COMPREHENSIVE ANNUAL FINANCIAL REPORT

Town of Thunderbolt, Georgia

FOR THE FISCAL YEAR ENDED December 31, 2012

PREPARED BY
THE TOWN'S FINANCE DEPARTMENT


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Annual Financial Report

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Town of Thunderbolt, Georgia

Annual Financial Report

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INTRODUCTORY SECTION


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

ANNA MARIA THOMAS
MAYOR

CAROLINE R. NGUYEN
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

Citizens of Thunderbolt
Honorable Mayor
Members of Council

The Town's office is pleased to submit the Comprehensive Annual Financial Report of the Town of Thunderbolt, Georgia for the year ended December 31, 2012. 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's financial statements for the year ended December 31, 2012. The independent auditor's 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 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 of 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 2012 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 assessments being flat now, and no 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 year. We are in the process of upgrading to radio read water meters. This will have a twofold impact on the Town by reducing labor costs and controlling loss of water.

Major Initiatives

The Town is gathering research for a new upper Floridian aquifer well.

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, 2011. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized Comprehensive Annual Financial Report. This is the sixth year the Town has received this award and we are proud to have maintained this standard of excellence.

Respectfully Submitted,

Kay McCafferty
Finance Clerk

Molly Sims
Administrative Clerk

Town of Thunderbolt, Georgia

Principal Officials

December 31, 2012

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

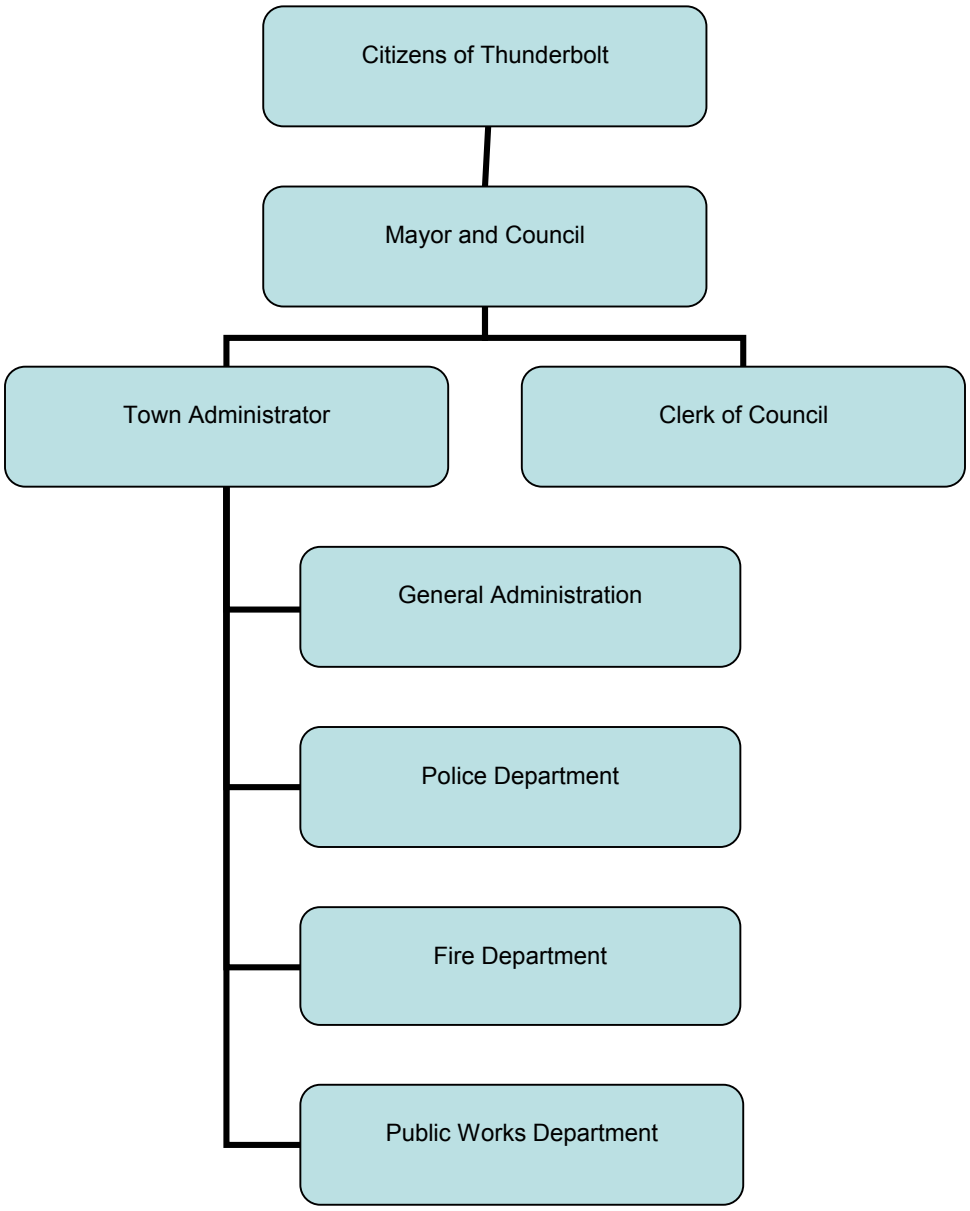
Town Council Members

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, 2012



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, 2011

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



Christopher P Morrill

President

Jeffrey L. Esser

Executive Director


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

KARP, RONNING & TINDOL
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Thunderbolt, Georgia, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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912-232-0475 TEL 912-232-0478 FAX www.krtcpa.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Thunderbolt, Georgia, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Thunderbolt, Georgia's basic financial statements. The supplementary data, combining fund financial statements and schedules, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data, combining fund financial statements and schedules, listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data, combining fund financial statements and schedules, listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2013 on our consideration of the Town of Thunderbolt, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Thunderbolt, Georgia's internal control over financial reporting and compliance.

Karp, Ronning & Tindol, P.C.

Karp, Ronning & Tindol, P.C.
Savannah, Georgia
May 30, 2013


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

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, 2012. 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 $8,581,239 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of $6,918,623 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 $269,041 are restricted by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net assets of $1,393,575 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 $1,253,825 this year. This compares to the prior year ending fund balance of $992,821 showing an increase of $261,004 during the current year. Unassigned fund balance of $978,020 for calendar year 2012 shows a $229,589 increase over the prior year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was $978,020 or 46.2% 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 & D-2 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 $8,581,239. The following table provides a summary of the Town's net assets:

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current assets	$ 1,412,429	$ 1,225,937	$ 531,626	$ 154,568	$ 1,944,055	$ 1,380,505
Capital assets	5,364,743	5,579,258	2,164,626	2,235,682	7,529,369	7,814,940
Total assets	6,777,172	6,805,195	2,696,252	2,390,250	9,473,424	9,195,445
Current liabilities	49,522	91,236	207,178	85,530	256,700	176,766
Long-term liabilities	485,585	703,429	149,900	165,816	635,485	869,245
Total liabilities	535,107	794,665	357,078	251,346	892,185	1,046,011
Net assets:						
Invested in capital assets - net of related debt	4,903,897	4,891,646	2,014,726	2,069,866	6,918,623	6,961,512
Restricted	269,041	226,123	-	-	269,041	226,123
Unrestricted (deficit)	1,069,127	892,761	324,448	69,038	1,393,575	961,799
Total net assets	$ 6,242,065	$ 6,010,530	$ 2,339,174	$ 2,138,904	$ 8,581,239	$ 8,149,434

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 28.5 to 1 and 2.6 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 $231,535 for governmental activities and increased by $200,270 for business-type activities.

Note that approximately 78.6% 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 also provide water and sewer services, and generates revenues for this fund.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue						
Program revenue:						
Charges for services	$ 484,533	$ 364,211	$ 1,095,164	$ 1,029,266	$ 1,579,697	$ 1,393,477
Operating grants and contributions	76,105	46,734	-	-	76,105	46,734
Capital grants and contributions	569,439	536,815	-	-	569,439	536,815
General revenue:						
Taxes	1,821,711	1,715,147	-	-	1,821,711	1,715,147
Other	42,258	93,125	65,802	48,858	108,060	141,983
Total revenue	2,994,046	2,756,032	1,160,966	1,078,124	4,155,012	3,834,156
Program expenses:						
General government	559,372	651,495	-	-	559,372	651,495
Judiciary	131,344	135,754	-	-	131,344	135,754
Public safety	1,053,793	1,044,245	-	-	1,053,793	1,044,245
Public works	770,836	588,242	-	-	770,836	588,242
Health and welfare	42,414	58,601	-	-	42,414	58,601
Culture and recreation	46,101	48,785	-	-	46,101	48,785
Housing and development	1,223	805	-	-	1,223	805
Interest on long-term debt	32,250	34,708	-	-	32,250	34,708
Water, sewer and garbage	-	-	1,085,874	915,155	1,085,874	915,155
Total program expenses	2,637,333	2,562,635	1,085,874	915,155	3,723,207	3,477,790
Excess (deficiency)	356,713	193,397	75,092	162,969	431,805	356,366
Transfers	(125,178)	(160,457)	125,178	160,457	-	-
Change in net assets	231,535	32,940	200,270	323,426	431,805	356,366
Beginning net assets, restated	6,010,530	5,977,590	2,138,904	1,815,478	8,149,434	7,793,068
Ending net assets	$ 6,242,065	$ 6,010,530	$ 2,339,174	$ 2,138,904	$ 8,581,239	$ 8,149,434

Governmental Activities Revenues

The Town is heavily reliant on taxes to support governmental activities. Taxes provided 60.8% of the Town's total governmental activities revenue. Local option sales taxes account for $760,848 or 41.8% of tax revenues. Property taxes, $650,367 and utility franchise fees, $211,580, account for 47.3% of tax revenue. The general economy and the Town businesses have a major impact on the Town's revenue streams.

Special purpose local option sales tax proceeds of $566,491 accounts for substantially all of the capital grants and contributions. Charges for services include administrative fees charged to the Town's enterprise fund. Significant increases in workers compensation insurance as well as the increased allocation of public works salary costs resulted in an increase in the administrative fee. As a result, charges for services were up approximately $120,000 or 33.0% over the prior year.

Governmental Activities Program Expenses

The general government, public safety, and public works functions make up 90.4% 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	
	2012	2011	2012	2011
General government	$ 559,372	$ 651,495	$ 19,211	$ 106,206
Judiciary	131,344	135,754	131,344	135,754
Public safety	1,115,030	1,044,245	642,034	687,830
Public works	709,599	588,242	592,679	542,186
Health and welfare	42,414	58,601	42,414	58,601
Culture and recreation	46,101	48,785	46,101	48,785
Housing and developments	1,223	805	1,223	805
Interest on long-term debt	32,250	34,708	32,250	34,708
Total program expenses	$ 2,637,333	$ 2,562,635	$ 1,507,256	$ 1,614,875

Public works expenses were up approximately $121,400 or 20.6% due to increased costs incurred for personnel, repairs and maintenance and depreciation expense. However, while public works costs were up significantly total program expenses increased $74,698 or 2.9% when compared to 2011.

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 $55,070 or 5.5% over the prior year. The operating revenues for this fund increased $83,151 or 7.7% over 2011 and operating expenses increased $183,908 or 20.5% compared to 2011. An increase in administration fees to cover higher than anticipated insurance costs and additional salaries accounted for most of the increase in operating expenses.

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 $1,253,825. Approximately 78% of this amount, $978,020 is unassigned and is available for spending at the Town's discretion. The remainder of the fund balance is 1) nonspendable ($3,729) because it represents prepaid expenses, 2) restricted for capital projects ($257,075) or to fund public safety programs ($11,966) and 3) assigned to future debt service ($3,035).

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 $978,020, while total fund balance was $981,749. 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 46.2% of total general fund expenditures, while total fund balance represents 46.4% of that same amount.

The General Fund's fund balance increased by $215,507 during the year. Key factors in this growth are as follows:

- Increase in fees charged to the Town's enterprise fund to recover that fund's share of the administrative expenses reported the general fund.
- Local option sales tax revenue (LOST) reported an increase for the second consecutive year. LOST revenue was up $32,241 or 4.4% over the prior year.
- Most other revenue streams were consistent with those in 2011.
- The Town's 2012 budget was closely monitored by management resulting in an overall reduction of general fund expenditures. General Fund expenditures were down $138,327 or 6.1% compared to the prior year.

The General Fund's ending unassigned fund balance experienced an increase of $229,589 over the prior year from $748,431 to $978,020. We carry this balance primarily for cash flow purposes and to cover any unforeseen emergencies.

The Special Purpose Local Option Sales Tax (SPLOST) Fund's fund balance increased $38,780 during the year. The SPLOST Fund reported revenues of $566,709 which is consistent with the prior year. SPLOST revenues are available for approved capital projects and related debt service.

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 was increased $50,000 as a result of the increase in administrative charges allocated to the Town's enterprise fund. A higher than anticipated collection of property taxes and local option sales tax resulted in additional tax revenue of $183,846. In addition, fines and forfeiture revenue exceeded budget by $51,595. Overall revenue reported in the General Fund exceeded the final budget by $289,059 or 13.5%

General Fund original budget expenditures were increased by $63,394 or just 3.0% of the original budget of $2,093,170. The majority of the increase, approximately $44,400, was for public works salaries and unexpected public works repairs and maintenance costs.

(continued on next page)

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, 2012, was $5,364,743 and $2,164,626 respectively. The total decrease in this net investment was 4% for governmental activities. The business-type activities reported a decrease of 3% due to depreciation. The overall decrease was 3.5% for the Town as a whole. See Note 2-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	
	2012	2011	2012	2011	2012	2011
Non-depreciable assets:						
Land	$ 290,800	$ 290,800	$ -	$ -	$ 290,800	$ 290,800
Construction in progress	-	-	-	-	-	-
Total non-depreciable assets	290,800	290,800	-	-	290,800	290,800
Depreciable assets:						
Buildings and improvements	5,510,854	5,510,854	4,331,928	4,331,928	9,842,782	9,842,782
Machinery, equipment and vehicles	1,370,483	1,184,174	107,933	76,922	1,478,416	1,261,096
Infrastructure	1,211,307	1,211,307	-	-	1,211,307	1,211,307
Total depreciable assets	8,092,644	7,906,335	4,439,861	4,408,850	12,532,505	12,315,185
Less accumulated depreciation	3,018,701	2,617,877	2,275,235	2,173,168	5,293,936	4,791,045
Book value - depreciable assets	5,073,943	5,288,458	2,164,626	2,235,682	7,238,569	7,524,140
Precentage depreciated	37%	33%	51%	49%	42%	39%
Book value - all assets	$ 5,364,743	$ 5,579,258	$ 2,164,626	$ 2,235,682	$ 7,529,369	$ 7,814,940

At December 31, 2012, the depreciable capital assets for governmental activities were 37% depreciated. This compares to 33% for December 31, 2011. 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, 51% of the asset values were depreciated at December 31, 2012 compared to 49% at December 31, 2011.

Long-term Debt

Governmental Activities:

At the end of the calendar year, the Town had capital lease obligations outstanding of $70,486 and general obligation bonds totaling $390,000.

Business-type Activities:

The Town had GEFA loans of $165,816 at the beginning of the year in water and sewer operations and retired $15,916 of the loans leaving a balance of $149,900.

See Note 2-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 2,668. Our community make up is 52% Caucasian, 35% African American, 4% Asian, 9% 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 $41,430 with a median home value of $142,800.

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, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 1,156,571	$ 428,871	$ 1,585,442
Receivables	246,518	30,686	277,204
Internal balances	(9,390)	9,390	-
Prepaid	3,729	1,044	4,773
Restricted assets			
Cash and investments	15,001	61,635	76,636
Capital assets			
Land, improvements, and construction in progress	290,800	-	290,800
Other capital assets, net of depreciation	5,073,943	2,164,626	7,238,569
Total assets	6,777,172	2,696,252	9,473,424
LIABILITIES			
Accounts payable	40,052	130,711	170,763
Accrued interest	9,470	-	9,470
Other liabilities	-	61,635	61,635
Unearned revenue	-	14,832	14,832
Long-term liabilities:			
Due within one year	127,003	16,536	143,539
Due in more than one year	358,582	133,364	491,946
Total liabilities	535,107	357,078	892,185
NET ASSETS			
Invested in capital assets, net of related debt	4,903,897	2,014,726	6,918,623
Restricted for			
Capital projects	257,075	-	257,075
Public safety	11,966	-	11,966
Unrestricted	1,069,127	324,448	1,393,575
Total net assets	$ 6,242,065	$ 2,339,174	$ 8,581,239

Town of Thunderbolt, Georgia

Statement of Activities

For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 559,372	$ 193,853	$ -	$ 346,308
Judiciary	131,344	-	-	-
Public safety	1,115,030	215,680	76,105	181,211
Public works	709,599	75,000	-	41,920
Health and welfare	42,414	-	-	-
Culture and recreation	46,101	-	-	-
Housing and development	1,223	-	-	-
Interest on long-term debt	32,250	-	-	-
Total governmental activities	2,637,333	484,533	76,105	569,439
Business-type activities:				
Water and Sewer	1,085,874	1,095,164	-	-
Total business-type activities	1,085,874	1,095,164	-	-
Total	$ 3,723,207	$ 1,579,697	$ 76,105	$ 569,439

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
$ (19,211)		$ (19,211)
(131,344)		(131,344)
(642,034)		(642,034)
(592,679)		(592,679)
(42,414)		(42,414)
(46,101)		(46,101)
(1,223)		(1,223)
(32,250)		(32,250)
(1,507,256)		(1,507,256)
-	$ 9,290	9,290
-	9,290	9,290
(1,507,256)	9,290	(1,497,966)
861,947	-	861,947
760,848	-	760,848
65,996	-	65,996
132,920	-	132,920
775	608	1,383
17,882	65,194	83,076
23,601	-	23,601
(125,178)	125,178	-
1,738,791	190,980	1,929,771
231,535	200,270	431,805
6,010,530	2,138,904	8,149,434
$ 6,242,065	$ 2,339,174	$ 8,581,239


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

FUND FINANCIAL STATEMENTS


TOWN OF THUNDERBOLT
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CHATHAM COUNTY

Town of Thunderbolt, Georgia

Governmental Funds

Balance Sheet

December 31, 2012

	General	Special Purpose Local Option Sales Tax Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 899,306	$ 257,265	$ 15,001	$ 1,171,572
Receivables	201,872	44,646	-	246,518
Due from other funds	26,316	-	-	26,316
Prepaid items	3,729	-	-	3,729
Total assets	$ 1,131,223	$ 301,911	$ 15,001	$ 1,448,135
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 21,532	$ 18,520	$ -	$ 40,052
Due to other funds	9,390	26,316	-	35,706
Deferred revenue	118,552	-	-	118,552
Total liabilities	149,474	44,836	-	194,310
Fund balances:				
Nonspendable	3,729	-	-	3,729
Restricted for:				
Capital projects	-	257,075	-	257,075
Public safety	-	-	11,966	11,966
Assigned for:				
Debt service	-	-	3,035	3,035
Unassigned	978,020	-	-	978,020
Total fund balances	981,749	257,075	15,001	1,253,825
Total liabilities and fund balances	$ 1,131,223	$ 301,911	$ 15,001	$ 1,448,135

Town of Thunderbolt, Georgia

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

December 31, 2012

Total Governmental Fund Balances		$ 1,253,825
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	$ 8,383,444	
Less: accumulated depreciation	(3,018,701)	5,364,743
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	51,995	
Occupational licenses	22,750	
Franchise taxes	43,807	118,552
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	(390,000)	
Capital leases	(70,846)	
Accrued interest	(9,470)	
Compensated absences	(24,739)	(495,055)
Net Assets of Governmental Activities		$ 6,242,065

Town of Thunderbolt, Georgia

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2012

	General	Special Purpose Local Option Sales Tax Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 1,854,346	$ -	$ -	$ 1,854,346
Licenses and permits	85,381	-	-	85,381
Intergovernmental	74,697	566,491	4,120	645,308
Charges for services	184,607	-	-	184,607
Fines and forfeitures	214,545	-	-	214,545
Investment earnings	771	218	22	1,011
Miscellaneous	17,882	-	-	17,882
Total revenues	2,432,229	566,709	4,142	3,003,080
EXPENDITURES				
Current				
General government	538,524	-	-	538,524
Judicial	131,196	-	-	131,196
Public safety	957,576	-	-	957,576
Public works	434,894	-	-	434,894
Health and welfare	33,050	-	-	33,050
Culture and recreation	18,682	-	-	18,682
Housing and development	1,223	-	-	1,223
Capital Outlay	-	266,501	-	266,501
Debt Service				
Principal	-	49,091	275,000	324,091
Interest	-	1,917	30,170	32,087
Total expenditures	2,115,145	317,509	305,170	2,737,824
Excess (deficiency) of revenues over (under) expenditures	317,084	249,200	(301,028)	265,256
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	307,745	307,745
Transfers out	(125,178)	(307,745)	-	(432,923)
Capital lease	-	97,325	-	97,325
Sale of surplus property	23,601	-	-	23,601
Total other financing sources (uses)	(101,577)	(210,420)	307,745	(4,252)
Net changes in fund balances	215,507	38,780	6,717	261,004
Fund balances at beginning of year	766,242	218,295	8,284	992,821
Fund balances at end of year	$ 981,749	$ 257,075	$ 15,001	$ 1,253,825

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, 2012

Net change in Fund Balances - Total Governmental Funds		$ 261,004
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	$ 186,309	
Depreciation expense	(400,824)	(214,515)
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 12/31/12	118,552	
Deferred at 12/31/11	(151,187)	(32,635)
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 12/31/12	(9,470)	
Accrued interest at 12/31/11	9,307	(163)
The issuance of long-term debt (capital leases) provides current financial to governmental funds while repayment of the principal of long-term debt consumes the current resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of long-term capital leases	(97,325)	
Repayment of general obligation bonds	275,000	
Repayment of capital leases	49,091	226,766
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 12/31/12	(24,739)	
Compensated absences at 12/31/11	15,817	(8,922)
Change in Net Assets of Governmental Activities		$ 231,535

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Net Assets

December 31, 2012

ASSETS		
Current assets:		
Cash and cash equivalents	$	428,871
Receivables (net of allowance)		30,686
Due from other funds		9,390
Prepaid items		1,044
Restricted cash and investments		61,635
Total current assets		531,626
Noncurrent assets:		
Depreciable capital assets, net of depreciation		2,164,626
Total assets		2,696,252
LIABILITIES		
Current liabilities:		
Accounts payable		130,711
Deferred revenue		14,832
Customer deposits payable		61,635
Notes payable		16,536
Total current liabilities		223,714
Noncurrent liabilities:		
Notes payable		133,364
Total noncurrent liabilities		133,364
Total liabilities		357,078
NET ASSETS		
Invested in capital assets, net of related debt		2,014,726
Unrestricted		324,448
Total net assets	$	2,339,174

Town of Thunderbolt, Georgia

Proprietary Fund

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

For the Year Ended December 31, 2012

OPERATING REVENUES	
Charges for services	$ 1,060,135
Other income	100,223
Total operating revenues	1,160,358
OPERATING EXPENSES	
Contractual services	838,083
Materials and supplies	127,627
Depreciation	114,105
Total operating expenses	1,079,815
Operating income (loss)	80,543
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	608
Interest expense	(6,059)
Total nonoperating revenues (expenses)	(5,451)
Income before transfers	75,092
Transfers	125,178
Change in net assets	200,270
Net assets, beginning of year	2,138,904
Net assets, end of year	$ 2,339,174

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Cash Flows

For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	1,151,015
Cash payments to suppliers for goods and services		(992,989)
Net cash provided (used) by operating activities		158,026
Cash flows from noncapital financing activities:		
Interfund transfers		125,178
Net cash provided (used) by noncapital financing activities		125,178
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on debt		(15,915)
Interest payments on debt		(6,059)
Acquisitions and contruction of capital assets		(43,049)
Net cash (used) by capital and related financing activities		(65,023)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned on cash and investments		608
Net cash provided (used) by investing activities		608
Net increase (decrease) in cash and cash equivalents		218,789
Cash and cash equivalents, beginning of year		271,717
Cash and cash equivalents, end of year	$	490,506
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$	80,543
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		114,105
Change in assets and liabilities:		
Decrease (increase) in accounts receivables		(10,392)
Decrease (increase) in prepaid items		(1,044)
(Decrease) Increase in accounts payable and accrued liabilities		111,209
(Decrease) Increase in interfund payable		(146,834)
(Decrease) increase in customer deposits		10,439
Total adjustments		77,483
Net cash provided (used) by operating activities	$	158,026

Town of Thunderbolt, Georgia

Fiduciary Fund

Statement of Fiduciary Assets and Liabilities

December 31, 2012

	Municipal Court Fund
ASSETS	
Cash	$ 4,418
Total assets	$ 4,418
LIABILITIES	
Due to others	4,418
Total liabilities	$ 4,418

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

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
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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, 2012, 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.

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 6.496 mills was adopted on August 8, 2012. Tax bills were rendered on September 15, 2012 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 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.

Note 2 – Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

For the year ended December 31, 2012, expenditures exceeded appropriations in the following general fund departments (the legal level of budgetary control):

General Fund:

Mayor and Council	$ 472	Youth and recreation	$ 85
General and administrative	743	Museum	672
Fire	2,772	Planning and zoning	891
Streets and highways	13,736		

These over expenditures were funded by additional revenues.

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, 2012 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.....	$	1,585,442
Restricted cash		76,636
Agency fund.....		4,418
Total.....	$	1,666,496
Notes to financial statements:		
Deposits.....	$	1,666,086
Cash on hand.....		410
Total.....	$	1,666,496

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	$ 203,524	$ -	$ -	$ 203,524
Accounts	74	-	33,064	33,138
Intergovernmental	-	44,646	-	44,646
Gross receivables	203,598	44,646	33,064	281,308
Less:				
Allowance for uncollectibles	(1,726)	-	(2,378)	(4,104)
Net receivables	$ 201,872	$ 44,646	$ 30,686	$ 277,204

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, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	$ 290,800	$ -	$ -	$ 290,800
Depreciable Assets:				
Buildings and improvements	5,510,854	-	-	5,510,854
Machinery, equipment and vehicles	1,184,174	186,309	-	1,370,483
Infrastructure	1,211,307	-	-	1,211,307
Sub-total assets	8,197,135	186,309	-	8,383,444
Accumulated Depreciation				
Buildings and improvements	(1,263,348)	(191,032)	-	(1,454,380)
Machinery, equipment and vehicles	(878,881)	(149,227)	-	(1,028,108)
Infrastructure	(475,648)	(60,565)	-	(536,213)
Sub-total accumulated depreciation	(2,617,877)	(400,824)	-	(3,018,701)
Total Governmental Activities	$ 5,579,258	$ (214,515)	$ -	5,364,743
Less related long-term debt outstanding				(460,846)
Investment in capital assets, net of related debt				$ 4,903,897

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

Depreciation expense was charged to governmental activities as follows:

General government	$	33,429
Public safety		127,603
Public works		203,009
Health and welfare		9,364
Culture and recreation		27,419
Total depreciation expense	$	400,824

Changes in capital asset of business-type activities for the year ended December 31, 2012 was as follows:

	Ending Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Depreciable Assets:				
Buildings and improvements	$ 4,331,928	$ -	$ -	$ 4,331,928
Machinery, equipment and vehicles	76,922	43,049	12,038	107,933
Sub-total assets	4,408,850	43,049	12,038	4,439,861
Accumulated Depreciation				
Buildings and improvements	(2,097,351)	(109,580)		(2,206,931)
Machinery, equipment and vehicles	(75,817)	(4,525)	(12,038)	(68,304)
Sub-total accumulated depreciation	(2,173,168)	(114,105)	(12,038)	(2,275,235)
Total Business-Type Activities	$ 2,235,682	$ (71,056)	$ -	2,164,626
Less related long-term debt outstanding				(149,900)
Investment in capital assets, net of related debt				$ 2,014,726

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, 2012, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST	$ 26,316
Water, Sewer and Garbage Fund	General Fund	9,390
		$ 35,706

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
General Fund	Water, Sewer and Garbage Fund	$ 125,178
SPLOST Fund	Non-major Governmental Fund	307,745
		$ 432,923

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.....	$ 96,900
Less: Accumulated depreciation.....	(24,225)
Total.....	$ 72,675

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, 2012.

	Governmental Activities		
Year Ending December 31,	Principal	Interest	Total
2013	$ 22,264	$ 4,215	$ 26,479
2014	23,589	2,890	26,479
2015	24,993	1,487	26,480
Totals.....	$ 70,846	$ 8,592	$ 79,438

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
2013	$ 80,000	$ 18,025	$ 98,025
2014	85,000	13,776	98,776
2015	90,000	9,270	99,270
2016	100,000	4,378	104,378
2017	35,000	901	35,901
Totals.....	$ 390,000	$ 46,350	$ 436,350

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 12/31/2012
2004-L11WQ	$ 250,609	3.82%	$ 149,900

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
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	19,262	3,749	23,011
2018 - 2020	60,535	6,241	66,776
Total.....	$ 149,900	$ 28,323	$ 178,223

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds.....	$ 665,000	$ -	$ 275,000	$ 390,000	$ 80,000
Capital leases.....	22,612	97,325	49,091	70,846	22,264
Compensated absences.....	15,817	34,685	25,763	24,739	24,739
Total Governmental Activities	$ 703,429	$ 132,010	$ 349,854	$ 485,585	$ 127,003
Business-Type Activities:					
GEFA loans.....	$ 165,816	$ -	$ 15,916	$ 149,900	$ 16,538
Total Business-Type Activities	$ 165,816	$ -	$ 15,916	$ 149,900	$ 16,538

The general obligation bonds are being retired by the debt service fund. The capital lease obligations of the Town's governmental funds will be financed through future SPLOST 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, 2012, the date of the latest actuarial valuation, the number of participants was as follows:

Retired participants and beneficiaries	22
Terminated vested participants	17
Active vested participants	25
Total participants	64

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 2012, the actuarially determined rate was 9.16% of covered payroll.

Annual Pension Cost – For 2012, the Town's annual pension cost of $63,472 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, 2011 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 23 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
12/31/2010	$ 71,115	100 %
12/31/2011	60,355	100
12/31/2012	63,472	100

Fund Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date, the actuarial value of assets was $1,210,280; the actuarial accrued liability for benefits was $1,456,016; the unfunded actuarial liability was $245,736; the plan was 83.12% funded; the covered payroll (annual payroll of active employees covered by the plan) was $727,209; and the ratio of the UAAL to the covered payroll was 33.79%.

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, 2012. No provisions have been made in the financial statements for the year ended December 31, 2012 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.


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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION & ANALYSIS


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Town of Thunderbolt, Georgia

General Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 1,670,500	$ 1,670,500	$ 1,854,346	$ 183,846
Licenses and permits	80,200	80,200	85,381	5,181
Intergovernmental revenues	38,835	38,835	74,697	35,862
Charges for services	134,135	184,135	184,607	472
Fines and forfeitures	162,950	162,950	214,545	51,595
Investment earnings	1,600	1,600	771	(829)
Miscellaneous	4,950	4,950	17,882	12,932
Total revenues	2,093,170	2,143,170	2,432,229	289,059
EXPENDITURES				
Current operating:				
General governmental				
Mayor and Council	41,350	40,612	41,084	(472)
General and administrative	496,602	483,847	484,590	(743)
Government buildings	20,000	34,288	12,850	21,438
Judicial				
Municipal court	145,550	137,134	131,196	5,938
Public safety				
Police	659,346	668,525	658,786	9,739
Fire	276,340	296,018	298,790	(2,772)
Public works				
Streets and highways	376,780	421,158	434,894	(13,736)
Health and welfare				
Senior Citizens	56,725	56,725	33,050	23,675
Culture and recreation				
Youth and recreation	5,700	5,300	5,385	(85)
Museum	14,210	12,625	13,297	(672)
Housing and development				
Planning and zoning	567	332	1,223	(891)
Total expenditures	2,093,170	2,156,564	2,115,145	41,419
Excess (deficiency) of revenues over (under) expenditures	-	(13,394)	317,084	330,478
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(125,178)	(125,178)
Sale of surplus property	-	-	23,601	23,601
Total other financing sources (uses)	-	-	(101,577)	(101,577)
Net change in fund balance	-	(13,394)	215,507	228,901
Fund balance, beginning of year	766,242	766,242	766,242	-
Fund balance, end of year	$ 766,242	$ 752,848	$ 981,749	$ 228,901

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, 2012, the following supplemental increases and decreases in appropriations were approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund	$ 2,093,170	$ 73,235	$ 24,129	$ 2,142,276
Debt Service	205,170	100,000	-	305,170

B. Excess of Expenditures Over Appropriation in Individual Funds

General Fund:

Mayor and Council	$ 472	Youth and recreation	$ 85
General and administrative	743	Museum	672
Fire	2,772	Planning and zoning	891
Streets and highways	13,736		

These over expenditures were funded by additional revenues.

Town of Thunderbolt, Georgia

Required Supplementary Information – Schedule of Funding Progress

December 31, 2012

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)
7/1/2010	$ 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%
7/1/2012	1,210,280	1,456,016	245,736	83.1%	727,209	33.8%


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CHATHAM COUNTY

SUPPLEMENTARY DATA – FUND SCHEDULE AND STATE MANDATED PROGRAM INFORMATION


TOWN OF THUNDERBOLT
INCORPORATED
1856
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CHATHAM COUNTY

Town of Thunderbolt, Georgia

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

	Police Department Asset Forfeiture Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	$ 11,966	$ 3,035	$ 15,001
Total assets	11,966	3,035	15,001
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ -	$ -	$ -
Total liabilities	-	-	-
Fund balances:			
Restricted - public safety	11,966	-	11,966
Assigned - debt service	-	3,035	3,035
Total fund balances	$ 11,966	$ 3,035	$ 15,001

Town of Thunderbolt, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2012

	Police Department Asset Forfeiture Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 4,120	$ -	$ 4,120
Investment earnings	18	4	22
Total revenues	4,138	4	4,142
EXPENDITURES			
Debt Service			
Principal	-	275,000	275,000
Interest	-	30,170	30,170
Total expenditures	-	305,170	305,170
Excess (deficiency) of revenues over (under) expenditures	4,138	(305,166)	(301,028)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	307,745	307,745
Total other financing sources (uses)	-	307,745	307,745
Net changes in fund balances	4,138	2,579	6,717
Fund balances at beginning of year	7,828	456	8,284
Fund balances at end of year	$ 11,966	$ 3,035	$ 15,001

Town of Thunderbolt, Georgia

Police Department Asset Forfeiture Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ -	$ -	$ 4,120	$ 4,120
Investment earnings	-	-	18	18
Total revenues	-	-	4,138	4,138
Net change in fund balance	-	-	4,138	4,138
Fund balance, beginning of year	7,828	7,828	7,828	-
Fund balance, end of year	$ 7,828	$ 7,828	$ 11,966	$ 4,138

Town of Thunderbolt, Georgia

Debt Service Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment earnings	$ -	$ -	$ 4	$ 4
Total revenues	-	-	4	4
EXPENDITURES				
Current				
Principal	175,000	275,000	275,000	-
Interest	30,170	30,170	30,170	-
Total debt service	205,170	305,170	305,170	-
Total expenditures	205,170	305,170	305,170	-
Excess (deficiency) of revenues over (under) expenditures	(205,170)	(305,170)	(305,166)	4
OTHER FINANCING SOURCES (USES)				
Transfers in	205,170	305,170	307,745	2,575
Total other financing sources (uses)	205,170	305,170	307,745	2,575
Net change in fund balance	-	-	2,579	2,579
Fund balance, beginning of year	456	456	456	-
Fund balance, end of year	$ 456	$ 456	$ 3,035	$ 2,579

Town of Thunderbolt, Georgia

Municipal Court Agency Fund

Statement of Changes in Assets and Liabilities

For the Year Ended December 31, 2012

	Balance December 31, 2011	Addtions	Deletions	Balance December 31, 2012
ASSETS				
Cash	$ 7,485	$ 20,008	$ 23,075	$ 4,418
Total assets	$ 7,485	$ 20,008	$ 23,075	$ 4,418
LIABILITIES				
Due to others	$ 7,485	$ 20,008	$ 23,075	$ 4,418
Total liabilities	$ 7,485	$ 20,008	$ 23,075	$ 4,418

Town of Thunderbolt, Georgia

Schedule of Expenditures of Special Local Option Sales Tax Proceeds

For the Year Ended December 31, 2012

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Cumulative Total
2008 - 2013 SPLOST Referendum					
Capital Outlay Projects:	$ 1,953,700	$ 1,953,700			
Public safety equipment			$ 1,511	$ 181,212	$ 182,723
Public works vehicles and equipment			45,151	-	45,151
Water systems			160,457	38,972	199,429
Debt Service:					
General Obligation Debt Service	1,046,300	1,046,300	211,200	307,745	518,945
Total SPLOST expenditures	$ 3,000,000	$ 3,000,000	$ 418,319	$ 527,929	$ 946,248

Reconciliation of Schedule of Projects Constructed with Special Sales Tax Proceeds to Expenditures Reported in the Special Purpose Local Option Sales Tax Fund:

Total SPLOST Fund expenditures and transfers out	$ 625,254
Capital lease proceeds	(97,325)
Total SPLOST expenditures	$ 527,929

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..... G-2

These schedules contain trend information to help the reader understand how the city's financial position has changed over time.

Revenue Capacity..... G-12

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.

Debt Capacity..... G-18

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.

Economic and Demographic Information..... G-22

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.

Operating Information..... G-24

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.

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
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TOWN OF THUNDERBOLT
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Town of Thunderbolt, Georgia

Net Assets by Component
Last Ten 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

2007	2008	2009	2010	2011	2012
$ 5,201,222	$ 5,571,486	$ 5,327,967	$ 4,927,843	$ 4,891,646	$ 4,903,897
480,302	80,114	53,706	139,712	226,123	269,041
1,060,505	724,923	563,460	910,035	892,761	1,069,127
$ 6,742,029	$ 6,376,523	$ 5,945,133	$ 5,977,590	$ 6,010,530	$ 6,242,065
$ 2,451,719	$ 2,393,011	$ 2,343,529	$ 1,964,734	$ 2,069,866	$ 2,014,726
98,947	29,232	(125,824)	(149,256)	69,038	324,448
$ 2,550,666	$ 2,422,243	$ 2,217,705	$ 1,815,478	$ 2,138,904	$ 2,339,174
$ 7,652,941	$ 7,964,497	$ 7,671,496	$ 6,892,577	$ 6,961,512	$ 6,918,623
480,302	80,114	53,706	139,712	226,123	269,041
1,159,452	754,155	437,636	760,779	961,799	1,393,575
$ 9,292,695	$ 8,798,766	$ 8,162,838	$ 7,793,068	$ 8,149,434	$ 8,581,239

Town of Thunderbolt, Georgia

Changes in Net Assets
Last Ten 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	2012
$ 527,178	$ 643,814	$ 742,976	$ 762,101	$ 645,839	$ 651,495	$ 559,372
231,718	179,944	163,223	130,087	124,176	135,754	131,344
950,418	1,001,452	1,122,919	983,655	946,705	1,044,245	1,053,793
549,250	609,750	765,921	728,230	489,378	588,242	770,836
80,253	83,237	69,476	59,665	68,646	58,601	42,414
51,124	50,365	49,412	56,210	56,428	48,785	46,101
-	-	-	1,581	126	805	1,223
66,168	57,479	4,048	54,535	46,947	34,708	32,250
2,456,109	2,626,041	2,917,975	2,776,064	2,378,245	2,562,635	2,637,333
626,293	739,373	832,106	946,493	1,475,046	915,155	1,085,874
626,293	739,373	832,106	946,493	1,475,046	915,155	1,085,874
$ 3,082,402	$ 3,365,414	$ 3,750,081	$ 3,722,557	$ 3,853,291	$ 3,477,790	$ 3,723,207
$ 156,348	$ 138,187	$ 120,483	$ 126,800	$ 247,907	$ 87,469	$ 85,853
275,026	253,669	202,552	252,078	275,513	276,712	398,680
135,784	145,802	156,244	201,006	455	30	-
35,349	40	34,306	-	113,391	46,734	76,105
31,315	31,281	7,062	6,446	31,515	536,815	569,439
633,822	568,979	520,647	586,330	668,781	947,760	1,130,077
618,075	591,808	618,919	687,655	1,024,361	1,029,266	1,095,164
-	-	15,000	-	5,000	-	-
618,075	591,808	633,919	687,655	1,029,361	1,029,266	1,095,164
$ 1,251,897	$ 1,160,787	$ 1,154,566	$ 1,273,985	$ 1,698,142	$ 1,977,026	$ 2,225,241
$(1,822,287)	$(2,057,062)	$(2,397,328)	$(2,189,734)	$(1,709,464)	$(1,614,875)	$(1,507,256)
(8,218)	(147,565)	(198,187)	(258,838)	(445,685)	114,111	9,290
$(1,830,505)	$(2,204,627)	$(2,595,515)	$(2,448,572)	$(2,155,149)	$(1,500,764)	$(1,497,966)

(continued)

Town of Thunderbolt, Georgia

Changes in Net Assets
Last Ten 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

2006	2007	2008	2009	2010	2011	2012
$ 753,111	$ 847,535	$ 887,908	$ 864,353	$ 895,896	$ 847,244	$ 861,947
779,466	769,804	736,057	703,088	678,670	728,607	760,848
75,101	83,485	84,015	31,348	74,014	14,156	65,996
112,616	127,902	130,966	129,737	125,966	125,140	132,920
-	-	-	-	-	-	-
713,122	712,361	160,846	-	-	-	-
47,416	49,177	32,030	29,818	36,892	24,093	18,657
-	-	-	-	(98,813)	69,032	23,601
-	-	-	-	(17,258)	(160,457)	(125,178)
2,480,832	2,590,264	2,031,822	1,758,344	1,695,367	1,647,815	1,738,791
46,322	64,445	69,764	54,300	43,700	48,858	65,802
-	-	-	-	17,258	160,457	125,178
46,322	64,445	69,764	54,300	60,958	209,315	190,980
$ 2,527,154	$ 2,654,709	$ 2,101,586	$ 1,812,644	$ 1,756,325	$ 1,857,130	$ 1,929,771
$ 658,545	$ 533,202	$ (365,506)	$ (431,390)	$ (14,097)	$ 32,940	$ 231,535
38,104	(83,120)	(128,423)	(204,538)	(384,727)	323,426	200,270
$ 696,649	$ 450,082	$ (493,929)	$ (635,928)	$ (398,824)	$ 356,366	$ 431,805

(concluded)

Town of Thunderbolt, Georgia

Fund Balances, Governmental Funds
Last Ten Calendar Years

	Calendar Year Ending December 31,				
	2003	2004	2005	2006	2007
General Fund					
Reserved	$ 33,632	$ 22,215	$ 31,998	$ 23,855	$ 20,401
Unreserved	828,918	1,006,288	776,188	934,613	947,924
Total general fund	$ 862,550	$ 1,028,503	$ 808,186	$ 958,468	$ 968,325
All Other Governmental Funds					
Reserved	$ 1,135,188	$ 801,560	$ 884,525	$ 581,674	$ 478,926
Unreserved, reported in:					
Debt service fund	1,004	1,007	1,371	1,376	1,376
Total all other governmental funds	$ 1,136,192	$ 802,567	$ 885,896	$ 583,050	$ 480,302

	Calendar Year Ending December 31,				
	2008	2009	2010	2011	2012
General Fund					
Reserved	$ 22,583	$ 78,615	$ 83,638	$ -	$ -
Unreserved	488,560	357,515	621,898	-	-
Nonspendable	-	-	-	17,811	3,729
Unassigned	-	-	-	748,431	978,020
Total general fund	$ 511,143	$ 436,130	$ 705,536	$ 766,242	$ 981,749
All Other Governmental Funds					
Reserved	$ 78,788	$ 52,378	$ 131,257	$ -	$ -
Unreserved, reported in:					
Special revenue funds	-	-	7,147	-	-
Debt service fund	1,326	1,328	1,308	-	-
Restricted:					
Capital Project Fund	-	-	-	218,295	257,075
Special revenue fund	-	-	-	7,828	11,966
Assigned:					
Debt service fund	-	-	-	456	3,035
Total all other governmental funds	$ 80,114	$ 53,706	$ 139,712	$ 226,579	$ 272,076

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


TOWN OF THUNDERBOLT
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Town of Thunderbolt, Georgia

Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years

	2003	2004	2005	2006
Revenues				
Sales tax	$ 1,108,432	$ 1,127,091	$ 1,400,379	$ 1,523,903
Other taxes	794,527	817,291	838,267	167,050
Licenses and permits	77,048	101,679	108,137	154,925
Revenue from other governmental units	37,633	106,462	704,160	800,350
Charges for services	125,230	123,176	167,726	169,745
Fines and fees	148,018	271,127	209,186	242,488
Miscellaneous	67,710	55,097	60,809	48,491
Total revenue	2,358,598	2,601,923	3,488,664	3,106,952
Expenditures				
Current:				
General government	405,758	516,854	478,999	502,031
Judiciary	197,563	221,311	266,557	231,718
Public safety	573,310	701,820	674,474	810,045
Public works	366,371	354,268	418,498	452,735
Health and welfare	54,883	54,070	60,778	69,839
Culture and recreation	17,052	12,949	19,772	15,731
Hosuing and development	-	-	-	-
Capital outlay	989,953	748,035	1,453,733	1,430,920
Debt service:				
Principal	89,651	92,049	99,542	389,884
Interest and other charges	78,706	75,394	81,843	112,566
Total expenditures	2,773,247	2,776,750	3,554,196	4,015,469
Excess (Deficiency) of revenues over (under) expenditures	(414,649)	(174,827)	(65,532)	(908,517)
Other Financing sources (uses)				
Debt issuance	-	-	725,000	756,724
Transfers in	109,990	107,444	340,265	112,294
Transfers out	(109,990)	(107,444)	(454,052)	(112,294)
Sale of capital assets and other	-	7,155	2,610	-
Total other financing sources (uses)	-	7,155	613,823	756,724
Net change in fund balances	$ (414,649)	$ (167,672)	$ 548,291	$ (151,793)
Debt service as a percentage of noncapital expenditures	9.44%	8.25%	8.64%	19.44%

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.

2007	2008	2009	2010	2011	2012
$ 1,513,446	$ 836,905	$ 717,571	$ 695,136	$ 728,607	$ 760,848
274,712	865,635	1,068,429	1,126,256	1,072,260	1,093,498
134,851	119,143	124,868	166,910	83,833	85,381
759,353	202,214	14,301	139,234	581,946	645,308
165,748	157,852	207,447	5,109	67,037	184,607
237,059	202,284	247,569	272,696	210,116	214,545
49,217	28,830	21,089	42,564	25,696	18,893
3,134,386	2,412,863	2,401,274	2,447,905	2,769,495	3,003,080
619,669	720,360	718,231	630,219	618,157	538,524
179,944	163,223	130,087	124,176	135,754	131,196
854,626	1,029,764	975,110	874,287	965,777	957,576
617,230	561,904	485,846	280,900	438,272	434,894
72,823	59,062	49,251	57,181	49,237	33,050
14,972	14,819	21,617	14,661	21,366	18,682
-	-	1,581	126	805	1,223
185,365	16,442	33,535	20,920	238,577	266,501
675,005	640,384	129,456	89,898	191,255	324,091
106,461	67,475	54,535	49,074	44,907	32,087
3,326,095	3,273,433	2,599,249	2,141,442	2,704,107	2,737,824
(191,709)	(860,570)	(197,975)	306,463	65,388	265,256
98,818	-	87,825	-	-	97,325
109,483	228,154	113,281	114,805	211,200	307,745
(109,483)	(228,154)	(113,281)	(115,140)	(211,200)	(432,923)
-	3,200	8,729	2,730	82,185	23,601
98,818	3,200	96,554	2,395	82,185	(4,252)
$ (92,891)	$ (857,370)	$ (101,421)	$ 308,858	$ 147,573	$ 261,004
25.70%	21.87%	7.37%	6.55%	9.08%	13.96%

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
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
2012	683,002	760,848	132,920	65,996	211,580	1,854,346

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
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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
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
2012	97,882,662	244,706,655	5,405,260	13,513,150	887,241	2,218,103

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
$ 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
104,175,163	260,437,908	40.00%	6.496

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
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
2012	6.496	14.631	11.109	0.200	32.436

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

Town of Thunderbolt, Georgia

Principal Property Tax Payers
Current and Nine Years Ago

	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Thunderbolt Marine Inc	$ 4,659,640	1	4.48%	$ 2,612,600	3	7.32%
River Crossing Investors LLC	4,435,200	2	4.26%	2,996,800	2	8.40%
Foster, William M	2,848,480	3	2.74%	2,452,000	4	6.87%
Hall Family Properties LLC	1,609,320	4	1.55%	1,116,600	6	3.13%
Morning Star Marinas/Bahai Bleu	1,583,511	5	1.52%	3,407,576	1	9.55%
Bonaventure Holdings, LLC	1,235,520	6	1.19%			
JMB River, LLC	1,110,200	7	1.07%			
Victory Storage Company	800,840	8	0.77%			
Georgia Power	661,629	9	0.64%			
Seymore Fog LLC	619,600	10	0.60%			
Palmer Johnson of Savannah, Inc.				1,176,915	5	3.30%
Ryan Builders				604,800	7	1.69%
Sancomb & Van Giesen				590,600	8	1.65%
MZ Properties				550,200	9	1.54%
Sea Ray of Savannah Inc.				527,421	10	1.48%
Total	$ 19,563,940		18.80%	$ 16,035,512		44.93%

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
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	441,196	364,384	82.59%	76,805	441,189	100.00%
2006	474,827	414,363	87.27%	60,462	474,825	100.00%
2007	565,045	481,253	85.17%	83,781	565,034	100.00%
2008	600,714	322,532	53.69%	278,204	600,736	100.00%
2009	632,134	417,189	66.00%	212,759	629,948	99.65%
2010	621,106	554,797	89.32%	63,873	618,670	99.61%
2011	589,675	533,382	90.45%	50,261	583,643	98.98%
2012	617,908	574,672	93.00%	-	574,672	93.00%

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
January	$ 49,590	$ 46,346	$ 53,867	$ 51,269	$ 58,283	$ 61,001	$ 52,893	$ 56,288	$ 62,577	$ 68,888
February	52,831	52,729	64,744	63,751	67,448	68,037	45,966	56,780	52,164	56,203
March	47,991	56,998	52,462	62,161	57,076	47,448	44,186	56,018	57,220	60,242
April	44,216	52,122	56,235	61,476	58,742	62,664	37,856	61,334	58,114	67,950
May	51,947	56,870	61,183	61,598	62,803	66,133	51,793	57,220	61,436	61,993
June	48,691	61,420	59,491	70,617	67,211	62,727	56,015	59,365	61,037	65,249
July	50,085	59,599	61,948	62,706	66,564	68,238	59,261	58,548	63,362	66,890
August	70,175	56,012	61,736	68,959	59,919	63,302	65,382	58,307	66,157	64,595
September	32,967	56,762	60,478	75,073	69,589	63,701	54,799	58,091	63,495	61,094
October	50,682	52,514	66,465	63,623	65,380	58,022	55,990	55,186	62,607	64,302
November	53,434	53,213	64,117	80,839	68,423	69,551	46,951	57,027	56,981	63,000
December	49,798	51,991	56,139	43,607	62,173	56,744	56,288	54,254	55,772	60,055
Pro Rata Adjustment	2,398	4,510	2,377	3,078	2,887	1,368	4,082	431	1,373	387
Total	$ 604,805	$ 661,086	$ 721,242	$ 768,757	$ 766,498	$ 748,936	$ 631,462	$ 688,849	$ 722,295	$ 760,848

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			
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
2012	390,000	70,846	-	149,900	-	610,746	0.59%	229

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]
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
2012	390,000	-	390,000	0.15%	146

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, 2012

	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	$ 11,520,000	0.79%	$ 90,539
Chatham County Public Health Facilities Projects	340,000	0.79%	2,672
DSA Chatham County Projects Series 2005A	4,950,000	0.79%	38,903
DSA Union Mission Series 2009	2,230,000	0.79%	17,526
DSA Union Mission Series 2011	2,680,000	0.79%	21,063
Mosquito Control	3,903,143	0.79%	30,676
Savannah-Chatham County School Board:			
General Obligation Bonded Debt	60,110,000	0.79%	472,421
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia	57,898	1.01%	583
Savannah-Chatham County School Board	8,982,003	1.25%	112,125
Subtotal, overlapping debt			786,508
Town of Thunderbolt direct debt			460,846
Total direct and overlapping debt			$ 1,247,354

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				
	2003	2004	2005	2006	2007
Total assessed value of taxable property	$ 70,434,059	$ 76,984,807	$ 87,269,995	$ 97,826,292	$ 116,444,651
Less exemptions for bond purposes	284,444	258,041	299,169	-	-
Net assessed value for bond purposes	$ 70,149,615	$ 76,726,766	$ 86,970,826	$ 97,826,292	$ 116,444,651
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 7,014,962	$ 7,672,677	$ 8,697,083	$ 9,782,629	$ 11,644,465
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	1,233,996	1,190,000	1,140,043	1,085,043	1,030,043
Legal debt margin	$ 5,780,966	$ 6,482,677	$ 7,557,040	$ 8,697,586	$ 10,614,422
Total net debt applicable to the limit as a percentage of debt limit	1.75%	1.55%	1.31%	1.11%	0.88%

	Calendar Year				
	2008	2009	2010	2011	2012
Total assessed value of taxable property	$ 117,167,047	$ 112,054,487	$ 105,382,370	$ 102,555,576	$ 104,175,163
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$ 117,167,047	$ 112,054,487	$ 105,382,370	$ 102,555,576	$ 104,175,163
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 11,716,705	$ 11,205,449	$ 10,538,237	$ 10,255,558	$ 10,417,516
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	970,043	905,043	835,043	665,000	390,000
Legal debt margin	$ 10,746,662	$ 10,300,406	$ 9,703,194	$ 9,590,558	$ 10,027,516
Total net debt applicable to the limit as a percentage of debt limit	0.83%	0.81%	0.79%	0.65%	0.37%

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]
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%
2012	2,670	102,682,860	38,458	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

	2012			2003		
Employer	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**
Gulfstream Aerospace	8,406	1	6.96%	7,100	1	5.73%
Ft. Stweart/Hunter Army Airfield	4,719	2	3.91%	4,283	2	3.45%
Memorial Health	4,643	3	3.85%	4,400	3	3.55%
Savannah-Chatham Board of Education	4,600	4	3.81%	5,000	4	4.03%
St Joseph's Candler Hospital	3,170	5	2.63%	3,700	6	2.98%
Wal-Mart	2,935	6	2.43%			
City of Savannah	2,500	7	2.07%	1,991	9	1.61%
Savannah College of Art and Design	1,750	8	1.45%			
Chatham County	1,500	9	1.24%			
Kroger	1,070	10	0.89%			
Georgia Pacific Savannah River Mill				1,400	10	1.13%
Savannah International Airport				3,600	7	2.90%
State of Georgia				3,750	5	3.02%
International Paper				500	8	0.40%
	35,293		29.24%	35,724		28.81%

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	**2003**	**2004**	**2005**	**2006**	**2007**
General government	6	6	6	6	7
Judiciary	3	3	3	3	3
Public safety	10	10	10	10	16
Public works	7	7	7	7	-
Total	26	26	26	26	26

	Full-time and Part-time Town Employees as of December 31				
Function/Program	**2008**	**2009**	**2010**	**2011**	**2012**
General government	7	7	6	7	7
Judiciary	3	3	3	3	3
Public safety	13	13	13	14	14
Public works	-	-	-	6	5
Total	23	23	22	30	29

Source: Town Personnel Records

Town of Thunderbolt, Georgia

Operating Indicators by Function
Last Ten Calendar Years

	Calendar Year				
	2003	**2004**	**2005**	**2006**	**2007**
Police:					
Number of emergency calls	na	na	na	na	1,825
Fire:					
Number of emergency calls	66	67	83	64	375
Public works:					
Street resurfacing (miles)	-	0.2	0.3	-	-

	Calendar Year				
	2008	**2009**	**2010**	**2011**	**2012**
Police:					
Number of emergency calls	1,916	2,642	2,640	2,180	3,200
Fire:					
Number of emergency calls	615	463	449	371	373
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				
	2003	**2004**	**2005**	**2006**	**2007**
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	200	210	210	210	210
Traffic signals	3	3	3	3	3
Parks and recreation:					
Parks	3	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

	Calendar Year				
	2008	**2009**	**2010**	**2011**	**2012**
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*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Thunderbolt, Georgia, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 30, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Karp, Ronning & Tindol, P.C.

Karp, Ronning & Tindol, P.C.
Savannah, Georgia
May 30, 2013

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