



***TOWN OF TYRONE, GEORGIA***

***Annual Financial Report***

***For the fiscal year ended June 30, 2019***

Prepared by:

Department of Finance

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**TOWN OF TYRONE, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the fiscal year ended June 30, 2019*

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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 Nonmajor Confiscated Assets Fund of the Town of Tyrone, Georgia, as of and for the year ended June 30, 2019, 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 Nonmajor Confiscated Assets Fund of the Town of Tyrone, Georgia, as of June 30, 2019, 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 46 through 49, 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, 2018. In our report dated December 21, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the Nonmajor Confiscated Assets Fund. 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 2018 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 2018 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 2018 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 2018 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, 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 18, 2019

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***BASIC FINANCIAL STATEMENTS***

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF NET POSITION**  
*June 30, 2019*

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 6,534,613	\$ 1,704,722	\$ 8,239,335
Restricted assets			
Cash and cash equivalents	2,906	0	2,906
Investments	1,011,460	0	1,011,460
Receivables (net)			
Accounts	86,154	31,909	118,063
Taxes	178,911	0	178,911
Intergovernmental	292,732	0	292,732
Prepaid items	152,682	0	152,682
Total current assets	<u>8,259,458</u>	<u>1,736,631</u>	<u>9,996,089</u>
<b>Noncurrent assets</b>			
Capital assets			
Non-depreciable	2,592,279	94,120	2,686,399
Depreciable (net)	7,749,127	2,165,705	9,914,832
Total noncurrent assets	<u>10,341,406</u>	<u>2,259,825</u>	<u>12,601,231</u>
<b>Total assets</b>	<u>18,600,864</u>	<u>3,996,456</u>	<u>22,597,320</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions subsequent to measurement date	61,487	0	61,487
Pension assumption changes	3,444	0	3,444
Pension experience differences	18,318	0	18,318
<b>Total deferred outflows of resources</b>	<u>83,249</u>	<u>0</u>	<u>83,249</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	277,938	20,560	298,498
Escrow liability	11,251	0	11,251
Accrued salaries and payroll liabilities	64,543	2,223	66,766
Compensated absences	57,568	0	57,568
Unearned revenue	25	0	25
Capital lease payable	35,526	0	35,526
Notes payable	145,883	0	145,883
Total current liabilities	<u>592,734</u>	<u>22,783</u>	<u>615,517</u>
<b>Noncurrent liabilities</b>			
Compensated absences	6,396	0	6,396
Interest payable	2,301	0	2,301
Net pension liability	56,419	0	56,419
Capital lease payable	59,372	0	59,372
Notes payable	1,976,489	0	1,976,489
Total noncurrent liabilities	<u>2,100,977</u>	<u>0</u>	<u>2,100,977</u>
<b>Total liabilities</b>	<u>2,693,711</u>	<u>22,783</u>	<u>2,716,494</u>

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

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF NET POSITION**  
*June 30, 2019*

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension experience differences	\$ 70,505	\$ 0	\$ 70,505
Pension investment return differences	118,283	0	118,283
<b>Total deferred inflows of resources</b>	<b>188,788</b>	<b>0</b>	<b>188,788</b>
<b>NET POSITION</b>			
Net investment in capital assets	7,933,269	2,259,825	10,193,094
Restricted for:			
Capital outlay	1,625,751	0	1,625,751
Public Safety	83,149	0	83,149
Unrestricted	6,159,445	1,713,848	7,873,293
<b>Total net position</b>	<b>\$ 15,801,614</b>	<b>\$ 3,973,673</b>	<b>\$ 19,775,287</b>

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended June 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities					
General Government	\$ 728,882	\$ 10,404	\$ 0	\$ 52,051	\$ (666,427)
Judicial	164,628	0	0	0	(164,628)
Public Safety	1,495,023	206,427	3,968	34,701	(1,249,927)
Public Works	1,931,435	0	0	1,640,648	(290,787)
Culture and Recreation	627,377	36,071	18,760	123,989	(448,557)
Housing and Development	186,119	150,089	0	0	(36,030)
Interest on long-term debt	59,121	0	0	0	(59,121)
Total governmental activities	5,192,585	402,991	22,728	1,851,389	(2,915,477)
Business-type activities					
Sewer Utility	502,145	366,281	0	0	(135,864)
Sanitation	64	3,874	0	0	3,810
Total business-type activities	502,209	370,155	0	0	(132,054)
Total primary government	5,694,794	773,146	22,728	1,851,389	(3,047,531)

Change in net position	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Net (expense) revenue	\$ (2,915,477)	\$ (132,054)	\$ (3,047,531)
General revenues			
Taxes			
Property	1,394,246	0	1,394,246
Sales	1,704,636	0	1,704,636
Franchise	569,155	0	569,155
Insurance premium	497,281	0	497,281
Occupational	109,810	0	109,810
Alcoholic beverage	95,997	0	95,997
Intangibles	18,741	0	18,741
Other	7,765	0	7,765
Interest and investment earnings	93,357	0	93,357
Other	38,791	0	38,791
Gain on sale of capital assets	5,908	0	5,908
Transfers	354,069	(354,069)	0
Total general revenues and transfers	4,889,756	(354,069)	4,535,687
Change in net position	1,974,279	(486,123)	1,488,156
Net position - beginning	13,827,335	4,459,796	18,287,131
Net position - ending	\$ 15,801,614	\$ 3,973,673	\$ 19,775,287

**TOWN OF TYRONE, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
*June 30, 2019*

	<b>General</b>	<b>2017 SPLOST</b>	<b>(Non-major) Confiscated Assets</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,069,644	\$ 1,372,258	\$ 92,711	\$ 6,534,613
Restricted assets				
Cash and cash equivalents	2,906	0	0	2,906
Investments	1,011,460	0	0	1,011,460
Receivables (net)				
Accounts	86,154	0	0	86,154
Taxes	178,911	0	0	178,911
Intergovernmental	0	292,732	0	292,732
Prepaid items	152,682	0	0	152,682
Due from other funds	8,874	0	0	8,874
	<b>Total assets</b>	<b>\$ 6,510,631</b>	<b>\$ 92,711</b>	<b>\$ 8,268,332</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 221,590	\$ 44,750	\$ 11,598	\$ 277,938
Escrow liability	11,251	0	0	11,251
Accrued salaries and payroll liabilities	64,543	0	0	64,543
Unearned revenue	25	0	0	25
Due to other funds	0	8,874	0	8,874
	Total liabilities	297,409	11,598	362,631
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - property taxes	9,329	0	0	9,329
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	152,682	0	0	152,682
Restricted for:				
Capital Outlay	14,385	1,611,366	0	1,625,751
Public Safety	2,036	0	81,113	83,149
Unassigned	6,034,790	0	0	6,034,790
	Total fund balances	6,203,893	81,113	7,896,372
	<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 6,510,631</b>	<b>\$ 92,711</b>	<b>\$ 8,268,332</b>

**TOWN OF TYRONE, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
*June 30, 2019*

**Total fund balance - total governmental funds** \$ 7,896,372

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 10,341,406

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

These are:

Property taxes 9,329

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 \$ 61,487

Pension assumption changes 3,444

Pension experience differences 18,318

Deferred inflows of resources:

Pension experience differences (70,505)

Pension investment return differences (118,283) (105,539)

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

These are:

Net pension liability (56,419)

Notes payable (2,122,372)

Interest payable (2,301)

Capital lease (94,898)

Compensated absences (63,964) (2,339,954)

Net position of governmental activities \$ 15,801,614

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
*For the fiscal year ended June 30, 2019*

	General	2017 SPLOST	(Non-major) Confiscated Assets	Total
<b>REVENUES</b>				
Taxes	\$ 4,364,402	\$ 0	\$ 0	\$ 4,364,402
Licenses and permits	192,973	0	0	192,973
Fines, fees and forfeitures	185,129	0	655	185,784
Charges for services	58,989	0	0	58,989
Intergovernmental	134,461	1,721,909	992	1,857,362
Interest and investment	92,400	13,126	957	106,483
Contributions	3,629	0	0	3,629
Other	38,791	0	0	38,791
<b>Total revenues</b>	<b>5,070,774</b>	<b>1,735,035</b>	<b>2,604</b>	<b>6,808,413</b>
<b>EXPENDITURES</b>				
Current				
General Government	1,103,861	0	0	1,103,861
Judicial	167,813	0	0	167,813
Public Safety	1,579,917	0	133,345	1,713,262
Public Works	1,339,256	0	0	1,339,256
Culture and Recreation	546,780	0	0	546,780
Housing and Development	187,329	0	0	187,329
Debt service	23,669	228,478	0	252,147
Capital outlay	0	691,425	0	691,425
<b>Total expenditures</b>	<b>4,948,625</b>	<b>919,903</b>	<b>133,345</b>	<b>6,001,873</b>
Excess (deficiency) of revenues over (under) expenditures	122,149	815,132	(130,741)	806,540
Other financing sources (uses)				
Transfers in	468,558	0	12,185	480,743
Transfers out	(12,185)	(114,489)	0	(126,674)
Proceeds from capital leases	84,143	0	0	84,143
Proceeds from sale of capital assets	8,894	0	21,176	30,070
Total other financing sources (uses)	549,410	(114,489)	33,361	468,282
Net change in fund balances	671,559	700,643	(97,380)	1,274,822
Fund balances, July 1	5,532,334	910,723	178,493	6,621,550
<b>Fund balances, June 30</b>	<b>\$ 6,203,893</b>	<b>\$ 1,611,366</b>	<b>\$ 81,113</b>	<b>\$ 7,896,372</b>

**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, 2019**

**Net change in fund balances - total governmental funds** \$ 1,274,822

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

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

Capital outlays	\$ 1,122,519	
Depreciation	<u>(554,024)</u>	568,495

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

Cost of assets disposed	(343,639)	
Related accumulated depreciation	<u>304,328</u>	(39,311)

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. (1,525)

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	81,982	
Cost of benefits earned net of employee contributions	<u>(2,926)</u>	79,056

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 proceeds	(84,143)	
Debt principal payments	194,173	
Net change in interest payable	<u>(1,147)</u>	108,883

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>(16,141)</u>	<u>(16,141)</u>
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Change in net position of governmental activities \$ 1,974,279

**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, 2019**

	Budget		Actual	Variance with
	Original	Final		Final Budget
<b>REVENUES</b>				
Taxes	\$ 3,973,100	\$ 4,337,314	\$ 4,364,402	\$ 27,088
Licenses and permits	222,800	222,800	192,973	(29,827)
Fines, fees and forfeitures	255,050	255,050	185,129	(69,921)
Charges for services	48,390	48,390	58,989	10,599
Intergovernmental	115,800	115,800	134,461	18,661
Interest and investment	15,000	15,000	92,400	77,400
Contributions	15,420	15,420	3,629	(11,791)
Other	61,000	61,000	38,791	(22,209)
<b>Total revenues</b>	<u>4,706,560</u>	<u>5,070,774</u>	<u>5,070,774</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current				
General Government				
Administration	790,328	931,062	931,061	1
Finance	193,301	179,301	172,800	6,501
Judicial				
Municipal Court	244,374	183,154	167,813	15,341
Public Safety				
Public Safety	1,363,960	1,383,824	1,383,823	1
Public Safety Administration	213,497	213,497	196,094	17,403
Public Works				
Public Works	982,421	1,339,257	1,339,256	1
Culture and Recreation				
Library	233,875	227,075	222,473	4,602
Parks and Recreation	399,931	372,531	311,752	60,779
Founders Day	14,700	14,700	12,555	2,145
Housing and Development				
Planning and Zoning	233,673	189,873	187,329	2,544
Debt Service				
Public Safety	50,000	50,000	23,669	26,331
<b>Total expenditures</b>	<u>4,720,060</u>	<u>5,084,274</u>	<u>4,948,625</u>	<u>135,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,500)</u>	<u>(13,500)</u>	<u>122,149</u>	<u>135,649</u>
Other financing sources (uses)				
Transfers in	0	0	468,558	468,558
Transfers out	0	0	(12,185)	(12,185)
Proceeds from capital leases	0	0	84,143	84,143
Proceeds from sale of capital assets	13,500	0	8,894	8,894
<b>Total other financing sources (uses)</b>	<u>13,500</u>	<u>0</u>	<u>549,410</u>	<u>549,410</u>
Net change in fund balances	0	(13,500)	671,559	685,059
Fund balances, July 1	<u>0</u>	<u>13,500</u>	<u>5,532,334</u>	<u>5,518,834</u>
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,203,893</u>	<u>\$ 6,203,893</u>

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*June 30, 2019*

	<b>Business-Type Activities</b>		<b>Totals</b>
	<b>Sewer</b>	<b>(Non-major) Sanitation</b>	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,654,641	\$ 50,081	\$ 1,704,722
Accounts receivable (net)	31,909	0	31,909
Total current assets	<u>1,686,550</u>	<u>50,081</u>	<u>1,736,631</u>
<b>Noncurrent assets</b>			
Capital assets			
Non-depreciable	94,120	0	94,120
Depreciable (net)	2,165,705	0	2,165,705
Total noncurrent assets	<u>2,259,825</u>	<u>0</u>	<u>2,259,825</u>
<b>Total assets</b>	<u>3,946,375</u>	<u>50,081</u>	<u>3,996,456</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	20,560	0	20,560
Accrued salaries and payroll liabilities	2,223	0	2,223
Total current liabilities	<u>22,783</u>	<u>0</u>	<u>22,783</u>
<b>NET POSITION</b>			
Investment in capital assets	2,259,825	0	2,259,825
Unrestricted	1,663,767	50,081	1,713,848
<b>Total net position</b>	<u>\$ 3,923,592</u>	<u>\$ 50,081</u>	<u>\$ 3,973,673</u>

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2019*

	<b>Business-Type Activities</b>		<b>Totals</b>
	<b>Sewer</b>	<b>(Non-major) Sanitation</b>	
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 366,281	\$ 3,874	\$ 370,155
<b>Total operating revenue</b>	<u>366,281</u>	<u>3,874</u>	<u>370,155</u>
<b>OPERATING EXPENSES</b>			
Costs of sales and services	285,453	0	285,453
Personal services	67,211	64	67,275
Depreciation	149,481	0	149,481
<b>Total operating expenses</b>	<u>502,145</u>	<u>64</u>	<u>502,209</u>
Operating income (loss)	<u>(135,864)</u>	<u>3,810</u>	<u>(132,054)</u>
Transfers in (out)			
Transfers in	94,120	0	94,120
Transfers out	<u>0</u>	<u>(448,189)</u>	<u>(448,189)</u>
<b>Total transfers in (out)</b>	<u>94,120</u>	<u>(448,189)</u>	<u>(354,069)</u>
Change in net position	(41,744)	(444,379)	(486,123)
Net position, July 1	<u>3,965,336</u>	<u>494,460</u>	<u>4,459,796</u>
<b>Net position, June 30</b>	<u><u>\$ 3,923,592</u></u>	<u><u>\$ 50,081</u></u>	<u><u>\$ 3,973,673</u></u>

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the fiscal year ended June 30, 2019

	<b>Business-Type Activities</b>		<b>Totals</b>
	<b>Sewer</b>	<b>(Non-major) Sanitation</b>	
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 362,400	\$ 770	\$ 363,170
Payments to suppliers	(299,962)	(464)	(300,426)
Payments to employees	(66,708)	(805)	(67,513)
Net cash provided (used) by operating activities	<u>(4,270)</u>	<u>(499)</u>	<u>(4,769)</u>
<b>Cash flows from non-capital financing activities:</b>			
Payments to other funds	<u>0</u>	<u>(448,189)</u>	<u>(448,189)</u>
<b>Cash flows from capital and related financing activities:</b>			
Receipts from other funds	94,120	0	94,120
Payments for acquisition of capital assets	<u>(135,520)</u>	<u>0</u>	<u>(135,520)</u>
Net cash provided (used) by capital and related financing activities	<u>(41,400)</u>	<u>0</u>	<u>(41,400)</u>
Net increase (decrease) in cash and cash equivalents	(45,670)	(448,688)	(494,358)
Cash and cash equivalents, July 1	<u>1,700,311</u>	<u>498,769</u>	<u>2,199,080</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 1,654,641</u></u>	<u><u>\$ 50,081</u></u>	<u><u>\$ 1,704,722</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	<u>\$ (135,864)</u>	<u>\$ 3,810</u>	<u>\$ (132,054)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	149,481	0	149,481
(Increase) decrease in accounts receivable	(3,881)	152	(3,729)
Increase (decrease) in accounts payable	(14,509)	(464)	(14,973)
Increase (decrease) in unearned revenue	0	(3,256)	(3,256)
Increase (decrease) in accrued salaries and other payroll liabilities	<u>503</u>	<u>(741)</u>	<u>(238)</u>
Total adjustments	<u>131,594</u>	<u>(4,309)</u>	<u>127,285</u>
Net cash provided (used) by operating activities	<u><u>\$ (4,270)</u></u>	<u><u>\$ (499)</u></u>	<u><u>\$ (4,769)</u></u>

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2019**

	<u>Municipal Escrow Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>17,201</u>
<b>LIABILITIES</b>	
Due to other agencies	\$ <u>17,201</u>

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

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**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, 2019.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**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.

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

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**2. Summary of Significant Accounting Policies (continued)**

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

The Town reports the following major proprietary fund:

***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.

Additionally, the Town reports the following fund types:

**Governmental Fund Types**

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

**Fiduciary Fund Types**

***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.

**Proprietary Fund Types**

***Enterprise Funds*** – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. These 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.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**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 to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

**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, 2019*

**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, 2019*

**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, 2019*

**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, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**H. Cash and Investments**

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

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

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

**I. Intergovernmental Receivables**

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

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

**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.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**K. Capital Assets, continued**

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

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

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

	<b>Useful Life</b>	<b>Capitalization</b>
	<b>in Years</b>	<b>Threshold</b>
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.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**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.

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.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**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.

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, 2019 by the Town are nonspendable in form. The Town has not reported any amounts that are legally or contractually required to be maintained intact.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**P. Fund Balances – Governmental Funds, continued**

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

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

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

**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, 2019*

**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 2018 amounts have been reclassified to conform with the 2019 presentation.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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, 2019**

**3. Deposit and Investment Risk (continued)**

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

The Town participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAf by Standard and Poor's. The weighted average maturity at the end of the current fiscal year was 39 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$701,851.

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

**Concentration of Credit Risk**

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

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**3. Deposit and Investment Risk (continued)**

**Foreign Currency Risk**

The Town has no investments denominated in a foreign currency.

**4. Accounts Receivable**

Net accounts receivable at June 30, 2019 consist of the following:

**Primary Government:**

**Major Funds**

General Fund	\$ 86,154
Enterprise Funds	
Sewer	<u>31,909</u>
Total Primary Government	<u><u>\$ 118,063</u></u>

**5. Intergovernmental Receivables**

Intergovernmental receivables at June 30, 2019 consist of the following:

**Primary Government:**

**Major Funds**

2017 SPLOST Fund	Fayette County, Georgia	<u><u>\$ 292,732</u></u>
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**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. Taxes Receivable**

Taxes receivable as of June 30, 2019 include property taxes for seven years as follows:

Year of Levy	Amount
2018	\$ 7,313
2017	3,070
2016	2,240
2015	951
2014	584
2013	285
2012	424
	14,867
Less allowance for uncollectible	(5,126)
	9,741
Add amount due from Fayette County Tax Commissioner	26,612
Total	\$ 36,353

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 2019, based upon the assessments of January 1, 2018, were billed on September 15, 2018 and due on November 15, 2018. Tax liens are issued 90 days after the due date. The tax rate of 2.889 mills for fiscal year 2019 was levied on September 1, 2018.

***Other Taxes***

\$142,558 of local option sales tax is included in taxes receivable.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**7. Interfund Receivables, Payables, and Transfers**

A summary of interfund receivables and payables as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	2017 SPLOST	<u>\$ 8,874</u>

Interfund balances at June 30, 2019, consisted of the following amounts and represents charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimburseable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The Town expects to repay all interfund balances within one year.

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

A summary of interfund transfers is a follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Confiscated Assets	\$ 12,185
2017 SPLOST	Sewer	94,120
	General	20,369
Sanitation	General	<u>448,189</u>
		<u>\$ 574,863</u>

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

Transfers from the 2017 SPLOST Fund to the General Fund are to reimburse for prior year SPLOST expenditures that were paid by the General Fund.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2019**

**8. Capital Assets**

Capital asset activity for the primary government for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 1,921,297	\$ 319,379	\$ 0	\$ 2,240,676
Construction in progress	75,241	242,262	0	317,503
Easements	34,100	0	0	34,100
Total non-depreciable assets	<u>2,030,638</u>	<u>561,641</u>	<u>0</u>	<u>2,592,279</u>
Depreciable assets				
Buildings	2,475,640	69,900	0	2,545,540
Infrastructure	5,143,200	64,274	0	5,207,474
Improvements other than buildings	2,031,395	0	0	2,031,395
Library collections	679,772	16,165	(8,496)	687,441
Furnishings, vehicles, machinery and equipment	1,841,259	410,539	(335,143)	1,916,655
Total depreciable assets	<u>12,171,266</u>	<u>560,878</u>	<u>(343,639)</u>	<u>12,388,505</u>
Accumulated depreciation				
Buildings	(637,780)	(56,099)	0	(693,879)
Infrastructure	(1,109,531)	(251,109)	0	(1,360,640)
Improvements other than buildings	(1,158,308)	(87,124)	0	(1,245,432)
Library collections	(380,660)	(33,165)	8,496	(405,329)
Furnishings, vehicles, machinery and equipment	(1,103,403)	(126,527)	295,832	(934,098)
Total accumulated depreciation	<u>(4,389,682)</u>	<u>(554,024)</u>	<u>304,328</u>	<u>(4,639,378)</u>
Total depreciable assets, net	<u>7,781,584</u>	<u>6,854</u>	<u>(39,311)</u>	<u>7,749,127</u>
Governmental activities capital assets, net	<u>\$ 9,812,222</u>	<u>\$ 568,495</u>	<u>\$ (39,311)</u>	<u>\$ 10,341,406</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Construction in progress	\$ 0	\$ 94,120	\$ 0	\$ 94,120
Depreciable assets				
Infrastructure	1,123,066	0	0	1,123,066
Intangibles	3,015,889	0	0	3,015,889
Equipment	25,991	41,400	0	67,391
Total depreciable assets	<u>4,164,946</u>	<u>41,400</u>	<u>0</u>	<u>4,206,346</u>
Accumulated depreciation				
Infrastructure	(512,679)	(32,862)	0	(545,541)
Intangibles	(1,372,458)	(113,340)	0	(1,485,798)
Equipment	(6,023)	(3,279)	0	(9,302)
Total accumulated depreciation	<u>(1,891,160)</u>	<u>(149,481)</u>	<u>0</u>	<u>(2,040,641)</u>
Total depreciable assets, net	<u>2,273,786</u>	<u>(108,081)</u>	<u>0</u>	<u>2,165,705</u>
Business-type activities capital assets, net	<u>\$ 2,273,786</u>	<u>\$ (13,961)</u>	<u>\$ 0</u>	<u>\$ 2,259,825</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**8. Capital Assets (continued)**

**Primary Government**

**Governmental activities**

General Government	\$ 23,450
Judicial	151
Public Safety	88,852
Public Works	252,310
Culture and Recreation	<u>189,261</u>
Total depreciation expense for governmental activities	<u>\$ 554,024</u>

**Business-type activities**

Sewer	<u>\$ 149,481</u>
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**9. 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 balance of the lease at June 30, 2019 is \$94,898 for the governmental activities.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2019:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2020	\$ 41,461
2021	41,460
2022	<u>23,124</u>
Total minimum lease payments	106,045
Less amounts representing interest	<u>(11,147)</u>
Present value of minimum lease payments	<u>\$ 94,898</u>

Total assets leased under capital leases are classified as follows:

	<u>Governmental Activities</u>
	<u>Cost</u>
Public safety vehicles	<u>\$ 150,906</u>
	<u>Accumulated Depreciation</u>
	<u>\$ 13,019</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**10. Long-Term Liabilities**

**Notes from Direct Borrowings**

On September 18, 2014, the Town entered into an agreement with the Georgia Transportation Infrastructure Bank for the Downtown Tyrone Rehabilitation project. The Town borrowed \$2,465,000 due at the completion of the project in monthly installments of principal and interest through January 1, 2031; interest at 2.48% (\$1,968,902 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% (\$153,470 outstanding).

The outstanding notes from direct borrowings contain a provision that in an event of default, the lender may declare the notes immediately due and payable.

Annual debt service requirements for notes payable are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 145,883	\$ 46,747	\$ 192,630
2021	162,969	47,173	210,142
2022	167,057	43,085	210,142
2023	171,247	38,894	210,141
2024	175,543	34,599	210,142
2025-2029	946,014	104,695	1,050,709
2030-2033	353,659	8,729	362,388
Totals	<u>\$ 2,122,372</u>	<u>\$ 323,922</u>	<u>\$ 2,446,294</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**10. Long-Term Liabilities (continued)**

**Changes in Long-Term Liabilities**

The following is a summary of changes in long-term liabilities of the Town for year ended June 30, 2019:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Capital lease obligations	\$ 49,517	\$ 84,143	\$ 38,762	\$ 94,898	\$ 35,526
Notes from direct borrowings	2,277,783	0	155,411	2,122,372	145,883
Compensated absences	47,822	59,937	43,795	63,964	57,568
Total governmental activities	<u>\$ 2,375,122</u>	<u>\$ 144,080</u>	<u>\$ 237,968</u>	<u>\$ 2,281,234</u>	<u>\$ 238,977</u>

Total interest expense in the governmental activities for the fiscal ended June 30, 2019 was \$59,121.

**11. 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, 2019:

	<u>General</u>	<u>2017 SPLOST</u>	<u>Nonmajor Confiscated Assets</u>	<u>Total Governmental Funds</u>
<b>Restricted for:</b>				
Public Safety				
Fire services and equipment	\$ 2,036	\$ 0	\$ 0	\$ 2,036
Police equipment	0	0	81,113	81,113
Capital Outlay	14,385	1,611,366	0	1,625,751
	<u>\$ 16,421</u>	<u>\$ 1,611,366</u>	<u>\$ 81,113</u>	<u>\$ 1,708,900</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**12. 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.

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, 2019, the date of the most recent actuarial valuation, there were 70 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	10
Terminated vested participants entitled to but not yet receiving benefits	29
Active participants	31
Total number of participants	70

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**12. Pension Plan (continued)**

*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, 2019 was \$81,982 or 5.00% of covered payroll.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At June 30, 2019, the Town reported a net pension liability of \$56,419. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. For the fiscal year ended June 30, 2019, the Town recognized pension expense in the amount of \$2,926. For the Governmental Activities, the net pension liability is liquidated by the General Fund.

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 18,318	\$ (70,505)
Changes of assumptions	3,444	0
Net difference between projected and actual earnings on pension plan investments	0	(118,283)
Town contributions subsequent to the measurement date	61,487	0
Totals	<u>\$ 83,249</u>	<u>\$ (188,788)</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**12. Pension Plan (continued)**

The \$61,487 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, 2020. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	
2020	\$ (58,830)
2021	(54,611)
2022	(43,694)
2023	<u>(9,891)</u>
Totals	<u>\$ (167,026)</u>

*Actuarial Assumptions.* The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	2.75% plus service based merit increases
Cost of living adjustments	2.75%
Net investment rate of return	7.50%

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.

The mortality and economic actuarial assumptions used in the January 1, 2019 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**12. Pension Plan (continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	7.40%
Real estate	10%	5.10%
Global fixed income	5%	3.03%
Domestic fixed income	20%	1.75%
Cash	<u>0%</u>	
Total	<u><u>100%</u></u>	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50 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, 2019**

**12. Pension Plan (continued)**

*Changes in Net Pension Liability*

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at 9/30/17</b>	\$ 2,199,028	\$ 2,038,540	\$ 160,488
<b>Changes for the year:</b>			
Service cost	56,454	0	56,454
Interest	166,510	0	166,510
Differences between expected and actual experience	(60,423)	0	(60,423)
Contributions—employer	0	76,527	(76,527)
Net investment income	0	202,115	(202,115)
Benefit payments, including refunds of employee contributions	(70,697)	(70,697)	0
Administrative expense	0	(12,032)	12,032
<b>Net changes</b>	<b>91,844</b>	<b>195,913</b>	<b>(104,069)</b>
<b>Balances at 9/30/18</b>	<b>\$ 2,290,872</b>	<b>\$ 2,234,453</b>	<b>\$ 56,419</b>

Plan's fiduciary net position as a percentage of the total pension liability	97.54%
Covered payroll	\$ 1,302,777
Net pension liability as a percentage of covered payroll	4.33%

*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 (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	<b>Discount Rate</b>	<b>Net Pension Liability (Asset)</b>
1% decrease	6.50%	\$ 397,536
Current discount rate	7.50%	56,419
1% increase	8.50%	(222,113)

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

**Other Plan**

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

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2019**

**13. 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, 2019, 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.

**14. 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, 2019*

**14. 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, 2019, the Town has no losses that are probable or estimable and accordingly has not recognized any liability.

**15. Risk Pools**

The Town participates in the State of Georgia Local Government Investment Pool. Assets in this pool are invested in Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository board.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2019*

**16. Commitments and Contingencies**

***Commitments***

The Town has active construction projects as of June 30, 2019. At fiscal year end, the Town's commitments with contractors are as follows:

<b>Project</b>	<b>Amount Expended to Date</b>	<b>Remaining Commitment</b>
Dogwood Trail Culvert Replacement	<u>\$ 0</u>	<u>\$ 313,700</u>

***Contingencies***

There are no pending claims or litigation against the Town of Tyrone of which town officials are aware.

The Georgia Environmental Protection Division has reclassified the Pendleton Lake Dam as a Category 1 structure. This reclassification will require the Town to seek additional permitting with the Georgia Department of Natural Resources and develop an inspection and maintenance plan. Cost of permitting and this plan has not yet been determined as of the date of this report.

**17. Subsequent Events**

On September 5, 2019, a bid was awarded to Crawford Construction in the amount of \$1,716,623, for material, labor and equipment for the 2019 Sanitary Sewer System Extension project.

On November 21, 2019, the Town issued revenue bonds in the amount of \$4,395,000, for the purpose of financing the construction of the Town's municipal complex.

**18. New Accounting Standard**

The Town implemented Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The requirements of this statement are effective for periods beginning after June 15, 2018.

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***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, 2019**  
**(Unaudited)**

	Fiscal Year End				
	2019	2018	2017	2016	2015
<b>Total pension liability</b>					
Service cost	\$ 56,454	\$ 57,367	\$ 52,847	\$ 49,332	\$ 48,292
Interest	166,510	153,845	149,236	141,847	136,273
Differences between expected and actual experience	(60,423)	30,531	(76,436)	(30,392)	(46,186)
Changes of assumptions	0	5,741	0	0	0
Benefit payments, including refunds of employee contributions	(70,697)	(67,106)	(65,238)	(65,672)	(56,285)
Other changes	0	0	0	0	(5,466)
Net change in total pension liability	91,844	180,378	60,409	95,115	76,628
Total pension liability - beginning	2,199,028	2,018,650	1,958,241	1,863,126	1,786,498
<b>Total pension liability - ending (a)</b>	<b>\$ 2,290,872</b>	<b>\$ 2,199,028</b>	<b>\$ 2,018,650</b>	<b>\$ 1,958,241</b>	<b>\$ 1,863,126</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 76,527	\$ 75,163	\$ 71,484	\$ 76,884	\$ 81,141
Net investment income	202,115	267,219	178,451	17,602	160,444
Benefit payments, including refunds of employee contributions	(70,697)	(67,106)	(65,238)	(65,672)	(56,285)
Administrative expense	(12,032)	(12,860)	(7,486)	(8,354)	(6,621)
Other	0	0	0	0	0
Net change in fiduciary net position	195,913	262,416	177,211	20,460	178,679
Plan fiduciary net position - beginning	2,038,540	1,776,124	1,598,913	1,578,453	1,399,774
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 2,234,453</b>	<b>\$ 2,038,540</b>	<b>\$ 1,776,124</b>	<b>\$ 1,598,913</b>	<b>\$ 1,578,453</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 56,419</b>	<b>\$ 160,488</b>	<b>\$ 242,526</b>	<b>\$ 359,328</b>	<b>\$ 284,673</b>
Plan's fiduciary net position as a percentage of the total pension liability	97.54%	92.70%	87.99%	81.65%	84.72%
Covered payroll	\$ 1,302,777	\$ 1,305,716	\$ 1,138,501	\$ 1,192,988	\$ 1,181,282
Net pension liability as a percentage of covered payroll	4.33%	12.29%	21.30%	30.12%	24.10%

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

**TOWN OF TYRONE, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2019**  
**(Unaudited)**

	Fiscal Year End				
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 81,982	\$ 74,709	\$ 75,314	\$ 70,208	\$ 79,109
Contributions in relation to the actuarially determined contribution	(81,982)	(74,709)	(75,314)	(70,208)	(79,109)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 1,639,749	\$ 1,571,670	\$ 1,512,512	\$ 1,358,223	\$ 1,405,585
Contributions as a percentage of covered payroll	5.00%	4.75%	4.98%	5.17%	5.63%

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

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2019**  
**(Unaudited)**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2019, 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, 2020.

**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 18 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 = 7.50%

Projected salary increases = 2.75% plus service-based merit increases

Cost of living adjustments = 2.75%

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.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2019**  
**(Unaudited)**

**3. Changes in Benefits**

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

**4. Changes of Assumptions**

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2017:

The investment return assumption was decreased from 7.75% to 7.50%.

The inflation assumption was decreased from 3.25% to 2.75%.

The cost-of-living assumption was decreased from 3.00% to 2.75%.

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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, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,069,644	\$ 5,018,951
Restricted assets		
Cash	2,906	6,662
Investments	1,011,460	0
Receivables (net)		
Accounts	86,154	70,546
Taxes	178,911	167,776
Prepaid items	152,682	111,447
Due from other funds	8,874	277,206
Advances to other funds	0	425,000
	<u>0</u>	<u>425,000</u>
<b>Total assets</b>	<u>\$ 6,510,631</u>	<u>\$ 6,077,588</u>
<b>LIABILITIES</b>		
Payables		
Accounts	\$ 221,590	\$ 439,105
Retainages	0	29,296
Escrow liability	11,251	0
Accrued salaries and payroll liabilities	64,543	62,824
Unearned revenue	25	3,175
	<u>25</u>	<u>3,175</u>
<b>Total liabilities</b>	<u>297,409</u>	<u>534,400</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	9,329	10,854
	<u>9,329</u>	<u>10,854</u>
<b>FUND BALANCES</b>		
Nonspendable:		
Advances to other funds	0	425,000
Prepaid items	152,682	111,447
Restricted for:		
Capital Outlay	14,385	15,280
Public Safety	2,036	2,056
Unassigned	6,034,790	4,978,551
	<u>6,034,790</u>	<u>4,978,551</u>
<b>Total fund balances</b>	<u>6,203,893</u>	<u>5,532,334</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 6,510,631</u>	<u>\$ 6,077,588</u>

**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Taxes	\$ 4,364,402	\$ 4,182,715
Licenses and permits	192,973	252,200
Fines, fees and forfeitures	185,129	196,107
Charges for services	58,989	65,041
Intergovernmental	134,461	137,833
Interest	92,400	37,371
Contributions	3,629	15,546
Other	38,791	54,189
<b>Total revenues</b>	<u>5,070,774</u>	<u>4,941,002</u>
<b>EXPENDITURES</b>		
Current		
General Government	1,103,861	820,396
Judicial	167,813	159,645
Public Safety	1,579,917	1,461,098
Public Works	1,339,256	1,067,511
Culture and Recreation	546,780	797,905
Housing and Development	187,329	297,455
Total Current	<u>4,924,956</u>	<u>4,604,010</u>
Debt Service		
Public Safety	23,669	545
<b>Total expenditures</b>	<u>4,948,625</u>	<u>4,604,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>122,149</u>	<u>336,447</u>
Other financing sources (uses)		
Transfers in (out)		
Sewer Fund	0	(1,281,886)
Confiscated Assets Fund	(12,185)	0
Sanitation Fund	448,189	(323)
2017 SPLOST Fund	20,369	0
Issuance of long-term debt	0	165,000
Proceeds from capital leases	84,143	67,853
Proceeds from sale of assets	8,894	0
Total other financing sources (uses)	<u>549,410</u>	<u>(1,049,356)</u>
Net change in fund balances	671,559	(712,909)
Fund balances, July 1	<u>5,532,334</u>	<u>6,245,243</u>
<b>Fund balances, June 30</b>	<u><u>\$ 6,203,893</u></u>	<u><u>\$ 5,532,334</u></u>

**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2019**  
*(With comparative actual amounts for the fiscal year ended June 30, 2018)*

	2019			2018
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Property tax	\$ 1,127,600	\$ 1,170,181	\$ 42,581	\$ 1,119,122
Motor vehicle tax	155,000	225,590	70,590	196,576
Total general property taxes	1,282,600	1,395,771	113,171	1,315,698
Local option sales tax	1,892,214	1,704,636	(187,578)	1,661,918
Intangible tax	20,000	18,741	(1,259)	18,861
Franchise tax	523,000	569,155	46,155	544,934
Insurance premium tax	460,000	497,281	37,281	460,109
Beer and wine tax	61,000	61,243	243	63,891
Occupational tax	93,500	109,810	16,310	110,358
Transfer tax	5,000	7,765	2,765	6,946
Total taxes	4,337,314	4,364,402	27,088	4,182,715
<b>Licenses and Permits</b>				
Building permits	188,300	157,079	(31,221)	213,381
Other	34,500	35,894	1,394	38,819
Total licenses and permits	222,800	192,973	(29,827)	252,200
<b>Fines, fees and forfeitures</b>	255,050	185,129	(69,921)	196,107
<b>Charges for Services</b>				
Founders day	7,700	7,373	(327)	9,615
Recreation fees	26,500	36,135	9,635	35,832
Rents and royalties	8,390	8,640	250	8,390
Other	5,800	6,841	1,041	11,204
Total charges for services	48,390	58,989	10,599	65,041
<b>Intergovernmental</b>	115,800	134,461	18,661	137,833
<b>Interest</b>	15,000	92,400	77,400	37,371
<b>Contributions</b>	15,420	3,629	(11,791)	15,546
<b>Other</b>	61,000	38,791	(22,209)	54,189
<b>Total revenues</b>	\$ 5,070,774	\$ 5,070,774	\$ 0	\$ 4,941,002

**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2019**  
*(With comparative actual amounts for the fiscal year ended June 30, 2018)*

	2019			2018
	Final Budget	Actual	Variance	Actual
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Administration				
Personal services	\$ 260,578	\$ 257,188	\$ 3,390	\$ 207,265
Contractual services	180,750	116,450	64,300	114,626
Materials and supplies	149,000	130,144	18,856	127,180
Payments to other agencies	30,000	29,235	765	29,235
Capital outlay	310,734	398,044	(87,310)	204,163
Total Administration	<u>931,062</u>	<u>931,061</u>	<u>1</u>	<u>682,469</u>
Finance				
Personal services	134,401	131,024	3,377	110,211
Contract services	38,750	38,342	408	24,686
Materials and supplies	6,150	3,434	2,716	3,030
Total Finance	<u>179,301</u>	<u>172,800</u>	<u>6,501</u>	<u>137,927</u>
Total General Government	<u>1,110,363</u>	<u>1,103,861</u>	<u>6,502</u>	<u>820,396</u>
<b>Judicial</b>				
Municipal Court				
Personal Services	124,492	111,622	12,870	111,595
Contractual services	53,912	53,205	707	42,036
Materials and supplies	4,750	2,986	1,764	6,014
Total Municipal Court	<u>183,154</u>	<u>167,813</u>	<u>15,341</u>	<u>159,645</u>
<b>Public Safety</b>				
Public Safety				
Personal services	1,091,605	976,660	114,945	929,455
Contractual services	137,705	117,490	20,215	138,838
Materials and supplies	89,650	78,582	11,068	89,334
Payments to other agencies	35,000	26,716	8,284	34,985
Capital outlay	29,864	184,375	(154,511)	67,308
Total Public Safety	<u>1,383,824</u>	<u>1,383,823</u>	<u>1</u>	<u>1,259,920</u>
Public Safety Administration				
Personal services	200,847	188,184	12,663	195,081
Contract services	7,950	4,247	3,703	2,872
Materials and supplies	4,700	3,663	1,037	3,225
Total Public Safety Administration	<u>213,497</u>	<u>196,094</u>	<u>17,403</u>	<u>201,178</u>
Total Public Safety	<u>1,597,321</u>	<u>1,579,917</u>	<u>17,404</u>	<u>1,461,098</u>

**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2019**  
*(With comparative actual amounts for the fiscal year ended June 30, 2018)*

	2019			2018
	Final Budget	Actual	Variance	Actual
<b>Public Works</b>				
Public Works				
Personal services	\$ 283,871	\$ 236,542	\$ 47,329	\$ 143,111
Contractual services	784,786	788,510	(3,724)	641,435
Materials and supplies	30,600	23,997	6,603	18,800
Capital outlay	240,000	290,207	(50,207)	264,165
Total Public Works	1,339,257	1,339,256	1	1,067,511
<b>Culture and Recreation</b>				
Library				
Personal services	169,725	167,576	2,149	144,908
Contractual services	13,900	11,448	2,452	15,058
Materials and supplies	43,450	43,449	1	50,430
Total Library	227,075	222,473	4,602	210,396
Parks and Recreation				
Personal services	118,336	76,705	41,631	81,548
Contractual services	92,600	85,428	7,172	97,493
Materials and supplies	50,315	49,843	472	55,039
Capital outlay	111,280	99,776	11,504	333,757
Total Parks and Recreation	372,531	311,752	60,779	567,837
Founders Day				
Personal services	4,370	3,752	618	5,688
Contractual services	9,000	7,175	1,825	13,414
Materials and supplies	1,330	1,628	(298)	570
Total Founders Day	14,700	12,555	2,145	19,672
Total Culture and Recreation	614,306	546,780	67,526	797,905
<b>Housing and Development</b>				
Planning and Zoning				
Personal services	65,723	63,717	2,006	61,174
Contractual services	119,650	119,577	73	152,001
Materials and supplies	4,500	4,035	465	3,421
Total Planning and Zoning	189,873	187,329	2,544	216,596
Environmental				
Personal services	0	0	0	53,296
Contractual services	0	0	0	25,524
Materials and supplies	0	0	0	2,039
Total Environmental	0	0	0	80,859
Total Housing and Development	189,873	187,329	2,544	297,455

**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2019**  
*(With comparative actual amounts for the fiscal year ended June 30, 2018)*

	2019			2018
	Final Budget	Actual	Variance	Actual
<b>Debt Service</b>				
Public Safety	\$ 50,000	\$ 23,669	\$ 26,331	\$ 545
<b>Total expenditures</b>	<u>\$ 5,084,274</u>	<u>\$ 4,948,625</u>	<u>\$ 135,649</u>	<u>\$ 4,604,555</u>

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## ***SPECIAL REVENUE FUND***

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

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

**TOWN OF TYRONE, GEORGIA**  
**CONFISCATED ASSETS SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2019 and 2018*

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 92,711	\$ 180,839
Other receivables	0	4,528
<b>Total assets</b>	<b>\$ 92,711</b>	<b>\$ 185,367</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 11,598	\$ 6,874
<b>FUND BALANCES</b>		
Restricted for Public Safety	81,113	178,493
<b>Total liabilities and fund balances</b>	<b>\$ 92,711</b>	<b>\$ 185,367</b>

**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, 2019**

*(With comparative actual amounts for the fiscal year ended June 30, 2018)*

	<b>2019</b>			<b>2018</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Fees, fines and forfeitures	\$ 0	\$ 655	\$ 655	\$ 1,724
Intergovernmental	0	992	992	0
Interest	1,000	957	(43)	1,320
<b>Total revenues</b>	<b>1,000</b>	<b>2,604</b>	<b>1,604</b>	<b>3,044</b>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Contract services	13,750	21,325	(7,575)	6,627
Materials and supplies	15,500	19,543	(4,043)	55,661
Capital outlay	104,098	92,477	11,621	48,575
<b>Total expenditures</b>	<b>133,348</b>	<b>133,345</b>	<b>3</b>	<b>110,863</b>
Excess (deficiency) of revenues over (under) expenditures	(132,348)	(130,741)	1,607	(107,819)
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	12,185	12,185	0
Proceeds from sale of capital assets	0	21,176	21,176	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>33,361</b>	<b>33,361</b>	<b>0</b>
Net change in fund balances	(132,348)	(97,380)	34,968	(107,819)
Fund balances, July 1	132,348	178,493	46,145	286,312
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 81,113</b>	<b>\$ 81,113</b>	<b>\$ 178,493</b>

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## ***CAPITAL PROJECTS FUND***

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

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

**TOWN OF TYRONE, GEORGIA**  
**2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2019 and 2018*

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,372,258	\$ 1,357,928
Intergovernmental receivable	292,732	262,030
<b>Total assets</b>	<b>\$ 1,664,990</b>	<b>\$ 1,619,958</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 44,750	\$ 7,029
Due to other funds	8,874	277,206
Advances from other funds	0	425,000
Total liabilities	53,624	709,235
<b>FUND BALANCES</b>		
Restricted for Capital Outlay	1,611,366	910,723
<b>Total liabilities and fund balances</b>	<b>\$ 1,664,990</b>	<b>\$ 1,619,958</b>

**TOWN OF TYRONE, GEORGIA**  
**2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
*For the fiscal years ended June 30, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Intergovernmental	\$ 1,721,909	\$ 1,621,365
Interest	13,126	3,059
<b>Total revenues</b>	<u>1,735,035</u>	<u>1,624,424</u>
<b>EXPENDITURES</b>		
Capital outlay		
General Government	11,355	0
Public Works	654,347	66,965
Culture and Recreation	25,723	2,915
Debt service		
Public Safety	18,336	18,336
Public Works	210,142	200,485
<b>Total expenditures</b>	<u>919,903</u>	<u>288,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>815,132</u>	<u>1,335,723</u>
Other financing sources (uses)		
Transfers in (out)		
General Fund	(20,369)	0
Sewer Fund	(94,120)	(425,000)
<b>Total other financing sources (uses)</b>	<u>(114,489)</u>	<u>(425,000)</u>
Net change in fund balances	700,643	910,723
Fund balances, July 1	<u>910,723</u>	<u>0</u>
<b>Fund balances, June 30</b>	<u><u>\$ 1,611,366</u></u>	<u><u>\$ 910,723</u></u>

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## ***ENTERPRISE FUNDS***

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

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

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

**TOWN OF TYRONE, GEORGIA**  
**SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,654,641	\$ 1,700,311
Accounts receivable (net)	31,909	28,028
Total current assets	1,686,550	1,728,339
<b>Capital assets</b>		
Non-depreciable	94,120	0
Depreciable (net)	2,165,705	2,273,786
Total capital assets (net of accumulated depreciation)	2,259,825	2,273,786
<b>Total assets</b>	3,946,375	4,002,125
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	20,560	35,069
Accrued salaries and payroll liabilities	2,223	1,720
<b>Total liabilities</b>	22,783	36,789
<b>NET POSITION</b>		
Investment in capital assets	2,259,825	2,273,786
Unrestricted	1,663,767	1,691,550
<b>Total net position</b>	\$ 3,923,592	\$ 3,965,336

**TOWN OF TYRONE, GEORGIA**  
**SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 366,281	\$ 348,543
<b>Total operating revenues</b>	<u>366,281</u>	<u>348,543</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	285,453	146,170
Personal services	67,211	56,508
Depreciation	149,481	120,790
<b>Total operating expenses</b>	<u>502,145</u>	<u>323,468</u>
Operating income (loss)	<u>(135,864)</u>	<u>25,075</u>
Transfers in (out)		
General Fund	0	1,281,886
2017 SPLOST Fund	94,120	425,000
<b>Total transfers in (out)</b>	<u>94,120</u>	<u>1,706,886</u>
Change in net position	(41,744)	1,731,961
Net position, July 1	<u>3,965,336</u>	<u>2,233,375</u>
<b>Net position, June 30</b>	<u><u>\$ 3,923,592</u></u>	<u><u>\$ 3,965,336</u></u>

**TOWN OF TYRONE, GEORGIA**  
**SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 362,400	\$ 348,783
Payments to suppliers	(299,962)	(120,977)
Payments to employees	(66,708)	(56,646)
	<u>(4,270)</u>	<u>171,160</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	<u>0</u>	<u>6,886</u>
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other funds	94,120	1,700,000
Payments for acquisitions of capital assets	(135,520)	(1,700,101)
	<u>(41,400)</u>	<u>(101)</u>
Net increase (decrease) in cash and cash equivalents	(45,670)	177,945
Cash and cash equivalents, July 1	<u>1,700,311</u>	<u>1,522,366</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 1,654,641</u></u>	<u><u>\$ 1,700,311</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ (135,864)</u>	<u>\$ 25,075</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	149,481	120,790
(Increase) decrease in accounts receivable	(3,881)	240
(Increase) decrease in prepaid items	0	478
Increase (decrease) in accounts payable	(14,509)	24,715
Increase (decrease) in accrued salaries and other payroll liabilities	503	(138)
	<u>131,594</u>	<u>146,085</u>
Total adjustments	<u>131,594</u>	<u>146,085</u>
Net cash provided (used) by operating activities	<u><u>\$ (4,270)</u></u>	<u><u>\$ 171,160</u></u>

**TOWN OF TYRONE, GEORGIA**  
**SANITATION ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 50,081	\$ 498,769
Accounts receivable (net)	0	152
<b>Total assets</b>	50,081	498,921
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	0	464
Accrued salaries and payroll liabilities	0	741
Unearned revenue	0	3,256
<b>Total liabilities</b>	0	4,461
<b>NET POSITION</b>		
Unrestricted	\$ 50,081	\$ 494,460

**TOWN OF TYRONE, GEORGIA  
SANITATION ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
For the fiscal years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Sanitation fees	\$ 3,874	\$ 327,116
<b>Total operating revenues</b>	<u>3,874</u>	<u>327,116</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	0	240,427
Personal services	64	34,399
<b>Total operating expenses</b>	<u>64</u>	<u>274,826</u>
Operating income (loss)	3,810	52,290
Transfers in (out)		
General Fund	<u>(448,189)</u>	<u>323</u>
Change in net position	(444,379)	52,613
Net position, July 1	<u>494,460</u>	<u>441,847</u>
<b>Net position, June 30</b>	<u><u>\$ 50,081</u></u>	<u><u>\$ 494,460</u></u>

**TOWN OF TYRONE, GEORGIA**  
**SANITATION ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 770	\$ 260,974
Payments to suppliers	(464)	(266,369)
Payments to employees	(805)	(35,650)
	<u>(499)</u>	<u>(41,045)</u>
<b>Net cash provided (used) by operating activities</b>		
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	(448,189)	0
Receipts from other funds	0	323
	<u>(448,189)</u>	<u>323</u>
<b>Net cash provided (used) by non-capital financing activities</b>		
<b>Net increase (decrease) in cash and cash equivalents</b>	(448,688)	(40,722)
<b>Cash and cash equivalents, July 1</b>	498,769	539,491
	<u>498,769</u>	<u>539,491</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ 50,081</u>	<u>\$ 498,769</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 3,810	\$ 52,290
<b>Adjustments to reconcile operating loss to net cash provided (used) by operating activities:</b>		
(Increase) decrease in accounts receivable	152	3,969
(Increase) decrease in prepaid items	0	829
Increase (decrease) in accounts payable	(464)	(26,771)
Increase (decrease) in unearned revenue	(3,256)	(70,111)
Increase (decrease) in accrued salaries and other payroll liabilities	(741)	(1,251)
	<u>(4,309)</u>	<u>(93,335)</u>
<b>Total adjustments</b>		
<b>Net cash provided (used) by operating activities</b>	<u>\$ (499)</u>	<u>\$ (41,045)</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, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 17,201	\$ 16,818
	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>		
Due to other agencies	\$ 17,201	\$ 16,818
	<u>                    </u>	<u>                    </u>

**TOWN OF TYRONE, GEORGIA**  
**MUNICIPAL ESCROW AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
*For the fiscal year ended June 30, 2019*

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,818	\$ 291,104	\$ (290,721)	\$ 17,201
<b>LIABILITIES</b>				
Due to other agencies	\$ 16,818	\$ 291,104	\$ (290,721)	\$ 17,201

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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 Nonmajor Confiscated Assets Fund of the Town of Tyrone, Georgia, as of and for the year ended June 30, 2019, 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 18, 2019.

**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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, listed below, that we consider to be a significant deficiency:

**Comment 2019-001**

*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 2019-001, continued**

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

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

*Rushton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia  
December 18, 2019

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**TOWN OF TYRONE, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2019**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>2017 SPLOST</b>					
Roads and Streets - LMIG					
Matching Funds	\$ 425,000	\$ 425,000	\$ 24,597	\$ 80,000	\$ 104,597
Debt Services Reduction (GTIB Project Loans)	2,350,000	2,350,000	200,485	210,142	410,627
Sanitary Sewer Connection/ Expansion	1,700,000	1,700,000	425,000	94,120	519,120
Sidewalks/Paths Expansion (Commerce, Spencer, Palmetto, Swanson) Roads	500,000	500,000	0	0	0
Miniature Roundabout at Palmetto/Spencer/Arrowwood	350,000	350,000	12,900	420	13,320
Handley Park Phase IV Fields and Facilities	325,000	325,000	2,915	25,722	28,637
Dorothea Redwine Park Multiuse Redevelopment	350,000	350,000	0	0	0
FDR and Repaving of Powers Court/Senoia Road	550,000	550,000	0	274,572	274,572
Replacement of Culverts on Dogwood & Pendelton Trails	625,000	625,000	48,824	17,659	66,483
Installation of SR74 North On-Ramp/ Senoia Road Extension	400,000	400,000	0	2,306	2,306
Mill, Patch and Paving of Briarwood and Farr Roads	900,000	900,000	1,013	279,391	280,404
Gateway and Streetscape Improvements (Lighting, Signage, Landscape)	150,000	150,000	0	0	0
Town Hall Renovations/ADA Compliance Improvements	275,000	275,000	0	11,355	11,355
Purchase of Public Safety Patrol Vehicles	125,000	125,000	18,336	18,336	36,672
	<u>\$ 9,025,000</u>	<u>\$ 9,025,000</u>	<u>\$ 734,070</u>	<u>\$ 1,014,023</u>	<u>\$ 1,748,093</u>

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

Note: Prior years expenditures have been restated to increase expenditures \$20,369 for prior year expenditures reimbursed to the General Fund in current year.

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