uses)	<u>(39,271)</u>	<u>115,000</u>	<u>75,729</u>
Excess Revenues Over Expenditures	126,581	(327,846)	(201,265)
Fund Balance - Beginning of Year	<u>2,368,397</u>	<u>918,900</u>	
Fund Balance - End of Year	<u>\$ 2,494,978</u>	<u>\$ 591,054</u>	

TOWN OF TYRONE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

Net Change in Fund Balances - Total Government Funds: \$ (201,265)

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

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of these assets
is allocated over the estimated useful lives and reported as
depreciation expense. This is the amount by which capital outlays
(\$2,304,535) exceeded depreciation (\$150,240) in the period. 2,154,240

The net effect of various miscellaneous transactions involving capital
assets (i.e., sales, trade-ins) is to decrease net assets. (24,545)

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds 14,780

The issuance of long-term debt provides current financial resources to
governmental funds while the repayment of the principal consumes
the current financial resources of governmental funds. Neither
transaction, however, has any effect on net assets. This amount is
the net effect of these differences in the treatment of long-term debt
and related items. (4,984)

Some expenses reported in the statement of activities do not require
the use of current financial resources and, therefore, are not reported
as expenditures in government funds (change in compensated absences). (16,352)

Change in Net Assets of Government Activities \$ 1,921,874

TOWN OF TYRONE, GEORGIA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2008

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,610,850	\$ 2,610,850	\$ 2,754,057	\$ 143,207
Licenses and Permits:	192,500	192,765	200,214	7,449
Intergovernmental	452,160	30,000	30,000	-
Charges for Services:	255,323	255,323	117,111	(138,212)
Fines and Forfeitures:	274,000	274,000	238,632	(35,368)
Interest Income	37,400	38,000	100,005	62,005
Miscellaneous:	30,106	31,500	54,065	22,565
Total Revenues	3,852,339	3,432,438	3,494,084	61,646
Expenditures:				
Current:				
General government	1,022,558	1,017,666	944,677	72,989
Judicial	104,294	104,294	101,936	2,358
Public Safety	1,508,461	1,468,179	1,332,013	136,166
Public Works	579,769	589,269	424,157	165,112
Culture and Recreation	475,875	476,969	422,396	54,573
Housing and Community Development	40,658	40,658	40,587	71
Total Current Expenditures	3,731,615	3,697,035	3,265,766	431,269
Debt Service:				
Principal	-	55,939	56,782	(843)
Interest	-	6,527	5,684	843
Total Debt Service	-	62,466	62,466	-
Total Expenditures	3,731,615	3,759,501	3,328,232	431,269
Excess (Deficiency) of Revenues over Expenditures Before Other Financing Sources (Uses)	120,724	(327,063)	165,852	492,915
Other Financing Sources (Uses)				
Capital Leases	63,000	63,000	61,126	(1,874)
Sale of capital assets	14,494	14,494	14,603	109
Transfers out	-	-	(115,000)	(115,000)
Total Other Financing Sources (Uses)	77,494	77,494	(39,271)	(116,765)
Excess (Deficiency) of Revenues over Expenditures After Other Financing Sources (Uses)	198,218	(249,569)	126,581	376,150
Fund Balance at Beginning of Year	2,368,397	2,368,397	2,368,397	-
Fund Balance at End of Year	\$ 2,566,615	\$ 2,118,828	\$ 2,494,978	\$ 376,150

TOWN OF TYRONE, GEORGIA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2008

	Sewer	Sanitation	Total Enterprise Funds
ASSETS			
Current Assets			
Cash and equivalents	\$ 387,204	\$ 126,881	\$ 514,085
Accounts receivable, net of bad debt allowance	49,360	3,347	52,707
Accrued interest receivable	1,934	-	1,934
Due from other funds	-	4,847	4,847
Due from Fayette County	-	-	-
Prepaid expenses	8,475	-	8,475
Total current assets	<u>446,973</u>	<u>135,075</u>	<u>582,048</u>
Noncurrent Assets			
Capital Assets			
Wastewater Treatment Rights, net of accumulated amortization	1,134,867	-	1,134,867
Other Capital Assets, net of accumulated depreciation	894,982	-	894,982
Total noncurrent assets	<u>2,029,849</u>	<u>-</u>	<u>2,029,849</u>
Total assets	<u>2,476,822</u>	<u>135,075</u>	<u>2,611,897</u>
LIABILITIES and NET ASSETS			
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 4,605	\$ 34,452	\$ 39,057
Accrued liabilities	8,959	326	9,285
Intergovernmental contract payable, current portion	112,559	-	112,559
Unearned revenue	-	25,743	25,743
Total Current Liabilities	<u>126,123</u>	<u>60,521</u>	<u>186,644</u>
Long term liabilities			
Intergovernmental contract payable, current portion	245,785	-	245,785
Total liabilities	<u>371,908</u>	<u>60,521</u>	<u>432,429</u>
NET ASSETS			
Invested in capital Assets, Net of Related Debt	1,671,505	-	1,671,505
Unrestricted	433,409	74,554	507,963
Total Net Assets	<u>\$ 2,104,914</u>	<u>\$ 74,554</u>	<u>\$ 2,179,468</u>

TOWN OF TYRONE, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

Year Ended June 30, 2008

	Sewer	Sanitation	Total Enterprise Funds
Operating Revenues:			
Sewer Charges	\$ 275,584	\$ -	\$ 275,584
Sanitation Charges	-	304,605	304,605
Total Operating Revenues	<u>275,584</u>	<u>304,605</u>	<u>580,189</u>
Operating Expenses:			
Cost of Goods Sold	-	279,176	279,176
Personnel Services	-	12,624	12,624
Utilities	8,619	-	8,619
Telephone	1,407	-	1,407
Supplies	-	4,620	4,620
Sewer Fees	31,308	-	31,308
Repairs and Maintenance	21,877	-	21,877
Miscellaneous	9,342	-	9,342
Insurance	16,020	-	16,020
Depreciation Expense	30,767	-	30,767
Amortization	87,720	-	87,720
Total Operating Expenses	<u>207,060</u>	<u>296,420</u>	<u>503,480</u>
Operating Income	<u>68,524</u>	<u>8,185</u>	<u>76,709</u>
Nonoperating Income (Expense)			
Interest Income	15,095	-	15,095
Interest Expense	(24,093)	-	(24,093)
Total Nonoperating Income (Expense)	<u>(8,998)</u>	<u>-</u>	<u>(8,998)</u>
Changes in Net Assets	<u>59,526</u>	<u>8,185</u>	<u>67,711</u>
Net Assets - Beginning of Year	<u>2,045,388</u>	<u>66,369</u>	<u>2,111,757</u>
Net Assets - End of Year	<u>\$ 2,104,914</u>	<u>\$ 74,554</u>	<u>\$ 2,179,468</u>

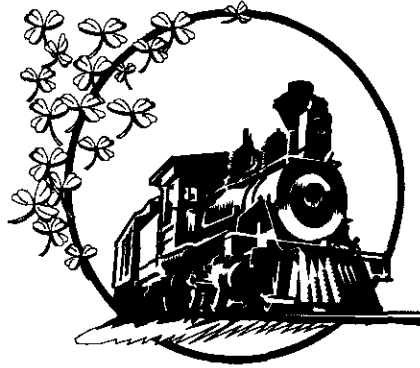
TOWN OF TYRONE, GEORGIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2008

	Sewer	Sanitation	Total Enterprise Funds
Increase (Decrease) in Cash:			
Cash Provided by (Used in) Operating Activities:			
Receipts from Customers	\$ 259,898	\$ 317,174	\$ 577,072
Payments to Suppliers	(89,150)	(315,557)	(404,707)
Payments to Employees		12,624	12,624
Net Cash Provided by (Used in) Operating Activities	<u>170,748</u>	<u>14,241</u>	<u>184,989</u>
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on intergovernmental agreements	(75,907)	-	(75,907)
Interest Payments on intergovernmental agreements	(24,093)	-	(24,093)
Net Cash Flows from Capital and Related Financing Activities	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Cash Flows From Investing Activities:			
Interest on Investments and Interest Bearing Accounts	15,095	-	15,095
Net Cash From Investing Activities	<u>15,095</u>	<u>-</u>	<u>15,095</u>
Net Increase (Decrease) in Cash	85,843	14,241	100,084
Cash at Beginning of Year	301,971	112,640	414,611
Cash at End of Year	<u>387,814</u>	<u>126,881</u>	<u>514,695</u>
Classified As:			
Current Assets	<u>387,204</u>	<u>126,881</u>	<u>514,085</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ 68,524	\$ 8,185	\$ 76,709
Adjustments Not Affecting Cash:			
Depreciation	118,487	-	118,487
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(41,883)	(55)	(41,938)
(Increase) Decrease in Accrued Interest Receivable	(1,934)	-	(1,934)
(Increase) Decrease in Due From Fayette County	28,131	-	28,131
Increase (Decrease) in Accounts Payable	(577)	6,083	5,506
Increase (Decrease) in Accrued Liabilities	-	28	28
Total Adjustments	<u>102,224</u>	<u>6,056</u>	<u>108,280</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 170,748</u>	<u>\$ 14,241</u>	<u>\$ 184,989</u>



Fiduciary Funds

Agency Fund

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs

The Agency fund is used to account for the collection and disbursement of monies by the Town's Municipal Court on behalf of other governments and individuals.

TOWN OF TYRONE, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND

Year Ended June 30, 2008

	<u>Agency Fund</u> <u>Municipal Escrow</u> <u>Balance</u> <u>June 30, 2008</u>
ASSETS	
Cash	\$ <u>44,697</u>
Total Assets	<u>44,697</u>
LIABILITIES	
Due to Other Governmental Agencies	8,688
Due to Fayette County	3,400
Due to Others	<u>32,609</u>
Total Liabilities	\$ <u>44,697</u>

TOWN OF TYRONE, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND

Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Agency Fund Municipal Escrow Balance June 30, 2008
ASSETS				
Cash	\$ 27,621	\$ 346,717	\$ 329,641	\$ 44,697
Total Assets	<u>27,621</u>	<u>346,717</u>	<u>329,641</u>	<u>44,697</u>
LIABILITIES				
Due to Other Governmental Agencies	6,848	8,688	6,848	8,688
Due to Fayette County	2,657	3,400	2,657	3,400
Due to Others	18,116	334,629	320,136	32,609
Total Liabilities	\$ <u>27,621</u>	\$ <u>346,717</u>	\$ <u>329,641</u>	\$ <u>44,697</u>

TOWN OF TYRONE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. The financial statements of the Town of Tyrone, Georgia (the "Town") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

A. - Reporting Entity. The Town of Tyrone was incorporated August 18, 1911. The Town operates under the Mayor and Council form of government and provides the following services to its citizens as authorized by its charter: public safety (police), sanitation, recreation, planning and zoning, and general and administrative services. As required by generally accepted accounting principles, the financial statements of the reporting entity include the accounts of all Town operations and all activities of the Town.

Based upon criteria set forth by Governmental Accounting Standards Board (GASB) Statement 14 "The Financial Reporting Entity" as amended by GASB Statement 39 "Determining Whether Certain Organizations are Component Units", the Town was determined to have no component units as of June 30, 2008.

B. - Government-wide and Fund Financial Statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Town. (For the most part, the effect of interfund activity has been removed from these statements). Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

C. - Measurement Focus, Basis of Accounting and Basis of Presentation. The government-wide financial statements are reported using the economic resource measurement focus and the actual accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service

TOWN OF TYRONE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due

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

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions", the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

The Town reports the following major governmental funds:

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

The Town reports the following major proprietary funds:

The **Sewer 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.

The **Sanitation Fund** accounts for the provision of sanitation collection services to the residents of the Town. 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.

Additionally, the Town reports the following fund types:

The *capital projects funds* account for the proceeds of a one percent Special Purpose Local Option Sales Tax. Funds are used for: road improvements; public safety projects; recreation projects; water and sewer projects; and public buildings projects.

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes.

The *agency fund* is used to account for the collection and disbursement of monies by the Town's Municipal Court on behalf of other governments and individuals.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

TOWN OF TYRONE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

Amounts reported as program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. - Budgets and Budgetary Accounting. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general fund and the Confiscated Assets Fund. Revenues and expenditures of the Capital Projects Funds are budgeted on a project basis and are, therefore, excluded from presentation in the financial statements. All appropriations lapse at the end of the June 30 fiscal year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town of Tyrone because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

E. - Cash and Investments. Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town. For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. - Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Items - Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items in both the government-wide and fund financial statements.

H. - Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In

TOWN OF TYRONE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

accordance with GASB 34, the Town has elected not to include infrastructure acquired or constructed prior to July 1, 2003.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Machinery & equipment	10
Infrastructure	20
Land improvements	30
Buildings	30-50

I. - Compensated Absences. It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the Town does not have a policy to pay any amounts when employees separate from service with the Town. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. - 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. - Pensions. The provision for pension cost is recorded on an accrual basis, and the Town's policy is to fund pension costs as they accrue.

L. - Fund Equity. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. - Management Estimates. The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of assets and liabilities during the reporting period. Actual results could differ from those estimates.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. - RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS.

A. - Explanation of certain differences between the governmental fund balancesheet and the government-wide statement of net assets. The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$197,470 difference are as follows:

Capital leases payable	\$ (90,265)
Compensated absences	<u>(107,205)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ (197,470)</u>

B. - Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government wide statement of activities. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as "depreciation expense." The details of this \$2,154,240 difference are as follows:

Capital outlay	\$ 2,304,535
Depreciation expense	<u>(154,240)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 2,154,240</u>

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$16,352 difference are as follows:

Change in compensated absences	<u>\$ (16,352)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (16,352)</u>

NOTE 3. - LEGAL COMPLIANCE - BUDGETS. The Town of Tyrone, Georgia follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budgets are prepared by the Town Clerk prior to May 15 for the fiscal year to commence July 1.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

2. Public hearings are conducted at the Town Hall to obtain taxpayer comments. The budget is formally enacted through passage of a resolution by the Town Council.
3. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Expenditures should not exceed the legally adopted budget at the department level without Council action amending the budget. Department heads have the authority to transfer line item budget amounts within their department up to \$2,500 without Council approval. All appropriations lapse at the end of each fiscal year.
4. Budgets are based on the same method of accounting as the funds they represent.

Budgeted amounts are as originally adopted, or as amended by the Town Council. Individual amendments were not material in relation to the original appropriations.

NOTE 4. - DEPOSITS AND INVESTMENTS. Total deposits and investments as of June 30, 2008, are as follows:

Amounts as presented on the entity wide statement of net assets:		
Governmental activities:		
Cash and cash equivalents	\$	2,886,937
Restricted assets, cash		357,671
Business-type activities:		
Cash and cash equivalents		514,085
Amounts as presented on the fiduciary statement of net assets:		
Agency Funds:		
Cash and cash equivalents		<u>44,697</u>
Total	\$	<u>3,803,390</u>
Cash deposited with financial institutions	\$	<u>3,803,390</u>

Credit risk. State statutes authorize the Town to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At June 30, 2008, the Town held no investments.

Custodial credit risk - deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2008, all of the Town's bank balances were covered by either federal depository insurance or by collateral held by the Town's agent in the Town's name.

NOTE 5. - RECEIVABLES. Property taxes were levied on September 1, 2007, against a taxable digest established as of January 1, 2007. Property taxes were due on December 1, 2007, and were considered delinquent

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

the following day (December 2, 2007) - which would also be the lien date. Receivables are recorded when taxes are levied and billed.

The net receivables collected during the year ended June 30, 2008, and expected to be collected by August 31, 2008, are recognized as revenues in the year ended June 30, 2008. Net receivables estimated to be collectible subsequent to August 31, 2008 are recorded as revenue when received.

Receivables consisted of the following at June 30, 2008:

Type	General	Other Governmental	Sewer	Sanitation	Total
Taxes	\$ 196,326	-	-	-	\$ 196,326
Accounts	68,976	-	49,360	3,347	121,683
Due From Other Government	20,545	43,846	-	-	64,391
Total	\$ 285,847	\$ 43,846	\$ 49,360	\$ 3,347	\$ 382,400

NOTE 6. - INTERFUND BALANCES AND TRANSFERS. Interfund receivable and payable balances as of June 30, 2008, are as follows:

Type	Due from Agency	Total
Due to General	\$ 20,505	\$ 20,505
Total	\$ 20,505	\$ 20,505

Interfund receivables and payables result from timing differences related to payroll and other year end transactions which normally clear within one to two months.

Interfund transfers for the year ended June 30, 2008, are as follows:

Transfers To	Transfers From General	Total
Due to Other Funds	\$ 115,000	\$ 115,000
Total	\$ 115,000	\$ 115,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7. - CAPITAL ASSETS.

Governmental activities as of June 30, 2008:

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Asset Class	Balance 7/01/07	Increases	Decreases	Balance 6/30/08
<u>Capital assets not being depreciated:</u>				
Land	\$ 1,388,114	\$ -	\$ -	\$ 1,388,114
Construction in progress	335,601		335,601	-
Total	1,723,715	-	335,601	1,388,114
<u>Capital assets being depreciated:</u>				
Building	739,599	1,282,737	-	2,022,336
Furniture	1,356,728	1,052,083	-	2,408,811
Machinery, Equipment & Vehicles	785,788	383,286	77,970	1,091,104
Total capital assets being depreciated	2,882,115	2,718,106	77,970	5,522,251
Less accumulated depreciation for:				
Buildings	(166,571)	(7,822)	-	(174,393)
Improvements Other Than Buildings	(141,863)	(117,583)	-	(259,446)
Machinery, Equipment & Vehicles	(223,566)	(64,631)	39,741	(248,456)
Total accumulated depreciation	(532,000)	(190,036)	39,741	(682,295)
Total capital assets being depreciated, net	2,350,115	2,528,070	38,229	4,839,956
Government activities capital assets, net	\$ 4,073,830	\$ 2,528,070	\$373,830	\$ 6,228,070

Business-type activities as of June 30, 2008:

Asset Class	Balance 7/01/07	Increases	Decreases	Balance 6/30/08
<u>Capital assets being depreciated:</u>				
Infrastructure	\$1,066,483	-	-	\$1,066,483
Equipment	25,991	-	-	25,991
Total capital assets being depreciated	1,092,474	-	-	1,092,474
Less accumulated depreciation for:				
Infrastructure	(167,032)	(29,637)	-	(196,669)
Equipment	(-303)	(520)	-	(823)
Total accumulated depreciation	(167,335)	(30,157)	-	(197,492)
Total capital assets being depreciated, net	925,139	(30,157)	-	894,982
<u>Capital assets being amortized</u>				
Wastewater Treatment Rights	1,315,788	-	-	1,315,788
Less accumulated amortization	(93,201)	(87,720)	-	(180,921)
Total Capital assets being amortized, net	1,222,587	(87,720)	-	\$ 1,134,867

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Asset Class	Balance 7/01/07	Increases	Decreases	Balance 6/30/08
Business type activities capital assets, net	\$ 2,147,726	\$ (117,877)	\$ -	\$ 2,029,849

Depreciation expense was charged to functions/programs of the primary government as follows:

Government activities:	
General Government	\$ 10,806
Public Safety	54,266
Public Works	26,149
Culture and Recreation	98,815
Total depreciation expense-governmental activities	\$ 190,036
Business-type activities:	
Sewer	30,157
Total depreciation expense-business-type activities	\$ 30,157

NOTE 8. - GENERAL LONG-TERM DEBT.

Capital Leases. The Town has entered into lease agreements as lessee for financing the acquisition of public safety vehicles and equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore have been recorded at the present value of the future minimum lease payments as of the date of inception. Equipment leased under the capital leases totaled \$138,377 net of accumulated depreciation of \$13,489 and is included in the government activity capital assets.

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2008:

Fiscal year ending June 30,2008:

2009	\$ 49,892
2010	34,030
2011	16,843
Total minimum lease payments	100,765
Less: amounts representing interest	(10,500)
Present value of minimum lease payments	\$ 90,265

The Town has an agreement with the Town of Fairburn, Georgia for the purpose of contracting with Fulton County, Georgia to allow the Town to obtain its treatment capacity from Fulton County via the City of Fairburn.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

This agreement allows the Town to increase its capacity to 250,000 gallons per day. To help fund this agreement, the Town also entered into a intergovernmental contract payable agreement with the City of Fairburn to finance \$540,000 of these costs at an annual interest rate of 6%. This agreement is due in annual installments in February of each year through February 1, 2011.

The Town's intergovernmental contract payable agreement debt service requirements to maturity, including interest are as follows:

Fiscal Year Payable	Total	Principal	Interest
2009	\$ 134,060	\$ 112,559	\$ 21,501
2010	134,060	119,313	14,747
2011	134,060	126,472	7,588
	<u>\$ 402,180</u>	<u>\$ 358,344</u>	<u>\$ 43,836</u>

Long-term activity for the year ended June 30, 2008, was as follows:

	Balance 7/01/07	Increases	Decreases	Balance 6/30/08	Due Within One Year
<u>Governmental Activities</u>					
Capital Leases	\$85,920	\$61,126	\$56,781	\$90,265	\$43,707
Compensated Absences	124,225	53,848	70,788	107,285	124,225
Total Long-term Activities	210,145	114,974	127,569	197,550	167,932
<u>Business Type Activities</u>					
Intergovernmental Contract	432,400	-	74,056	358,344	112,559
Total Long-term Activities	\$432,400	-	\$74,056	\$358,344	\$112,559

NOTE 9. - PENSION PLAN.

Plan Description. The towns's defined benefit pension plan, Town of Tyrone Retirement Plan, provides retirement, disability benefits, and death benefits to plan members and beneficiaries. The town of Tyrone Retirement Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple employer pension plan administered by the Georgia Municipal Association .GMEBS handles all administrative and investment functions related to the plan. All full time employees are eligible to participate in the plan. Benefits vest after five years of service. Members may retire after reaching the age of 65, with five years of service. Early retirement is possible upon reaching the age of 55, with 10 years of service. Benefits are calculated at 1.25% to 2.00% of the average monthly earnings for the period of the five highest years prior to the retirement, payable monthly for life. Regulations of the State of Georgia assign the authority to establish and amend the benefit provisions of the plans that participate in GMEBS to the respective employer entities; for the Town of Tyrone Retirement Plan, the authority rests with the Town Council of Tyrone.

The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the Town of Tyrone Retirement Plan. That report may be obtained by writing to GMEBS, 201 Pryor Street, SW, Atlanta, Georgia 30303.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Funding Policy. The Town's policy is to contribute the actuarially determined amount as recommended by GMEBS. The Town makes all contributions to the Town of Tyrone Retirement Plan. The Town is required to contribute at an actuarially determined rate; the current rate is 9.15% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by the GMEBS Board of Trustees.

Annual Pension Cost. For the year ended June 30, 2008, the Town's annual pension cost and amount contributed was \$96,214 for the plan. Recommended contributions of \$86,475 and \$98,162 were determined as part of the March 1, 2008 and March 1, 2007 actuarial valuations, respectively, using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return, (b) projected salary increases for inflation of 5.0% per year and for merit or seniority of 0.5% per year, (c) no postretirement benefit increases, and (d) no cost of living adjustments. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 31 years from 1987 and current changes in the unfunded actuarial liability over 15 years; for actuarial gains and losses, 20 years for plan provisions; and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for the plan year. The method for determining the actuarial value of assets is part of the GMEBS actuarial funding policy. This method produces an adjusted actuarial value of assets. A smoothing technique gradually incorporates investment performance that exceeds or falls short of the expected return of 8%, which is the valuation's investment return assumption.

Trend Information. Trend information, which gives indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below.

<u>Year Ending</u>	<u>Pension Cost</u>	<u>Annual Pension Cost Contributed</u>	<u>Pension Obligation</u>
06/30/04	\$60,432	100	-
06/30/05	85,105	100	-
06/30/06	91,082	100	-
06/30/07	93,723	100	-
06/30/08	96,214	100	-

NOTE 10. - PRIOR PERIOD ADJUSTMENT-IMPACT FEES. Effective March 8, 1999, the Town implemented an Impact Fee Ordinance requiring the collection of an impact fee of \$1,075 for each new construction residential building permit. Since that date, a total of \$357,671 has been collected over these past years. During the course of our audit examination we were informed that the Town determined that the Impact Fee Ordinance did not legally comply with State of Georgia law. In light of this finding, the Town has elected to refund all monies resulting from the collection of such fees. The accompanying financial statements therefore reflect a negative prior period General Fund Balance adjustment of \$357,671 offset by a corresponding increase in Accounts Payable.

NOTE 11. - RISK MANAGEMENT. The Town is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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, public entity risk pools currently operating as common risk management and insurance programs 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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

incidents which could result in the funds being required to pay any claim of loss. The Town is also 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 workers' 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 (3) years have not exceeded insurance coverage.

NOTE 12. - JOINT VENTURE. Under Georgia law, the Town, in conjunction with other cities and counties in the ten (10) county Atlanta area, is a member of the Atlanta Regional Commission (Regional Development Center RDC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2007, the Town's membership dues were paid by Fayette County, Georgia. The Town did not pay any annual dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia.

The RDC 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 RDC. Separate financial statements may be obtained from:

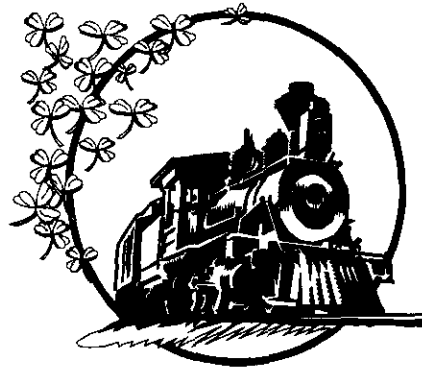
Atlanta Regional Commission
40 Courtland Street, NE
Atlanta, Georgia 30303

NOTE 13. - COMMITMENTS AND CONTINGENCIES.

Contractual Commitments. At June 30, 2008, the Town also had contractual commitments on uncompleted construction contracts in the amount of approximately \$29,544.

Litigation. The Town is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the Town.

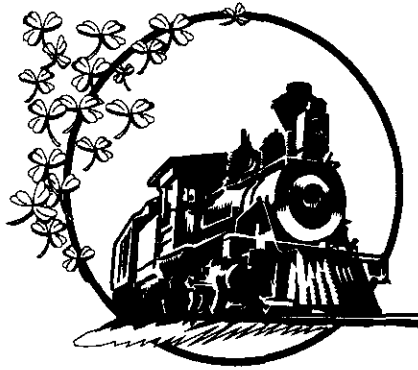
Grant Contingencies. The Town has received Federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the Town believes such disallowances, if any, will not be significant.



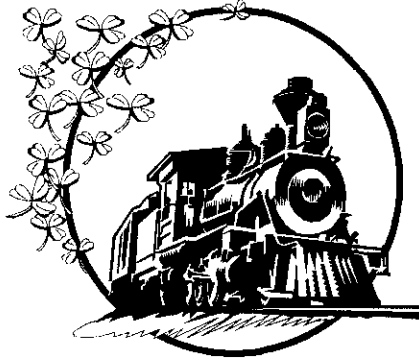
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TOWN OF TYRONE, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Actual Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll
03/01/04	\$ 421,971	\$ 723,905	\$ 301,934	58.3%	\$ 703,169	42.9%
03/01/05	500,339	812,458	312,119	61.6%	831,152	37.6%
03/01/06	599,685	859,321	259,636	69.8%	931,827	27.9%
03/01/07	710,215	987,650	277,435	71.9%	961,686	28.8%
03/01/08	818,962	1,069,737	250,775	76.6%	945,114	26.5%



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Nonmajor Governmental Funds

Special Revenue Fund

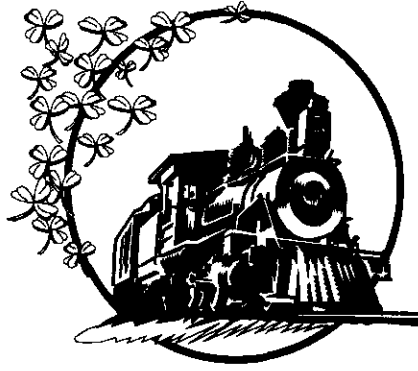
Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The **Confiscated Assets Fund** accounts for the receipt of confiscated assets awarded to the Town by court order and expenditures of these funds by the Town Police Department.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

The **SPLOST Fund and the 2005 SPLOST Fund** account for the proceeds of a once percent Special Purpose Local Option Sales Tax. Funds are used for: road improvements; public safety projects; recreation projects; water and sewer projects; and public building projects.



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TOWN OF TYRONE, GEORGIA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2008

	Special Revenue	Capital Projects		Total Non-Major Governmental
	Confiscated Assets Fund	SPLOST Fund	2005 SPLOST Fund	
ASSETS				
Cash and Equivalents	\$ 230,715	\$ 29,577	\$ 286,916	\$ 547,208
Due From Other Governmental Units	-	-	43,846	43,846
Total Assets	<u>230,715</u>	<u>29,577</u>	<u>330,762</u>	<u>591,054</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances				
Reserved For Capital Projects	-	29,577	330,762	360,339
Unreserved, designated for Public Safety	230,715	-	-	230,715
Total Fund Balance	<u>230,715</u>	<u>29,577</u>	<u>330,762</u>	<u>591,054</u>
Total Liabilities and Fund Balance	<u>\$ 230,715</u>	<u>\$ 29,577</u>	<u>\$ 330,762</u>	<u>\$ 591,054</u>

TOWN OF TYRONE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2008

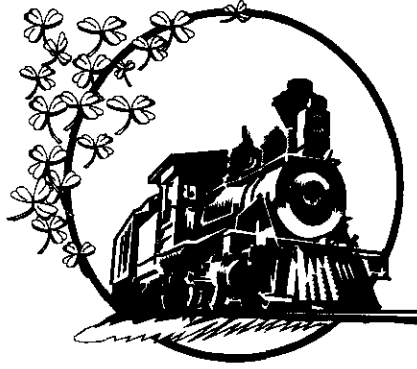
	Special Revenue	Capital Projects		Total Non-Major Governmental
	Confiscated Assets Fund	SPLOST Fund	2005 SPLOST Fund	
Revenues:				
Taxes	\$ -	\$ -	\$ 263,450	\$ 263,450
State and Federal Confiscations	107,716	-	-	107,716
Interest Income	3,055	3,318	3,509	9,882
Intergovernmental	-	1,169,837	-	1,169,837
Total Revenues	<u>110,771</u>	<u>1,173,155</u>	<u>266,959</u>	<u>1,550,885</u>
Expenditures:				
Public Safety	42,180	-	-	42,180
Library Expenditures	-	35,569	-	35,569
Capital Outlay	88,191	1,541,957	285,834	1,915,982
Total Expenditures	<u>130,371</u>	<u>1,577,526</u>	<u>285,834</u>	<u>1,993,731</u>
Excess Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>(19,600)</u>	<u>(404,371)</u>	<u>(18,875)</u>	<u>(442,846)</u>
Other Financing Sources (Uses)				
Transfers In	-	115,000	-	115,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>
Net Change in Fund Balance	(19,600)	(289,371)	(18,875)	(327,846)
Fund Balance - Beginning of Year	250,315	318,948	349,637	918,900
Fund Balance - End of Year	<u>\$ 230,715</u>	<u>\$ 29,577</u>	<u>\$ 330,762</u>	<u>\$ 591,054</u>

TOWN OF TYRONE, GEORGIA
NON-MAJOR GOVERNMENTAL FUND
CONFISCATED ASSETS FUND

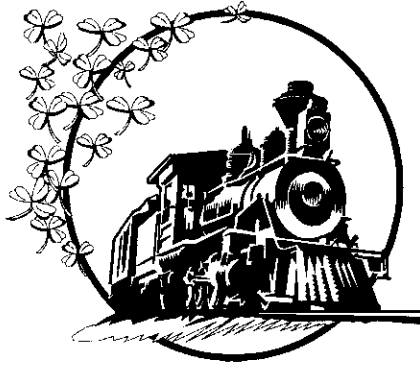
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2008

	<u>Budget</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Revised</u>		
Revenues:				
Federal and State Confiscations	\$ 9,000	\$ 9,000	\$ 107,716	\$ 98,716
Interest on Investments	-	-	3,055	3,055
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>110,771</u>	<u>101,771</u>
Expenditures:				
Public Safety	<u>9,000</u>	<u>9,000</u>	<u>130,371</u>	<u>(121,371)</u>
Total Expenditures	<u>9,000</u>	<u>9,000</u>	<u>130,371</u>	<u>(121,371)</u>
Net Change in Fund Balances	-	-	(19,600)	(19,600)
Fund Balance at Beginning of Year	<u>250,315</u>	<u>250,315</u>	<u>250,315</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 250,315</u>	<u>\$ 250,315</u>	<u>\$ 230,715</u>	<u>\$ (19,600)</u>



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Capital Assets Used in the Operation of Governmental Funds

TOWN OF TYRONE, GEORGIA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY SOURCE

June 30, 2008

Governmental Funds Capital Assets:

Land	\$ 1,388,114
Construction in Progress	-
Improvements Other Than Buildings	2,408,811
Buildings	2,022,336
Machinery and Equipment	<u>1,091,104</u>
Total Governmental Funds Capital Assets	<u>\$ 6,910,365</u>

Investment in Governmental Funds Capital Assets by Source:

General Fund	\$ 4,434,521
2005 SPLOST Fund	462,582
Confiscated Assets funds	232,674
SPLOST (Library) Fund	<u>1,780,588</u>
Total Investment in Capital Assets	<u>\$ 6,910,365</u>

TOWN OF TYRONE, GEORGIA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2008

<u>Function and Activity</u>	<u>Total June 30, 2008</u>	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>
General Government	\$ 489,118	\$ 187,000	\$ -	\$ 258,000	\$ 44,118
Public Safety	657,619	52,472	-	92,595	512,552
Public works	937,446	-	540,341	114,920	282,185
Culture and Recreation	<u>4,826,182</u>	<u>1,148,642</u>	<u>1,868,470</u>	<u>1,556,821</u>	<u>252,249</u>
Total Capital Assets	<u>\$ 6,910,365</u>	<u>\$ 1,388,114</u>	<u>\$ 2,408,811</u>	<u>\$ 2,022,336</u>	<u>\$ 1,091,104</u>

TOWN OF TYRONE, GEORGIA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

For the Year Ended
June 30, 2008

<u>Function and Activity</u>	General Fund Capital Assets July 1, 2007	Additions	Deductions	General Fund Capital Assets June 30, 2008
General Government	\$ 489,118	\$ -	\$ -	\$ 489,118
Public Safety	594,751	99,146	53,400	640,497
Public works	569,325	106,985	24,570	651,740
Culture and Recreation	<u>2,952,636</u>	<u>2,176,374</u>	<u>-</u>	<u>5,129,010</u>
Total Capital Assets	<u>\$ 4,605,830</u>	<u>\$ 2,382,505</u>	<u>\$ 77,970</u>	<u>\$ 6,910,365</u>

CITY OF TYRONE, GEORGIA

STATISTICAL SECTION

This part of the City of Woodstock's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF TYRONE, GEORGIA

TABLE 1

NET ASSETS BY COMPONENT

Last Five Fiscal Years

	2004	2005	2006	2007	2008
Primary Government					
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 2,740,414	\$ 2,872,963	\$ 3,331,878	\$ 3,987,910	\$ 6,137,805
Restricted for:					
Community Development	356,290	559,287	450,272	376,664	357,671
Capital Projects	-	-	446,748	668,585	360,339
Unrestricted	1,003,075	1,449,756	1,778,677	2,495,393	2,236,940
Total Governmental Activities Net Assets	\$ 4,099,779	\$ 4,882,006	\$ 6,007,575	\$ 7,528,552	\$ 9,092,755
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 990,678	\$ 960,188	\$ 929,818	\$ 925,139	\$ 1,671,505
Unrestricted	716,366	830,085	1,159,223	1,186,618	507,963
Total Business-Type Activities Net Assets	\$ 1,707,044	\$ 1,790,273	\$ 2,089,041	\$ 2,111,757	\$ 2,179,468
Primary Government					
Invested in Capital Assets, Net of Related Debt	\$ 3,731,092	\$ 3,833,151	\$ 4,261,696	\$ 4,913,049	\$ 7,809,310
Restricted	356,290	559,287	897,020	1,045,249	718,010
Unrestricted	1,719,441	2,279,841	2,937,900	3,682,011	2,744,903
Total Primary Government Net Assets	\$ 5,806,823	\$ 6,672,279	\$ 8,096,616	\$ 9,640,309	\$ 11,272,223

TOWN OF TYRONE, GEORGIA

TABLE 2

CHANGES IN NET ASSETS

	Last Five Years				
	2004	2005	2006	2007	2008
Expenses					
Governmental Activities					
General Government	\$ 704,560	\$ 689,895	\$ 706,252	\$ 826,777	\$ 955,483
Judicial	75,821	69,173	74,906	73,750	101,936
Public Safety	887,418	924,579	1,040,212	1,124,375	1,390,504
Public Works	358,430	350,628	409,079	309,460	356,329
Culture and Recreation	303,044	235,590	318,026	341,442	470,745
Housing and Community Development	26,401	27,478	58,265	91,701	81,476
Interest on Long-Term Debt	4,421	3,077	4,267	5,180	5,684
Total Governmental Activities Expenses	<u>2,360,095</u>	<u>2,300,420</u>	<u>2,611,007</u>	<u>2,772,685</u>	<u>3,362,157</u>
Business-Type Activities					
Sewer	74,298	112,894	185,914	254,386	231,153
Sanitation	165,554	220,681	229,253	275,438	296,420
Total Business-Type Activities Expenses	<u>239,852</u>	<u>333,575</u>	<u>415,167</u>	<u>529,824</u>	<u>527,573</u>
Total Primary Government Expenses	<u>\$ 2,599,947</u>	<u>\$ 2,633,995</u>	<u>\$ 3,026,174</u>	<u>\$ 3,302,509</u>	<u>\$ 3,889,730</u>
Program Revenues					
Governmental Activities					
Charges for Services	\$ 940,618	\$ 965,463	\$ 1,012,457		
General Government	-	-	-	\$ 702,585	\$ 510,707
Public Safety	-	-	-	137,632	107,716
Public Works	-	-	-	123,964	-
Culture and Recreation	-	-	-	36,845	45,249
Operating Grants and Contributions	-	-	-	18,000	30,000
Capital Grants and Contributions	-	-	-	288,712	1,169,837
Total Governmental Activities Program Revenues	<u>940,618</u>	<u>965,463</u>	<u>1,012,457</u>	<u>1,307,738</u>	<u>1,863,509</u>
Business-Type Activities					
Charges for Services	289,061	411,691	475,164	540,307	580,189
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	232,500	-	-
Total Business-Type Activities Program Revenues	<u>289,061</u>	<u>411,691</u>	<u>707,664</u>	<u>540,307</u>	<u>580,189</u>
Total Primary Government Program Revenues	<u>\$ 1,229,679</u>	<u>\$ 1,377,154</u>	<u>\$ 1,720,121</u>	<u>\$ 1,848,045</u>	<u>\$ 2,443,698</u>
Net (Expense) Revenue					
Governmental Activities					
	\$ (1,419,477)	\$ (1,334,957)	\$ (1,598,550)	\$ (1,464,947)	\$ (1,498,648)
Business-Type Activities					
	<u>49,209</u>	<u>78,116</u>	<u>292,497</u>	<u>10,483</u>	<u>52,616</u>
Total Primary Government Net (Expense)	<u>\$ (1,370,268)</u>	<u>\$ (1,256,841)</u>	<u>\$ (1,306,053)</u>	<u>\$ (1,454,464)</u>	<u>\$ (1,446,032)</u>
General Revenue and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property	\$ 578,853	\$ 665,711	\$ 815,653	\$ 979,775	\$ 1,276,947
Sales	781,086	771,400	1,138,375	1,154,114	856,048
Franchise	235,145	278,283	327,551	379,599	419,173
Insurance Premium	168,308	182,296	196,127	205,198	214,044
Other	88,399	91,897	121,264	127,893	251,296
Unrestricted Investment Earnings	7,690	12,926	36,358	53,033	109,887
Other Revenue	60,290	114,671	88,791	86,312	293,127
Total Governmental Activities	<u>\$ 1,919,769</u>	<u>\$ 2,117,184</u>	<u>\$ 2,724,119</u>	<u>\$ 2,985,924</u>	<u>\$ 3,420,522</u>
Business-Type Activities					
Other Taxes	\$ 5,134	4,847	3,905	9,196	-
Unrestricted Investment Income	101	266	2,366	3,037	15,095
Total Business-Type Activities	<u>5,235</u>	<u>5,113</u>	<u>6,271</u>	<u>12,233</u>	<u>15,095</u>
Total Primary Government	<u>\$ 1,925,004</u>	<u>\$ 2,122,297</u>	<u>\$ 2,730,390</u>	<u>\$ 2,998,157</u>	<u>\$ 3,435,617</u>
Change in Net Assets					
Governmental Activities					
	\$ 500,292	\$ 782,227	\$ 1,125,569	\$ 1,520,977	\$ 1,921,874
Business-Type Activities					
	<u>54,444</u>	<u>83,229</u>	<u>298,768</u>	<u>22,716</u>	<u>67,711</u>
Total Primary Government	<u>\$ 554,736</u>	<u>\$ 865,456</u>	<u>\$ 1,424,337</u>	<u>\$ 1,543,693</u>	<u>\$ 1,989,585</u>

TOWN OF TYRONE, GEORGIA

TABLE 3

FUND BALANCES, GOVERNMENTAL FUNDS

Last Four Five Years

	2004	2005	2006	2007	2008
General Fund					
Reserved	\$ 406,569	\$ 612,909	\$ 465,652	\$ 442,625	\$ 423,632
Unreserved	781,832	1,218,053	1,708,420	2,283,443	2,009,886
Total General Fund	<u>1,188,401</u>	<u>1,830,962</u>	<u>2,174,072</u>	<u>2,726,068</u>	<u>2,433,518</u>
All Other Governmental Funds					
Reserved	185,630	187,987	446,748	668,585	360,339
Unreserved, Reported in:					
Special Revenue Funds	56,804	66,707	140,000	250,315	230,715
Total All Other Governmental Funds	<u>\$ 242,434</u>	<u>\$ 254,694</u>	<u>\$ 586,748</u>	<u>\$ 918,900</u>	<u>\$ 591,054</u>

TOWN OF TYRONE, GEORGIA

TABLE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Five Years

	2004	2005	2006	2007	2008
Revenues:					
Taxes	\$ 1,850,992	\$ 1,983,763	\$ 2,598,712	\$ 2,840,363	\$ 3,017,507
Licenses and Permits	418,078	501,339	404,055	343,935	200,214
Intergovernmental Revenue	-	-	-	118,163	1,199,837
Charges for Services	229,983	237,627	211,857	168,621	117,111
Fines, Forfeitures, and Fees	265,978	202,633	376,726	425,068	346,348
Interest	7,690	12,926	36,358	53,033	109,887
Other Revenue	86,869	138,535	108,610	149,714	54,065
Total All Governmental Funds	\$ 2,859,590	\$ 3,076,823	\$ 3,736,318	\$ 4,098,897	\$ 5,044,969
Expenditures					
Current:					
General Government	692,987	678,985	666,032	769,908	944,677
Judiciary	75,821	69,173	74,906	72,131	101,936
Public Safety	934,257	939,756	1,121,411	1,163,232	1,363,238
Public Works	341,630	354,351	457,396	355,940	317,172
Culture and Recreation	384,378	357,266	695,729	356,196	438,568
Housing and Community Development	26,401	27,478	58,265	91,701	40,587
Capital Outlay:	-	-	-	421,186	2,053,319
Debt Service					
Principal	38,648	44,688	46,392	55,120	56,782
Interest and Fiscal Charges	3,516	4,298	4,073	5,125	5,684
Total Expenditures	2,497,638	2,475,995	3,124,204	3,290,539	5,321,963
Excess (deficit) of Revenues Over Revenues	\$ 361,952	\$ 600,828	\$ 612,114	\$ 808,358	\$ (276,994)
Other Financing Sources (Uses)					
Capital Leases	52,490	46,383	57,950	62,290	61,126
Proceeds from the Sale of Capital Assets	-	7,610	5,100	13,500	14,603
Total Other Financing Sources (Uses)	52,490	53,993	63,050	75,790	75,729
Net Change in Fund Balance	\$ 414,442	\$ 654,821	\$ 675,164	\$ 884,148	\$ (201,265)
Debt Service as a Percentage of Noncapital Expenditures	1.7%	2.0%	1.6%	2.1%	1.9%

TOWN OF TYRONE, GEORGIA
 ASSESSED VALUE AND ESTIMATED TRUE VALUE
 OF ALL TAXABLE PROPERTY

Table 5

Last Ten Fiscal Years

Year	Real Property		Personal Property		Public Utilities		Total Property		Ratio Total Assessed Value to Total True Value	Total Direct Tax Rate
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value		
1999	72,347,510	180,868,775	11,608,606	29,021,515	1,205,900	3,014,750	85,162,016	212,905,040	40%	2.50%
2000	85,624,208	214,060,520	13,192,292	32,980,730	1,346,837	3,367,093	100,163,337	250,408,343	40%	2.50%
2001	91,782,799	229,456,998	13,395,754	30,989,385	1,346,837	3,367,093	106,525,390	263,813,476	40%	2.50%
2002	95,631,383	239,078,458	13,037,943	32,594,858	1,393,963	3,484,908	110,063,289	275,158,224	40%	2.90%
2003	111,697,455	279,243,638	16,449,760	41,124,400	1,555,441	3,888,603	129,702,656	324,256,641	40%	2.90%
2004	162,337,333	405,843,333	15,456,419	38,641,048	1,670,995	4,177,487	179,464,747	448,661,868	40%	2.90%
2005	200,442,123	501,105,308	14,607,423	36,518,558	1,820,232	4,550,580	216,869,778	542,174,446	40%	2.90%
2006	244,882,471	612,206,178	18,246,668	45,616,670	1,861,004	4,652,510	264,990,143	662,475,358	40%	2.90%
2007	333,778,904	834,447,260	25,687,005	64,217,513	1,922,345	4,805,863	361,388,254	903,470,636	40%	2.90%
2008	331,588,183	828,970,458	25,687,005	64,217,513	2,190,721	5,476,803	359,465,909	898,664,773	40%	2.90%

TOWN OF TYRONE, GEORGIA

Table 6

TAX RATES

Last Ten Fiscal Years

Tax Rates - Per Hundred Dollars

Fiscal Year	Total Milleage Rate	Town of Tyrone	Fayette County	Board of Education	State of Georgia
1999	35.950	2.500	9.210	23.990	0.250
2000	35.950	2.500	9.210	23.990	0.250
2001	35.950	2.500	9.210	23.990	0.250
2002	36.350	2.900	9.210	23.990	0.250
2003	36.310	2.900	10.460	22.700	0.250
2004	35.440	2.900	9.610	22.680	0.250
2005	34.670	2.900	9.170	22.350	0.250
2006	34.670	2.900	9.170	22.350	0.250
2007	33.278	2.900	7.982	22.146	0.250
2008	35.124	2.900	9.828	22.146	0.250

Tax Levies Based Upon the Above Rates

TOWN OF TYRONE, GEORGIA

Table 7

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Four Years Ago

Taxpayer	2008			2004		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
TCG Holdings LLC	\$ 5,160,703	1	1.55%	\$ 4,078,466	1	1.75%
Pavestone Company	5,008,946	2	1.50%			
Inland Southeast Tyrone LLC	4,304,800	3	1.29%			
TCG Holdings LLC	4,091,298	4	1.23%			
J. Wieland Homes	2,867,244	5	0.86%	3,339,092	2	1.43%
Hanson Aggregates	2,598,084	6	0.78%	1,441,528	7	0.62%
John Wieland	2,586,244	7	0.77%	1,688,160	5	0.72%
Georgia Masonry	2,301,161	8	0.69%	1,834,992	3	0.79%
Hobgood Family	2,270,280	9	0.68%	1,112,532	8	0.48%
Wieland Homes and Neighbors	2,227,800	10	0.67%			
Phillip Seay				1,196,400	6	0.51%
GMS Block, Inc.				1,742,420	4	0.75%
Lake Windsong Development Co. LLC				976,400	9	0.42%
Advantage Screw and Packaging				937,968	10	0.40%
Other Taxpayers	<u>300,362,344</u>		<u>89.99%</u>	<u>214,912,968</u>		<u>92.13%</u>
	<u>\$ 333,778,904</u>		<u>100.00%</u>	<u>\$ 233,260,926</u>		<u>100.00%</u>

Source: Town of Tyrone, Georgia and Fayette County, Georgia tax records.

TOWN OF TYRONE, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS

Table 8

Last Ten Fiscal Years

Year	Total Tax Levy	Collections of Current Years Taxes During Year	Percentage of Levy Collected During Year	Collection in Subsequent Years	Total Collections	Accumulated Uncollected Taxes	Ratio of Accumulated Uncollected Taxes to Current Year's Levy
2004	614,278	597,841	97.32%	14,164	612,005	2,273	0.37%
2005	749,720	731,807	97.61%	11,791	743,598	6,122	0.82%
2006	905,365	885,842	97.84%	-	885,842	19,523	2.16%
2007	983,812	939,438	95.49%	-	939,438	44,374	4.51%

Note (1): Local Option Sales Tax revenues for the City are based on 1% of L.O.S.T. taxable sales (see Table 7)

Note (2): Information prior to 2004 is not available.

TOWN OF TYRONE, GEORGIA

SALES TAX HISTORY

Last Ten Fiscal Years

Calendar Year

Table 9

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Local Option Sales Tax	\$ 50,679	\$ 61,505	\$ 61,099	\$ 61,685	\$ 60,584	\$ 58,636	\$ 59,541	\$ 68,155	\$ 67,145	\$ 56,924
January	56,099	63,443	68,890	77,635	68,139	70,609	74,574	80,444	83,968	64,019
February	58,450	49,633	62,571	67,672	56,401	65,549	57,775	70,443	73,883	75,968
March	53,003	61,945	58,153	67,282	53,854	56,722	62,666	72,058	65,577	66,405
April	50,753	68,998	64,677	67,698	58,032	67,114	63,035	70,305	69,243	68,630
May	60,929	62,463	65,192	67,106	61,088	66,063	34,454	73,210	77,492	74,005
June	59,950	64,863	68,415	73,154	58,153	69,830	64,278	70,447	73,327	67,442
July	58,847	63,500	67,279	70,755	64,975	64,081	62,579	76,216	69,134	65,490
August	65,176	66,700	71,080	67,008	63,222	68,709	66,654	80,688	83,258	
September	57,750	65,762	64,085	65,884	62,731	67,382	73,013	77,690	72,464	
October	62,924	60,304	65,414	67,874	68,180	64,624	67,575	93,365	67,585	
November	58,025	60,230	74,286	68,595	63,167	58,534	62,802	49,367	82,164	
December	4,411	12,158	4,021	6,275	2,958	5,462	32,602	3,527	1,798	
Pro Rata Adjustment	\$ 696,996	\$ 761,504	\$ 795,162	\$ 828,623	\$ 741,484	\$ 783,315	\$ 781,548	\$ 885,915	\$ 887,038	\$ 538,883
Special Local Option Sales Tax	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
January	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19,150	20,689	17,553
February	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24,359	24,296	19,729
March	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21,061	22,438	23,283
April	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20,843	20,167	20,465
May	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21,143	20,988	21,026
June	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21,785	24,117	22,821
July	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21,656	22,213	
August	N/A	N/A	N/A	N/A	N/A	N/A	N/A	23,098	21,397	
September	N/A	N/A	N/A	N/A	N/A	N/A	49,471	24,745	23,693	
October	N/A	N/A	N/A	N/A	N/A	N/A	19,494	23,775	22,433	
November	N/A	N/A	N/A	N/A	N/A	N/A	20,889	28,794	20,705	
December	N/A	N/A	N/A	N/A	N/A	N/A	19,930	15,156	25,259	
Pro Rata Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	889	493	546	
Total Sales Tax	\$ 696,996	\$ 761,504	\$ 795,162	\$ 828,623	\$ 741,484	\$ 783,315	\$ 892,221	\$ 1,151,973	\$ 1,155,979	\$ 663,760

TOWN OF TYRONE, GEORGIA
RATIO OF OUTSTANDING DEBT BY TYPE

Table 10

Last Six Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	% of Estimated Actual Value		Per Capita
				Property	Personal Income	
2003	-	51,655	51,655	0.02%	1.40%	13.19
2004	-	65,497	65,497	0.01%	1.68%	16.39
2005	-	67,192	67,192	0.01%	N/A	16.39
2006	-	78,750	78,750	0.01%	N/A	18.75
2007	-	85,920	85,920	0.01%	N/A	12.68
2008	-	90,265	90,265	0.01%	N/A	13.76

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

Note: Information prior to fiscal year 2003 was not available.

TOWN OF TYRONE, GEORGIA

Table 11

LEGAL DEBT MARGIN TABLE

Last Ten Fiscal Years

	2004	2005	Fiscal Year 2006	2007	2008
Debt Limit	\$ 19,330,143	\$ 23,326,092	\$ 26,112,231	\$ 26,112,231	\$ 35,946,591
Total Net Debt Applicable to Limit	32,114	67,182	78,750	85,920	90,265
Legal Debt Margin	<u>\$ 19,298,029</u>	<u>\$ 23,258,910</u>	<u>\$ 26,033,481</u>	<u>\$ 26,026,311</u>	<u>\$ 35,856,326</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.17%	0.29%	0.30%	0.33%	0.25%

Legal Debt Margin Calculated for Fiscal Year 2008:

Total Assessed Value	<u>\$ 359,465,909</u>
Debt Limit 10%	35,946,591
Debt Applicable to: Capital Leases	<u>90,265</u>
Legal Debt Limit	<u>\$ 35,856,326</u>

Note: Under state finance law, the Town's outstanding general obligation debt should not exceed 10 percent of the total assessed property value. By law, the general obligation debt subject to the limitations may be offset by amounts set aside for repaying general obligation debt.

TOWN OF TYRONE, GEORGIA

Table 12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2008

Jurisdiction	Debt Outstanding	Percentage Applicable to Town of Tyrone	Amount Applicable to Town of Tyrone
Debt repaid with property taxes:			
Fayette County:			
Fayette County School Board	\$ 122,345,800	0.00%	\$ -
Direct:			
Town of Tyrone capital leases	<u>90,265</u>	100.00%	<u>90,265</u>
Total	<u>\$ 122,436,065</u>		<u>\$ 90,265</u>

TOWN OF TYRONE, GEORGIA

TABLE 13

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Six Fiscal Years

Year	Population(a)	Personal Income(b)	Per Capita Personal Income(c)	Unemployment Rate(d)
2003	3,916	3,692,804	37,363	3.00%
2004	3,995	3,895,415	38,442	2.90%
2005	4,100	4,093,529	39,941	4.60%
2006	4,200	N/A	41,498	4.00%
2007	6,777	N/A	43,117	N/A
2008	6,561	N/A	26,463	4.60%

- (a) Population estimates from 2006 national census for Town of Tyrone plus additions based on new residential construction.
- (b) Source: Georgia Department of Labor-Area Labor Profiles-Town individual information not available.
- (c) Source: U.S. Bureau of Labor Statistics.
- (d) Source: Georgia Department of Labor-Area Labor Profiles- Fayette County.

TOWN OF TYRONE, GEORGIA

TABLE 14

PRINCIPAL EMPLOYERS
Current Year and One Year Ago

Employer	2008		2007	
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
Gutherie Construction Co. inc.	60	16.13%	51	18.62%
Peach State Ambulance	54	14.52%	41	14.96%
Gene Lynn Electric	50	13.44%	40	14.60%
Massana Construction	50	13.44%	N/A	0.00%
Glendalough Manor	35	9.41%	31	11.31%
F & S Mechanical	32	8.60%	N/A	0.00%
Royal Learners	32	8.60%	N/A	0.00%
Custom Molded Products	31	8.33%	28	10.22%
Action Plumbing Company	28	7.53%	26	9.49%
The Sundried Tomato	N/A	0.00%	25	9.12%
Wings & Things	N/A	0.00%	32	11.68%
Total Employees	372	100.00%	274	100.00%

Source: Town Records

Note: Information for the prior eight years not available.

TOWN OF TYRONE, GEORGIA

TABLE 15

FULL TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Four Fiscal Years

<u>Fiscal Year Ended</u>	<u>General Government</u>	<u>Police Department</u>	<u>Total</u>
2005	13	15	28
2006	13	16	29
2007	14	16	30
2008	15	19	34

TOWN OF TYRONE

TABLE 16

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police	1479	1972	1,516	1,208	1,485	1,316	1,625	2,232	2,622	2109
Citations	10	75	77	31	30	28	25	31	54	26
DUI	-	-	-	-	-	-	-	-	-	1322
Warnings Issued	1	1	2	3	6	7	9	7	7	5
Auto Theft	-	-	-	-	-	-	-	-	-	-
Rape	-	-	-	1	-	-	-	-	-	2
Robbery	-	-	-	9	11	12	25	33	26	31
Burglary	11	4	3	9	11	12	25	33	26	31
Theft	62	52	61	61	59	85	99	77	115	106

TOWN OF TYRONE, GEORGIA

Table 17

CONSTRUCTION ACTIVITY

Last Ten Fiscal Years

Fiscal year Ended, June 30,	Residential Permits Issued	Residential Value	Commercial Permits Issued	Commercial Value
1999	77	\$ 5,916,872	8	\$ 719,861
2000	81	14,019,237	11	1,293,500
2001	71	11,621,692	25	2,214,000
2002	206	27,368,800	4	1,144,000
2003	152	26,368,600	11	1,969,000
2004	209	42,855,123	44	6,491,397
2005	184	41,153,004	22	5,849,450
2006	148	38,287,720	21	8,206,639
2007	72	29,345,510	46	8,285,269
2008	38	5,826,020	27	5,653,063