TOWN OF TYRONE, GEORGIA



COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TOWN OF TYRONE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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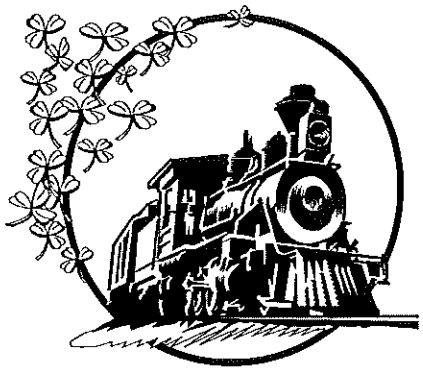
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Introductory Section

December 7, 2011

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

Ladies and Gentlemen:

The comprehensive annual financial report of the Town of Tyrone, Georgia for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and activities of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's activities have been included.

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

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

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

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

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

Officially incorporated on August 18, 1911, the Town reportedly got its name from the people who laid railroad track here in 1907. According to the Town's history, railroad workers, many of whom were

Scotch and Irish immigrants, thought the land reminded them of the area around County Tyrone in Ireland, and thus our Town was named.

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

The oldest church in Tyrone is the Hopewell Methodist Church, founded in 1840. Next came Little Vine Missionary Baptist Church, a Black church that also served as a school, founded in 1888. The Tyrone First Baptist Church was founded in 1912 with 15 members, Crestwood Church, was founded in 1968. The newest Church is Dogwood Church that purchased a tract of land on State Route 74. Today, the Town of Tyrone boasts more than 7,000 happy residents. A Mayor and four council members govern the Town.

Tyrone is located in Fayette County located in the north central part of the state, approximately 25 miles south of Atlanta. According to U.S. Census figures, Fayette County was the fifth fastest growing county in the nation during the period 1984-1994. This growth has been reflected in the growth of Tyrone's government from $904,991 in general fund revenues in 1993 to $3,274,485 in general fund revenues in 2011. The economic condition and outlook of the Town remain strong as the area is predicted to have a sustained growth pattern in the coming years. Town leaders have recognized the inherent problems associated with the long term economic vitality of the Town, so policies and plans have been developed and/or implemented to secure a broadening of the tax base to promote an appropriate balance of residential, commercial, light industrial and office institutional facilities.

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

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

Major Initiatives

The overall decline in the economy continues to affect Tyrone in 2011, particularly in the lack of revenue generally derived from new development. The limited new construction of office and commercial space from last year remains unfinished in the current year with no new developments in the planning stage. In spite of these constraints, the Mayor and Council continue to maintain a 2.9 mil tax rate while meeting the Town's budgetary requirements through continued cost cutting measures and sound financial management. Exemplary service to Tyrone citizens continues due to the efforts of Town employees. The Town's staff of 33 employees is small for a Town of 6,218 citizens.

Administration - The Town had its entire code of ordinances codified and transferred to an electronic online format this year. This accomplishment brought the Town into compliance with State law and the online version makes the entire code accessible to our citizens at all times. Another major accomplishment was a complete revision/update to the Town's zoning ordinance.

Additional accomplishments include: purchase and installation of a new server at Town Hall, an updated sign ordinance, progress towards compliance with e-Verify and SAVE, progress towards a major revision to our job descriptions, and a major document purge and clean-up to be in compliance with state and local retention requirements.

Public Works – Public Works continues to do a great job of maintaining the Town's appearance and keeping the Town's facilities operational. This includes mowing right of ways, facility lawns, cleaning Town buildings, repairing pot holes, installing seasonal decorations, and performing any maintenance issues that may arise within the Town on a daily basis. Public Works maintains a high level of service despite their limited staff.

Police – The Police Department experienced a 3% increase in call and officer activity volume over the past year. Part I UCR crime is up by 5.2% as of November 30, 2011. However, overall UCR crime was down by 18% as compared to 2010. The Police Department used drug funds to purchase and equip two new patrol vehicles in 2011.

Library – The Tyrone Library experienced a 3.7% increase in circulation from 77,208 to 80,044 in 2011. The Library offered a total of 58 programs this past year, which were attended by 2,156 kids and 486 kids signed up for the Summer Reading Program and completed a collective 5,514 hours of reading.

Recreation - The Recreation Department offers numerous classes, camps and seminars for residents of all ages throughout the year. Our classes consist of Jazzercise, Zumba, Yoga, Martial Arts, Tai Chi, Ball Room Dancing, Painting and Line Dancing. We also offer low impact classes geared more toward the senior population such as Zumba Gold, Chair Yoga, Shamrock Stitchers, and Sr. Card Games. On the weekends, town facilities are used for recreation rentals at Roger Spencer Community Center, Shamrock Pavilion, Veterans Park, Red Wine Park and Handley Park. During the summer, a variety of camps are planned for children that are out of school. The camps consist of Zumba, Arts and Crafts, Kids stitching group, Drama, Soccer, Baseball, Softball and other various themed camps. The Recreation Dept. schedules major events such as Founders Day Festival, Town Trick or Treat, Christmas Tree Lighting and the Town Staff Christmas luncheon. The Recreation Dept works very closely with the groups that have taken on the other events such as Easter Egg Hunt and Back to School Bash. Monthly Lunch and Learn meetings are scheduled for our seniors. A meal is provided along with an educational speaker. Topics vary from month to month from Health issues, Community awareness, Fire safety, storm water information to Recreation instructors leading the group in a physical exercise activity. Interaction with the Sports Associations, such as Tyrone Soccer League, Tyrone Youth Baseball Association and Tyrone Softball Association, happen weekly. Background Checks continue to be performed on all coaches and instructors involved in the Recreation Department. The Recreation Department also worked very closely with the Centennial Committee planning events for the Centennial.

Municipal Court - The Tyrone Municipal Court saw a 33% increase in cases from the previous year. Since the implementation of online payments, there has been a steady increase in its use. This year's increase was 36%. The court's case management system, Courtware, made several updates giving us the ability to scan documents into a case file, print various state forms and a wide variety of reports. Court Clerk, Kathy Bright, is working toward receiving her Masters Certificate of Court Administration offered through the Georgia Council of Court Administrators. This program should be completed in the spring of 2012. Judge Pierce completed her twenty-second year on the bench with Tyrone and also serves as Municipal Court Judge in Senoia.

Financial Information

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

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

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

Encumbrances are not recorded in the Town's funds. However, the Town does maintain an informal monitoring system to facilitate budgetary control over proposed expenditures. Essentially this system entails comparison of the various funds by budgeted line item. These printouts are used by the Town Clerk and department heads to ascertain the budget status of an expenditure category prior to authorizing additional purchases.

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

General Government Functions. The following presents a summary of the general fund for the fiscal year ended June 30, 2011 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues for the general fund totaled $3,198,497 for fiscal year ending June 30, 2011, a decrease of 1.8% from the prior year. The most significant decrease in revenue sources was from property taxes, which were down just over $100 thousand from the prior year which represents a decrease of 9.1%

General fund expenditures totaled $2,693,580 for the fiscal year ending June 30, 2011, which was virtually the same as the prior year.

Special Revenue Funds. These funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Town receives revenue from a Special Purpose Local Option Sales Tax for road construction projects that was passed by the voters of Fayette County. In the fiscal year ending June 30, 2011 the Town received $0 in revenues and expended $263,373 for road improvements.

Cash Management. Cash temporarily idle during the year is held in a money market checking account as allowed by state statues. The Town earned interest revenue of $8,912 for the year ended June 30, 2011.

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

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

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

Other Information

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

Awards and Acknowledgments. The Government Finance Officers Association (GFA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report (CAR) for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both the GAMP and applicable legal requirements.

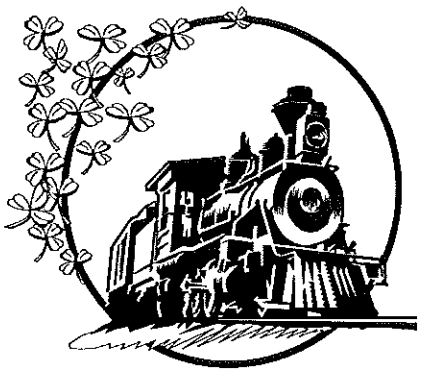
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

Richard Newbern
Town Manager



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Tyrone
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Davidson

President

Jeffrey L. Esser

Executive Director

TOWN OF TYRONE, GEORGIA
TOWN OFFICIALS
June 30, 2011

MAYOR
Don Rehwaldt

MAYOR PRO TEM
Gloria Furr

TOWN COUNCIL

Eric Dial
Ken Mathews
Tracy Young

TOWN MANAGER

Richard Newbern

FINANCE/HUMAN RESOURCE MANAGER

Penny M. Hunter

TOWN CLERK

Vacant

CHIEF OF POLICE

R. Brandon Perkins

TOWN ATTORNEY

McNally, Fox, Grant, Davenport

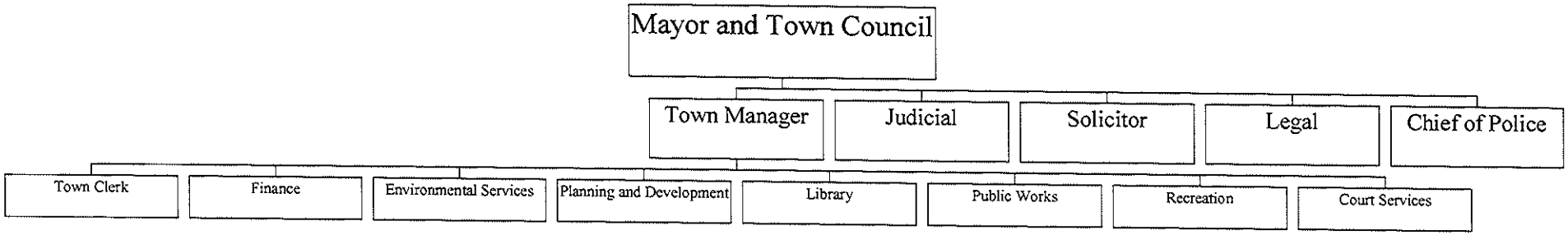
MUNICIPAL JUDGE

Sharon Pierce

TOWN AUDITORS

Post & Associates LLC

Town of Tyrone, Georgia
Organizational Chart



Post & Associates CPA's

ESTABLISHED 1968
Daniel L. Post, CPA
Daniel L. Post, Jr., CPA

MEMBERS
American Institute of CPA's
Georgia Society of CPA's

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of and for the year ended June 30, 2011, which collectively comprise, in relation to coverage, the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Tyrone's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund position of the Town of Tyrone, Georgia, as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary position of the of the General fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2011, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 16 through 22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Tyrone, Georgia
December 8, 2011



TOWN OF TYRONE, GEORGIA

MANAGEMENT DISCUSSION AND ANALYSIS

As management of the Town of Tyrone (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Tyrone, Georgia for the fiscal year ended June 30, 2011. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the fiscal year by $12,869,164 (net assets). Of this amount, $5,378,586 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.

- The government's total net assets decreased by $17,641, primarily due to decreases in the governmental activities net assets.

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $4,591,288 an increase of around $129,000 in comparison with the prior year. The governmental funds contain about $119,000 in non-spendable amounts, $516,000 in amounts restricted for specific purposes, committed funds of $136,100, and unassigned funds of around $3.8 million.

- The Town's revenues for fiscal year 2011 totaled $3,930,000. Of this amount, $3,249,000, or eighty-three percent (83%), was generated from governmental revenues. The balance of $681,000, or fourteen percent (17%), was generated from proprietary revenue.

Overview of the Financial Statements

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

Basic Financial Statements
The first two statements (Pages 24 and 25) in the basic financial statements are the Government-Wide Financial Statements. They provide both short and long-term information about the Town's financial status.

The next statements (Pages 26 through 36) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental fund statements; 2) the budgetary comparison statements; 3) the proprietary fund statements, and (4)the fiduciary fund statements..

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole. The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

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

Fund Financial Statements

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

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

The Town of Tyrone adopts an annual budget for its General Fund and special revenue funds, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Council about which services to provide and how to pay for them, It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented

using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

The basic governmental fund financial statements can be found on pages 26 through 30 of this report.

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

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

The proprietary fund financial statements can be found on pages 31 through 33 of this report.

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

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

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 37 through 47 of this report.

Government-Wide Financial Analysis

The government-wide financial statements for the fiscal year ended June 30, 2011, are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of the private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole. The two government-wide statements report the Town's net assets and how they have changed. Net assets are the difference between the Town's total assets and total liabilities. Measuring net assets is one way to gauge the Town's financial condition.

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by $12,869,000 at the close of the most recent fiscal year.

The largest portion of the Town's net assets, fifty-eight percent (58%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Town also has restricted net assets in the amount of $269,500, which are legally restricted for specific purposes. The remaining balance of the Town's net assets, $5,109,000 or forty percent (40%), are unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

	Governmental activities		Business-type activities		Total	
Type	2011	2010	2011	2010	2011	2010
Current and other assets	$ 4,769,081	$ 4,575,296	$ 900,705	$ 688,852	$ 5,669,786	$ 5,264,148
Capital assets	5,911,883	6,097,739	1,578,695	1,728,470	7,490,578	7,826,209
Total assets	10,680,964	10,673,035	2,479,400	2,417,322	13,160,364	13,090,357
Long-term liabilities						
Other liabilities	216,062	132,352	75,138	71,500	291,200	203,852
Total liabilities	216,062	132,352	75,138	71,500	291,200	203,852
Net assets:						
Invested in capital assets, net of related debt	5,911,883	6,081,683	1,578,695	1,728,470	$ 7,490,578	7,810,153
Restricted	269,524	639,979	-	-	$ 269,524	639,979
Unrestricted	4,283,495	3,819,021	825,567	617,352	$ 5,109,062	4,436,373
Total net assets	10,464,902	10,540,683	2,404,262	2,345,822	12,869,164	12,886,505

Governmental Activities. Governmental activities decreased the Town's net assets by $129,200 which was offset by a prior period adjustment of $53,100. As illustrated below, taxes constitute the largest revenue line item at $2,673,000 or eighty-two percent (82%) of total revenue. Total revenues were down by $250,000 compared to 2010 due to a substantial decrease in taxes of $227,000.

The following table indicates the changes in net assets for governmental and business-type activities for fiscal year 2011:

Town of Tyrone's Changes in Net Assets
June 30, 2011

Type	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Charges for services	$ 362,900	$ 344,412	$ 680,660	$ 665,490	$ 1,043,560	$ 1,009,902
Operating grants/contributions	37,809	106,338	-	-	37,809	106,338
Capital grants/contributions	44,904	7,814	-	-	44,904	7,814
General revenues:						
Taxes	2,674,591	2,900,084	-	-	2,674,591	2,900,084
Investment earnings	8,912	9,077	-	1,116	8,912	10,193
Other revenue	121,741	130,851	-	11,311	121,741	142,162
Total revenues	3,250,857	3,498,576	680,660	677,917	3,931,517	4,176,493
Expenses:						-
General government	799,159	766,638	-	-	799,159	766,638
Judicial	86,961	88,991	-	-	86,961	88,991
Public safety	1,586,993	1,241,629	-	-	1,586,993	1,241,629
Public Works	385,449	512,758	-	-	385,449	512,758
Recreation	80,062	78,488	-	-	80,062	78,488
Parks	162,002	143,146	-	-	162,002	143,146
Founders Day	19,860	12,969	-	-	19,860	12,969
Library	241,716	235,892	-	-	241,716	235,892
Planning and zoning	16,769	10,622	-	-	16,769	10,622
Interest and fiscal charges	1,087	3,228	-	-	1,087	3,228
Sewer	-	-	297,647	249,748	297,647	249,748
Sanitation	-	-	324,573	315,613	324,573	315,613
Total expenses	3,380,058	3,094,361	622,220	565,361	4,002,278	3,659,722
Change in net assets	(129,201)	404,215	58,440	112,556	(70,761)	516,771
Net assets, beginning	10,540,983	10,136,768	2,345,822	2,233,266	12,886,805	12,370,034
Prior period adjustment	53,120	-	-	-	53,120	-
Net assets, ending	10,464,902	10,540,983	2,404,262	2,345,822	12,869,164	12,886,805

Business-type activities: Business-type activities increased the Town's net assets by $58,400 which helped offset the governmental funds decrease of $129,200. As illustrated above, charges for services constitute the major portion of revenue at $680,700 or one hundred percent (100%). In the case of the Sewer Fund, service charge revenues exceeded expenses by $29,100 while Sanitation Fund revenues exceeded expenses by $29,300.

Financial Analysis of the Town's Funds: As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The general fund is the chief operating fund of the Town. At June 30, 2011 the governmental funds of the Town reported a combined fund balance of around $4,075,000. This represents and increase over the prior year of just under $500,000 attributable to an excess of revenues over expenditures of about $446,000 and a prior period

adjustment of about $53,000. It is important to note that a few significant factors affected the Town's total fund balance for the fiscal year ended June 30, 2011. The fund balance is composed of a non-spendable portion of $119,000, a committed portion of $136,100, and an unassigned portion of $3,820,000 (see Note (1)L for an explanation of these terms).

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

Actual revenues in the General Fund exceeded the budgeted amounts by around $256,000. The mains reasons for this were that fines and forfeitures exceeded budget by $74,500, taxes by $72,700, and miscellaneous revenues by $46,900. Actual expenditures were less than budgeted by $657,000. The main causes current expenditures for general government under budget by $188,000 and public works under by $161,000, and the capital outlays for general government and public works being under budget by $104,000 and $93,700 respectively. Overall, the revenues over expenditures amount ended with a positive variance of $777,000. This is due to actual revenues being $256,000 greater than budgeted, current expenditures being $453,000 less than budgeted, and capital outlays being $221,000 less than budgeted. Conservative budgeting and cost containment were a major reasons for this result, along with more aggressive law enforcement increasing the fines and forfeiture revenues.

Proprietary Funds. The Town of Tyrone's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Sanitation and Sewer Fund at the end of the fiscal year amounted to approximately $825,500, with $1.58 million invested in capital assets net of related debt for an overall net asset amount of just over $2.4 million.

Capital Asset and Debt Administration

Capital Assets. The Town of Tyrone's investment in capital assets for its governmental and business-type activities as of June 30, 2011, totals just under $7.4 million (net of accumulated depreciation). These assets include buildings, infrastructure, land, heavy equipment, equipment, and office furniture. Capital asset additions for the year amounted to $144,500 which represented outlays of $79,000 for equipment and vehicles, $33,100 for construction-in-progress, $30,500 for land, and around $1,900 for other capital assets.

Additional information on the Town's capital assets can be found in Note 6 on pages 43 and 44 of this report.

Long-term Debt. As of June 30, 2011, the Town of Tyrone had no long-term debt.

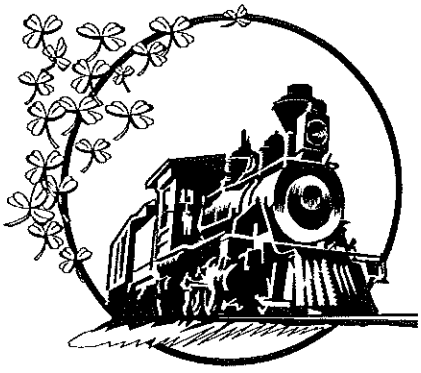
Economic Factors and Next Year's Budgets and Rates

There are many economic factors that were considered when the Town of Tyrone established its budget for fiscal year ended June 30, 2012. It is the Town's practice to take a conservative approach when budgeting for estimated revenues. However, we realize we must be diligent in monitoring external factors that impact these estimates.

For the 2011 tax digest, it is anticipated that there will be a decrease in property tax revenues due to worsening economic factors causing abnormally high delinquency mortgage loan foreclosures. However, the Town will maintain its current tax rate of 2.89 mills and maintain the same level of service to the citizens.

Requests for Information

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



Financial Section

TOWN OF TYRONE

STATEMENT OF NET ASSETS

June 30, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Equivalents	$ 2,359,376	$ 869,263	$ 3,228,639
Investments	2,000,000		2,000,000
Property Taxes Receivable	67,456	-	67,456
Sales Tax Receivable	137,725	-	137,725
Accounts Receivable, Net of Allowance	-	651	651
Due From Municipal Agency	23,739	-	23,739
Other Receivables	61,504	30,791	92,295
Prepaid Items	119,281	-	119,281
Capital Assets:			
Non-depreciable	1,497,045	-	1,497,045
Wastewater Treatment Rights, Net of Accumulated Amortization	-	776,013	776,013
Depreciable, Net of Accumulated Depreciation	4,414,838	802,682	5,217,520
Total Capital Assets	5,911,883	1,578,695	7,490,578
Total Assets	10,680,964	2,479,400	13,160,364
LIABILITIES			
Accounts Payable	137,380	43,147	180,527
Accrued Liabilities	19,222	-	19,222
Unearned Revenues	-	31,991	31,991
Compensated Absences	59,460	-	59,460
Total Liabilities	216,062	75,138	291,200
NET ASSETS			
Invested in Capital Assets	5,911,883	1,578,695	7,490,578
Restricted for			
Capital Projects	269,524	-	269,524
Unrestricted	4,283,495	825,567	5,109,062
Total Net Assets	$ 10,464,902	$ 2,404,262	$ 12,869,164

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

TOWN OF TYRONE, GEORGIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total
Primary Government							
Governmental Activities:							
Genral Government	$ 799,159	$ 42,650	$ 37,809	$ -	$ (718,700)	$ -	$ (718,700)
Judicial	86,961	-	-	-	(86,961)	-	(86,961)
Public Safety	1,586,993	249,077	-	44,904	(1,293,012)	-	(1,293,012)
Public Works	385,449	-	-	-	(385,449)	-	(385,449)
Recreation	80,062	10,248	-	-	(69,814)	-	(69,814)
Parks	162,002	60,925	-	-	(101,077)	-	(101,077)
Founders Day	19,860	-	-	-	(19,860)	-	(19,860)
Library	241,716	-	-	-	(241,716)	-	(241,716)
Planning & Zoning	16,769	-	-	-	(16,769)	-	(16,769)
Interest on Long-term Debt	1,087	-	-	-	(1,087)	-	(1,087)
Total Governmental Activities	3,380,058	362,900	37,809	44,904	(2,934,445)	-	(2,934,445)
Business activities:							
Sewer	297,647	326,762	-	-	-	29,115	29,115
Sanitation	324,573	353,898	-	-	-	29,325	29,325
Total Business-Type	622,220	680,660	-	-	-	58,440	58,440
Total Primary Government	$ 4,002,278	$ 1,043,560	$ 37,809	$ 44,904	(2,934,445)	58,440	(2,876,005)
General Revenues:							
Property Tax					1,007,276	-	1,007,276
Sales Tax					799,847	-	799,847
Motor Vehicle Tax					66,513	-	66,513
Franchise Tax					497,214	-	497,214
Insurance Premium Tax					210,805	-	210,805
Beer, Wine, Liquor Tax					54,314	-	54,314
Transfer Taxes					1,786	-	1,786
Intangible Taxes					13,928	-	13,928
Other Taxes					22,908	-	22,908
Business and Occupancy Fees					121,741	-	121,741
Unrestricted Investment Earnings					8,912	-	8,912
Total General Revenues					2,805,244	-	2,805,244
Change in Net Assets					(129,201)	58,440	(70,761)
Net Assets Beginning of Year					10,540,983	2,345,822	12,886,805
Prior Period Adjustment					53,120	-	53,120
Net Assets Ending End of Year					$ 10,464,902	$ 2,404,262	$ 12,869,164

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

TOWN OF TYRONE, GEORGIA

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2011

	General Fund	Confiscated Fund	2005 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Equivalents	$ 1,804,008	$ 290,073	$ 257,606	$ 7,689	$ 2,359,376
Investments	2,000,000				2,000,000
Property Taxes Receivable	67,456	-	-	-	67,456
Sales Tax Receivable	137,725	-	-	-	137,725
Due From Municipal Agency	23,739	-	-	-	23,739
Other Receivables	61,416	-	88	-	61,504
Prepaid Items	119,281	-	-	-	119,281
Total Assets	4,213,625	290,073	257,694	7,689	4,769,081
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	98,152	20,549	18,654	25	137,380
Accrued Liabilities	19,222	-	-	-	19,222
Deferred Liabilities	21,191	-	-	-	21,191
Total Liabilities	138,565	20,549	18,654	25	177,793
Fund Balance					
Non-spendable	119,281	-	-	-	119,281
Restricted for:					
Public Safety	-	269,524	-	-	269,524
Public Works			239,040		239,040
Founders Day		-		7,664	7,664
Committed for:					
General Government	136,100	-	-	-	136,100
Unassigned	3,819,679		-		3,819,679
Total Fund Balance	4,075,060	269,524	239,040	7,664	4,591,288
Total Liabilities and Fund Balance	$ 4,213,625	$ 290,073	$ 257,694	$ 7,689	4,769,081

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets of $7,398,920 net of accumulated depreciation of $1,487,037 are not financial resources and, therefore, are not reported in the funds.	5,911,883
Deferred ad valorem taxes are not available to pay current-period expenditures and, therefore, are deferred in the funds.	21,191
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(59,460)
Net Assets of Governmental Activities	$ 10,464,902

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

TOWN OF TYRONE, GEORGIA

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

Year Ended June 30, 2011

	General	Confiscated Fund	2005 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Sales Tax	$ 797,877	$ -	$ 1,970	$ -	$ 799,847
Property Tax	1,024,935	-	-	-	1,024,935
Motor Vehicle Tax	66,513	-	-	-	66,513
Franchise Tax	497,214	-	-	-	497,214
Insurance Premium Tax	210,805	-	-	-	210,805
Beer, Wine, Liquor Tax	54,314	-	-	-	54,314
Transfer Taxes	1,786	-	-	-	1,786
Intangible Taxes	13,928	-	-	-	13,928
Other Taxes	22,908	-	-	-	22,908
Total Taxes	2,690,280	-	1,970	-	2,692,250
Licenses, Permits, and Charges					
Business Licenses and Permits	121,741	-	-	-	121,741
Charges for Services	37,780	-	-	23,145	60,925
Miscellaneous	42,650	-	-	-	42,650
Total Licenses, Permits, and Charges	202,171	-	-	23,145	225,316
Intergovernmental Revenues					
Federal and State Grants	31,773	-			31,773
Federal and State Confiscations	-	44,904			44,904
SPLOST Taxes	-	-	-	-	-
Total Intergovernmental Revenues	31,773	44,904	-	-	76,677
Fines, Forfeitures and Fees					
Fines, Forfeitures, and Fees	249,077	-	-	-	249,077
Other Revenue					
Donations and Contributions	6,036	-	-	-	6,036
Rents and Royalties	10,248	-	-	-	10,248
Insurance Proceeds	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest on Investments	8,912	-	-	-	8,912
Total Other Revenues	25,196	-	-	-	25,196
Total Revenues	3,198,497	44,904	1,970	23,145	3,268,516
Expenditures:					
Current:					
General Government	787,007	-	-	-	787,007
Judicial	86,602	-	-	-	86,602
Public Safety	1,146,126	81,905	-	-	1,228,031
Public Works	333,356	-	265,343	-	598,699
Recreation	77,843	-	-	-	77,843
Parks	70,336	-	-	-	70,336
Founders Day	-	-	-	19,860	19,860
Library	175,541	-	-	-	175,541
Planning & Zoning	16,769	-	-	-	16,769
Total Current Expenditures	2,693,580	81,905	265,343	19,860	3,060,688
Debt Service:					
Principal	15,756	-	-	-	15,756
Interest	1,087	-	-	-	1,087
Total Debt Service	16,843	-	-	-	16,843
Capital Outlay:					
General Government	7,525	-	-	-	7,525
Judicial	-	-	-	-	-
Public Safety	-	64,662	-	-	64,662
Public Works	35,261	-	30,500	-	65,761
Parks	6,528	-	-	-	6,528
Library	-	-	-	-	-
Total Capital Outlay	49,314	64,662	30,500	-	144,476
Total Expenditures	2,759,737	146,567	295,843	19,860	3,222,007
Excess of Revenues Over Expenditures	438,760	(101,663)	(293,873)	3,285	46,509
Other Financing Sources (Uses)					
Proceeds from Disposition of Capital Assets	7,257	-	-	-	7,257
Net Change in Fund Balances	446,017	(101,663)	(293,873)	3,285	53,766
Fund Balance - Beginning of Year	3,575,923	371,187	532,913	4,379	4,484,402
Prior Period Adjustment	53,120	-	-	-	53,120
Fund Balance - End of Year	$ 4,075,060	$ 269,524	$ 239,040	$ 7,664	$ 4,591,288

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

TOWN OF TYRONE, GEORGIA

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

Year Ended June 30, 2011

Net Change in Fund Balances - Total Government Funds:	$	53,766
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($144,476) was less than depreciation ($303,056) in the period.		(158,580)
The net effectof various miscellaneous transactions involving capital assets (I,e., sales, trade-ins, and donations)is to increase net assets.		(27,276)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(17,659)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds (change in compensated absences).		4,792
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		15,756
Change in Net Assets of Government Activities	$	(129,201)

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

TOWN OF TYRONE, GEORGIA

GENERAL FUND

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

Year Ended June 30, 2011

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 2,617,604	$ 2,617,604	$ 2,690,280	$ 72,676
Licenses and Permits:	99,836	99,836	121,741	21,905
Intergovernmental	10,800	10,800	31,773	20,973
Charges for Services	20,521	20,521	37,780	17,259
Fines and Forfeitures	174,500	174,500	249,077	74,577
Interest Income	7,000	7,000	8,912	1,912
Miscellaneous:	19,318	19,318	66,191	46,873
Total Revenues	2,949,579	2,949,579	3,205,754	256,175
Expenditures:				
Current:				
General Government	975,141	975,141	787,007	188,134
Municipal Court	88,081	88,081	86,602	1,479
Public Safety	1,217,615	1,217,615	1,146,126	71,489
Public Works	433,343	494,343	333,356	160,987
Recreation	87,055	87,054	77,843	9,211
Parks	71,500	71,500	70,336	1,164
Public Library	195,684	195,684	175,541	20,143
Planning & Zoning	17,261	17,261	16,769	492
Total Current Expenditures	3,085,680	3,146,679	2,693,580	453,099
Debt Service:				
Principal	-	-	15,756	(15,756)
Interest	-	-	1,087	(1,087)
Total Debt Service	-	-	16,843	(16,843)
Capital Outlay:				
General Government	111,500	111,500	7,525	103,975
Public Safety	29,844	29,844	-	29,844
Public Works	129,000	129,000	35,261	93,739
Parks	-	-	6,528	(6,528)
Total Capital Outlays	270,344	270,344	49,314	221,030
Total Expenditures	3,356,024	3,417,023	2,759,737	657,286
Excess (Deficiency) of Revenues over Expenditures Before Other Financing Sources (Uses)	(406,445)	(467,444)	446,017	913,461
Other Financing Sources (Uses) Prior Year Reserve	197,100	136,100	-	(136,100)
Excess (Deficiency) of Revenues over Expenditures After Other Financing Sources (Uses)	(209,345)	(331,344)	446,017	777,361
Fund Balance at Beginning of Year	3,575,923	3,575,923	3,575,923	-
Prior Period Adjustment	53,120	53,120	53,120	-
Fund Balance at End of Year	$ 3,419,698	$ 3,297,699	$ 4,075,060	$ 777,361

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

TOWN OF TYRONE, GEORGIA

CONFISCATED ASSETS FUND

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

Year Ended June 30, 2011

	Budget			Variance Positive
	Original	Revised	Actual	(Negative)
Revenues:				
Federal and State Confiscations	$ 345,819	$ 345,819	$ 44,904	$ (300,915)
Interest on Investments	-	-	-	-
Total Revenues	345,819	345,819	44,904	(300,915)
Expenditures:				
Public Safety	25,000	25,000	81,905	(56,905)
Capital Outlays	122,000	122,000	64,662	57,338
Total Expenditures	147,000	147,000	146,567	433
Net Change in Fund Balances	198,819	198,819	(101,663)	(300,482)
Fund Balance at Beginning of Year	371,187	371,187	371,187	-
Fund Balance at End of Year	$ 371,187	$ 371,187	$ 269,524	$ (300,482)

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

TOWN OF TYRONE, GEORGIA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2011

	Sewer	Sanitation	Total Enterprise Funds
ASSETS			
Current Assets			
Cash and Equivalents	$ 669,879	$ 199,384	$ 869,263
Accounts Receivable, Net of Bad Debt Allowance	-	651	651
Due from Fayette County	30,791	-	30,791
Total Current Assets	700,670	200,035	900,705
Noncurrent Assets			
Capital Assets			
Wastewater Treatment Rights, Net of Accumulated Amortization	776,013	-	776,013
Other Capital Assets, Net of Accumulated Depreciation	802,682	-	802,682
Total Noncurrent Assets	1,578,695	-	1,578,695
Total Assets	2,279,365	200,035	2,479,400
LIABILITIES and NET ASSETS			
LIABILITIES			
Current Liabilities			
Accounts Payable	18,730	24,417	43,147
Unearned Revenue	-	31,991	31,991
Total Current Liabilities	18,730	56,408	75,138
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,578,695	-	1,578,695
Unrestricted	681,940	143,627	825,567
Total Net Assets	$ 2,260,635	$ 143,627	$ 2,404,262

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

TOWN OF TYRONE, GEORGIA

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

PROPRIETARY FUNDS

Year Ended June 30, 2011

	Sewer	Sanitation	Total Enterprise Funds
Operating Revenues:			
Sewer Charges	$ 326,762	$ -	$ 326,762
Sanitation Charges	-	353,478	353,478
Other Revenue	-	420	420
Total Operating Revenues	326,762	353,898	680,660
Operating Expenses:			
Cost of Goods Sold	-	291,489	291,489
Personnel Costs	39,790	19,652	59,442
Utilities	14,805	-	14,805
Telephone	1,422	-	1,422
Supplies	126	5,134	5,260
Sewer Fees	57,497	-	57,497
Repairs and Maintenance	14,446	-	14,446
Miscellaneous	5,503	3,761	9,264
Insurance	14,282	-	14,282
Bad Debts	-	4,537	4,537
Depreciation Expense	30,158	-	30,158
Amortization	119,618	-	119,618
Total Operating Expenses	297,647	324,573	622,220
Operating Income	29,115	29,325	58,440
Changes in Net Assets	29,115	29,325	58,440
Net Assets - Beginning of Year	2,231,520	114,302	2,345,822
Net Assets - End of Year	$ 2,260,635	$ 143,627	$ 2,404,262

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

TOWN OF TYRONE, GEORGIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2011

	Sewer	Sanitation	Total Enterprise Funds
Increase (Decrease) in Cash:			
Cash Provided by (Used in) Operating Activities:			
Receipts from Customers	$ 333,176	$ 352,994	$ 686,170
Payments to Suppliers	(138,031)	(323,780)	(461,811)
Net Cash Provided by (Used in) Operating Activities	195,145	29,214	224,359
Net Increase (Decrease) in Cash	195,145	29,214	224,359
Cash at Beginning of Year	474,734	170,170	644,904
Cash at End of Year	669,879	199,384	869,263
Classified As:			
Current Assets	669,879	199,384	869,263
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	29,115	29,325	58,440
Adjustments Not Affecting Cash:			
Depreciation and Amortization	149,776	-	149,776
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	6,414	6,091	12,505
(Increase) Decrease in Due from Other Funds	-	-	-
(Increase) Decrease in Accrued Interest Receivable	-	-	-
(Increase) Decrease in Prepaid Expenses	-	-	-
Increase (Decrease) in Accounts Payable	9,840	793	10,633
Increase (Decrease) in Unearned Revenue	-	(6,995)	(6,995)
Increase (Decrease) in Accrued Liabilities	-	-	-
Total Adjustments	166,030	(111)	165,919
Net Cash Provided by (Used in) Operating Activities	$ 195,145	$ 29,214	$ 224,359

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

TOWN OF TYRONE, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND

June 30, 2011

	Agency Fund Municipal Escrow Balance
ASSETS	
Cash	$ 40,152
Accounts Receivable	23,739
Total Assets	40,152
LIABILITIES	
Accounts Payable	31,786
Municipal Escrow	447
Due to Fayette County	2,097
Due to Others	5,822
Total Liabilities	$ 40,152
NET ASSETS	
Net Assets	-

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

TOWN OF TYRONE, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND

For the Year Ended June 30, 2011

	Agency Fund Municipal Escrow Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS				
Cash	$ 9,325	$ 30,827	$ -	$ 40,152
Accounts Reeceivable	-	23,739	-	23,739
Total Assets	9,325	54,566	-	63,891
LIABILITIES				
Accounts Payable	-	31,786	-	31,786
Due to Others	5,822	-	-	5,822
Municipal Escrow	1,406	-	959	447
Due to Fayette County	2,097	-	-	2,097
Due to General Fund	-	23,739	-	23,739
Total Liabilities	$ 9,325	$ -	$ 959	$ 63,891
NET ASSETS				
Net Assets	$ -	$ -	$ -	$ -

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

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

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

Based upon criteria set forth by Governmental Accounting Standards Board (GASB) Statement 14 "The Financial Reporting Entity" as amended by GASB Statement 39 "Determining Whether Certain Organizations are Component Units", the Town was determined to have no component units as of June 30, 2011.

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

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

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

C. Measurement Focus, Basis of Accounting and Basis of Presentation. The government-wide financial statements are reported using the economic resource measurement focus and the actual accrual basis of accounting, as are the proprietary fund financial statements. Fiduciary or agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available, Revenues are

considered to be available when they are collectible within the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The Town reports the following major governmental funds:

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

The **2005 SPLOST Fund** is a capital projects fund accounting for the proceeds of a one percent Special Purpose Local Option Sales Tax (SPLOST). Funds are used for road improvements, public safety projects, recreation projects; water and sewer projects, and public buildings projects.

The **Confiscated Fund** is a major special revenue fund which accounts for revenue sources that are legally restricted to expenditure for specific purposes, and is considered a major fund.

The Town reports the following major proprietary funds:

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

The **Sanitation Fund** accounts for the provision of sanitation collection services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Additionally, the Town reports the following fund types:

The **Founders Day Fund** accounts for the revenues and expenditures of the Founders Day event held annually to commemorate the founding of the Town.

The **Agency Fund** is used to account for the collection and disbursement of monies by the Town's Municipal Court on behalf of other governments and individuals. After distribution of designated monies to other government agencies, the balance of funds is disbursed to the General Fund.

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

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

Proprietary funds distinguish operating revenues and expenses from 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 enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

F. Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Prepaid Items - Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items in both the government-wide and fund financial statements.

H. Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB 34, the Town has elected not to include infrastructure acquired or constructed prior to July 1, 2003.

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

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

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

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

J. Long-Term Obligations. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are reported as deferred charges.

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

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

L. Fund Equity
Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

• **Non-spendable** - Fund balances are reported as non-spendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

• **Restricted** - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

• **Committed** - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

• **Assigned** - Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's finance committee or the City's finance director to assign fund balances.

• **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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

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

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets. The governmental fund balance sheet includes a

reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $80,309 difference are as follows:

Compensated absences	$ 59,460
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets-governmental activities*	$ 59,460

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

One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as "depreciation expense." The details of this ($48,580) difference are as follows:

Capital outlay	$ 144,476
Depreciation expense	(303,056)
Net adjustment to increase *net changes in fund balance - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (158,580)

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

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

2. Public hearings are conducted at the Town Hall to obtain taxpayer comments. The budget is formally enacted through passage of a resolution by the Town Council.

3. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Expenditures should not exceed the legally adopted budget at the department level without Council action amending the budget. Department heads have the authority to transfer line item budget amounts within their department up to $2,500 without Council approval. All appropriations lapse at the end of each fiscal year.

4. Budgets are based on the same method of accounting as the funds they represent. Budgeted amounts are as originally adopted, or as amended by the Town Council.

NOTE 4. DEPOSITS AND INVESTMENTS. Total deposits and investments as of June 30, 2011, are as follows:

Amounts as presented on the entity wide statement of net assets:	
Governmental activities:	
Cash and equivalents	$ 2,359,376
Investments	2,000,000
Business-type activities:	
Cash and equivalents	869,263
Amounts presented on the fiduciary statement of net assets:	
Agency funds	
Cash and equivalents	40,152
Total cash and investments	$ 5,268,791

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

Custodial credit risk - deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2011, all of the Town's bank balances were covered by either federal depository insurance or by collateral held by the Town's agent in the Town's name.

NOTE 5. RECEIVABLES. Property taxes were levied on September 1, 2010, against a taxable digest established as of January 1, 2010. Property taxes were due on December 1, 2010, and were considered delinquent the following day which would also be the lien date. Receivables are recorded when taxes are levied and billed.

The net receivables collected during the year ended June 30, 2011, and expected to be collected by August 31, 2011, are recognized as revenues in the year ended June 30, 2011. Net receivables estimated to be collectible subsequent to August 31, 2011 are recorded as revenue when received.

Receivables consisted of the following at June 30, 2011:

Type	General	Other Governmental	Sewer	Sanitation	Total
Taxes	$ 205,181	$ -	$ -	$ -	$ 205,181
Accounts	85,155	23,827	-	651	109,633
Intergovernment	-	-	30,791	-	30,791
Total	$ 290,336	$ 23,827	$ 30,791	$ 651	$ 345,605

NOTE 6 CAPITAL ASSETS.

Governmental Activities as of June 30, 2011:

Asset Class	Balance 6/30/10	Increases	Decreases	Balance 6/30/11
Capital assets not being depreciated				
Land	$ 1,388,114	$ 30,500	$ -	$ 1,418,614
Construction in progress	45,341	33,090	-	78,431
Total	1,433,455	63,590	-	1,497,045
Capital assets being depreciated				
Building	2,147,678	-	-	2,147,678
Infrastructure	64,137	2,172	-	66,309
Improvements other than buildings	2,452,724	-	-	2,452,724
Machinery, equipment, and vehicles	1,239,170	78,714	(82,720)	1,235,164
Total capital assets being depreciated	5,903,709	80,886	(82,720)	5,901,875
Less accumulated depreciation for:				
Building	262,898	45,449	-	308,347
Infrastructure	155,733	51,971	-	207,704
Improvements other than buildings	377,201	92,903	-	470,104
Machinery, equipment, and vehicles	443,593	112,733	(55,444)	500,882
Total accumulated depreciation	1,239,425	303,056	(55,444)	1,487,037
Total capital assets being depreciated, net	4,664,284	(222,170)	(27,276)	4,414,838
Governmental activities capital assets, net	$ 6,097,739	$ (158,580)	$ (27,276)	$ 5,911,883

Business-type activities as of June 30, 2011:

Asset Class	Balance 7/1/10	Increases	Decreases	Balance 6/30/11
Capital assets being depreciated:				
Infrastructure	$ 1,065,874	$ -	$ -	$ 1,065,874
Equipment	25,991	-	-	25,991
Total capital assets being depreciated	1,091,865	-	-	1,091,865
Less accumulated depreciation for:				
Infrastructure	257,162	29,638		286,800
Equipment	1,863	520	-	2,383
Total accumulated depreciation	259,025	30,158	-	289,183
Total capital assets being depreciated, net	832,840	(30,158)	-	802,682
Capital assets being amortized				
Wastewater treatment rights	1,315,788	-	-	1,315,788
Less accumulated amortization	420,157	119,618	-	539,775
Total capital assets being amortized, net	895,631	(119,618)	-	776,013
Business type activities capital assets, net	$ 1,728,471	$ (149,776)	$ -	$ 1,578,695

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

Governmental activities:	
General government	$ 10,204
Judicial	628
Public safety	51,856
Public works	79,246
Recreation	2,206
Parks	91,666
Library	67,250
Total depreciation expense-governmental activities	$ 303,056
Business-type activities	
Sewer	$ 149,776

NOTE 7. GENERAL LONG-TERM DEBT.

Capital Leases. The Town has entered into lease agreements as lessee for financing the acquisition of public safety vehicles and equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore have been recorded at the present value of the future minimum lease payments as of the date of inception. Equipment leased under the capital leases totaled $133,228 net of accumulated depreciation of $45,458 and is included in the government activity capital assets. The balance of the capital lease was paid during the year.

Long-term activity for the year ended June 30, 2011 was as follows:

	Balance 7/1/10	Increases	Decreases	Balance 6/30/11	Due within one year
Governmental activities:					
Capital leases	$ 15,756		$ 15,756	$ -	$ -
Compensated absences	64,252		4,792	59,460	59,460
Total long-term activity	$ 80,008	$ -	$ 20,548	$ 59,460	$ 59,460

The Town typically uses the General Fund to liquidate the liability for compensated absences. It recognizes all compensated absences as short-term since all absences could theoretically be redeemed within one year and due to the Town following the accounting principle of conservatism.

NOTE 8. PENSION PLAN.

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

amend the benefit provisions of the plans that participate in GMEBS to the respective employer entities; for the Town of Tyrone Retirement Plan, the authority rests with the Town Council of Tyrone.

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

Funding Policy. The Town's policy is to contribute the actuarially determined amount as recommended by GMEBS. The Town makes all contributions to the Town of Tyrone Retirement Plan. The Town is required to contribute at an actuarially determined rate; the current rate is 9.58% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by the GMEBS Board of Trustees.

Annual Pension Cost. For the year ended June 30, 2011, the Town's annual pension cost and amount contributed was $90,899 for the plan. Recommended contributions of $97,593 and $104,569 were determined as part of the January 1, 2011 and 2010 actuarial valuations, respectively, using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases for inflation of 3.0% per year and for merit or seniority of 0.5% per year, (c) no postretirement benefit increases, and (d) no cost of living adjustments. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 31 years from 1987 and current changes in the unfunded actuarial liability over 15 years; for actuarial gains and losses, 20 years for plan provisions; and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for the plan year. The method for determining the actuarial value of assets is part of the GMEBS actuarial funding policy. This method produces an adjusted actuarial value of assets. A smoothing technique gradually incorporates investment performance that exceeds or falls short of the expected return of 7.75%. The following table provides the three year trend information:

Fiscal year	Annual pension cost	Percentage of APC contributed	Net pension obligation
2009	88,607	100%	-
2010	105,370	100%	-
2011	97,593	100%	-

Schedule of Funding Progress. The following information presented is based on the January 2011, 2010, and March 1, 2009 actuarial valuations.

	2011	2010	2009
Actuarial value of assets	$ 1,085,900	$ 971,576	$ 740,905
Actuarial accrued liabilitiy	1,274,039	1,177,603	1,096,850
Funded ratio	85.2%	82.5%	67.5%
Total unfunded actuarial liability	188,139	206,027	355,945
Annual covered payroll	1,302,595	1,123,340	1,169,413
Ratio of unfunded to annual covered payroll	14.4%	18.3%	30.4%

NOTE 9. RISK MANAGEMENT. The Town is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The

Town has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

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

Settled claims in the past three (3) years have not exceeded insurance coverage.

NOTE 10. JOINT VENTURE. Under Georgia law, the Town, in conjunction with other cities and counties in the ten (10) county Atlanta area, is a member of the Atlanta Regional Commission (Regional Development Center RDC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2011 the Town's membership dues were paid by Fayette County, Georgia. The Town did not pay any annual dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia.

The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

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

NOTE 11. COMMITMENTS AND CONTINGENCIES.

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

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

NOTE 12. FUND BALANCES.

Non-spendable. The following fund balances are non-spendable because they are allocated to:

General Fund	$ 119,281

Restricted. The following fund balances are restricted for: Special Revenue Funds:+

Public Safety	$ 269,524
Public Works	239,040
Founders Day	7,664
	$ 516,228

Committed. The following fund balances are committed to:

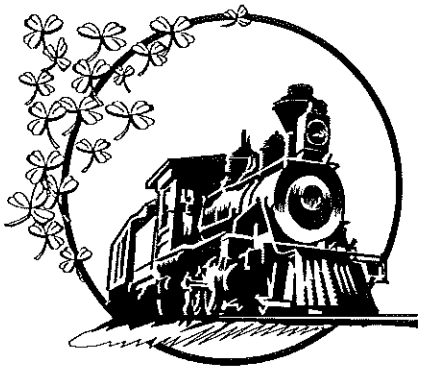
General Fund	$ 136,100

Unassigned. The City's policy is to maintain an adequate General Fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster.

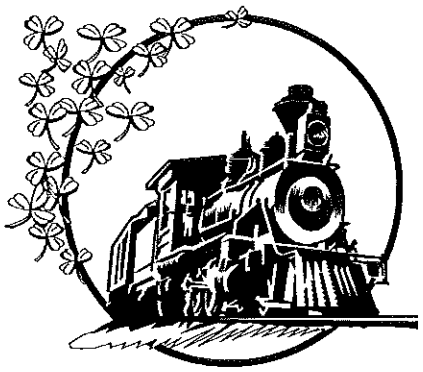
General Fund	$ 3,819,679

NOTE 13. PRIOR PERIOD ADJUSTMENT.

During the audit it was discovered that the Town had neglected to record fines receivable in the amount of $19,579 from the probation company for the year ended June 30, 2010. It was also determined that the Town had neglected to accrue franchise tax revenue of $33,541 during the year ended June 30, 2010. Both of these amounts have been recorded as prior period adjustments during the year ended June 30, 2011 and total $53,120.



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Nonmajor Governmental Fund

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The **Founders Day Fund** accounts for revenues and expenditures pertaining to the Founders Day event.

S.P.L.O.S.T. Fund -

Budget to Actual Comparison

Special Option Local Sales Tax Fund (**SPLOST**) capital project fund comparison of budgeted amounts to actual is presented here.

TOWN OF TYRONE, GEORGIA

COMBINING BALANCE SHEET

NON-MAJOR FUNDS

June 30, 2011

	Founders Day
ASSETS	
Cash and Equivalents	$ 7,689
Total Assets	7,689
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	25
Fund Balances	
Restricted	7,664
Total Fund Balance	7,664
Total Liabilities and Fund Balance	$ 7,689

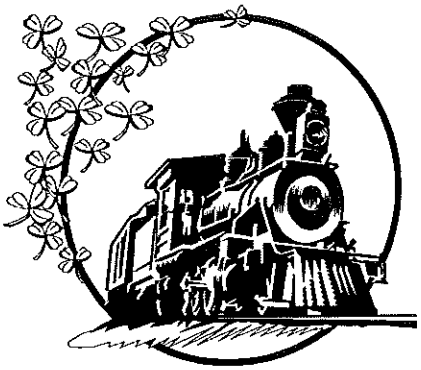
TOWN OF TYRONE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2011

	Founders Day
Revenues:	
Charges for Services	$ 23,145
Total Revenues	23,145
Expenditures:	
Founders Day Expenditures	19,860
Excess Revenues Over Expenditures Before Other Financing Sources (Uses)	3,285
Fund Balance - Beginning of Year	4,379
Fund Balance - End of Year	$ 7,664



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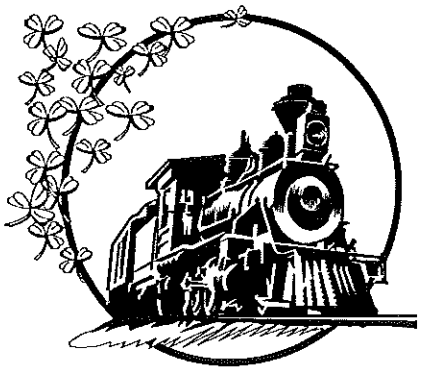
TOWN OF TYRONE, GEORGIA

SPLOST FUND

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

Year Ended June 30, 2011

	Budget			Variance Positive
	Original	Revised	Actual	(Negative)
Revenues:				
Taxes	$ -	$ -	$ 1,970	$ 1,970
Interest on Investments	-	-	-	-
Total Revenues	-	-	1,970	1,970
Expenditures:				
Road Resurfacing	400,000	400,000	265,343	134,657
Purchase of Land	-	-	30,500	(30,500)
Total Expenditures	400,000	400,000	295,843	104,157
Net Change in Fund Balances	(400,000)	(400,000)	(293,873)	106,127
Fund Balance at Beginning of Year	532,913	532,913	532,913	-
Fund Balance at End of Year	$ 132,913	$ 132,913	$ 239,040	$ 106,127



Capital Assets Used in the Operation of Governmental Funds

TOWN OF TYRONE, GEORGIA

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

June 30, 2011

Governmental Funds Capital Assets:	
Land	$ 1,418,614
Construction In Progress	78,431
Buildings	2,147,678
Infrastructure	864,042
Improvements Other Than Buildings	1,654,991
Machinery and Equipment	1,235,164
Total Governmental Funds Capital Assets	7,398,920
Investment in Governmental Funds Capital Assets by Source:	
General Fund	6,301,699
2005 SPLOST Fund	528,116
Confiscated Assets Funds	569,105
Total Investment in Capital Assets	$ 7,398,920

TOWN OF TYRONE, GEORGIA

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

June 30, 2011

Function and Activity	Total June 30, 2011	Land	Infrastucutre	Improvements Other Than Buildings	Buildings	Machinery and Equipment	Construction In Progress
General Government	$ 496,643	$ 187,000	$ -	-	$ 258,000	$ 51,643	$ -
Municipal Court	6,280	-	-	-	-	6,280	-
Public Safety	378,336	52,472	-	-	92,595	226,117	7,152
Public works	524,113	-	136,213	7,854	94,690	252,266	33,090
Recreation	456,550	348,608	-	-	107,942	-	-
Parks	2,633,323	800,034	230,213	1,339,250	240,226	23,600	-
Confiscated Fund	569,105	-	-	-	90,835	440,081	38,189
Library	1,806,454	-	-	307,887	1,263,390	235,177	-
SPLOST Fund	528,116	30,500	497,616	-	-	-	-
Total Capital Assets	$ 7,398,920	$ 1,418,614	$ 864,042	1,654,991	$ 2,147,678	$ 1,235,164	$ 78,431

TOWN OF TYRONE, GEORGIA

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

For the Year Ended
June 30, 2011

Function and Activity	General Fund Capital Assets July 1, 2010	Additions	Deductions	General Fund Capital Assets June 30, 2011
General Government	$ 489,118	$ 7,525	$ -	$ 496,643
Municipal Court	6,280	-	-	6,280
Public Safety	432,097	-	53,761	378,336
Public works	488,852	35,261	-	524,113
Recreation	456,550	-	-	456,550
Parks	2,626,794	6,529	-	2,633,323
Confiscated Fund	533,403	64,662	28,960	569,105
Library	1,806,454	-	-	1,806,454
SPLOST Fund	497,616	30,500	-	528,116
Total Capital Assets	$ 7,337,164	$ 144,477	$ 82,721	$ 7,398,920

STATISTICAL SECTION

This part of the Town of Tyrone's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the Town's overall financial health.

Contents	Page
Financial Trends *These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.*	59-62
Revenue Capacity *These schedules contain information to help the reader assess the Town's most significant local revenue sources.*	63-66
Debt Capacity *These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.*	67-69
Demographic and Economic Information *These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.*	70 and 71
Operating Information *These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.*	72-75

Sources: Unless otherwise noted, the information in these schedules is derived from the Town's financial reports for the relevant year. The Town implemented GASB 34 in 2004; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.

TOWN OF TYRONE, GEORGIA

TABLE 1

NET ASSETS BY COMPONENT

Last Eight Fiscal Years

Primary Government	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	$ 2,740,414	$ 2,872,963	$ 3,331,878	$ 3,987,910	$ 6,137,805	$ 6,099,762	$ 6,081,983	$ 5,911,883
Restricted for:								
Community Development	356,290	559,287	450,272	376,664	357,671	-	-	-
Capital Projects	-	-	446,748	668,585	360,339	545,634	532,913	269,524
Unrestricted	1,003,075	1,449,756	1,778,677	2,495,393	2,236,940	3,491,373	3,926,087	4,283,495
Total Governmental Activities Net Assets	4,099,779	4,882,006	6,007,575	7,528,552	9,092,755	10,136,769	10,540,983	10,464,902
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	990,678	960,188	929,818	925,139	1,671,505	1,671,505	1,728,470	-
Unrestricted	716,366	830,085	1,159,223	1,186,618	507,963	561,761	617,352	825,567
Total Business-Type Activities Net Assets	1,707,044	1,790,273	2,089,041	2,111,757	2,179,468	2,233,266	2,345,822	825,567
Primary Government								
Invested in Capital Assets, Net of Related Debt	3,731,092	3,833,151	4,261,696	4,913,049	7,809,310	7,771,267	7,810,453	269,524
Restricted	356,290	559,287	897,020	1,045,249	718,010	545,634	532,913	
Unrestricted	1,719,441	2,279,841	2,937,900	3,682,011	2,744,903	4,053,134	4,543,439	5,109,062
Total Primary Government Net Assets	$ 5,806,823	$ 6,672,279	$ 8,096,616	$ 9,640,309	$ 11,272,223	$ 12,370,035	$ 12,886,805	$ 5,378,586

Note: Information for fiscal years prior to fiscal year 2004 not available.

TOWN OF TYRONE, GEORGIA

TABLE 2

CHANGES IN NET ASSETS
Last Eight Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental Activities								
General Government	$ 704,560	$ 689,895	$ 706,252	$ 826,777	$ 955,483	$ 818,219	$ 766,638	$ 799,159
Judicial	75,821	69,173	74,906	73,750	101,936	79,872	88,991	86,961
Public Safety	887,418	924,579	1,040,212	1,124,375	1,390,504	1,141,111	1,241,629	1,586,993
Public Works	358,430	350,628	409,079	309,460	356,329	388,208	512,758	365,449
Culture and Recreation	303,044	235,590	318,026	341,442	470,745	-	-	-
Recreation	-	-	-	-	-	171,838	78,488	80,062
Parks	-	-	-	-	-	45,352	143,146	162,002
Founders Day	-	-	-	-	-	90,571	12,969	19,860
Library	-	-	-	-	-	209,921	235,892	241,716
Planning & Zoning	-	-	-	-	-	7,565	10,622	16,769
Housing and Community Development	26,401	27,478	58,265	91,701	81,476	-	-	-
Interest on Long-Term Debt	4,421	3,077	4,267	5,180	5,684	6,185	3,228	1,087
Total Governmental Activities Expenses	2,360,095	2,300,420	2,611,007	2,772,685	3,362,157	2,958,842	3,094,361	3,380,058
Business-Type Activities								
Sewer	74,298	112,894	185,914	254,386	231,153	284,272	249,748	297,647
Sanitation	165,554	220,681	229,253	275,438	296,420	301,028	315,613	324,573
Total Business-Type Activities Expenses	239,852	333,575	415,167	529,824	527,573	585,300	565,361	622,220
Total Primary Government Expenses	2,599,947	2,633,995	3,026,174	3,302,509	3,889,730	3,544,142	3,659,722	4,002,278
Program Revenues								
Governmental Activities								
Charges for Services	940,618	965,463	1,012,457					
General Government	-	-	-	702,585	510,707	-	59,540	42,650
Public Safety	-	-	-	137,632	107,716	616,807	182,268	249,077
Public Works	-	-	-	123,964	-	-	-	-
Recreation	-	-	-	36,845	45,249	41,504	10,778	10,248
Parks	-	-	-	-	-	64,692	91,826	60,925
Grants and Contributions	-	-	-	18,000	30,000	52,468	114,152	37,809
Capital Grants and Contributions	-	-	-	288,712	1,169,837	-	-	44,904
Total Governmental Activities Program Revenue	940,618	965,463	1,012,457	1,307,738	1,863,509	775,471	458,564	445,613
Business-Type Activities								
Charges for Services-Sewer	110,993	194,890	251,989	252,690	275,584	311,063	328,206	326,762
Charges for Services-Sanitation	178,068	216,801	223,175	287,617	304,605	319,105	337,284	353,898
Capital Grants and Contributions	-	-	232,500	-	-	-	-	-
Total Business-Type Activities Program Revenu	289,061	411,691	707,664	540,307	580,189	630,168	665,490	680,660
Total Primary Government Program Revenues	1,229,679	1,377,154	1,720,121	1,848,045	2,443,698	1,405,639	1,124,054	1,126,273
Net (Expense) Revenue								
Governmental Activities	(1,419,477)	(1,334,957)	(1,598,550)	(1,464,947)	(1,498,648)	(2,183,371)	(2,635,797)	(2,934,445)
Business-Type Activities	49,209	78,116	292,497	10,483	52,616	44,868	100,129	58,440
Total Primary Government Net (Expense)	(1,370,268)	(1,256,841)	(1,306,053)	(1,454,464)	(1,446,032)	(2,138,503)	(2,535,668)	(2,876,005)
General Revenue and Other Changes in Net Assets								
Governmental Activities:								
Taxes:								
Property	578,853	665,711	815,653	979,775	1,276,947	1,081,100	1,099,288	1,073,789
Sales	781,086	771,400	1,138,375	1,154,114	856,048	1,047,108	796,572	799,847
Franchise	235,145	278,283	327,551	379,599	419,173	423,324	460,387	497,214
Insurance Premium	168,306	182,296	196,127	205,198	214,044	221,182	217,115	210,805
Other	88,399	91,897	121,264	127,893	251,296	167,510	283,591	214,677
Unrestricted Investment Earnings	7,690	12,926	36,358	53,033	109,887	30,602	9,077	8,912
Other Revenue	60,290	114,671	88,791	86,312	293,127	193,072	173,982	-
Total Governmental Activities	1,919,769	2,117,184	2,724,119	2,985,924	3,420,522	3,163,898	3,040,012	2,805,244
Business-Type Activities								
Other Taxes	5,134	4,847	3,905	9,196	-	-	-	
Unrestricted Investment Income	101	266	2,366	3,037	15,095	8,930	1,116	-
Income from Negotiated Settlement	-	-	-	-	-	-	11,311	-
Total Business-Type Activities	5,235	5,113	6,271	12,233	15,095	8,930	12,427	-
Total Primary Government	1,925,004	2,122,297	2,730,390	2,998,157	3,435,617	3,172,828	3,052,439	2,805,244
Change in Net Assets								
Governmental Activities	500,292	782,227	1,125,569	1,520,977	1,921,874	980,527	404,215	(129,201)
Total Business-Type Activities	54,444	83,229	298,768	22,716	67,711	53,798	112,556	58,440
Total Primary Government	$ 554,736	$ 865,456	$ 1,424,337	$ 1,543,693	$ 1,989,585	$ 1,034,325	$ 516,771	$ (70,761)

Note: Information for fiscal years prior to 2004 is not available.

TOWN OF TYRONE, GEORGIA

TABLE 3

FUND BALANCES, GOVERNMENTAL FUNDS

Last Eight Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011
General Fund								
Non-spendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 119,281
Committed for:								
General Government	-	-	-	-	-	-	-	136,100
Unassigned	-	-	-	-	-	-	-	3,819,679
Reserved	406,569	612,909	465,652	442,625	423,632	87,260	107,066	-
Unreserved	781,832	1,218,053	1,708,420	2,283,443	2,009,886	2,909,220	3,468,857	-
Total General Fund	1,188,401	1,830,962	2,174,072	2,726,068	2,433,518	2,996,480	3,575,923	4,075,060
All Other Governmental Funds								
Restricted for:								
Public Safety	-	-	-	-	-	-	-	269,524
Public Works	-	-	-	-	-	-	-	239,040
Founders Day	-	-	-	-	-	-	-	7,664
Reserved	185,630	187,987	446,748	668,585	360,339	545,634	639,979	-
Unreserved, Reported in:								
Special Revenue Funds	56,804	66,707	140,000	250,315	230,715	498,305	375,566	-
Total All Other Governmental Funds	$ 242,434	$ 254,694	$ 586,748	$ 918,900	$ 591,054	$ 1,043,939	$ 1,015,545	$ 516,228

Note: Information for fiscal years prior to 2004 not available.

TOWN OF TYRONE, GEORGIA

TABLE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Eight Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:								
Taxes	$ 1,850,992	$ 1,983,763	$ 2,598,712	$ 2,840,363	$ 3,017,507	$ 2,910,741	$ 2,754,318	$ 2,692,250
Licenses and Permits	418,078	501,339	404,055	343,935	200,214	131,334	130,851	121,741
Intergovernmental Revenue	-	-	-	118,163	1,199,837	442,060	280,320	76,677
Charges for Services	229,983	237,627	211,857	168,621	117,111	118,308	102,604	60,925
Fines, Forfeitures, and Fees	265,978	202,633	376,726	425,068	346,348	227,215	182,268	249,077
Interest	7,690	12,926	36,358	53,033	109,887	30,602	9,077	8,912
Other Revenue	86,869	138,535	108,610	149,714	54,065	49,626	67,354	58,934
Total All Governmental Funds	2,859,590	3,076,823	3,736,318	4,098,897	5,044,969	3,909,886	3,526,792	3,268,516
Expenditures								
Current:								
General Government	692,987	678,985	666,032	769,908	944,677	806,621	755,280	787,007
Judiciary	75,821	69,173	74,906	72,131	101,936	79,348	87,955	86,602
Public Safety	934,257	939,756	1,121,411	1,163,232	1,363,238	1,108,791	1,179,894	1,228,031
Public Works	341,630	354,351	457,396	355,940	317,172	358,520	452,316	598,699
Recreation	-	-	-	-	-	78,762	77,133	77,843
Parks	-	-	-	-	-	45,352	51,860	70,336
Founders Day	-	-	-	-	-	23,319	12,969	19,860
Library	-	-	-	-	-	186,792	169,787	175,541
Planning & Zoning	-	-	-	-	-	7,565	10,622	16,769
Culture and Recreation	384,378	357,266	695,729	356,196	438,568	-	-	-
Housing and Community Development	26,401	27,478	58,265	91,701	40,587	-	-	-
Capital Outlay:	-	-	-	421,186	2,053,319	210,837	250,963	144,476
Debt Service								
Principal	38,648	44,688	46,392	55,120	56,782	43,407	30,801	15,756
Interest and Fiscal Charges	3,516	4,298	4,073	5,125	5,684	6,185	3,228	1,087
Total Expenditures	2,497,638	2,475,995	3,124,204	3,290,539	5,321,963	2,955,499	3,082,808	3,222,007
Excess (deficit) of Revenues Over Expenditures	361,952	600,828	612,114	808,358	(276,994)	954,387	443,984	46,509
Other Financing Sources (Uses)								
Capital Leases	52,490	46,383	57,950	62,290	61,126	-	-	-
Proceeds from the Sale of Capital Assets	-	7,610	5,100	13,500	14,603	-	-	7,257
Total Other Financing Sources (Uses)	52,490	53,993	63,050	75,790	75,729	-	-	7,257
Net Change in Fund Balance	$ 414,442	$ 654,821	$ 675,164	$ 884,148	$ (201,265)	$ 954,387	$ 443,984	$ 53,766
Debt Service as a Percentage of Noncapital Expenditures	1.69%	1.98%	1.62%	2.10%	1.91%	1.81%	1.20%	0.55%

Note: Information for fiscal years prior to 2004 not available.

TOWN OF TYRONE, GEORGIA

Table 5

ASSESSED VALUE AND ESTIMATED TRUE VALUE
OF ALL TAXABLE PROPERTY

Last Ten Fiscal Years

Year	Real Property		Personal Property		Public Utilities		Total Property		Ratio Total Assessed Value to Total True Value	Total Direct Tax Rate
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value		
2002	95,631,383	239,078,458	13,037,943	32,594,858	1,393,963	3,484,908	110,063,289	275,158,224	40%	2.500
2003	111,697,455	279,243,638	16,449,760	41,124,400	1,555,441	3,888,603	129,702,656	324,256,641	40%	2.900
2004	162,337,333	405,843,333	15,456,419	38,641,048	1,670,995	4,177,487	179,464,747	448,661,868	40%	2.900
2005	200,442,123	501,105,308	14,607,423	36,518,558	1,820,232	4,550,580	216,869,778	542,174,446	40%	2.900
2006	244,882,471	612,206,178	18,246,668	45,616,670	1,861,004	4,652,510	264,990,143	662,475,358	40%	2.900
2007	333,778,904	834,447,260	25,687,005	64,217,513	1,922,345	4,805,863	361,388,254	903,470,636	40%	2.900
2008	331,588,183	828,970,458	25,687,005	64,217,513	2,190,721	5,476,803	359,465,909	898,664,773	40%	2.900
2009	353,952,320	884,880,800	25,898,547	64,746,368	2,096,637	5,241,593	381,947,504	954,868,760	40%	2.889
2010	357,315,295	893,288,238	23,786,500	59,466,250	2,075,299	5,188,248	383,177,094	957,942,735	40%	2.889
2011	340,635,353	851,588,383	22,961,163	57,402,908	1,958,558	4,896,395	365,555,074	913,887,685	40%	2.889

TOWN OF TYRONE, GEORGIA

Table 6

TAX RATES

Last Ten Fiscal Years

Tax Rates - Per Hundred Dollars

Fiscal Year	Total Milleage Rate	(1) Town of Tyrone	<---Fayette County---> Operating	Debt Service	<--Board of Education--> Operating	Debt Service	Fire Milleage Rate	EMS Milleage Rate	State of Georgia
2002	35.900	2.500	7.590	-	18.050	3.730	3.780	-	0.250
2003	35.540	2.900	7.120	-	17.650	4.040	3.580	-	0.250
2004	36.060	2.900	6.820	-	18.870	3.830	3.390	-	0.250
2005	35.440	2.900	6.380	-	18.990	3.690	3.230	-	0.250
2006	33.898	2.900	5.692	-	18.600	3.550	2.906	-	0.250
2007	32.728	2.900	5.432	-	18.596	3.550	2.000	-	0.250
2008	33.278	2.900	5.432	-	18.596	3.550	2.000	0.550	0.250
2009	34.998	2.889	5.400	-	19.750	4.170	1.991	0.548	0.250
2010	32.728	2.889	5.400	-	20.000	1.650	1.991	0.548	0.250
2011	33.384	2.889	5.645	-	20.000	1.650	2.500	0.450	0.250

Source-Fayette County Tax Commisioner property tax records.

(1)This is 100% operating millage and is 100% of direct rate.

TOWN OF TYRONE, GEORGIA

Table 7

PRINCIPAL PROPERTY TAXPAYERS

Current Year and ThreeYears Ago

Taxpayer	2011 Assessed Valuation	2011 Rank	2011 % of Total Assessed Valuation	2008 Assessed Valuation	2008 Rank	2008 % of Total Assessed Valuation
Georgia Masonry	$ 4,592,534	1	1.26%	$ 4,924,087	1	1.48%
Pavestone Co, LP	4,281,523	2	1.17%	4,862,712	2	1.46%
John Wieland Homes and Neighborhood	3,240,981	4	0.89%	4,185,292	4	1.25%
DDRM Southhampton Village	3,122,928	3	0.85%	4,304,800	3	1.29%
Hanson Aggregates Southeast	2,648,552	5	0.72%	2,650,340	5	0.79%
Martin Marietta Materials	2,464,573	7	0.67%	-	-	-
Smith-Walker LLC	2,454,240	6	0.67%	2,266,992	6	0.68%
Hobgood Family LP	1,565,387	9	0.43%	1,671,164	10	0.50%
Shamrock Real Estate	1,531,424	10	0.42%	1,806,888	8	0.54%
Glendalough Manor & Associates	1,522,280	8	0.42%	-	-	-
Guthhrie Development	-	-	-	1,742,355	9	0.52%
John Wieland Homes	-	-	-	1,873,480	7	0.56%
Other Taxpayers	342,723,186	-	93.75%	308,414,881	-	92.40%
	$ 365,555,074		100.00%	$ 333,778,904		100.00%

Source: Town of Tyrone, Georgia and Fayette County, Georgia tax records.
Note (1) Information prior to 2008 not available.

TOWN OF TYRONE, GEORGIA

Table 8

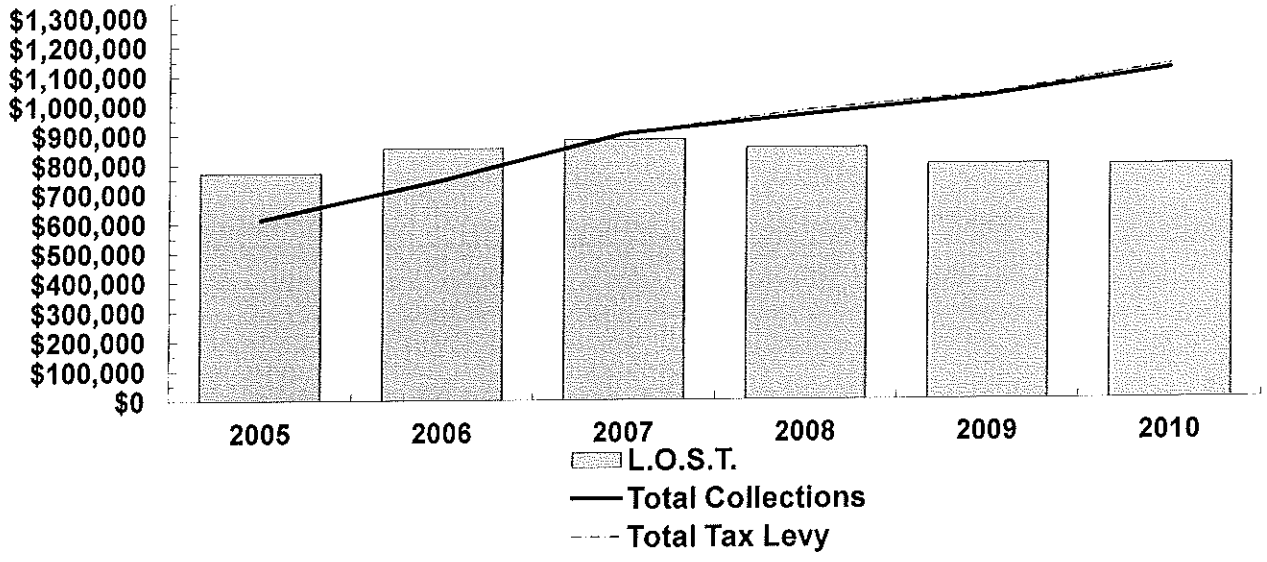
PROPERTY TAX LEVIES AND COLLECTIONS

Last Seven Fiscal Years

Year	Total Tax Levy	Collections of Current Year Taxes During Year	Percentage of Levy Collected During Year	Collected in Subsequent Years	Total Collections Amount	Total Collections Percent of Levy	Local Option Sales Tax Collected
2005	614,278	597,841	97.32%	16,068	613,909	99.94%	771,400
2006	749,720	731,807	97.61%	16,883	748,690	99.86%	854,605
2007	905,365	885,842	97.84%	18,593	904,435	99.90%	884,300
2008	983,812	939,438	95.49%	28,819	968,257	98.42%	856,048
2009	1,038,948	973,546	93.70%	57,708	1,031,254	99.26%	800,292
2010	1,136,871	1,070,421	94.16%	53,830	1,124,251	98.89%	796,572
2011	1,014,714	964,852	95.09%	-	964,852	95.09%	797,877

Note (1) Local Option Sales Tax revenues for the city are based on 1% of L.O.S.T. taxable sales.
Note (2) Information for fiscal years prior to 2005 is not available.

TAX LEVIES AND TAX COLLECTIONS LAST TEN FISCAL YEARS



TOWN OF TYRONE, GEORGIA

Table 9

RATIO OF OUTSTANDING DEBT BY TYPE

Last Eight Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	% of Estimated Actual Value of Taxable Property	% of Personal Income	Per Capita
2003	-	51,655	51,655	0.02%	1.40%	13.19
2004	-	65,497	65,497	0.01%	1.68%	16.39
2005	-	67,192	67,192	0.01%	N/A	16.39
2006	-	78,750	78,750	0.01%	N/A	18.75
2007	-	85,920	85,920	0.01%	N/A	12.68
2008	-	90,265	90,265	0.01%	N/A	13.76
2009	-	46,557	46,557	0.00%	N/A	6.12
2010	-	16,057	16,057	0.00%	N/A	2.11
2011	-	-	-	0.00%	N/A	0.00

Note: Details regarding the Town's oustanding debt can be found in the notes to the financial statements.
Note: Information for fiscal years prior to fiscal year 2003 not available.

TOWN OF TYRONE, GEORGIA

Table 10

LEGAL DEBT MARGIN TABLE

Last Eight Fiscal Years

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	$ 19,330,143	$ 23,326,092	$ 26,112,231	$ 26,112,231	$ 35,946,591	38,194,750	$ 38,317,709	$ 36,555,507
Total Net Debt Applicable to Limit	32,114	67,182	78,750	85,920	90,265	46,557	16,057	-
Legal Debt Margin	$ 19,298,029	$ 23,258,910	$ 26,033,481	$ 26,026,311	$ 35,856,326	38,148,193	$ 38,301,652	$ 36,555,507
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.17%	0.29%	0.30%	0.33%	0.25%	0.12%	0.04%	0.00%

Legal Debt Margin Calculated for Fiscal Year 2011:

Total Assessed Value	$ 365,555,074
Debt Limit 10%	36,555,507
Debt Applicable to:	
Capital Leases	15,723
Legal Debt Margin	$ 36,539,784

Note (1) Under state finance law, the Town's outstanding general obligation debt should not exceed 10 percent of the total assessed property value. By law, the general obligation debt subject to the limitations may be offset by amounts set aside for repaying general obligation debt.

Note (2) Information for fiscal years prior to 2004 is not available.

TOWN OF TYRONE, GEORGIA

Table 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2011

Jurisdiction	<----Fiscal Year 2011----> Debt Outstanding	Percentage Applicable to Town of Tyrone	Amount Applicable to Town of Tyrone	<----Fiscal Year 2008----> Debt Outstanding	Percentage Applicable to Town of Tyrone	Amount Applicable to Town of Tyrone
Debt repaid with property taxes:						
Fayette County:						
Fayette County School Board	$ 81,028,368	0.00%	$ -	$ 122,345,800	0.00%	$ -
Direct:						
Town of Tyrone capital leases	-	100.00%	-	90,265	100.00%	90,265
Total	$ 81,028,368		$ -	$ 122,436,065		$ 90,265

Source-Town Capital Lease records, Fayette County bond records

Note: Information for the fiscal years prior to 2008 not available.

TOWN OF TYRONE, GEORGIA

TABLE 12

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Nine Fiscal Years

Year	Population(a)	Personal Income(b)	Per Capita Personal Income(c)	Unemployment Rate(d)
2003	3,916	$ 3,692,804	$ 37,363	3.00%
2004	3,995	3,895,415	38,442	2.90%
2005	4,100	4,093,529	39,941	4.60%
2006	4,200	N/A	41,498	4.00%
2007	6,777	N/A	43,117	N/A
2008	6,561	N/A	26,463	4.60%
2009	7,610	N/A	42,384	5.10%
2010	6,584	N/A	42,667	8.10%
2011	6,879	N/A	32,902	8.30%

(a) Population estimates from 2006 national census for Town of Tyrone plus additions based on new residential construction.
(b) Source: Georgia Department of Labor-Area Labor Profiles-Town individual information not available.
(c) Source: U.S. Bureau of Labor Statistics, Bestplaces.net (2011)
(d) Source: Georgia Department of Labor-Area Labor Profiles- Fayette County, Bestplaces.net (2011)

Note: Information for fiscal years prior to 2003 not available.

TOWN OF TYRONE, GEORGIA

TABLE 13

PRINCIPAL EMPLOYERS

Current Year and Four Years Ago

	2011		2007	
Employer	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
Publix Supermarket	81	3.94%	N/A	N/A
Pavesstone Company	55	2.68%	N/A	N/A
Massana Construction	54	2.63%	N/A	N/A
Peach State Ambulance	52	2.53%	41	1.99%
Glendalough Manor	39	1.90%	31	1.51%
Custom Molded Products	35	1.70%	28	1.36%
F & S Mechanical	34	1.65%	N/A	N/A
Georgia Masonry Supply	33	1.61%	N/A	N/A
Gene Lynn Electric	30	1.46%	40	1.95%
Osmos Utilities Services	27	1.31%	N/A	N/A
Gene Lynn Electric	N/A	N/A	40	1.95%
Wings & Things	N/A	N/A	32	1.56%
Glendalough Manor	N/A	N/A	31	1.51%
Custom Molded Products	N/A	N/A	28	1.36%
Gutherie Construction Co., Inc.	N/A	N/A	51	2.48%
Wings & Things	N/A	N/A	32	1.56%
All Others	1,616	78.60%	1,702	82.78%
Total Employees *	2,056	100.00%	2,056	100.00%

Source: Fayette County Chamber of Commerce.
* U. S. Census 2000
Note: Information for the fiscal years prior to 2007 not available.

TOWN OF TYRONE, GEORGIA

TABLE 14

FULL TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Seven Fiscal Years

Fiscal Year Ended	Administrative Department	Judicial Court	Public Safety Department	Public Works Department	Recreation Department	Total
2005	7	1	15	4	1	28
2006	7	1	16	4	1	29
2007	7	1	17	4	1	30
2008	6	1	22	4	1	34
2009	6	1	17	4	1	29
2010	7	1	18	4	1	31
2011	7	1	17	4	1	30

Source-Town Personnel Records.

Note: Information for the fiscals years prior to 2005 not available.

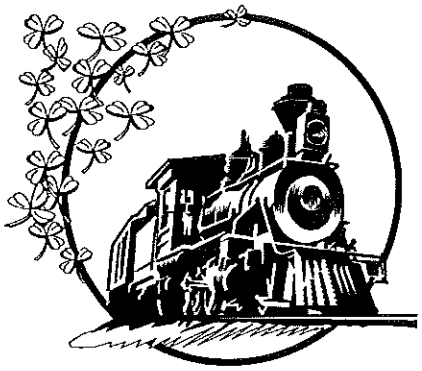
TOWN OF TYRONE

TABLE 15

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	9	9	10	10	11	12	12	13	13	13
Citations	1,208	1,485	1,316	1,625	2,232	2,622	2,109	2,287	1,838	2,331
DUI	31	30	28	25	31	54	26	19	37	46
Warnings Issued	-	-	-	-	-	-	1,322	2,156	1,930	2,667
Auto Theft	3	6	7	9	7	7	5	3	7	6
Rape	-	-	-	-	-	-	-	1	-	2
Robbery	1	-	-	1	1	-	2	-	3	1
Burglary	9	11	12	25	33	26	31	13	15	28
Theft	61	59	85	99	77	115	106	101	72	72
Highways and Streets										
Miles Paved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	80.24	80.46	80
Miles Unpaved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.78	2.56	3
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1356	1356	1356
Caution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Sewer										
Miles Storm	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74.12	74.12	74.12
Miles Sanitary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.8	9.8	9.8

Source-Town Departmental Records. N/A = Not Available



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TOWN OF TYRONE, GEORGIA

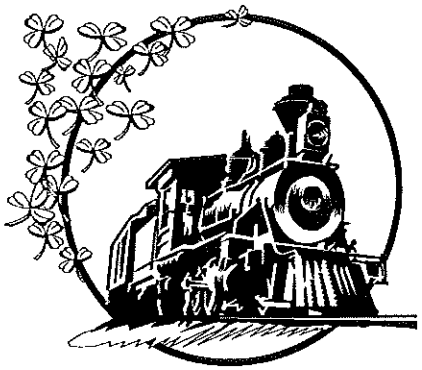
Table 16

CONSTRUCTION ACTIVITY

Last Ten Fiscal Years

Fiscal year Ended, June 30,	Residential Permits Issued	Residential Value	Commercial Permits Issued	Commercial Value
2002	206	$ 27,368,800	4	$ 1,144,000
2003	152	26,368,600	11	1,969,000
2004	209	42,855,123	44	6,491,397
2005	184	41,153,004	22	5,849,450
2006	148	38,287,720	21	8,206,639
2007	72	29,345,510	46	8,285,269
2008	38	5,826,020	27	5,653,063
2009	85	7,136,604	22	14,456,100
2010	64	5,367,176	20	1,406,632
2011	68	2,758,001	25	654,553

Source-Construction Permits and Local Area Banks.



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Report on Compliance and on Internal Controls Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited the financial statements of the Town of Tyrone, Georgia as of and for the year ended June 30, 2011, and have issued our report thereon dated December 8, 2011. 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.

Internal Control Over Financial Reporting

Management of the Town of Tyrone, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Tyrone, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Tyrone, Georgia's internal control over financial reporting. 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 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. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters that we reported to management of Town of Tyrone, Georgia in a separate letter dated December 8, 2011. This report is intended solely for the information and use of management, the Town Council, the Mayor, and others within the Town, and is not intended to be and should not be used by anyone other than these specified parties.

Tyrone, Georgia
December 8, 2011