COMPREHENSIVE ANNUAL FINANCIAL REPORT

Town of Thunderbolt, Georgia

FOR THE FISCAL YEAR ENDED December 31, 2013

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

April 21, 2014

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, 2013. 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.

KRT, CPAs P.C. have issued an unqualified ("clean") opinion on the Town of Thunderbolt's financial statements for the year ended December 31, 2013. 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 2,668.

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. 61. 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 2013 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 generated from taxes. We are observing slight increases in property values with additional increases possible into next year. The increase will be somewhat offset by a proposed tax credit for qualifying, fixed income senior residential property owners up for vote in November. In addition, the absence of any significant revenue from a continued, depressed new construction market in the area will keep the number of taxable properties and permit fees low thus indicating general fund revenues will remain flat.

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 continue to upgrade our water meter system to a radio read system with an estimated completion of January 2015. It is projected to have a twofold impact on the Town by reducing labor costs and controlling loss of water.

Major Initiatives

The Town has initiated the process and continues to move forward with a tax credit for qualifying fixed income senior resident property owners. The Town is currently replacing aging hydrants while exploring the possibility of a fire suppression system on the annexed Isle of Armstrong property. We have also begun a valve replacement program on our waterlines.

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, 2012. 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 seventh year the Town has received this award and we are proud to have maintained this standard of excellence.

Respectfully Submitted,

Caroline R. Nguyen

Caroline R. Nguyen
Town Administrator

Town of Thunderbolt, Georgia

Principal Officials

December 31, 2013

Mayor	Anna Maria Thomas
Town Administrator	Caroline R. Nguyen
Town Clerk	Rose M McCombs
Administrative Clerk	Molly Sims
Finance Clerk	Kay McCafferty
Director of Public Safety	Robert Merriman
Fire Chief	Gregory Socks
Director of Public Works	Shawn Elmore
Town Attorney	Charles W. Barrow

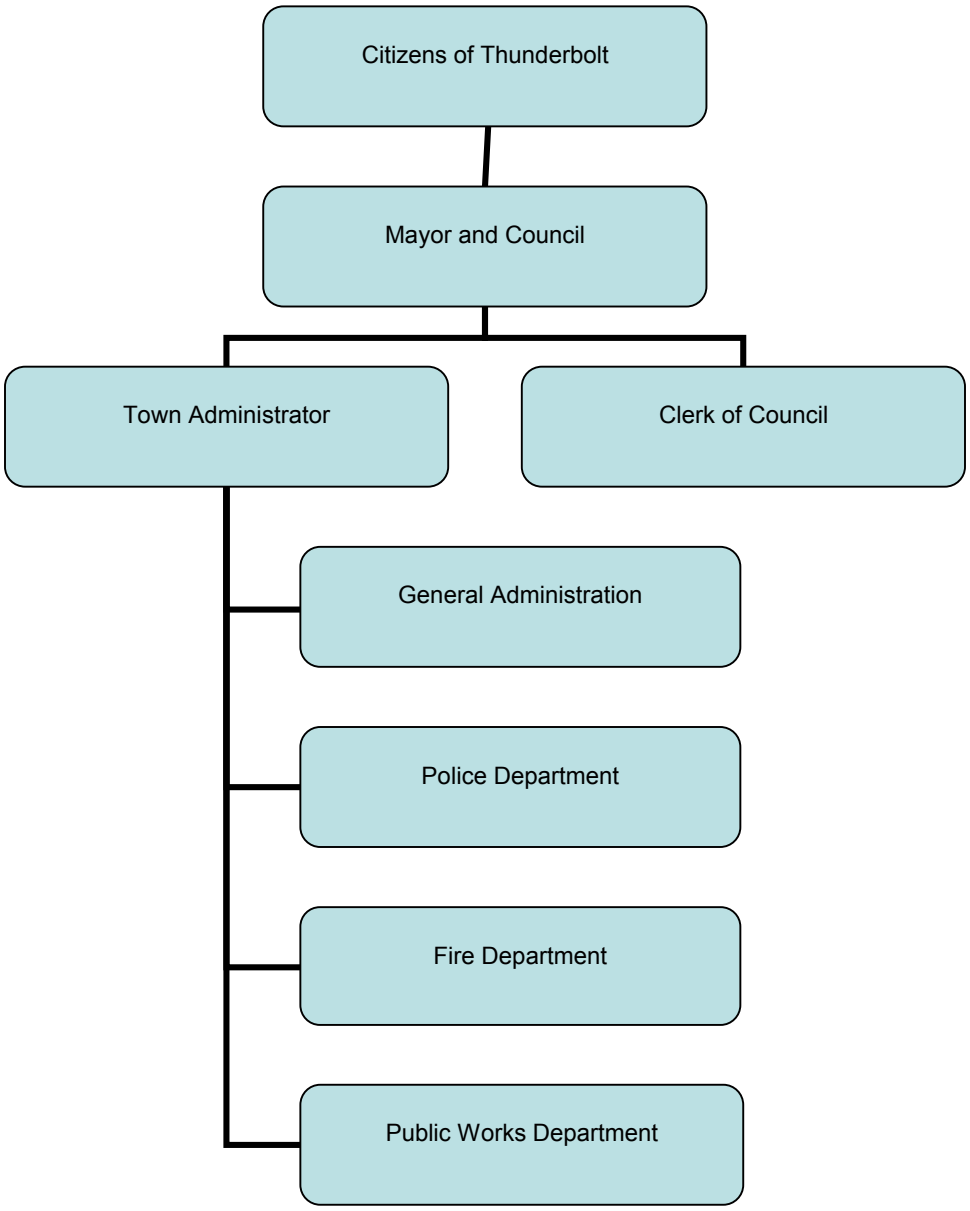
Town Council Members

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, 2013



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

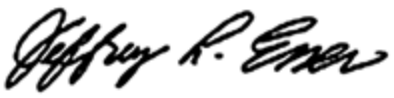
Presented to

Town of Thunderbolt

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012



Executive Director/CEO


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Independent Auditors' 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, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Tel 912-232-0475 *Fax* 912-232-0478

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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, 2013, 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 as 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 as 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 as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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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 April 21, 2014 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.

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
April 21, 2014

Tel 912-232-0475 *Fax* 912-232-0478

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TOWN OF THUNDERBOLT
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Management's Discussion and Analysis

Within this section of Town of Thunderbolt, Georgia (the Town) annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the calendar year ending December 31, 2013. 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 $8,941,561 (net position) for the calendar year reported.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of $7,135,940 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of $192,900 is restricted by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of $1,612,721 represents 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 $1,480,060 this year. This compares to the prior year ending fund balance of $1,253,825 showing an increase of $226,235 during the current year. Unassigned fund balance of $1,281,592 for calendar year 2013 shows a $331,727 increase over the prior year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was $1,281,592 or 58% 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 Position*. 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 position. Over time, increases or decreases in net position 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 position 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, sewer and sanitation 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 and the debt service fund.

Financial Analysis of the Town as a Whole

The Town's net assets at calendar year-end are $8,941,561. The following table provides a summary of the Town's net position:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current assets	$ 1,676,192	$ 1,412,429	$ 336,322	$ 531,626	$ 2,012,514	$ 1,944,055
Capital assets	5,028,557	5,364,743	2,107,383	2,164,626	7,135,940	7,529,369
Total assets	6,704,749	6,777,172	2,443,705	2,696,252	9,148,454	9,473,424
Current liabilities	49,481	49,522	134,379	192,346	183,860	241,868
Long-term liabilities	-	485,585	-	149,900	-	635,485
Deferred inflows of resources	21,449	-	1,584	14,832	23,033	14,832
Combined liabilities and deferred inflows of resources	70,930	535,107	135,963	357,078	206,893	892,185
Net position:						
Net investment in capital assets	5,028,557	4,903,897	2,107,383	2,014,726	7,135,940	6,918,623
Restricted	192,900	269,041	-	-	192,900	269,041
Unrestricted	1,412,362	1,069,127	200,359	324,448	1,612,721	1,393,575
Total net position	$ 6,633,819	$ 6,242,065	$ 2,307,742	$ 2,339,174	$ 8,941,561	$ 8,581,239

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 33.9 to 1 and 2.5 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 position increased $391,754 for governmental activities and decreased by $31,432 for business-type activities.

Note that approximately 75.8% of the governmental activities' net position is 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 position:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue:						
Program revenue:						
Charges for services	$ 351,388	$ 301,533	$ 1,040,441	$ 1,095,164	$ 1,391,829	$ 1,396,697
Operating grants and contributions	72,870	76,105	-	-	72,870	76,105
Capital grants and contributions	601,080	569,439	-	-	601,080	569,439
General Revenue:						
Taxes	1,859,566	1,821,711	-	-	1,859,566	1,821,711
Other	11,380	42,258	83,489	65,802	94,869	108,060
Total revenue	2,896,284	2,811,046	1,123,930	1,160,966	4,020,214	3,972,012
Program expenses:						
General government	505,887	491,179	-	-	505,887	491,179
Judiciary	140,348	131,344	-	-	140,348	131,344
Public safety	1,192,030	1,053,793	-	-	1,192,030	1,053,793
Public works	483,154	656,029	-	-	483,154	656,029
Health and welfare	39,496	42,414	-	-	39,496	42,414
Culture and recreation	55,041	46,101	-	-	55,041	46,101
Housing and development	9,250	1,223	-	-	9,250	1,223
Interest on long-term debt	20,580	32,250	-	-	20,580	32,250
Water, sewer and garbage	-	-	1,214,521	1,085,874	1,214,521	1,085,874
Total program expenses	2,445,786	2,454,333	1,214,521	1,085,874	3,660,307	3,540,207
Excess (deficiency)	450,498	356,713	(90,591)	75,092	359,907	431,805
Transfers	(58,744)	(125,178)	58,744	125,178	-	-
Change in net position	391,754	231,535	(31,847)	200,270	359,907	431,805
Net position, beginning	6,242,065	6,010,530	2,339,174	2,138,904	8,581,239	8,149,434
Net position, ending	$ 6,633,819	$ 6,242,065	$ 2,307,327	$ 2,339,174	$ 8,941,146	$ 8,581,239

Governmental Activities Revenues

The Town is heavily reliant on taxes to support governmental activities. Taxes provided 64.2% of the Town's total governmental activities revenue. Local option sales taxes account for $743,482 or 40.0% of tax revenues. Property taxes, $693,662 and utility franchise fees, $135,740 account for 44.6% 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 $540,276 accounts for substantially all of the capital grants and contributions.

Governmental Activities Program Expenses

The general government, public safety, and public works functions make up 89.2% 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	
	2013	2012	2013	2012
General government	$ 505,887	$ 491,179	$ 209,076	$ 59,018
Judiciary	140,348	131,344	61,487	47,328
Public safety	1,192,030	1,053,793	664,489	664,813
Public works	483,154	656,029	364,671	614,109
Health and welfare	39,496	42,414	35,854	42,414
Culture and recreation	55,041	46,101	55,041	46,101
Housing and developments	9,250	1,223	9,250	1,223
Interest on long-term debt	20,580	32,250	20,580	32,250
Total program expenses	$ 2,445,786	$ 2,454,333	$ 1,420,448	$ 1,507,256

While general government, judiciary and public safety were up the total functional expenses decreased $8,547 or 0.3% when compared to 2012. Increases in judiciary and public safety are attributed to an increase in personnel. Decreases in public works personnel and repair and maintenance expenses of approximately $89,000 and $79,000 respectively accounted for 97.2% of the $172,875 decrease in the public works functional expenses.

Business-Type Activities

Revenues vs. Costs

The sole business-type activity is the Town's water, sewer and garbage program. Charges for services decreased $54,723 or 5.0% over the prior year. The operating revenues for this fund decreased $36,428 or 3.1% and operating expenses increased $131,088 or 12.1% compared to 2012. While the garbage fees remained flat the water and sewer fees decreased approximately $49,000 accounting for 97.4% of the decrease in charges for services and in turn operating revenue. This decrease is in part due to an aging infrastructure. Town Council has approved a multi-phased water meter replacement project to enhance the accuracy of the Town's water billings. An increase in overhead cost allocations along with infrastructure repairs to sewer lift stations and meter replacements account for the majority of the increase in annual 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 $1,480,060. Approximately 86.6% of this amount, $1,281,592 is unassigned and is available for spending at the Town's discretion. The remainder of the fund balance is 1) nonspendable ($5,568) because it represents prepaid expenses and 2) restricted for capital projects ($191,413) or to fund public safety programs ($1,487).

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 $1,281,592, while total fund balance was $1,287,160. 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 58.4% of total general fund expenditures, while total fund balance represents 58.7% of that same amount.

The General Fund's fund balance increased by $331,727 during the year. Key factors in this growth are as follows:

- While most revenue streams were consistent the town saw in increase in the franchise utility fees and the enactment of the title ad valorem tax (TAVT) created an increase in tax revenues.
- Increase in overhead cost allocated to the Town's enterprise fund to recover the enterprise fund's share of the administrative expenses initially recorded in the general fund.
- Measured attention and monitoring of the budget resulted in total expenses less than budgeted amounts.

The general fund's ending unassigned fund balance experienced an increase of $329,888 over the prior year from $951,704 to $1,281,592. 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 decreased $65,662 during the year. The SPLOST Fund reported revenues of $540,422 which is down from 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 general fund revenue exceeded the final budget by $203,203 or 9.6%. A higher than budgeted franchise utility fee and TAVT collection resulted in $144,988 of the increase. In addition, the Town received approximately $61,000 in state assistance to assist with a proactive stormwater management program study.

General Fund budget expenditures were also closely monitored and resulted in total expenses at 95% of budget. An increase in the zoning department budget is the result of a necessary development study that was not anticipated during the budget process.

(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, 2013, was $5,028,557 and $2,107,383 respectively. The total decrease in this net investment was 6.3% for governmental activities. The business-type activities reported a decrease of 2.6%. The overall decrease was 5.2% 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	
	2013	2012	2013	2012	2013	2012
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	5,519,804	5,510,854	4,390,672	4,331,928	9,910,476	9,842,782
Machinery, equipment and vehicles	1,265,352	1,184,174	111,883	76,922	1,377,235	1,261,096
Infrastructure	1,211,307	1,211,307	-	-	1,211,307	1,211,307
Total depreciable assets	7,996,463	7,906,335	4,502,555	4,408,850	12,499,018	12,315,185
Less accumulated depreciation	3,258,706	2,617,877	2,395,172	2,173,168	5,653,878	4,791,045
Book value - depreciable assets	4,737,757	5,288,458	2,107,383	2,235,682	6,845,140	7,524,140
Precentage depreciated	41%	33%	53%	49%	45%	39%
Book value - all assets	$ 5,028,557	$ 5,579,258	$ 2,107,383	$ 2,235,682	$ 7,135,940	$ 7,814,940

At December 31, 2013, the depreciable capital assets for governmental activities were 41% depreciated. This compares to 37% for December 31, 2012. 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, 53% of the asset values were depreciated at December 31, 2013 compared to 51% at December 31, 2012.

Long-term Debt

Governmental Activities:

At the end of the year the town had satisfied capital leases in the amount of $70,846. The General Obligation Bond debt was also retired with a total of $390,000 paid toward the remaining balance.

Business-type Activities:

The Town had a beginning balance on GEFA loans of $149,900 water and sewer operations and retired $149,900 of the balance completing the loan.

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 $49,583 with a median home value of $154,100.

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 $2.1 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 Position

December 31, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,395,326	$ 238,156	$ 1,633,482
Receivables	275,298	32,977	308,275
Prepaid	5,568	779	6,347
Restricted assets			
Cash and cash equivalents	-	64,410	64,410
Capital assets			
Land and construction in progress	290,800	-	290,800
Other capital assets, net of depreciation	4,737,757	2,107,383	6,845,140
Total assets	6,704,749	2,443,705	9,148,454
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities			
Accounts payable and other accrued liablities	25,810	69,969	95,779
Deposits payable	-	64,410	64,410
Compensated absences	23,671	-	23,671
Total liabilities	49,481	134,379	183,860
Deferred inflows of resources	21,449	1,584	23,033
Combined liabilities and deferred inflows of resources	70,930	135,963	206,893
NET POSITION			
Net investment in capital assets	5,028,557	2,107,383	7,135,940
Restricted for			
Capital projects	191,413	-	191,413
Other purposes	1,487	-	1,487
Unrestricted	1,412,362	200,359	1,612,721
Total net position	$ 6,633,819	$ 2,307,742	$ 8,941,561

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

Town of Thunderbolt, Georgia

Statement of Activities

For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 505,887	$ 124,416	$ -	$ 172,395
Judicial	140,348	78,861	-	-
Public safety	1,192,030	144,469	72,870	310,202
Public works	483,154	-	-	118,483
Health and welfare	39,496	3,642	-	-
Culture and recreation	55,041	-	-	-
Housing and development	9,250	-	-	-
Interest on long-term debt	20,580	-	-	-
Total governmental activities	2,445,786	351,388	72,870	601,080
Business-type activities:				
Water, sewer and garbage	1,214,521	1,040,441	-	-
Total business-type activities	1,214,521	1,040,441	-	-
Total	$ 3,660,307	$ 1,391,829	$ 72,870	$ 601,080

General revenues:
- Taxes:
  - Property taxes
  - Sales and use taxes
  - 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 position

Net position - beginning

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (209,076)	$ -	$ (209,076)
(61,487)	-	(61,487)
(664,489)	-	(664,489)
(364,671)	-	(364,671)
(35,854)	-	(35,854)
(55,041)	-	(55,041)
(9,250)	-	(9,250)
(20,580)	-	(20,580)
(1,420,448)	-	(1,420,448)
-	(174,080)	(174,080)
-	(174,080)	(174,080)
(1,420,448)	(174,080)	(1,594,528)
894,723	-	894,723
743,482	-	743,482
83,735	-	83,735
137,626	-	137,626
946	415	1,361
1,319	83,489	84,808
9,115	-	9,115
(58,744)	58,744	-
1,812,202	142,648	1,954,850
391,754	(31,432)	360,322
6,242,065	2,339,174	8,581,239
$ 6,633,819	$ 2,307,742	$ 8,941,561


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

FUND FINANCIAL STATEMENTS


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Governmental Funds

Balance Sheet

December 31, 2013

	General	Special Purpose Local Option Sales Tax Fund	Debt Service Fund	Other Governmental Fund - Asset Forfeiture	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,244,814	$ 148,914	$ 111	$ 1,487	$ 1,395,326
Receivables	232,799	42,499	-	-	275,298
Due from other funds	111	-	-	-	111
Prepaid items	5,568	-	-	-	5,568
Total assets	$ 1,483,292	$ 191,413	$ 111	$ 1,487	$ 1,676,303
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 25,810	$ -	$ -	$ -	$ 25,810
Due to other funds	-	-	111	-	111
Total liabilities	25,810	-	111	-	25,921
Deferred inflows of resources	170,322	-	-	-	170,322
Combined liabilities and deferred inflows of resources	196,132	-	111	-	196,243
Fund Balances					
Nonspendable	5,568	-	-	-	5,568
Restricted:					
Capital projects	-	191,413	-	-	191,413
Public Safety	-	-	-	1,487	1,487
Assigned for debt service	-	-	-	-	-
Unassigned	1,281,592	-	-	-	1,281,592
Total fund balances	1,287,160	191,413	-	1,487	1,480,060
Total liabilities, deferred inflows of resources and fund balances	$ 1,483,292	$ 191,413	$ 111	$ 1,487	$ 1,676,303

Town of Thunderbolt, Georgia

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

December 31, 2013

Total Governmental Fund Balances		$ 1,480,060
Amounts reported for governmental activities in the statement of net position 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 position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 8,287,264	
Less: accumulated depreciation	(3,258,707)	5,028,557
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	62,105	
Franchise taxes	40,526	
Occupational licenses	46,242	148,873
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.		
Compensated absences		(23,671)
Net Position of Governmental Activities		$ 6,633,819

Town of Thunderbolt, Georgia

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2013

	General	Special Purpose Local Option Sales Tax Fund	Debt Service Fund	Other Governmental Fund - Asset Forfeiture	Total Governmental Funds
REVENUES					
Taxes	1,848,671	$ -	$ -	$ -	$ 1,848,671
Licenses and permits	87,774	-	-	-	87,774
Intergovernmental	133,488	540,276	-	-	673,764
Charges for services	3,742	-	-	-	3,742
Fines and forfeitures	218,645	-	-	-	218,645
Investment earnings	940	146	1	5	1,092
Miscellaneous	23,160	-	-	-	23,160
Total revenues	2,316,420	540,422	1	5	2,856,848
EXPENDITURES					
Current					
General government	456,739	-	-	-	456,739
Judicial	139,706	-	-	-	139,706
Public safety	1,021,897	-	-	10,484	1,032,381
Public works	308,572	-	-	-	308,572
Health and welfare	30,132	-	-	-	30,132
Culture and recreation	27,623	-	-	-	27,623
Housing and development	9,250	-	-	-	9,250
Capital Outlay	-	153,899	-	-	153,899
Debt Service					
Principal	-	70,846	390,000	-	460,846
Interest	-	4,802	15,778	-	20,580
Total expenditures	1,993,919	229,547	405,778	10,484	2,639,728
Excess (deficiency) of revenues over (under) expenditures	322,501	310,875	(405,777)	(10,479)	217,120
OTHER FINANCING SOURCES (USES)					
Transfers in	111	-	402,853	-	402,964
Transfers out	-	(402,853)	(111)	-	(402,964)
Sale of general capital assets	9,115	-	-	-	9,115
Total other financing sources (uses)	9,226	(402,853)	402,742	-	9,115
Net changes in fund balances	331,727	(91,978)	(3,035)	(10,479)	226,235
Fund balances at beginning of year (restated)	955,433	283,391	3,035	11,966	1,253,825
Fund balances at end of year	$ 1,287,160	$ 191,413	$ -	$ 1,487	$ 1,480,060

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

Town of Thunderbolt, Georgia

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

For the Year Ended December 31, 2013

Net change in Fund Balances - Total Governmental Funds		$ 226,235
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 capital outlays exceeded depreciation in the current period.		
Capital outlays	$ 58,777	
Depreciation expense	(394,963)	(336,186)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes, franchise fees and intergovernmental revenues:		
Deferred at December 31, 2013	148,873	
Deferred at December 31, 2012	(118,552)	30,321
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 December 31, 2013	-	
Accrued interest at December 31, 2012	9,470	9,470
Repayment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.		
Capital leases	70,846	
Note payable	390,000	460,846
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 December 31, 2013	23,671	
Compensated absences at December 31, 2012	24,739	1,068
Change in Net Position of Governmental Activities		$ 391,754

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

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Net Position

December 31, 2013

ASSETS	
Current assets	
Cash and cash equivalents	$ 238,156
Receivables (net of allowance)	32,977
Prepaid items	779
Restricted cash and cash equivalents	64,410
Total current assets	336,322
Noncurrent assets	
Depreciable capital assets, net of depreciation	2,107,383
Total assets	2,443,705
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current liabilities	
Accounts payable	69,969
Payable from restricted assets:	
Customer deposits payable	64,410
Total current liabilities	134,379
Deferred inflows of resources	1,584
Combined liabilities and deferred inflows of resources	135,963
NET POSITION	
Net investment in capital assets	2,107,383
Unrestricted	200,359
Total net position	$ 2,307,742

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

Town of Thunderbolt, Georgia

Proprietary Fund

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

For the Year Ended December 31, 2013

OPERATING REVENUES	
Charges for services	$ 1,040,441
Other income	83,489
Total operating revenues	1,123,930
OPERATING EXPENSES	
Purchased and contractual services	812,589
Materials and supplies	278,378
Depreciation	119,936
Total operating expenses	1,210,903
Operating income (loss)	(86,973)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	415
Interest expense	(3,618)
Total nonoperating revenues (expenses)	(3,203)
Income before capital contributions	(90,176)
Capital contributions	58,744
Change in net position	(31,432)
Net position, beginning of year	2,339,174
Net position, end of year	$ 2,307,742

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

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Cash Flows

For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 1,111,167
Cash payments to suppliers for goods and services	(1,142,054)
Net cash provided (used) by operating activities	(30,887)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisitions and construction of capital assets	(3,950)
Principal payments on debt	(149,900)
Interest payments on debt	(3,618)
Net cash (used) by capital and related financing activities	(157,468)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned on cash and investments	415
Net cash provided (used) by investing activities	415
Net increase (decrease) in cash and cash equivalents	(187,940)
Cash and cash equivalents, beginning of year	490,506
Cash and cash equivalents, end of year	$ 302,566
Operating income (loss)	$ (86,973)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	119,936
Change in assets and liabilities:	
Decrease (increase) in accounts receivables	(2,291)
Decrease (increase) in prepaid items	265
(Decrease) Increase in accounts payable	(60,742)
(Decrease) increase in customer deposits	2,775
(Decrease) increase in deferred inflow of resources	(13,247)
(Decrease) increase in interfund payables	9,390
Total adjustments	56,086
Net cash provided (used) by operating activities	$ (30,887)
Noncash capital and related financing activities:	
Contributions of capital assets from government	58,744

Town of Thunderbolt, Georgia

Fiduciary Fund

Statement of Fiduciary Net Position

December 31, 2013

	Municpal Court Fund
ASSETS	
Cash and cash equivalents	$ 14,647
Total assets	$ 14,647
LIABILITIES	
Due to others	$ 14,647
Total liabilities	$ 14,647

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 Position or Equity

Note 2 Detail Notes on Funds and Activities

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

Note 3 Other Information

A. Employee Pension Plan
B. Risk Management
C. Commitments and Contingencies
D. Restatement of Fund Balances


TOWN OF THUNDERBOLT
INCORPORATED
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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

Generally accepted accounting principles define the reporting entity and provide parameters to use in determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The financial reporting entity consists of (a) primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The nucleus of a financial reporting entity usually is a primary government; however, a governmental organization other than a primary government (such as a component unit, a joint venture, a jointly governed organization, or another stand-alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements.

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, 2013, the Town paid $3,335 in such dues. Membership in a 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 a 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 position and the statement of activities) 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, 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 *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.

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.

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.

D. Assets, Liabilities and Net Position 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.

Note 1 – Summary of Significant Accounting Policies (continued)

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 6.288 mills was adopted on August 14, 2013. Tax bills were rendered on September 15, 2013 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 position 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 position 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.

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

Note 1 – Summary of Significant Accounting Policies (continued)

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. 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.

- *Net investment in capital assets* 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 position* consist of net position 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 position* consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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.

Note 1 – Summary of Significant Accounting Policies (continued)

- *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 nor 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.

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Note 2 – Detailed Notes on Funds and Activities

A. Cash and Investments

Deposits

At year-end the carrying amount of the Town's deposits was $1,712,129 and the bank balance was $1,768,682. As of December 31, 2013 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	$	1,633,482
Restricted cash		64,410
Agency fund		14,647
Total	$	1,712,539
Notes to financial statements:		
Deposits	$	1,712,129
Cash on hand		410
Total	$	1,712,539

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	$ 224,694	$ -	$ -	$ 224,694
Accounts	-	-	35,355	35,355
Intergovernmental	9,831	42,499	-	52,330
Gross receivables	234,525	42,499	35,355	312,379
Less:				
Allowance for uncollectibles	(1,726)	-	(2,378)	(4,104)
Net receivables	$ 232,799	$ 42,499	$ 32,977	$ 308,275

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

Note 2 – Detailed Notes on Funds and Activities (continued)

C. Capital Assets

Changes in capital asset of governmental activities for the year ended December 31, 2013 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	8,950	-	5,519,804
Machinery, equipment and vehicles	1,370,483	49,827	154,958	1,265,352
Infrastructure	1,211,307	-	-	1,211,307
Sub-total assets	8,383,444	58,777	154,958	8,287,263
Accumulated Depreciation				
Buildings and improvements	(1,454,380)	(191,031)	-	(1,645,411)
Machinery, equipment and vehicles	(1,028,108)	(143,367)	(154,958)	(1,016,517)
Infrastructure	(536,213)	(60,565)	-	(596,778)
Sub-total accumulated depreciation	(3,018,701)	(394,963)	(154,958)	(3,258,706)
Total Governmental Activities	$ 5,364,743	$ (336,186)	$ -	$ 5,028,557

Depreciation expense was charged to governmental activities as follows:

General government	$ 30,866
Public safety	124,306
Public works	203,009
Health and welfare	9,364
Culture and recreation	27,418
Total depreciation expense	$ 394,963

Changes in capital asset of business-type activities for the year ended December 31, 2013 was as follows:

	Ending Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Depreciable Assets:				
Buildings and improvements	$ 4,331,928	$ 58,744	$ -	$ 4,390,672
Machinery, equipment and vehicles	107,933	3,950	-	111,883
Sub-total assets	4,439,861	62,694	-	4,502,555
Accumulated Depreciation				
Buildings and improvements	(2,206,931)	(109,580)	-	(2,316,511)
Machinery, equipment and vehicles	(68,304)	(10,357)	-	(78,661)
Sub-total accumulated depreciation	(2,275,235)	(119,937)	-	(2,395,172)
Total Business-Type Activities	$ 2,164,626	$ (57,243)	$ -	$ 2,107,383

Note 2 – Detailed Notes on Funds and Activities (continued)

D. Interfund Transactions and Balances

Interfund receivable and payable balances at December 31, 2013, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-major Governmental Fund	$ 111

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

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

Transfer Out	Transfer In	Amount
SPLOST Fund	Non-major Governmental Fund	$ 402,853
Non-major Governmental Fund	General Fund	111
		$ 402,964

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. 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. The bonds were completely liquidated by December 31, 2013.

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 GEFA loan was completely repaid by December 31, 2013.

Note 2 – Detailed Notes on Funds and Activities (continued)

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds.....	$ 390,000	$ -	$ 390,000	$ -	$ -
Capital leases.....	70,846	-	70,846	-	-
Compensated absences.....	24,739	33,661	34,729	23,671	23,671
Total Governmental Activities	$ 485,585	$ 33,661	$ 495,575	$ 23,671	$ 23,671
Business-Type Activities:					
GEFA loans.....	$ 149,900	$ -	$ 149,900	$ -	$ -
Total Business-Type Activities	$ 149,900	$ -	$ 149,900	$ -	$ -

For governmental activities, compensated absences are liquidated by the general fund.

Note 3 – 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.

Note 3 – Other Information (continued)

As of July 1, 2013, the date of the latest actuarial valuation, the number of participants was as follows:

Retired participants and beneficiaries	22
Terminated vested participants	16
Active vested participants	27
Total participants	65

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 2013, the actuarially determined rate was 11.35% of covered payroll.

Annual Pension Cost – For 2013, the Town's annual pension cost of $83,967 for the Plan was equal to the Town's required and actual contributions.

The required contribution was determined as part of the July 1, 2012 actuarial valuation using the following methods and assumptions:

Valuation Date	7/1/2013
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 22 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
12/31/2011	$ 60,355	100 %
12/31/2012	63,472	100
12/31/2013	83,967	100

Fund Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date, the actuarial value of assets was $1,216,447; the actuarial accrued liability for benefits was $1,464,350; the unfunded actuarial liability was $247,903; the plan was 83.07% funded; the covered payroll (annual payroll of active employees covered by the plan) was $755,136; and the ratio of the UAAL to the covered payroll was 32.83%.

Note 3 – Other Information (continued)

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.

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, 2013. No provisions have been made in the financial statements for the year ended December 31, 2013 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.

Note 3 – Other Information (continued)

D. Restatement of Fund Balances

Beginning fund balance for the general fund and the SPLOST fund have been restated by $26,316 to correct an error reported in interfund receivables and payables at December 31, 2012.

	General Fund	SPLOST Fund
Beginning fund balance.....	$ 981,749	$ 257,075
Prior period adjustment:		
Correction to interfund balances.....	(26,316)	26,316
Restated beginning fund balance	$ 955,433	$ 283,391


TOWN OF THUNDERBOLT
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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION & ANALYSIS


TOWN OF THUNDERBOLT
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Town of Thunderbolt, Georgia

General Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 1,740,490	$ 1,740,490	$ 1,848,671	$ 108,181
Licenses and permits	80,387	80,387	87,774	7,387
Intergovernmental revenues	90,835	90,835	133,488	42,653
Charges for services	-	-	3,742	3,742
Fines and forfeitures	197,770	197,770	218,645	20,875
Investment earnings	835	835	940	105
Miscellaneous	2,900	2,900	23,160	20,260
Total revenues	2,113,217	2,113,217	2,316,420	203,203
EXPENDITURES				
Current operating:				
General governmental				
Mayor and Council	41,977	41,977	36,210	5,767
General and administrative	396,519	394,213	384,283	9,930
Government buildings	40,000	40,000	36,246	3,754
Judicial				
Municipal court	137,676	139,726	139,706	20
Public safety				
Police	751,020	746,762	733,089	13,673
Fire	301,360	297,134	288,808	8,326
Public works				
Streets and highways	368,980	365,980	308,572	57,408
Health and welfare				
Senior Citizens	45,225	43,725	30,132	13,593
Culture and recreation				
Youth and recreation	10,000	13,000	8,313	4,687
Museum	19,260	19,760	19,310	450
Housing and development				
Planning and zoning	1,200	10,940	9,250	1,690
Total expenditures	2,113,217	2,113,217	1,993,919	119,298
Excess (deficiency) of revenues over (under) expenditures	-	-	322,501	322,501
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	111	111
Sale of surplus property	-	-	9,115	9,115
Total other financing sources (uses)	-	-	9,226	9,226
Net change in fund balance	-	-	331,727	331,727
Fund balance, beginning of year (restated)	955,433	955,433	955,433	-
Fund balance, end of year	$ 955,433	$ 955,433	$ 1,287,160	$ 331,727

Town of Thunderbolt, Georgia

Debt Service Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment earnings	$ -	$ 1	$ 1	$ -
Total revenues	-	1	1	-
EXPENDITURES				
Current				
Principal	390,000	390,000	390,000	-
Interest	15,888	15,778	15,778	-
Total debt service	405,888	405,778	405,778	-
Total expenditures	405,888	405,778	405,778	-
Excess (deficiency) of revenues over (under) expenditures	(405,888)	(405,777)	(405,777)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	402,853	402,853	402,853	-
Transfers out	-	(111)	(111)	-
Total other financing sources (uses)	402,853	402,742	402,742	-
Net change in fund balance	(3,035)	(3,035)	(3,035)	-
Fund balance, beginning of year	3,035	3,035	3,035	-
Fund balance, end of year	$ -	$ -	$ -	$ -

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, 2013, the following supplemental increases and decreases in appropriations were approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund	$ 2,113,217	$ 15,290	$ 15,290	$ 2,113,217
Asset Forfeiture	-	10,500	-	10,500

Town of Thunderbolt, Georgia

Required Supplementary Information – Schedule of Funding Progress

December 31, 2013

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)
7/1/2011	$ 1,203,419	$ 1,391,522	$ 188,103	86.48%	$ 680,945	27.62%
7/1/2012	1,210,280	1,456,016	245,736	83.12%	727,209	33.79%
7/1/2013	1,216,447	1,464,350	247,903	83.07%	755,136	32.83%

SUPPLEMENTARY DATA – FUND SCHEDULE AND STATE MANDATED PROGRAM INFORMATION


TOWN OF THUNDERBOLT
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Town of Thunderbolt, Georgia

Police Department Asset Forfeiture Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment earnings	$ -	$ -	$ 5	$ 5
Total revenues	-	-	5	5
EXPENDITURES				
Current operating:				
Police	-	10,500	10,484	16
Total expenditures	-	10,500	10,484	16
Net change in fund balance	-	(10,500)	(10,479)	21
Fund balance, beginning of year	11,966	11,966	11,966	-
Fund balance, end of year	$ 11,966	$ 1,466	$ 1,487	$ 21

Town of Thunderbolt, Georgia

Municipal Court Agency Fund

Statement of Changes in Assets and Liabilities

For the Year Ended December 31, 2013

	Balance 1/1/2013	Addtions	Deletions	Balance 12/31/2013
ASSETS				
Cash.....	$ 4,418	$ 114,256	$ 104,027	$ 14,647
Total assets.....	$ 4,418	$ 114,256	$ 104,027	$ 14,647
LIABILITIES				
Due to others.....	$ 4,418	$ 114,256	$ 104,027	$ 14,647
Total liabilities.....	$ 4,418	$ 114,256	$ 104,027	$ 14,647

Town of Thunderbolt, Georgia

Schedule of Expenditures of Special Local Option Sales Tax Proceeds

For the Year Ended December 31, 2013

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			$ 182,723	$ 86,205	$ 268,928
Public works vehicles and equipment			45,151	-	45,151
Water systems			199,429	67,694	267,123
Debt Service:					
General Obligation Debt Service	1,046,300	1,046,300	518,945	402,853	921,798
Capital leases - police cars			-	75,648	75,648
Total SPLOST expenditures	$ 3,000,000	$ 3,000,000	$ 946,248	$ 632,400	$ 1,578,648


TOWN OF THUNDERBOLT
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CHATHAM COUNTY

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 Town's overall financial health.

Contents	Page

Financial Trends..... G-2

These schedules contain trend information to help the reader understand how the Town'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 Town'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 Town's current levels of outstanding debt and the Town'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 Town'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 Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Town's financial reports for the relevant year.


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TOWN OF THUNDERBOLT
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Town of Thunderbolt, Georgia

Net Position by Component
Last Ten Calendar Years

	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	$ 3,164,705	$ 3,810,025	$ 4,609,607	$ 5,201,222
Restricted	802,567	885,895	583,050	480,302
Unrestricted	1,051,964	844,362	1,016,170	1,060,505
Total governmental activities net position	$ 5,019,236	$ 5,540,282	$ 6,208,827	$ 6,742,029
Business-type activities				
Net investment in capital assets	$ 2,731,672	$ 2,619,630	$ 2,535,429	$ 2,451,719
Unrestricted	(170,750)	(23,948)	98,357	98,947
Total business-type activities net position	$ 2,560,922	$ 2,595,682	$ 2,633,786	$ 2,550,666
Primary Government				
Net investment in capital assets	$ 5,896,377	$ 6,429,655	$ 7,145,036	$ 7,652,941
Restricted	802,567	885,895	583,050	480,302
Unrestricted	881,214	820,414	1,114,527	1,159,452
Total primary government net position	$ 7,580,158	$ 8,135,964	$ 8,842,613	$ 9,292,695

2008	2009	2010	2011	2012	2013
$ 5,571,486	$ 5,327,967	$ 4,927,843	$ 4,891,646	$ 4,903,897	$ 5,028,557
80,114	53,706	139,712	226,123	269,041	192,900
724,923	563,460	910,035	892,761	1,069,127	1,412,362
$ 6,376,523	$ 5,945,133	$ 5,977,590	$ 6,010,530	$ 6,242,065	$ 6,633,819
$ 2,393,011	$ 2,343,529	$ 1,964,734	$ 2,069,866	$ 2,014,726	$ 2,107,383
29,232	(125,824)	(149,256)	69,038	324,448	200,359
$ 2,422,243	$ 2,217,705	$ 1,815,478	$ 2,138,904	$ 2,339,174	$ 2,307,742
$ 7,964,497	$ 7,671,496	$ 6,892,577	$ 6,961,512	$ 6,918,623	$ 7,135,940
80,114	53,706	139,712	226,123	269,041	192,900
754,155	437,636	760,779	961,799	1,393,575	1,612,721
$ 8,798,766	$ 8,162,838	$ 7,793,068	$ 8,149,434	$ 8,581,239	$ 8,941,561

Town of Thunderbolt, Georgia

Changes in Net Position
Last Ten Calendar Years

	2004	2005	2006
Expenses			
Governmental activities:			
General government	$ 489,026	$ 479,775	$ 527,178
Judiciary	214,384	266,557	231,718
Public safety	771,798	746,133	950,418
Public works	631,319	506,965	549,250
Health and welfare	63,959	71,193	80,253
Culture and recreation	30,676	37,238	51,124
Housing and development	-	-	-
Interest on long-term debt	73,220	84,209	66,168
Total governmental activities expenses	2,274,382	2,192,070	2,456,109
Business-type activities:			
Water, sewer and garbage	660,708	602,060	626,293
Total business-type activities expense	660,708	602,060	626,293
Total primary government expenses	$ 2,935,090	$ 2,794,130	$ 3,082,402
Program Revenues			
Governmental activities:			
Charges for services:			
General government	$ 101,679	$ 111,751	$ 156,348
Judicial	-	-	-
Public safety	271,127	252,317	275,026
Public works	123,176	141,978	135,784
Health and welfare	-	-	-
Operating grants and contributions	7,373	4,555	35,349
Capital grants and contributions	76,500	65,120	31,315
Total governmental activities program revenues	579,855	575,721	633,822
Business-type activities - water and sewer:			
Charges for services	428,251	482,924	618,075
Capital grants and contributions	204,761	-	-
Total business type activities program revenues	633,012	482,924	618,075
Total primary government program revenues	$ 1,212,867	$ 1,058,645	$ 1,251,897
Net (Expense)/Revenue			
Governmental activities	$(1,694,527)	$(1,616,349)	$(1,822,287)
Business-type activities	(27,696)	(119,136)	(8,218)
Total primary government net expense	$(1,722,223)	$(1,735,485)	$(1,830,505)

2007	2008	2009	2010	2011	2012	2013
$ 643,814	$ 742,976	$ 762,101	$ 645,839	$ 588,695	$ 491,179	$ 505,887
179,944	163,223	130,087	124,176	135,754	131,344	140,348
1,001,452	1,122,919	983,655	946,705	1,044,245	1,053,793	1,192,030
609,750	765,921	728,230	489,378	588,242	656,029	483,154
83,237	69,476	59,665	68,646	58,601	42,414	39,496
50,365	49,412	56,210	56,428	48,785	46,101	55,041
-	-	1,581	126	805	1,223	9,250
57,479	4,048	54,535	46,947	34,708	32,250	20,580
2,626,041	2,917,975	2,776,064	2,378,245	2,499,835	2,454,333	2,445,786
739,373	832,106	946,493	1,475,046	915,155	1,085,874	1,214,521
739,373	832,106	946,493	1,475,046	915,155	1,085,874	1,214,521
$ 3,365,414	$ 3,750,081	$ 3,722,557	$ 3,853,291	$ 3,414,990	$ 3,540,207	$ 3,660,307
$ 138,187	$ 120,483	$ 126,800	$ 247,907	$ 87,469	$ 85,853	$ 124,416
-	-	98,462	104,837	79,159	84,016	78,861
253,669	202,552	153,616	170,676	134,753	131,664	144,469
145,802	156,244	201,006	455 [1]	30	-	-
-	-	-	-	-	-	3,642
40	34,306	-	113,391	46,734	76,105	72,870
31,281	7,062	6,446	31,515	536,815	569,439	601,080
568,979	520,647	586,330	668,781	884,960	947,077	1,025,338
591,808	618,919	687,655	1,024,361	1,029,266	1,095,164	1,040,441
-	15,000	-	5,000	-	-	-
591,808	633,919	687,655	1,029,361	1,029,266	1,095,164	1,040,441
$ 1,160,787	$ 1,154,566	$ 1,273,985	$ 1,698,142	$ 1,914,226	$ 2,042,241	$ 2,065,779
$(2,057,062)	$(2,397,328)	$(2,189,734)	$(1,709,464)	$(1,614,875)	$(1,507,256)	$(1,420,448)
(147,565)	(198,187)	(258,838)	(445,685)	114,111	9,290	(174,080)
$(2,204,627)	$(2,595,515)	$(2,448,572)	$(2,155,149)	$(1,500,764)	$(1,497,966)	$(1,594,528)

(continued)

Town of Thunderbolt, Georgia

Changes in Net Position
Last Ten Calendar Years

	2004	2005	2006
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Property taxes for general purposes	$ 451,478	$ 693,288	$ 753,111
Sales taxes for general purposes	1,127,091	717,651	779,466
Selective sales and use taxes	-	67,571	75,101
Business and occupation taxes	-	117,195	112,616
Other taxes	373,281	-	-
Grants and contributions not restricted to specific programs	22,589	617,607	713,122
Miscellaneous	49,382	37,870	47,416
Gain (loss) on disposal of capital assets	-	-	-
Transfers	-	(113,787)	-
Total governmental activities	2,023,821	2,137,395	2,480,832
Business-type activities - water and sewer:			
Miscellaneous income	46,899	40,109	46,322
Transfers	-	113,787	-
Total business-type activities	46,899	153,896	46,322
Total primary government	$ 2,070,720	$ 2,291,291	$ 2,527,154
Change in Net Position			
Governmental activities	$ 329,294	$ 521,046	$ 658,545
Business-type activities	19,203	34,760	38,104
Total primary government	$ 348,497	$ 555,806	$ 696,649

Notes:

[1] *Beginning in 2010 management began reporting garbage revenues and expenses in the Town's enterprise fund.*

2007	2008	2009	2010	2011	2012	2013
$ 847,535	$ 887,908	$ 864,353	$ 895,896	$ 847,244	$ 861,947	$ 894,723
769,804	736,057	703,088	678,670	728,607	760,848	743,482
83,485	84,015	31,348	74,014	14,156	65,996	83,735
127,902	130,966	129,737	125,966	125,140	132,920	137,626
-	-	-	-	-	-	-
712,361	160,846	-	-	-	-	-
49,177	32,030	29,818	36,892	24,093	18,657	2,265
-	-	-	(98,813)	69,032	23,601	9,115
-	-	-	(17,258)	(160,457)	(125,178)	(58,744)
2,590,264	2,031,822	1,758,344	1,695,367	1,647,815	1,738,791	1,812,202
64,445	69,764	54,300	43,700	48,858	65,802	83,489
-	-	-	17,258	160,457	125,178	58,744
64,445	69,764	54,300	60,958	209,315	190,980	142,233
$ 2,654,709	$ 2,101,586	$ 1,812,644	$ 1,756,325	$ 1,857,130	$ 1,929,771	$ 1,954,435
$ 533,202	$ (365,506)	$ (431,390)	$ (14,097)	$ 32,940	$ 231,535	$ 391,754
(83,120)	(128,423)	(204,538)	(384,727)	323,426	200,270	(31,847)
$ 450,082	$ (493,929)	$ (635,928)	$ (398,824)	$ 356,366	$ 431,805	$ 359,907

(concluded)

Town of Thunderbolt, Georgia

Fund Balances, Governmental Funds
Last Ten Calendar Years

	Calendar Year Ending December 31,				
	2004	2005	2006	2007	2008
General Fund					
Reserved	$ 22,215	$ 31,998	$ 23,855	$ 20,401	$ 22,583
Unreserved	1,006,288	776,188	934,613	947,924	488,560
Total general fund	$ 1,028,503	$ 808,186	$ 958,468	$ 968,325	$ 511,143
All Other Governmental Funds					
Reserved	$ 801,560	$ 884,525	$ 581,674	$ 478,926	$ 78,788
Unreserved, reported in:					
Debt service fund	1,007	1,371	1,376	1,376	1,326
Total all other governmental funds	$ 802,567	$ 885,896	$ 583,050	$ 480,302	$ 80,114

	Calendar Year Ending December 31,				
	2009	2010	2011	2012	2013
General Fund					
Reserved	$ 78,615	$ 83,638	$ -	$ -	$ -
Unreserved	357,515	621,898	-	-	-
Nonspendable	-	-	17,811	3,729	5,568
Unassigned	-	-	748,431	978,020	1,281,592
Total general fund	$ 436,130	$ 705,536	$ 766,242	$ 981,749	$ 1,287,160
All Other Governmental Funds					
Reserved	$ 52,378	$ 131,257	$ -	$ -	$ -
Unreserved, reported in:					
Special revenue funds	-	7,147	-	-	-
Debt service fund	1,328	1,308	-	-	-
Restricted:					
Capital Project Fund	-	-	218,295	257,075	191,413
Special revenue fund	-	-	7,828	11,966	1,487
Assigned:					
Debt service fund	-	-	456	3,035	-
Total all other governmental funds	$ 53,706	$ 139,712	$ 226,579	$ 272,076	$ 192,900

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

	2004	2005	2006	2007
Revenues				
Sales tax	$ 1,127,091	$ 1,400,379	$ 1,523,903	$ 1,513,446
Other taxes	817,291	838,267	167,050	274,712
Licenses and permits	101,679	108,137	154,925	134,851
Revenue from other governmental units	106,462	704,160	800,350	759,353
Charges for services	123,176	167,726	169,745	165,748
Fines and fees	271,127	209,186	242,488	237,059
Miscellaneous	55,097	60,809	48,491	49,217
Total revenue	2,601,923	3,488,664	3,106,952	3,134,386
Expenditures				
Current:				
General government	516,854	478,999	502,031	619,669
Judiciary	221,311	266,557	231,718	179,944
Public safety	701,820	674,474	810,045	854,626
Public works	354,268	418,498	452,735	617,230
Health and welfare	54,070	60,778	69,839	72,823
Culture and recreation	12,949	19,772	15,731	14,972
Hosuing and development	-	-	-	-
Capital outlay	748,035	1,453,733	1,430,920	185,365
Debt service:				
Principal	92,049	99,542	389,884	675,005
Interest and other charges	75,394	81,843	112,566	106,461
Total expenditures	2,776,750	3,554,196	4,015,469	3,326,095
Excess (Deficiency) of revenues over (under) expenditures	(174,827)	(65,532)	(908,517)	(191,709)
Other Financing sources (uses)				
Debt issuance	-	725,000	756,724	98,818
Transfers in	107,444	340,265	112,294	109,483
Transfers out	(107,444)	(454,052)	(112,294)	(109,483)
Sale of capital assets and other	7,155	2,610	-	-
Total other financing sources (uses)	7,155	613,823	756,724	98,818
Net change in fund balances	$ (167,672)	$ 548,291	$ (151,793)	$ (92,891)
Debt service as a percentage of noncapital expenditures	8.25%	8.64%	19.44%	25.70%

Notes:

Noncapital expenditures are total expenditures less capital outlay.

Housing and development account classifications were added beginning with year end December 31, 2009. Prior to December 31, 2009, Housing and development were combined in Public works.

[1] *Beginning in 2010 management began reporting garbage revenue and expense in the Town's enterprise fund.*

2008	2009	2010	2011	2012	2013
$ 836,905	$ 717,571	$ 695,136	$ 728,607	$ 760,848	$ 743,482
865,635	1,068,429	1,126,256	1,072,260	1,093,498	1,105,189
119,143	124,868	166,910	83,833	85,381	87,774
202,214	14,301	139,234	581,946	645,308	673,764
157,852	207,447	5,109 [1]	4,237	1,607	3,742
202,284	247,569	272,696	210,116	214,545	218,645
28,830	21,089	42,564	25,696	18,893	24,252
2,412,863	2,401,274	2,447,905	2,706,695	2,820,080	2,856,848
720,360	718,231	630,219	555,357	470,331	456,739
163,223	130,087	124,176	135,754	131,196	139,706
1,029,764	975,110	874,287	965,777	957,576	1,032,381
561,904	485,846	280,900 [1]	438,272	320,087	308,572
59,062	49,251	57,181	49,237	33,050	30,132
14,819	21,617	14,661	21,366	18,682	27,623
-	1,581	126	805	1,223	9,250
16,442	33,535	20,920	238,577	266,501	153,899
640,384	129,456	89,898	191,255	324,091	460,846
67,475	54,535	49,074	44,907	32,087	20,580
3,273,433	2,599,249	2,141,442	2,641,307	2,554,824	2,639,728
(860,570)	(197,975)	306,463	65,388	265,256	217,120
-	87,825	-	-	97,325	-
228,154	113,281	114,805	211,200	307,745	402,964
(228,154)	(113,281)	(115,140)	(211,200)	(432,923)	(402,964)
3,200	8,729	2,730	82,185	23,601	9,115
3,200	96,554	2,395	82,185	(4,252)	9,115
$ (857,370)	$ (101,421)	$ 308,858	$ 147,573	$ 261,004	$ 226,235
21.87%	7.37%	6.55%	9.31%	15.04%	19.62%

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
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
2013	698,122	743,482	136,382	62,635	208,050	1,848,671

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

	Real Property		Personal Property		Utilities and Other Property	
Calendar Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2013	99,047,908	247,619,770	5,466,699	13,666,748	954,021	2,385,053

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
$ 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
105,468,628	263,671,571	40.00%	6.288

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
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
2013	6.288	15.880	12.950	0.150	35.268

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

Town of Thunderbolt, Georgia

Principal Property Tax Payers
Current and Nine Years Ago

	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Thunderbolt Marine Inc	$ 5,709,567	1	5.55%	$ 2,846,400	2	3.95%
River Crossing Investors LLC	4,435,200	2	4.31%	2,996,800	1	4.16%
Foster, William M	3,033,720	3	2.95%	2,464,400	3	3.42%
Morning Star Marinas/Bahai Bleu	1,509,960	4	1.47%	1,130,000	4	1.57%
First Chatham Bank	1,349,520	5	1.31%			
Hall Family Properties LLC	1,302,040	6	1.26%	1,008,000	5	1.40%
JBPP LLC	1,207,440	7		455,000	10	0.63%
A Store & Lock, Inc.	834,880	8	0.81%	473,000	9	
Victory Storage Company	710,984	9	0.69%	512,800	8	
Seymore Fog LLC	671,049	10	0.65%			
Sea Ray of Savannah Inc.				722,972	6	1.00%
MZ Properties				556,000	7	0.77%
Total	$ 20,764,360		19.00%	$ 13,165,372		16.91%

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
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%	213,244	630,433	99.73%
2010	621,106	554,797	89.32%	64,443	619,240	99.70%
2011	589,675	533,382	90.45%	52,321	585,703	99.33%
2012	618,919	574,672	92.85%	35,147	609,819	98.53%
2013	599,882	551,734	91.97%	-	551,734	91.97%

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	$ 46,346	$ 53,867	$ 51,269	$ 58,283	$ 61,001	$ 52,893	$ 56,288	$ 62,577	$ 68,888	$ 53,446
February	52,729	64,744	63,751	67,448	68,037	45,966	56,780	52,164	56,203	61,506
March	56,998	52,462	62,161	57,076	47,448	44,186	56,018	57,220	60,242	66,188
April	52,122	56,235	61,476	58,742	62,664	37,856	61,334	58,114	67,950	57,879
May	56,870	61,183	61,598	62,803	66,133	51,793	57,220	61,436	61,993	63,553
June	61,420	59,491	70,617	67,211	62,727	56,015	59,365	61,037	65,249	63,599
July	59,599	61,948	62,706	66,564	68,238	59,261	58,548	63,362	66,890	61,510
August	56,012	61,736	68,959	59,919	63,302	65,382	58,307	66,157	64,595	62,752
September	56,762	60,478	75,073	69,589	63,701	54,799	58,091	63,495	61,094	61,637
October	52,514	66,465	63,623	65,380	58,022	55,990	55,186	62,607	64,302	60,970
November	53,213	64,117	80,839	68,423	69,551	46,951	57,027	56,981	63,000	58,434
December	51,991	56,139	43,607	62,173	56,744	56,288	54,254	55,772	60,055	71,854
Pro Rata Adjustment	4,510	2,377	3,078	2,887	1,368	4,082	431	1,373	387	152
Total	$ 661,086	$ 721,242	$ 768,757	$ 766,498	$ 748,936	$ 631,462	$ 688,849	$ 722,295	$ 760,848	$ 743,480

Town of Thunderbolt, Georgia

Ratios of Outstanding Debt by Type
Last Ten Calendar Years

Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital Leases	Governmental Activities: Notes Payable	Business-type Activities: GEFA Loans	Business-type Activities: Capital Leases	Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
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
2013	-	-	-	-	-	-	0.00%	-

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]
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
2013	-	-	-	0.00%	-

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, 2013

	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	$ 10,885,000	0.98%	$ 106,351
Chatham County Public Health Facilities Projects	175,000	0.98%	1,710
DSA Chatham County Projects Series 2005A	4,420,000	0.98%	43,185
DSA Union Mission Series 2009	2,145,000	0.98%	20,958
DSA Union Mission Series 2011	2,680,000	0.98%	26,185
Mosquito Control	3,804,217	0.98%	37,169
Savannah-Chatham County School Board:			
General Obligation Bonded Debt	53,925,000	0.98%	526,870
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia	4,561	1.01%	46
Savannah-Chatham County School Board	11,184,961	1.28%	143,601
Subtotal, overlapping debt			906,075
Town of Thunderbolt direct debt			-
Total direct and overlapping debt			$ 906,075

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				
	2004	2005	2006	2007	2008
Total assessed value of taxable property	$ 76,984,807	$ 87,269,995	$ 97,826,292	$ 116,444,651	$ 117,167,047
Less exemptions for bond purposes	258,041	299,169	-	-	-
Net assessed value for bond purposes	$ 76,726,766	$ 86,970,826	$ 97,826,292	$ 116,444,651	$ 117,167,047
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 7,672,677	$ 8,697,083	$ 9,782,629	$ 11,644,465	$ 11,716,705
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	1,190,000	1,140,043	1,085,043	1,030,043	970,043
Legal debt margin	$ 6,482,677	$ 7,557,040	$ 8,697,586	$ 10,614,422	$ 10,746,662
Total net debt applicable to the limit as a percentage of debt limit	1.55%	1.31%	1.11%	0.88%	0.83%

	Calendar Year				
	2009	2010	2011	2012	2013
Total assessed value of taxable property	$ 112,054,487	$ 105,382,370	$ 102,555,576	$ 104,175,163	$ 105,468,628
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$ 112,054,487	$ 105,382,370	$ 102,555,576	$ 104,175,163	$ 105,468,628
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 10,538,237	$ 10,255,558	$ 10,546,863	$ 10,417,516	$ 10,546,863
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	905,043	835,043	665,000	390,000	-
Legal debt margin	$ 9,633,194	$ 9,420,515	$ 9,881,863	$ 10,027,516	$ 10,546,863
Total net debt applicable to the limit as a percentage of debt limit	0.81%	0.79%	0.65%	0.37%	0.00%

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]
2004	2,400	$ 55,413,600	$ 23,089	3.9%
2005	2,460	58,048,620	23,597	4.6%
2006	2,460	59,325,360	24,116	4.1%
2007	2,460	60,631,620	24,647	5.8%
2008	2,460	61,964,940	25,189	5.4%
2009	2,649	68,193,207	25,743	8.5%
2010	2,668	70,776,704	26,528	9.0%
2011	2,672	72,087,824	26,979	8.7%
2012	2,670	70,554,750	26,425	8.7%
2013	2,670	71,782,403	26,885	6.8%

Source:

[1] United States Census Bureau - Community Facts

[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

	2013			2004		
Employer	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**
Gulfstream Aerospace	8,406	1	6.66%	4,300	3	3.74%
Savannah-Chatham Board of Education	4,808	2	3.81%	4,309	2	3.75%
Ft. Stweart/Hunter Army Airfield	4,637	3	3.68%	3,485	5	3.03%
Memorial Health	4,600	4	3.65%	4,934	1	4.30%
St Joseph's Candler Hospital	3,170	5	2.51%	3,800	4	3.31%
City of Savannah	2,795	6	2.22%	2,408	6	2.10%
Savannah College of Art and Design	1,750	7	1.39%	1,200	10	1.04%
Chatham County	1,600	8	1.27%	1,600	8	1.39%
Georgia Port Authority	988	9	0.78%			
Armstrong Atlantic University	602	10	0.48%			
Savannah International Airport				4,500	3	3.92%
International Paper				1,800	9	1.57%
Georgia Pacific Savannah River Mill				1,408	7	1.23%
	33,356		26.44%	33,744		29.38%

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	**2004**	**2005**	**2006**	**2007**	**2008**
General government	6	6	6	7	7
Judiciary	3	3	3	3	3
Public safety	10	10	10	16	13
Public works	7	7	7	-	-
Total	26	26	26	26	23

	Full-time and Part-time Town Employees as of December 31				
Function/Program	**2009**	**2010**	**2011**	**2012**	**2013**
General government	7	6	7	7	7
Judiciary	3	3	3	3	4
Public safety	13	13	14	14	13
Public works	-	-	6	5	6
Total	23	22	30	29	30

Source: Town Personnel Records

Town of Thunderbolt, Georgia

Operating Indicators by Function
Last Ten Calendar Years

	Calendar Year				
	2004	**2005**	**2006**	**2007**	**2008**
Police:					
Number of emergency calls	na	na	na	1,825	1,916
Fire:					
Number of emergency calls	67	83	64	375	615
Public works:					
Street resurfacing (miles)	0.2	0.3	-	-	0.2

	Calendar Year				
	2009	**2010**	**2011**	**2012**	**2013**
Police:					
Number of emergency calls	2,642	2,640	2,180	3,200	3,391
Fire:					
Number of emergency calls	463	449	371	373	393
Public works:					
Street resurfacing (miles)	-	-	-	-	-

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				
	2004	**2005**	**2006**	**2007**	**2008**
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

	Calendar Year				
	2009	**2010**	**2011**	**2012**	**2013**
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

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 Auditors' 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, 2013, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated April 21, 2014.

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.

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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*.

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.

KRT, CPAs P.C.



Savannah, Georgia
April 21, 2014

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