



TOWN OF TYRONE, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2017

Prepared by:

Department of Finance

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TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2017

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Independent Auditor's Report

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

Report on the Financial Statements

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, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 43 through 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Tyrone, Georgia, has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tyrone, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of projects financed with special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the Town of Tyrone, Georgia's basic financial statements for the year ended June 30, 2016. In our report dated December 27, 2016, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tyrone's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2016 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules related to the 2016 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Tyrone, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 19, 2017

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BASIC FINANCIAL STATEMENTS

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 6,054,526	\$ 2,061,857	\$ 8,116,383
Restricted assets			
Cash and cash equivalents	30,236	0	30,236
Certificates of deposit	300,000	0	300,000
Receivables (net)			
Accounts	61,004	32,389	93,393
Taxes	180,203	0	180,203
Intergovernmental	34,600	0	34,600
Prepaid items	150,823	1,307	152,130
Total current assets	<u>6,811,392</u>	<u>2,095,553</u>	<u>8,906,945</u>
Noncurrent assets			
Capital assets			
Non-depreciable	1,512,458	0	1,512,458
Depreciable (net)	7,892,872	694,475	8,587,347
Total noncurrent assets	<u>9,405,330</u>	<u>694,475</u>	<u>10,099,805</u>
Total assets	<u>16,216,722</u>	<u>2,790,028</u>	<u>19,006,750</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to measurement date	56,486	0	56,486
Pension investment return differences	62,904	0	62,904
Total deferred outflows of resources	<u>119,390</u>	<u>0</u>	<u>119,390</u>
LIABILITIES			
Current liabilities			
Payables			
Accounts	206,779	37,589	244,368
Retainages	4,012	0	4,012
Accrued salaries and payroll liabilities	60,960	3,850	64,810
Compensated absences	36,240	0	36,240
Unearned revenue	2,360	73,367	75,727
Notes payable	130,565	0	130,565
Total current liabilities	<u>440,916</u>	<u>114,806</u>	<u>555,722</u>
Noncurrent liabilities			
Compensated absences	4,027	0	4,027
Net pension liability	242,526	0	242,526
Notes payable	2,127,078	0	2,127,078
Total noncurrent liabilities	<u>2,373,631</u>	<u>0</u>	<u>2,373,631</u>
Total liabilities	<u>2,814,547</u>	<u>114,806</u>	<u>2,929,353</u>

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Pension assumption changes	\$ 2,186	\$ 0	\$ 2,186
Pension experience differences	94,035	0	94,035
Pension investment return differences	64,170	0	64,170
Total deferred inflows of resources	160,391	0	160,391
NET POSITION			
Net investment in capital assets	7,071,219	694,475	7,765,694
Restricted for:			
Public Safety	294,795	0	294,795
Unrestricted	5,995,160	1,980,747	7,975,907
Total net position	\$ 13,361,174	\$ 2,675,222	\$ 16,036,396

TOWN OF TYRONE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2017

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General Government	\$ 599,471	\$ 7,793	\$ 0	\$ 0	\$ (591,678)
Judicial	157,926	0	0	0	(157,926)
Public Safety	1,423,571	281,588	1,995	330	(1,139,658)
Public Works	1,153,620	0	0	123,590	(1,030,030)
Culture and Recreation	656,876	32,135	10,800	45,624	(568,317)
Housing and Development	275,355	135,509	0	0	(139,846)
Interest on long-term debt	57,899	0	0	0	(57,899)
Total governmental activities	<u>4,324,718</u>	<u>457,025</u>	<u>12,795</u>	<u>169,544</u>	<u>(3,685,354)</u>
Business-type activities					
Sewer Utility	374,137	351,914	0	0	(22,223)
Sanitation	377,434	425,148	0	0	47,714
Total business-type activities	<u>751,571</u>	<u>777,062</u>	<u>0</u>	<u>0</u>	<u>25,491</u>
Total primary government	<u>5,076,289</u>	<u>1,234,087</u>	<u>12,795</u>	<u>169,544</u>	<u>(3,659,863)</u>

Change in net position	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Net (expense) revenue	\$ (3,685,354)	\$ 25,491	\$ (3,659,863)
General revenues			
Taxes			
Property	1,174,466	0	1,174,466
Sales	1,516,628	0	1,516,628
Franchise	521,341	0	521,341
Insurance premium	432,093	0	432,093
Occupational	108,754	0	108,754
Alcoholic beverage	107,361	0	107,361
Intangibles	18,214	0	18,214
Other	5,255	0	5,255
Interest and investment earnings	37,209	0	37,209
Other	30,702	0	30,702
Total general revenues	<u>3,952,023</u>	<u>0</u>	<u>3,952,023</u>
Change in net position	266,669	25,491	292,160
Net position - beginning	<u>13,094,505</u>	<u>2,649,731</u>	<u>15,744,236</u>
Net position - ending	<u>\$ 13,361,174</u>	<u>\$ 2,675,222</u>	<u>\$ 16,036,396</u>

TOWN OF TYRONE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 5,763,826	\$ 290,700	\$ 6,054,526
Restricted assets			
Cash and cash equivalents	30,236	0	30,236
Certificates of deposit	300,000	0	300,000
Receivables (net)			
Accounts	61,004	0	61,004
Taxes	180,203	0	180,203
Intergovernmental	34,254	346	34,600
Prepaid items	150,823	0	150,823
Due from other funds	444	0	444
	<u>6,520,790</u>	<u>291,046</u>	<u>6,811,836</u>
Total assets	\$ 6,520,790	\$ 291,046	\$ 6,811,836
LIABILITIES			
Payables			
Accounts	\$ 202,489	\$ 4,290	\$ 206,779
Retainages	4,012	0	4,012
Accrued salaries and payroll liabilities	60,960	0	60,960
Unearned revenue	2,360	0	2,360
Due to other funds	0	444	444
	<u>269,821</u>	<u>4,734</u>	<u>274,555</u>
Total liabilities	269,821	4,734	274,555
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	<u>5,726</u>	<u>0</u>	<u>5,726</u>
FUND BALANCES			
Nonspendable prepaid items	150,823	0	150,823
Restricted for:			
Public Safety	8,483	286,312	294,795
Unassigned	<u>6,085,937</u>	<u>0</u>	<u>6,085,937</u>
	<u>6,245,243</u>	<u>286,312</u>	<u>6,531,555</u>
Total fund balances	6,245,243	286,312	6,531,555
	<u>\$ 6,520,790</u>	<u>\$ 291,046</u>	<u>\$ 6,811,836</u>
Total liabilities, deferred inflows, and fund balances	\$ 6,520,790	\$ 291,046	\$ 6,811,836

TOWN OF TYRONE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2017

Total fund balance - total governmental funds \$ 6,531,555

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

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

These are:

Capital assets net of accumulated depreciation	9,405,330
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Long term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.

These are:

Property taxes	5,726
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:

Pension contributions subsequent to measurement date	\$ 56,486	
Pension investment return differences	62,904	

Deferred inflows of resources:

Pension assumption changes	(2,186)	
Pension experience differences	(94,035)	
Pension investment return differences	(64,170)	(41,001)

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

These are:

Net pension liability	(242,526)	
Notes payable	(2,257,643)	
Compensated absences	(40,267)	(2,540,436)

Net position of governmental activities	\$ 13,361,174
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TOWN OF TYRONE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2017

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES			
Taxes	\$ 3,844,839	\$ 0	\$ 3,844,839
Licenses and permits	184,149	0	184,149
Fines, fees and forfeitures	262,051	0	262,051
Charges for services	54,331	0	54,331
Intergovernmental	164,494	2,381	166,875
Interest	35,502	1,721	37,223
Contributions	15,561	0	15,561
Other	30,702	0	30,702
Total revenues	<u>4,591,629</u>	<u>4,102</u>	<u>4,595,731</u>
EXPENDITURES			
Current			
General Government	591,697	0	591,697
Judicial	160,784	0	160,784
Public Safety	1,359,974	111,980	1,471,954
Public Works	1,106,386	0	1,106,386
Culture and Recreation	586,039	0	586,039
Housing and Development	275,275	0	275,275
Debt service	245,753	0	245,753
Capital outlay	0	444	444
Total expenditures	<u>4,325,908</u>	<u>112,424</u>	<u>4,438,332</u>
Excess (deficiency) of revenues over (under) expenditures	265,721	(108,322)	157,399
Fund balances, July 1	<u>5,979,522</u>	<u>394,634</u>	<u>6,374,156</u>
Fund balances, June 30	<u><u>\$ 6,245,243</u></u>	<u><u>\$ 286,312</u></u>	<u><u>\$ 6,531,555</u></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
For the fiscal year ended June 30, 2017

Net change in fund balances - total governmental funds \$ 157,399

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

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

Capital outlays	\$ 469,935	
Depreciation	<u>(562,409)</u>	(92,474)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. These include recognition of unavailable deferred inflows. (4,343)

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

Pension contributions	75,314	
Cost of benefits earned net of employee contributions	<u>(49,985)</u>	25,329

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

Debt principal payments	181,655	
Net change in interest payable	<u>6,198</u>	187,853

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

Compensated absences	<u>(7,095)</u>	<u>(7,095)</u>
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Change in net position of governmental activities \$ 266,669

TOWN OF TYRONE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,104,500	\$ 3,829,871	\$ 3,844,839	\$ 14,968
Licenses and permits	126,000	161,000	184,149	23,149
Fines, fees and forfeitures	200,100	200,100	262,051	61,951
Charges for services	68,438	68,438	54,331	(14,107)
Intergovernmental	91,800	164,300	164,494	194
Interest	10,000	27,000	35,502	8,502
Contributions	60	60	15,561	15,501
Other	27,375	27,375	30,702	3,327
Total revenues	3,628,273	4,478,144	4,591,629	113,485
EXPENDITURES				
Current				
General Government				
Administration	659,500	608,259	591,697	16,562
Judicial				
Municipal Court	162,608	162,608	160,784	1,824
Public Safety				
Public Safety	1,404,289	1,446,269	1,359,974	86,295
Public Works				
Public Works	409,462	1,127,656	1,106,386	21,270
Culture and Recreation				
Library	213,306	208,082	206,494	1,588
Parks and Recreation	280,379	242,779	220,867	21,912
Founders Day	26,212	31,712	31,287	425
Shamrock Park	0	127,391	127,391	0
Housing and Development				
Planning and zoning	178,702	208,702	207,746	956
Environmental	70,215	70,215	67,529	2,686
Debt Service				
Public Safety	32,382	32,382	32,382	0
Public Works	192,500	213,371	213,371	0
Total expenditures	3,629,555	4,479,426	4,325,908	153,518
Excess (deficiency) of revenues over (under) expenditures	(1,282)	(1,282)	265,721	267,003
Fund balances, July 1	1,282	1,282	5,979,522	5,978,240
Fund balances, June 30	\$ 0	\$ 0	\$ 6,245,243	\$ 6,245,243

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Business-Type Activities		Totals
	Sewer	Sanitation	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,522,366	\$ 539,491	\$ 2,061,857
Accounts receivable (net)	28,268	4,121	32,389
Prepaid items	478	829	1,307
Total current assets	1,551,112	544,441	2,095,553
Noncurrent assets			
Capital assets			
Depreciable (net)	694,475	0	694,475
Total assets	2,245,587	544,441	2,790,028
LIABILITIES			
Current liabilities			
Accounts payable	10,354	27,235	37,589
Accrued salaries and payroll liabilities	1,858	1,992	3,850
Unearned revenue	0	73,367	73,367
Total current liabilities	12,212	102,594	114,806
NET POSITION			
Investment in capital assets	694,475	0	694,475
Unrestricted	1,538,900	441,847	1,980,747
Total net position	\$ 2,233,375	\$ 441,847	\$ 2,675,222

TOWN OF TYRONE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Business-Type Activities		Totals
	Sewer	Sanitation	
OPERATING REVENUES			
Charges for sales and services	\$ 351,914	\$ 425,148	\$ 777,062
Total operating revenue	351,914	425,148	777,062
OPERATING EXPENSES			
Costs of sales and services	161,067	314,056	475,123
Personal services	56,737	63,378	120,115
Depreciation	156,333	0	156,333
Total operating expenses	374,137	377,434	751,571
Operating income (loss)	(22,223)	47,714	25,491
Net position, July 1	2,255,598	394,133	2,649,731
Net position, June 30	\$ 2,233,375	\$ 441,847	\$ 2,675,222

TOWN OF TYRONE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Business-Type Activities		Totals
	Sewer	Sanitation	
Cash flows from operating activities:			
Receipts from customers	\$ 357,376	\$ 416,290	\$ 773,666
Payments to suppliers	(173,874)	(314,418)	(488,292)
Payments to employees	(56,884)	(63,056)	(119,940)
Net cash provided (used) by operating activities	126,618	38,816	165,434
Cash and cash equivalents, July 1	1,395,748	500,675	1,896,423
Cash and cash equivalents, June 30	\$ 1,522,366	\$ 539,491	\$ 2,061,857
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (22,223)	\$ 47,714	\$ 25,491
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	156,333	0	156,333
(Increase) decrease in accounts receivable	5,462	(3,187)	2,275
(Increase) decrease in prepaid items	122	(103)	19
Increase (decrease) in accounts payable	(12,929)	(259)	(13,188)
Increase (decrease) in unearned revenue	0	(5,671)	(5,671)
Increase (decrease) in accrued salaries and other payroll liabilities	(147)	322	175
Total adjustments	148,841	(8,898)	139,943
Net cash provided (used) by operating activities	\$ 126,618	\$ 38,816	\$ 165,434

TOWN OF TYRONE, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2017

	Municipal Escrow Agency Fund
ASSETS	
Cash and cash equivalents	\$ <u>17,877</u>
 LIABILITIES	
Due to other agencies	\$ <u>17,877</u>

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

1. Description of Government Unit

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

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

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Tyrone (the primary government) and material component units. Based upon generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the Town was determined to have no component units as of June 30, 2017.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

D. Basis of Presentation – Fund Financial Statements

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

The Town reports the following major governmental funds:

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

The Town reports the following major proprietary funds:

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The Sanitation Fund – This 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:

Governmental Fund Types

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

Capital Projects Funds - This fund type is used to account for financial resources to be used for the acquisition or construction of capital assets (other than those financed by the proprietary or fiduciary funds).

Fiduciary Fund Types

Agency Funds – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held either for the Town or for others. The Town has an agency fund to account for the activity of the Municipal Court.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

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

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

E. Measurement Focus and Basis of Accounting

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

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

G. Budgets and Budgetary Accounting

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

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

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

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

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

The Town does not use the encumbrance system of accounting.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

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

I. Intergovernmental Receivables

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items.

K. Capital Assets

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

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

K. Capital Assets, continued

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value.

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

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

All land will be valued and capitalized.

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

L. Deferred Outflows/Inflows of Resources

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

L. Deferred Outflows/Inflows of Resources, continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also reports deferred inflows of resources related to their defined benefit pension plans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Compensated Absences

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

N. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as prepaid bond insurance, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized during the current period.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

N. Long-Term Obligations, continued

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

O. Capital Contributions

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

P. Fund Balances – Governmental Funds

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at June 30, 2017, by the Town are nonspendable in form. The Town has not reported any amounts that are legally or contractually required to be maintained intact.

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds, continued

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

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

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report a positive amount in this category of fund balance.

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

Q. Net Position Flow Assumption

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

R. Fund Balance Flow Assumption

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

S. Restricted Assets and Restricted Net Position

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

T. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the Town's financial position and operations. Certain 2016 amounts have been reclassified to conform with the 2017 presentation.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

U. Pensions

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

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

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

Interest Rate Risk

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

Credit Risk

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

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

- No more than 20% of the portfolio may be invested in investments with maturities greater than 12 months, and the weighted average maturity of the portfolio shall never exceed one year.
- No more than 20% of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

3. Deposit and Investment Risk (continued)

- No more than 20 percent of the portfolio may be invested in each of the following categories of securities: commercial paper, negotiable certificates of deposit, banker's acceptances, and any other obligation that does not bear the full faith and credit of the United States government or which is not fully collateralized or insured.
- At least 20% of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice.

Concentration of Credit Risk

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

Foreign Currency Risk

The Town has no investments denominated in a foreign currency.

4. Accounts Receivable

Net accounts receivable at June 30, 2017 consist of the following:

Primary Government:		
Major Funds		
General Fund		\$ 61,004
Enterprise Funds		
Sewer		28,268
Sanitation	\$ 49,540	
Less: Allowance for Uncollectibles	<u>(45,419)</u>	<u>4,121</u>
 Total Primary Government		 <u><u>\$ 93,393</u></u>

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2017 consist of the following:

Primary Government:

Major Funds

General Fund	Georgia Department of Transportation	\$	34,254
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Nonmajor Funds

2005 SPLOST Fund	Fayette County, Georgia		346
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Total Primary Government	\$	<u>34,600</u>
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6. Taxes Receivable

Taxes receivable as of June 30, 2017 include property taxes for seven years as follows:

Year of Levy	Amount
2016	\$ 6,934
2015	1,798
2014	559
2013	256
2012	393
2011	758
2010	3,443
	14,141
Less allowance for uncollectible	(5,784)
	8,357
Add amount due from Fayette County Tax Commissioner	21,475
Total	\$ 29,832

Property tax rates are set by the Town Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2017, based upon the assessments of January 1, 2016, were billed on September 15, 2016 and due on November 15, 2016. Tax liens are issued 90 days after the due date. The tax rate of 2.889 mills for fiscal year 2017 was levied on September 1, 2016.

Other Taxes

\$150,371 of sales taxes are included in taxes receivable.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

7. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Non-depreciable assets				
Land	\$ 1,418,614	\$ 0	\$ 0	\$ 1,418,614
Construction in progress	109,031	133,869	(183,156)	59,744
Easements	0	34,100	0	34,100
Total nondepreciable assets	<u>1,527,645</u>	<u>167,969</u>	<u>(183,156)</u>	<u>1,512,458</u>
Depreciable assets				
Buildings	2,292,484	183,156	0	2,475,640
Infrastructure	4,735,329	113,921	0	4,849,250
Improvements other than buildir	2,024,531	6,864	0	2,031,395
Library collections	653,861	15,986	(7,014)	662,833
Furnishings, vehicles, machinery and equipment	1,524,944	165,195	0	1,690,139
Total depreciable assets	<u>11,231,149</u>	<u>485,122</u>	<u>(7,014)</u>	<u>11,709,257</u>
Accumulated depreciation				
Buildings	(533,123)	(51,565)	0	(584,688)
Infrastructure	(617,497)	(236,042)	0	(853,539)
Improvements other than buildir	(947,166)	(110,890)	0	(1,058,056)
Library collections	(324,630)	(31,764)	7,014	(349,380)
Furnishings, vehicles, machinery and equipment	(838,574)	(132,148)	0	(970,722)
Total accumulated depreciation	<u>(3,260,990)</u>	<u>(562,409)</u>	<u>7,014</u>	<u>(3,816,385)</u>
Total depreciable assets, net	<u>7,970,159</u>	<u>(77,287)</u>	<u>0</u>	<u>7,892,872</u>
Governmental activities capital assets, net	<u>\$ 9,497,804</u>	<u>\$ 90,682</u>	<u>\$ (183,156)</u>	<u>\$ 9,405,330</u>
Business-type activities				
Depreciable assets				
Infrastructure	\$ 1,123,066	\$ 0	\$ 0	\$ 1,123,066
Intangibles	1,315,788	0	0	1,315,788
Equipment	25,991	0	0	25,991
Total depreciable assets	<u>2,464,845</u>	<u>0</u>	<u>0</u>	<u>2,464,845</u>
Accumulated depreciation				
Infrastructure	(446,954)	(32,862)	0	(479,816)
Intangibles	(1,162,098)	(122,952)	0	(1,285,050)
Equipment	(4,985)	(519)	0	(5,504)
Total accumulated depreciation	<u>(1,614,037)</u>	<u>(156,333)</u>	<u>0</u>	<u>(1,770,370)</u>
Total depreciable assets, net	<u>850,808</u>	<u>(156,333)</u>	<u>0</u>	<u>694,475</u>
Business-type activities capital assets, net	<u>\$ 850,808</u>	<u>\$ (156,333)</u>	<u>\$ 0</u>	<u>\$ 694,475</u>

Beginning balances for business-type activities have been restated above with no net effect on business-type activities capital assets.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

7. Capital Assets (continued)

Primary Government

Governmental activities

General Government	\$	21,654
Judicial		605
Public Safety		86,396
Public Works		232,943
Culture and Recreation		220,811
Total depreciation expense for governmental activities	\$	562,409

Business-type activities

Sewer	\$	156,333
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8. Capital and Operating Lease Agreements

The Town has entered into an agreement for the lease of certain equipment. The terms of the agreement meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The lease was paid in full during the fiscal year ended June 30, 2017.

9. Long-term Liabilities

Notes Payable

On September 18, 2014, the Town entered into an agreement with the Georgia Transportation Infrastructure Bank for the Downtown Tyrone Rehabilitation project. The Town borrowed \$2,465,000 due at the completion of the project in monthly installments of principal and interest through January 1, 2031; interest at 2.48% (\$2,257,643 outstanding).

On September 18, 2014, the Town entered into an agreement with the Georgia Transportation Infrastructure Bank for the Tyrone Road Safety Improvement project. The Town borrowed \$165,000 due at the completion of the project in 180 monthly installments of principal and interest; interest at 2.48% (\$0 outstanding).

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

9. Long-term Liabilities (continued)

Notes Payable, continued

Annual debt service requirements for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 130,565	\$ 49,980	\$ 180,545
2019	145,857	51,101	196,958
2020	149,516	47,442	196,958
2021	153,266	43,692	196,958
2022	157,110	39,848	196,958
2023-2027	846,681	138,109	984,790
2028-2031	674,648	31,118	705,766
Totals	<u>\$ 2,257,643</u>	<u>\$ 401,290</u>	<u>\$ 2,658,933</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the Town for year ended June 30, 2017:

	June 30, 2016	Additions	Deductions	June 30, 2017	Due Within One Year
Governmental activities					
Capital lease obligations	\$ 31,127	\$ 0	\$ 31,127	\$ 0	\$ 0
Notes payable	2,408,171	0	150,528	2,257,643	130,565
Compensated absences	33,172	36,950	29,855	40,267	36,240
Total governmental activities	<u>\$ 2,472,470</u>	<u>\$ 36,950</u>	<u>\$ 211,510</u>	<u>\$ 2,297,910</u>	<u>\$ 166,805</u>

Total interest expense in the governmental activities for the fiscal ended June 30, 2017 was \$57,899.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

10. Restricted, Committed, and Assigned Fund Balances

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds for fiscal year ended June 30, 2017:

	General	Nonmajor Governmental	Total Governmental Funds
Restricted for:			
Public Safety			
Fire services and equipment	\$ 8,483	\$ 0	\$ 8,483
Police equipment	0	286,312	286,312
	\$ 8,483	\$ 286,312	\$ 294,795

11. Pension Plan

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

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

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

11. Pension Plan (continued)

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

At January 1, 2017, the date of the most recent actuarial valuation, there were 62 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	9
Terminated vested participants entitled to but not yet receiving benefits	25
Active participants	28
Total number of participants	62

Benefits Provided. The plan provides retirement, disability, and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Participants with five years of total service are eligible to retire at age 65 with no reduction in benefit. Participants with ten years of total service are eligible to retire at age 55 with no reduction in benefit. Officials are not covered under the plan. Participants are eligible for early retirement with reduced benefits based on the early retirement reduction table at age 55 after 5 years of service. The benefit formula is 1.25% to 2.00% with a five year vesting schedule.

Contributions. Employees make no contributions to the plan. The Town is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The Town's actuarially determined contribution rate for the fiscal year ended June 30, 2017 was \$75,314 or 6.62% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the Town reported a net pension liability of \$242,526. The net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017. For the fiscal year ended June 30, 2017, the Town recognized pension expense in the amount of \$49,986.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

11. Pension Plan (continued)

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ (94,035)
Changes of assumptions	0	(2,186)
Net difference between projected and actual earnings on pension plan investments	62,904	(64,170)
Town contributions subsequent to the measurement date	56,486	0
Totals	<u>\$ 119,390</u>	<u>\$ (160,391)</u>

The \$56,486 of deferred outflows of resources resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2018	\$ (35,717)
2019	(35,717)
2020	(15,136)
2021	(10,917)
Totals	<u>\$ (97,487)</u>

Actuarial Assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustments	3.00%
Net investment rate of return	7.75%

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

11. Pension Plan (continued)

The mortality and economic actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global fixed income	5%	3.30%
Domestic fixed income	20%	1.75%
Cash	0%	
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

11. Pension Plan (continued)

Changes in Net Pension Liability

	<u>Total Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 9/30/15	\$ 1,958,241	\$ 1,598,913	\$ 359,328
Changes for the year:			
Service cost	52,847	0	52,847
Interest	149,236	0	149,236
Differences between expected and actual experience	(76,436)	0	(76,436)
Contributions—employer	0	71,484	(71,484)
Net investment income	0	178,451	(178,451)
Benefit payments, including refunds of employee contributions	(65,238)	(65,238)	0
Administrative expense	0	(7,486)	7,486
Net changes	<u>60,409</u>	<u>177,211</u>	<u>(116,802)</u>
Balances at 9/30/16	<u>\$ 2,018,650</u>	<u>\$ 1,776,124</u>	<u>\$ 242,526</u>

Plan's fiduciary net position as a percentage of the total pension liability	87.99%
Covered payroll	\$ 1,138,501
Net pension liability as a percentage of covered payroll	21.30%

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75 percent) or one percentage-point higher (8.75 percent) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.75%	\$ 553,207
Current discount rate	7.75%	242,526
1% increase	8.75%	(10,058)

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

Other Plans

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

12. Joint Ventures

Under Georgia law, the Town, in conjunction with other cities and counties in the ten county Atlanta, Georgia area, is a member of the Atlanta Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2017, the Town's membership dues were paid by Fayette County, Georgia. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Atlanta Regional Commission, 40 Courtland Street, NE Atlanta, Georgia 30303-2538.

13. Risk Management

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

The Town is exposed to various risks of loss related to torts; injuries to employees; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

13. Risk Management (continued)

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2017, the Town has no losses that are probable or estimable and accordingly has not recognized any liability.

14. Commitments and Contingencies

Commitments

The Town has active construction projects as of June 30, 2017. At fiscal year end, the Town's commitments with contractors are as follows:

Project	Amount Expended to Date	Remaining Commitment
Tyrone Road Right Turn Lane	\$ 0	\$ 231,080

Contingencies

The Town is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The Town's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

15. Subsequent Events

On March 16, 2017, the Town approved an intergovernmental agreement with the Fulton County Board of Commissioners for the purchase of wastewater treatment capacity. This agreement requires an upfront, capital commitment of \$1,700,101. The agreement was executed and the related capital commitment paid in December 2017.

Subsequent to year end, the Town awarded a contract to provide sanitation services, including customer billing, within the Town of Tyrone, for the period January 1, 2018 through December 31, 2020. The agreement provides that the Town will receive only utility franchise fees relative to sanitation services.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TYRONE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2017
(Unaudited)

	Fiscal Year End		
	2017	2016	2015
Total pension liability			
Service cost	\$ 52,847	\$ 49,332	\$ 48,292
Interest	149,236	141,847	136,273
Differences between expected and actual experience	(76,436)	(30,392)	(46,186)
Benefit payments, including refunds of employee contributions	(65,238)	(65,672)	(56,285)
Other changes	0	0	(5,466)
Net change in total pension liability	60,409	95,115	76,628
Total pension liability - beginning	1,958,241	1,863,126	1,786,498
Total pension liability - ending (a)	\$ 2,018,650	\$ 1,958,241	\$ 1,863,126
Plan fiduciary net position			
Contributions - employer	\$ 71,484	\$ 76,884	\$ 81,141
Net investment income	178,451	17,602	160,444
Benefit payments, including refunds of employee contributions	(65,238)	(65,672)	(56,285)
Administrative expense	(7,486)	(8,354)	(6,621)
Other	0	0	0
Net change in fiduciary net position	177,211	20,460	178,679
Plan fiduciary net position - beginning	1,598,913	1,578,453	1,399,774
Plan fiduciary net position - ending (b)	\$ 1,776,124	\$ 1,598,913	\$ 1,578,453
Net pension liability (asset) - ending : (a) - (b)	\$ 242,526	\$ 359,328	\$ 284,673
Plan's fiduciary net position as a percentage of the total pension liability	87.99%	81.65%	84.72%
Covered payroll	\$ 1,138,501	\$ 1,192,988	\$ 1,181,282
Net pension liability as a percentage of covered payroll	21.30%	30.12%	24.10%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only three years are reported.

TOWN OF TYRONE, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2017
(Unaudited)

	Fiscal Year End		
	2017	2016	2015
Actuarially determined contribution	\$ 75,314	\$ 70,208	\$ 79,109
Contributions in relation to the actuarially determined contribution	<u>(75,314)</u>	<u>(70,208)</u>	<u>(79,109)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 1,138,501	\$ 1,192,988	\$ 1,181,282
Contributions as a percentage of covered payroll	6.62%	5.89%	6.70%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only three years are reported.

TOWN OF TYRONE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017
(Unaudited)

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2017, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2018.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 10 years

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

Net investment rate of return = 7.75%

Projected salary increases = 3.25% plus service based merit increases

Cost of living adjustments = 3.00%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

Exhibit B-3, continued

TOWN OF TYRONE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017
(Unaudited)

3. Changes in Benefits

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

4. Changes of Assumptions

There were no changes in methods or assumptions since the last valuation.

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COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

**TOWN OF TYRONE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Confiscated Assets</u>	<u>2005 SPLOST</u>	
ASSETS			
Cash and cash equivalents	\$ 290,602	\$ 98	\$ 290,700
Intergovernmental receivable	<u>0</u>	<u>346</u>	<u>346</u>
Total assets	<u><u>\$ 290,602</u></u>	<u><u>\$ 444</u></u>	<u><u>\$ 291,046</u></u>
LIABILITIES			
Accounts payable	\$ 4,290	\$ 0	\$ 4,290
Due to other funds	<u>0</u>	<u>444</u>	<u>444</u>
Total liabilities	4,290	444	4,734
FUND BALANCES			
Restricted for:			
Public Safety	<u>286,312</u>	<u>0</u>	<u>286,312</u>
Total liabilities and fund balances	<u><u>\$ 290,602</u></u>	<u><u>\$ 444</u></u>	<u><u>\$ 291,046</u></u>

TOWN OF TYRONE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Confiscated Assets</u>	<u>2005 SPLOST</u>	
REVENUES			
Intergovernmental	\$ 1,995	\$ 386	\$ 2,381
Interest	1,707	14	1,721
Total revenues	<u>3,702</u>	<u>400</u>	<u>4,102</u>
EXPENDITURES			
Current			
Public Safety	111,980	0	111,980
Capital outlay	0	444	444
Total expenditures	<u>111,980</u>	<u>444</u>	<u>112,424</u>
Excess (deficiency) of revenues over (under) expenditures	(108,278)	(44)	(108,322)
Fund balances, July 1	<u>394,590</u>	<u>44</u>	<u>394,634</u>
Fund balances, June 30	<u><u>\$ 286,312</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 286,312</u></u>

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GENERAL FUND

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

TOWN OF TYRONE, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 5,763,826	\$ 4,102,221
Restricted assets		
Cash	30,236	18,063
Certificate of deposit	300,000	1,711,054
Receivables (net)		
Accounts	61,004	162,295
Taxes	180,203	154,643
Intergovernmental	34,254	35,929
Prepaid items	150,823	138,797
Due from other funds	444	0
	<u> </u>	<u> </u>
Total assets	<u><u>\$ 6,520,790</u></u>	<u><u>\$ 6,323,002</u></u>
LIABILITIES		
Payables		
Accounts	\$ 202,489	\$ 249,517
Retainages	4,012	30,753
Intergovernmental	0	24
Accrued salaries and payroll liabilities	60,960	53,119
Unearned revenue	2,360	0
	<u> </u>	<u> </u>
Total liabilities	<u>269,821</u>	<u>333,413</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>5,726</u>	<u>10,067</u>
FUND BALANCES		
Nonspendable for prepaid items	150,823	138,797
Restricted for:		
Public Safety	8,483	17,645
Assigned for:		
Culture and Recreation	0	1,533
Unassigned	<u>6,085,937</u>	<u>5,821,547</u>
	<u> </u>	<u> </u>
Total fund balances	<u>6,245,243</u>	<u>5,979,522</u>
Total liabilities, deferred inflows, and fund balances	<u><u>\$ 6,520,790</u></u>	<u><u>\$ 6,323,002</u></u>

TOWN OF TYRONE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Taxes	\$ 3,844,839	\$ 3,578,287
Licenses and permits	184,149	200,373
Fines, fees and forfeitures	262,051	258,900
Charges for services	54,331	61,432
Intergovernmental	164,494	254,471
Interest	35,502	16,353
Contributions	15,561	10,120
Other	30,702	37,505
	<hr/>	<hr/>
Total revenues	4,591,629	4,417,441
	<hr/>	<hr/>
EXPENDITURES		
Current		
General Government	591,697	609,704
Judicial	160,784	150,058
Public Safety	1,359,974	1,228,874
Public Works	1,106,386	1,237,328
Culture and Recreation	586,039	679,790
Housing and Development	275,275	226,331
Total Current	<hr/> 4,080,155	<hr/> 4,132,085
Debt Service		
Public Safety	32,382	32,382
Public Works	213,371	112,275
Total Debt Service	<hr/> 245,753	<hr/> 144,657
	<hr/>	<hr/>
Total expenditures	4,325,908	4,276,742
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	265,721	140,699
	<hr/>	<hr/>
Other financing sources (uses)		
Issuance of long-term debt	0	54,209
Sales of capital assets	0	9,049
	<hr/>	<hr/>
Total other financing sources (uses)	0	63,258
	<hr/>	<hr/>
Net change in fund balances	265,721	203,957
	<hr/>	<hr/>
Fund balances, July 1	5,979,522	5,775,565
	<hr/>	<hr/>
Fund balances, June 30	<u>\$ 6,245,243</u>	<u>\$ 5,979,522</u>

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	\$ 1,012,500	\$ 1,015,333	\$ 2,833	\$ 969,665
Motor vehicle tax	169,000	163,474	(5,526)	199,278
Total general property taxes	<u>1,181,500</u>	<u>1,178,807</u>	<u>(2,693)</u>	<u>1,168,943</u>
Local option sales tax	1,515,000	1,516,628	1,628	1,299,585
Intangible tax	18,000	18,214	214	17,812
Franchise tax	520,371	521,341	970	512,750
Insurance premium tax	430,000	432,093	2,093	398,906
Beer and wine tax	60,000	63,946	3,946	60,627
Occupational tax	105,000	108,554	3,554	113,678
Transfer tax	0	5,256	5,256	5,986
Total taxes	<u>3,829,871</u>	<u>3,844,839</u>	<u>14,968</u>	<u>3,578,287</u>
Licenses and Permits				
Building permits	123,500	138,684	15,184	158,775
Other	37,500	45,465	7,965	41,598
Total licenses and permits	<u>161,000</u>	<u>184,149</u>	<u>23,149</u>	<u>200,373</u>
Fines, fees and forfeitures	<u>200,100</u>	<u>262,051</u>	<u>61,951</u>	<u>258,900</u>
Charges for Services				
Founders Day	24,250	11,868	(12,382)	22,975
Rents and royalties	20,000	6,415	(13,585)	9,125
Other	24,188	36,048	11,860	29,332
Total charges for services	<u>68,438</u>	<u>54,331</u>	<u>(14,107)</u>	<u>61,432</u>
Intergovernmental	<u>164,300</u>	<u>164,494</u>	<u>194</u>	<u>254,471</u>
Interest	<u>27,000</u>	<u>35,502</u>	<u>8,502</u>	<u>16,353</u>
Contributions	<u>60</u>	<u>15,561</u>	<u>15,501</u>	<u>10,120</u>
Other	<u>27,375</u>	<u>30,702</u>	<u>3,327</u>	<u>37,505</u>
Total revenues	<u>\$ 4,478,144</u>	<u>\$ 4,591,629</u>	<u>\$ 113,485</u>	<u>\$ 4,417,441</u>

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017

(With comparative actual amounts for the fiscal year ended June 30, 2016)

	<u>2017</u>			<u>2016</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
EXPENDITURES				
Current				
General Government				
Administration				
Personal services	\$ 308,028	\$ 292,543	\$ 15,485	\$ 253,187
Contractual services	142,234	145,789	(3,555)	163,965
Materials and supplies	122,300	118,433	3,867	118,416
Payments to other agencies	30,000	29,235	765	30
Capital outlay	5,697	5,697	0	74,106
Total Administration	<u>608,259</u>	<u>591,697</u>	<u>16,562</u>	<u>609,704</u>
Judicial				
Municipal Court				
Personal Services	114,787	115,366	(579)	108,780
Contractual services	41,456	39,616	1,840	39,132
Materials and supplies	6,365	5,802	563	2,146
Total Municipal Court	<u>162,608</u>	<u>160,784</u>	<u>1,824</u>	<u>150,058</u>
Public Safety				
Public Safety				
Personal services	1,147,726	1,055,171	92,555	949,302
Contractual services	119,190	120,179	(989)	97,538
Materials and supplies	73,550	74,209	(659)	75,140
Payments to other agencies	23,323	27,935	(4,612)	22,740
Capital outlay	82,480	82,480	0	84,154
Total Public Safety	<u>1,446,269</u>	<u>1,359,974</u>	<u>86,295</u>	<u>1,228,874</u>
Public Works				
Public Works				
Personal services	149,684	142,531	7,153	141,342
Contractual services	767,878	761,189	6,689	332,315
Materials and supplies	26,900	19,472	7,428	19,786
Capital outlay	183,194	183,194	0	743,885
Total Public Works	<u>1,127,656</u>	<u>1,106,386</u>	<u>21,270</u>	<u>1,237,328</u>
Culture and Recreation				
Library				
Personal services	143,191	143,165	26	142,814
Contractual services	14,740	13,252	1,488	14,105
Materials and supplies	43,875	43,801	74	39,604
Capital outlay	6,276	6,276	0	0
Total Library	<u>208,082</u>	<u>206,494</u>	<u>1,588</u>	<u>196,523</u>

**TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017**

(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Culture and Recreation (continued)				
Parks and Recreation				
Personal services	\$ 85,979	\$ 81,491	\$ 4,488	\$ 60,927
Contractual services	100,665	90,981	9,684	105,299
Materials and supplies	56,135	48,395	7,740	42,720
Capital outlay	0	0	0	22,850
Total Parks and Recreation	242,779	220,867	21,912	231,796
Founders Day				
Personal services	4,325	6,276	(1,951)	4,697
Contractual services	25,887	23,939	1,948	23,235
Materials and supplies	1,500	1,072	428	1,066
Total Founders Day	31,712	31,287	425	28,998
Shamrock Park				
Capital outlay	127,391	127,391	0	222,473
Total Culture and Recreation	609,964	586,039	23,925	679,790
Housing and Development				
Planning and zoning				
Personal services	59,462	60,580	(1,118)	39,428
Contractual services	148,440	146,548	1,892	131,992
Materials and supplies	800	618	182	328
Total Planning and Zoning	208,702	207,746	956	171,748
Environmental				
Personal services	47,375	46,109	1,266	43,184
Contractual services	19,990	20,576	(586)	7,029
Materials and supplies	2,850	844	2,006	4,370
Total Environmental	70,215	67,529	2,686	54,583
Total Housing and Development	278,917	275,275	3,642	226,331
Debt Service				
Public Safety	32,382	32,382	0	32,382
Public Works	213,371	213,371	0	112,275
Total Debt Service	245,753	245,753	0	144,657
Total expenditures	\$ 4,479,426	\$ 4,325,908	\$ 153,518	\$ 4,276,742

SPECIAL REVENUE FUND

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

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

TOWN OF TYRONE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 290,602	\$ 408,422
LIABILITIES		
Accounts payable	\$ 4,290	\$ 13,832
FUND BALANCES		
Restricted for Public Safety	286,312	394,590
Total liabilities and fund balances	\$ 290,602	\$ 408,422

TOWN OF TYRONE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017

(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Fees, fines and forfeitures	\$ 0	\$ 0	\$ 0	\$ 6,308
Intergovernmental	0	1,995	1,995	1,005
Interest	1,000	1,707	707	2,051
Total revenues	1,000	3,702	2,702	9,364
EXPENDITURES				
Current				
Public Safety				
Contract services	8,250	33,411	(25,161)	1,340
Materials and supplies	11,000	30,106	(19,106)	22,786
Capital outlay	223,000	48,463	174,537	13,396
Total expenditures	242,250	111,980	130,270	37,522
Excess (deficiency) of revenues over (under) expenditures	(241,250)	(108,278)	132,972	(28,158)
Fund balances, July 1	241,250	394,590	153,340	422,748
Fund balances, June 30	\$ 0	\$ 286,312	\$ 286,312	\$ 394,590

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CAPITAL PROJECTS FUND

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

2005 Special Purpose Local Option Sales Tax Fund – Used to account for long-term projects financed by the passage of the 2005 special purpose local option sales tax.

TOWN OF TYRONE, GEORGIA
2005 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	2017	2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 98	\$ 0
Intergovernmental receivable	346	44
Total assets	\$ 444	\$ 44
LIABILITIES		
Due to other funds	\$ 444	\$ 0
FUND BALANCES		
Restricted for capital projects	0	44
Total liabilities and fund balances	\$ 444	\$ 44

TOWN OF TYRONE, GEORGIA
2005 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
REVENUES		
Intergovernmental	\$ 386	\$ 277
Interest	14	0
Total revenues	400	277
EXPENDITURES		
Capital outlay		
Public Works	444	233
Excess (deficiency) of revenues over (under) expenditures	(44)	44
Fund balances, July 1	44	0
Fund balances, June 30	\$ 0	\$ 44

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ENTERPRISE FUNDS

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

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

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

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,522,366	\$ 1,395,748
Accounts receivable (net)	28,268	33,730
Prepaid items	478	600
	<u>1,551,112</u>	<u>1,430,078</u>
Total current assets		
Capital assets		
Machinery and equipment	25,991	25,990
Sewer system	1,123,066	1,123,066
Intangibles	1,315,788	1,315,788
Accumulated depreciation	<u>(1,770,370)</u>	<u>(1,614,036)</u>
	<u>694,475</u>	<u>850,808</u>
Total capital assets (net of accumulated depreciation)		
Total assets	<u>2,245,587</u>	<u>2,280,886</u>
LIABILITIES		
Current liabilities		
Accounts payable	10,354	23,283
Accrued salaries and payroll liabilities	<u>1,858</u>	<u>2,005</u>
	<u>12,212</u>	<u>25,288</u>
Total Liabilities		
NET POSITION		
Investment in capital assets	694,475	850,808
Unrestricted	<u>1,538,900</u>	<u>1,404,790</u>
	<u>2,233,375</u>	<u>2,255,598</u>
Total net position	<u>\$ 2,233,375</u>	<u>\$ 2,255,598</u>

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for sales and services	\$ 351,914	\$ 351,122
Total operating revenues	<u>351,914</u>	<u>351,122</u>
OPERATING EXPENSES		
Costs of sales and services	161,067	172,976
Personal services	56,737	58,609
Depreciation	156,333	165,389
Total operating expenses	<u>374,137</u>	<u>396,974</u>
Change in net position	(22,223)	(45,852)
Net position, July 1	<u>2,255,598</u>	<u>2,301,450</u>
Net position, June 30	<u><u>\$ 2,233,375</u></u>	<u><u>\$ 2,255,598</u></u>

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Receipts from customers	\$ 357,376	\$ 354,736
Payments to suppliers	(173,874)	(181,525)
Payments to employees	(56,884)	(56,604)
	<hr/>	<hr/>
Net cash provided (used) by operating activities	126,618	116,607
Cash and cash equivalents, July 1	<hr/> 1,395,748	<hr/> 1,279,141
Cash and cash equivalents, June 30	<u><u>\$ 1,522,366</u></u>	<u><u>\$ 1,395,748</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (22,223)</u>	<u>\$ (45,852)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	156,333	165,389
(Increase) decrease in accounts receivable	5,462	3,614
(Increase) decrease in prepaid items	122	(600)
Increase (decrease) in accounts payable	(12,929)	(7,949)
Increase (decrease) in accrued salaries and other payroll liabilities	(147)	2,005
	<hr/>	<hr/>
Total adjustments	148,841	162,459
	<hr/>	<hr/>
Net cash provided (used) by operating activities	<u><u>\$ 126,618</u></u>	<u><u>\$ 116,607</u></u>

**TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2017 and 2016**

	2017	2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 539,491	\$ 500,675
Accounts receivable (net)	4,121	934
Prepaid Items	829	726
Total assets	544,441	502,335
LIABILITIES		
Current liabilities		
Accounts payable	27,235	27,494
Accrued salaries and payroll liabilities	1,992	1,670
Unearned revenue	73,367	79,038
Total liabilities	102,594	108,202
NET POSITION		
Unrestricted	\$ 441,847	\$ 394,133

**TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Sanitation fees	\$ 425,148	\$ 408,825
Total operating revenues	<u>425,148</u>	<u>408,825</u>
OPERATING EXPENSES		
Costs of sales and services	314,056	304,422
Personal services	<u>63,378</u>	<u>58,139</u>
Total operating expenses	<u>377,434</u>	<u>362,561</u>
Change in net position	47,714	46,264
Net position, July 1	<u>394,133</u>	<u>347,869</u>
Net position, June 30	<u><u>\$ 441,847</u></u>	<u><u>\$ 394,133</u></u>

TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Receipts from customers	\$ 416,290	\$ 436,580
Payments to suppliers	(314,418)	(304,484)
Payments to employees	<u>(63,056)</u>	<u>(56,469)</u>
Net cash provided (used) by operating activities	38,816	75,627
Cash and cash equivalents, July 1	<u>500,675</u>	<u>425,048</u>
Cash and cash equivalents, June 30	<u><u>\$ 539,491</u></u>	<u><u>\$ 500,675</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ 47,714</u>	<u>\$ 46,264</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(3,187)	351
(Increase) decrease in prepaid items	(103)	(726)
Increase (decrease) in accounts payable	(259)	664
Increase (decrease) in unearned revenue	(5,671)	27,404
Increase (decrease) in accrued salaries and other payroll liabilities	<u>322</u>	<u>1,670</u>
Total adjustments	<u>(8,898)</u>	<u>29,363</u>
Net cash provided by operating activities	<u><u>\$ 38,816</u></u>	<u><u>\$ 75,627</u></u>

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AGENCY FUND

Agency funds are used to account for assets held by the Town as an agent to be expended in accordance with the conditions of its agency capacity.

Municipal Escrow Agency Fund - Used to account, on a temporary basis, for fines collected by the Municipal Court that are ultimately transmitted to the General Fund or another agency.

TOWN OF TYRONE, GEORGIA
MUNICIPAL ESCROW AGENCY FUND
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	<u>\$ 17,877</u>	<u>\$ 29,183</u>
 LIABILITIES		
Due to other agencies	<u>\$ 17,877</u>	<u>\$ 29,183</u>

TOWN OF TYRONE, GEORGIA
MUNICIPAL ESCROW AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2017

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
ASSETS				
Cash and cash equivalents	<u>\$ 29,183</u>	<u>\$ 414,708</u>	<u>\$ (426,014)</u>	<u>\$ 17,877</u>
 LIABILITIES				
Due to other agencies	<u>\$ 29,183</u>	<u>\$ 414,708</u>	<u>\$ (426,014)</u>	<u>\$ 17,877</u>

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OTHER REPORTING SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Tyrone, Georgia's basic financial statements and have issued our report thereon dated December 19, 2017.

Internal Control over Financial Reporting

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

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

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

Comment 2017-001

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

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

Comment 2017-001, continued

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

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

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

Compliance and Other Matters

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

The Town of Tyrone, Georgia's Response to Findings

The Town of Tyrone, Georgia's response to the findings identified in our audit is described above. The Town of Tyrone Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 19, 2017

TOWN OF TYRONE, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2017

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2005 SPLOST					
Road, Street and Bridge Purposes	\$ 1,491,083	\$ 1,491,083			
Silverthorne Resurface			\$ 28,890	\$ 0	\$ 28,890
74 Right Turn Lane			3,983	444	4,427
Palmetto Road Resurface 2011			262,516	0	262,516
Senoia Road			206,453	0	206,453
Julie Road			108,570	0	108,570
Browns Hill Court			9,800	0	9,800
Anthony Drive			70,350	0	70,350
Whitney Court			13,914	0	13,914
Michael Road			54,310	0	54,310
Rollingbrook Trail			37,857	0	37,857
Crestwood Road			111,159	0	111,159
Shamrock Industrial Boulevard			85,950	0	85,950
Valleywood Park Drive East			263,700	0	263,700
Total SPLOST	\$ 1,491,083	\$ 1,491,083	\$ 1,257,452	\$ 444	\$ 1,257,896

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