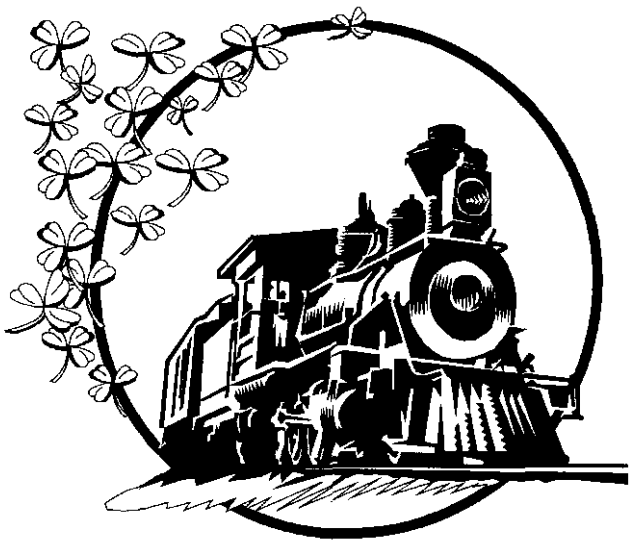


TOWN OF TYRONE, GEORGIA

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2012

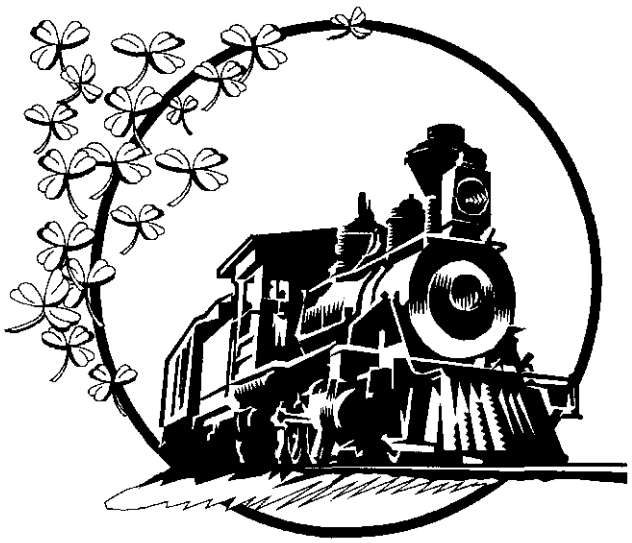
Prepared by:

Department of Finance

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Part I

Introductory Section



TOWN OF TYRONE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2012

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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, 2011

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.



Christopher P Morrill

President

Jeffrey L. Esser

Executive Director

TOWN OF TYRONE, GEORGIA

Listing of Principal Officials

On June 30, 2012

Mayor

Howard Eric Dial

Mayor Pro Tem

Gloria Furr

Town Council Members

Linda Howard

Ryan Housley

Ken Matthews

Interim Town Manager

Chief Brandon Perkins

Finance / Human Resources Manager

Penny M. Hunter

Town Clerk

Adrienne Dee Baker

Chief of Police

R. Brandon Perkins

Town Attorney

McNally, Fox, Grant, Davenport

Municipal Judge

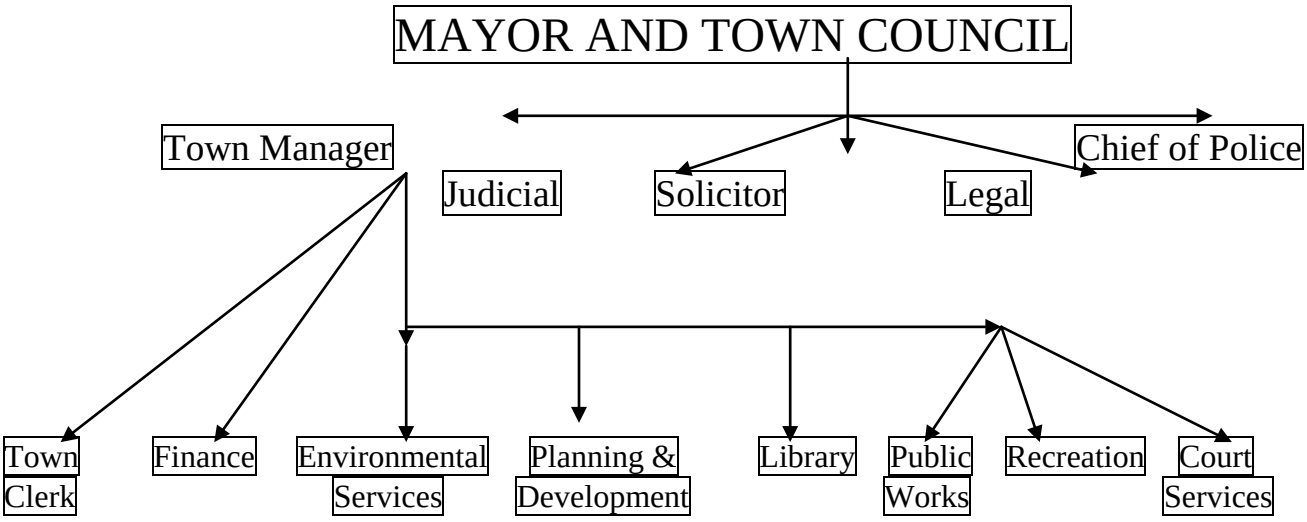
Sharon Pierce

Town Auditors

Rushton and Company, LLC

TOWN OF TYRONE, GEORGIA

ORGANIZATIONAL CHART



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Town of Tyrone
Incorporated 1911

December 27, 2012

The Honorable Eric Dial, Mayor
Members of the Town Council, and
Citizens of the Town of Tyrone

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the Town of Tyrone, Georgia, for the fiscal year ended June 30, 2012, is submitted for review as mandated by both local ordinance and state statutes. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is 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 of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

To provide a reasonable basis for making these representations concerning the finances of the Town, the Town of Tyrone has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Tyrone's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

In the Financial Section immediately after the independent auditor's report is a management's discussion and analysis which provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis begins on page 3. The Tyrone Code of Ordinances and the Official Code of Georgia, annotated, require an annual audit of the books of account, financial records and transactions of all funds and activities of the Town by independent certified public accountants selected by the Mayor and Council. This requirement has been met, and the independent auditor's report has been included in the Financial Section of this report.

This report has been prepared with the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA), in accordance with generally accepted accounting principles and current financial reporting standards as set forth by the Governmental Accounting Standards Board (GASB).

881 Senoia Road • Tyrone, GA 30290
Phone (770) 487-4038 • Fax (770) 487-4529
www.tyrone.org

PROFILE OF THE GOVERNMENT

The Town of Tyrone is a residential community located about 25 miles south of Atlanta. The 23.9 square miles of land in the area of Tyrone originally belonged to the Creek Indians. In the late 1800's, Irish farmers settled the area. Interestingly, some of the homes built by those first settlers are still occupied by their descendants. Tyrone was officially incorporated on August 18, 19011, 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.

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.

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, was the founding of the Little Vine Missionary Baptist Church, a Black church that also served as a school, 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.

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. According to the 2010 U.S. Census, Tyrone has a population of 6,879 while Fayette County has 106,465. The governing authority of the Town is composed of a Mayor and four Council Members, who appoint a Manager to administer the daily operations of the Town.

This growth has been reflected in the growth of Tyrone's government from $904,991 in general fund revenues in 1993 to $3,271,768 in general fund revenues in 2012. 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 on millage rate and ad valorem taxes 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.

The Town of Tyrone provides a full range of governmental and utility services. These include general government administration, police protection, sanitation and recycling services, animal control, streets and public works, parks and recreation, planning and zoning, and a municipal court system.

The annual budget serves as the foundation for the Town of Tyrone's financial planning and control. All departments of the Town of Tyrone are required to submit requests for appropriation to the Town Manager in March of each year. The Town Manager uses these requests as a starting point for developing a proposed budget. The Town Manager then presents this proposed budget to the council for review during the month of May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the Town of Tyrone's fiscal year. The appropriated budget is prepared by fund, function, and department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

This report includes all the funds of the Town of Tyrone. Following standards established by the Governmental Accounting Standards Board and others, the Town of Tyrone has reviewed the relationship between itself and other local agencies to determine the amount of control or dependency on the Town.

ECONOMIC CONDITION AND OUTLOOK

The Town's financial outlook continues to be based on the overall decline in the world economy which continues to affect Tyrone in 2012. A big factor is 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 2.89 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 6,879 citizens.

MAJOR EVENTS OR INITIATIVES

The Town continued to provide solid waste disposal services twice weekly to over 2,000 residents in the Town. The impact the Town has on this community is evident on a daily basis in the majority of homes, businesses, and organizations in the area. Following are highlights of major projects or events in fiscal year 2012.

The Town of Tyrone began re-negotiation talks with the County and other Municipalities located within Fayette to apportion the Local Option Sales Tax based upon the new census figures during 2012. The significant increase in population and services provided by the Town

guarantee the Town an increase in L.O.S.T. proceeds. This increase in revenue will assist the Town with the loss in property tax revenue realized by the lower assessed property values. Proceeds from the local option sales tax continue to play a significant role in the revenue generation for the Town.

Administration – During Fiscal Year 2012, the Town Council approved and implemented a Fund Balance Policy establishing a minimum Unassigned Fund Balance equal to 100% of General Fund expenditures. The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget. The main objective of establishing and maintaining a Fund Balance Policy is for the Town to be in a strong fiscal position that will allow for better position to weather negative economic trends.

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 30% decrease in traffic citations over the past year. Auto theft, robbery and general theft are up in Tyrone; however, burglary and DUI arrest are down.

Library - The Tyrone Library experienced a 12.39 percent decrease in circulation from 80,044 to 70,124 in 2012. 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 Department 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 could be completed in the spring of 2013. Judge Pierce completed her twenty-third year on the bench with Tyrone and also serves as Municipal Court Judge in Senoia.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Tyrone for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011, for the fourth consecutive year. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

We would like to thank the Mayor and the members of the Town Council for their interest and support in this report on the financial condition of the Town. The Mayor and Council should also be acknowledged for their valuable contributions in the planning and conducting of the financial affairs of the Town in a responsible and progressive manner.

Respectfully submitted,

Penny M. Hunter

Penny M. Hunter, MBA

Finance/HR Manager

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Part II

Financial Section



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Independent Auditor's Report

Honorable Mayor and
Members of the Town Council
Town of 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, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Tyrone, Georgia, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 information of the Town of Tyrone, Georgia, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, and the budgetary comparison 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 our report dated December 27, 2012, on our consideration of the Town of Tyrone, Georgia internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tyrone, Georgia, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, the special local option sales tax schedule of expenditures, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, and the special local option sales tax schedule of expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Tyrone, it is our pleasure to present this narrative discussion and analysis of the Town of Tyrone's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2012. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the Town of Tyrone. This analytical information is designed to be read in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The Town of Tyrone's assets exceeded its liabilities at June 30, 2012 by $13,457,278 (reported as *net assets).*
- As of June 30, 2012 Tyrone's governmental funds reported combined ending fund balances of $4,729,373.

More detailed information regarding these activities and funds begins on page 6.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to the Town of Tyrone's basic financial statements. The Town of Tyrone's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the Town as a whole)

The focus of the government-wide financial statements is on the overall financial position and activities of the Town of Tyrone and is designed to provide readers with a broad overview of the Town's financial activities in a manner similar to a private business enterprise.

The Town's government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These two statements report information about the Town of Tyrone using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Assets*** (page 11) is to attempt to report all of the assets held and liabilities owed by the Town. The Town reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net assets.* Although the purpose of the Town is not to accumulate net assets, in general, as this amount increases it indicates that the financial position of the Town is improving over time.

The ***Statement of Activities*** (page 12), on the other hand, presents the revenues and expenses of the Town. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net assets.* The primary focus of the Statement of Activities is on the *net cost* of various activities provided by the Town and identifies the extent to which each function of the Town draws from general revenues or is self-financing through fees, grants, or other sources

In the Statement of Net Assets and the Statement of Activities, we divide the Town of Tyrone into two types of activities:

- ***Governmental Activities*** – Most of the Town's basic services are reported under this category, including police, recreation, public works, and general administration. Sales tax, property taxes, and intergovernmental revenues finance most of these services.

- ***Business-type Activities*** – The Town charges fees to customers to assist in covering all or most of the cost for certain services it provides. The sewer system and garbage collection fees are reported in this category.

The Town's government-wide financial statements are presented on pages 11-12.

Fund Financial Statements (Reporting the Town's Major Funds)

The focus of fund financial statements is directed to specific activities of the Town and its most significant funds, not the Town as a whole. A fund is an entity with a self-balancing set of accounts that the Town uses to tract specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the Town's non-major funds can be found beginning on page 45. The Town's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however governmental fund financial statements focus on the short-term view of the Town's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided after each statement.

  In addition to the General Fund, which is considered a major fund, the Town of Tyrone maintains two governmental fund types:

  1. Special Revenue Funds
  2. Capital Projects Funds

  The Town of Tyrone adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

  The Town's basic governmental fund financial statements are presented on pages 13-17of this report.

- ***Proprietary Funds*** – When the Town charges customers for the services it provides – whether to outside customers or to other departments of the Town – these services are generally reported in proprietary funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

  Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The Town of Tyrone uses enterprise funds, which are considered major funds, to account for its Sewer system, and Solid Waste functions.

  The Town's proprietary fund financial statements are presented on pages 18-20.

- ***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement 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 Town acts as a trustee or fiduciary for the Municipal Court Agency Fund.

  Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements.

  The Town's fiduciary fund Statement of Assets and Liabilities is presented on page 21.

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 can be found on pages 22-24 of this report.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 14 and 16), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual-to-accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.

- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred revenue on the fund statements.

- Unless due and payable, long-term liabilities, such as compensated absences only appear as liabilities in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements, but is reported as expenditures on the governmental fund financial statements.

- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the Town's Financial Position and Operations

The Town's overall financial position and operations for this year is summarized as follows based on the information included in the government-wide financial statements (see pages 11-12):

Town of Tyrone
Net Assets (Financial Position)
Fiscal Years 2011 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2011	**2012**	**2011**	**2012**	**2011**	**2012**
Current assets	$ 4,769,081	$ 4,877,035	$ 900,705	$ 1,092,886	$ 5,669,786	$ 5,969,921
Capital assets	5,911,883	6,287,448	1,578,695	1,428,250	7,490,578	7,715,698
Total assets	10,680,964	11,164,483	2,479,400	2,521,136	13,160,364	13,685,619
Current liabilities	0	133,595	0	47,711	0	181,306
Noncurrent liabilities	216,062	3,295	75,138	43,742	291,200	47,037
Total liabilities		136,890	75,138	91,453	291,200	228,343
Net Assets						
Invested in capital assets	5,911,883	6,287,448	1,578,695	1,428,250	7,490,578	7,715,698
Restricted	269,524	505,687	0	0	269,524	505,687
Unrestricted	4,283,495	4,234,458	825,567	1,001,433	5,109,062	5,235,891
Total net assets	$ 10,464,902	$ 11,027,593	$ 2,404,262	$ 2,429,683	$ 12,869,164	$ 13,457,276

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets for the Town of Tyrone exceeded liabilities by $13,457,276 at the close of the current year. However, much of those net assets either are restricted as to the purposes for which they can be used, or are invested in capital assets.

The largest portion of the Town of Tyrone's net assets (58%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The Town uses 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 of $505,687 (3%), which are legally restricted for specific purposes. The remaining balance of the Town's net assets of $5,235,891 (39%), are unrestricted net assets and may be used to meet the Town's ongoing obligations to citizens and creditors. Although the unrestricted net assets of our business-type activities represents 19% of total unrestricted net assets, these resources cannot be used to add to the net asset surplus in governmental activities. The Town generally can only use these net assets to finance the continuing operations of the business-type activities.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the Town of Tyrone's net assets changed during the year.

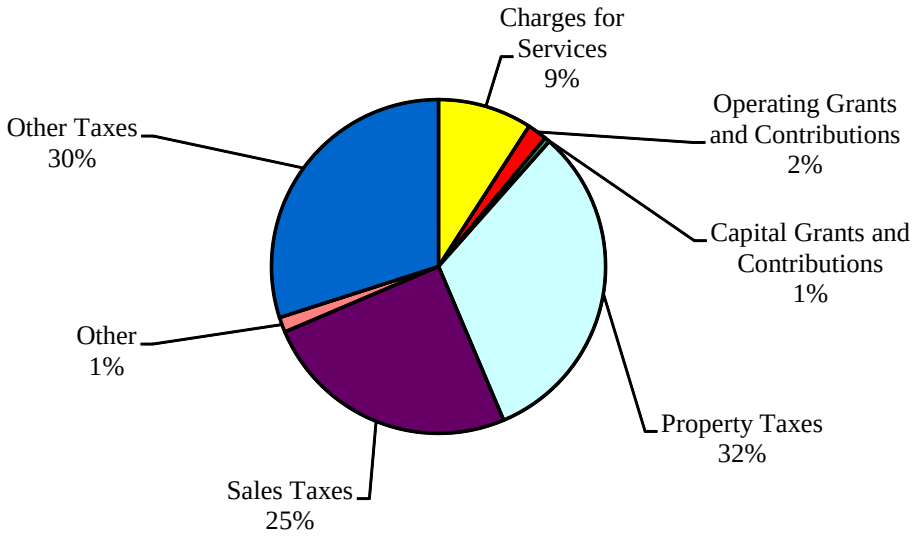
Town of Tyrone
Changes in Net Assets
For Fiscal Years 2011 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2011	**2012**	**2011**	**2012**	**2011**	**2012**
Program revenues:						
Charges for services	$ 362,900	$ 303,657	$ 680,660	$ 703,621	$ 1,043,560	$ 1,007,278
Operating grants and contributions	37,809	62,996	0	0	37,809	62,996
Capital grants and contributions	44,904	17,301	0	0	44,904	17,301
General revenues:						
Property taxes	1,056,056	1,067,511	0	0	1,056,056	1,067,511
Sales tax	797,877	830,950	0	0	797,877	830,950
Other taxes	820,658	996,465	0	0	820,658	996,465
Interest and investment earnings	8,912	25,926	0	0	8,912	25,926
Miscellaneous revenue	121,741	22,334	0	0	121,741	22,334
Total revenues	3,250,857	3,327,140	680,660	703,621	3,931,517	4,030,761
Expenses						
General Government	799,159	830,630	0	0	799,159	830,630
Judicial	86,961	88,932	0	0	86,961	88,932
Public Safety	1,586,993	1,272,841	0	0	1,586,993	1,272,841
Public Works	385,449	359,656	0	0	385,449	359,656
Culture and Recreation	503,640	499,747	0	0	503,640	499,747
Housing and Development	16,769	15,915	0	0	16,769	15,915
Interest on long-term debt	1,087	0	0	0	1,087	0
Sewer	0	0	297,647	327,982	297,647	327,982
Sanitation	0	0	324,573	345,886	324,573	345,886
Total expenses	3,380,058	3,067,721	622,220	673,868	4,002,278	3,741,589
Increase (decrease) in net assets	(129,201)	259,419	58,440	29,753	(70,761)	289,172
Net assets - beginning	10,540,983	10,464,902	2,345,822	2,404,262	12,886,805	12,869,164
Prior Period Adjustment	53,120	303,274	0	(4,332)	53,120	298,942
Net assets - beginning (restated)	10,594,103	10,768,176	2,345,822	2,399,930	12,939,925	13,168,106
Net assets - ending	$ 10,464,902	$ 11,027,595	$ 2,404,262	$ 2,429,683	$ 12,869,164	$ 13,457,278

Governmental Activities –

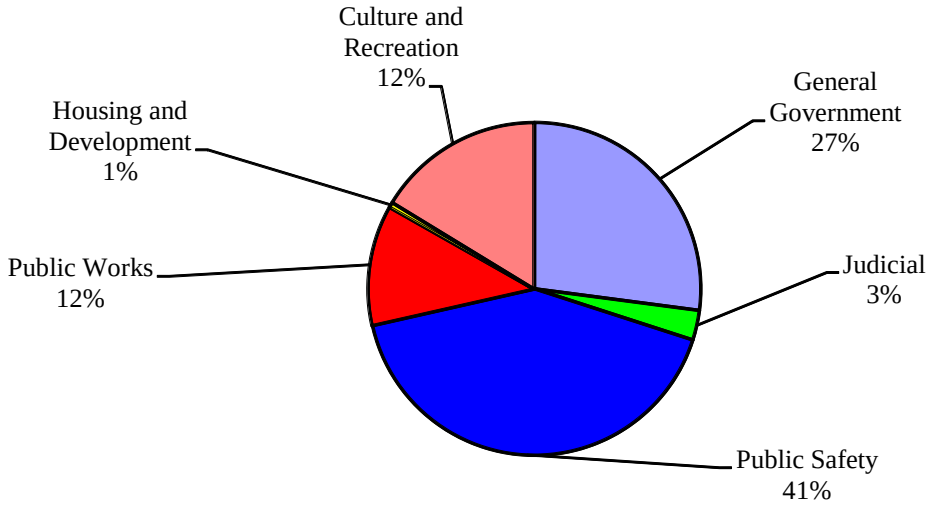
The following chart depicts revenues of the governmental activities for the year:

Revenue by Source - Governmental Activities



The following chart depicts the expenses of the governmental activities for the year:

Expenses by Function - Governmental Activities



Financial Analysis of the Town's Funds

As noted earlier, the Town of Tyrone uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Tyrone'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. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As the Town completed this year, its governmental funds reported a combined ending fund balance of $4,729,373. Of this amount, $4,118,630 (87%) constitutes unassigned and assigned fund balance, which is available for appropriation for the general purposes of the funds. The remainder of fund balance is it in a nonspendable form or is restricted for projects and is not available for spending.

The **General Fund** is the chief operating fund of the Town. At the end of the current year, unassigned fund balance was $3,843,680, restricted fund balance was $17,173, and assigned fund balance was $274,950, while total fund balance was $4,240,859. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 128% of the total General Fund expenditures, while total fund balance represents 141% of that same amount.

General Fund Budget Highlights

The original budget for the General Fund was amended by various additional revenues and appropriations approved after the beginning of the year.

Overall, the General Fund has remained under budget for many years. We continue to strive to reduce the general fund budget each year.

General Fund expenditures were $3,000,307 with appropriations of $3,447,275.

Proprietary Funds

The Town of Tyrone's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Town's two proprietary funds totaled as follows:

- Sewer $ 2,279,794
- Sanitation $ 149,889

The total increase in net assets for the two funds was $29,753. Other factors concerning the finances of these two funds have already been addressed in the discussion of The Town's business-type activities.

Capital Assets and Debt Administration

Capital Assets. The Town of Tyrone has invested $7,715,698 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 19% of these investments are related to business-type activities and approximately 81% relates to governmental activities.

Capital assets held by the Town at the end of the current year are summarized as follows:

Town of Tyrone
Capital Assets (net of accumulated depreciation)
As of June 30, 2012

	Governmental Activities	Business-type Activities	Total
Land	$ 1,418,614	$ 0	$ 1,418,614
Buildings	2,193,020	0	2,193,020
Infrastructure	378,063	1,065,874	1,443,937
Intangibles	0	1,315,788	1,315,788
Land improvements	2,458,299	0	2,458,299
Library collections	621,094	0	621,094
Vehicles and equipment	1,235,164	25,991	1,261,155
Total	8,304,254	2,407,653	10,711,907
Accumulated depreciation	(2,016,806)	(979,403)	(2,996,209)
Net Capital Assets	$ 6,287,448	$ 1,428,250	$ 7,715,698

Additional information on the Town of Tyrone's capital assets can be found in the Note 7 to the Financial Statements, Exhibit A-12, on pages 36-37 of this report.

Long-term debt. At June 30, 2012, the Town of Tyrone does not currently have any debt outstanding.

Economic Condition and Outlook

Although not immune to the weakened economy, the Town of Tyrone has executed a well thought out and thorough spending plan as well as positioning itself for future growth and health. This has caused it to compare well to other municipalities in the State of Georgia. Several factors were considered during preparation of the budget for FY2013. It is the Town's practice to take a conservative approach when budgeting for revenues. However, we realize we must be diligent in monitoring external factors that impact these estimates.

For the 2012 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 and a decrease in the assessed property values due to state law. However, the Town will maintain its current tax rate of 2.89 mills while maintain the same level of service to the citizens.

Contacting the Town's Financial Services Department

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town of Tyrone's finances and to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Town of Tyrone
ATTN: Penny M. Hunter, Finance Director/HR Director
881 Senoia Road
Tyrone, GA 30290

BASIC FINANCIAL STATEMENTS

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	$ 2,954,244	$ 1,062,342	$ 4,016,586
Restricted assets			
Cash	17,755	0	17,755
Certificates of deposit	1,609,026	0	1,609,026
Receivables (net)			
Accounts	41,651	30,544	72,195
Taxes	149,303	0	149,303
Prepaid items	105,056	0	105,056
Total current assets	4,877,035	1,092,886	5,969,921
Noncurrent assets			
Capital assets			
Non-depreciable	1,418,614	0	1,418,614
Depreciable (net)	4,868,834	1,428,250	6,297,084
Total noncurrent assets	6,287,448	1,428,250	7,715,698
Total assets	11,164,483	2,521,136	13,685,619
LIABILITIES			
Current liabilities			
Payables			
Accounts	75,571	47,711	123,282
Intergovernmental	79	0	79
Accrued salaries and expenses	28,296	0	28,296
Compensated absences	29,647	0	29,647
Unearned revenue	0	43,742	43,742
Total current liabilities	133,593	91,453	225,046
Noncurrent liabilities			
Compensated absences	3,295	0	3,295
Total liabilities	136,888	91,453	228,341
NET ASSETS			
Invested in capital assets	6,287,448	1,428,250	7,715,698
Restricted for:			
Public Safety	282,763	0	282,763
Health and Welfare	1,655	0	1,655
Culture and recreation	4,843	0	4,843
Capital outlay	216,426	0	216,426
Unrestricted	4,234,460	1,001,433	5,235,893
Total net assets	$ 11,027,595	$ 2,429,683	$ 13,457,278

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

TOWN OF TYRONE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 830,630	$ 42,937	$ 11,225	$ 0	$ (776,468)
Judicial	88,932	0	0	0	(88,932)
Public Safety	1,272,841	185,037	32,837	0	(1,054,967)
Public Works	359,656	0	0	300	(359,356)
Culture and Recreation	499,747	33,554	18,934	17,001	(430,258)
Housing and Development	15,915	42,129	0	0	26,214
Total governmental activities	3,067,721	303,657	62,996	17,301	(2,683,767)
Business-type activities					
Sewer Utility	327,982	347,141	0	0	19,159
Sanitation	345,886	356,480	0	0	10,594
Total business-type activities	673,868	703,621	0	0	29,753
Total primary government	3,741,589	1,007,278	62,996	17,301	(2,654,014)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Change in net assets			
Net (expense) revenue	$ (2,683,767)	$ 29,753	$ (2,654,014)
General revenues			
Taxes			
Property	1,067,511	0	1,067,511
Sales	830,950	0	830,950
Franchise	497,924	0	497,924
Insurance premium	322,654	0	322,654
Occupational	106,351	0	106,351
Alcoholic beverage	53,200	0	53,200
Intangibles	16,336	0	16,336
Interest and investment earnings	25,926	0	25,926
Other	22,334	0	22,334
Total general revenues and transfers	2,943,186	0	2,943,186
Change in net assets	259,419	29,753	289,172
Net assets - beginning (original)	10,464,902	2,404,262	12,869,164
Prior period adjustment	303,274	(4,332)	298,942
Net assets - beginning (restated)	10,768,176	2,399,930	13,168,106
Net assets - ending	$ 11,027,595	$ 2,429,683	$ 13,457,278

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

TOWN OF TYRONE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General	Nonmajor Governmental Funds	Total
ASSETS			
Cash and cash equivalents	$ 2,461,540	$ 492,704	$ 2,954,244
Restricted assets			
Cash	17,755		17,755
Certificates of deposit	1,609,026	0	1,609,026
Receivables (net)			
Accounts	41,651	0	41,651
Taxes	149,303	0	149,303
Prepaid items	105,056	0	105,056
Total assets	$ 4,384,331	$ 492,704	$ 4,877,035
LIABILITIES AND FUND BALANCES			
Liabilities			
Payables			
Accounts	$ 71,381	$ 4,190	$ 75,571
Intergovernmental	79	0	79
Deferred revenue	43,716	0	43,716
Accrued salaries	28,296	0	28,296
Total liabilities	143,472	4,190	147,662
Fund balances			
Nonspendable prepaids	105,056	0	105,056
Restricted for:			
Public Safety	10,675	272,088	282,763
Health and Welfare	1,655	0	1,655
Culture and Recreation	4,843	0	4,843
Capital projects	0	216,426	216,426
Assigned for:			
Budget	273,370	0	273,370
Culture and Recreation	1,580	0	1,580
Unassigned	3,843,680	0	3,843,680
Total fund balances	4,240,859	488,514	4,729,373
Total liabilities and fund balances	$ 4,384,331	$ 492,704	$ 4,877,035

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

TOWN OF TYRONE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
June 30, 2012

Total fund balance - total governmental funds	$	4,729,373
Amounts reported for governmental activities in the statement of net assets are different because:		
Some assets are not financial resources and, therefore, are not reported in the funds. These are:		
Capital assets net of accumulated depreciation		6,287,448
Long term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds. These are:		
Deferred property taxes		43,716
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Compensated absences		(32,942)
Net assets of governmental activities	$	11,027,595

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
For the fiscal year ended June 30, 2012

	General	Nonmajor Governmental Funds	Total
REVENUES			
Taxes	$ 2,872,376	$ 0	$ 2,872,376
Licenses and permits	83,020	0	83,020
Fines, fees and forfeitures	182,169	30,212	212,381
Charges for services	56,397	0	56,397
Intergovernmental	11,220	2,625	13,845
Interest	25,926	0	25,926
Contributions	18,336	0	18,336
Other	22,324	0	22,324
Total revenues	3,271,768	32,837	3,304,605
EXPENDITURES			
Current			
General Government	826,560	0	826,560
Judicial	89,668	0	89,668
Public Safety	1,185,285	30,273	1,215,558
Public Works	396,932	0	396,932
Culture and Recreation	485,947	0	485,947
Housing and Development	15,915	0	15,915
Capital outlay	0	22,614	22,614
Total expenditures	3,000,307	52,887	3,053,194
Excess (deficiency) of revenues over (under) expenditures	271,461	(20,050)	251,411
Other financing sources (uses)			
Transfers in (out)			
Transfers in	7,664	0	7,664
Transfers out	0	(7,664)	(7,664)
Sale of capital assets	10	0	10
Total other financing sources (uses)	7,674	(7,664)	10
Net change in fund balance	279,135	(27,714)	251,421
Fund balances, July 1 (original)	4,075,060	516,228	4,591,288
Prior period adjustments	(113,336)	0	(113,336)
Fund balances, July 1 (restated)	3,961,724	516,228	4,477,952
Fund balances, June 30	$ 4,240,859	$ 488,514	$ 4,729,373

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
For the fiscal year ended June 30, 2012

Net change in fund balances - total governmental funds		$ 251,421
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	$ 301,330	
Depreciation	(342,375)	(41,045)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. These include recognition of unavailable deferred revenue.		22,525
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Compensated absences		26,518
Change in net assets of governmental activities		$ 259,419

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 (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2012

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 2,702,218	$ 2,702,215	$ 2,872,376	$ 170,161
Licenses and permits	75,500	75,500	83,020	7,520
Fines, fees and forfeitures	229,500	225,000	182,169	(42,831)
Charges for services	41,023	55,023	56,397	1,374
Intergovernmental	145,300	145,300	11,220	(134,080)
Interest	10,000	10,000	25,926	15,926
Contributions	9,100	10,100	18,336	8,236
Other	17,000	11,869	22,324	10,455
Total revenues	3,229,641	3,235,007	3,271,768	36,761
EXPENDITURES				
Current				
General Government				
Administration	870,737	865,737	826,560	39,177
Judicial				
Municipal Court	91,554	91,554	89,668	1,886
Public Safety				
Public Safety	1,211,493	1,231,550	1,185,285	46,265
Public Works				
Public Works	810,017	549,595	396,932	152,663
Health and Welfare				
Shop with a Cop	7,355	7,355	0	7,355
Culture and Recreation				
Library	186,233	187,232	165,377	21,855
Parks and Recreation	151,731	476,140	298,291	177,849
Founders Day	20,953	20,953	22,279	(1,326)
Shamrock Park	659	659	0	659
Housing and Development				
Code Enforcement	16,500	16,500	15,915	585
Total expenditures	3,367,232	3,447,275	3,000,307	446,968
Excess (deficiency) of revenues over (under) expenditures	(137,591)	(212,268)	271,461	483,729
Other financing sources (uses)				
Transfers in (out)				
Transfers in	0	0	7,664	7,664
Contingency	(100,000)	(113,000)	0	113,000
Sales of capital assets	0	0	10	10
Total other financing sources (uses)	(100,000)	(113,000)	7,674	120,674
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(237,591)	(325,268)	279,135	604,403
Fund balances, July 1 (original)	237,591	325,268	4,075,060	3,749,792
Prior period adjustments	0	0	(113,336)	(113,336)
Fund balances, July 1 (restated)	237,591	325,268	3,961,724	3,636,456
Fund balances, June 30	$ 0	$ 0	$ 4,240,859	$ 4,240,859

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

TOWN OF TYRONE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2012

	Business-Type Activities		
	Sewer	Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 849,843	$ 212,499	$ 1,062,342
Accounts receivable (net)	27,922	2,622	30,544
Total current assets	877,765	215,121	1,092,886
Noncurrent assets			
Capital assets			
Depreciable (net)	1,428,250	0	1,428,250
Total assets	2,306,015	215,121	2,521,136
LIABILITIES			
Current liabilities			
Accounts payable	26,221	21,490	47,711
Unearned revenue	0	43,742	43,742
Total current liabilities	26,221	65,232	91,453
NET ASSETS			
Invested in capital assets	1,428,250	0	1,428,250
Unrestricted	851,544	149,889	1,001,433
Total net assets	$ 2,279,794	$ 149,889	$ 2,429,683

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
For the fiscal year ended June 30, 2012

	Business-Type Activities		
	Sewer	**Sanitation**	**Totals**
OPERATING REVENUES			
Charges for sales and services	$ 347,141	$ 356,480	$ 703,621
OPERATING EXPENSES			
Costs of sales and services	136,132	318,535	454,667
Personal services	41,405	27,351	68,756
Depreciation	150,445	0	150,445
Total operating expenses	327,982	345,886	673,868
Operating income (loss)	19,159	10,594	29,753
Net Assets, July 1 (original)	2,260,635	143,627	2,404,262
Prior period adjustments	0	(4,332)	(4,332)
Net assets, July 1 (restated)	2,260,635	139,295	2,399,930
Net Assets, June 30	$ 2,279,794	$ 149,889	$ 2,429,683

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

TOWN OF TYRONE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2012

	Business-Type Activities		
	Sewer	**Sanitation**	**Totals**
Cash flows from operating activities:			
Receipts from customers	$ 350,010	$ 361,928	$ 711,938
Payments to suppliers	(128,644)	(321,462)	(450,106)
Payments to employees	(41,403)	(27,351)	(68,754)
Net cash provided (used) by operating activities	179,963	13,115	193,078
Cash and cash equivalents, July 1	669,880	199,384	869,264
Cash and cash equivalents, June 30	$ 849,843	$ 212,499	$ 1,062,342
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 19,159	$ 10,594	$ 29,753
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	150,445	0	150,445
(Increase) decrease in accounts receivable	2,870	(6,303)	(3,433)
Increase (decrease) in accounts payable	7,489	(2,927)	4,562
Increase (decrease) in unearned revenue	0	11,751	11,751
Total adjustments	160,804	2,521	163,325
Net cash provided (used) by operating activities	$ 179,963	$ 13,115	$ 193,078

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

TOWN OF TYRONE, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2012

	Municipal Escrow Agency Fund
ASSETS	
Cash and cash equivalents	$ 6,084
LIABILITIES	
Due to other agencies	$ 6,084

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

1. Description of Government Unit

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

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

2. Summary of Significant Accounting Policies

A. Basis of Presentation

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 accounting policies established in GAAP and used by the Town are discussed below.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Tyrone (the primary government) and material component units. Based upon generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the Town was determined to have no component units as of June 30, 2012.

C. 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 interfund activity has been removed from these statements. Governmental activities, which normally are 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.

2. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements, continued

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 properly included among 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 funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The Town's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-type activities for the Town. Fiduciary activities of the Town are not included in these statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Accordingly, all the Town's assets and liabilities, including capital assets, as well as current year infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

2. Summary of Significant Accounting Policies (continued)

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

The types of transaction reported as program revenues for the Town are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities that normally are 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.

Governmental Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the actual accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

2. Summary of Significant Accounting Policies (continued)

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

Under the actual accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, licenses, franchise taxes, and investment income. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. The Town considers property taxes as available in the period for which they were levied if they are collected within 60 days subsequent to year-end. A 60-day availability period is also used for revenue recognition for all other governmental fund revenue.

The Town reports the following major governmental fund:

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

The Town reports the following major proprietary funds:

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

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

2. Summary of Significant Accounting Policies (continued)

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

Additionally, the Town reports the following fund types:

Governmental Fund Types

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

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

Fiduciary Fund Types

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

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

2. Summary of Significant Accounting Policies (continued)

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

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989, are generally followed in the governmental and business-type activities and enterprise fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option for 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's sewer and santation functions and the other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

E. Budgets and Budgetary Accounting

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

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting, continued

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

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

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

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

The Town does not use the encumbrance system of accounting.

2. Summary of Significant Accounting Policies (continued)

F. Cash and Investments

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

G. Intergovernmental Receivables

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items.

I. Capital Assets

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

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

2. Summary of Significant Accounting Policies (continued)

I. Capital Assets, continued

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

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

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

All land will be valued and capitalized.

The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are not capitalized.

J. Fund Balances – Governmental Funds

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at June 30, 2012, by the Town are nonspendable in form. The Town has not reported any amounts that are legally or contractually required to be maintained intact.

2. Summary of Significant Accounting Policies (continued)

J. Fund Balances – Governmental Funds, continued

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

K. Compensated Absences

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

L. 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 life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

M. Capital Contributions

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

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned. The Town has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States. The Town has no investment policy that would further limit its investment choices. Investments are reported at fair value.

Concentration of Credit Risk

The Town has no formal policy on the amount the Town may invest in any one issuer.

Foreign currency risk

The Town has no investments denominated in a foreign currency.

4. Accounts Receivable

Net accounts receivable at June 30, 2012 consist of the following:

Major Funds		
General Fund		$ 41,651
Enterprise Funds		
Sewer	$ 27,922	
Sanitation	19,249	
Less: Allowance for Uncollectibles	(16,627)	30,544
Total Primary Government		$ 72,195

5. Property Taxes

Taxes receivable as of June 30, 2012 consist of property taxes for seven years as follows:

Year of Levy	Amount
2011	$ 34,567
2010	12,439
2009	7,413
2008	7,195
2007	5,173
2006	869
2005	1,399
	69,055
Less allowance for uncollectible	(16,442)
	52,613
Add amount due from Fayette County Tax Commissioner	9,971
Total	$ 62,584

Property tax rates are set by the Town Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2012, based upon the assessments of January 1, 2011, were billed on September 15, 2011 and due on November 15, 2011. Tax liens are issued 90 days after the due date. The tax rate of 2.889 mills for fiscal year 2012 was levied on August 18, 2011.

Other Taxes

$86,719 of sales taxes are included in taxes receivable.

6. Interfund Transfers

A summary of interfund transfers for fiscal year 2012 is as follows:

	Transfers out: Non Major Fund
	Governmental
Transfers in:	
Major Fund	
General	$ 7,664

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

7. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	$1,418,614	$0	$0	$1,418,614
Construction in progress	78,431	0	(78,431)	0
Total nondepreciable assets	1,497,045	0	(78,431)	1,418,614
Depreciable assets				
Buildings	2,147,678	45,342	0	2,193,020
Infrastructure	66,309	311,754	0	378,063
Improvements other than buildings	2,452,724	5,575	0	2,458,299
Library collections	606,354	17,090	(2,350)	621,094
Vehicles and equipment	1,235,164	0	0	1,235,164
Total depreciable assets	6,508,229	379,761	(2,350)	6,885,640
Accumulated depreciation				
Buildings	(308,347)	(46,304)	0	(354,651)
Infrastructure	(207,704)	(50,554)	0	(258,258)
Improvements other than buildings	(470,104)	(93,020)	0	(563,124)
Library collections	(189,744)	(35,450)	2,350	(222,844)
Vehicles and equipment	(500,882)	(117,047)	0	(617,929)
Total accumulated depreciation	(1,676,781)	(342,375)	2,350	(2,016,806)
Total depreciable assets, net	4,831,448	37,386	0	4,868,834
Governmental activities capital assets, net	$6,328,493	$37,386	($78,431)	$6,287,448
Business-type activities				
Depreciable assets				
Infrastructure	1,065,874	0	0	1,065,874
Intangibles	1,315,788	0	0	1,315,788
Equipment	25,991	0	0	25,991
Total depreciable assets	2,407,653	0	0	2,407,653
Accumulated depreciation				
Infrastructure	(286,800)	(30,306)	0	(317,106)
Intangibles	(539,775)	(119,618)	0	(659,393)
Equipment	(2,383)	(521)	0	(2,904)
Total accumulated depreciation	(828,958)	(150,445)	0	(979,403)
Business-type activities capital assets, net	$1,578,695	($150,445)	$0	$1,428,250

Beginning balances have been restated by $416,610 for the addition of the Library collections. See Note 9.

7. Capital Assets (continued)

Primary Government

Governmental activities		
General Government	$	9,441
Judicial		628
Public Safety		76,492
Public Works		56,996
Culture and Recreation		198,818
Total depreciation expense for governmental activities	$	342,375
Business-type activities		
Sewer	$	150,445
Sanitation		0
Total depreciation expense for business-type activities	$	150,445

8. Long-term Liabilities

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the Town for year ended June 30, 2012:

	June 30 2011	Additions	Deductions	June 30 2012	Due Within One Year
Business-type activities					
Compensated Absences	$ 59,460	$ 32,942	$ 59,460	$ 32,942	$ 29,647

9. Changes in Beginning Balances

Governmental Activities

A prior period adjustment has been made to record the beginning balances of unrecorded library collection and the related accumulated depreciation at June 30, 2011. This adjustment increased beginning net assets by $416,610.

9. Changes in Beginning Balances (continued)

General Fund

A prior period adjustment has been made to decrease accounts receivable for fines receivable that the Town feels are not susceptible to accrual because they generally are not measureable until received. This adjustment decreased beginning fund balance by $23,740.

A prior period adjustment has been made to reflect deferred property taxes incorrectly calculated at June 30, 2011. This adjustment decreased beginning fund balance by $24,270.

A prior period adjustment has been made to reflect the unrecorded allowance for uncollectible property taxes at June 30, 2011. This adjustment decreased beginning fund balance by $10,971.

A prior period adjustment has been made to reflect local option sales tax incorrectly accrued at June 30 2011. This adjustment decreased beginning fund balance by $54,355.

The net effect of these adjustments decreased beginning fund balance of the General Fund by $113,336.

The net effect of these adjustments increased beginning net assets of the Governmental Activities by $303,274.

Business-type Activities

Sanitation Fund

A prior period adjustment has been made to reflect the unrecorded allowance for uncollectible utility service accounts at June 30, 2011. This adjustment decreased beginning net assets by $4,332.

Fiduciary Funds

Municipal Escrow Agency Fund

A prior period adjustment has been made to decrease accounts receivable for fines receivable that the Town feels are not susceptible to accrual because they generally are not measureable until received. This adjustment decreased beginning assets and liabilities by $23,739.

10. Pension Plan

The Town contributes and participates in an agent multiple-employer plan. The plan's assets may be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan. See Note 2 – Summary of Significant Accounting Policies for basis of accounting and reporting of investments.

Plan Description and Contribution Information

The Town contributes to the Georgia Municipal Employees Benefit System Retirement Fund (GMEBSRF), an agent multiple-employer defined benefit plan that acts as a common investment and administrative agent for municipalities in the State. The plan is administered by the Georgia Municipal Association (GMA) and provides pension benefits, death and disability benefits, which were established and may be amended by Town Council ordinance and change of contract with GMA. All full-time Town employees are eligible to participate in GMEBSFR after one year of service. The normal retirement date of full-time Town employees is attainment of age 65 with 5 years of credited service. Town employees may elect early retirement on the first day of any month prior to his/her normal retirement date if he/she has attained age 55 and has a minimum of 10 years credited service. Upon retirement, the participant is entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.25 to 2.00% percent of his/her average monthly earnings as defined in the plan for each year of credited service. The system also provides death and disability benefits. Employees vest in the plan after 5 years of full-time service with the Town.

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

10. Pension Plan (continued)

Plan Description and Contribution Information, continued

Current membership in the plan is as follows:

Retirees and beneficiaries currently receiving benefits	8
Terminated vested participants entitled to but not yet receiving benefits	13
Active participants	34
Total number of participants	55

Funding Policy. The contribution requirements of the Town are established and may be amended by Town Council. Plan members are not allowed to make contributions to this plan. The Town is required to contribute at an actuarially determined rate. The current rate is 7.36% of annual covered payroll. The Town Council provides for the benefits and funding policy through a Town ordinance and maintains the authority to change the policy. Costs of administering the plan are financed through contributions and earnings.

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2012. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	7.8%
Projected salary increases: Inflation	3.5%
Post-retirement benefit increases	3.5%
Life expectancy before and after retirement (Group Annuity Mortality table)	1994

10. Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation, continued

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate funds so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit actuarial funding method. The actuarial value of assets was determined by using the sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 2008 and current changes in the unfunded actuarial accrued 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 this plan year. The remaining amortization period at January 1, 2012 varies for the bases. The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the net pension obligations. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The Town's annual pension cost and net pension obligations for the current year were as follows:

Annual pension cost	$	97,593
Contributions made		97,593
Increase (decrease) in net pension obligation		0
Net pension obligation - beginning of year		0
Net pension obligation - end of year	$	0

10. Pension Plan (continued)

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information for the pension plan is presented.

Schedule of Employer Contributions

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	$ 88,607	100%	0
2011	105,370	100%	0
2012	97,593	100%	0

Historical Trend Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll** (c)	AAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2010	$ 971,576	$ 1,177,603	$ 206,027	82.50%	$ 1,123,230	18.34%
1/1/2011	1,085,900	1,274,039	188,139	85.23%	1,302,595	14.44%
1/1/2012	1,192,108	1,358,237	166,129	87.77%	1,168,272	14.22%

** Payroll of participants whose attained age is less than the assumed retirement age

11. Joint Ventures

Under Georgia law, the Town, in conjunction with other cities and counties in the ten county Atlanta, Georgia area, is a member of the Atlanta Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2012, the Town's membership dues were paid by Fayette County, Georgia. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Atlanta Regional Commission, 40 Courtland Street, NE Atlanta, Georgia 30303-2538.

12. Risk Management

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

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

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

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

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

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2012, the Town has no losses that are probable or estimable and accordingly has not recognized any liability.

13. Commitments and Contingencies

Contingencies

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

14. Excess of Expenditures over Appropriations in Individual Governmental Funds for which Budgets are Adopted

During the fiscal year ended June 30, 2012, the Town incurred expenditures of $22,279 in the Founders Day department of the General Fund that were materially in excess of appropriations of $20,953.

Management concurs with this finding. The Finance Director will be reviewing the comparative financial statements to budget and recommend any necessary budget revisions to the Town Council.

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Supplementary Information



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COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF TYRONE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	Special Revenue		Capital Projects	Total Nonmajor Governmental Funds
	Confiscated Assets	Founders Day	2005 SPLOST	
ASSETS				
Cash and cash equivalents	$ 276,278	$ 0	$ 216,426	$ 492,704
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 4,190	$ 0	$ 0	$ 4,190
Fund balances				
Restricted for:				
Public Safety	272,088	0	0	272,088
Capital Projects	0	0	216,426	216,426
Total fund balances	272,088	0	216,426	488,514
Total liabilities and fund balances	$ 276,278	$ 0	$ 216,426	$ 492,704

TOWN OF TYRONE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012

	Special Revenue		Capital Projects	Total Nonmajor Governmental Funds
	Confiscated Assets	Founders Day	2005 SPLOST	
REVENUES				
Fines, fees and forfeitures	$ 30,212	$ 0	$ 0	$ 30,212
Intergovernmental	2,625	0	0	2,625
Total revenues	32,837	0	0	32,837
EXPENDITURES				
Current				
Public Safety	30,273	0	0	30,273
Capital outlay	0	0	22,614	22,614
Total expenditures	30,273	0	22,614	52,887
Excess (deficiency) of revenues over (under) expenditures	2,564	0	(22,614)	(20,050)
Other financing sources (uses)				
Transfers out	0	(7,664)	0	(7,664)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	2,564	(7,664)	(22,614)	(27,714)
Fund balances, July 1	269,524	7,664	239,040	516,228
Fund balances, June 30	$ 272,088	$ 0	$ 216,426	$ 488,514

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GENERAL FUND

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

TOWN OF TYRONE, GEORGIA
GENERAL FUND
BALANCE SHEET
June 30, 2012

ASSETS	
Cash and cash equivalents	$ 2,461,540
Restricted assets	
Cash	17,755
Certificate of deposit	1,609,026
Receivables (net)	
Accounts	41,651
Taxes	149,303
Prepaid items	105,056
Total assets	$ 4,384,331
LIABILITIES AND FUND BALANCES	
Liabilities	
Payables	
Accounts	$ 71,381
Intergovernmental	79
Deferred revenue	43,716
Accrued salaries and payroll liabilities	28,296
Total liabilities	143,472
Fund balances	
Nonspendable for prepaid items	105,056
Restricted for:	
Public Safety	10,675
Health and Welfare	1,655
Culture and Recreation	4,843
Assigned for:	
Budget	273,370
Culture and Recreation	1,580
Unassigned	3,843,680
Total fund balances	4,240,859
Total liabilities and fund balances	$ 4,384,331

TOWN OF TYRONE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal year ended June 30, 2012

REVENUES	
Taxes	$ 2,872,376
Licenses and permits	83,020
Fines, fees and forfeitures	182,169
Charges for services	56,397
Intergovernmental	11,220
Interest	25,926
Contributions	18,336
Other	22,324
Total revenues	3,271,768
EXPENDITURES	
Current	
General Government	826,560
Judicial	89,668
Public Safety	1,185,285
Public Works	396,932
Culture and Recreation	485,947
Housing and Development	15,915
Total expenditures	3,000,307
Excess (deficiency) of revenues over (under) expenditures	271,461
Other financing sources (uses)	
Transfers in (out)	
Founders Day Fund	7,664
Sales of capital assets	10
Total other financing sources (uses)	7,674
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	279,135
Fund balances, July 1 (original)	4,075,060
Prior period adjustments	(113,336)
Fund balances, July 1 (restated)	3,961,724
Fund balances, June 30	$ 4,240,859

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012

	Final Budget	Actual	Variance
REVENUES			
Taxes			
General property taxes			
Property tax	$ 960,660	$ 973,099	$ 12,439
Motor vehicle tax	53,970	71,887	17,917
Total general property taxes	1,014,630	1,044,986	30,356
Local option sales tax	800,000	830,950	30,950
Intangible tax	15,280	13,714	(1,566)
Franchise tax	496,000	497,924	1,924
Insurance premium tax	210,805	322,654	111,849
Beer and wine tax	53,000	53,200	200
Occupational tax	112,500	106,326	(6,174)
Transfer tax	0	2,622	2,622
Total taxes	2,702,215	2,872,376	170,161
Licenses and Permits			
Building permits	35,000	44,794	9,794
Other	40,500	38,226	(2,274)
Total licenses and permits	75,500	83,020	7,520
Fines, fees and forfeitures	225,000	182,169	(42,831)
Charges for Services			
Founders Day	15,222	15,165	(57)
Rents and royalties	8,000	7,973	(27)
Other	31,801	33,259	1,458
Total charges for services	55,023	56,397	1,374
Intergovernmental	145,300	11,220	(134,080)
Interest	10,000	25,926	15,926
Contributions	10,100	18,336	8,236
Other	11,869	22,324	10,455
Total revenues	$ 3,235,007	$ 3,271,768	$ 36,761

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012

	Final Budget	Actual	Variance
EXPENDITURES			
Current			
General Government			
Administration			
Personal services	$ 409,018	$ 357,616	$ 51,402
Contractual services	300,769	338,245	(37,476)
Materials and supplies	144,850	130,699	14,151
Capital outlay	11,100	0	11,100
Total General Government	865,737	826,560	39,177
Judicial			
Municipal Court			
Personal Services	54,844	54,015	829
Contractual services	35,110	34,483	627
Materials and supplies	1,600	1,170	430
Total Municipal Court	91,554	89,668	1,886
Public Safety			
Public Safety			
Personal services	992,183	966,549	25,634
Contractual services	116,911	107,418	9,493
Materials and supplies	97,400	90,464	6,936
Payments to other agencies	25,056	20,854	4,202
Total Public Safety	1,231,550	1,185,285	46,265
Public Works			
Public Works			
Personal services	186,941	166,015	20,926
Contractual services	123,679	90,384	33,295
Materials and supplies	40,975	24,954	16,021
Capital outlay	198,000	115,579	82,421
Total Streets	549,595	396,932	152,663
Health and Welfare			
Shop with a Cop			
Materials and supplies	7,355	0	7,355
Culture and Recreation			
Library			
Personal services	120,359	112,823	7,536
Contractual services	16,073	13,848	2,225
Materials and supplies	50,800	38,706	12,094
Total Library	187,232	165,377	21,855
Parks and Recreation			
Personal services	62,402	60,212	2,190
Contractual services	49,529	33,257	16,272
Materials and supplies	39,800	37,155	2,645
Capital outlay	324,409	167,667	156,742
Total Parks and Recreation	476,140	298,291	177,849

TOWN OF TYRONE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012

	Final Budget	Actual	Variance
Culture and Recreation, continued			
Founders Day			
Personal services	$ 4,218	$ 3,517	$ 701
Contractual services	13,847	16,458	(2,611)
Materials and supplies	2,888	2,304	584
Total Founders Day	20,953	22,279	(1,326)
Shamrock Park			
Contractual services	659	0	659
Total Culture and Recreation	684,984	485,947	199,037
Housing and Development			
Code Enforcement			
Personal services	4,845	4,844	1
Contractual services	11,173	11,026	147
Materials and supplies	482	45	437
Total Code Enforcement	16,500	15,915	585
Total expenditures	$ 3,447,275	$ 3,000,307	$ 446,968

SPECIAL REVENUE FUND

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

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

TOWN OF TYRONE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2012

ASSETS	
Cash and cash equivalents	$ 276,278
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	$ 4,190
Fund balances	
Restricted for Public Safety	272,088
Total liabillities and fund balances	$ 276,278

TOWN OF TYRONE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012

	Final Budget	Actual	Variance
REVENUES			
Fees, fines and forfeitures	$ 0	$ 30,212	$ 30,212
Intergovernmental	22,650	2,625	(20,025)
Total revenues	22,650	32,837	10,187
EXPENDITURES			
Current			
Public Safety			
Personal services	24,756	0	24,756
Contract services	10,000	20,613	(10,613)
Materials and supplies	26,000	9,660	16,340
Capital outlay	50,000	0	50,000
Total expenditures	110,756	30,273	80,483
Excess (deficiency) of revenues over (under) expenditures	(88,106)	2,564	90,670
Fund balances, July 1	88,106	269,524	181,418
Fund balances, June 30	$ 0	$ 272,088	$ 272,088

TOWN OF TYRONE, GEORGIA
FOUNDERS DAY SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2012

ASSETS

Total assets	$ 0

LIABILITIES AND FUND BALANCES

Total liabillities and fund balances	$ 0

TOWN OF TYRONE, GEORGIA
FOUNDERS DAY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012

	Final Budget	Actual	Variance
REVENUES			
Total revenues	$ 0	$ 0	$ 0
EXPENDITURES			
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	(7,664)	(7,664)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(7,664)	(7,664)
Fund balances, July 1	0	7,664	7,664
Fund balances, June 30	$ 0	$ 0	$ 0

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CAPITAL PROJECTS FUND

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

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

TOWN OF TYRONE, GEORGIA
2005 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2012

ASSETS

Cash and cash equivalents	$ 216,426

LIABILITIES AND FUND BALANCE

Fund balances	
Restricted for capital projects	$ 216,426

TOWN OF TYRONE, GEORGIA
2005 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the fiscal year ended June 30, 2012

REVENUES	
Total revenues	$ 0
EXPENDITURES	
Capital outlay	
Public Works	22,614
Total expenditures	22,614
Excess (deficiency) of revenues over (under) expenditures	(22,614)
Fund balances, July 1	239,040
Fund balances, June 30	$ 216,426

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ENTERPRISE FUNDS

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

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

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

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
STATEMENT OF NET ASSETS
June 30, 2012

ASSETS	
Current assets	
Cash and cash equivalents	$ 849,843
Accounts receivable (net)	27,922
Total current assets	877,765
Capital assets	
Machinery and equipment	25,990
Sewer system	1,066,483
Intangibles	1,315,788
Accumulated depreciation	(980,011)
Total capital assets (net of accumulated depreciation)	1,428,250
Total assets	2,306,015
LIABILITIES	
Current liabilities	
Accounts payable	26,221
NET ASSETS	
Invested in capital assets	1,428,250
Unrestricted	851,544
Total net assets	$ 2,279,794

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal year ended June 30, 2012

OPERATING REVENUES	
Charges for sales and services	$ 347,141
OPERATING EXPENSES	
Costs of sales and services	136,132
Personal services	41,405
Depreciation	150,445
Total operating expenses	327,982
Operating income (loss)	19,159
Net assets, July 1	2,260,635
Net assets, June 30	$ 2,279,794

TOWN OF TYRONE, GEORGIA
SEWER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2012

Cash flows from operating activities:		
Receipts from customers	$	350,010
Payments to suppliers		(128,644)
Payments to employees		(41,403)
Net cash provided (used) by operating activities		179,963
Cash and cash equivalents, July 1		669,880
Cash and cash equivalents, June 30	$	849,843
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$	19,159
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		150,445
(Increase) decrease in accounts receivable		2,870
(Increase) decrease in accounts payable		7,489
Total adjustments		160,804
Net cash provided (used) by operating activities	$	179,963

TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
STATEMENT OF NET ASSETS
June 30, 2012

ASSETS	
Current assets	
Cash and cash equivalents	$ 212,499
Accounts receivable (net)	2,622
Total assets	215,121
LIABILITIES	
Current liabilities	
Accounts payable	21,490
Unearned revenue	43,742
Total liabilities	65,232
NET ASSETS	
Unrestricted	$ 149,889

TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal year ended June 30, 2012

OPERATING REVENUES	
Sanitation fees	$ 356,480
OPERATING EXPENSES	
Costs of sales and services	318,535
Personal services	27,351
Total operating expenses	345,886
Operating income (loss)	10,594
Net assets, July 1 (original)	143,627
Prior period adjustments	(4,332)
Net assets, July 1 (restated)	139,295
Net assets, June 30	$ 149,889

TOWN OF TYRONE, GEORGIA
SANITATION ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2012

Cash flows from operating activities:	
Receipts from customers	$ 361,928
Payments to suppliers	(321,462)
Payments to employees	(27,351)
Net cash provided (used) by operating activities	13,115
Cash and cash equivalents, July 1	199,384
Cash and cash equivalents, June 30	$ 212,499
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ 10,594
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	(6,303)
Increase (decrease) in accounts payable	(2,927)
Increase (decrease) in unearned revenue	11,751
Total adjustments	2,521
Net cash provided by operating activities	$ 13,115

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AGENCY FUND

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

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

TOWN OF TYRONE, GEORGIA
MUNICIPAL ESCROW AGENCY FUND
STATEMENT OF ASSETS AND LIABILTIES
June 30, 2012

ASSETS

Cash and cash equivalents	$ 6,084

LIABILITIES

Liabilities

Due to other agencies	$ 6,084

TOWN OF TYRONE, GEORGIA
MUNICIPAL ESCROW AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2012

	Balance July 1	Additions	Deletions	Balance June 30
ASSETS				
Cash and cash equivalents	$ 40,152	$ 285,597	$ 319,665	$ 6,084
LIABILITIES				
Due to other agencies	$ 40,152	$ 285,597	$ 319,665	$ 6,084

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Part III

Statistical Section



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Town of Tyrone
Statistical Section
(Unaudited)

This section of the Town of Tyrone's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This section includes data for the Town (i.e. the primary government) only. This information has not been audited by the independent auditor.

Contents

	Page
Financial Trends These tables contain trend information that may assist the reader in assessing the Town's current financial performance by placing it in historical perspective.	**66-80**
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the Town's most significant "own-source" revenue sources and trends of these sources. Property taxes are not a source of revenue for the Town; however, property tax valuation and tax rate information is included as an indicator of the Town's growth and overall economic condition.	**81-86**
Debt Capacity These tables present information which may assist the reader in analyzing the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	**87-91**
Demographic and Economic Information These tables offer demographic and economic indicators that can be used for financial analysis and to provide a better understanding of the Town's present and ongoing financial status.	**92-93**
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	**94-99**
Other Information	**100-101**

Source: Unless otherwise noted, the information in these tables is derived from the annual financial reports for the corresponding years.

Town of Tyrone, Georgia

Net Assets by Component

Last Nine Fiscal Years

	FISCAL YEAR		
	2012	2011	2010
Governmental Activities			
Invested in capital assets, net of related debt	$ 6,287,448	$ 5,911,883	$ 6,081,983
Restricted	505,687	269,524	532,913
Unrestricted	4,234,460	4,283,495	3,926,087
Total Governmental Activities Net Assets	11,027,595	10,464,902	10,540,983
Business-type Activities			
Invested in capital assets, net of related debt	1,428,250	1,578,695	1,728,470
Unrestricted	1,001,433	825,567	617,352
Total Business-Type Activities Net Assets	2,429,683	2,404,262	2,345,822
Primary Government			
Invested in capital assets, net of related debt	7,715,698	7,490,578	7,810,453
Restricted	505,687	269,524	532,913
Unrestricted	5,235,893	5,109,062	4,543,439
Total Primary Government Net Assets	$ 13,457,278	$ 12,869,164	$ 12,886,805

Note: Comparative information prior to fiscal year 2004 is not available.

FISCAL YEAR					
2009	2008	2007	2006	2005	2004
$ 6,099,762	$ 6,137,805	$ 3,987,910	$ 3,331,878	$ 2,872,963	$ 2,740,414
545,634	718,010	1,045,249	897,020	559,287	356,290
3,491,373	2,236,940	2,495,393	1,778,677	1,449,756	1,003,075
10,136,769	9,092,755	7,528,552	6,007,575	4,882,006	4,099,779
1,671,505	1,671,505	925,139	929,818	960,188	990,678
561,761	507,963	1,186,618	1,159,223	830,085	716,366
2,233,266	2,179,468	2,111,757	2,089,041	1,790,273	1,707,044
7,771,267	7,809,310	4,913,049	4,261,696	3,833,151	3,731,092
545,634	718,010	1,045,249	897,020	559,287	356,290
4,053,134	2,744,903	3,682,011	2,937,900	2,279,841	1,719,441
$ 12,370,035	$ 11,272,223	$ 9,640,309	$ 8,096,616	$ 6,672,279	$ 5,806,823

Town of Tyrone, Georgia

Changes in Net Assets

Last Nine Fiscal Years

	FISCAL YEAR		
Expenses	**2012**	**2011**	**2010**
Governmental Activities:			
General Government	$ 830,630	$ 799,159	$ 766,638
Judicial	88,932	86,961	88,991
Public Safety	1,272,841	1,586,993	1,241,629
Public Works	359,656	385,449	512,758
Health and Welfare	0	0	0
Culture and Recreation	499,747	503,640	470,495
Housing and Development	15,915	16,769	10,622
Non-departmental	0	0	0
Interest on Long-term Debt	0	1,087	3,228
Total Governmental Activities	3,067,721	3,380,058	3,094,361
Business-type Activities:			
Sewer	327,982	297,647	249,748
Sanitation (Solid-Waste)	345,886	324,573	315,613
Total Business-type Activities	673,868	622,220	565,361
Total Primary Government Expenses	3,741,589	4,002,278	3,659,722
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	42,937	42,650	59,540
Public Safety	185,037	249,077	182,268
Public Works	0	0	0
Culture and Recreation	33,554	71,173	102,604
Housing and Development	42,129	0	0
Operating Grants and Contributions	62,996	37,809	114,152
Capital Grants and Contributions	17,301	44,904	0
Total Governmental Activities Program Revenues	383,954	445,613	458,564
Business-type Activities:			
Charges for Services:			
Sewer	347,141	326,762	328,206
Sanitation (Solid-Waste)	356,480	353,898	337,284
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	0	0	0
Total Business-type Activities Program Revenues	703,621	680,660	665,490
Total Primary Government Program Revenues	1,087,575	1,126,273	1,124,054

Note: Comparative information prior to fiscal year 2004 is not available.

FISCAL YEAR					
2009	2008	2007	2006	2005	2004
$ 818,219	$ 955,483	$ 826,777	$ 706,252	$ 689,895	$ 704,560
79,872	101,936	73,750	74,906	69,173	75,821
1,141,111	1,390,504	1,124,375	1,040,212	924,579	887,418
388,208	356,329	309,460	409,079	350,628	358,430
0	0	0	0	0	
517,682	470,745	341,442	318,026	235,590	303,044
7,565	81,476	91,701	58,265	27,478	26,401
0	0	0	0	0	-
6,185	5,684	5,180	4,267	3,077	4421
2,958,842	3,362,157	2,772,685	2,611,007	2,300,420	2,360,095
284,272	231,153	254,386	185,914	112,894	74,298
301,028	296,420	275,438	229,253	220,681	165,554
585,300	527,573	529,824	415,167	333,575	239,852
3,544,142	3,889,730	3,302,509	3,026,174	2,633,995	2,599,947
0	510,707	702,585	1,012,457	965,463	940,618
616,807	107,716	137,632	0	0	0
0	0	123,964	0	0	0
106,196	45,249	36,845	0	0	0
0	0	0	0	0	0
52,468	30,000	18,000	0	0	0
0	1,169,837	288,712	0	0	0
775,471	1,863,509	1,307,738	1,012,457	965,463	940,618
311,063	275,584	252,690	251,989	194,890	110,993
319,105	304,605	287,617	223,175	216,801	178,068
0	0	0	0	0	0
0	0	0	232,500	0	0
630,168	580,189	540,307	707,664	411,691	289,061
1,405,639	2,443,698	1,848,045	1,720,121	1,377,154	1,229,679

Town of Tyrone, Georgia

Changes in Net Assets

Last Nine Fiscal Years

	FISCAL YEAR		
	2012	2011	2010
Change in Net Assets			
Net (expense) Revenue -			
Governmental Activities	$ (2,683,767)	$ (2,934,445)	$ (2,635,797)
Net (expense) Revenue -			
Business-type Activities	29,753	58,440	100,129
Total Primary Government			
Net (Expense) Revenue	(2,654,014)	(2,876,005)	(2,535,668)
General Revenues and			
Other Changes in Net Assets			
Governmental Activities			
Taxes:			
Property	1,067,511	1,073,789	1,099,288
Sales	830,950	799,847	796,572
Franchise	497,924	497,214	460,387
Occupational (1)	106,351	0	0
Insurance Premium	322,654	210,805	217,115
Alcoholic Beverages	53,200	0	0
Other	38,670	214,677	283,591
Interest and Investment Earnings	25,926	8,912	9,077
Gain on Sale of Assets	0	0	0
Miscellaneous	0	0	173,982
Transfers	0	0	0
Total Government Activities	2,943,186	2,805,244	3,040,012
Business-type Activities			
Other Taxes	0	0	0
Interest and Investment Earnings	0	0	1,116
Gain on Sale of Assets	0	0	0
Miscellaneous	0	0	11,311
Transfers	0	0	0
Total Business-type Activities	0	0	12,427
Total Primary Government General Revenues	2,943,186	2,805,244	3,052,439
Change in Net Assets			
Governmental Activities	259,419	(129,201)	404,215
Business-type Activities	29,753	58,440	112,556
Total Primary Government			
Change in Net Assets	289,172	(70,761)	516,771
Net Assets - beginning (original)			
Governmental Activities	10,464,902	10,540,983	10,136,769
Business-type Activities	2,404,262	2,345,822	2,233,266
Total Primary Government			
Beginning Net Assets (original)	12,869,164	12,886,805	12,370,035
Prior Period Adjustments			
Governmental Activities	303,274	0	0
Business-type Activities	(4,332)	0	0
Total Primary Government			
Prior Period Adjustments	298,942	0	0
Net Assets - beginning (restated)			
Governmental Activities	10,768,176	10,540,983	10,136,769
Business-type Activities	2,399,930	2,345,822	2,233,266
Total Primary Government			
Beginning Net Assets (restated)	13,168,106	12,886,805	12,370,035
Change in Net Assets - ending			
Governmental Activities	11,027,595	10,411,782	10,540,984
Business-type Activities	2,429,683	2,404,262	2,345,822
Total Primary Government			
Ending Net Assets	$ 13,457,278	$ 12,816,044	$ 12,886,806

(1) In fiscal year 2012, occupational taxes were recategorized from charges for services to tax revenue.

Note: Comparative information prior to fiscal year 2004 is not available.

FISCAL YEAR					
2009	2008	2007	2006	2005	2004
$ (2,183,371)	$ (1,498,648)	$ (1,464,947)	$ (1,598,550)	$ (1,334,957)	$ (1,419,477)
44,868	52,616	10,483	292,497	78,116	49,209
(2,138,503)	(1,446,032)	(1,454,464)	(1,306,053)	(1,256,841)	(1,370,268)
1,081,100	1,276,947	979,775	815,653	665,711	578,853
1,047,108	856,048	1,154,114	1,138,375	771,400	781,086
423,324	419,173	379,599	327,551	278,283	235,145
0	0	0	0	0	0
221,182	214,044	205,198	196,127	182,296	168,306
0	0	0	0	0	0
167,510	251,296	127,893	121,264	91,897	88,399
30,602	109,887	53,033	36,358	12,926	7,690
0	0	0	0	0	0
193,072	293,127	86,312	88,791	114,671	60,290
0	0	0	0	0	0
3,163,898	3,420,522	2,985,924	2,724,119	2,117,184	1,919,769
0	0	9,196	3,905	4,847	5,134
8,930	15,095	3,037	2,366	266	101
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
8,930	15,095	12,233	6,271	5,113	5,235
3,172,828	3,435,617	2,998,157	2,730,390	2,122,297	1,925,004
980,527	1,921,874	1,520,977	1,125,569	782,227	500,292
53,798	67,711	22,716	298,768	83,229	54,444
1,034,325	1,989,585	1,543,693	1,424,337	865,456	554,736
9,092,755	7,528,552	6,007,575	4,882,006	4,099,779	4,600,071
2,179,468	2,111,757	2,089,041	1,790,273	1,707,044	1,761,488
11,272,223	9,640,309	8,096,616	6,672,279	5,806,823	6,361,559
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
9,092,755	7,528,552	6,007,575	4,882,006	4,099,779	4,600,071
2,179,468	2,111,757	2,089,041	1,790,273	1,707,044	1,761,488
11,272,223	9,640,309	8,096,616	6,672,279	5,806,823	6,361,559
10,073,282	9,450,426	7,528,552	6,007,575	4,882,006	5,100,363
2,233,266	2,179,468	2,111,757	2,089,041	1,790,273	1,815,932
$ 12,306,548	$ 11,629,894	$ 9,640,309	$ 8,096,616	$ 6,672,279	$ 6,916,295

Town of Tyrone, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	FISCAL YEAR			
	2012	2011	2010	2009
General Fund				
Non-spendable	$ 105,056	$ 119,281		
Restricted	17,173			
Committed	0	136,100		
Assigned	274,950			
Unassigned (1)	3,843,680	3,819,679		
Reserved			$ 107,066	$ 87,260
Unreserved			3,468,857	2,909,220
Total General Fund	4,240,859	4,075,060	3,575,923	2,996,480
All Other Governmental Funds				
Reserved			639,979	545,634
Unreserved, Reported in:				
Special Revenue Fund			375,566	498,305
Capital Project Funds			0	0
Restricted (1)	488,514	516,228		
Total All Other Governmental Funds	488,514	516,228	1,015,545	1,043,939
Total Governmental Fund Balances	$ 4,729,373	$ 4,591,288	$ 4,591,468	$ 4,040,419

Note 1: The Town adopted GASB 54 for reporting of fund balance classifications in 2011.

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
$ 423,632	$ 442,625	$ 465,652	$ 612,909	$ 406,569	$ 226,316
2,009,886	2,283,443	1,708,420	1,218,053	781,832	624,964
2,433,518	2,726,068	2,174,072	1,830,962	1,188,401	851,280
360,339	668,585	446,748	187,987	185,630	0
230,715	250,315	140,000	66,707	56,804	0
0	0	0	0	0	183,589
591,054	918,900	586,748	254,694	242,434	183,589
$ 3,024,572	$ 3,644,968	$ 2,760,820	$ 2,085,656	$ 1,430,835	$ 1,034,868

Town of Tyrone, Georgia

Changes in Fund Balances - Governmental Funds (1)

Last Ten Fiscal Years

	FISCAL YEAR			
	2012	2011	2010	2009
Revenues				
Taxes	$ 2,868,616	$ 2,692,250	$ 2,754,318	$ 2,910,741
Licenses and permits (2)	83,020	121,741	130,851	131,334
Fines, fees and forfeitures	212,381	249,077	182,268	227,215
Charges for services	56,397	60,925	102,604	118,308
Intergovernmental	13,845	76,677	280,320	442,060
Interest	25,926	8,912	9,077	30,602
Other	40,660	58,934	67,354	49,626
Total Revenues	3,300,845	3,268,516	3,526,792	3,909,886
Expenditures				
General Government	826,560	787,007	755,280	806,621
Judicial	89,668	86,602	87,955	79,348
Public Safety	1,215,558	1,228,031	1,179,894	1,108,791
Public Works	396,932	598,699	452,316	358,520
Health and Welfare	0	0	0	0
Culture and Recreation	485,947	273,244	259,889	288,873
Housing and Development	15,915	87,105	62,482	52,917
Non-Departmental	0	0	0	0
Debt Service - Principal	0	15,756	30,801	43,407
Debt Service - Interest	0	1,087	3,228	6,185
Capital Outlay	22,614	144,476	250,963	210,837
Total Expenditures	3,053,194	3,222,007	3,082,808	2,955,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	247,651	46,509	443,984	954,387
Other Financing Sources (Uses)				
Transfers In	7,664	0	0	0
Transfers Out	(7,664)	0	0	0
Sale of Capital Assets	10	7,257	0	0
Issuance of Capital Leases	0	0	0	0
Total Other Financing Sources (Uses)	10	7,257	0	0
Net Change in Fund Balances	247,661	53,766	443,984	954,387
Fund Balances, July 1	4,591,288	4,484,403	4,040,419	3,086,032
Prior Period Adjustment	(113,336)	53,120	0	0
Fund Balances, June 30	$ 4,725,613	$ 4,591,289	$ 4,484,403	$ 4,040,419
Debt service as a percentage of noncapital expenditur	0.00%	0.58%	1.19%	2.11%

Note (1): Moved Fund Balance to Non-Major Governmental

Note (2): In fiscal year 2006, occupational taxes were recategorized from licenses and permits to taxes.

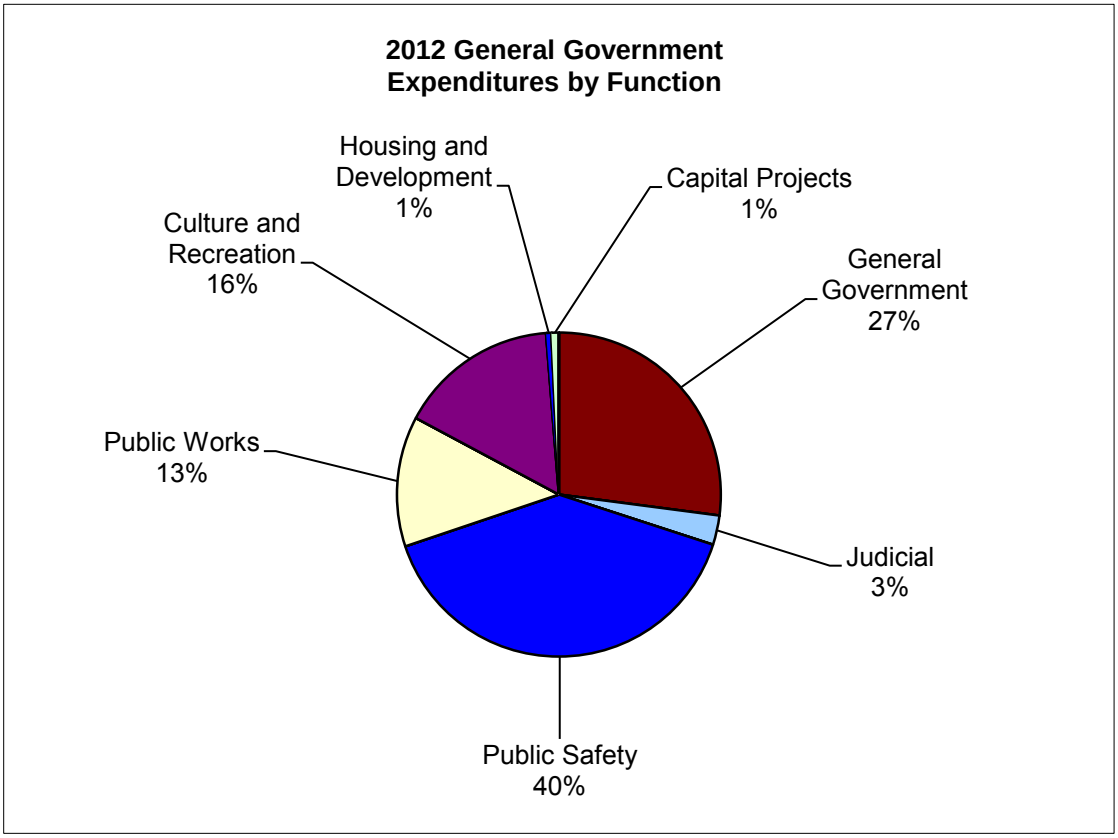
FISCAL YEAR						
2008	**2007**	**2006**	**2005**	**2004**	**2003**
$ 3,017,507	$ 2,840,363	$ 2,598,712	$ 1,983,763	$ 1,850,992	$ 1,643,363
200,214	343,935	404,055	501,339	418,078	211,767
346,348	425,068	376,726	202,633	265,978	159,432
117,111	168,621	211,857	237,627	229,983	526,749
1,199,837	118,163			-	32,618
109,887	53,033	36,358	12,926	7,690	15,131
54,065	149,714	108,610	138,535	86,869	62,164
5,044,969	4,098,897	3,736,318	3,076,823	2,859,590	2,651,224
944,677	769,908	666,032	678,985	692,987	719,966
101,936	72,131	74,906	69,173	75,821	74,527
1,363,238	1,163,232	1,121,411	939,756	934,257	782,014
317,172	355,940	457,396	354,351	341,630	401,585
0	0	0	0	0	0
438,568	356,196	695,729	357,266	384,378	466,951
40,587	91,701	58,265	27,478	26,401	13,069
0	0	0	0	0	0
56,782	55,120	46,392	44,688	38648	58879
5,684	5,125	4,073	4,298	3516	5865
2,053,319	421,186	0	0	0	0
5,321,963	3,290,539	3,124,204	2,475,995	2,497,638	2,522,856
(276,994)	808,358	612,114	600,828	361,952	128,368
0	0	0	0	0	0
0	0	0	0	0	0
14,603	13,500	5,100	7610	0	0
61,126	62,290	57950	46,383	52,490	27,939
75,729	75,790	63,050	53,993	52,490	27,939
(201,265)	884,148	675,164	654,821	414,442	156,307
3,287,297 (1)	2,760,820	2,085,656	1,430,835	1,034,868	821,750
0	0	0	0	(18,475)	56,811
$ 3,086,032	$ 3,644,968	$ 2,760,820	$ 2,085,656	$ 1,430,835	$ 1,034,868
1.29%	2.47%	1.76%	2.74%	1.78%	2.57%

Town of Tyrone, Georgia

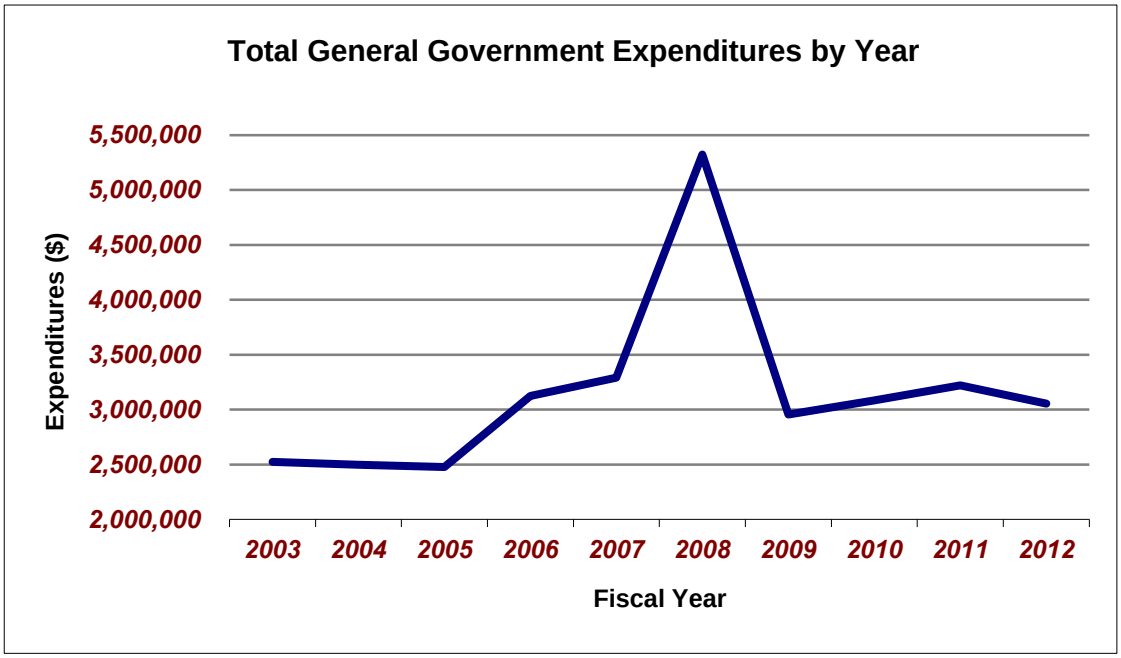
General Government Expenditures by Function

Last Ten Fiscal Years

Fiscal Year	General Government	Judicial	Public Safety	Public Works
2003	$ 719,966	$ 74,527	$ 782,014	$ 401,585
2004	692,987	75,821	934,257	341,630
2005	678,985	69,173	939,756	354,351
2006	666,032	74,906	1,121,411	457,396
2007	769,908	72,131	1,163,232	355,940
2008	944,677	101,936	1,363,238	317,172
2009	806,621	79,348	1,108,791	358,520
2010	755,280	87,955	1,179,894	452,316
2011	787,007	86,602	1,228,031	598,699
2012	826,560	89,668	1,215,558	396,932



Culture and Recreation	Housing and Development	Capital Projects	Debt Service	Total
$ 466,951	$ 13,069	$ 0	$ 64,744	$ 2,522,856
384,378	26,401	0	42,164	2,497,638
357,266	27,478	0	48,986	2,475,995
695,729	58,265	0	50,465	3,124,204
356,196	91,701	421,186	60,245	3,290,539
438,568	40,587	2,053,319	62,466	5,321,963
288,873	52,917	210,837	49,592	2,955,499
259,889	62,482	250,963	34,029	3,082,808
273,244	87,105	144,476	16,843	3,222,007
485,947	15,915	22,614	0	3,053,194

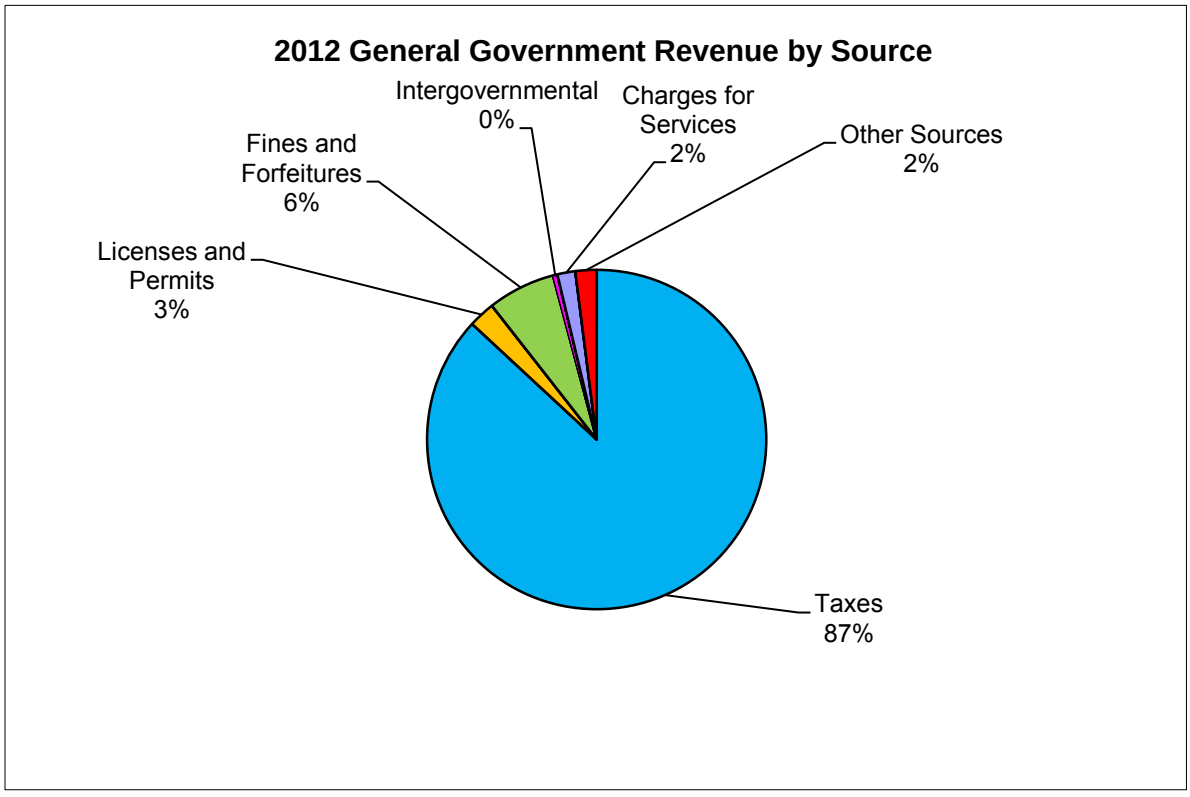


Town of Tyrone, Georgia

General Government Revenue by Source

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeitures	Intergovernmental	Charges for Services	Other Sources	Total
2003	$ 1,643,363	$ 211,767	$ 159,432	$ 32,618	$ 526,749	$ 77,295	$ 2,651,224
2004	1,850,992	418,078	265,978	0	229,983	94,561	2,859,592
2005	1,983,763	501,339	202,633	0	237,627	151,461	3,076,823
2006	2,598,712	404,055	376,726	0	211,857	144,968	3,736,318
2007	2,840,363	343,935	425,068	118,163	168,621	202,747	4,098,897
2008	3,017,507	200,214	346,348	1,199,837	117,111	163,952	5,044,969
2009	2,910,741	131,334	227,215	442,060	118,308	80,228	3,909,886
2010	2,754,318	130,851	182,268	280,320	102,604	76,431	3,526,792
2011	2,692,250	121,741	249,077	76,677	60,925	67,846	3,268,516
2012	2,868,616	83,020	212,381	13,845	56,397	66,586	3,300,845



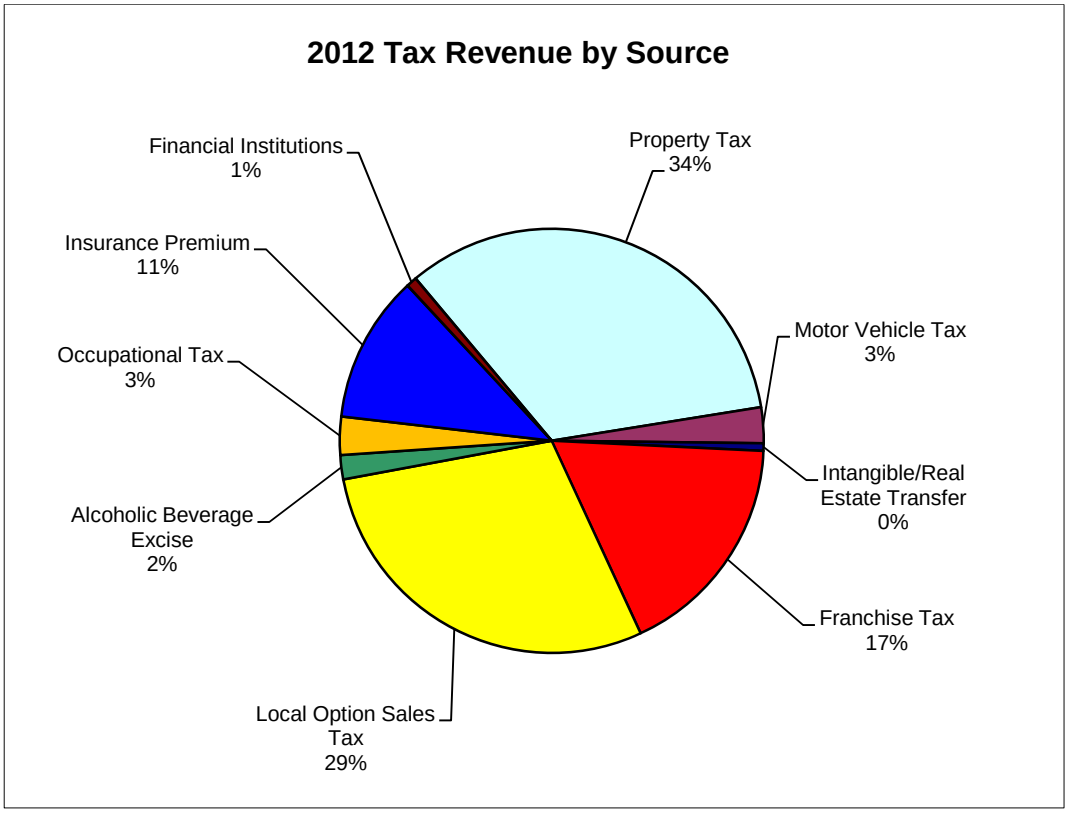
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Town of Tyrone, Georgia

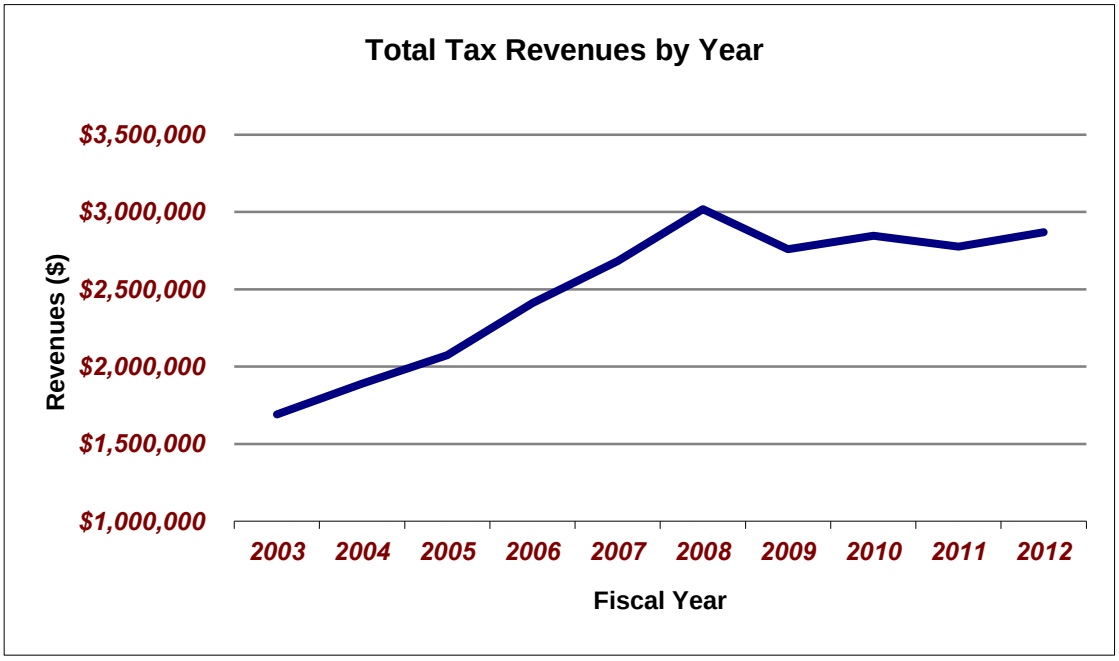
General Government Tax Revenues by Source

Last Ten Fiscal Years

Fiscal Year	Property Tax	Motor Vehicle Tax	Intangible/Real Estate Transfer	Franchise Tax	Local Option Sales Tax
2003	$ 406,344	$ 48,911	$ 53,257	$ 219,324	$ 754,718
2004	509,239	69,613	49,869	235,145	781,086
2005	605,778	54,109	40,107	278,283	771,400
2006	757,868	57,527	50,487	327,551	854,605
2007	907,426	66,133	41,281	379,599	884,300
2008	1,276,947	72,735	29,416	419,173	856,048
2009	1,051,617	70,143	16,577	423,324	800,292
2010	1,127,504	64,942	12,891	460,387	796,572
2011	1,024,935	66,513	15,714	497,214	797,877
2012	963,127	78,099	16,336	497,924	830,950



Alcoholic Beverage Excise	Occupational Tax	Insurance Premium	Financial Institutions	Total
$ 1,150	$ 45,180	$ 155,399	$ 5,410	$ 1,689,693
2,195	65,721	168,306	7,544	1,888,718
28,220	103,470	182,296	9,840	2,073,503
22,280	135,006	196,127	10,172	2,411,623
32,661	149,792	205,198	17,369	2,683,759
44,901	70,228	214,044	34,015	3,017,507
56,533	96,512	221,182	23,840	2,760,020
51,754	92,456	217,115	22,721	2,846,342
54,314	85,601	210,805	22,438	2,775,411
53,200	83,412	322,654	22,914	2,868,616



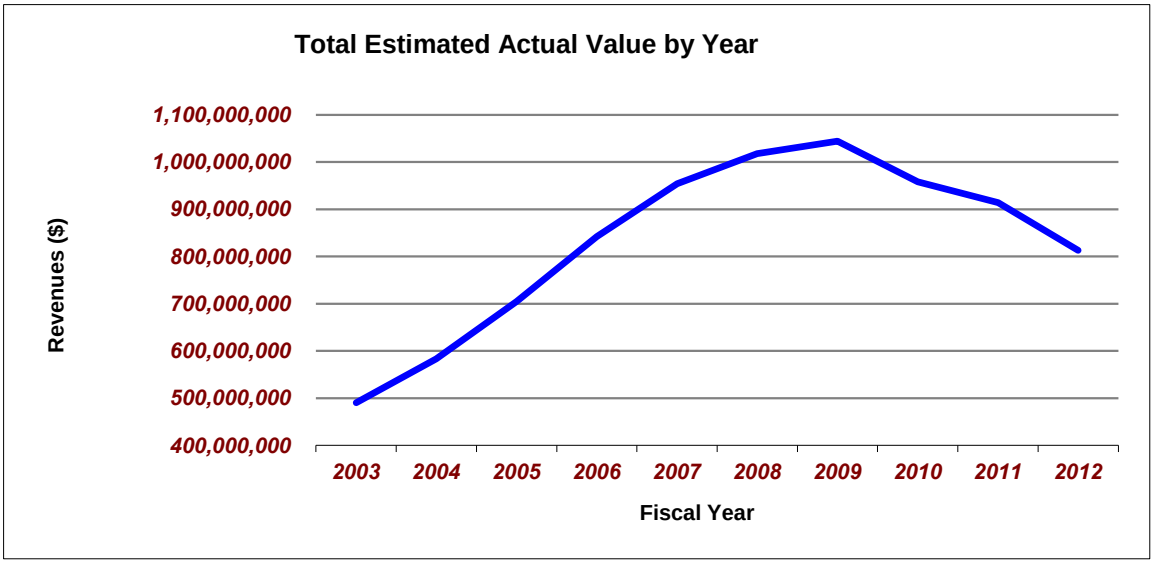
Town of Tyrone, Georgia

Assessed and Estimated Actual Value of Taxable Property

Digest Years 2003 - 2012

Calendar Year of Digest	Real Property	Motor Vehicles	Mobile Homes	Heavy Duty Equipment
2003	177,805,220	18,009,260	132,058	0
2004	215,049,546	18,102,530	94,426	14,419
2005	263,129,139	18,425,490	83,045	44,814
2006	317,605,158	18,998,860	83,045	217,211
2007	359,465,909	21,612,650	93,164	328,534
2008	380,388,266	26,572,700	89,863	105,428
2009	389,213,077	28,320,430	79,057	6,923
2010	359,390,594	23,713,820	72,680	0
2011	342,593,921	22,890,930	70,223	0
2012	300,954,772	24,091,440	63,833	3,055

Source: Fayette County Tax Digest



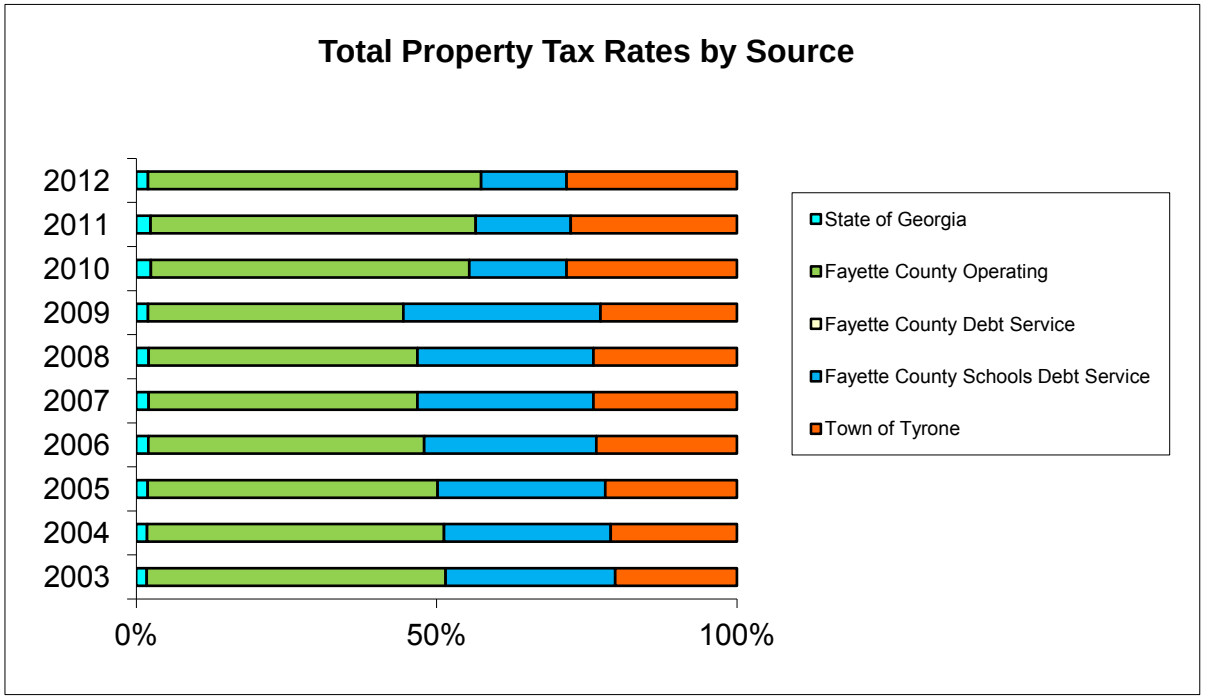
Total Property	Less: Exemptions	Total Taxable Property	Total Estimated Actual Value
195,946,538	(2,645,114)	193,301,424	489,866,345
233,260,921	(2,863,734)	230,397,187	583,152,303
281,682,488	(3,876,838)	277,805,650	704,206,220
336,904,274	(4,868,066)	332,036,208	842,260,685
381,500,257	(6,031,957)	375,468,300	953,750,643
407,156,257	(6,890,139)	400,266,118	1,017,890,643
417,619,487	(7,265,574)	410,353,913	1,044,048,718
383,177,094	(8,180,427)	374,996,667	957,942,735
365,555,074	(9,515,989)	356,039,085	913,887,685
325,113,100	(8,407,210)	316,705,890	812,782,750

Town of Tyrone, Georgia
Property Tax Rates
(per $1,000 of Assessed Value)
Digest Years 2003 - 2012

Calendar Year of Digest	State of Georgia	Tax County (Incorporated area) Fayette County Operating	Fayette County Debt Service	Fayette County Fire	Fayette County EMS / E911	Fayette County Schools Operating	Fayette County Schools Debt Service	Town of Tyrone	Total Tax Rate
2003	0.250	7.120	0.000	3.580	0.000	17.650	4.040	2.900	35.540
2004	0.250	6.820	0.000	3.390	0.000	18.870	3.830	2.900	36.060
2005	0.250	6.380	0.000	3.230	0.000	18.990	3.690	2.900	35.440
2006	0.250	5.692	0.000	2.906	0.000	18.600	3.550	2.900	33.898
2007	0.250	5.432	0.000	2.000	0.000	18.596	3.550	2.900	32.728
2008	0.250	5.432	0.000	2.000	0.550	18.596	3.550	2.900	33.278
2009	0.250	5.400	0.000	1.991	0.548	19.750	4.170	2.889	34.998
2010	0.250	5.400	0.000	1.991	0.548	20.000	1.650	2.889	32.728
2011	0.250	5.645	0.000	2.500	0.450	20.000	1.650	2.889	33.384
2012	0.200	5.645	0.000	3.030	0.657	20.000	1.450	2.889	33.871

Source: Fayette County Tax Digest

Note (1): Tax rates are expressed in rate per $1,000.



Town of Tyrone, Georgia
Principal Taxpayers
June 30, 2012

Taxpayer	2012 Taxable Assessed Value[1]	2012 Rank	2012 Percentage of Total Taxable Assessed Value	2008 Taxable Assessed Value[1]	2008 Rank	2008 Percentage of Total Taxable Assessed Value
Georgia Masonry	$ 4,116,121	1	1.37%	$ 4,924,087	1	1.45%
Pavestone Co, LP	3,524,792	2	1.17%	4,862,712	2	1.44%
John Wiseland Homes and Neighborhood	2,137,012	7	0.71%	4,185,292	4	1.24%
DDRM Southhampton Village	3,041,180	3	1.01%	4,304,800	3	1.27%
Hanson Aggregates Southeast	2,565,314	4	0.85%	2,650,340		0.78%
Martin Marietta Materials	2,515,614	5	0.84%	0		0.00%
Smith-Walker LLC	1,412,036	9	0.47%	2,266,992		0.67%
Hobgood Family LP	1,404,481	10	0.47%	1,671,164		0.49%
Shamrock Real Westate	1,426,516	8	0.47%	1,806,888		0.53%
Glenadough Manor & Associates				0		0.00%
Guthurie Development				1,742,355		0.51%
John Wieland Homes	2,464,578	6	0.82%	1,873,480		0.55%
Other Taxpayers	276,347,128		91.82%	308,414,881		91.06%
Total	$ 300,954,772		8.27%	$ 338,702,991		12.24%

Source: Fayette County Tax Digest.

Note (1): Assessed valuation for principal taxpayers includes real property, personal property and utilities taxes, but does not include motor vehicle taxes. Selection is based on the taxpayers with the largest assessed valuation. Values shown are assessed totals before freeport exemption is deducted for fiscal years prior 2012. Fiscal year 2012 and forward are net assessed value.

Town of Tyrone Georgia

Property Tax Levies and Collections
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Local Option Sales Tax Collected
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2005	$ 614,278	$ 597,841	97.32%	$ 16,068	$ 613,909	99.94%	$ 771,400
2006	749,720	731,804	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%	53,850	1,124,251	98.89%	796,572
2011	1,014,714	964,852	95.09%	0	964,852	95.09%	797,877
2012	962,245	914,730	95.06%	60,581	975,311	101.36%	827,600

Source: Fayette County Tax Commissioner's Digest.

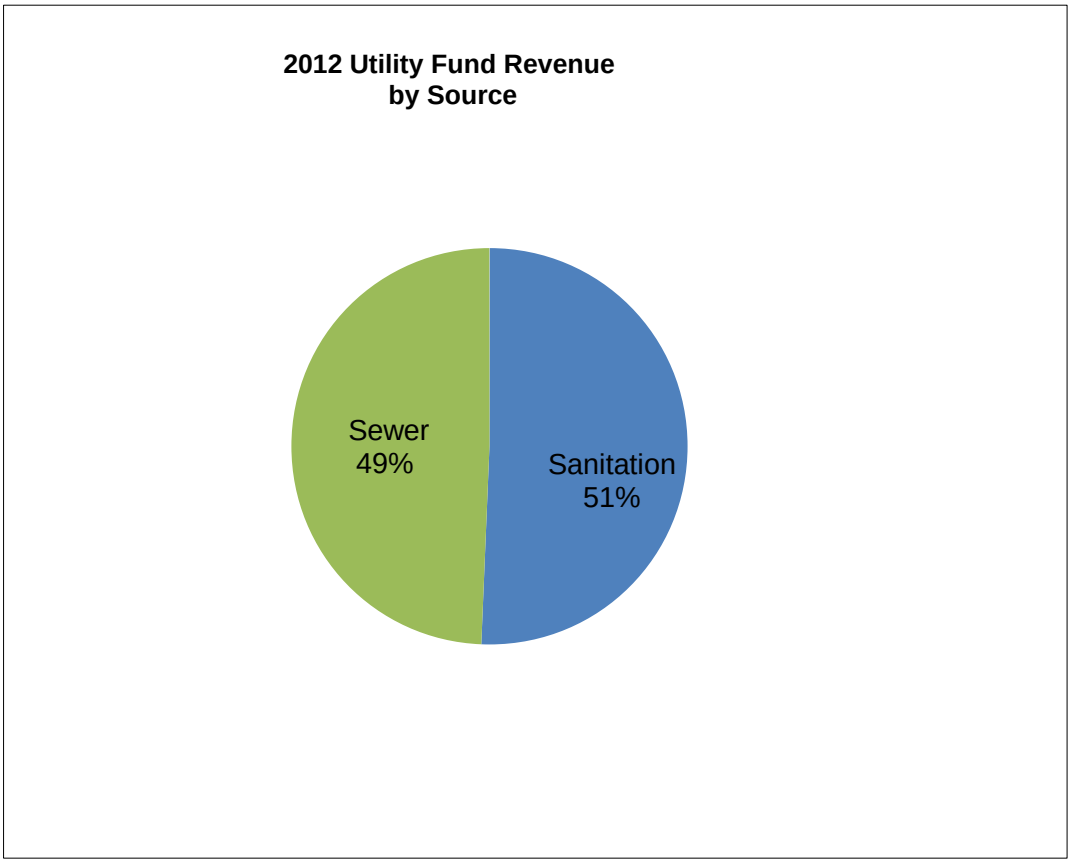
Note: Comparative information prior to fiscal year 2005 is not available.

Town of Tyrone, Georgia

Utility Fund Operating Revenue by Source

Last Ten Fiscal Years

Fiscal Year	Sanitation	Sewer	Total
2003	0	49,519	49,519
2004	178,068	110,993	289,061
2005	216,801	194,890	411,691
2006	251,727	223,437	475,164
2007	287,617	252,690	540,307
2008	304,605	275,584	580,189
2009	319,105	311,063	630,168
2010	337,284	320,581	657,865
2011	353,898	326,762	680,660
2012	356,480	347,141	703,621



Town of Tyrone, Georgia

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-type Activities			Total Primary Government	Percentage of Personal Income[1]	Per Capita [1]
	Capital Leases	Sewer Debt to Fairburn	Notes Payable	Capital Leases			
2003	$ 51,655	$ 0	$ 0	$ 0	$ 51,655	0.02%	$ 11.04
2004	65,497	0	0	0	65,497	0.02%	13.89
2005	67,192	0	0	0	67,192	0.02%	14.25
2006	78,750	540,000	0	0	618,750	0.18%	131.37
2007	85,920	432,400	0	0	518,320	0.09%	111.06
2008	90,265	358,344	0	0	448,609	0.09%	98.21
2009	46,557	225,380	0	0	271,937	0.05%	59.82
2010	16,057	0	0	0	16,057	0.00%	3.45
2011	0	0	0	0	0	N/A	0
2012	0	0	0	0	0	N/A	0

Note (1): See the Demographic Statistics on exhibit I -17 for personal income and population information.

Town of Tyrone, Georgia
Computation of Legal Debt Margin
June 30, 2012

Net assessed value	$ 325,113,100
Debt limit - 10% of total assessed value	32,511,310
Total General Obligation bonds outstanding	0
Legal debt margin	$ 32,511,310
Ratio of Legal Debt Margin to Debt Limit	100.00%

Town of Tyrone, Georgia

Legal Debt Margin Information

Last Ten Fiscal Years

	FISCAL YEAR			
	2012	2011	2010	2009
Debt Limit	$ 32,511,310	$ 36,555,507	$ 38,301,652	$ 38,148,193
Total Net Debt applicable to limit	0	0	0	0
Legal debt margin	32,511,310	36,555,507	38,301,652	38,148,193
Ratio of Legal Debt Margin to Debt Limit	100%	100%	100%	100%

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
$ 35,856,326	$ 26,026,311	$ 26,033,481	$ 23,258,910	$ 19,298,029	$ 19,594,654
0	0	0	0	0	0
35,856,326	26,026,311	26,033,481	23,258,910	19,298,029	19,594,654
100%	100%	100%	100%	100%	100%

Town of Tyrone, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

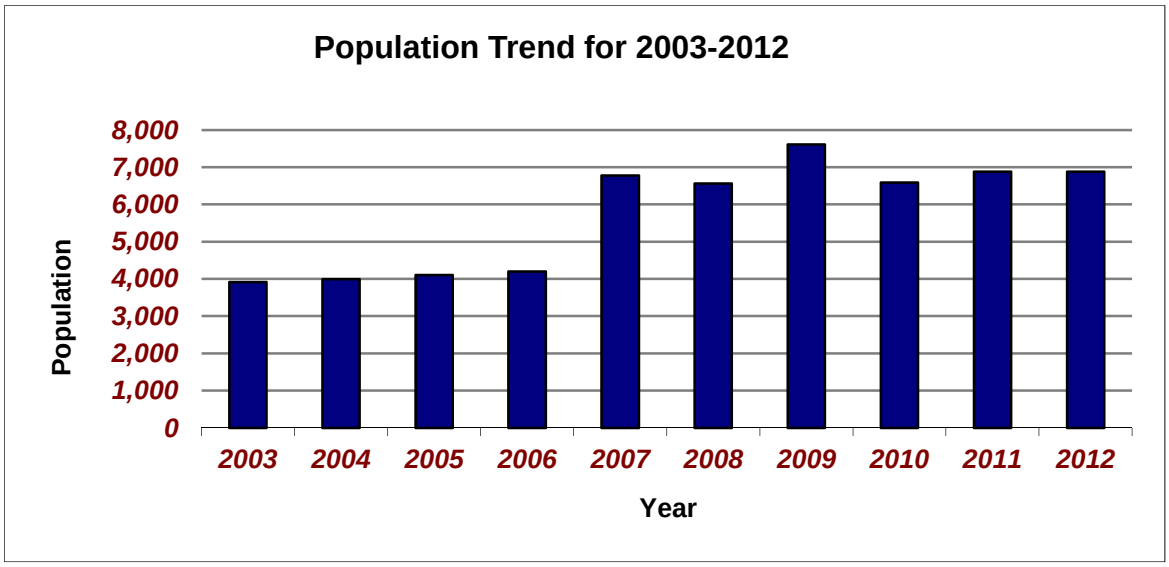
Governmental Unit	Debt Outstanding	Estimated Percentage Available	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Fayette County:			
Fayette County School Board	$ 72,691,588	100%	$ 72,691,588
			0
Subtotal, overlapping debt			72,691,588
Town of Tyrone direct debt			0
Total direct and overlapping debt			$ 72,691,588

Source: Fayette County bond records

Town of Tyrone, Georgia
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Unemployment Rate (2)	Median Household Income (3)	Per Capita Income (3)	Total Personal Income (4)
2003	3,916	3.0%	74,414	37,363	291,405,224
2004	3,995	2.9%	76,400	38,442	305,218,000
2005	4,100	4.6%	79,100	39,941	324,310,000
2006	4,200	4.0%	79,900	39,941	335,580,000
2007	6,777	0.0%	84,800	43,117	574,689,600
2008	6,561	4.6%	77,800	38,491	510,445,800
2009	7,610	5.1%	77,600	38,491	590,536,000
2010	6,584	8.1%	67,560	33,433	444,815,040
2011	6,879	8.3%	66,560	32,902	457,866,240
2012	6,879	9.2%	76,490	38,491	526,174,710

(1) U. S. Census Bureau
(2) Georgia Department of Labor, for entire Elbert County
(3) U. S. Census Bureau for entire Fayette County
(4) Based on Town population multiplied by Fayette County per capita personal income.
(5) Fayette County Board of Education



Town of Tyrone, Georgia

Principal Employers

For the Current Year and Nine Years Ago

Employer	2012 Number of Employees (1)	2012 Rank	2012 Percentage of Total for Principal Employers	2003 Number of Employees (2)	2003 Rank	2003 Percentage of Total for Principal Employers
Publix	74	1	5.68%			
Massana Construction	65	2	4.99%			
Pavestone Company LP	52	3	3.99%			
Pavestone LLC	51	4	3.91%			
Peachstate Ambulance	45	5	3.45%			
Custom Molded Products	44	6	3.38%	44	2	5.14%
Gene Lynn Electric	35	7	2.69%	35	3	4.09%
Georgia Masonry Supply	33	8	2.53%			
F & S Mechanical	33	9	2.53%			
Spare Parts Specialty	27	10	2.07%			
Peachtrr City Foamcraft				46	1	5.37%
Southtree Enterprises				24	4	2.80%
Peachtree Service Experts				24	4	2.80%
Hanson Aggregates				22	6	2.57%
Valley Grinding				18	7	2.10%
IVY Green Lawn Care				17	8	1.99%
Florida Rock Industries				16	9	1.87%
Atlanta Mechanical, Inc				10	10	1.17%
Environmental Partners				10	10	1.17%
Total for Principal Employers	1,303		35%	856		31%

Source:
(1) Town of Tyrone
(2) Fayette County Chamber of Commerce
Note: Governmental employers are not included in the ranking

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Town of Tyrone, Georgia

Full-time Equivalent Employees by Function

Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30			
	2012	2011	2010	2009
Function				
Primary government				
General Government	6	7	7	6
Judicial	1	1	1	1
Public Safety	18	17	18	17
Public Works	5	5	5	4
Culture and Recreation	1	1	1	1
Total primary government	31	31	32	29
Total employees	31	31	32	29

Source: Town of Tyrone Annual Budget

Full-time Equivalent Employees as of June 30					
2008	**2007**	**2006**	**2005**	**2004**	**2003**
6	7	7	7	7	7
1	1	1	1	1	1
22	17	16	15	14	14
4	4	4	4	4	4
1	1	1	1	-	-
34	30	29	28	26	26
34	30	29	28	26	26

Town of Tyrone, Georgia

Operating Indicators by Function

Last Ten Fiscal Years

Function	FISCAL YEAR 2012	2011	2010	2009
Police				
Stations	1	1	1	1
Patrol Units	13	13	13	13
Number of Citations	1,645	2,332	1,891	1,838
DUI	12	45	32	37
Warnings Issued	2,242	2,581	2,174	1,930
Auto Theft	9	8	7	7
Rape	1	1	1	0
Robbery	2	1	1	3
Burglary	22	29	15	15
Theft	89	77	43	65
Sewer Service:				
Number of Sewer Customers	400	395	388	373
Gallons of Sewerage	38,043,000	28,320,000	30,719,000	20,374,000
Solid Waste				
Number of Residential Customers	2,041	1,999	1,878	2,005

Source: Various Town Departments

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
1	1	1	1	1	1
12	12	11	10	10	9
2,287	2,231	2,882	2,232	1,625	1,316
19	44	53	31	25	28
2,156	0	0	0	0	0
3	5	6	7	9	7
1	0	0	1	1	0
0	4	1	2	1	0
13	30	26	33	25	12
101	106	109	77	99	85
373	353	341	294	221	183
21,011,000	19,169,000	34,077,000	16,435,000	6,286,000	3,425,000
1,978	1,981	1,833	1,697	1,561	1,409

Town of Tyrone, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years

	FISCAL YEAR			
	2012	2011 [2]	2010	2009
Function				
Public safety				
Number of police stations	1	1	1	1
Number of fire stations (Operated by Fayette County)	1	1	1	1
Highways and streets				
Miles of streets	83	83	83	83
Culture and Recreation				
Parks	4	4	4	4
Baseball/Softball fields	4	4	4	4
Tennis courts	2	1	1	1
Community Playgrounds	4	4	4	4
Sewerage System				
(MGD - Millions of Gallons per Day)				
Sewer System:				
Miles of sanitary sewers	9.80	9.80	9.80	9.80

Source: Various Town Departments.

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
1	1	1	1	1	1
1	1	1	1	1	1
83	83	83	83	83	83
4	4	4	4	4	4
4	4	4	4	4	4
1	1	1	1	1	1
4	4	4	4	4	4
9.80	9.80	0.00	0.00	0.00	0.00

Town of Tyrone, Georgia

Property Value - Construction

Last Ten Fiscal Years

Fiscal Year	Number of Residential Permits	Estimated Construction Costs	Number of Commercial Permits	Estimated Construction Costs
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
2012	62	3,247,314	23	777,500

Source: Town of Tyrone Building Inspection Office

Town of Tyrone, Georgia
Miscellaneous Statistics
June 30, 2012

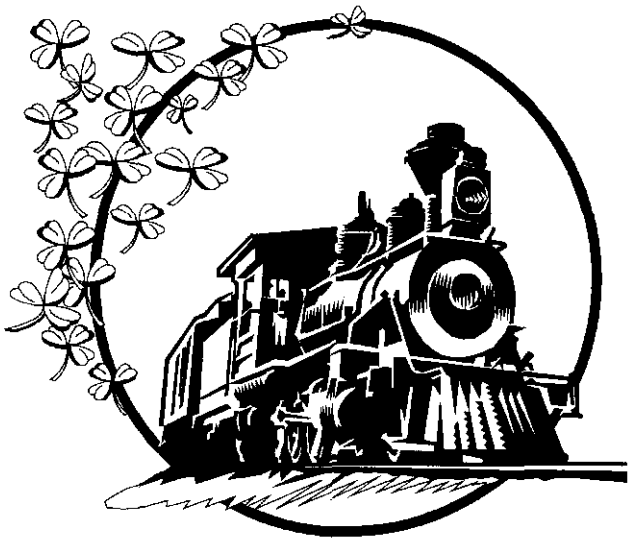
Date of incorporation	August 18, 1911
Form of government	Mayor--Council--Manager
Population (Census 2010)	6,879
Area	23.9 square miles
Police protection:	
Number of sworn police officers	17
Education:	
Elementary schools (PreK - 5)	2
Number of teachers	73
Number of students	881
Middle schools (6 - 8)	1
Number of teachers	62
Number of students	852
High schools (9 - 12)	1
Number of teachers	86
Number of students	1,174
Recreation and Culture:	
Libraries	1
Recreation centers	1
Number of employees:	
Full-time	31
Part-time	9

Source: Various Town departments and local institutions

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Part IV

Other Reporting Section



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tyrone, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the Town of Tyrone, Georgia's the basic financial statements and have issued our report thereon dated December 27, 2012. 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 Town of Tyrone's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Tyrone, Georgia's internal control 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Comment 12-1

Condition: During audit procedures on Sanitation receivables, we noted that the staff member receipting utility payments can also make adjustments to customer accounts without documented approval. The Town has no formal procedure to approve adjustments to customer utility accounts. All customer account adjustments reviewed during the audit appeared appropriate.

Criteria: Generally accepted accounting principles require that all adjustments to utility receivables be properly authorized.

Effect: Failure to review adjustments to utility receivables exposes the Town to greater risk of loss due to fraud.

Comment 12-1, continued

Recommendation: The Town should adopt formal approval procedures for adjustments to customer sanitation accounts. As part of the Town's policy, management should establish a threshold for adjustments, over which approval of the Finance Director or Town Manager is required before the adjustment may be made.

Management Response: Management concurs with this finding. The Finance Director will establish formal approval procedures and a threshold for customer account adjustments which require the approval of management. This action was taken immediately upon receipt of the comment from our auditors.

Comment 12-2

Condition: During audit procedures on journal entries, we noted that journal entries originated by the Finance Director did not have evidence of approval. All journal entries reviewed during audit procedures appeared appropriate.

Criteria: Proper segregation of duties require that the duties of authorizing and record adjustments to the general ledger be performed by different employees.

Effect: Failure to properly segregate the duties of authorizing and recording adjustments to the general ledger exposes the Town to a greater risk of loss due to fraud.

Recommendation: In order to provide proper segregation of duties, the Accounting Technician should post all journal entries to the general ledger. The Finance Director should review and approve all journal entries. Initials evidencing posting and approval should be on the journal entry. The Accounting Technician should bring to the attention of the Town Manager any journal entry originated by the Finance Director which she feels may be inappropriate or for which she does not receive an adequate explanation or supporting documents.

Management Response: Management concurs with this finding. The Finance Director will review and approve all journal entries; the Accounting Technician will post all entries to the general ledger. This action was taken immediately upon receipt of the comment from our auditors.

Compliance and Other Matters

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

Comment 12-3

Condition: The Town experienced a material excess of expenditures over appropriations in the Founders Day Department of the General Fund.

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

Effect: Failure to maintain expenditures within the balanced budget for the General Fund will place the Town in violation of state law.

Comment 12-3, continued

Recommendation: Town management should ensure that annual operating budgets are adopted for the General Fund and all Special Revenue Funds as required by state law. Budget to actual comparisons should be periodically reviewed by Town management and budgets amended as needed to ensure that the Town remains in compliance with state law.

Management Response: Management concurs with this finding. The Finance Director will ensure that an annual budget be adopted for the General Fund and all Special Revenue Funds, and will review the budget to actual comparisons and recommend any necessary budget revisions to the Town Council. This action was implemented immediately upon receipt of the comment from our auditors.

We noted certain matters involving the internal control over financial reporting that we have reported to management of the Town of Tyrone, Georgia in a separate letter dated December 27, 2012.

The Town of Tyrone, Georgia's, response to the findings identified in our audit is described above. We did not audit the Town of Tyrone, Georgia's, responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town Council, management, others within the organization, State of Georgia Departments of Audits and Accounts, and Community Affairs, and is not intended to be and should not be used by anyone other than these specified parties.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 27, 2012

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TOWN OF TYRONE, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2012

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2005 SPLOST					
Road, Street and Bridge Purposes	$ 1,491,083	$ 1,491,083			
Silverthorne Resurface			$ 28,890	$ 0	$ 28,890
74 Right Turn Lane			3,750	0	3,750
Palmetto Road Resurface 2011			239,902	22,614	262,516
Senoia Road			206,453	0	206,453
Julie Road			108,570	0	108,570
Browns Hill Court			9,800	0	9,800
Anthony Drive			70,350	0	70,350
Whitney Court			13,914	0	13,914
Michael Road			54,310	0	54,310
Rollingbrook Trail			37,857	0	37,857
Crestwood Road			111,159	0	111,159
Shamrock Industrial Boulevard			85,950	0	85,950
Valleywood Park Drive East			46,691	0	46,691
Total SPLOST	$ 1,491,083	$ 1,491,083	$ 1,017,596	$ 22,614	$ 1,040,210

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

Note: The total original estimated cost has been restated due to all prior years did not include all budgeted SPLOST projects. The beginning accumulated total has been restated due to a 1996 SPLOST project reported in error with the 2005 SPLOST referendum in the prior year.

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