COMPREHENSIVE ANNUAL FINANCIAL REPORT

Town of Thunderbolt, Georgia

FOR THE FISCAL YEAR ENDED December 31, 2011

PREPARED BY
THE TOWN'S FINANCE DEPARTMENT


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Annual Financial Report

Table of Contents

For the Year Ended December 31, 2011

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	A - 1
Principal Officials	A - 3
Organizational Chart	A - 4
Certificate of Achievement for Excellence in Financial Reporting	A - 5
FINANCIAL SECTION	
Independent Auditors' Report	B - 1
Management's Discussion and Analysis (MD&A)	C - 1
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	D - 1
Statement of Activities	D - 2
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	D - 4
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	D - 5
Statement of Revenues, Expenditures, and Changes in Fund Balances	D - 6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D - 7
Proprietary Fund	
Statement of Net Assets	D - 8
Statement of Revenues, Expenses, and Changes in Fund Net Assets	D - 9
Statement of Cash Flows	D - 10
Fiduciary Fund	
Statement of Fiduciary Assets and Liabilities	D - 11
Notes to the Basic Financial Statements	D - 12
Required Supplementary Information Other Than MD&A	
General Fund - Budgetary Comparison Schedule	E - 1
Notes to Required Supplementary Information	E - 2
Schedule of Funding Progress	E - 3
Supplementary Data - Fund Schedule and State Mandated Program Information	
Combining Balance Sheet - Nonmajor Governmental Funds	F - 1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds	F - 2
Police Department Asset Forfeiture Fund - Budgetary Comparison Schedule	F - 3
Debt Service Fund - Budgetary Comparison Schedule	F - 4
Municpal Court Agency Fund - Statement of Changes in Assets and Liabilities	F - 5
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds	F - 6

Town of Thunderbolt, Georgia

Annual Financial Report

Table of Contents

For the Year Ended December 31, 2011

	Page
STATISTICAL SECTION	
Comment Relative to Statistical Section	G - 1
FINANCIAL TRENDS	
Net Assets by Component - Last Nine Calendar Years	G - 2
Changes in Net Assets - Last Nine Calendar Years	G - 4
Fund Balances, Governmental Funds - Last Ten Calendar Years	G - 8
Changes in Fund Balances, Governmental Funds - Last Ten Calendar Years	G - 9
Schedule of Tax Revenues and Franchise Fees - Last Ten Calendar Years	G - 11
REVENUE CAPACITY	
Assessed and Actual Value of Taxable Property - Last Ten Calendar Years	G - 12
Direct and Overlapping Property Tax Rates - Last Ten Calendar Years	G - 14
Principal Property Taxpayers - Current Year and Nine Years Ago	G - 15
Property Tax Levies and Collections - Last Ten Calendar Years	G - 16
Local Option Sales Tax History - Last Ten Calendar Years	G - 17
DEBT CAPACITY	
Rations of Outstanding Debt by Type - Last Ten Calendar Years	G - 18
Ratios of Net General Bonded Debt Outstanding - Last Ten Calendar Years	G - 19
Direct and Overlapping Governmental Activities Debt	G - 20
Legal Debt Margin Information - Last Ten Calendar Years	G - 21
DEMOGRAPHIC AND ECONOMIC INFORMATION	
Demographic and Economic Statistics - Last Ten Calendar Years	G - 22
Principal Employers - Current Year and Nine Years Ago	G - 23
OPERATING INFORMATION	
Full Time City Employees by Function/Program - Last Ten Calendar Years	G - 24
Operating Indicators by Function - Last Ten Calendar Years	G - 25
Capital Asset Statistics by Function - Last Ten Calendar Years	G - 26
COMPLIANCE SECTION	
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	H - 1
Schedule of Findings and Responses	H - 3

INTRODUCTORY SECTION


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

ANNA MARIA THOMAS
MAYOR

LINTON H. SMITH
TOWN ADMINISTRATOR

ROSE M. McCOMBS
CLERK/ZONING ADMINISTRATOR

CHARLES W. BARROW
TOWN ATTORNEY

COUNCIL MEMBERS

JOHN M. HENRY
MAYOR PRO-TEM

KIMBERLY CHAPPELL-STEVENS

JOHN CHEEKS, SR.

BETH E. GOETTE

DAVID P. CRENSHAW

SHERRY L. PHILLIPS

May 31, 2012

Citizens of Thunderbolt
Honorable Mayor
Members of Council

The Town Administrator's office is pleased to submit the Comprehensive Annual Financial Report of the Town of Thunderbolt, Georgia for the year ended December 31, 2011. The purpose of the report is to provide the Council, staff, the public and other interested parties with detailed information reflecting the Town's financial condition. This report also satisfies the state law to publish an annual audit within six months of the close of each fiscal year. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Town. To meet these responsibilities management has established a comprehensive framework of internal control. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Karp, Ronning & Tindol, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Town of Thunderbolt, Georgia's financial statements for the year ended December 31, 2011. The independent auditors' report is located at the front of the financial section of this report.
Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Town of Thunderbolt, Georgia is a small town which owes its name to a legend of a lightning strike that created a freshwater spring on the Wilmington bluff. The Town is located in Chatham County, Georgia adjacent to the City of Savannah.

Thunderbolt was a settlement which evolved into a shipping point for local plantation needs which also serviced the river traffic. In 1856, the Town of Thunderbolt was incorporated as Warsaw and then began its history as a processing port for the fishing community. The Town now encompasses an area of approximately 1.3 square miles and has a current population of approximately 2,670.

The Town Council appoints a Town Administrator to manage the Town on a daily basis and implement the policies and programs enacted by the Council. The Town Council also appoints a Town Clerk.
The Town provides a full range of municipal services, including general government, public safety (police and fire), parks and recreation, street and drainage maintenance, code enforcement, solid waste collection and disposal, and water and sewer utilities.
The criteria used by the Town for including activities in preparing its financial statements are set forth in GASB Statement No. 14. Based on these criteria, all municipal services listed above are included in the Town's financial statements. There are no entities which are considered to be component units of the Town.
The Town Council adopts and reports annual budgets for its general and special revenue funds as required by state law. The legal level of control (the level at which expenditures may not exceed appropriations) is at the department level.

Local Economy

The Town's economic base remained static during the 2011 fiscal year. Most of the commercial activity in the town is small retail businesses and restaurants, with the exception of a large nursing home and a small shipyard complex. Both employ about 100 people.

Long-term Financial Planning

The majority of our general fund revenue is from taxes and with the assessments being flat now, and no signs of new construction; we expect our revenues to remain near or at the same level.

Presently the Town has a 2010- 2014 goals and objectives strategy in addition to our long term comprehensive plan. This plan prioritizes capital investments over the next two years. We are in the process of upgrading to electronic water meters. This will have a twofold impact on the town by reducing labor costs and controlling loss of water.

No capital assets are budgeted for 2012.

Major Initiatives

The Town is not currently engaged in any major initiatives except incremental upgrades to our water and sewer infrastructure.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized Comprehensive Annual Financial Report. This was the fifth year the Town has received this award and we are proud to have maintained this standard of excellence.
The preparation of the Comprehensive Annual Financial Report could not be accomplished without the effective and dedicated services of the entire staff of the Finance Department. We express appreciation to all Town of Thunderbolt officials and employees who assisted and contributed to the preparation of this report.

Respectfully Submitted,

Vinton H. Smith

Town of Thunderbolt, Georgia

Principal Officials

December 31, 2011

Mayor	Anna Maria Thomas
Town Administrator	Linton Smith
Town Clerk	Rose M McCombs
Administrative Clerk	Molly Sims
Finance Clerk	Kay McCafferty
Chief of Police	Irene Pennington
Chief of Fire	Mike Godbold
Director of Public Works	Shawn Elmore
Town Attorney	Charles W. Barrow

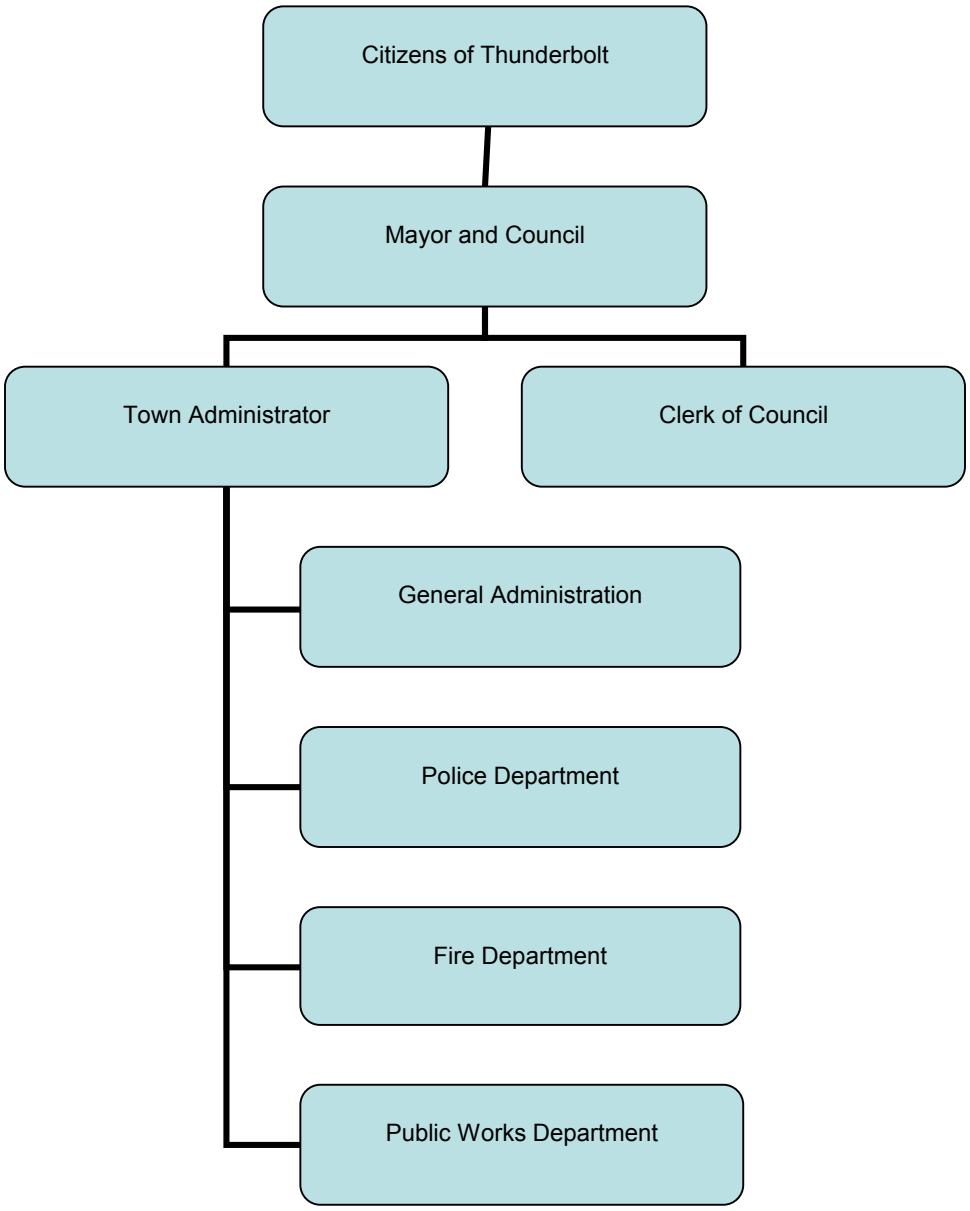
Town Council Members

Anna Maria Thomas	Mayor
John Henry, Mayor Pro-Tem	Chair - Fire
Beth E. Goette	Chair - Museum/ Senior Citizens
Sherry Phillips	Chair - Administration
John Cheeks	Chair - Public Works
Kimberly Chappell-Stevens	Chair - Police/ Municipal Court
David Crenshaw	Chair - Finance

Town of Thunderbolt, Georgia

Organizational Chart

December 31, 2011



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Thunderbolt

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



Linda C. Davidson

President

Jeffrey L. Esser

Executive Director


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

FINANCIAL SECTION


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

KARP, RONNING & TINDOL
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the
Town Council
Town of Thunderbolt, 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 Thunderbolt, Georgia (Town), as of and for the year ended December 31, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Town. 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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 31, 2012 on our consideration of the Town's internal control over financial reporting and 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 the 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.

6600 ABERCORN STREET • SUITE 200 SAVANNAH, GEORGIA 31405
P.O. BOX 16149 SAVANNAH, GEORGIA 31416
912-232-0475 TEL 912-232-0478 FAX www.krtcpa.com

Required Supplementary Information

The Management's Discussion and Analysis and the required supplementary information other than Management's Discussion and Analysis beginning on page C-1 and E-1, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Supplementary Data - Fund Schedules and State Mandated Program Information

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary data fund schedules and state mandated program information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Introductory and Statistical Sections

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kaap, Ronning & Tindal, P.C.

May 31, 2012

Management's Discussion and Analysis

Within this section of Town of Thunderbolt, Georgia (the Town) annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the calendar year ended December 31, 2011. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Town's assets exceeded its liabilities by $8,149,434 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of $6,961,512 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net assets of $226,123 are restricted by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net assets of $961,799 represent the portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of $992,821 this year. This compares to the prior year ending fund balance of $845,248 showing an increase of $147,573 during the current year. Unassigned fund balance of $748,431 for calendar year 2011 shows a $126,533 increase over the prior year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was $748,431 or 33.2% of total General Fund expenditures.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the Town's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall health of the Town would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of Town infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Primary governmental activities include general government, judiciary, public safety, public works, health and welfare, culture and recreation, and long-term debt. Business type activities include the water and sewer system.

The government-wide financial statements are presented on pages D-1 through D-3 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of a budgetary comparison schedule in a later section of this report.

The Town has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages D-4 – D-7 of this report.

Individual fund information is presented in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The one Town proprietary fund is classified as an enterprise fund, which operates the Town's water and sewer functions. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the Town organization for water and sewer utilities.

The basic enterprise fund financial statements are presented on pages D-8 – D-10 of this report.

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 Thunderbolt's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page D-11 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page D-12 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Town's budget presentation. A budgetary comparison schedule is included as "required supplementary information" for the general fund.

Financial Analysis of the Town as a Whole

The Town's net assets at calendar year-end are $8,149,434. The following table provides a summary of the Town's net assets:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current assets	$ 1,225,937	$ 1,113,238	$ 154,568	$ 1,765	$ 1,380,505	$ 1,115,003
Capital assets	5,579,258	5,806,710	2,235,682	2,179,714	7,814,940	7,986,424
Total assets	6,805,195	6,919,948	2,390,250	2,181,479	9,195,445	9,101,427
Current liabilities	91,236	175,777	85,530	190,418	176,766	366,195
Long-term liabilities	703,429	766,581	165,816	178,583	869,245	945,164
Total liabilities	794,665	942,358	251,346	369,001	1,046,011	1,311,359
Net assets:						
Invested in capital assets - net of related debt	4,891,646	4,927,843	2,069,866	1,964,734	6,961,512	6,892,577
Restricted	226,123	139,712	-	-	226,123	139,712
Unrestricted (deficit)	892,761	910,035	69,038	(149,256)	961,799	760,779
Total net assets	$ 6,010,530	$ 5,977,590	$ 2,138,904	$ 1,815,478	$ 8,149,434	$ 7,793,068

The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 13.4 to 1 and 1.81 to 1 for business type activities. These ratios are adequate for both activities.

The Town reported positive balances in net assets for both governmental and business-type activities. Net assets increased $32,940 for governmental activities and increased by $323,426 for business-type activities.

Note that approximately 81% of the governmental activities' net assets are in the invested in capital assets net of related debt category. The Town uses these capital assets to provide services to its citizens. Capital assets in the business-type activities are used to provide water, sewer, and garbage services.

The following table provides a summary of the Town's changes in net assets:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue						
Program revenue:						
Charges for services	$ 364,211	$ 523,875	$ 1,029,266	$ 1,024,361	$ 1,393,477	$ 1,548,236
Operating grants and contributions	46,734	13,597	-	-	46,734	13,597
Capital grants and contributions	536,815	131,309	-	5,000	536,815	136,309
General revenue:						
Taxes	1,715,147	1,774,546	-	-	1,715,147	1,774,546
Other	93,125	36,892	48,858	43,700	141,983	80,592
Total revenue	2,756,032	2,480,219	1,078,124	1,073,061	3,834,156	3,553,280
Program expenses:						
General government	651,495	645,839	-	-	651,495	645,839
Judiciary	135,754	124,176	-	-	135,754	124,176
Public safety	1,044,245	946,705	-	-	1,044,245	946,705
Public works	588,242	588,191	-	-	588,242	588,191
Health and welfare	58,601	68,646	-	-	58,601	68,646
Culture and recreation	48,785	56,428	-	-	48,785	56,428
Housing and development	805	126	-	-	805	126
Interest on long-term debt	34,708	46,947	-	-	34,708	46,947
Water, sewer and garbage	-	-	915,155	1,475,046	915,155	1,475,046
Total program expenses	2,562,635	2,477,058	915,155	1,475,046	3,477,790	3,952,104
Excess (deficiency)	193,397	3,161	162,969	(401,985)	356,366	(398,824)
Transfers	(160,457)	(17,258)	160,457	17,258	-	-
Change in net assets	32,940	(14,097)	323,426	(384,727)	356,366	(398,824)
Beginning net assets, restated	5,977,590	5,991,687	1,815,478	2,200,205	7,793,068	8,191,892
Ending net assets	$ 6,010,530	$ 5,977,590	$ 2,138,904	$ 1,815,478	$ 8,149,434	$ 7,793,068

Governmental Revenues

The Town is heavily reliant on taxes to support governmental operations and capital. Taxes provided approximately 62% of the Town's total governmental revenues. Property taxes are the largest revenue source with $847,244 of revenues or 49.4% of total revenue. About 43.3% of these taxes relate to the general sales and use tax. Total program revenues covered only 37% of governmental operating expenses. This means that the government's taxpayers and the Town's other general governmental revenues funded 63% of the governmental activities. As a result, the general economy and the Town businesses had a major impact on the Town's revenue streams.

Governmental Functional Expenses

The general government, public safety, and public works functions make up over 89% of the total governmental activities expenses.

This table presents the cost of each of the Town's functions, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the Town's taxpayers by each of these functions.

	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
General government	$ 651,495	$ 645,839	$ 106,206	$ 397,132
Judiciary	135,754	124,176	135,754	124,176
Public safety	1,044,245	946,705	687,830	652,635
Public works	588,242	489,378	542,186	463,168
Health and welfare	58,601	68,646	58,601	68,646
Culture and recreation	48,785	56,428	48,785	56,428
Housing and developments	805	126	805	126
Interest on long-term debt	34,708	46,947	34,708	46,947
Total program expenses	$ 2,562,635	$ 2,378,245	$ 1,614,875	$ 1,809,258

After reducing gross expenses by program revenues, general government costs a total of 7% of the net cost of services and public safety costs total 43% of these costs. Public works accounts for 34% of the total net cost of services.

Business-Type Activities

Revenues vs. Costs

The sole business-type activity is the Town's water, sewer and garbage program. The service charges for this activity increased $4,905 or .5% over 2010 and expenses decreased $559,891 or 38% when compared to 2010. The termination of the OMI contract resulted in a reduction of expenses in 2011. Also, in 2010 the Town reported a loss on disposal of assets of $309,333. No significant loss on disposal of assets was reported in 2011.

Financial Analysis of the Town's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $992,821. Approximately 75% of this amount, $748,431, is unassigned and is available for spending at the Town's discretion. The remainder of fund balance is 1) nonspendable ($17,811) because it represents prepaid expenses, 2) restricted for capital projects ($218,295) or to fund public safety programs ($7,828), and 3) assigned to future debt service ($456).

Major Governmental Funds

The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. At the end of the year, unassigned fund balance of the general fund was $748,431, while total fund balance was $766,242. 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 33.2% of total general fund expenditures, while total fund balance represents 34.0% of that same amount.

The General Fund's fund balance increased by $60,706 during the year. Key factors in this growth are as follows:

General fund revenues were down about $108,600 or 4.6% when compared to 2010. Most of this decline is related to a reduction in building permit revenue. In 2010 the Town issued building permits for three significant commercial projects. These projects accounted for approximately $75,000 in nonrecurring revenue in 2010. In addition, fine and forfeiture revenue decreased almost $35,000 when compared to 2010. The combination of new court personnel and a focus on collecting delinquent fines and forfeitures attributed to a bump in fines and forfeiture revenue in 2010. Fine and forfeiture revenue returned to a more normal level in 2011.

General fund expenditures were up approximately $247,500 or 12.3% when compared to 2010. Public safety and public works expenditures increased $91,500 (10.5%) and $157,400 (56.0%) respectfully. Decreased staffing resulting in overtime, increased fuel costs and increased workers compensation insurance contributed to the increase in public safety expenditures. In 2011, management terminated a professional services contract with OMI to provide public works maintenance services to the Town. The increase in public works expenditures is related to restarting the Towns public works function using Town employees and resources.

The decline in general fund revenues along with the increase in general fund expenditures resulted in a deficiency of revenues under expenditures of about $21,500. However, in 2010 the general fund transferred $114,800 to the debt service fund to pay principal and interest on the Town's maturing general obligation bonds. In 2011 general fund resources were not required to fund these debt service payments. In addition, proceeds from the sale of surplus property increased approximately $79,500 or 96.7% over 2010.

The Special Purpose Local Option Sales Tax Fund's fund balance Increased by $87,038 during the year. Key factors in this growth are as follows:

Intergovernmental revenue increased approximately $435,800 or 435.3% when compared to 2010. The increase is attributable to receiving twelve monthly disbursements from Chatham County in 2011 compared to only 2 monthly disbursements in 2010. The Town expects to continue to receive twelve monthly payments through the expiration of the 2008-2013 SPLOST referendum.

SPLOST Fund expenditures increased about $217,700 or 1,040.4% as a result of the additional revenue. A significant portion of these expenditures resulted in improvements to the Town's well and water and sewer system. In addition, the SPLOST Fund transferred $211,200 to the Town's debt service fund to pay principal and interest on the Town's general obligation bonds.

The Proprietary Fund

The enterprise fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, our financial analysis is presented above.

Budgetary Highlights

The revenue budget in the General Fund experienced a slight decrease of 3.5%.

General Fund original budget expenditures were increased by 2.1%. The 2011original expenditure budget was $2,098,126 and the final expenditure budget was $2,141,313. The increase in expenses are a combination of several factors: a rise in workman's comp premium, increasing fuel costs and maintenance and repairs to aging equipment and infrastructure. A negative budget variance of 5.2% between the final budget and actual expenditures in the general fund is mainly a product of the aging equipment and infrastructure in public works.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2011, was $4,891,646 and $2,069,866 respectively. The business-type activities reported an increase of $105,132. See Note 3-C for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Non-depreciable assets:						
Land	$ 290,800	$ 300,800	$ -	$ -	$ 290,800	$ 300,800
Construction in progress	-	-	-	-	-	-
Total non-depreciable assets	290,800	300,800	-	-	290,800	300,800
Depreciable assets:						
Buildings and improvements	5,510,854	5,510,854	4,331,928	4,137,379	9,842,782	9,648,233
Machinery, equipment and vehicles	1,184,174	1,168,370	76,922	247,080	1,261,096	1,415,450
Infrastructure	1,211,307	1,211,307	-	-	1,211,307	1,211,307
Total depreciable assets	7,906,335	7,890,531	4,408,850	4,384,459	12,315,185	12,274,990
Less accumulated depreciation	2,617,877	2,384,621	2,173,168	2,204,745	4,791,045	4,589,366
Book value - depreciable assets	5,288,458	5,505,910	2,235,682	2,179,714	7,524,140	7,685,624
Precentage depreciated	33%	30%	49%	50%	39%	37%
Book value - all assets	$ 5,579,258	$ 5,806,710	$ 2,235,682	$ 2,179,714	$ 7,814,940	$ 7,986,424

At December 31, 2011, the depreciable capital assets for governmental activities were 33% depreciated. This compares to 30% for December 31, 2010. This comparison indicates that the Town is replacing its assets at approximately the same rate as they are depreciating which is a positive indicator.

With the Town's business type activities, 49% of the asset values were depreciated at December 31, 2011 compared to 50% at December 31, 2010.

Long-term Debt

Governmental Activities:

Debt service expenditures increased $97,190 or 69.9% as compared to 2010. The increase is attributable to an unscheduled $100,000 principal payment on the Town's general obligation bonds. At the end of the calendar year, the Town general obligation bonds totaling $665,000.

Business-type Activities:

The Town had GEFA loans of $181,138 at the beginning of the year in water and sewer operations and retired $15,322 of the loans leaving a balance of $165,816.

See Note 3-F for additional information about the Town's long-term debt.

Economic Conditions Affecting the Town

The Town is a small community to the east of the City of Savannah in Chatham County, which is situated along with Intercoastal Waterway – Wilmington River. Our community's population is 2,672. Our community make up is 48% Caucasian, 43% African American, 5% Asian, 3% Hispanic and 1% other. A significant portion of our community is retired and on a fixed income, the median family income in this community is $41,207 with a median home value of $175,000.

Noting the significant portion of the population being of retirement age and on a fixed income, it provides a challenge to continue to provide services to this community with the constantly rising cost of providing services. We have approximately 1,100 homes and of that, nearly 460 receive some type of property tax exemption. The Town's operating budget is a little over $2.0 million.

Contacting the Town's Financial Management

The financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Town's Administrator at 2821 River Drive, Thunderbolt, GA 31404.

BASIC FINANCIAL STATEMENTS


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

GOVERNMENT-WIDE FINANCIAL STATEMENTS


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 779,456	$ 220,521	$ 999,977
Receivables	282,942	20,295	303,237
Internal balances	137,444	(137,444)	-
Prepaid	17,811	-	17,811
Restricted assets			
Cash and investments	8,284	51,196	59,480
Capital assets			
Land, improvements, and construction in progress	290,800	-	290,800
Other capital assets, net of depreciation	5,288,458	2,235,682	7,524,140
Total assets	6,805,195	2,390,250	9,195,445
LIABILITIES			
Accounts payable	81,929	19,502	101,431
Accrued interest	9,307	-	9,307
Other liabilities	-	51,196	51,196
Unearned revenue	-	14,832	14,832
Long-term liabilities:			
Due within one year	213,429	15,915	229,344
Due in more than one year	490,000	149,901	639,901
Total liabilities	794,665	251,346	1,046,011
NET ASSETS			
Invested in capital assets, net of related debt	4,891,646	2,069,866	6,961,512
Restricted for			
Capital projects	218,295	-	218,295
Public safety	7,828	-	7,828
Unrestricted	892,761	69,038	961,799
Total net assets	$ 6,010,530	$ 2,138,904	$ 8,149,434

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

Town of Thunderbolt, Georgia

Statement of Activities

For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 651,495	$ 87,469	$ -	$ 457,820
Judiciary	135,754	-	-	-
Public safety	1,044,245	276,712	46,734	32,969
Public works	588,242	30	-	46,026
Health and welfare	58,601	-	-	-
Culture and recreation	48,785	-	-	-
Housing and development	805	-	-	-
Interest on long-term debt	34,708	-	-	-
Total governmental activities	2,562,635	364,211	46,734	536,815
Business-type activities:				
Water and Sewer	915,155	1,029,266	-	-
Total business-type activities	915,155	1,029,266	-	-
Total	$ 3,477,790	$ 1,393,477	$ 46,734	$ 536,815

General revenues:

Taxes:

Property taxes for general purposes

Sales taxes for general purposes

Selective sales and use taxes

Business and occupation taxes

Unrestricted investment earnings

Miscellaneous

Gain on disposal of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
$ (106,206)		$ (106,206)
(135,754)		(135,754)
(687,830)		(687,830)
(542,186)		(542,186)
(58,601)		(58,601)
(48,785)		(48,785)
(805)		(805)
(34,708)		(34,708)
(1,614,875)		(1,614,875)
-	$ 114,111	114,111
-	114,111	114,111
(1,614,875)	114,111	(1,500,764)
847,244	-	847,244
728,607	-	728,607
14,156	-	14,156
125,140	-	125,140
1,830	917	2,747
22,263	47,941	70,204
69,032	-	69,032
(160,457)	160,457	-
1,647,815	209,315	1,857,130
32,940	323,426	356,366
5,977,590	1,815,478	7,793,068
$ 6,010,530	$ 2,138,904	$ 8,149,434


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

FUND FINANCIAL STATEMENTS


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Governmental Funds

Balance Sheet

December 31, 2011

	General	Special Purpose Local Option Sales Tax Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 580,642	$ 198,814	$ 8,284	$ 787,740
Receivables	242,510	40,432	-	282,942
Due from other funds	151,493	12,267	-	163,760
Prepaid items	17,811	-	-	17,811
Total assets	$ 992,456	$ 251,513	$ 8,284	$ 1,252,253
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 74,869	$ 6,902	$ -	$ 81,771
Accrued payables	158	-	-	158
Due to other funds	-	26,316	-	26,316
Deferred revenue	151,187	-	-	151,187
Total liabilities	226,214	33,218	-	259,432
Fund balances:				
Nonspendable	17,811	-	-	17,811
Restricted for:				
Capital projects	-	218,295	-	218,295
Public safety	-	-	7,828	7,828
Assigned for:				
Debt service	-	-	456	456
Unassigned	748,431	-	-	748,431
Total fund balances	766,242	218,295	8,284	992,821
Total liabilities and fund balances	$ 992,456	$ 251,513	$ 8,284	$ 1,252,253

Town of Thunderbolt, Georgia

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities

December 31, 2011

Total Governmental Fund Balances		$ 992,821
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 8,197,135	
Less: accumulated depreciation	(2,617,877)	5,579,258
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds balance sheet.		
Property taxes	81,910	
Occupational licenses	25,725	
Franchise taxes	43,552	151,187
Long-term and related liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.		
General obligation bonds	(643,788)	
Capital leases	(43,824)	
Accrued interest	(9,307)	
Compensated absences	(15,817)	(712,736)
Net Assets of Governmental Activities		$ 6,010,530

Town of Thunderbolt, Georgia

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2011

	General	Special Purpose Local Option Sales Tax Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 1,800,867	$ -	$ -	$ 1,800,867
Licenses and permits	83,833	-	-	83,833
Intergovernmental	45,353	535,940	653	581,946
Charges for services	67,037	-	-	67,037
Fines and forfeitures	210,116	-	-	210,116
Investment earnings	1,824	875	34	2,733
Miscellaneous	22,963	-	-	22,963
Total revenues	2,231,993	536,815	687	2,769,495
EXPENDITURES				
Current				
General government	618,157	-	-	618,157
Judicial	135,754	-	-	135,754
Public safety	965,777	-	-	965,777
Public works	438,272	-	-	438,272
Health and welfare	49,237	-	-	49,237
Culture and recreation	21,366	-	-	21,366
Housing and development	805	-	-	805
Capital Outlay	-	238,577	-	238,577
Debt Service				
Principal	21,212	-	170,043	191,255
Interest	2,892	-	42,015	44,907
Total expenditures	2,253,472	238,577	212,058	2,704,107
Excess (deficiency) of revenues over (under) expenditures	(21,479)	298,238	(211,371)	65,388
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	211,200	211,200
Transfers out	-	(211,200)	-	(211,200)
Sale of surplus property	82,185	-	-	82,185
Total other financing sources (uses)	82,185	(211,200)	211,200	82,185
Net changes in fund balances	60,706	87,038	(171)	147,573
Fund balances at beginning of year	705,536	131,257	8,455	845,248
Fund balances at end of year	$ 766,242	$ 218,295	$ 8,284	$ 992,821

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

Town of Thunderbolt, Georgia

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

For the Year Ended December 31, 2011

Net change in Fund Balances - Total Governmental Funds		$ 147,573
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 as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:		
Capital outlays	$ 103,580	
Depreciation expense	(317,879)	(214,299)
The net effect of various miscellaneous transactions involving capital assets is to decrease net assets.		
Net book value of assets disposed during the year		(13,153)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes, sales taxes, franchise taxes, and occupational licenses:		
Deferred at 12/31/11	151,187	
Deferred at 12/31/10	(233,682)	(82,495)
Accrued interest reported in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.		
Accrued interest at 12/31/11	(9,307)	
Accrued interest at 12/31/10	19,506	10,199
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
General obligation bonds	170,043	
Capital leases	21,212	191,255
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences at 12/31/11	(15,817)	
Compensated absences at 12/31/10	9,677	(6,140)
Change in Net Assets of Governmental Activities		$ 32,940

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Net Assets

December 31, 2011

ASSETS		
Current assets:		
Cash and cash equivalents	$	220,521
Receivables (net of allowance)		20,295
Restricted cash and investments		51,196
Total current assets		292,012
Noncurrent assets:		
Depreciable capital assets, net of depreciation		2,235,682
Total assets		2,527,694
LIABILITIES		
Current liabilities:		
Accounts payable		19,502
Due to other funds		137,444
Deferred revenue		14,832
Customer deposits payable		51,196
Notes payable		15,915
Total current liabilities		238,889
Noncurrent liabilities:		
Notes payable		149,901
Total noncurrent liabilities		149,901
Total liabilities		388,790
NET ASSETS		
Invested in capital assets, net of related debt		2,069,866
Unrestricted		69,038
Total net assets	$	2,138,904

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Year Ended December 31, 2011

OPERATING REVENUES	
Charges for services	$ 1,005,065
Other income	72,142
Total operating revenues	1,077,207
OPERATING EXPENSES	
Contractual services	710,802
Materials and supplies	80,965
Depreciation	104,140
Total operating expenses	895,907
Operating income (loss)	181,300
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	917
Interest expense	(5,918)
Loss on disposal of capital assets	(13,330)
Total nonoperating revenues (expenses)	(18,331)
Income before transfers	162,969
Contributions	160,457
Change in net assets	323,426
Net assets, beginning of year	1,815,478
Net assets, end of year	$ 2,138,904

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Cash Flows

For the Year Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	1,101,596
Cash payments to suppliers for goods and services		(843,720)
Net cash provided (used) by operating activities		257,876
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on debt		(49,163)
Interest payments on debt		(5,918)
Acquisitions and contruction of capital assets		(12,982)
Net cash (used) by capital and related financing activities		(68,063)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned on cash and investments		917
Net cash provided (used) by investing activities		917
Net increase (decrease) in cash and cash equivalents		190,730
Cash and cash equivalents, beginning of year		80,987
Cash and cash equivalents, end of year	$	271,717
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$	181,300
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		104,140
Change in assets and liabilities:		
Decrease (increase) in accounts receivables		25,213
(Decrease) Increase in accounts payable and accrued liabilities		(64,667)
(Decrease) Increase in interfund payable		12,714
(Decrease) increase in deferred revenue		5,400
(Decrease) increase in customer deposits		(6,224)
Total adjustments		76,576
Net cash provided (used) by operating activities	$	257,876
Noncash capital and related financing activities:		
Contribution of capital assets from governmental funds	$	160,457

Town of Thunderbolt, Georgia

Fiduciary Fund

Statement of Fiduciary Assets and Liabilities

December 31, 2011

	Municipal Court Fund
ASSETS	
Cash	$ 7,485
Total assets	$ 7,485
LIABILITIES	
Due to others	7,485
Total liabilities	$ 7,485

Note 1 Summary of Significant Accounting Policies

A. Financial Reporting Entity
B. Government-wide and Fund Financial Statements
C. Measurement Focus, Basis of Accounting and Basis of Presentation
D. Assets, Liabilities, and Net Assets or Equity
E. Implementation of New Accounting Standards

Note 2 Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

Note 3 Detail Notes on Funds and Activities

A. Cash and Investments
B. Accounts Receivable
C. Capital Assets
D. Interfund Transactions and Balances
E. Capital Leases
F. Long-term Debt

Note 4 Other Information

A. Employee Pension Plan
B. Risk Management
C. Commitments and Contingencies


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Note 1 – Summary of Significant Accounting Policies

The Town complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town's financial reporting entity comprises the following:

Primary Government: Town of Thunderbolt, Georgia

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the Town appointed a voting majority of the units' board; the Town is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Town Council or the component unit provides services entirely to the Town. These component units' funds are blended into those of the Town's by appropriate activity type to compose the primary government presentation. Currently, the Town has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the Town has no discretely presented component units.

Membership in Regional Commission

Under Georgia law, the Town is a member of the Coastal Regional Commission and is required to pay annual dues thereto. During its year ended December 31, 2011, the Town paid $2,502 in such dues. Membership in an CRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC 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 CRC. Management believes that the CRC is currently accumulating sufficient financial resources to meet its financial obligations. Separate financial statements may be obtained from:

Coastal Georgia Regional Commission
P.O. Box 1917
Brunswick, Georgia 31521

Note 1 – Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Government 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty days after year-end. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are recorded when they are due.

Property taxes, sanitation fees, sales tax, franchise fees, grants from other governments, and interest on investments are susceptible to accrual. Revenues from fines, forfeits and penalties become measurable and available when cash is received by the Town and are recognized as revenue at that time.

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.
- The *Special Purpose Local Option Sales Tax Fund* is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one capital project fund and it is used to account for the acquisition of capital assets with the 1% special purpose local option sales tax (SPLOST) proceeds.

Note 1 – Summary of Significant Accounting Policies (continued)

The Town reports the following major enterprise fund:

- The *Water, Sewer and Garbage Fund* accounts for water, sewer and garbage services provided 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.

Additionally, the Town reports the following fund types:

Governmental Funds

- The *Special Revenue Fund*, a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The *Police Department Asset Forfeiture Fund* accounts for all activities associated with the Town's participation in the U.S. Department of Justice Equitable Sharing Program.
- The *Debt Service Fund*, a fund type to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds. The Town has one debt service fund that accounts for the debt service payments related to the general obligation bonds issued in 1998. The debt service is funded by transfers from other governmental funds.

Fiduciary Funds

- The *Municipal Court Fund,* a fund type to account for assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The Town has one agency fund that accounts for the receipts and disbursements of funds by the Town's municipal court activities.

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

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

Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer and Garbage Fund are charges to customers for services provided. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Note 1 – Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of or obligations guaranteed by the U.S. Government and agencies or corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Investments are reported at fair value.

Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange revenues collectible but not available are deferred in the fund financial statements. Accounts receivable comprise the majority of proprietary fund receivables. Trade receivables are shown net of an allowance for uncollectibles.

Property taxes are levied as of January 1 on property values assessed on the same date. A millage rate of 6.377mills was adopted on August 10, 2011. Tax bills were rendered on September 15, 2011 and are considered past due 60 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

General capital assets are capital assets, which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds.

General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type activities column of the government-wide statement of net assets and in the respective fund.

General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are reported at their fair market value as of the date received. The Town maintains a capitalization threshold of one thousand dollars ($1,000). The Town is only required to report major general infrastructure assets prospectively. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Note 1 – Summary of Significant Accounting Policies (continued)

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Building and improvements	5 - 50 years	
Machinery and equipment	3 - 20 years	3 - 20 years
Vehicles	4 - 15 years	4 - 15 years
Public domain infrastructure	20 years	
Water and sewer system		50 years

Compensated Absences

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

Long-term Obligations

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or business-type activities 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The Town did not have any premiums, discounts or issuance costs related to any outstanding bonds.

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

Equity Classifications

Equity is classified as net assets and displayed in three components in the government-wide financial statements.

- *Invested in capital assets, net of related debt* consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- *Restricted net assets* consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net assets* consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Note 1 – Summary of Significant Accounting Policies (continued)

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- *Restricted fund balance* reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- *Assigned fund balance* reflects the amounts constrained by the city's "intent" to be used for specific purposes, but are neither restricted or committed. The city council and city manager have the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- *Unassigned fund balance* is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the city's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

E. Implementation of New Accounting Standards

In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement establishes fund balance classifications based primarily on the extent to which the Town is bound to honor constraints on the use of the resources reported in the governmental funds as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

Note 2 – Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

For the year ended December 31, 2011, expenditures exceeded appropriations in the following general fund departments (the legal level of budgetary control):

General Fund:

General and administrative	$ 15,223	Public works	$ 74,871
Municipal court	1,367	Senior Citizens	1,814
Police	17,291	Youth and recreation	27
Fire	9,364	Planning and zoning	703

These over expenditures were funded by available fund balance.

Note 3 – Detailed Notes on Funds and Activities

A. Cash and Investments

Deposits

At year-end the carrying amount of the Town's deposits was $1,066,532 and the bank balance was $1,171,882. As of December 31, 2011 the entire bank balance was insured and collateralized with securities held by the pledging financial institution's agent in the Town's name.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to the Town. The Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of depository insurance. The Town has no custodial credit risk policy that would require additional collateral requirements.

Reconciliation of financial statements to notes:

Basic financial statements:	
Cash and cash equivalents.....	$ 999,977
Restricted cash	59,480
Agency fund.....	7,485
Total.....	$ 1,066,942
Notes to financial statements:	
Deposits.....	$ 1,066,532
Cash on hand.....	410
Total.....	$ 1,066,942

Note 3 – Detailed Notes on Funds and Activities (continued)

B. Accounts Receivable

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate including the applicable allowance for uncollectible accounts are as follows:

Receivable	General Fund	SPLOST Fund	Water, Sewer and Garbage Fund	Total
Taxes	$ 235,974	$ -	$ -	$ 235,974
Accounts	8,262	-	22,673	30,935
Intergovernmental	-	40,432	-	40,432
Gross receivables	244,236	40,432	22,673	307,341
Less:				
Allowance for uncollectibles	(1,726)	-	(2,378)	(4,104)
Net receivables	$ 242,510	$ 40,432	$ 20,295	$ 303,237

All accounts receivable are expected to be collected within the subsequent fiscal year.

C. Capital Assets

Changes in capital asset of governmental activities for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	$ 300,800	$ -	$ 10,000	$ 290,800
Depreciable Assets:				
Buildings and improvements	5,510,854	-	-	5,510,854
Machinery, equipment and vehicles	1,168,370	103,580	87,776	1,184,174
Infrastructure	1,211,307	-	-	1,211,307
Sub-total assets	8,191,331	103,580	97,776	8,197,135
Accumulated Depreciation				
Buildings and improvements	(1,080,541)	(182,807)	-	(1,263,348)
Machinery, equipment and vehicles	(888,998)	(74,506)	(84,623)	(878,881)
Infrastructure	(415,082)	(60,566)	-	(475,648)
Sub-total accumulated depreciation	(2,384,621)	(317,879)	(84,623)	(2,617,877)
Total Governmental Activities	$ 5,806,710	$ (214,299)	$ 13,153	5,579,258
Less related long-term debt outstanding				(687,612)
Investment in capital assets, net of related debt				$ 4,891,646

Note 3 – Detailed Notes on Funds and Activities (continued)

Depreciation expense was charged to governmental activities as follows:

General government	$	33,338
Public safety		88,976
Public works		158,782
Health and welfare		9,364
Culture and recreation		27,419
Total depreciation expense	$	317,879

Changes in capital asset of business-type activities for the year ended December 31, 2011 was as follows:

	Ending Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Depreciable Assets:				
Buildings and improvements	$ 4,137,379	$ 194,549	$ -	$ 4,331,928
Machinery, equipment and vehicles	247,080	1,289	171,447	76,922
Sub-total assets	4,384,459	195,838	171,447	4,408,850
Accumulated Depreciation				
Buildings and improvements	(2,007,227)	(90,124)		(2,097,351)
Machinery, equipment and vehicles	(197,518)	(14,016)	(135,717)	(75,817)
Sub-total accumulated depreciation	(2,204,745)	(104,140)	(135,717)	(2,173,168)
Total Business-Type Activities	$ 2,179,714	$ 91,698	$ 35,730	2,235,682
Less related long-term debt outstanding				(165,816)
Investment in capital assets, net of related debt				$ 2,069,866

Adjustment to the Beginning Balance

The beginning balances for buildings and improvements (depreciable assets and accumulated depreciation) have been adjusted by $99,789. At December 31, 2010, the schedule above incorrectly reported the increase to accumulated depreciation as an increase in depreciable assets. While total capital assets for business-type activities was correct, depreciable assets and accumulated depreciation for building and improvements were understated in the above schedule.

Note 3 – Detailed Notes on Funds and Activities (continued)

D. Interfund Transactions and Balances

Interfund receivable and payable balances at December 31, 2011, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST	$ 26,316
General Fund	Water, Sewer and Garbage Fund	125,177
SPLOST Fund	Water, Sewer and Garbage Fund	12,267
		$ 163,760

These balances represent loans between the borrower fund and the lender fund. These balances resulted from the time lag between the dates that 1) interfund goods or services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Interfund receivables and payables are reported in the fund financial statements; however, they are eliminated in the government-wide financial statements if the interfund loan is between governmental funds.

A summary of interfund transfers by fund type is as follows:

Transfer Out	Transfer In	Amount
SPLOST Fund	Non-major Governmental Fund	$ 211,200

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, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) 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.

E. Capital Leases

The Town has entered into lease agreements as lessee for financing of equipment and vehicles used in governmental activities. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date within the governmental activities.

The assets acquired through capital lease are as follows:

	Governmental Activities
Machinery and Equipment.....	$ 87,400
Less: Accumulated depreciation.....	(54,625)
Total.....	$ 32,775

Note 3 – Detailed Notes on Funds and Activities (continued)

The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at December 31, 2011.

Year Ending December 31,	Governmental Activities
2012	$ 24,104
Less: amount representing interest.....	(1,492)
Present value of minimum lease payments.....	$ 22,612

F. Long-term Debt

General Obligation Bonds

On September 1, 1998, the Town issued General Obligation Bonds, Series 1998, in the face amount of $1,400,000 with an interest rate of 5.15%. The proceeds were used to acquire, construct and equip a municipal complex and related facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. Payment of principal and interest on these bonds are secured by and payable from ad valorem taxes to be levied in the Town.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2012	$ 175,000	$ 30,170	$ 205,170
2013	80,000	23,175	103,175
2014	85,000	18,926	103,926
2015	90,000	14,420	104,420
2016	100,000	9,528	109,528
2017 - 2019	135,000	5,021	140,021
Total.....	$ 665,000	$ 101,240	$ 766,240

Georgia Environmental Facilities Authority (GEFA) Loans

During 2005 the Town entered into a loan agreement with GEFA, a state agency. The GEFA makes low interest long-term loans to fund improvements to publicly owned water and sewer systems.

The Town has the following GEFA loan outstanding at year end:

Contract Number	Original Amount	Interest Rate	Balance 12/31/2011
2004-L11WQ	$ 250,609	3.82%	$ 165,816

Note 3 – Detailed Notes on Funds and Activities (continued)

Annual debt service requirements to maturity for the GEFA loan is as follows:

Year Ending December 31,	Principal	Interest	Total
2012	$ 15,915	$ 5,586	$ 21,501
2013	16,538	5,487	22,025
2014	17,179	5,218	22,397
2015	17,847	3,814	21,661
2016	18,539	3,814	22,353
2017 - 2020	79,798	9,990	89,788
Total.....	$ 165,816	$ 33,909	$ 199,725

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds.....	$ 835,043	$ -	$ 170,043	$ 665,000	$ 175,000
Capital leases.....	43,824	-	21,212	22,612	22,612
Compensated absences.....	9,677	24,499	18,359	15,817	15,817
Total Governmental Activities	$ 888,544	$ 24,499	$ 209,614	$ 703,429	$ 213,429
Business-Type Activities:					
GEFA loans.....	$ 181,138	$ -	$ 15,322	$ 165,816	$ 15,915
Capital leases.....	33,842	-	33,842	-	-
Total Business-Type Activities	$ 214,980	$ -	$ 49,164	$ 165,816	$ 15,915

The general obligation bonds are being retired by the debt service fund. The capital lease and note obligations of the Town's governmental funds will be financed through future general fund expendable available sources as they become due. Principal and interest payments related to the Town's GEFA note will be financed from income derived from the water and sewer fund. For governmental activities, compensated absences are liquidated by the general fund.

Note 4 – Other Information

A. Employee Pension Plan

Plan Description – The Town of Thunderbolt Retirement Plan (the Plan) is an agent multiple employer defined benefit plan covering all full time employees. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer type plan adminstered by the Georgia Municipal Association. The Georgia Municipal Association handles all administrative and investment functions relative to the Plan. The Georgia Municipal Association 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 Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Summary of Plan, Eligibility, and Benefits – essentially all regular employees of the Town are eligible to participate after one year of service. Generally, a member's retirement pension benefits vest after 5 years of service. Members are eligible for normal retirement benefits at age 65 with 5 years of service. For normal retirement, benefit payments are based on the member's last 5-year average annual salary (average final compensation) times 1.25% prior to March 1, 2001 and 1.50% on or after March 1, 2001, multiplied by the length of service (years and months).

All active participants of the plan are eligible for disability benefits from their first day of plan participation. Disability benefit payments are calculated in the same manner as retirement benefits, except that disability benefits are not less than 20% of the monthly average earnings of the last 12 months.

Benefits described above are in summary form and, accordingly, not all conditions, limitations, and restrictions are mentioned. These benefit provisions and all other requirements are established and amended by Town Council.

As of July 1, 2011, the date of the latest actuarial valuation, the number of participants was as follows:

Retired participants and beneficiaries	22
Terminated vested participants	19
Active vested participants	26
Total participants	67

Contributions and Funding Policy – The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. Participants are not required to contribute to the plan. The Town's is required to contribute at an actuarially determined rate. For 2011, the actuarially determined rate was 9.89% of covered payroll.

Annual Pension Cost – For 2011, the Town's annual pension cost of $60,355 for the Plan was equal to the Town's required and actual contributions.

Note 4 – Other Information (continued)

The required contribution was determined as part of the July 1, 2010 actuarial valuation using the following methods and assumptions:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Method	Remaining amortization period varies for the bases, with a net effective amortization period of 30 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 50% of the market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.50% pluse age and service based merit increases
Social Security Wage Base Increase	3.50%
Inflation	3.50%
Cost of Living Adjustments	0.00%

Trend information – Provides an indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below.

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
12/31/2009	$ 47,462	100 %
12/31/2010	71,115	100
12/31/2011	60,355	100

Fund Status and Funding Progress – As of July 1, 2011, the most recent actuarial valuation date, the actuarial value of assets was $1,203,419; the actuarial accrued liability for benefits was $1,391,522; the unfunded actuarial liability was $188,103; the plan was 86.48% funded; the covered payroll (annual payroll of active employees covered by the plan) was $680,945; and the ratio of the UAAL to the covered payroll was 27.62%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and workers compensation for which the Town carries the following insurance coverages. There were no significant reductions of insurance coverage compared to the prior year. Settled claims have not exceeded coverage in any of the past three fiscal years.

Note 4 – Other Information (continued)

Risk Pools

The Town joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by Town's management based on the anticipated needs. The Town is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the Town in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The Town has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The Town is unaware of any claims which the Town is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2011. No provisions have been made in the financial statements for the year ended December 31, 2011 for any estimate of potential unpaid claims.

The Town has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (GMAWCSIF), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the Town has no legal obligation to pay its own workers' compensation claims. The Town is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the Town's annual contribution, the Town has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

Self Insurance

The Town pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

C. Commitments and Contingencies

The Town receives a number of grants that are subject to program compliance audits by the grantors. Noncompliance with the terms and provisions of these grant agreements could result in contingent liabilities to the grantor agencies.

The Town attorney is not aware of any pending or threatening claims of litigation of a material nature in relation to the overall financial statements.


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION & ANALYSIS


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

General Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 1,771,300	$ 1,774,453	$ 1,800,867	$ 26,414
Licenses and permits	120,550	83,743	83,833	90
Intergovernmental revenues	38,835	45,353	45,353	-
Charges for services	67,600	65,315	67,037	1,722
Fines and forfeitures	288,540	208,783	210,116	1,333
Investment earnings	1,275	2,034	1,824	(210)
Miscellaneous	5,800	32,964	22,963	(10,001)
Total revenues	2,293,900	2,212,645	2,231,993	19,348
EXPENDITURES				
Current operating:				
General governmental				
Mayor and Council	40,372	90,319	81,977	8,342
General and administrative	548,863	520,957	536,180	(15,223)
Judicial				
Municipal court	160,865	134,387	135,754	(1,367)
Public safety				
Police	650,954	657,037	674,328	(17,291)
Fire	246,450	282,085	291,449	(9,364)
Public works				
Streets and highways	354,052	363,401	438,272	(74,871)
Health and welfare				
Senior Citizens	53,975	47,423	49,237	(1,814)
Culture and recreation				
Youth and recreation	6,375	8,071	8,098	(27)
Museum	12,615	13,427	13,268	159
Housing and development				
Planning and zoning	1,000	102	805	(703)
Debt service:				
Principal	21,212	21,212	21,212	-
Interest	1,393	2,892	2,892	-
Total expenditures	2,098,126	2,141,313	2,253,472	(112,159)
Excess (deficiency) of revenues over (under) expenditures	195,774	71,332	(21,479)	(92,811)
OTHER FINANCING SOURCES (USES)				
Sale of surplus property	-	82,185	82,185	-
Total other financing sources (uses)	-	82,185	82,185	-
Net change in fund balance	195,774	153,517	60,706	(92,811)
Fund balance, beginning of year	705,536	705,536	705,536	-
Fund balance, end of year	$ 901,310	$ 859,053	$ 766,242	$ (92,811)

I. Budgetary Information

A. Budgets and Budgetary Accounting

State law requires the Town to adopt by ordinances or resolutions an annual balanced budget for the general fund and the debt service fund. A budget is balanced when the sum of estimated revenues and appropriated fund balance is equal to appropriations. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the department level within each individual fund. Appropriations lapse at year-end.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. During the month of August, department heads prepare budget requests to submit to the Town Administrator.
2. The Town Administrator reviews the budget requests during September.
3. Committee meetings are held during October.
4. Town Council holds budget hearings and approves the budget in November with a final budget adopted prior to December 31.
5. Amendments to the budget must be approved by the Town Council. The Town Administrator may approve budget transfers within departments.
6. Formal budgetary integration is employed for the general fund and the debt service fund on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for the capital projects funds.

Supplemental appropriations and decreases in budget appropriations were properly approved by the Town Council. For the year ended December 31, 2011, the following supplemental increases and decreases in appropriations were approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund	$ 2,098,126	$ 105,021	$ 61,834	$ 2,141,313
Debt Service	112,101	100,000	-	212,101

B. Excess of Expenditures Over Appropriation in Individual Funds

General Fund:

General and administrative	$ 15,223	Public works	$ 74,871
Municipal court	1,367	Senior Citizens	1,814
Police	17,291	Youth and recreation	27
Fire	9,364	Planning and zoning	703

These over expenditures were funded by available fund balance.

Town of Thunderbolt, Georgia

Required Supplementary Information – Schedule of Funding Progress

December 31, 2011

The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), a state-wide, agent multiple-employer defined benefit plan. The amounts reflected herein represent the City's portion as reported by GMEBS.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2009	$ 941,032	$ 1,346,579	$ 405,547	69.9%	$ 547,973	74.0%
7/1/2010	1,183,886	1,379,817	195,931	85.8%	599,876	32.7%
7/1/2011	1,203,419	1,391,522	188,103	86.5%	680,945	27.6%


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

SUPPLEMENTARY DATA – FUND SCHEDULE AND STATE MANDATED PROGRAM INFORMATION


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2011

	Police Department Asset Forfeiture Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	$ 7,828	$ 456	$ 8,284
Total assets	7,828	456	8,284
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ -	$ -	$ -
Total liabilities	-	-	-
Fund balances:			
Restricted - public safety	7,828	-	7,828
Assigned - debt service	-	456	456
Total fund balances	$ 7,828	$ 456	$ 8,284

Town of Thunderbolt, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2011

	Police Department Asset Forfeiture Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 653	$ -	$ 653
Investment earnings	28	6	34
Total revenues	681	6	687
EXPENDITURES			
Debt Service			
Principal	-	170,043	170,043
Interest	-	42,015	42,015
Total expenditures	-	212,058	212,058
Excess (deficiency) of revenues over (under) expenditures	681	(212,052)	(211,371)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	211,200	211,200
Total other financing sources (uses)	-	211,200	211,200
Net changes in fund balances	681	(852)	(171)
Fund balances at beginning of year	7,147	1,308	8,455
Fund balances at end of year	$ 7,828	$ 456	$ 8,284

Town of Thunderbolt, Georgia

Police Department Asset Forfeiture Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ -	$ -	$ 653	$ 653
Investment earnings	-	-	28	28
Total revenues	-	-	681	681
Net change in fund balance	-	-	681	681
Fund balance, beginning of year	7,147	7,147	7,147	-
Fund balance, end of year	$ 7,147	$ 7,147	$ 7,828	$ 681

Town of Thunderbolt, Georgia

Debt Service Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment earnings	$ -	$ -	$ 6	$ 6
Total revenues	-	-	6	6
EXPENDITURES				
Current				
Principal	70,043	170,043	170,043	-
Interest	42,058	42,058	42,058	-
Total debt service	112,101	212,101	212,101	-
Total expenditures	112,101	212,101	212,101	-
Excess (deficiency) of revenues over (under) expenditures	(112,101)	(212,101)	(212,095)	6
OTHER FINANCING SOURCES (USES)				
Transfers in	112,101	212,101	211,200	(901)
Total other financing sources (uses)	112,101	212,101	211,200	(901)
Net change in fund balance	-	-	(895)	(895)
Fund balance, beginning of year	1,371	1,371	1,308	(63)
Fund balance, end of year	$ 1,371	$ 1,371	$ 413	$ (958)

Town of Thunderbolt, Georgia

Municipal Court Agency Fund

Statement of Changes in Assets and Liabilities

For the Year Ended December 31, 2011

	Balance December 31, 2010	Addtions	Deletions	Balance December 31, 2011
ASSETS				
Cash	$ 7,151	$ 59,558	$ 59,224	$ 7,485
Total assets	$ 7,151	$ 59,558	$ 59,224	$ 7,485
LIABILITIES				
Due to others	$ 7,151	$ 59,558	$ 59,224	$ 7,485
Total liabilities	$ 7,151	$ 59,558	$ 59,224	$ 7,485

Town of Thunderbolt, Georgia

Schedule of Expenditures of Special Local Option Sales Tax Proceeds

For the Year Ended December 31, 2011

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Cumulative Total
2003 - 2008 SPLOST Referendum					
Drainage:	$ 725,000	$ 725,000			
Phase V capital improvements			$ 918,732	$ -	$ 918,732
Isle of Armstrong improvements			422,223	-	422,223
Public Safety:	100,000	100,000			
Fire safety equipment			214,764	31,458	246,222
Fire hydrant rehabilitation			12,012	-	12,012
Other Capital Outlay:					
Thompson Park	177,000	177,000	248,609	-	248,609
Thunderbolt Municipal Well	-	10,000	7,677	-	7,677
Public works building and site	980,000	970,000	949,137	-	949,137
Russell Street parking / lot paving	80,000	80,000	104,181	-	104,181
Police vehicles	73,828	73,828	101,264	-	101,264
Greenspace	14,172	14,172	13,907	-	13,907
Debt Service:	550,000	550,000			
General Obligation Debt Service			439,418	-	439,418
Savannah Bank note payable			840,000	-	840,000
Total 2003-2008 SPLOST expenditures	2,700,000	2,700,000	4,271,924	31,458	4,303,382
2008 - 2013 SPLOST Referendum					
Capital Outlay Projects:	1,953,700	1,953,700			
Public safety equipment			-	1,511	1,511
Public works vehicles and equipment			-	45,151	45,151
Water systems			-	160,457	160,457
Debt Service:					
General Obligation Debt Service	1,046,300	1,046,300	-	211,200	211,200
Total 2008-2013 SPLOST expenditures	3,000,000	3,000,000	-	418,319	418,319
Grand totals	$ 5,700,000	$ 5,700,000	$ 4,271,924	$ 449,777	$ 4,721,701

Note 1:

Amounts expended for various projects includes sales tax proceeds and local governmental funding over the life of the projects.

Note 2:

As of December 31, 2011, all revenues related to the 2003 - 2008 SPLOST referendum had been exhausted.

STATISTICAL SECTION

This part of the Town of Thunderbolt, Georgia's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends — These schedules contain trend information to help the reader understand how the city's financial position has changed over time.	**G-2**
Revenue Capacity — These schedules contain information to help the reader understand and assess the factors affecting the city's ability to generate its most significant local revenue sources, the property tax and the sales tax.	**G-12**
Debt Capacity — These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	**G-18**
Economic and Demographic Information — These schedules offer economic and demographic indicators to help the reader understand the environment within which the city's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	**G-22**
Operating Information — These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	**G-24**

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year. The City implemented GASBS 34 in 2003; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Net Assets by Component
Last Nine Calendar Years

	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	$ 2,669,032	$ 3,164,705	$ 3,810,025	$ 4,609,607
Restricted	1,136,192	802,567	885,895	583,050
Unrestricted	884,718	1,051,964	844,362	1,016,170
Total governmental activities net assets	$ 4,689,942	$ 5,019,236	$ 5,540,282	$ 6,208,827
Business-type activities				
Invested in capital assets, net of related debt	$ 2,600,252	$ 2,731,672	$ 2,619,630	$ 2,535,429
Unrestricted	(58,533)	(170,750)	(23,948)	98,357
Total business-type activities net assets	$ 2,541,719	$ 2,560,922	$ 2,595,682	$ 2,633,786
Primary Government				
Invested in capital assets, net of related debt	$ 5,269,284	$ 5,896,377	$ 6,429,655	$ 7,145,036
Restricted	1,136,192	802,567	885,895	583,050
Unrestricted	826,185	881,214	820,414	1,114,527
Total primary government net assets	$ 7,231,661	$ 7,580,158	$ 8,135,964	$ 8,842,613

The Town of Thunderbolt implemented GASB 34 for the calendar year ended December 31, 2003. Information prior to the implementation of GASB 34 is not available.

2007	2008	2009	2010	2011
$ 5,201,222	$ 5,571,486	$ 5,327,967	$ 4,927,843	$ 4,891,646
480,302	80,114	53,706	139,712	226,123
1,060,505	724,923	563,460	910,035	892,761
$ 6,742,029	$ 6,376,523	$ 5,945,133	$ 5,977,590	$ 6,010,530
$ 2,451,719	$ 2,393,011	$ 2,343,529	$ 1,964,734	$ 2,069,866
98,947	29,232	(125,824)	(149,256)	69,038
$ 2,550,666	$ 2,422,243	$ 2,217,705	$ 1,815,478	$ 2,138,904
$ 7,652,941	$ 7,964,497	$ 7,671,496	$ 6,892,577	$ 6,961,512
480,302	80,114	53,706	139,712	226,123
1,159,452	754,155	437,636	760,779	961,799
$ 9,292,695	$ 8,798,766	$ 8,162,838	$ 7,793,068	$ 8,149,434

Town of Thunderbolt, Georgia

Changes in Net Assets
Last Nine Calendar Years

	2003	2004	2005
Expenses			
Governmental activities:			
General government	$ 439,862	$ 489,026	$ 479,775
Judiciary	198,279	214,384	266,557
Public safety	677,285	771,798	746,133
Public works	406,331	631,319	506,965
Health and welfare	64,247	63,959	71,193
Culture and recreation	35,888	30,676	37,238
Housing and development	-	-	-
Interest on long-term debt	76,595	73,220	84,209
Total governmental activities expenses	1,898,487	2,274,382	2,192,070
Business-type activities:			
Water and sewer	558,425	660,708	602,060
Total business-type activities expense	558,425	660,708	602,060
Total primary government expenses	$ 2,456,912	$ 2,935,090	$ 2,794,130
Program Revenues			
Governmental activities:			
Charges for services:			
General government	$ 77,048	$ 101,679	$ 111,751
Public safety	148,018	271,127	252,317
Public works	125,230	123,176	141,978
Operating grants and contributions	7,842	7,373	4,555
Capital grants and contributions	9,197	76,500	65,120
Total governmental activities program revenues	367,335	579,855	575,721
Business-type activities - water and sewer:			
Charges for services	429,593	428,251	482,924
Capital grants and contributions	22,863	204,761	-
Total business type activities program revenues	452,456	633,012	482,924
Total primary government program revenues	$ 819,791	$ 1,212,867	$ 1,058,645
Net (Expense)/Revenue			
Governmental activities	$(1,531,152)	$(1,694,527)	$(1,616,349)
Business-type activities	(105,969)	(27,696)	(119,136)
Total primary government net expense	$(1,637,121)	$(1,722,223)	$(1,735,485)

2006	2007	2008	2009	2010	2011
$ 527,178	$ 643,814	$ 742,976	$ 762,101	$ 645,839	$ 651,495
231,718	179,944	163,223	130,087	124,176	135,754
950,418	1,001,452	1,122,919	983,655	946,705	1,044,245
549,250	609,750	765,921	728,230	489,378	588,242
80,253	83,237	69,476	59,665	68,646	58,601
51,124	50,365	49,412	56,210	56,428	48,785
-	-	-	1,581	126	805
66,168	57,479	4,048	54,535	46,947	34,708
2,456,109	2,626,041	2,917,975	2,776,064	2,378,245	2,562,635
626,293	739,373	832,106	946,493	1,475,046	915,155
626,293	739,373	832,106	946,493	1,475,046	915,155
$ 3,082,402	$ 3,365,414	$ 3,750,081	$ 3,722,557	$ 3,853,291	$ 3,477,790
$ 156,348	$ 138,187	$ 120,483	$ 126,800	$ 247,907	$ 87,469
275,026	253,669	202,552	252,078	275,513	276,712
135,784	145,802	156,244	201,006	455	30
35,349	40	34,306	-	113,391	46,734
31,315	31,281	7,062	6,446	31,515	536,815
633,822	568,979	520,647	586,330	668,781	947,760
618,075	591,808	618,919	687,655	1,024,361	1,029,266
-	-	15,000	-	5,000	-
618,075	591,808	633,919	687,655	1,029,361	1,029,266
$ 1,251,897	$ 1,160,787	$ 1,154,566	$ 1,273,985	$ 1,698,142	$ 1,977,026
$(1,822,287)	$(2,057,062)	$(2,397,328)	$(2,189,734)	$(1,709,464)	$(1,614,875)
(8,218)	(147,565)	(198,187)	(258,838)	(445,685)	114,111
$(1,830,505)	$(2,204,627)	$(2,595,515)	$(2,448,572)	$(2,155,149)	$(1,500,764)

(continued)

Town of Thunderbolt, Georgia

Changes in Net Assets
Last Nine Calendar Years

	2003	2004	2005
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Property taxes for general purposes	$ 404,781	$ 451,478	$ 693,288
Sales taxes for general purposes	1,108,432	1,127,091	717,651
Selective sales and use taxes	-	-	67,571
Business and occupation taxes	-	-	117,195
Other taxes	368,591	373,281	-
Grants and contributions not restricted to specific programs	22,994	22,589	617,607
Miscellaneous	67,710	49,382	37,870
Gain (loss) on disposal of capital assets	-	-	-
Transfers	-	-	(113,787)
Total governmental activities	1,972,508	2,023,821	2,137,395
Business-type activities - water and sewer:			
Miscellaneous income	23,367	46,899	40,109
Transfers	-	-	113,787
Total business-type activities	23,367	46,899	153,896
Total primary government	$ 1,995,875	$ 2,070,720	$ 2,291,291
Change in Net Assets			
Governmental activities	$ 441,356	$ 329,294	$ 521,046
Business-type activities	(82,602)	19,203	34,760
Total primary government	$ 358,754	$ 348,497	$ 555,806

The Town of Thunderbolt implemented GASB 34 for the Calendar year ended December 31, 2003. Information prior to the implementation of GASB 34 is not available.

2006	2007	2008	2009	2010	2011
$ 753,111	$ 847,535	$ 887,908	$ 864,353	$ 895,896	$ 847,244
779,466	769,804	736,057	703,088	678,670	728,607
75,101	83,485	84,015	31,348	74,014	14,156
112,616	127,902	130,966	129,737	125,966	125,140
-	-	-	-	-	-
713,122	712,361	160,846	-	-	-
47,416	49,177	32,030	29,818	36,892	24,093
-	-	-	-	(98,813)	69,032
-	-	-	-	(17,258)	(160,457)
2,480,832	2,590,264	2,031,822	1,758,344	1,695,367	1,647,815
46,322	64,445	69,764	54,300	43,700	48,858
-	-	-	-	17,258	160,457
46,322	64,445	69,764	54,300	60,958	209,315
$ 2,527,154	$ 2,654,709	$ 2,101,586	$ 1,812,644	$ 1,756,325	$ 1,857,130
$ 658,545	$ 533,202	$ (365,506)	$ (431,390)	$ (14,097)	$ 32,940
38,104	(83,120)	(128,423)	(204,538)	(384,727)	323,426
$ 696,649	$ 450,082	$ (493,929)	$ (635,928)	$ (398,824)	$ 356,366

(concluded)

Town of Thunderbolt, Georgia

Fund Balances, Governmental Funds
Last Ten Calendar Years

	Calendar Year Ending December 31,				
	2002	2003	2004	2005	2006
General Fund					
Reserved	$ -	$ 33,632	$ 22,215	$ 31,998	$ 23,855
Unreserved	801,393	828,918	1,006,288	776,188	934,613
Total general fund	$ 801,393	$ 862,550	$ 1,028,503	$ 808,186	$ 958,468
All Other Governmental Funds					
Reserved	$ 1,611,998	$ 1,135,188	$ 801,560	$ 884,525	$ 581,674
Unreserved, reported in:					
Debt service fund	-	1,004	1,007	1,371	1,376
Total all other governmental funds	$ 1,611,998	$ 1,136,192	$ 802,567	$ 885,896	$ 583,050

	Calendar Year Ending December 31,				
	2007	2008	2009	2010	2011
General Fund					
Reserved	$ 20,401	$ 22,583	$ 78,615	$ 83,638	$ -
Unreserved	947,924	488,560	357,515	621,898	-
Nonspendable	-	-	-	-	17,811
Unassigned	-	-	-	-	748,431
Total general fund	$ 968,325	$ 511,143	$ 436,130	$ 705,536	$ 766,242
All Other Governmental Funds					
Reserved	$ 478,926	$ 78,788	$ 52,378	$ 131,257	$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	7,147	-
Debt service fund	1,376	1,326	1,328	1,308	-
Restricted:					
Capital Project Fund	-	-	-	-	218,295
Special revenue fund	-	-	-	-	7,828
Assigned:					
Debt service fund	-	-	-	-	456
Total all other governmental funds	$ 480,302	$ 80,114	$ 53,706	$ 139,712	$ 226,579

The Town of Thunderbolt implemented GASBS No. 54 for the calendar year ended December 31, 2011.


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years

	2002	2003	2004	2005
Revenues				
Sales tax	$ 1,216,420	$ 1,108,432	$ 1,127,091	$ 1,400,379
Other taxes	724,710	794,527	817,291	838,267
Licenses and permits	95,198	77,048	101,679	108,137
Revenue from other governmental units	135,638	37,633	106,462	704,160
Charges for services	117,209	125,230	123,176	167,726
Fines and fees	190,893	148,018	271,127	209,186
Miscellaneous	44,599	67,710	55,097	60,809
Total revenue	2,524,667	2,358,598	2,601,923	3,488,664
Expenditures				
Current:				
General government	387,509	405,758	516,854	478,999
Judiciary	141,816	197,563	221,311	266,557
Public safety	684,628	573,310	701,820	674,474
Public works	358,280	366,371	354,268	418,498
Health and welfare	55,672	54,883	54,070	60,778
Culture and recreation	33,312	17,052	12,949	19,772
Hosuing and development	-	-	-	-
Capital outlay	490,146	989,953	748,035	1,453,733
Debt service:				
Principal	86,124	89,651	92,049	99,542
Interest and other charges	79,145	78,706	75,394	81,843
Total expenditures	2,316,632	2,773,247	2,776,750	3,554,196
Excess (Deficiency) of revenues over (under) expenditures	208,035	(414,649)	(174,827)	(65,532)
Other Financing sources (uses)				
Debt issuance	-	-	-	725,000
Transfers in	3,528	109,990	107,444	340,265
Transfers out	-	(109,990)	(107,444)	(454,052)
Sale of capital assets and other	1,452	-	7,155	2,610
Total other financing sources (uses)	4,980	-	7,155	613,823
Net change in fund balances	$ 213,015	$ (414,649)	$ (167,672)	$ 548,291
Debt service as a percentage of noncapital expenditures	9.05%	9.44%	8.25%	8.64%

Notes:

Noncapital expenditures are total expenditures less capital outlay.

Housing and development account classifications were added beginning with year end December 31, 2005. Prior to December 31, 2005, Housing and development were combined in Public works.

2006	2007	2008	2009	2010	2011
$ 1,523,903	$ 1,513,446	$ 836,905	$ 717,571	$ 695,136	$ 728,607
167,050	274,712	865,635	1,068,429	1,126,256	1,072,260
154,925	134,851	119,143	124,868	166,910	83,833
800,350	759,353	202,214	14,301	139,234	581,946
169,745	165,748	157,852	207,447	5,109	67,037
242,488	237,059	202,284	247,569	272,696	210,116
48,491	49,217	28,830	21,089	42,564	25,696
3,106,952	3,134,386	2,412,863	2,401,274	2,447,905	2,769,495
502,031	619,669	720,360	718,231	630,219	618,157
231,718	179,944	163,223	130,087	124,176	135,754
810,045	854,626	1,029,764	975,110	874,287	965,777
452,735	617,230	561,904	485,846	280,900	438,272
69,839	72,823	59,062	49,251	57,181	49,237
15,731	14,972	14,819	21,617	14,661	21,366
-	-	-	1,581	126	805
1,430,920	185,365	16,442	33,535	20,920	238,577
389,884	675,005	640,384	129,456	89,898	191,255
112,566	106,461	67,475	54,535	49,074	44,907
4,015,469	3,326,095	3,273,433	2,599,249	2,141,442	2,704,107
(908,517)	(191,709)	(860,570)	(197,975)	306,463	65,388
756,724	98,818	-	87,825	-	-
112,294	109,483	228,154	113,281	114,805	211,200
(112,294)	(109,483)	(228,154)	(113,281)	(115,140)	(211,200)
-	-	3,200	8,729	2,730	82,185
756,724	98,818	3,200	96,554	2,395	82,185
$ (151,793)	$ (92,891)	$ (857,370)	$ (101,421)	$ 308,858	$ 147,573
19.44%	25.70%	21.87%	7.37%	6.55%	9.08%

Town of Thunderbolt, Georgia

Schedule of Tax Revenues and Franchise Fees
Last Ten Calendar Years

Year Ending December 31,	Property and Intangible Tax	Local Option Sales Tax	Business & Insurance Premium Tax	Malt and Alchol Beverage Tax	Utility and Cablevision Franchise Fees	Annual Totals
2002	$ 412,501	$ 1,216,420	$ 93,263	$ 63,020	$ 155,926	$ 1,941,130
2003	467,020	1,108,432	100,515	71,953	155,039	1,902,959
2004	482,829	1,127,091	108,956	65,150	160,356	1,944,382
2005	477,885	1,400,379	117,195	67,571	175,616	2,238,646
2006	524,440	1,523,903	122,616	75,101	189,330	2,435,390
2007	607,825	1,513,446	127,902	83,485	199,142	2,531,800
2008	660,285	836,905	130,966	84,015	158,277	1,870,448
2009	651,783	717,571	129,737	67,459	187,010	1,753,560
2010	712,578	695,136	125,966	74,014	213,698	1,821,392
2011	650,254	728,607	125,140	70,816	226,050	1,800,867

Prior to 2008, SPLOST revenue received through Chatham County was reported along with the local option sales tax. SPLOST proceeds received from Chatham County are shared revenue and are reported as intergovernmental revenue in the Town's financial statements.


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Assessed and Actual Value of Taxable Property
Last Ten Calendar Years

Calendar Year	Real Property		Personal Property		Utilities and Other Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	$ 52,362,902	$ 130,907,255	$ 9,686,488	$ 24,216,220	$ 336,747	$ 841,868
2003	60,510,696	151,276,740	9,570,232	23,925,580	353,131	882,828
2004	67,036,908	167,592,270	9,574,808	23,937,020	373,091	932,728
2005	76,731,956	191,829,890	10,120,785	25,301,963	417,254	1,043,135
2006	86,903,900	217,259,750	10,466,753	26,166,883	455,639	1,139,098
2007	106,036,852	265,092,130	9,959,554	24,898,885	448,245	1,120,613
2008	110,266,126	275,665,315	6,193,530	15,483,825	707,391	1,768,478
2009	106,239,926	265,599,815	5,085,440	12,713,600	729,121	1,822,803
2010	99,935,046	249,837,615	4,697,625	11,744,063	749,699	1,874,248
2011	96,651,603	241,629,008	5,146,110	12,865,275	757,863	1,894,658

Source: Chatham County Board of Assessors

Note: The ratio of total assessed to total estimated value is set at 40% by state law.

Tax rates are per $1,000 net assessed value.

Total			
Assessed Value	Estimated Actual Value	Ratio of Total Assessed To Total Estimated Value	Total Direct Tax Rate
$ 62,386,137	$ 155,965,343	40.00%	6.540
70,434,059	176,085,148	40.00%	6.700
76,984,807	192,462,018	40.00%	6.470
87,269,995	218,174,988	40.00%	6.080
97,826,292	244,565,731	40.00%	6.080
116,444,651	291,111,628	40.00%	6.080
117,167,047	292,917,618	40.00%	6.018
112,054,487	280,136,218	40.00%	6.119
105,382,370	263,455,926	40.00%	6.377
102,555,576	256,388,941	40.00%	6.377

Town of Thunderbolt, Georgia

Direct and Overlapping Property Tax Rates
Last Ten Calendar Years

	Direct	Overlapping Rates			
Tax Year	Town of Thunderbolt	School District	County	State	Total
2002	6.540	17.550	10.367	0.250	34.707
2003	6.700	17.680	10.367	0.250	34.997
2004	6.470	17.600	10.367	0.250	34.687
2005	6.080	17.277	12.163	0.250	35.770
2006	6.080	14.642	11.912	0.250	32.884
2007	6.080	13.795	10.537	0.250	30.662
2008	6.018	13.404	10.537	0.250	30.209
2009	6.119	13.404	10.537	0.250	30.310
2010	6.377	14.131	10.537	0.250	31.295
2011	6.377	14.631	11.109	0.250	32.367

Source: Chatham County Commission - Board Minutes and town records.

Town of Thunderbolt, Georgia

Principal Property Tax Payers
Current and Nine Years Ago

	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
River Crossing Investors LLC	$ 4,433,000	1	4.32%	$ 3,088,000	1	8.65%
Thunderbolt Marine Inc	4,123,080	2	4.01%	2,624,600	2	7.35%
Foster, William M	2,800,560	3	2.73%	2,427,600	3	6.80%
Morning Star Marinas	1,459,480	4	1.42%	1,146,200	5	3.21%
Hall Family Properties LLC	1,302,040	5	1.27%			
Tbolt Development LLC	915,120	6	0.89%			
JBPP LLC et al	674,000	7	0.66%			
Victory Storage Company	548,440	8	0.53%	488,232	8	1.37%
CJG LLC	541,000	9	0.53%			
Sibling LLC	533,760	10	0.52%			
Palmer Johnson of Savannah, Inc.				1,201,827	4	3.37%
A Store & Lock Inc				607,600	6	1.70%
JMB River, LLC				519,000	7	1.45%
Sea Ray of Savannah Inc.				422,166	9	1.18%
Regency Thunderbolt Inc.				479,600	10	1.34%
Total	$ 17,330,480		16.88%	$ 13,004,825		36.44%

Source: Chatham County Board of Assessors

Town of Thunderbolt, Georgia

Property Tax Levies and Collections
Last Ten Calendar Years

Calendar Year [1]	Total Tax Levy [2]	Collected within the Calendar Year of the Levy		Collections for subsequent years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	$ 341,184	$ 282,691	82.86%	$ 58,493	$ 341,184	100.00%
2003	395,274	353,743	89.49%	41,531	395,274	100.00%
2004	419,395	356,237	84.94%	63,158	419,395	100.00%
2005	437,477	364,384	83.29%	73,093	437,477	100.00%
2006	485,459	414,363	85.35%	57,877	472,240	97.28%
2007	571,099	481,253	84.27%	80,986	562,239	98.45%
2008	626,527	322,532	51.48%	274,314	596,846	95.26%
2009	629,314	417,189	66.29%	212,125	629,314	100.00%
2010	621,106	554,797	89.32%	54,276	609,073	98.06%
2011	589,675	533,382	90.45%	-	533,382	90.45%

Source: Town records.

[1] Taxes are assessed for the calendar year beginning January 1.

[2] The total tax levy includes real property, industrial area, personal property and public utilities. The total tax levy is the original state approved levy after adjustments for cancelations, releases, errors and additions.

Town of Thunderbolt, Georgia

Local Option Sales Tax History
Last Ten Calendar Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
January	$ 48,825	$ 49,590	$ 46,346	$ 53,867	$ 51,269	$ 58,283	$ 61,001	$ 52,893	$ 56,288	$ 62,577
February	56,137	52,831	52,729	64,744	63,751	67,448	68,037	45,966	56,780	52,164
March	53,043	47,991	56,998	52,462	62,161	57,076	47,448	44,186	56,018	57,220
April	50,082	44,216	52,122	56,235	61,476	58,742	62,664	37,856	61,334	58,114
May	48,880	51,947	56,870	61,183	61,598	62,803	66,133	51,793	57,220	61,436
June	52,734	48,691	61,420	59,491	70,617	67,211	62,727	56,015	59,365	61,037
July	56,600	50,085	59,599	61,948	62,706	66,564	68,238	59,261	58,548	63,362
August	53,599	70,175	56,012	61,736	68,959	59,919	63,302	65,382	58,307	66,157
September	53,580	32,967	56,762	60,478	75,073	69,589	63,701	54,799	58,091	63,495
October	50,830	50,682	52,514	66,465	63,623	65,380	58,022	55,990	55,186	62,607
November	52,333	53,434	53,213	64,117	80,839	68,423	69,551	46,951	57,027	56,981
December	48,590	49,798	51,991	56,139	43,607	62,173	56,744	56,288	54,254	55,772
Pro Rata Adjustment	4,761	2,398	4,510	2,377	3,078	2,887	1,368	4,082	431	1,373
Total	$ 629,994	$ 604,805	$ 661,086	$ 721,242	$ 768,757	$ 766,498	$ 748,936	$ 631,462	$ 688,849	$ 722,295

Town of Thunderbolt, Georgia

Ratios of Outstanding Debt by Type
Last Ten Calendar Years

Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
	General Obligation Bonds	Capital Leases	Notes Payable	GEFA Loans	Capital Leases			
2002	$ 1,280,000	$ 190,092	$ 53,905	$ 12,946	$ -	$ 1,536,943	2.15%	$ 640
2003	1,235,000	162,520	36,826	2,533	-	1,436,879	1.99%	599
2004	1,190,000	133,421	18,876	-	-	1,342,297	1.72%	559
2005	1,140,043	102,712	725,000	249,565	-	2,217,320	2.66%	901
2006	1,085,043	129,552	1,120,000	236,903	-	2,571,498	2.97%	1,045
2007	1,030,043	168,365	560,000	223,749	-	1,982,157	2.26%	806
2008	970,043	94,286	-	210,086	-	1,274,415	1.42%	518
2009	905,043	117,655	-	195,887	-	1,218,585	1.20%	460
2010	835,043	43,824	-	181,138	33,842	1,093,847	1.14%	410
2011	665,000	22,612	-	165,817	-	853,429	0.86%	319

Note: *Details regarding the town's outstanding debt can be found in the notes to the financial statements.*

[a] *These ratios are calculated using personal income and population for the prior calendar year.*

Town of Thunderbolt, Georgia

Ratios of Net General Bonded Debt Outstanding
Last Ten Calendar Years

Calendar Year	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2002	$ 1,280,000	$ 972	$ 1,279,028	0.82%	$ 533
2003	1,235,000	1,004	1,233,996	0.70%	514
2004	1,190,000	-	1,190,000	0.62%	496
2005	1,140,043	-	1,140,043	0.52%	463
2006	1,085,043	-	1,085,043	0.44%	441
2007	1,030,043	-	1,030,043	0.39%	419
2008	970,043	-	970,043	0.35%	394
2009	905,043	-	905,043	0.32%	342
2010	835,043	-	835,043	0.32%	313
2011	665,000	-	665,000	0.26%	249

Note:
Details regarding the town's outstanding debt can be found in the notes to the financial statements.

[a] *See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page G-14 for property value data.*

[b] *Population data can be found in the Schedule of Demographic and Economic Statistics on page G-24.*

Town of Thunderbolt, Georgia

Direct and Overlapping Governmental Activities Debt
As of December 31, 2011

	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes:			
Chatham County, Georgia:			
DSA Chatham County Projects Series 2005	$ 15,265,000	0.93%	$ 142,567
Chatham County Public Health Facilities Projects	645,000	0.93%	6,024
DSA Chatham County Projects Series 1999	5,940,000	0.93%	55,476
DSA Chatham County Projects Series 2005A	2,400,000	0.93%	22,415
Mosquito Control	4,083,873	0.93%	38,141
Savannah-Chatham County School Board:			
General Obligation Bonded Debt	77,230,000	0.93%	721,285
DSA (Improvement Project)	1,650,000	0.93%	15,410
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia	693,169	1.07%	7,393
Savannah-Chatham County School Board	5,648,967	1.39%	78,481
Subtotal, overlapping debt			1,087,191
Town of Thunderbolt direct debt			853,429
Total direct and overlapping debt			$ 1,940,620

Sources:

Assessed value data used to estimate applicable percentages provided by the Chatham County Board of Assessors.
Debt outstanding data provided by each governmental unit.

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Thunderbolt. This process recognizes that, when considering the town's ability to issue and repay long-term-debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

[a] *For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the town's boundaries and dividing it by each unit's total taxable value. For overlapping other debt (County), the percentage of overlapping applicable is estimated using the town's population and dividing it by the county's population. For overlapping other debt (School), the percentage of overlapping applicable is estimated using the town's school enrollment and dividing it by the school district's total enrollment.*

Town of Thunderbolt, Georgia

Legal Debt Margin Information
Last Ten Calendar Years

	Calendar Year				
	2002	2003	2004	2005	2006
Total assessed value of taxable property	$ 62,386,137	$ 70,434,059	$ 76,984,807	$ 87,269,995	$ 97,826,292
Less exemptions for bond purposes	189,300	284,444	258,041	299,169	-
Net assessed value for bond purposes	$ 62,196,837	$ 70,149,615	$ 76,726,766	$ 86,970,826	$ 97,826,292
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 6,219,684	$ 7,014,962	$ 7,672,677	$ 8,697,083	$ 9,782,629
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	1,279,028	1,233,996	1,190,000	1,140,043	1,085,043
Legal debt margin	$ 4,940,656	$ 5,780,966	$ 6,482,677	$ 7,557,040	$ 8,697,586
Total net debt applicable to the limit as a percentage of debt limit	2.05%	1.75%	1.55%	1.31%	1.11%

	Calendar Year				
	2007	2008	2009	2010	2011
Total assessed value of taxable property	$ 116,444,651	$ 117,167,047	$ 112,054,487	$ 105,382,370	$ 102,555,576
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$ 116,444,651	$ 117,167,047	$ 112,054,487	$ 105,382,370	$ 102,555,576
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 11,644,465	$ 11,716,705	$ 11,205,449	$ 10,538,237	$ 10,255,558
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	1,030,043	970,043	905,043	835,043	665,000
Legal debt margin	$ 10,614,422	$ 10,746,662	$ 10,300,406	$ 9,703,194	$ 9,590,558
Total net debt applicable to the limit as a percentage of debt limit	0.88%	0.83%	0.81%	0.79%	0.65%

The present constitutional limit on direct general obligation bonds for the Town of Thunderbolt is the amount equivalent to 10% of the net assessed valuation of taxable property for debt service (bond) purposes.

The Constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may be authorized to be issued if so approved by a majority of those voting in an election held for that purpose. The Town of Thunderbolt has no general obligation bonds authorized but unissued.

Town of Thunderbolt, Georgia

Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income [2]	Per Capita Personal Income [1]	Unemployment Rate [3]
2002	2,400	$ 71,500,800	$ 29,792	5.2%
2003	2,400	72,367,200	30,153	5.6%
2004	2,400	78,103,200	32,543	3.9%
2005	2,460	83,302,980	33,863	4.6%
2006	2,460	86,572,320	35,192	4.1%
2007	2,460	89,807,220	36,507	5.8%
2008	2,460	91,669,440	37,264	5.4%
2009	2,649	101,597,097	38,353	8.5%
2010	2,668	95,578,432	35,824	9.0%
2011	2,672	99,179,296	37,118	8.7%

Source:

[1] Chamber of Commerce and Metropolitan Planning Commission

[2] Personal income has been estimated based upon the municipal population and per capita personal income presented.

[3] State Department of Labor

Town of Thunderbolt, Georgia

Principal Employers
Current Year and Nine Years Ago

	2011			2002		
Employer	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**
Gulfstream Aerospace	6,500	1	5.42%	4,253	3	3.85%
Ft. Stweart/Hunter Army Airfield	4,719	2	3.93%	3,373	6	3.06%
Memorial Health	4,643	3	3.87%	4,600	2	4.17%
Savannah-Chatham Board of Education	4,600	4	3.84%	4,784	1	4.34%
St Joseph's Candler Hospital	3,170	5	2.64%	3,900	5	3.53%
Wal-Mart	2,935	6	2.45%			
City of Savannah	2,500	7	2.08%	1,537	8	1.39%
Savannah College of Art and Design	1,750	8	1.46%			
Chatham County	1,500	9	1.25%	2,122	7	1.92%
Georgia Pacific Savannah River Mill	1,200	10	1.00%			
Savannah International Airport				4,077	4	3.70%
State of Georgia				1,400	9	1.27%
International Paper				1,250	10	1.13%
	33,517		27.94%	31,296		28.36%

Source: Savannah Economic Development Authority - Leading Employers

Note: This data includes employer and employee information for the Savannah Metropolitan Service Area.

Town of Thunderbolt, Georgia

Full Time City Employees by Function/Program
Last Ten Calendar Years

	Full-time and Part-time Town Employees as of December 31				
Function/Program	**2002**	**2003**	**2004**	**2005**	**2006**
General government	6	6	6	6	6
Judiciary	3	3	3	3	3
Public safety	10	10	10	10	10
Public works	7	7	7	7	7
Total	26	26	26	26	26

	Full-time and Part-time Town Employees as of December 31				
Function/Program	**2007**	**2008**	**2009**	**2010**	**2011**
General government	7	7	7	6	7
Judiciary	3	3	3	3	3
Public safety	16	13	13	13	14
Public works	-	-	-	-	6
Total	26	23	23	22	30

Source: Town Personnel Records

Town of Thunderbolt, Georgia

Operating Indicators by Function
Last Ten Calendar Years

	Calendar Year				
	2002	**2003**	**2004**	**2005**	**2006**
Police:					
Number of emergency calls	na	na	na	na	na
Fire:					
Number of emergency calls	57	66	67	83	64
Public works:					
Street resurfacing (miles)	0.4	-	0.2	0.3	-

	Calendar Year				
	2007	**2008**	**2009**	**2010**	**2011**
Police:					
Number of emergency calls	1,825	1,916	2,642	2,640	2,180
Fire:					
Number of emergency calls	375	615	463	449	371
Public works:					
Street resurfacing (miles)	-	0.2	-	-	-

Sources: Town records

na - The number of police department emergency calls prior to 2007 is not available.

Town of Thunderbolt, Georgia

Capital Asset Statistics by Function

Last Ten Calendar Years

	Calendar Year				
	2002	**2003**	**2004**	**2005**	**2006**
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	1	1	1	1	1
Public works:					
Streets (miles)	11	11	11	11	11
Streetlights	190	200	210	210	210
Traffic signals	3	3	3	3	3
Parks and recreation:					
Parks	2	3	4	4	4
Water:					
Water mains (miles)	10	10	10	10	10
Maximum daily capacity (thousands of gallons)	400	400	400	400	400
Wastewater:					
Sanitary sewers (miles)	10	10	10	10	10

	Calendar Year				
	2007	**2008**	**2009**	**2010**	**2011**
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	1	1	1	1	1
Public works:					
Streets (miles)	11	11	11	11	11
Streetlights	210	210	210	210	210
Traffic signals	3	3	3	3	3
Parks and recreation:					
Parks	4	4	4	4	4
Water:					
Water mains (miles)	10	10	10	10	10
Maximum daily capacity (thousands of gallons)	400	400	400	400	400
Wastewater:					
Sanitary sewers (miles)	10	10	10	10	10

Sources: Town records and Georgia Department of Transportation, Office of Transportation

COMPLIANCE SECTION


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

KARP, RONNING & TINDOL
CERTIFIED PUBLIC ACCOUNTANTS

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 Thunderbolt, 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 Thunderbolt, Georgia (Town), as of and for the year ended December 31, 2011, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 31, 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 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town'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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting as items 2011-01 and 2011-02. A *significant deficiency* is a deficiency, or a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

We noted certain matters that we reported to management of the Town in a separate letter dated May 31, 2012.

The Town's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Town's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of Town Council and management and is not intended to be and should not be used by anyone other than these specified parties.

Kaup, Ronning & Tindol, P.C.

May 31, 2012

2011-01 Accounts Receivable Reconciliation

Criteria: The subsidiary ledger of accounts receivable should be reconciled to the general ledger periodically as a primary means of preventing or detecting an error or fraud in accounts receivable.

Condition: The subsidiary ledger of accounts receivable did not agree to the general ledger balance.

Cause: Not determined

Effect: Potential misstatement of accounts receivable, risk that error or fraud could occur and not be detected in a timely manner.

Recommendation: In order to ensure proper valuation of accounts receivable, we recommend that reconciliations be performed monthly, reconciling items be resolved promptly and management review and initial the reconciliation to ensure propriety and completeness.

Management's Response: Management concurs with this finding. This is a QS1 software deficiency and we have asked for help with no results. We have billed on an isolated day when no other activity is taking place to root out the discrepancies. We hope that this will enable us to follow/trace the transactions from the utility billing process through the interface with the general ledger. Procedures are in place now to reconcile weekly on this process.

2011-02 Budget Overruns

Criteria: State law requires municipalities to annually adopt a balanced budget for all governmental funds. Once adopted, these budgets act as legal spending authorizations or appropriation limits.

Condition: Total spending in the General Fund exceeded appropriations, public works department materially exceeded appropriations.

Cause: Management terminated public works contract with OMI and began using Town personnel to perform public works function. Management appears to have under estimated cost of re-establishing public works function.

Effect: Because the legal level of budgetary control is the department level, the amounts exceeding appropriations at the department level results in a violation of state law.

Recommendation: Improve monitoring of expenditures and comparison of departmental expenditures to budget. At year end consider possible outstanding accruals and possible audit adjustments and consider adjusting the budget accordingly.

Management's Response: Management concurs with this finding. With the brining in of public works, we incurred many unanticipated expenses, such as workers compensation, replacement of much aged utility equipment, and one particular vehicle. As a precaution and preventative measure, each department head and administration monitor not only on a monthly basis but at least weekly. We prioritize now and if the money is not available, we work with the resources we have. Another control in place is a rolling budget with a midyear amended/adjusted budget in response to our needs versus revenue.


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY