



***TOWN OF TYRONE, GEORGIA***

***Annual Financial Report***

***For the fiscal year ended June 30, 2020***

Prepared by:

Department of Finance

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**TOWN OF TYRONE, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the fiscal year ended June 30, 2020*

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of June 30, 2020, 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 47 through 53, 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, 2019. In our report dated December 18, 2019, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tyrone's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2019 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 2019 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 2019 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 2019 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, 2020, 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, 2020

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## ***BASIC FINANCIAL STATEMENTS***

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF NET POSITION**  
*June 30, 2020*

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 9,303,336	\$ 2,232,859	\$ 11,536,195
Restricted assets			
Cash and cash equivalents	1,324,730	0	1,324,730
Investments	241,761	0	241,761
Receivables (net)			
Accounts	67,958	36,371	104,329
Taxes	185,460	0	185,460
Intergovernmental	290,722	0	290,722
Prepaid items	157,820	0	157,820
Total current assets	11,571,787	2,269,230	13,841,017
<b>Noncurrent assets</b>			
Capital assets			
Non-depreciable	5,913,174	491,697	6,404,871
Depreciable (net)	8,226,483	2,010,704	10,237,187
Total noncurrent assets	14,139,657	2,502,401	16,642,058
<b>Total assets</b>	25,711,444	4,771,631	30,483,075
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions subsequent to measurement date	56,674	0	56,674
Pension assumption changes	2,296	0	2,296
Pension experience differences	71,279	0	71,279
<b>Total deferred outflows of resources</b>	130,249	0	130,249
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	261,289	39,957	301,246
Retainage payable	305,796	0	305,796
Accrued salaries and payroll liabilities	20,540	440	20,980
Compensated absences	66,717	0	66,717
Accrued interest payable	8,723	0	8,723
Due to others	135,000	0	135,000
Capital lease payable	37,700	0	37,700
Bonds payable	216,000	0	216,000
Notes payable	149,542	0	149,542
Total current liabilities	1,201,307	40,397	1,241,704
<b>Noncurrent liabilities</b>			
Compensated absences	7,413	0	7,413
Net pension liability	198,656	0	198,656
Capital lease payable	21,672	0	21,672
Bonds payable	4,179,000	0	4,179,000
Notes payable	1,813,520	0	1,813,520
Total noncurrent liabilities	6,220,261	0	6,220,261
<b>Total liabilities</b>	7,421,568	40,397	7,461,965

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

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF NET POSITION**  
*June 30, 2020*

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension assumption changes	\$ 21,591	\$ 0	\$ 21,591
Pension experience differences	30,212	0	30,212
Pension investment return differences	12,616	0	12,616
<b>Total deferred inflows of resources</b>	<b>64,419</b>	<b>0</b>	<b>64,419</b>
<b>NET POSITION</b>			
Net investment in capital assets	8,693,445	2,502,401	11,195,846
Restricted for:			
Capital outlay	2,292,407	0	2,292,407
Public Safety	32,393	0	32,393
Unrestricted	7,337,461	2,228,833	9,566,294
<b>Total net position</b>	<b>\$ 18,355,706</b>	<b>\$ 4,731,234</b>	<b>\$ 23,086,940</b>

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
*For the fiscal year ended June 30, 2020*

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	\$ 888,675	\$ 8,932	\$ 0	\$ 58,364	\$ (821,379)
Judicial	175,385	0	0	0	(175,385)
Public Safety	1,573,478	145,725	1,002	34,909	(1,391,842)
Public Works	1,078,229	0	0	2,187,361	1,109,132
Culture and Recreation	641,429	24,705	19,015	122,302	(475,407)
Housing and Development	221,886	157,079	0	0	(64,807)
Interest on long-term debt	111,668	0	0	0	(111,668)
Total governmental activities	4,690,750	336,441	20,017	2,402,936	(1,931,356)
Business-type activities					
Sewer Utility	498,089	403,525	0	454,548	359,984
Sanitation	0	0	0	0	0
Total business-type activities	498,089	403,525	0	454,548	359,984
Total primary government	5,188,839	739,966	20,017	2,857,484	(1,571,372)
<b>Primary Government</b>					
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>		
<b>Change in net position</b>					
Net (expense) revenue	\$ (1,931,356)	\$ 359,984	\$ (1,571,372)		
<b>General revenues</b>					
Taxes					
Property	1,514,527	0	1,514,527		
Sales	1,691,597	0	1,691,597		
Franchise	612,238	0	612,238		
Insurance premium	525,730	0	525,730		
Occupational	107,274	0	107,274		
Alcoholic beverage	94,152	0	94,152		
Intangibles	28,720	0	28,720		
Other	7,079	0	7,079		
Interest and investment earnings	148,893	0	148,893		
Other	34,010	0	34,010		
Gain on sale of capital assets	118,805	0	118,805		
Transfers	(397,577)	397,577	0		
Total general revenues and transfers	4,485,448	397,577	4,883,025		
Change in net position	2,554,092	757,561	3,311,653		
Net position - beginning	15,801,614	3,973,673	19,775,287		
Net position - ending	\$ 18,355,706	\$ 4,731,234	\$ 23,086,940		

**TOWN OF TYRONE, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

	General	2017 SPLOST	(Non-major) Confiscated Assets	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,129,071	\$ 2,144,963	\$ 29,302	\$ 9,303,336
Restricted assets				
Cash and cash equivalents	1,324,730	0	0	1,324,730
Investments	241,761	0	0	241,761
Receivables (net)				
Accounts	67,958	0	0	67,958
Taxes	185,460	0	0	185,460
Intergovernmental	0	289,742	980	290,722
Prepaid items	157,820	0	0	157,820
Due from other funds	8,874	0	0	8,874
<b>Total assets</b>	<b>\$ 9,115,674</b>	<b>\$ 2,434,705</b>	<b>\$ 30,282</b>	<b>\$ 11,580,661</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 131,735	\$ 127,593	\$ 1,961	\$ 261,289
Retainage payable	279,580	26,216	0	305,796
Accrued salaries and payroll liabilities	20,540	0	0	20,540
Due to others	135,000	0	0	135,000
Due to other funds	0	8,874	0	8,874
<b>Total liabilities</b>	<b>566,855</b>	<b>162,683</b>	<b>1,961</b>	<b>731,499</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - property taxes	7,168	0	0	7,168
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	157,820	0	0	157,820
Restricted for:				
Capital Outlay	1,048,806	2,272,022	0	3,320,828
Public Safety	4,072	0	28,321	32,393
Unassigned	7,330,953	0	0	7,330,953
<b>Total fund balances</b>	<b>8,541,651</b>	<b>2,272,022</b>	<b>28,321</b>	<b>10,841,994</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,115,674</b>	<b>\$ 2,434,705</b>	<b>\$ 30,282</b>	<b>\$ 11,580,661</b>

**TOWN OF TYRONE, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
*June 30, 2020*

**Total fund balance - total governmental funds** **\$ 10,841,994**

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 14,139,657

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 7,168

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

Deferred outflows of resources:

Pension contributions subsequent to measurement date	\$	56,674
Pension assumption changes		2,296
Pension experience differences		71,279

Deferred inflows of resources:

Pension assumption changes		(21,591)
Pension experience differences		(30,212)
Pension investment return differences		(12,616)
		65,830

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

These are:

Net pension liability		(198,656)
Notes payable		(1,963,062)
Interest payable		(8,723)
Capital lease		(59,372)
Bonds payable		(4,395,000)
Compensated absences		(74,130)
		(6,698,943)

Net position of governmental activities \$ 18,355,706



**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
*For the fiscal year ended June 30, 2020*

	General	2017 SPLOST	(Non-major) Confiscated Assets	Total
<b>REVENUES</b>				
Taxes	\$ 4,551,663	\$ 0	\$ 0	\$ 4,551,663
Licenses and permits	194,524	0	0	194,524
Fines, fees and forfeitures	128,812	0	0	128,812
Charges for services	44,922	0	0	44,922
Intergovernmental	142,161	1,722,970	980	1,866,111
Interest and investment	148,103	22,490	790	171,383
Contributions	7,157	0	0	7,157
Other	34,010	0	0	34,010
<b>Total revenues</b>	<b>5,251,352</b>	<b>1,745,460</b>	<b>1,770</b>	<b>6,998,582</b>
<b>EXPENDITURES</b>				
Current				
General Government	4,148,188	0	0	4,148,188
Judicial	175,519	0	0	175,519
Public Safety	1,537,922	0	54,562	1,592,484
Public Works	755,595	0	0	755,595
Culture and Recreation	468,280	0	0	468,280
Housing and Development	222,946	0	0	222,946
Debt service	214,475	228,479	0	442,954
Capital outlay	0	458,748	0	458,748
<b>Total expenditures</b>	<b>7,522,925</b>	<b>687,227</b>	<b>54,562</b>	<b>8,264,714</b>
Excess (deficiency) of revenues over (under) expenditures	(2,271,573)	1,058,233	(52,792)	(1,266,132)
Other financing sources (uses)				
Transfers out	0	(397,577)	0	(397,577)
Proceeds from issuance of long-term debt	4,395,000	0	0	4,395,000
Proceeds from sale of capital assets	214,331	0	0	214,331
<b>Total other financing sources (uses)</b>	<b>4,609,331</b>	<b>(397,577)</b>	<b>0</b>	<b>4,211,754</b>
Net change in fund balances	2,337,758	660,656	(52,792)	2,945,622
Fund balances, July 1	6,203,893	1,611,366	81,113	7,896,372
<b>Fund balances, June 30</b>	<b>\$ 8,541,651</b>	<b>\$ 2,272,022</b>	<b>\$ 28,321</b>	<b>\$ 10,841,994</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, 2020**

**Net change in fund balances - total governmental funds** **\$ 2,945,622**

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	\$ 3,966,390	
Depreciation	(599,808)	3,366,582

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	(100,146)	
Related accumulated depreciation	4,620	(95,526)

Contributions of capital assets from developers increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Cost of assets contributed		527,195
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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.		(2,161)
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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	76,715	
Cost of benefits earned net of employee contributions	(47,583)	29,132

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	(4,395,000)	
Debt principal payments	194,836	
Net change in interest payable	(6,422)	(4,206,586)

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	(10,166)	(10,166)

Change in net position of governmental activities		\$ 2,554,092

**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, 2020**

	<b>Budget</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 4,217,570	\$ 4,217,570	\$ 4,551,663	\$ 334,093
Licenses and permits	187,400	187,400	194,524	7,124
Fines, fees and forfeitures	150,050	150,050	128,812	(21,238)
Charges for services	57,666	57,666	44,922	(12,744)
Intergovernmental	128,000	128,000	142,161	14,161
Interest and investment	70,000	70,000	148,103	78,103
Contributions	7,590	7,590	7,157	(433)
Other	59,000	59,000	34,010	(24,990)
<b>Total revenues</b>	<b>4,877,276</b>	<b>4,877,276</b>	<b>5,251,352</b>	<b>374,076</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Administration	5,601,634	5,601,634	3,974,256	1,627,378
Finance	210,091	210,091	173,932	36,159
Judicial				
Municipal Court	240,592	240,592	175,519	65,073
Public Safety				
Public Safety	1,436,986	1,436,986	1,308,969	128,017
Public Safety Administration	237,984	237,984	228,953	9,031
Public Works				
Public Works	3,179,377	3,179,377	755,595	2,423,782
Culture and Recreation				
Library	247,171	247,171	219,986	27,185
Parks and Recreation	338,031	338,031	237,186	100,845
Founders Day	17,509	17,509	11,108	6,401
Housing and Development				
Planning and Zoning	249,024	249,024	222,946	26,078
Debt Service				
General Administration	191,351	191,351	191,351	0
Public Safety	23,124	23,124	23,124	0
Public Works	139,000	139,000	0	139,000
<b>Total expenditures</b>	<b>12,111,874</b>	<b>12,111,874</b>	<b>7,522,925</b>	<b>4,588,949</b>
Excess (deficiency) of revenues over (under) expenditures	(7,234,598)	(7,234,598)	(2,271,573)	4,963,025
Other financing sources (uses)				
Proceeds from issuance of long-term debt	5,620,000	5,620,000	4,395,000	1,225,000
Proceeds from sale of capital assets	0	0	214,331	(214,331)
<b>Total other financing sources (uses)</b>	<b>5,620,000</b>	<b>5,620,000</b>	<b>4,609,331</b>	<b>1,010,669</b>
Net change in fund balances	(1,614,598)	(1,614,598)	2,337,758	3,952,356
Fund balances, July 1	1,614,598	1,614,598	6,203,893	4,589,295
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,541,651</b>	<b>\$ 8,541,651</b>

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*June 30, 2020*

	<b>Business-Type Activities</b>		
	<b>Sewer</b>	<b>(Non-major) Sanitation</b>	<b>Totals</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 2,182,778	\$ 50,081	\$ 2,232,859
Accounts receivable (net)	36,371	0	36,371
Total current assets	2,219,149	50,081	2,269,230
<b>Noncurrent assets</b>			
Capital assets			
Non-depreciable	491,697	0	491,697
Depreciable (net)	2,010,704	0	2,010,704
Total noncurrent assets	2,502,401	0	2,502,401
<b>Total assets</b>	<b>4,721,550</b>	<b>50,081</b>	<b>4,771,631</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	39,957	0	39,957
Accrued salaries and payroll liabilities	440	0	440
Total current liabilities	40,397	0	40,397
<b>NET POSITION</b>			
Investment in capital assets	2,502,401	0	2,502,401
Unrestricted	2,178,752	50,081	2,228,833
<b>Total net position</b>	<b>\$ 4,681,153</b>	<b>\$ 50,081</b>	<b>\$ 4,731,234</b>

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2020*

	<b>Business-Type Activities</b>		
	<b>Sewer</b>	<b>(Non-major) Sanitation</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 403,525	\$ 0	\$ 403,525
<b>Total operating revenue</b>	<u>403,525</u>	<u>0</u>	<u>403,525</u>
<b>OPERATING EXPENSES</b>			
Costs of sales and services	266,838	0	266,838
Personal services	76,250	0	76,250
Depreciation	<u>155,001</u>	<u>0</u>	<u>155,001</u>
<b>Total operating expenses</b>	<u>498,089</u>	<u>0</u>	<u>498,089</u>
Operating income (loss)	(94,564)	0	(94,564)
Transfers in (out)			
Transfers in	<u>397,577</u>	<u>0</u>	<u>397,577</u>
Net income (loss) before capital contributions	303,013	0	303,013
Capital contribution	<u>454,548</u>	<u>0</u>	<u>454,548</u>
Change in net position	757,561	0	757,561
Net position, July 1	<u>3,923,592</u>	<u>50,081</u>	<u>3,973,673</u>
<b>Net position, June 30</b>	<u><u>\$ 4,681,153</u></u>	<u><u>\$ 50,081</u></u>	<u><u>\$ 4,731,234</u></u>

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2020*

	<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	\$ 399,063	\$ 0	\$ 399,063
Payments to suppliers	(247,441)	0	(247,441)
Payments to employees	(78,033)	0	(78,033)
Net cash provided (used) by operating activities	73,589	0	73,589
<b>Cash flows from capital and related financing activities:</b>			
Receipts of capital contributions	454,548	0	454,548
Receipts from other funds	397,577	0	397,577
Payments for acquisition of capital assets	(397,577)	0	(397,577)
Net cash provided (used) by capital and related financing activities	454,548	0	454,548
Net increase (decrease) in cash and cash equivalents	528,137	0	528,137
Cash and cash equivalents, July 1	1,654,641	50,081	1,704,722
<b>Cash and cash equivalents, June 30</b>	<b>\$ 2,182,778</b>	<b>\$ 50,081</b>	<b>\$ 2,232,859</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (94,564)	\$ 0	\$ (94,564)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	155,001	0	155,001
(Increase) decrease in accounts receivable	(4,462)	0	(4,462)
Increase (decrease) in accounts payable	19,397	0	19,397
Increase (decrease) in accrued salaries and other payroll liabilities	(1,783)	0	(1,783)
Total adjustments	168,153	0	168,153
Net cash provided (used) by operating activities	\$ 73,589	\$ 0	\$ 73,589

**TOWN OF TYRONE, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2020**

	<b>Municipal Escrow Agency Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 26,734
<b>LIABILITIES</b>	
Due to other agencies	\$ 26,734

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***For the fiscal year ended June 30, 2020***

**1. Description of Government Unit**

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

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

**2. Summary of Significant Accounting Policies**

**A. Description of Government-wide Financial Statements**

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

**B. Reporting Entity**

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

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

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



**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2020**

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

**B. Reporting Entity, continued**

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

**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.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2020**

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

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

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

The Town reports the following major proprietary fund:

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

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**  
**For the fiscal year ended June 30, 2020**

**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**  
***For the fiscal year ended June 30, 2020***

**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**  
**For the fiscal year ended June 30, 2020**

**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**  
***For the fiscal year ended June 30, 2020***

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

**G. Budgets and Budgetary Accounting, continued**

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

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

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

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

The Town does not use the encumbrance system of accounting.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2020**

**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, 2020 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**  
**For the fiscal year ended June 30, 2020**

**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**  
***For the fiscal year ended June 30, 2020***

**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**  
**For the fiscal year ended June 30, 2020**

**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, 2020 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**  
**For the fiscal year ended June 30, 2020**

**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**  
**For the fiscal year ended June 30, 2020**

**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 2019 amounts have been reclassified to conform with the 2020 presentation.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***For the fiscal year ended June 30, 2020***

**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**  
***For the fiscal year ended June 30, 2020***

**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 38 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$712,365.

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**  
*For the fiscal year ended June 30, 2020*

**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, 2020 consist of the following:

**Primary Government:**

**Major Funds**

General Fund	\$ 67,958
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Enterprise Funds	
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Sewer	<u>36,371</u>
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Total Primary Government	<u><u>\$ 104,329</u></u>
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**5. Intergovernmental Receivables**

Intergovernmental receivables at June 30, 2020 consist of the following:

**Primary Government:**

**Major Funds**

2017 SPLOST Fund	Fayette County, Georgia	\$ 289,742
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**Nonmajor Funds**

Confiscated Assets Special Revenue Fund	US Department of Justice	<u>980</u>
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Total Primary Government		<u><u>\$ 290,722</u></u>
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**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

**6. Taxes Receivable**

Taxes receivable as of June 30, 2020 include property taxes for seven years as follows:

Year of Lewy	Amount
2019	\$ 12,206
2018	3,662
2017	1,686
2016	1,618
2015	846
2014	550
2013	256
	20,824
Less allowance for uncollectible	(5,762)
	15,062
Add amount due from Fayette County Tax Commissioner	26,020
Total	\$ 41,082

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 2020, based upon the assessments of January 1, 2019, were billed on September 15, 2019 and due on November 15, 2019. Tax liens are issued 90 days after the due date. The tax rate of 2.889 mills for fiscal year 2020 was levied on August 22, 2019.

***Other Taxes***

\$144,378 of local option sales tax is included in taxes receivable.



**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

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

A summary of interfund receivables and payables as of June 30, 2020 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, 2020, 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 as follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
2017 SPLOST	Sewer	<u>\$ 397,577</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.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

**8. Capital Assets**

Capital asset activity for the primary government for the year ended June 30, 2020 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	\$ 2,240,676	\$ 0	\$ (95,526)	\$ 2,145,150
Construction in progress	317,503	3,815,744	(399,323)	3,733,924
Easements	34,100	0	0	34,100
Total non-depreciable assets	<u>2,592,279</u>	<u>3,815,744</u>	<u>(494,849)</u>	<u>5,913,174</u>
Depreciable assets				
Buildings	2,545,540	0	0	2,545,540
Infrastructure	5,207,474	926,518	0	6,133,992
Improvements other than building:	2,031,395	0	0	2,031,395
Library collections	687,441	13,638	(4,620)	696,459
Furnishings, vehicles, machinery and equipment	<u>1,916,655</u>	<u>137,008</u>	<u>0</u>	<u>2,053,663</u>
Total depreciable assets	<u>12,388,505</u>	<u>1,077,164</u>	<u>(4,620)</u>	<u>13,461,049</u>
Accumulated depreciation				
Buildings	(693,879)	(56,436)	0	(750,315)
Infrastructure	(1,360,640)	(269,910)	0	(1,630,550)
Improvements other than building:	(1,245,432)	(87,124)	0	(1,332,556)
Library collections	(405,329)	(33,438)	4,620	(434,147)
Furnishings, vehicles, machinery and equipment	<u>(934,098)</u>	<u>(152,900)</u>	<u>0</u>	<u>(1,086,998)</u>
Total accumulated depreciation	<u>(4,639,378)</u>	<u>(599,808)</u>	<u>4,620</u>	<u>(5,234,566)</u>
Total depreciable assets, net	<u>7,749,127</u>	<u>477,356</u>	<u>0</u>	<u>8,226,483</u>
Governmental activities capital assets, net	<u>\$ 10,341,406</u>	<u>\$ 4,293,100</u>	<u>\$ (494,849)</u>	<u>\$ 14,139,657</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Construction in progress	\$ 94,120	\$ 397,577	\$ 0	\$ 491,697
Depreciable assets				
Infrastructure	1,123,066	0	0	1,123,066
Intangibles	3,015,889	0	0	3,015,889
Equipment	67,391	0	0	67,391
Total depreciable assets	<u>4,206,346</u>	<u>0</u>	<u>0</u>	<u>4,206,346</u>
Accumulated depreciation				
Infrastructure	(545,541)	(32,863)	0	(578,404)
Intangibles	(1,485,798)	(113,339)	0	(1,599,137)
Equipment	<u>(9,302)</u>	<u>(8,799)</u>	<u>0</u>	<u>(18,101)</u>
Total accumulated depreciation	<u>(2,040,641)</u>	<u>(155,001)</u>	<u>0</u>	<u>(2,195,642)</u>
Total depreciable assets, net	<u>2,165,705</u>	<u>(155,001)</u>	<u>0</u>	<u>2,010,704</u>
Business-type activities capital assets, net	<u>\$ 2,259,825</u>	<u>\$ 242,576</u>	<u>\$ 0</u>	<u>\$ 2,502,401</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

**8. Capital Assets (continued)**

**Primary Government**

**Governmental activities**

General Government	\$ 24,652
Public Safety	107,346
Public Works	276,790
Culture and Recreation	<u>191,020</u>

Total depreciation expense for governmental activities	<u>\$ 599,808</u>
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**Business-type activities**

Sewer	<u>\$ 155,001</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, 2020 is \$59,372 for the governmental activities. The assets are included in furnishings, vehicles, machinery and equipment for governmental activities. Amortization of leased equipment under capital leases is included with depreciation expense.

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, 2020:

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>
2021	\$ 41,461
2022	<u>23,124</u>
Total minimum lease payments	64,585
Less amounts representing interest	<u>(5,213)</u>
Present value of minimum lease payments	<u>\$ 59,372</u>

Total assets leased under capital leases are classified as follows:

	<b>Governmental Activities</b>
	<b>Accumulated</b>
<b>Cost</b>	<b>Depreciation</b>
Public safety vehicles	<u>\$ 150,906</u> <u>\$ 28,109</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

**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% (\$1,819,078 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% (\$143,984 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>
2021	\$ 149,542	\$ 43,088	\$ 192,630
2022	167,057	43,085	210,142
2023	171,247	38,894	210,141
2024	175,543	34,899	210,442
2025	179,946	30,196	210,142
2026-2030	969,744	80,965	1,050,709
2031-2033	149,983	2,263	152,246
Totals	<u>\$ 1,963,062</u>	<u>\$ 273,390</u>	<u>\$ 2,236,452</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

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

**Bonds from Direct Placements**

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

On November 21, 2019, the Town of Tyrone Public Facilities Authority issued Town of Tyrone Public Facilities Authority Revenue Bond (Town of Tyrone Project), Series 2019, in an original principal amount of \$4,395,000. The bond was issued for the purpose of (a) financing or reimbursing the acquisition and construction of a town municipal complex and (b) paying the costs of issuing this bond. The bonds are due in annual principal payments on December 1 beginning December 1, 2020 with semi-annual interest payments (2.09%) due on June 1 and December 1, commencing June 1, 2020. The bond is secured by an installment sale agreement between the Authority and the Town. If necessary, the Town will levy an ad valorem property tax within the 15 mill limitation currently in effect (or such higher rate as may be hereafter authorized by applicable law), which may be levied upon all property in the Town subject to such tax. Upon the occurrence and continuance of any event of default, the owner of the bond may take action and pursue any remedy available under the laws of the State, including without limitation, bringing an action for specific performance regarding ad valorem tax as noted above. However, the owner of the bond shall not have the right to accelerate the principal of the bond.

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 216,000	\$ 89,598	\$ 305,598
2022	223,000	85,011	308,011
2023	227,000	80,308	307,308
2024	232,000	75,512	307,512
2025	237,000	70,611	307,611
2026-2030	1,261,000	275,868	1,536,868
2031-2035	1,398,000	137,041	1,535,041
2036-2037	601,000	12,634	613,634
<b>Totals</b>	<b>\$ 4,395,000</b>	<b>\$ 826,583</b>	<b>\$ 5,221,583</b>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

**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, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Capital lease obligations	\$ 94,898	\$ 0	\$ 35,526	\$ 59,372	\$ 37,700
Notes from direct borrowings	2,122,372	0	159,310	1,963,062	149,542
Bonds from direct placements	0	4,395,000	0	4,395,000	216,000
Compensated absences	63,964	74,130	63,964	74,130	66,717
Total governmental activities	<u>\$ 2,281,234</u>	<u>\$ 4,469,130</u>	<u>\$ 258,800</u>	<u>\$ 6,491,564</u>	<u>\$ 469,959</u>

Total interest expense in the governmental activities for the fiscal ended June 30, 2020 was \$111,668.

**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, 2020:

	<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	\$ 2,012	\$ 0	\$ 0	\$ 2,012
Police equipment	2,060	0	28,321	30,381
Capital Outlay	1,048,806	2,272,022	0	3,320,828
	<u>\$ 1,052,878</u>	<u>\$ 2,272,022</u>	<u>\$ 28,321</u>	<u>\$ 3,353,221</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2020**

**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, 2020, the date of the most recent actuarial valuation, there were 75 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	11
Terminated vested participants entitled to but not yet receiving benefits	32
Active participants	32
Total number of participants	<u>75</u>

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

**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, 2020 was \$76,795 or 4.44% of covered payroll.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At June 30, 2020, the Town reported a net pension liability of \$198,656. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. For the fiscal year ended June 30, 2020, the Town recognized pension expense in the amount of \$47,583. For the Governmental Activities, the net pension liability is liquidated by the General Fund.

At June 30, 2020, 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	\$ 71,279	\$ (30,212)
Changes of assumptions	2,296	(21,591)
Net difference between projected and actual earnings on pension plan investments	0	(12,616)
Town contributions subsequent to the measurement date	56,674	0
Totals	<u>\$ 130,249</u>	<u>\$ (64,419)</u>



**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

**12. Pension Plan (continued)**

The \$56,674 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, 2021. 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>	
2021	\$ (22,150)
2022	(11,233)
2023	22,570
2024	19,969
Totals	<u>\$ 9,156</u>

*Actuarial Assumptions.* The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The mortality and economic actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2019.

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

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

**12. Pension Plan (continued)**

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.

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, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Cash	0%	
Total	<u>100%</u>	

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

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2020*

**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 9/30/18</b>	\$ 2,290,872	\$ 2,234,453	\$ 56,419
<b>Changes for the year:</b>			
Service cost	55,586	0	55,586
Interest	173,255	0	173,255
Differences between expected and actual experience	78,756	0	78,756
Contributions—employer	0	81,528	(81,528)
Net investment income	0	67,598	(67,598)
Benefit payments, including refunds of employee contributions	(72,787)	(72,787)	0
Administrative expense	0	(12,554)	12,554
Other	(28,788)	0	(28,788)
<b>Net changes</b>	<b>206,022</b>	<b>63,785</b>	<b>142,237</b>
<b>Balances at 9/30/19</b>	<b>\$ 2,496,894</b>	<b>\$ 2,298,238</b>	<b>\$ 198,656</b>

Plan's fiduciary net position as a percentage of the total pension liability	92.04%
Covered payroll	\$ 1,433,265
Net pension liability as a percentage of covered payroll	13.86%

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

	<b>Discount Rate</b>	<b>Net Pension Liability (Asset)</b>
1% decrease	6.375%	\$ 567,701
Current discount rate	7.375%	198,656
1% increase	8.375%	(102,209)

*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**  
***For the fiscal year ended June 30, 2020***

**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, 2020, 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.

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.

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***For the fiscal year ended June 30, 2020***

**14. Risk Management (continued)**

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, 2020, the Town has no losses that are probable or estimable and accordingly has not recognized any liability.

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Town, its performance, and its financial results.

**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**  
**For the fiscal year ended June 30, 2020**

**16. Commitments and Contingencies**

***Commitments***

The Town has active construction projects as of June 30, 2020. 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>
Sewer System Expansion	\$ 195,353	\$ 1,518,746
Municipal Complex	2,795,802	1,658,317
	<u>\$ 2,991,155</u>	<u>\$ 3,177,063</u>

***Contingencies***

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

**17. Material Budget Violations**

The following Special Revenue Fund had expenditures in excess of appropriations by more than three percent for the fiscal year ended June 30, 2020:

Confiscated Assets	\$ 50,792
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In the future, actual expenditures will be compared to budgeted expenditures and budget amendments will be made when appropriate.

**18. Subsequent Events**

Subsequent to June 30, 2020, the Town received \$392,922 of funding as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted March 27, 2020. These funds were reimbursements to the Town for expenditures related to public safety and various items during the COVID-19 pandemic.

***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, 2020**  
**(Unaudited)**

	Fiscal Year End		
	2020	2019	2018
<b>Total pension liability</b>			
Service cost	\$ 55,586	\$ 56,454	\$ 57,367
Interest	173,255	166,510	153,845
Differences between expected and actual experience	78,756	(60,423)	30,531
Changes of assumptions	0	0	5,741
Benefit payments, including refunds of employee contributions	(72,787)	(70,697)	(67,106)
Other changes	(28,788)	0	0
Net change in total pension liability	206,022	91,844	180,378
Total pension liability - beginning	2,290,872	2,199,028	2,018,650
<b>Total pension liability - ending (a)</b>	<b>\$ 2,496,894</b>	<b>\$ 2,290,872</b>	<b>\$ 2,199,028</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 81,528	\$ 76,527	\$ 75,163
Net investment income	67,598	202,115	267,219
Benefit payments, including refunds of employee contributions	(72,787)	(70,697)	(67,106)
Administrative expense	(12,554)	(12,032)	(12,860)
Net change in fiduciary net position	63,785	195,913	262,416
Plan fiduciary net position - beginning	2,234,453	2,038,540	1,776,124
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 2,298,238</b>	<b>\$ 2,234,453</b>	<b>\$ 2,038,540</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 198,656</b>	<b>\$ 56,419</b>	<b>\$ 160,488</b>
Plan's fiduciary net position as a percentage of the total pension liability	92.04%	97.54%	92.70%
Covered payroll	\$ 1,433,265	\$ 1,302,777	\$ 1,305,716
Net pension liability as a percentage of covered payroll	13.86%	4.33%	12.29%

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



Fiscal Year End		
2017	2016	2015
\$ 52,847	\$ 49,332	\$ 48,292
149,236	141,847	136,273
(76,436)	(30,392)	(46,186)
0	0	0
(65,238)	(65,672)	(56,285)
0	0	(5,466)
60,409	95,115	76,628
1,958,241	1,863,126	1,786,498
<u>\$ 2,018,650</u>	<u>\$ 1,958,241</u>	<u>\$ 1,863,126</u>
\$ 71,484	\$ 76,884	\$ 81,141
178,451	17,602	160,444
(65,238)	(65,672)	(56,285)
(7,486)	(8,354)	(6,621)
177,211	20,460	178,679
1,598,913	1,578,453	1,399,774
<u>\$ 1,776,124</u>	<u>\$ 1,598,913</u>	<u>\$ 1,578,453</u>
<u>\$ 242,526</u>	<u>\$ 359,328</u>	<u>\$ 284,673</u>
87.99%	81.65%	84.72%
\$ 1,138,501	\$ 1,192,988	\$ 1,181,282
21.30%	30.12%	24.10%

**TOWN OF TYRONE, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2020**  
**(Unaudited)**

	<b>Fiscal Year End</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially determined contribution	\$ 76,795	\$ 81,982	\$ 74,709
Contributions in relation to the actuarially determined contribution	(76,795)	(81,982)	(74,709)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 1,729,102	\$ 1,639,749	\$ 1,571,670
Contributions as a percentage of covered payroll	4.44%	5.00%	4.75%

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

Fiscal Year End		
2017	2016	2015
\$ 75,314 (75,314)	\$ 70,208 (70,208)	\$ 79,109 (79,109)
\$ 0	\$ 0	\$ 0
\$ 1,512,512	\$ 1,358,223	\$ 1,405,585
4.98%	5.17%	5.63%

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**  
**(Unaudited)**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2020, 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, 2021.

**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 = N/A

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

Net investment rate of return = 7.375%

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

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

Retirement age for inactive vested participants = 65

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

*Exhibit B-3, continued*

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**  
**(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 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year in age for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at ages 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early retirement or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older.

***Exhibit B-3, continued***

**TOWN OF TYRONE, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**  
**(Unaudited)**

**4. Changes of Assumptions, continued**

- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% and 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at fifteen years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.
- The cost-of-living assumption for terminations on or after November 1, 2003 was decreased from 2.75% to 2.10%.

### ***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, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,129,071	\$ 5,069,644
Restricted assets		
Cash	1,324,730	2,906
Investments	241,761	1,011,460
Receivables (net)		
Accounts	67,958	86,154
Taxes	185,460	178,911
Prepaid items	157,820	152,682
Due from other funds	8,874	8,874
	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u><u>\$ 9,115,674</u></u>	<u><u>\$ 6,510,631</u></u>
<b>LIABILITIES</b>		
Payables		
Accounts	\$ 131,735	\$ 221,590
Retainages	279,580	0
Escrow liability	0	11,251
Accrued salaries and payroll liabilities	20,540	64,543
Unearned revenue	0	25
Due to others	135,000	0
	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<u>566,855</u>	<u>297,409</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	7,168	9,329
	<u>          </u>	<u>          </u>
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid items	157,820	152,682
Restricted for:		
Capital Outlay	1,048,806	14,385
Public Safety	4,072	2,036
Unassigned	7,330,953	6,034,790
	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<u>8,541,651</u>	<u>6,203,893</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 9,115,674</u></u>	<u><u>\$ 6,510,631</u></u>



**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
Taxes	\$ 4,551,663	\$ 4,364,402
Licenses and permits	194,524	192,973
Fines, fees and forfeitures	128,812	185,129
Charges for services	44,922	58,989
Intergovernmental	142,161	134,461
Interest	148,103	92,400
Contributions	7,157	3,629
Other	34,010	38,791
<b>Total revenues</b>	<b>5,251,352</b>	<b>5,070,774</b>
<b>EXPENDITURES</b>		
Current		
General Government	4,148,188	1,103,861
Judicial	175,519	167,813
Public Safety	1,537,922	1,579,917
Public Works	755,595	1,339,256
Culture and Recreation	468,280	546,780
Housing and Development	222,946	187,329
Total Current	<b>7,308,450</b>	<b>4,924,956</b>
Debt Service		
General Government	191,351	0
Public Safety	23,124	23,669
Total Debt Service	<b>214,475</b>	<b>23,669</b>
<b>Total expenditures</b>	<b>7,522,925</b>	<b>4,948,625</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(2,271,573)</b>	<b>122,149</b>
Other financing sources (uses)		
Transfers in (out)		
Confiscated Assets Fund	0	(12,185)
Sanitation Fund	0	448,189
2017 SPLOST Fund	0	20,369
Issuance of long-term debt	4,395,000	0
Proceeds from capital leases	0	84,143
Proceeds from sale of assets	214,331	8,894
Total other financing sources (uses)	<b>4,609,331</b>	<b>549,410</b>
Net change in fund balances	<b>2,337,758</b>	<b>671,559</b>
Fund balances, July 1	<b>6,203,893</b>	<b>5,532,334</b>
<b>Fund balances, June 30</b>	<b>\$ 8,541,651</b>	<b>\$ 6,203,893</b>

**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2020**  
**(With comparative actual amounts for the fiscal year ended June 30, 2019)**

	<b>2020</b>			<b>2019</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Property tax	\$ 1,162,920	\$ 1,256,800	\$ 93,880	\$ 1,170,181
Motor vehicle tax	221,000	259,888	38,888	225,590
Total general property taxes	1,383,920	1,516,688	132,768	1,395,771
Local option sales tax	1,600,000	1,691,597	91,597	1,704,636
Intangible tax	19,000	28,720	9,720	18,741
Franchise tax	557,000	612,238	55,238	569,155
Insurance premium tax	500,000	525,730	25,730	497,281
Beer and wine tax	59,150	62,487	3,337	61,243
Occupational tax	93,500	107,124	13,624	109,810
Transfer tax	5,000	7,079	2,079	7,765
Total taxes	4,217,570	4,551,663	334,093	4,364,402
<b>Licenses and Permits</b>				
Building permits	152,200	161,779	9,579	157,079
Other	35,200	32,745	(2,455)	35,894
Total licenses and permits	187,400	194,524	7,124	192,973
<b>Fines, fees and forfeitures</b>	150,050	128,812	(21,238)	185,129
<b>Charges for Services</b>				
Founders day	12,000	4,195	(7,805)	7,373
Recreation fees	25,000	19,892	(5,108)	36,135
Rents and royalties	8,390	10,390	2,000	8,640
Other	12,276	10,445	(1,831)	6,841
Total charges for services	57,666	44,922	(12,744)	58,989
<b>Intergovernmental</b>	128,000	142,161	14,161	134,461
<b>Interest</b>	70,000	148,103	78,103	92,400
<b>Contributions</b>	7,590	7,157	(433)	3,629
<b>Other</b>	59,000	34,010	(24,990)	38,791
<b>Total revenues</b>	<u>\$ 4,877,276</u>	<u>\$ 5,251,352</u>	<u>\$ 374,076</u>	<u>\$ 5,070,774</u>

**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2020**  
**(With comparative actual amounts for the fiscal year ended June 30, 2019)**

	2020			2019
	Final Budget	Actual	Variance	Actual
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Administration				
Personal services	\$ 280,281	\$ 271,964	\$ 8,317	\$ 257,188
Contractual services	180,619	123,085	57,534	116,450
Materials and supplies	287,850	126,244	161,606	130,144
Payments to other agencies	29,235	29,235	0	29,235
Capital outlay	4,823,649	3,423,728	1,399,921	398,044
Total Administration	5,601,634	3,974,256	1,627,378	931,061
Finance				
Personal services	150,775	136,100	14,675	131,024
Contract services	54,516	35,698	18,818	38,342
Materials and supplies	4,800	2,134	2,666	3,434
Total Finance	210,091	173,932	36,159	172,800
Total General Government	5,811,725	4,148,188	1,663,537	1,103,861
<b>Judicial</b>				
Municipal Court				
Personal Services	127,361	119,163	8,198	111,622
Contractual services	105,581	50,897	54,684	53,205
Materials and supplies	7,650	5,459	2,191	2,986
Total Municipal Court	240,592	175,519	65,073	167,813
<b>Public Safety</b>				
Public Safety				
Personal services	1,091,220	1,025,899	65,321	976,660
Contractual services	138,238	120,406	17,832	117,490
Materials and supplies	94,800	71,330	23,470	78,582
Payments to other agencies	35,000	20,355	14,645	26,716
Capital outlay	77,728	70,979	6,749	184,375
Total Public Safety	1,436,986	1,308,969	128,017	1,383,823
Public Safety Administration				
Personal services	227,084	224,175	2,909	188,184
Contract services	6,700	1,873	4,827	4,247
Materials and supplies	4,200	2,905	1,295	3,663
Total Public Safety Administration	237,984	228,953	9,031	196,094
Total Public Safety	1,674,970	1,537,922	137,048	1,579,917

**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2020**  
**(With comparative actual amounts for the fiscal year ended June 30, 2019)**

	2020			2019
	Final Budget	Actual	Variance	Actual
<b>Public Works</b>				
Public Works				
Personal services	\$ 279,797	\$ 272,539	\$ 7,258	\$ 236,542
Contractual services	673,310	400,393	272,917	788,510
Materials and supplies	29,270	19,562	9,708	23,997
Capital outlay	2,197,000	63,101	2,133,899	290,207
Total Public Works	<u>3,179,377</u>	<u>755,595</u>	<u>2,423,782</u>	<u>1,339,256</u>
<b>Culture and Recreation</b>				
Library				
Personal services	178,721	174,447	4,274	167,576
Contractual services	13,150	10,557	2,593	11,448
Materials and supplies	55,300	34,982	20,318	43,449
Total Library	<u>247,171</u>	<u>219,986</u>	<u>27,185</u>	<u>222,473</u>
Parks and Recreation				
Personal services	95,096	90,672	4,424	76,705
Contractual services	122,400	90,870	31,530	85,428
Materials and supplies	84,555	55,644	28,911	49,843
Capital outlay	35,980	0	35,980	99,776
Total Parks and Recreation	<u>338,031</u>	<u>237,186</u>	<u>100,845</u>	<u>311,752</u>
Founders Day				
Personal services	4,870	3,654	1,216	3,752
Contractual services	10,039	5,291	4,748	7,175
Materials and supplies	2,600	2,163	437	1,628
Total Founders Day	<u>17,509</u>	<u>11,108</u>	<u>6,401</u>	<u>12,555</u>
Total Culture and Recreation	<u>602,711</u>	<u>468,280</u>	<u>134,431</u>	<u>546,780</u>
<b>Housing and Development</b>				
Planning and Zoning				
Personal services	67,474	72,758	(5,284)	63,717
Contractual services	173,950	148,232	25,718	119,577
Materials and supplies	7,600	1,956	5,644	4,035
Total Planning and Zoning	<u>249,024</u>	<u>222,946</u>	<u>26,078</u>	<u>187,329</u>
Total Housing and Development	<u>249,024</u>	<u>222,946</u>	<u>26,078</u>	<u>187,329</u>

**TOWN OF TYRONE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2020**  
*(With comparative actual amounts for the fiscal year ended June 30, 2019)*

	<b>2020</b>			<b>2019</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Debt Service</b>				
General Administration	\$ 191,351	\$ 191,351	\$ 0	\$ 0
Public Safety	23,124	23,124	0	23,669
Public Works	139,000	0	139,000	0
Total Debt Service	353,475	214,475	139,000	23,669
<b>Total expenditures</b>	<b>\$ 12,111,874</b>	<b>\$ 7,522,925</b>	<b>\$ 4,588,949</b>	<b>\$ 4,948,625</b>

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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, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 29,302	\$ 92,711
Intergovernmental receivable	<u>980</u>	<u>0</u>
<b>Total assets</b>	<u><u>\$ 30,282</u></u>	<u><u>\$ 92,711</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 1,961	\$ 11,598
<b>FUND BALANCES</b>		
Restricted for Public Safety	<u>28,321</u>	<u>81,113</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 30,282</u></u>	<u><u>\$ 92,711</u></u>



**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, 2020**  
**(With comparative actual amounts for the fiscal year ended June 30, 2019)**

	2020			2019
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Fees, fines and forfeitures	\$ 0	\$ 0	\$ 0	\$ 655
Intergovernmental	650	980	330	992
Interest	400	790	390	957
<b>Total revenues</b>	<u>1,050</u>	<u>1,770</u>	<u>720</u>	<u>2,604</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Contract services	1,600	6,895	(5,295)	21,325
Materials and supplies	2,170	1,960	210	19,543
Capital outlay	0	45,707	(45,707)	92,477
<b>Total expenditures</b>	<u>3,770</u>	<u>54,562</u>	<u>(50,792)</u>	<u>133,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,720)</u>	<u>(52,792)</u>	<u>(50,072)</u>	<u>(130,741)</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	0	0	12,185
Proceeds from sale of capital assets	0	0	0	21,176
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,361</u>
<b>Net change in fund balances</b>	<u>(2,720)</u>	<u>(52,792)</u>	<u>(50,072)</u>	<u>(97,380)</u>
<b>Fund balances, July 1</b>	<u>2,720</u>	<u>81,113</u>	<u>78,393</u>	<u>178,493</u>
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 28,321</u>	<u>\$ 28,321</u>	<u>\$ 81,113</u>

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### ***CAPITAL PROJECTS FUND***

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

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

**TOWN OF TYRONE, GEORGIA**  
**2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,144,963	\$ 1,372,258
Intergovernmental receivable	<u>289,742</u>	<u>292,732</u>
<b>Total assets</b>	<u><u>\$ 2,434,705</u></u>	<u><u>\$ 1,664,990</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 127,593	\$ 44,750
Retainage payable	26,216	0
Due to other funds	<u>8,874</u>	<u>8,874</u>
<b>Total liabilities</b>	162,683	53,624
<b>FUND BALANCES</b>		
Restricted for Capital Outlay	<u>2,272,022</u>	<u>1,611,366</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 2,434,705</u></u>	<u><u>\$ 1,664,990</u></u>

**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, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
Intergovernmental	\$ 1,722,970	\$ 1,721,909
Interest	22,490	13,126
<b>Total revenues</b>	<u>1,745,460</u>	<u>1,735,035</u>
<b>EXPENDITURES</b>		
Capital outlay		
General Government	0	11,355
Public Works	458,748	654,347
Culture and Recreation	0	25,723
Debt service		
Public Safety	18,337	18,336
Public Works	210,142	210,142
<b>Total expenditures</b>	<u>687,227</u>	<u>919,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,058,233</u>	<u>815,132</u>
Other financing sources (uses)		
Transfers in (out)		
General Fund	0	(20,369)
Sewer Fund	(397,577)	(94,120)
<b>Total other financing sources (uses)</b>	<u>(397,577)</u>	<u>(114,489)</u>
Net change in fund balances	660,656	700,643
Fund balances, July 1	<u>1,611,366</u>	<u>910,723</u>
<b>Fund balances, June 30</b>	<u><u>\$ 2,272,022</u></u>	<u><u>\$ 1,611,366</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, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,182,778	\$ 1,654,641
Accounts receivable (net)	<u>36,371</u>	<u>31,909</u>
Total current assets	<u>2,219,149</u>	<u>1,686,550</u>
<b>Capital assets</b>		
Non-depreciable	491,697	94,120
Depreciable (net)	<u>2,010,704</u>	<u>2,165,705</u>
Total capital assets (net of accumulated depreciation)	<u>2,502,401</u>	<u>2,259,825</u>
<b>Total assets</b>	<u>4,721,550</u>	<u>3,946,375</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	39,957	20,560
Accrued salaries and payroll liabilities	<u>440</u>	<u>2,223</u>
<b>Total liabilities</b>	<u>40,397</u>	<u>22,783</u>
<b>NET POSITION</b>		
Investment in capital assets	2,502,401	2,259,825
Unrestricted	<u>2,178,752</u>	<u>1,663,767</u>
<b>Total net position</b>	<u>\$ 4,681,153</u>	<u>\$ 3,923,592</u>



**TOWN OF TYRONE, GEORGIA**  
**SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 403,525	\$ 366,281
<b>Total operating revenues</b>	<u>403,525</u>	<u>366,281</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	266,838	285,453
Personal services	76,250	67,211
Depreciation	155,001	149,481
<b>Total operating expenses</b>	<u>498,089</u>	<u>502,145</u>
Operating income (loss)	(94,564)	(135,864)
Transfers in (out)		
2017 SPLOST Fund	<u>397,577</u>	<u>94,120</u>
Net income (loss) before capital contributions	303,013	(41,744)
Capital contributions	<u>454,548</u>	<u>0</u>
Change in net position	757,561	(41,744)
Net position, July 1	<u>3,923,592</u>	<u>3,965,336</u>
<b>Net position, June 30</b>	<u><u>\$ 4,681,153</u></u>	<u><u>\$ 3,923,592</u></u>

**TOWN OF TYRONE, GEORGIA**  
**SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
*For the fiscal years ended June 30, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 399,063	\$ 362,400
Payments to suppliers	(247,441)	(299,962)
Payments to employees	(78,033)	(66,708)
	<u>73,589</u>	<u>(4,270)</u>
Net cash provided (used) by operating activities		
<b>Cash flows from capital and related financing activities:</b>		
Receipts of capital contributions	454,548	0
Receipts from other funds	397,577	94,120
Payments for acquisitions of capital assets	(397,577)	(135,520)
	<u>454,548</u>	<u>(41,400)</u>
Net cash provided (used) by capital and related financing activities		
Net increase (decrease) in cash and cash equivalents	528,137	(45,670)
Cash and cash equivalents, July 1	<u>1,654,641</u>	<u>1,700,311</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 2,182,778</u></u>	<u><u>\$ 1,654,641</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (94,564)	\$ (135,864)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	155,001	149,481
(Increase) decrease in accounts receivable	(4,462)	(3,881)
Increase (decrease) in accounts payable	19,397	(14,509)
Increase (decrease) in accrued salaries and other payroll liabilities	(1,783)	503
	<u>168,153</u>	<u>131,594</u>
Total adjustments		
Net cash provided (used) by operating activities	<u><u>\$ 73,589</u></u>	<u><u>\$ (4,270)</u></u>

**TOWN OF TYRONE, GEORGIA  
SANITATION ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 50,081	\$ 50,081
<b>Total assets</b>	<u>\$ 50,081</u>	<u>\$ 50,081</u>
<b>LIABILITIES</b>		
<b>NET POSITION</b>		
Unrestricted	\$ 50,081	\$ 50,081
<b>Total net position</b>	<u>\$ 50,081</u>	<u>\$ 50,081</u>

**TOWN OF TYRONE, GEORGIA**  
**SANITATION ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
*For the fiscal years ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES</b>		
Sanitation fees	\$ 0	\$ 3,874
<b>Total operating revenues</b>	<u>0</u>	<u>3,874</u>
<b>OPERATING EXPENSES</b>		
Personal services	<u>0</u>	<u>64</u>
<b>Total operating expenses</b>	<u>0</u>	<u>64</u>
Operating income (loss)	0	3,810
Transfers in (out)		
General Fund	<u>0</u>	<u>(448,189)</u>
Change in net position	0	(444,379)
Net position, July 1	<u>50,081</u>	<u>494,460</u>
<b>Net position, June 30</b>	<u><u>\$ 50,081</u></u>	<u><u>\$ 50,081</u></u>

**TOWN OF TYRONE, GEORGIA**  
**SANITATION ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 0	\$ 770
Payments to suppliers	0	(464)
Payments to employees	0	(805)
	<u>0</u>	<u>(499)</u>
Net cash provided (used) by operating activities	<u>0</u>	<u>(499)</u>
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	<u>0</u>	<u>(448,189)</u>
Net cash provided (used) by non-capital financing activities	<u>0</u>	<u>(448,189)</u>
Net increase (decrease) in cash and cash equivalents	0	(448,688)
Cash and cash equivalents, July 1	<u>50,081</u>	<u>498,769</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 50,081</u></u>	<u><u>\$ 50,081</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ 0</u>	<u>\$ 3,810</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	0	152
Increase (decrease) in accounts payable	0	(464)
Increase (decrease) in unearned revenue	0	(3,256)
Increase (decrease) in accrued salaries and other payroll liabilities	<u>0</u>	<u>(741)</u>
Total adjustments	<u>0</u>	<u>(4,309)</u>
Net cash provided (used) by operating activities	<u><u>\$ 0</u></u>	<u><u>\$ (499)</u></u>

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### ***AGENCY FUND***

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

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

**TOWN OF TYRONE, GEORGIA**  
**MUNICIPAL ESCROW AGENCY FUND**  
**COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES**  
**June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$      26,734</u>	<u>\$      17,201</u>
 <b>LIABILITIES</b>		
Due to other agencies	<u>\$      26,734</u>	<u>\$      17,201</u>



**TOWN OF TYRONE, GEORGIA**  
**MUNICIPAL ESCROW AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
*For the fiscal year ended June 30, 2020*

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,201	\$ 240,049	\$ (230,516)	\$ 26,734
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>				
Due to other agencies	\$ 17,201	\$ 240,049	\$ (230,516)	\$ 26,734
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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***OTHER REPORTING SECTION***

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of and for the year ended June 30, 2020, 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, 2020.

**Internal Control over Financial Reporting**

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

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

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

**Comment 2020-001**

*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.

*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.

### **Comment 2020-001, continued**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Tyrone, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described below:

### **Comment 2020-002**

*Condition:* The Town experienced a material excess of expenditures over appropriations in the Confiscated Assets Special Revenue Fund.

*Criteria:* OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, special revenue funds, and debt service funds.

*Effect:* Failure to maintain expenditures within the balanced budget for the Special Revenue Fund as required by OCGA Code Section 36-81-3 places the Town in violation of state law.

*Cause:* The Town did not make the necessary amendments to increase appropriations for expenditures during the year for the Special Revenue Fund.

*Recommendation:* Town staff should review the budget to actual comparisons and recommend any necessary budget revisions to the Mayor and Town Council per OCGA Code Section 36-81-3.

*Management Response:* Management concurs with this finding. Town staff will review the budget to actual comparisons and recommend any necessary budget revisions to the Mayor and Town Council per OCGA Code Section 36-81-3.

### **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, 2020

**TOWN OF TYRONE, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2020**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b><u>2017 SPLOST</u></b>					
Roads and Streets - LMIG					
Matching Funds	\$ 425,000	\$ 425,000	\$ 104,597	\$ 96,680	\$ 201,277
Debt Services Reduction					
(GTIB Project Loans)	2,350,000	2,350,000	410,627	210,142	620,769
Sanitary Sewer Connection/					
Expansion	1,700,000	1,700,000	519,120	397,577	916,697
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	13,320	0	13,320
Handley Park Phase IV Fields					
and Facilities	325,000	325,000	28,637	0	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	274,572	12,830	287,402
Replacement of Culverts on					
Dogwood & Pendelton Trails	625,000	625,000	66,483	349,238	415,721
Installation of SR74 North On-Ramp/					
Senoia Road Extension	400,000	400,000	2,306	0	2,306
Mill, Patch and Paving of					
Briarwood and Farr Roads	900,000	900,000	280,404	0	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	11,355	0	11,355
Purchase of Public Safety					
Patrol Vehicles	125,000	125,000	36,672	18,337	55,009
	<u>\$ 9,025,000</u>	<u>\$ 9,025,000</u>	<u>\$ 1,748,093</u>	<u>\$ 1,084,804</u>	<u>\$ 2,832,897</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.

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