



TOWN OF TYRONE, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2021

Prepared by:

Department of Finance

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TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2021

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Page(s)

Table of Contents

i-iv

FINANCIAL SECTION:

Independent Auditor's Report

1-3

BASIC FINANCIAL STATEMENTS

Exhibit

Government-wide Statements

A-1 Statement of Net Position 4-5

A-2 Statement of Activities 6

Fund Financial Statements

A-3 Balance Sheet – Governmental Funds 7

A-4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 8

A-5 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 9

A-6 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 10

A-7 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP) and Actual – General Fund 11

A-8 Statement of Net Position – Proprietary Funds 12

A-9 Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds 13

A-10 Statement of Cash Flows – Proprietary Funds 14

A-11 Statement of Fiduciary Net Position – Municipal Court Custodial Fund 15

A-12 Statement of Changes in Fiduciary Net Position – Municipal Court Custodial Fund 16

TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2021

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

<u>Exhibit</u>		<u>Page(s)</u>
A-13	Notes to the Financial Statements	17-48
	Item #	Page #
	1. Description of Government Unit	17
	2. Summary of Significant Accounting Policies	17-30
	3. Deposit and Investment Risk	30-32
	4. Accounts Receivable	32
	5. Intergovernmental Receivables	32
	6. Taxes Receivable	33
	7. Interfund Receivables, Payables and Transfers	34
	8. Capital Assets	35-36
	9. Capital and Operating Lease Agreements	36
	10. Long Term Liabilities	37-39
	11. Restricted Fund Balance	39
	12. Pension Plan	40-45
	13. Joint Ventures	45
	14. Risk Management	45-46
	15. Risk Pools	47
	16. Commitments and Contingencies	47
	17. Subsequent Events	48
	18. New Accounting Pronouncements	48

REQUIRED SUPPLEMENTARY INFORMATION

B-1	Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios	49-50
B-2	Schedule of Contributions	51-52
B-3	Notes to the Required Supplementary Information	53-55

SUPPLEMENTARY INFORMATION

GENERAL FUND

C-1	Comparative Balance Sheets	56
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TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2021

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS AND SCHEDULES, continued

<u>Exhibit</u>	<u>Page(s)</u>
 GENERAL FUND	
C-2 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	57
C-3 Schedule of Revenues - Budget (GAAP Basis) and Actual	58
C-4 Schedule of Expenditures - Budget (GAAP Basis) and Actual	59-61
 SPECIAL REVENUE FUNDS	
D-1 Confiscated Assets Special Revenue Fund Comparative Balance Sheets	62
D-2 Confiscated Assets Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	63
 CAPITAL PROJECTS FUND	
E-1 2017 Special Purpose Local Option Sales Tax Capital Projects Fund Comparative Balance Sheets	64
E-2 2017 Special Purpose Local Option Sales Tax Capital Projects Fund Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance	65
 ENTERPRISE FUNDS	
F-1 Sewer Enterprise Fund Comparative Statements of Net Position	66
F-2 Sewer Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	67
F-3 Sewer Enterprise Fund Comparative Statements of Cash Flows	68
F-4 Sanitation Enterprise Fund Comparative Statements of Net Position	69
F-5 Sanitation Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	70
F-6 Sanitation Enterprise Fund Comparative Statements of Cash Flows	71

TOWN OF TYRONE, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2021

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS AND SCHEDULES, continued

<u>Exhibit</u>	<u>Page(s)</u>
 CUSTODIAL FUND	
G-1 Municipal Court Custodial Fund Comparative Statements of Fiduciary Net Position	72
G-2 Municipal Court Custodial Fund Comparative Statements of Changes in Fiduciary Net Position	73

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 <i>Government Auditing Standards</i>	74-75
H-1 Schedule of Projects Financed with Special Purpose Local Option Sales Tax	76

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, 2021, 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, 2021, 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 49 through 55, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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 schedules 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, 2020. In our report dated December 18, 2020, 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 2020 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 2020 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 2020 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 2020 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 15, 2021, 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, LLC

Certified Public Accountants

Gainesville, Georgia
December 15, 2021

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BASIC FINANCIAL STATEMENTS

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 10,884,020	\$ 2,217,132	\$ 13,101,152
Restricted assets			
Cash and cash equivalents	7,412	0	7,412
Receivables (net)			
Accounts	62,958	36,302	99,260
Taxes	280,344	0	280,344
Intergovernmental	419,653	0	419,653
Internal balances	203,533	(203,533)	0
Prepaid items	154,187	15,194	169,381
Total current assets	12,012,107	2,065,095	14,077,202
Noncurrent assets			
Capital assets			
Non-depreciable	2,457,702	6,600	2,464,302
Depreciable (net)	12,988,027	4,186,071	17,174,098
Total noncurrent assets	15,445,729	4,192,671	19,638,400
Total assets	27,457,836	6,257,766	33,715,602
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to measurement date	59,682	0	59,682
Pension assumption changes	1,148	0	1,148
Pension experience differences	126,614	0	126,614
Total deferred outflows of resources	187,444	0	187,444
LIABILITIES			
Current liabilities			
Accounts payable	219,061	311,841	530,902
Retainage payable	19,535	171,118	190,653
Accrued salaries and payroll liabilities	27,600	643	28,243
Compensated absences	55,958	0	55,958
Accrued interest payable	11,204	0	11,204
Unearned revenue	0	19,200	19,200
Due to others	135,000	0	135,000
Capital lease payable	21,672	0	21,672
Bonds payable	223,000	0	223,000
Notes payable	167,107	0	167,107
Total current liabilities	880,137	502,802	1,382,939
Noncurrent liabilities			
Compensated absences	6,218	0	6,218
Net pension liability	573,162	0	573,162
Bonds payable	3,956,000	0	3,956,000
Notes payable	1,646,413	0	1,646,413
Total noncurrent liabilities	6,181,793	0	6,181,793
Total liabilities	7,061,930	502,802	7,564,732

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

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Pension assumption changes	\$ 14,394	\$ 0	\$ 14,394
Pension experience differences	15,106	0	15,106
Pension investment return differences	27,754	0	27,754
Total deferred inflows of resources	57,254	0	57,254
NET POSITION			
Net investment in capital assets	9,108,857	3,731,956	12,840,813
Restricted for:			
Capital Outlay	2,112,907	0	2,112,907
Public Safety	23,625	0	23,625
Unrestricted	9,280,707	2,023,008	11,303,715
Total net position	\$ 20,526,096	\$ 5,754,964	\$ 26,281,060

TOWN OF TYRONE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General Government	\$ 968,809	\$ 81,823	\$ 200	\$ 60,603	\$ (826,183)
Judicial	190,311	0	0	0	(190,311)
Public Safety	1,752,649	145,962	395,475	40,402	(1,170,810)
Public Works	1,312,068	0	0	2,047,035	734,967
Culture and Recreation	668,376	24,017	19,512	141,497	(483,350)
Housing and Development	363,612	184,671	62,596	0	(116,345)
Interest on long-term debt	138,929	0	0	0	(138,929)
Total governmental activities	5,394,754	436,473	477,783	2,289,537	(2,190,961)
Business-type activities					
Sewer Utility	445,879	402,059	0	284,248	240,428
Sanitation	0	0	0	0	0
Total business-type activities	445,879	402,059	0	284,248	240,428
Total primary government	5,840,633	838,532	477,783	2,573,785	(1,950,533)
Primary Government					
	Governmental Activities	Business-Type Activities	Total		
Change in net position					
Net (expense) revenue	\$ (2,190,961)	\$ 240,428	\$ (1,950,533)		
General revenues					
Taxes					
Property	1,730,952	0	1,730,952		
Sales	2,001,595	0	2,001,595		
Franchise	567,893	0	567,893		
Insurance premium	554,424	0	554,424		
Occupational	113,212	0	113,212		
Alcoholic beverage	64,627	0	64,627		
Intangibles	44,872	0	44,872		
Other	9,830	0	9,830		
Interest and investment earnings	21,704	0	21,704		
Other	35,544	0	35,544		
Transfers	(783,302)	783,302	0		
Total general revenues and transfers	4,361,351	783,302	5,144,653		
Change in net position	2,170,390	1,023,730	3,194,120		
Net position - beginning	18,355,706	4,731,234	23,086,940		
Net position - ending	\$ 20,526,096	\$ 5,754,964	\$ 26,281,060		

TOWN OF TYRONE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	2017 SPLOST	(Non-major) Confiscated Assets	Total
ASSETS				
Cash and cash equivalents	\$ 8,270,357	\$ 2,594,654	\$ 19,009	\$ 10,884,020
Restricted assets				
Cash and cash equivalents	7,412	0	0	7,412
Receivables (net)				
Accounts	62,958	0	0	62,958
Taxes	280,344	0	0	280,344
Intergovernmental	62,596	355,704	1,353	419,653
Prepaid items	154,187	0	0	154,187
Due from other funds	0	203,533	0	203,533
Total assets	\$ 8,837,854	\$ 3,153,891	\$ 20,362	\$ 12,012,107
LIABILITIES				
Accounts payable	\$ 212,589	\$ 6,472	\$ 0	\$ 219,061
Retainage payable	0	19,535	0	19,535
Accrued salaries and payroll liabilities	27,600	0	0	27,600
Due to others	135,000	0	0	135,000
Total liabilities	375,189	26,007	0	401,196
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	7,873	0	0	7,873
FUND BALANCES				
Nonspendable:				
Prepaid items	154,187	0	0	154,187
Restricted for:				
Capital Outlay	13,444	3,127,884	0	3,141,328
Public Safety	3,263	0	20,362	23,625
Unassigned	8,283,898	0	0	8,283,898
Total fund balances	8,454,792	3,127,884	20,362	11,603,038
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,837,854	\$ 3,153,891	\$ 20,362	\$ 12,012,107

TOWN OF TYRONE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2021

Total fund balance - total governmental funds	\$	11,603,038
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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		15,445,729
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Long term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.

These are:

Property taxes		7,873
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:

Pension contributions subsequent to measurement date	\$ 59,682	
Pension assumption changes	1,148	
Pension experience differences	126,614	

Deferred inflows of resources:

Pension assumption changes	(14,394)	
Pension experience differences	(15,106)	
Pension investment return differences	(27,754)	
		130,190

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

These are:

Net pension liability	(573,162)	
Notes payable	(1,813,520)	
Interest payable	(11,204)	
Capital lease	(21,672)	
Bonds payable	(4,179,000)	
Compensated absences	(62,176)	
		(6,660,734)

Net position of governmental activities	\$	20,526,096
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TOWN OF TYRONE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2021

	General	2017 SPLOST	(Non-major) Confiscated Assets	Total
REVENUES				
Taxes	\$ 5,086,702	\$ 0	\$ 0	\$ 5,086,702
Licenses and permits	263,270	0	0	263,270
Fines, fees and forfeitures	129,538	0	0	129,538
Charges for services	43,664	0	0	43,664
Intergovernmental	744,378	2,015,399	1,353	2,761,130
Interest and investment	21,672	4,701	32	26,405
Contributions	1,490	0	0	1,490
Other	35,544	0	0	35,544
Total revenues	6,326,258	2,020,100	1,385	8,347,743
EXPENDITURES				
Current				
General Government	2,614,612	0	0	2,614,612
Judicial	176,291	0	0	176,291
Public Safety	1,522,869	0	9,344	1,532,213
Public Works	944,810	0	0	944,810
Culture and Recreation	472,575	0	0	472,575
Housing and Development	353,238	0	0	353,238
Debt service	328,722	210,967	0	539,689
Capital outlay	0	169,969	0	169,969
Total expenditures	6,413,117	380,936	9,344	6,803,397
Excess (deficiency) of revenues over (under) expenditures	(86,859)	1,639,164	(7,959)	1,544,346
Other financing sources (uses)				
Transfers out	0	(783,302)	0	(783,302)
Net change in fund balances	(86,859)	855,862	(7,959)	761,044
Fund balances, July 1	8,541,651	2,272,022	28,321	10,841,994
Fund balances, June 30	\$ 8,454,792	\$ 3,127,884	\$ 20,362	\$ 11,603,038

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, 2021

Net change in fund balances - total governmental funds **\$ 761,044**

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	\$ 2,041,470	
Depreciation	<u>(735,398)</u>	1,306,072

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	(5,478)	
Related accumulated depreciation	<u>5,478</u>	0

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. 705

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	79,576	
Cost of benefits earned net of employee contributions	<u>(389,721)</u>	(310,145)

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

Debt principal payments	403,242	
Net change in interest payable	<u>(2,482)</u>	400,760

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

Compensated absences	<u>11,954</u>	<u>11,954</u>
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Change in net position of governmental activities		<u><u>\$ 2,170,390</u></u>
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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, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 3,905,925	\$ 3,905,925	\$ 5,086,702	\$ 1,180,777
Licenses and permits	175,100	175,100	263,270	88,170
Fines, fees and forfeitures	125,050	125,050	129,538	4,488
Charges for services	43,066	43,066	43,664	598
Intergovernmental	1,450,500	1,843,422	744,378	(1,099,044)
Interest and investment	25,000	25,000	21,672	(3,328)
Contributions	20,575	20,575	1,490	(19,085)
Other	28,000	28,000	35,544	7,544
Total revenues	5,773,216	6,166,138	6,326,258	160,120
EXPENDITURES				
Current				
General Government				
Administration	2,707,591	3,040,156	2,426,413	613,743
Finance	194,596	195,993	188,199	7,794
Judicial				
Municipal Court	239,349	239,349	176,291	63,058
Public Safety				
Public Safety	1,352,061	1,399,237	1,295,190	104,047
Public Safety Administration	240,311	241,897	227,679	14,218
Public Works				
Public Works	2,997,969	2,877,094	944,810	1,932,284
Culture and Recreation				
Library	248,359	248,359	231,211	17,148
Museum	0	5,000	4,360	640
Parks and Recreation	317,075	317,075	235,824	81,251
Founders Day	19,170	14,170	1,180	12,990
Housing and Development				
Planning and Zoning	247,211	377,909	353,238	24,671
Debt Service				
General Administration	305,598	305,598	305,598	0
Public Safety	23,124	23,124	23,124	0
Total expenditures	8,892,414	9,284,961	6,413,117	2,871,844
Excess (deficiency) of revenues over (under) expenditures	(3,119,198)	(3,118,823)	(86,859)	3,031,964
Other financing sources (uses)				
Transfers in (out)	0	(375)	0	(375)
Proceeds from issuance of long-term debt	1,309,468	1,309,468	0	1,309,468
Total other financing sources (uses)	1,309,468	1,309,093	0	1,309,093
Net change in fund balances	(1,809,730)	(1,809,730)	(86,859)	1,722,871
Fund balances, July 1	1,809,730	1,809,730	8,541,651	6,731,921
Fund balances, June 30	\$ 0	\$ 0	\$ 8,454,792	\$ 8,454,792

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities		
	Sewer	(Non-major) Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,167,051	\$ 50,081	\$ 2,217,132
Accounts receivable (net)	36,302	0	36,302
Prepaid items	15,194	0	15,194
Total current assets	2,218,547	50,081	2,268,628
Noncurrent assets			
Capital assets			
Non-depreciable	6,600	0	6,600
Depreciable (net)	4,186,071	0	4,186,071
Total noncurrent assets	4,192,671	0	4,192,671
Total assets	6,411,218	50,081	6,461,299
LIABILITIES			
Current liabilities			
Accounts payable	311,841	0	311,841
Retainages payable	171,118	0	171,118
Accrued salaries and payroll liabilities	643	0	643
Unearned revenue	19,200	0	19,200
Due to other funds	203,533	0	203,533
Total current liabilities	706,335	0	706,335
NET POSITION			
Investment in capital assets	3,731,956	0	3,731,956
Unrestricted	1,972,927	50,081	2,023,008
Total net position	\$ 5,704,883	\$ 50,081	\$ 5,754,964

TOWN OF TYRONE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business-Type Activities		
	Sewer	(Non-major) Sanitation	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 402,059	\$ 0	\$ 402,059
Total operating revenue	<u>402,059</u>	<u>0</u>	<u>402,059</u>
OPERATING EXPENSES			
Costs of sales and services	207,638	0	207,638
Personal services	80,356	0	80,356
Depreciation	157,885	0	157,885
Total operating expenses	<u>445,879</u>	<u>0</u>	<u>445,879</u>
Operating income (loss)	(43,820)	0	(43,820)
Transfers in (out)			
Transfers in	<u>783,302</u>	<u>0</u>	<u>783,302</u>
Net income (loss) before capital contributions	739,482	0	739,482
Capital contribution	<u>284,248</u>	<u>0</u>	<u>284,248</u>
Change in net position	1,023,730	0	1,023,730
Net position, July 1	<u>4,681,153</u>	<u>50,081</u>	<u>4,731,234</u>
Net position, June 30	<u><u>\$ 5,704,883</u></u>	<u><u>\$ 50,081</u></u>	<u><u>\$ 5,754,964</u></u>

TOWN OF TYRONE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business-Type Activities		
	Sewer	(Non-major) Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 421,328	\$ 0	\$ 421,328
Payments to suppliers	(240,544)	0	(240,544)
Payments to employees	(80,153)	0	(80,153)
Net cash provided (used) by operating activities	100,631	0	100,631
Cash flows from capital and related financing activities:			
Receipts of capital contributions	284,248	0	284,248
Receipts from other funds	986,835	0	986,835
Payments for acquisition of capital assets	(1,387,441)	0	(1,387,441)
Net cash provided (used) by capital and related financing activities	(116,358)	0	(116,358)
Net increase (decrease) in cash and cash equivalents	(15,727)	0	(15,727)
Cash and cash equivalents, July 1	2,182,778	50,081	2,232,859
Cash and cash equivalents, June 30	\$ 2,167,051	\$ 50,081	\$ 2,217,132
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (43,820)	\$ 0	\$ (43,820)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	157,885	0	157,885
(Increase) decrease in accounts receivable	69	0	69
(Increase) decrease in prepaid items	(15,194)	0	(15,194)
Increase (decrease) in accounts payable	(17,712)	0	(17,712)
Increase (decrease) in accrued salaries and other payroll liabilities	203	0	203
Increase (decrease) in unearned revenue	19,200	0	19,200
Total adjustments	144,451	0	144,451
Net cash provided (used) by operating activities	\$ 100,631	\$ 0	\$ 100,631

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$289,596.
Acquisition of capital assets through retainages payable totaled \$171,118.

TOWN OF TYRONE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

ASSETS

Cash and cash equivalents	\$ 22,426
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LIABILITIES

Due to others	22,426
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NET POSITION

Restricted for individuals, organizations, and other governments	\$ 0
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TOWN OF TYRONE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2021

ADDITIONS

Fines and forfeitures collected for other governments	\$ 63,591
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DEDUCTIONS

Distributions of fines and forfeitures to other governments	<u>63,591</u>
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Change in net position	0
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Net position, July 1	<u>0</u>
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Net position, June 30	<u><u>\$ 0</u></u>
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TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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, 2021

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, 2021

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

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

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, 2021

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, 2021

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, 2021

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.

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, 2021

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, 2021

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, 2021 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, 2021

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:

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

All land will be valued and capitalized.

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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, 2021

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, 2021 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, 2021

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.

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

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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 2020 amounts have been reclassified to conform with the 2021 presentation.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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, 2021

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/S1+ by Standard and Poor's and AAAf/S1 by Fitch. The weighted average maturity at the end of the current fiscal year was 36 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$712,940.

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

Concentration of Credit Risk

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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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, 2021 consist of the following:

Primary Government:

Major Funds

General Fund	\$ 62,958
Enterprise Funds	
Sewer	<u>36,302</u>
Total Primary Government	<u><u>\$ 99,260</u></u>

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2021 consist of the following:

Primary Government:

Major Funds

General Fund	\$ 62,596
2017 SPLOST Fund	355,704

Nonmajor Funds

Confiscated Assets Special Revenue Fund	<u>1,353</u>
Total Primary Government	<u><u>\$ 419,653</u></u>

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

6. Taxes Receivable

Taxes receivable as of June 30, 2021 include property taxes for seven years as follows:

<u>Year of Levy</u>	<u>Amount</u>
2020	\$ 8,015
2019	2,962
2018	1,085
2017	1,336
2016	1,609
2015	846
2014	<u>550</u>
	16,403
Less allowance for uncollectible	<u>(6,045)</u>
	10,358
Add amount due from Fayette County Tax Commissioner	<u>50,444</u>
Total	<u><u>\$ 60,802</u></u>

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 2021, based upon the assessments of January 1, 2020, were billed on September 15, 2020 and due on November 15, 2020. Tax liens are issued 90 days after the due date. The tax rate of 2.889 mills for fiscal year 2021 was levied on September 1, 2020.

Other Taxes

\$177,199 of local option sales tax and \$42,343 of other taxes is included in taxes receivable.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
2017 SPLOST	Sewer	<u>\$ 203,533</u>

Interfund balances at June 30, 2021, 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. The interfund balance due to the 2017 SPLOST Fund relates to the Sewer Fund's share of a joint project that was calculated at the end of the project and will be reimbured during fiscal year 2022.

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

A summary of interfund transfers is a follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
2017 SPLOST	Sewer	<u>\$ 783,302</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 withing 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, 2021

8. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2021 was as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental activities				
Non-depreciable assets				
Land	\$ 2,145,150	\$ 0	\$ 0	\$ 2,145,150
Construction in progress	3,733,924	2,025,069	(5,480,541)	278,452
Easements	34,100	0	0	34,100
Total non-depreciable assets	<u>5,913,174</u>	<u>2,025,069</u>	<u>(5,480,541)</u>	<u>2,457,702</u>
Depreciable assets				
Buildings	2,545,540	4,989,189	0	7,534,729
Infrastructure	6,133,992	89,971	0	6,223,963
Improvements other than buildings	2,031,395	94,963	0	2,126,358
Library collections	696,459	16,401	(5,478)	707,382
Furnishings, vehicles, machinery and equipment	<u>2,053,663</u>	<u>306,418</u>	<u>0</u>	<u>2,360,081</u>
Total depreciable assets	<u>13,461,049</u>	<u>5,496,942</u>	<u>(5,478)</u>	<u>18,952,513</u>
Accumulated depreciation				
Buildings	(750,315)	(122,959)	0	(873,274)
Infrastructure	(1,630,550)	(306,857)	0	(1,937,407)
Improvements other than buildings	(1,332,556)	(93,455)	0	(1,426,011)
Library collections	(434,147)	(33,749)	5,478	(462,418)
Furnishings, vehicles, machinery and equipment	<u>(1,086,998)</u>	<u>(178,378)</u>	<u>0</u>	<u>(1,265,376)</u>
Total accumulated depreciation	<u>(5,234,566)</u>	<u>(735,398)</u>	<u>5,478</u>	<u>(5,964,486)</u>
Total depreciable assets, net	<u>8,226,483</u>	<u>4,761,544</u>	<u>0</u>	<u>12,988,027</u>
Governmental activities capital assets, net	<u>\$ 14,139,657</u>	<u>\$ 6,786,613</u>	<u>\$ (5,480,541)</u>	<u>\$ 15,445,729</u>
Business-type activities				
Non-depreciable assets				
Construction in progress	\$ 491,697	\$ 1,803,105	\$ (2,294,802)	\$ 0
Easements	0	6,600	0	6,600
Total non-depreciable assets	<u>491,697</u>	<u>1,809,705</u>	<u>(2,294,802)</u>	<u>6,600</u>
Depreciable assets				
Infrastructure	1,123,066	2,294,802	0	3,417,868
Intangibles	3,015,889	0	0	3,015,889
Equipment	67,391	38,450	0	105,841
Total depreciable assets	<u>4,206,346</u>	<u>2,333,252</u>	<u>0</u>	<u>6,539,598</u>
Accumulated depreciation				
Infrastructure	(578,404)	(32,863)	0	(611,267)
Intangibles	(1,599,137)	(113,339)	0	(1,712,476)
Equipment	(18,101)	(11,683)	0	(29,784)
Total accumulated depreciation	<u>(2,195,642)</u>	<u>(157,885)</u>	<u>0</u>	<u>(2,353,527)</u>
Total depreciable assets, net	<u>2,010,704</u>	<u>2,175,367</u>	<u>0</u>	<u>4,186,071</u>
Business-type activities capital assets, net	<u>\$ 2,502,401</u>	<u>\$ 3,985,072</u>	<u>\$ (2,294,802)</u>	<u>\$ 4,192,671</u>

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

8. Capital Assets (continued)

Primary Government

Governmental activities

General Government	\$ 117,933
Public Safety	111,756
Public Works	316,916
Culture and Recreation	188,793

Total depreciation expense for governmental activities	<u>\$ 735,398</u>
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Business-type activities

Sewer	<u>\$ 157,885</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, 2021 is \$21,672 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, 2021:

Year Ending June 30,	Governmental Activities
<u>2022</u>	
	\$ 23,124
Less amounts representing interest	<u>(1,452)</u>
Present value of minimum lease payments	<u>\$ 21,672</u>

Total assets leased under capital leases are classified as follows:

	<u>Governmental Activities</u>
	Accumulated
	Depreciation
<u>Cost</u>	
Public safety vehicles	<u>\$ 150,906</u> <u>\$ 43,200</u>

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

10. Long-Term Liabilities

Governmental Activities

Notes from Direct Borrowings

On September 18, 2014, the Town entered into an agreement with the Georgia Transportation Infrastructure Bank for the Downtown Tyrone Rehabilitation project. The 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% (\$1,678,439 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% (\$135,081 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:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 167,107	\$ 43,085	\$ 210,192
2023	171,247	38,894	210,141
2024	175,543	34,899	210,442
2025	179,946	30,196	210,142
2026	184,459	25,682	210,141
2027-2031	911,662	56,980	968,642
2032-2033	23,556	565	24,121
Totals	<u>\$ 1,813,520</u>	<u>\$ 230,301</u>	<u>\$ 2,043,821</u>

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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 (\$4,179,000 outstanding). The bond was issued for the purpose of (a) financing or reimbursing the acquisition and construction of a town municipal complex and (b) paying the costs of issuing this bond. The bonds are due in annual principal payments on December 1 beginning December 1, 2021 with semi-annual interest payments (2.09%) due on June 1 and December 1, commencing June 1, 2021. The bond is secured by an installment sale agreement between the Authority and the Town. If necessary, the Town will levy an ad valorem property tax within the 15 mill limitation currently in effect (or such higher rate as may be hereafter authorized by applicable law), which may be levied upon all property in the Town subject to such tax. Upon the occurrence and continuance of any event of default, the owner of the bond may take action and pursue any remedy available under the laws of the State, including without limitation, bringing an action for specific performance regarding ad valorem tax as noted above. However, the owner of the bond shall not have the right to accelerate the principal of the bond.

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

Year Ending June 30,	Principal	Interest	Total
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	242,000	65,605	307,605
2027-2031	1,287,000	249,243	1,536,243
2032-2036	1,427,000	107,520	1,534,520
2037	304,000	3,177	307,177
Totals	\$ 4,179,000	\$ 736,987	\$ 4,915,987

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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 current fiscal year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Capital lease obligations	\$ 59,372	\$ 0	\$ 37,700	\$ 21,672	\$ 21,672
Notes from direct borrowings	1,963,062	0	149,542	1,813,520	167,107
Bonds from direct placements	4,395,000	0	216,000	4,179,000	223,000
Compensated absences	74,130	62,176	74,130	62,176	55,958
Total governmental activities	<u>\$ 6,491,564</u>	<u>\$ 62,176</u>	<u>\$ 477,372</u>	<u>\$ 6,076,368</u>	<u>\$ 467,737</u>

Total interest expense in the governmental activities for the current fiscal year was \$138,929.

11. Restricted Fund Balances

The following is a summary of restricted fund balances of the governmental funds for fiscal year ended June 30, 2021:

	<u>General</u>	<u>2017 SPLOST</u>	<u>Nonmajor Confiscated Assets</u>	<u>Total Governmental Funds</u>
Restricted for:				
Public Safety				
Fire services and equipment	\$ 2,747	\$ 0	\$ 0	\$ 2,747
Police equipment	516	0	20,362	20,878
Capital Outlay	13,444	3,127,884	0	3,141,328
	<u>\$ 16,707</u>	<u>\$ 3,127,884</u>	<u>\$ 20,362</u>	<u>\$ 3,164,953</u>

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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, 2021, the date of the most recent actuarial valuation, there were 77 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	13
Terminated vested participants entitled to but not yet receiving benefits	31
Active participants	<u>33</u>
Total number of participants	<u><u>77</u></u>

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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. Participants are also eligible to retire under the Rule of 70 (age plus years of service) with a minimum age of 55. Officials are not covered under the plan. Participants are eligible for early retirement with reduced benefits based on the early retirement reduction table at age 55 after 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, 2021 was \$79,576 or 4.33% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the Town reported a net pension liability of \$573,162. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. For the fiscal year ended June 30, 2021, the Town recognized pension expense in the amount of \$390,597. For the Governmental Activities, the net pension liability is liquidated by the General Fund.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

12. Pension Plan (continued)

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 126,614	\$ (15,106)
Changes of assumptions	1,148	(14,394)
Net difference between projected and actual earnings on pension plan investments	0	(27,754)
Town contributions subsequent to the measurement date	59,682	0
Totals	<u>\$ 187,444</u>	<u>\$ (57,254)</u>

The \$59,682 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, 2022. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2022	\$ 18,850
2023	52,653
2024	9,487
2025	(10,482)
Totals	<u>\$ 70,508</u>

Actuarial Assumptions. The total pension liability in the January 1, 2021 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%

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

12. Pension Plan (continued)

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, 2021 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 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.05%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Cash	0%	
Total	<u>100%</u>	

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

12. Pension Plan (continued)

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

Changes in Net Pension Liability

	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 9/30/19	\$ 2,496,894	\$ 2,298,238	\$ 198,656
Changes for the year:			
Service cost	55,065	0	55,065
Interest	184,788	0	184,788
Differences between expected and actual experience	121,694	0	121,694
Contributions—employer	0	77,443	(77,443)
Net investment income	0	220,878	(220,878)
Benefit payments, including refunds of employee contributions	(92,722)	(92,722)	0
Administrative expense	0	(12,585)	12,585
Other	298,695	0	298,695
Net changes	<u>567,520</u>	<u>193,014</u>	<u>374,506</u>
Balances at 9/30/20	<u>\$ 3,064,414</u>	<u>\$ 2,491,252</u>	<u>\$ 573,162</u>

Plan's fiduciary net position as a percentage of the total pension liability	81.30%
Covered payroll	\$ 1,656,039
Net pension liability as a percentage of covered payroll	34.61%

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

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.375%	\$ 1,015,627
Current discount rate	7.375%	573,162
1% increase	8.375%	211,111

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.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

12. Pension Plan (continued)

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.

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, 2021, 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

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

14. Risk Management (continued)

attorneys to represent the Town in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Town within the scope of loss protection furnished by the funds.

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

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

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2021, the Town has no losses that are probable or estimable and accordingly has not recognized any liability.

In January 2021, 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.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

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.

16. Commitments and Contingencies

Commitments

The Town has active construction projects as of June 30, 2021. At fiscal year end, the Town's commitments with contractors are as follows:

Project	Amount Expended to Date	Remaining Commitment
Sewer System Expansion	\$ 1,906,530	\$ 284,998

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.

TOWN OF TYRONE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2021

17. Subsequent Events

Subsequent to June 30, 2021, the Town received \$1,401,507 of funding as part of the American Rescue Plan Act ("ARPA"), which was signed into law on March 11, 2021 and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to state, territorial, local, and tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

18. New Accounting Pronouncements

The Town implemented GASB Statement No. 84, *Fiduciary Activities*, effective for the Town's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year End		
	2021	2020	2019
Total pension liability			
Service cost	\$ 55,065	\$ 55,586	\$ 56,454
Interest	184,788	173,255	166,510
Differences between expected and actual experience	121,694	78,756	(60,423)
Changes of assumptions	0	0	0
Benefit payments, including refunds of employee contributions	(92,722)	(72,787)	(70,697)
Other changes	298,695	(28,788)	0
Net change in total pension liability	567,520	206,022	91,844
Total pension liability - beginning	2,496,894	2,290,872	2,199,028
Total pension liability - ending (a)	\$ 3,064,414	\$ 2,496,894	\$ 2,290,872
Plan fiduciary net position			
Contributions - employer	\$ 77,443	\$ 81,528	\$ 76,527
Net investment income	220,878	67,598	202,115
Benefit payments, including refunds of employee contributions	(92,722)	(72,787)	(70,697)
Administrative expense	(12,585)	(12,554)	(12,032)
Net change in fiduciary net position	193,014	63,785	195,913
Plan fiduciary net position - beginning	2,298,238	2,234,453	2,038,540
Plan fiduciary net position - ending (b)	\$ 2,491,252	\$ 2,298,238	\$ 2,234,453
Net pension liability (asset) - ending : (a) - (b)	\$ 573,162	\$ 198,656	\$ 56,419
Plan's fiduciary net position as a percentage of the total pension liability	81.30%	92.04%	97.54%
Covered payroll	\$ 1,656,039	\$ 1,433,265	\$ 1,302,777
Net pension liability as a percentage of covered payroll	34.61%	13.86%	4.33%

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

Fiscal Year End			
2018	2017	2016	2015
\$ 57,367	\$ 52,847	\$ 49,332	\$ 48,292
153,845	149,236	141,847	136,273
30,531	(76,436)	(30,392)	(46,186)
5,741	0	0	0
(67,106)	(65,238)	(65,672)	(56,285)
0	0	0	(5,466)
180,378	60,409	95,115	76,628
2,018,650	1,958,241	1,863,126	1,786,498
<u>\$ 2,199,028</u>	<u>\$ 2,018,650</u>	<u>\$ 1,958,241</u>	<u>\$ 1,863,126</u>
\$ 75,163	\$ 71,484	\$ 76,884	\$ 81,141
267,219	178,451	17,602	160,444
(67,106)	(65,238)	(65,672)	(56,285)
(12,860)	(7,486)	(8,354)	(6,621)
262,416	177,211	20,460	178,679
1,776,124	1,598,913	1,578,453	1,399,774
<u>\$ 2,038,540</u>	<u>\$ 1,776,124</u>	<u>\$ 1,598,913</u>	<u>\$ 1,578,453</u>
<u>\$ 160,488</u>	<u>\$ 242,526</u>	<u>\$ 359,328</u>	<u>\$ 284,673</u>
92.70%	87.99%	81.65%	84.72%
\$ 1,305,716	\$ 1,138,501	\$ 1,192,988	\$ 1,181,282
12.29%	21.30%	30.12%	24.10%

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

	Fiscal Year End		
	2021	2020	2019
Actuarially determined contribution	\$ 79,576	\$ 75,565	\$ 81,982
Contributions in relation to the actuarially determined contribution	<u>(79,576)</u>	<u>(77,590)</u>	<u>(81,982)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ (2,025)</u>	<u>\$ 0</u>
Covered payroll	\$ 1,838,330	\$ 1,729,102	\$ 1,639,749
Contributions as a percentage of covered payroll	4.33%	4.37%	5.00%

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

Fiscal Year End			
2018	2017	2016	2015
\$ 74,709 (74,709)	\$ 75,314 (75,314)	\$ 70,208 (70,208)	\$ 79,109 (79,109)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 1,571,670	\$ 1,512,512	\$ 1,358,223	\$ 1,405,585
4.75%	4.98%	5.17%	5.63%

TOWN OF TYRONE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021
(Unaudited)

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2021, 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, 2022.

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+5 or Rule of 70 (minimum age at least 55)

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, 2021
(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, 2021
(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, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 8,270,357	\$ 7,129,071
Restricted assets		
Cash	7,412	1,324,730
Investments	0	241,761
Receivables (net)		
Accounts	62,958	67,958
Taxes	280,344	185,460
Intergovernmental	62,596	0
Prepaid items	154,187	157,820
Due from other funds	0	8,874
Total assets	\$ 8,837,854	\$ 9,115,674
LIABILITIES		
Payables		
Accounts	\$ 212,589	\$ 131,735
Retainages	0	279,580
Accrued salaries and payroll liabilities	27,600	20,540
Due to others	135,000	135,000
Total liabilities	375,189	566,855
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	7,873	7,168
FUND BALANCES		
Nonspendable:		
Prepaid items	154,187	157,820
Restricted for:		
Capital Outlay	13,444	1,048,806
Public Safety	3,263	4,072
Unassigned	8,283,898	7,330,953
Total fund balances	8,454,792	8,541,651
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,837,854	\$ 9,115,674

TOWN OF TYRONE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
June 30, 2021 and 2020

	2021	2020
REVENUES		
Taxes	\$ 5,086,702	\$ 4,551,663
Licenses and permits	263,270	194,524
Fines, fees and forfeitures	129,538	128,812
Charges for services	43,664	44,922
Intergovernmental	744,378	142,161
Interest	21,672	148,103
Contributions	1,490	7,157
Other	35,544	34,010
Total revenues	6,326,258	5,251,352
EXPENDITURES		
Current		
General Government	2,614,612	4,148,188
Judicial	176,291	175,519
Public Safety	1,522,869	1,537,922
Public Works	944,810	755,595
Culture and Recreation	472,575	468,280
Housing and Development	353,238	222,946
Total Current	6,084,395	7,308,450
Debt Service		
General Government	305,598	191,351
Public Safety	23,124	23,124
Total Debt Service	328,722	214,475
Total expenditures	6,413,117	7,522,925
Excess (deficiency) of revenues over (under) expenditures	(86,859)	(2,271,573)
Other financing sources (uses)		
Issuance of long-term debt	0	4,395,000
Proceeds from sale of assets	0	214,331
Total other financing sources (uses)	0	4,609,331
Net change in fund balances	(86,859)	2,337,758
Fund balances, July 1	8,541,651	6,203,893
Fund balances, June 30	\$ 8,454,792	\$ 8,541,651

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	\$ 1,279,275	\$ 1,355,619	\$ 76,344	\$ 1,256,800
Motor vehicle tax	215,000	374,629	159,629	259,888
Total general property taxes	1,494,275	1,730,248	235,973	1,516,688
Local option sales tax	1,200,000	2,001,595	801,595	1,691,597
Intangible tax	18,000	44,872	26,872	28,720
Franchise tax	541,500	567,893	26,393	612,238
Insurance premium tax	500,000	554,424	54,424	525,730
Beer and wine tax	53,150	64,627	11,477	62,487
Occupational tax	94,000	113,212	19,212	107,124
Transfer tax	5,000	9,831	4,831	7,079
Total taxes	3,905,925	5,086,702	1,180,777	4,551,663
Licenses and Permits				
Building permits	152,100	189,496	37,396	161,779
Other	23,000	73,774	50,774	32,745
Total licenses and permits	175,100	263,270	88,170	194,524
Fines, fees and forfeitures	125,050	129,538	4,488	128,812
Charges for Services				
Founders day	4,700	783	(3,917)	4,195
Recreation fees	21,000	14,658	(6,342)	25,771
Rents and royalties	8,300	16,744	8,444	10,390
Other	9,066	11,479	2,413	4,566
Total charges for services	43,066	43,664	598	44,922
Intergovernmental	1,843,422	744,378	(1,099,044)	142,161
Interest	25,000	21,672	(3,328)	148,103
Contributions	20,575	1,490	(19,085)	7,157
Other	28,000	35,544	7,544	34,010
Total revenues	<u>\$ 6,166,138</u>	<u>\$ 6,326,258</u>	<u>\$ 160,120</u>	<u>\$ 5,251,352</u>

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Administration				
Personal services	\$ 288,876	\$ 275,399	\$ 13,477	\$ 271,964
Contractual services	177,612	138,401	39,211	123,085
Materials and supplies	225,317	167,049	58,268	126,244
Payments to other agencies	434,311	27,773	406,538	29,235
Capital outlay	1,914,040	1,817,791	96,249	3,423,728
Total Administration	<u>3,040,156</u>	<u>2,426,413</u>	<u>613,743</u>	<u>3,974,256</u>
Finance				
Personal services	146,606	144,477	2,129	136,100
Contract services	44,640	40,564	4,076	35,698
Materials and supplies	4,747	3,158	1,589	2,134
Total Finance	<u>195,993</u>	<u>188,199</u>	<u>7,794</u>	<u>173,932</u>
Total General Government	<u>3,236,149</u>	<u>2,614,612</u>	<u>621,537</u>	<u>4,148,188</u>
Judicial				
Municipal Court				
Personal Services	129,579	122,185	7,394	119,163
Contractual services	105,070	49,529	55,541	50,897
Materials and supplies	4,700	4,577	123	5,459
Total Municipal Court	<u>239,349</u>	<u>176,291</u>	<u>63,058</u>	<u>175,519</u>
Public Safety				
Public Safety				
Personal services	1,110,334	1,037,729	72,605	1,025,899
Contractual services	149,191	117,679	31,512	120,406
Materials and supplies	96,475	73,431	23,044	71,330
Payments to other agencies	20,000	24,489	(4,489)	20,355
Capital outlay	23,237	41,862	(18,625)	70,979
Total Public Safety	<u>1,399,237</u>	<u>1,295,190</u>	<u>104,047</u>	<u>1,308,969</u>
Public Safety Administration				
Personal services	228,711	223,900	4,811	224,175
Contract services	7,700	1,287	6,413	1,873
Materials and supplies	5,486	2,492	2,994	2,905
Total Public Safety Administration	<u>241,897</u>	<u>227,679</u>	<u>14,218</u>	<u>228,953</u>
Total Public Safety	<u>1,641,134</u>	<u>1,522,869</u>	<u>118,265</u>	<u>1,537,922</u>

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Public Works				
Public Works				
Personal services	\$ 292,088	\$ 276,362	\$ 15,726	\$ 272,539
Contractual services	814,977	575,041	239,936	400,393
Materials and supplies	30,029	24,485	5,544	19,562
Capital outlay	1,740,000	68,922	1,671,078	63,101
Total Public Works	<u>2,877,094</u>	<u>944,810</u>	<u>1,932,284</u>	<u>755,595</u>
Culture and Recreation				
Library				
Personal services	180,246	177,011	3,235	174,447
Contractual services	18,783	16,440	2,343	10,557
Materials and supplies	49,330	37,760	11,570	34,982
Total Library	<u>248,359</u>	<u>231,211</u>	<u>17,148</u>	<u>219,986</u>
Museum				
Contractual services	1,700	1,749	(49)	0
Materials and supplies	3,300	2,611	689	0
Total Museum	<u>5,000</u>	<u>4,360</u>	<u>640</u>	<u>0</u>
Parks and Recreation				
Personal services	95,599	90,394	5,205	90,672
Contractual services	122,171	84,574	37,597	90,870
Materials and supplies	78,920	51,011	27,909	55,644
Capital outlay	20,385	9,845	10,540	0
Total Parks and Recreation	<u>317,075</u>	<u>235,824</u>	<u>81,251</u>	<u>237,186</u>
Founders Day				
Personal services	4,870	0	4,870	3,654
Contractual services	7,700	759	6,941	5,291
Materials and supplies	1,600	421	1,179	2,163
Total Founders Day	<u>14,170</u>	<u>1,180</u>	<u>12,990</u>	<u>11,108</u>
Total Culture and Recreation	<u>584,604</u>	<u>472,575</u>	<u>112,029</u>	<u>468,280</u>
Housing and Development				
Planning and Zoning				
Personal services	82,246	86,402	(4,156)	72,758
Contractual services	287,140	260,864	26,276	148,232
Materials and supplies	8,523	5,972	2,551	1,956
Total Planning and Zoning	<u>377,909</u>	<u>353,238</u>	<u>24,671</u>	<u>222,946</u>
Total Housing and Development	<u>377,909</u>	<u>353,238</u>	<u>24,671</u>	<u>222,946</u>

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Debt Service				
General Administration	\$ 305,598	\$ 305,598	\$ 0	\$ 191,351
Public Safety	23,124	23,124	0	23,124
Total Debt Service	328,722	328,722	0	214,475
Total expenditures	<u>\$ 9,284,961</u>	<u>\$ 6,413,117</u>	<u>\$ 2,871,844</u>	<u>\$ 7,522,925</u>

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SPECIAL REVENUE FUND

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

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

TOWN OF TYRONE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 19,009	\$ 29,302
Intergovernmental receivable	<u>1,353</u>	<u>980</u>
Total assets	<u><u>\$ 20,362</u></u>	<u><u>\$ 30,282</u></u>
LIABILITIES		
Accounts payable	\$ 0	\$ 1,961
FUND BALANCES		
Restricted for Public Safety	<u>20,362</u>	<u>28,321</u>
Total liabilities and fund balances	<u><u>\$ 20,362</u></u>	<u><u>\$ 30,282</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, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 1,625	\$ 1,353	\$ (272)	\$ 980
Interest	450	32	(418)	790
Total revenues	<u>2,075</u>	<u>1,385</u>	<u>(690)</u>	<u>1,770</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	0	0	0	6,895
Materials and supplies	13,250	9,344	3,906	1,960
Capital outlay	0	0	0	45,707
Total expenditures	<u>13,250</u>	<u>9,344</u>	<u>3,906</u>	<u>54,562</u>
Excess (deficiency) of revenues over (under) expenditures	(11,175)	(7,959)	3,216	(52,792)
Fund balances, July 1	<u>11,175</u>	<u>28,321</u>	<u>17,146</u>	<u>81,113</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 20,362</u>	<u>\$ 20,362</u>	<u>\$ 28,321</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 2,594,654	\$ 2,144,963
Intergovernmental receivable	355,704	289,742
Due from other funds	<u>203,533</u>	<u>0</u>
Total assets	<u><u>\$ 3,153,891</u></u>	<u><u>\$ 2,434,705</u></u>
LIABILITIES		
Accounts payable	\$ 6,472	\$ 127,593
Retainage payable	19,535	26,216
Due to other funds	<u>0</u>	<u>8,874</u>
Total liabilities	26,007	162,683
FUND BALANCES		
Restricted for Capital Outlay	<u>3,127,884</u>	<u>2,272,022</u>
Total liabilities and fund balances	<u><u>\$ 3,153,891</u></u>	<u><u>\$ 2,434,705</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Intergovernmental	\$ 2,015,399	\$ 1,722,970
Interest	<u>4,701</u>	<u>22,490</u>
Total revenues	<u>2,020,100</u>	<u>1,745,460</u>
EXPENDITURES		
Capital Outlay		
Public Works	159,599	458,748
Culture and Recreation	10,370	0
Debt Service		
Public Safety	18,337	18,337
Public Works	<u>192,630</u>	<u>210,142</u>
Total expenditures	<u>380,936</u>	<u>687,227</u>
Excess (deficiency) of revenues over (under) expenditures	1,639,164	1,058,233
Other financing sources (uses)		
Transfers in (out)		
Sewer Fund	<u>(783,302)</u>	<u>(397,577)</u>
Net change in fund balances	855,862	660,656
Fund balances, July 1	<u>2,272,022</u>	<u>1,611,366</u>
Fund balances, June 30	<u><u>\$ 3,127,884</u></u>	<u><u>\$ 2,272,022</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,167,051	\$ 2,182,778
Accounts receivable (net)	36,302	36,371
Prepaid items	15,194	0
	<u>2,218,547</u>	<u>2,219,149</u>
Capital assets		
Non-depreciable	6,600	491,697
Depreciable (net)	4,186,071	2,010,704
	<u>4,192,671</u>	<u>2,502,401</u>
Total capital assets (net of accumulated depreciation)	<u>4,192,671</u>	<u>2,502,401</u>
Total assets	<u>6,411,218</u>	<u>4,721,550</u>
LIABILITIES		
Current liabilities		
Accounts payable	311,841	39,957
Retainages payable	171,118	0
Accrued salaries and payroll liabilities	643	440
Unearned revenue	19,200	0
Due to other funds	203,533	0
	<u>706,335</u>	<u>40,397</u>
Total liabilities	<u>706,335</u>	<u>40,397</u>
NET POSITION		
Investment in capital assets	3,731,956	2,502,401
Unrestricted	1,972,927	2,178,752
	<u>5,704,883</u>	<u>4,681,153</u>
Total net position	<u>\$ 5,704,883</u>	<u>\$ 4,681,153</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for sales and services	\$ 402,059	\$ 403,525
Total operating revenues	<u>402,059</u>	<u>403,525</u>
OPERATING EXPENSES		
Costs of sales and services	207,638	266,838
Personal services	80,356	76,250
Depreciation	157,885	155,001
Total operating expenses	<u>445,879</u>	<u>498,089</u>
Operating income (loss)	(43,820)	(94,564)
Transfers in (out)		
2017 SPLOST Fund	<u>783,302</u>	<u>397,577</u>
Net income (loss) before capital contributions	739,482	303,013
Capital contributions	<u>284,248</u>	<u>454,548</u>
Change in net position	1,023,730	757,561
Net position, July 1	<u>4,681,153</u>	<u>3,923,592</u>
Net position, June 30	<u><u>\$ 5,704,883</u></u>	<u><u>\$ 4,681,153</u></u>

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from customers	\$ 421,328	\$ 399,063
Payments to suppliers	(240,544)	(247,441)
Payments to employees	(80,153)	(78,033)
Net cash provided (used) by operating activities	<u>100,631</u>	<u>73,589</u>
Cash flows from capital and related financing activities:		
Receipts of capital contributions	284,248	454,548
Receipts from other funds	986,835	397,577
Payments for acquisitions of capital assets	(1,387,441)	(397,577)
Net cash provided (used) by capital and related financing activities	<u>(116,358)</u>	<u>454,548</u>
Net increase (decrease) in cash and cash equivalents	(15,727)	528,137
Cash and cash equivalents, July 1	<u>2,182,778</u>	<u>1,654,641</u>
Cash and cash equivalents, June 30	<u><u>\$ 2,167,051</u></u>	<u><u>\$ 2,182,778</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (43,820)</u>	<u>\$ (94,564)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	157,885	155,001
(Increase) decrease in accounts receivable	69	(4,462)
(Increase) decrease in prepaid items	(15,194)	0
Increase (decrease) in accounts payable	(17,712)	19,397
Increase (decrease) in accrued salaries and other payroll liabilities	203	(1,783)
Increase (decrease) in unearned revenue	19,200	0
Total adjustments	<u>144,451</u>	<u>168,153</u>
Net cash provided (used) by operating activities	<u><u>\$ 100,631</u></u>	<u><u>\$ 73,589</u></u>
Noncash investing, capital, and financing activities:		
Acquisition of capital assets through accounts payable totaled \$289,596 and \$0 for the fiscal years ended June 30, 2021 and 2020, respectively.		
Acquisition of capital assets through retainages payable totaled \$171,118 and \$0 for the fiscal years ended June 30, 2021 and 2020, respectively.		

TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 50,081	\$ 50,081
Total assets	<u>\$ 50,081</u>	<u>\$ 50,081</u>
LIABILITIES		
NET POSITION		
Unrestricted	\$ 50,081	\$ 50,081
Total net position	<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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES	<u>\$ 0</u>	<u>\$ 0</u>
OPERATING EXPENSES	<u>0</u>	<u>0</u>
Operating income (loss)	0	0
Net position, July 1	<u>50,081</u>	<u>50,081</u>
Net position, June 30	<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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net increase (decrease) in cash and cash equivalents	\$ 0	\$ 0
Cash and cash equivalents, July 1	<u>50,081</u>	<u>50,081</u>
Cash and cash equivalents, June 30	<u><u>\$ 50,081</u></u>	<u><u>\$ 50,081</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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CUSTODIAL FUND

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

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

TOWN OF TYRONE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 22,426	\$ 26,734
 LIABILITIES		
Due to others	<u>22,426</u>	<u>26,734</u>
 NET POSITION		
Restricted for individuals, organizations, and other governments	<u>\$ 0</u>	<u>\$ 0</u>

TOWN OF TYRONE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS		
Fines and forfeitures collected for other governments	\$ 63,591	\$ 103,747
DEDUCTIONS		
Distributions of fines and forfeitures to other governments	<u>63,591</u>	<u>103,747</u>
Change in net position	0	0
Net position, July 1	<u>0</u>	<u>0</u>
Net position, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</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, 2021, 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 15, 2021.

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 2021-001

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.

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Comment 2021-001, 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 grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

The Town of Tyrone, Georgia's Response to Findings

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.



Certified Public Accountants

Gainesville, Georgia
December 15, 2021

TOWN OF TYRONE, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2017 SPLOST					
Roads and Streets - LMIG					
Matching Funds	\$ 425,000	\$ 425,000	\$ 201,277	\$ 83,320	\$ 284,597
Debt Services Reduction (GTIB Project Loans)	2,350,000	2,350,000	620,769	192,630	813,399
Sanitary Sewer Connection/Expansion	1,700,000	1,700,000	916,697	783,302	1,699,999
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	10,505	23,825
Handley Park Phase IV Fields and Facilities	325,000	325,000	28,637	10,370	39,007
Dorothea Redwine Park Multiuse Redevelopment	350,000	350,000	0	0	0
FDR and Repaving of Powers Court/Senoia Road	550,000	550,000	287,402	0	287,402
Replacement of Culverts on Dogwood & Pendelton Trails	625,000	625,000	415,721	232	415,953
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	65,542	65,542
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	55,009	18,337	73,346
	<u>\$ 9,025,000</u>	<u>\$ 9,025,000</u>	<u>\$ 2,832,897</u>	<u>\$ 1,164,238</u>	<u>\$ 3,997,135</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.