COMPREHENSIVE ANNUAL FINANCIAL REPORT

Town of Thunderbolt, Georgia

FOR THE FISCAL YEAR ENDED December 31, 2015

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

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INTRODUCTORY SECTION


TOWN OF THUNDERBOLT
INCORPORATED
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CHATHAM COUNTY

BETH E. GOETTE
MAYOR

CAROLINE R. HANKINS
TOWN ADMINISTRATOR

KAY McCAFFERTY
CLERK/ZONING ADMINISTRATOR

CHARLES W. BARROW
TOWN ATTORNEY



COUNCIL MEMBERS

KIMBERLY CHAPPELL-STEVENS
MAYOR PRO-TEM

DAVID P. CRENSHAW

SHERRY ELMORE-PHILLIPS

JOHN M. HENRY

AL HENDERSON, JR.

DR. EDWARD M. DROHAN, III

May 27, 2016

Citizens of Thunderbolt
Honorable Mayor
Members of Council

The Town's Finance office is pleased to submit the Comprehensive Annual Financial Report of the Town of Thunderbolt, Georgia for the year ended December 31, 2015. The purpose of the report is to provide the Council, Staff, 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, 2015. 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 unchanged during the 2015 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 observed a nominal decrease in the overall property values for 2015 while maintaining a flat millage rate in comparison to 2014. Building permit requests grew for 2015. One large permit in particular was related to the loss of an apartment building due to fire. The remaining permit requests suggest a slight increase in the local economy.

We completed the upgrade to our water meter system moving from a manual read system to a radio read. In addition to upgrading the meter system a continuous effort is given to repairing and replacing aging infrastructure of water and sewer lines resulting in the capture of lost water and revenue over time which in turn will maintain a self-sufficient enterprise fund.

Major Initiatives

The Town has adopted a tax credit for qualifying fixed income senior resident property owners. Infrastructure upgrades and maintenance is a main focus for the Town. Currently, aging hydrants, valves, and water lines are being replaced along with maintenance being conducted on storm water culverts and lines. The Town is moving forward with an addition of a new Floridian Aquifer Groundwater Withdrawal Well System with an updated SCADA system. The Town was designated as Georgia's 29th WaterFirst Community, which is an elite group committed to strategic planning with a focus on sound water resource management. The Town also has successfully received a Class 7 rating from the National Flood Insurance Program Community Rating System in May 2015, which provides residents a 15% discount in the Special Flood Hazard Area (SFHA) and 5% discount for those in non-SFHA.

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, 2014. 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 eighth year the Town has received this award and we are proud to have maintained this standard of excellence.

Respectfully Submitted,

Caroline R. Hankins

Caroline R. Hankins
Town Administrator

Town of Thunderbolt, Georgia

Principal Officials

December 31, 2015

Mayor	Beth Goette
Town Administrator	Caroline R. Nguyen
Town Clerk	Kay McCafferty
Administrative Clerk	Katina Spaulding
Finance Clerk	Molly Sims
Director of Public Safety	Robert Merriman
Director of Public Works	Ray O'Neill
Town Attorney	Charles W. Barrow

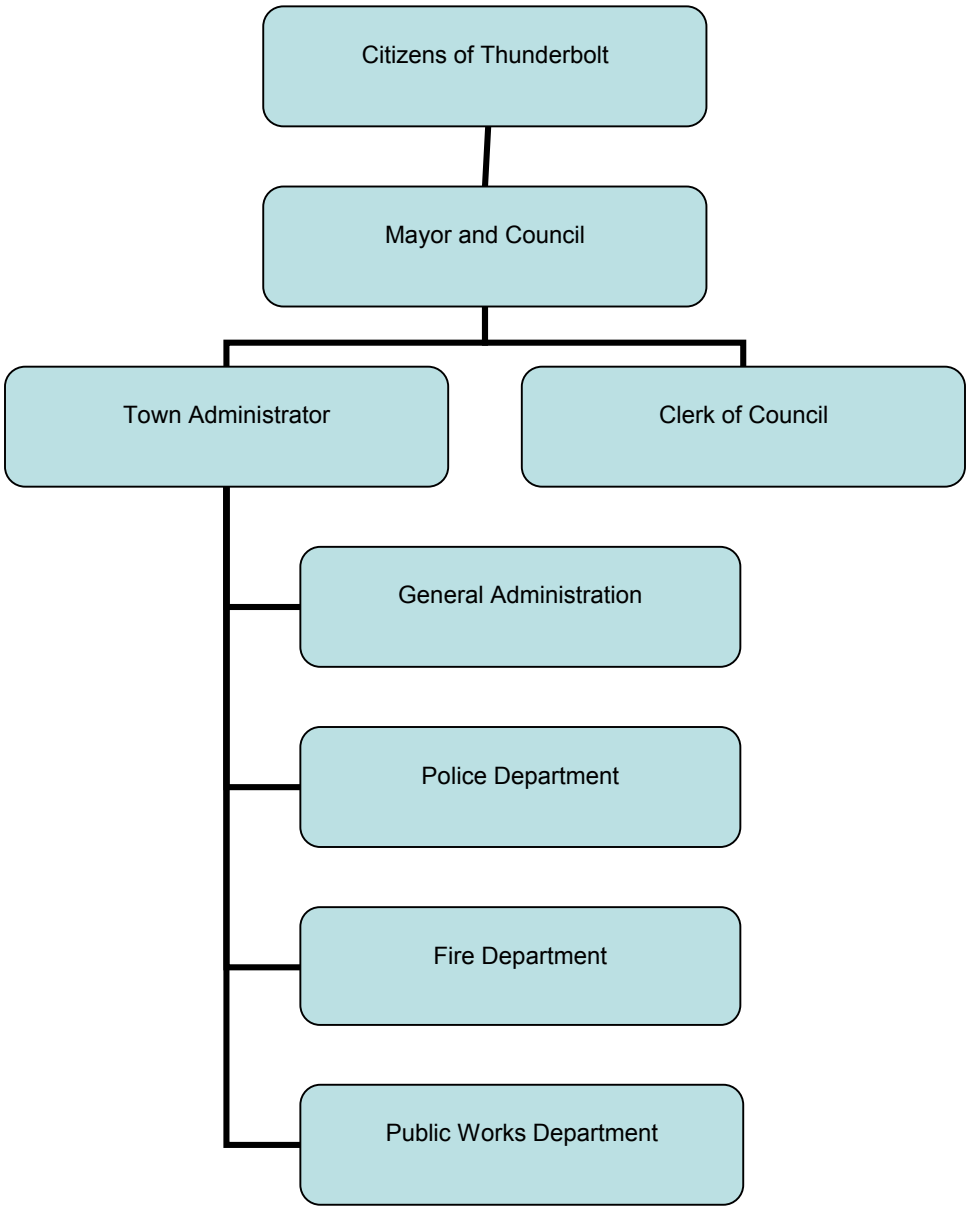
Town Council Members

Beth E. Goette	Mayor
Kimberly Chappell-Stevens	Mayor Pro-tem
John Henry	Councilman
Sherry Phillips	Councilwoman
Clair Alvin (Al) Henderson, Jr.	Councilman
Dr. Edward M. Drohan, III	Councilman
David Crenshaw	Councilman

Town of Thunderbolt, Georgia

Organizational Chart

December 31, 2015



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

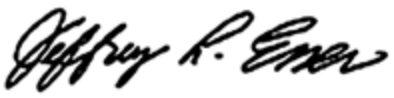
Presented to

Town of Thunderbolt

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014



Executive Director/CEO


TOWN OF THUNDERBOLT
INCORPORATED
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CHATHAM COUNTY

FINANCIAL SECTION


TOWN OF THUNDERBOLT
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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, 2015, 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.

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, 2015, 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2016 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
May 27, 2016


TOWN OF THUNDERBOLT
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CHATHAM COUNTY

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, 2015. 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 $9,739,849 (net position) for the calendar year reported.
- Total net position is comprised of the following:
  - (1) Capital assets, net of related debt, of $6,725,524 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 $704,968 is restricted by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of $2,309,357 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 $3,114,394 this year. This compares to the prior year ending fund balance of $2,157,817 showing an increase of $956,577 during the current year. Unassigned fund balance of $2,363,152 for calendar year 2015 shows a $762,575 increase over the prior year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was $2,363,152 or 120% 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.

Financial Analysis of the Town as a Whole

The Town's net position at calendar year-end are $9,739,849. The following table provides a summary of the Town's net position:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	$ 3,293,380	$ 2,382,675	$ 265,086	$ 292,086	$ 3,558,466	$ 2,674,761
Capital assets	4,687,206	4,814,860	2,155,702	2,098,170	6,842,908	6,913,030
Total assets	7,980,586	7,197,535	2,420,788	2,390,256	10,401,374	9,587,791
Deferred outflows of resources	122,901	84,294	-	-	122,901	84,294
Current liabilities	116,895	42,864	133,971	84,253	250,866	127,117
Long-term liabilities	515,836	455,848	-	-	515,836	455,848
Total liabilities	632,731	498,712	133,971	84,253	766,702	582,965
Deferred intflows of resources	17,724	-	-	-	17,724	-
Net position:						
Net investment in capital assets	4,599,196	4,729,953	2,126,328	2,098,170	6,725,524	6,828,123
Restricted	704,968	509,394	-	-	704,968	509,394
Unrestricted	2,148,868	1,543,770	160,489	207,833	2,309,357	1,751,603
Total net position	$ 7,453,032	$ 6,783,117	$ 2,286,817	$ 2,306,003	$ 9,739,849	$ 9,089,120

The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 28.17 to 1 and 1.98 to 1 for business type activities. Both ratios are down over last year however the ratio for governmental activities is adequate. The business type ratio indicates a need for improvement in rate structure for utilities billed to cover liabilities.

The Town reported positive balances in net position for both governmental and business-type activities. Net position increased $669,915 for governmental activities and a decrease of $19,186 for business-type activities.

Note that approximately 61.7% of the governmental activities' net position are 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	
	2015	2014	2015	2014	2015	2014
Revenue:						
Program revenue:						
Charges for services	$ 540,255	$ 453,513	$ 1,056,584	$ 1,030,567	$ 1,596,839	$ 1,484,080
Operating grants and contributio	74,567	70,433	-	-	74,567	70,433
Capital grants and contributions	674,567	613,415	156,359	56,579	830,926	669,994
General Revenue:						
Taxes	1,968,213	1,972,901	-	-	1,968,213	1,972,901
Other	24,314	16,953	5,186	13,360	29,500	30,313
Total revenue	3,281,916	3,127,215	1,218,129	1,100,506	4,500,045	4,227,721
Program expenses:						
General government	448,392	517,965	-	-	448,392	517,965
Judiciary	139,051	137,128	-	-	139,051	137,128
Public safety	1,301,878	1,240,306	-	-	1,301,878	1,240,306
Public works	598,460	603,425	-	-	598,460	603,425
Health and welfare	72,525	87,491	-	-	72,525	87,491
Culture and recreation	43,971	46,210	-	-	43,971	46,210
Housing and development	2,271	2,556	-	-	2,271	2,556
Interest on long-term debt	5,453	2,145	-	-	5,453	2,145
Water, sewer and garbage	-	-	1,237,315	1,102,245	1,237,315	1,102,245
Total program expenses	2,612,001	2,637,226	1,237,315	1,102,245	3,849,316	3,739,471
Change in net position	669,915	489,989	(19,186)	(1,739)	650,729	488,250
Net position, beginning	6,783,117	6,293,128	2,306,003	2,307,742	9,089,120	8,600,870
Net position, ending	$ 7,453,032	$ 6,783,117	$ 2,286,817	$ 2,306,003	$ 9,739,849	$ 9,089,120

Governmental Activities Revenues

The Town is heavily reliant on taxes to support governmental activities. Taxes provided 60.0% of the Town's total governmental activities revenue. Local option sales taxes account for $817,855 or 41.6% of tax revenues. Property taxes, $666,196 and utility franchise fees, $262,571, account for 47.2% 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 $674,032 accounts for substantially all of the capital grants and contributions. Charges for services include administrative fees charged to the Town's enterprise fund. Overall charges for services were up 7.6% over the previous year. The majority of the increase is attributed to the Governmental Activities and is related primarily to an increase in building permits and court fines.

Governmental Activities Program Expenses

The general government, public safety, and public works functions make up 90.0% 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	
	2015	2014	2015	2014
General government	$ 448,392	$ 517,965	$ 257,848	$ 171,744
Judiciary	139,051	137,128	12,210	14,389
Public safety	1,301,878	1,240,306	830,555	660,247
Public works	598,460	603,425	101,304	518,636
Health and welfare	72,525	87,491	69,000	84,088
Culture and recreation	43,971	46,210	43,971	46,060
Housing and developments	2,271	2,556	2,271	2,556
Interest on long-term debt	5,453	2,145	5,453	2,145
Total program expenses	$ 2,612,001	$ 2,637,226	$ 1,322,612	$ 1,499,865

A decrease in General Government, Public Work and Health and Welfare account for the majority of the overall decrease from the previous year. There was also an increase in Public Safety.

Business-Type Activities

Revenues vs. Costs

The sole business-type activity is the Town's water, sewer and garbage program. The charges for services slightly increased by $26,017 or roughly 2.5% over the prior year resulting in an increase in operating revenue of $17,829 over 2014. While charges for services and revenues increased, operating expenses also experienced an increase in the amount of $135,070 over 2014. The garbage fees remained flat compared to 2014 and the water and sewer fee increase accounted for the overall increase in service charges and in turn operating revenue. The nominal increase in operating revenue is due in part due to the meter replacement program. With the meter replacement program completed it is expected that the update will increase charges for services and decrease expense thus generating additional revenue. There have also been many infrastructure repairs such as underground leaks that as identified and repaired over time will reduce expenses. As all the changes take place there has also been identified the need to address a new rate structure for the water and sewer service in order to continue operate a true enterprise fund.

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 $3,114,394. Approximately 75.8% of this amount, $2,363,152 is unassigned and is available for spending at the Town's discretion. The remainder of the fund balance is 1) non-spendable ($46,274) because it represents prepaid expenses and 2) restricted for capital projects ($702,017) or to fund public safety programs ($2,951).

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 $2,363,152, while total fund balance was $2,409,426. 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 120.2% of total general fund expenditures, while total fund balance represents 122.5% of that same amount.

The General Fund's fund balance increased by $761,003 during the year. Key factors in this growth are as follows:

- While most revenue streams were consistent the town saw in increase in the Local Option Sales Tax revenue as well as increases in the annual Insurance Premium Tax revenue.
- A significant increase in Building Permit revenue was also experienced and was primarily a result of two large permits. One permit for a rebuild due to fire loss and the other a large expansion on a storage facility.
- Another revenue stream that experienced an increase was the municipal court fines.

The General Fund's ending unassigned fund balance experienced an increase of $762,575 over the prior year from $1,600,577 to $2,363,152. We carry this balance primarily for cash flow purposes and to cover any unforeseen emergencies.

The Special Purpose Local Option Sales Tax (SPLOST) Fund's fund balance increased $195,571 during the year. The SPLOST Fund reported revenues of $674,535 which is an increase 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 $529,959. Above budgeted local option sales tax, insurance premium tax, building permits and court fines collections accounted for the majority of the additional revenue.

General Fund budget expenditures were also closely monitored. A transfer of the electrical expense for street lights from the governmental buildings budget to the streets budget and an unexpected increase in dues to senior citizens created the need for budget transfer between departments but no overall budget amendments for expenses.

(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, 2015, was $7,453,032 and $2,286,817 respectively. The total increase in this net investment was 9.88% for governmental activities. The business-type activities reported a slight decrease of less than 1%. The overall increase was slightly more 7% 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	
	2015	2014	2015	2014	2015	2014
Non-depreciable assets:						
Land	$ 290,800	$ 290,800	$ -	$ -	$ 290,800	$ 290,800
Construction in progress	-	-	29,374	-	29,374	-
Total non-depreciable assets	290,800	290,800	29,374	-	320,174	290,800
Depreciable assets:						
Buildings and improvements	5,569,013	5,569,013	4,565,583	4,446,588	10,134,596	10,015,601
Machinery, equipment and vehicles	1,499,110	1,386,725	200,403	168,462	1,699,513	1,555,187
Infrastructure	1,211,307	1,211,307	-	-	1,211,307	1,211,307
Total depreciable assets	8,279,430	8,167,045	4,765,986	4,615,050	13,045,416	12,782,095
Less accumulated depreciation	3,883,024	3,642,985	2,639,658	2,516,880	6,522,682	6,159,865
Book value - depreciable assets	4,396,406	4,524,060	2,126,328	2,098,170	6,522,734	6,622,230
Precentage depreciated	46.9%	44.6%	55.4%	54.5%	50.0%	48.2%
Book value - all assets	$ 4,687,206	$ 4,814,860	$ 2,155,702	$ 2,098,170	$ 6,842,908	$ 6,913,030

At December 31, 2015, the depreciable capital assets for governmental activities were 43.1% depreciated. This compares to 44.6% for December 31, 2014. 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, 54.5% of the asset values were depreciated at December 31, 2015 compared to 55% at December 31, 2014.

Long-term Debt

Governmental Activities:

At the end of the year the Town's outstanding long-term debt consisted of capital lease obligations totaling $88,010.

Business-type Activities:

Business-type activities had no outstanding long-term liability as of December 31, 2015.

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, 34% 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 $39,794 with a median home value of $157,700.

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 $2.3 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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Statement of Net Position

December 31, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 2,933,107	$ 170,668	$ 3,103,775
Receivables	310,701	22,021	332,722
Internal balances	3,298	(3,298)	-
Prepaid	46,274	5,100	51,374
Restricted assets			
Cash and cash equivalents	-	70,595	70,595
Capital assets			
Land and construction in progress	290,800	29,374	320,174
Other capital assets, net of depreciation	4,396,406	2,126,328	6,522,734
Total assets	7,980,586	2,420,788	10,401,374
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	122,901	-	122,901
LIABILITIES			
Accounts payable	12,901	63,376	76,277
Deposits payable	-	70,595	70,595
Unearned revenue	103,994	-	103,994
Long-term liabilities			
Due within one year			
Capital leases payable	47,095	-	47,095
Compensated absences	40,926	-	40,926
Due in more than one year			
Capital leases payable	40,915	-	40,915
Net pension liability	386,900	-	386,900
Total liabilities	632,731	133,971	766,702
DEFERRED INFLOWS OF RESOURCES			
Pension related	17,724	-	17,724
NET POSITION			
Net investment in capital assets	4,599,196	2,126,328	6,725,524
Restricted for			
Capital projects	702,017	-	702,017
Other purposes	2,951	-	2,951
Unrestricted	2,148,868	160,489	2,309,357
Total net position	$ 7,453,032	$ 2,286,817	$ 9,739,849

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

Town of Thunderbolt, Georgia

Statement of Activities

For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 448,392	$ 190,544	$ -	$ -
Judicial	139,051	126,841	-	-
Public safety	1,301,878	219,345	74,567	177,411
Public works	598,460	-	-	497,156
Health and welfare	72,525	3,525	-	-
Culture and recreation	43,971	-	-	-
Housing and development	2,271	-	-	-
Interest on long-term debt	5,453	-	-	-
Total governmental activities	2,612,001	540,255	74,567	674,567
Business-type activities:				
Water and sewer	979,395	822,715	-	156,359
Garbage	257,920	233,869	-	-
Total business-type activities	1,237,315	1,056,584	-	156,359
Total	$ 3,849,316	$ 1,596,839	$ 74,567	$ 830,926

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	
Total general revenues and transfers	
Change in net position	
Net position - beginning (restated)	
Net position - ending	

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (257,848)	$ -	$ (257,848)
(12,210)	-	(12,210)
(830,555)	-	(830,555)
(101,304)	-	(101,304)
(69,000)	-	(69,000)
(43,971)	-	(43,971)
(2,271)	-	(2,271)
(5,453)	-	(5,453)
(1,322,612)	-	(1,322,612)
-	(321)	(321)
-	(24,051)	(24,051)
-	(24,372)	(24,372)
(1,322,612)	(24,372)	(1,346,984)
950,224	-	950,224
817,855	-	817,855
54,700	-	54,700
145,434	-	145,434
1,803	325	2,128
4,152	4,861	9,013
18,359	-	18,359
1,992,527	5,186	1,997,713
669,915	(19,186)	650,729
6,783,117	2,306,003	9,089,120
$ 7,453,032	$ 2,286,817	$ 9,739,849


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, 2015

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Fund - Asset Forfeiture	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,238,334	$ 691,822	$ 2,951	$ 2,933,107
Receivables	256,307	54,394	-	310,701
Due from other funds	3,298	-	-	3,298
Prepaid items	46,274	-	-	46,274
Total assets	$ 2,544,213	$ 746,216	$ 2,951	$ 3,293,380
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 12,901	$ -	$ -	$ 12,901
Unearned revenue	59,795	44,199	-	103,994
Total liabilities	72,696	44,199	-	116,895
Deferred Inflows of Resources				
Unavailable revenue - property taxes	62,091	-	-	62,091
Total deferred inflows of resources	62,091	-	-	62,091
Combined liabilities and deferred inflows of resources	134,787	44,199	-	178,986
Fund Balances				
Nonspendable	46,274	-	-	46,274
Restricted:				
Capital projects	-	702,017	-	702,017
Public Safety	-	-	2,951	2,951
Unassigned	2,363,152	-	-	2,363,152
Total fund balances	2,409,426	702,017	2,951	3,114,394
Total liabilities, deferred inflows of resources and fund balances	$ 2,544,213	$ 746,216	$ 2,951	$ 3,293,380

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

Town of Thunderbolt, Georgia

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

December 31, 2015

Total Governmental Fund Balances		$ 3,114,394
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	$ 8,570,230	
Less: accumulated depreciation	(3,883,024)	4,687,206
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		62,091
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.		
Capital leases payable		(88,010)
Compensated absences		(40,926)
Net pension liability		(386,900)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund financial statements:		
Deferred outflows of resources related to pensions		122,901
Deferred inflows of resources related to pensions		(17,724)
Net Position of Governmental Activities		$ 7,453,032

Town of Thunderbolt, Georgia

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2015

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Fund - Asset Forfeiture	Total Governmental Funds
REVENUES				
Taxes	$ 2,039,981	$ -	$ -	$ 2,039,981
Licenses and permits	146,715	-	-	146,715
Intergovernmental	73,997	674,032	-	748,029
Charges for services	5,285	-	-	5,285
Fines and forfeitures	341,776	-	-	341,776
Investment earnings	1,800	535	3	2,338
Miscellaneous	99,336	-	-	99,336
Total revenues	2,708,890	674,567	3	3,383,460
EXPENDITURES				
Current				
General government	413,200	-	-	413,200
Judicial	137,433	-	-	137,433
Public safety	1,072,212	-	-	1,072,212
Public works	258,982	-	-	258,982
Health and welfare	63,161	-	-	63,161
Culture and recreation	14,763	-	-	14,763
Housing and development	2,271	-	-	2,271
Capital Outlay	-	480,870	-	480,870
Debt Service				
Principal	3,757	42,739	-	46,496
Interest	467	4,987	-	5,454
Total expenditures	1,966,246	528,596	-	2,494,842
Excess (deficiency) of revenues over (under) expenditures	742,644	145,971	3	888,618
OTHER FINANCING SOURCES (USES)				
Captial lease proceeds	-	49,600	-	49,600
Sale of general capital assets	18,359	-	-	18,359
Total other financing sources (uses)	18,359	49,600	-	67,959
Net changes in fund balances	761,003	195,571	3	956,577
Fund balances at beginning of year	1,648,423	506,446	2,948	2,157,817
Fund balances at end of year	$ 2,409,426	$ 702,017	$ 2,951	$ 3,114,394

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, 2015

Net change in Fund Balances - Total Governmental Funds		$ 956,577
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	$ 269,779	
Depreciation expense	(397,433)	(127,654)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes deferred at December 31, 2015	62,091	
Property taxes deferred at December 31, 2014	(181,994)	(119,903)
Governmental funds report debt proceeds as an other financing source. Hoewever, in the statement of activities, debt proceeds are recognized as a long-term liability.		
Capital leases		(49,600)
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		46,497
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, 2015	40,926	
Compensated absences at December 31, 2014	30,250	(10,676)
In the statement of activities, pension expense represents the change in net pension liability from the beginning of the year to the end of the year. However, in the governmental funds, pension expense is measured by the amount of financial resources used (amount actually paid). This is the amount by which pension contributions paid in the current period exceeded the change in net pension liability		(25,326)
Change in Net Position of Governmental Activities		$ 669,915

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Net Position

December 31, 2015

ASSETS	
Current assets	
Cash and cash equivalents	$ 170,668
Receivables (net of allowance)	22,021
Prepaid items	5,100
Restricted cash and cash equivalents	70,595
Total current assets	268,384
Noncurrent assets	
Land and construction in progress	29,374
Depreciable capital assets, net of depreciation	2,126,328
Total noncurrent assets	2,155,702
Total assets	2,424,086
LIABILITIES	
Accounts payable	63,376
Due to other funds	3,298
Payable from restricted assets:	
Customer deposits payable	70,595
Total current liabilities	137,269
NET POSITION	
Investment in capital assets	2,126,328
Unrestricted	160,489
Total net position	$ 2,286,817

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, 2015

OPERATING REVENUES	
Charges for services	$ 1,056,584
Other income	4,861
Total operating revenues	1,061,445
OPERATING EXPENSES	
Purchased and contractual services	998,437
Materials and supplies	116,100
Depreciation	122,778
Total operating expenses	1,237,315
Operating income (loss)	(175,870)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	325
Total nonoperating revenues (expenses)	325
Income before capital contributions	(175,545)
Capital contributions	156,359
Change in net position	(19,186)
Net position, beginning of year	2,306,003
Net position, end of year	$ 2,286,817

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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 1,063,817
Cash payments to suppliers for goods and services	(1,061,902)
Net cash provided (used) by operating activities	1,915
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisitions and construction of capital assets	(23,951)
Net cash (used) by capital and related financing activities	(23,951)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned on cash and investments	325
Net cash provided (used) by investing activities	325
Net increase (decrease) in cash and cash equivalents	(21,711)
Cash and cash equivalents, beginning of year	262,974
Cash and cash equivalents, end of year	$ 241,263
Operating income (loss)	$ (175,870)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	122,778
Change in assets and liabilities:	
Decrease (increase) in accounts receivables	(1,988)
Decrease (increase) in prepaid items	3,979
(Decrease) Increase in accounts payable	45,358
(Decrease) increase in customer deposits	4,360
(Decrease) increase in interfund payables	3,298
Total adjustments	177,785
Net cash provided (used) by operating activities	$ 1,915
Noncash capital and related financing activities:	
Contributions of capital assets from government	156,359

Town of Thunderbolt, Georgia

Fiduciary Fund

Statement of Fiduciary Assets and Liabilities

December 31, 2015

	Municpal Court Fund
ASSETS	
Cash and cash equivalents	$ 25,011
Total assets	$ 25,011
LIABILITIES	
Due to others	$ 25,011
Total liabilities	$ 25,011

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. Capital Leases
F. Long-term Debt
G. Fund Balance Classifications

Note 3 Other Information

A. Defined Benefit Pension Plan and Net Pension Liability
B. Risk Management
C. Commitments and Contingencies


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Note 1 – Summary of Significant Accounting Policies

The Town complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. 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, 2015, 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. The fiduciary fund, an agency fund, has no measurement focus. 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 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. New Accounting Pronouncements

For the year ended December 31, 2015, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The provisions of these statements establish accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. Implementation of these statements requires a restatement to beginning net position. The adoption of this statement has a significant impact on the City's financial statements.

E. Restatement of Prior Year Net Position

For fiscal year 2015, the City made a prior period adjustment due to the adoption of GASB Statement No. 68 and GASB Statement No. 71, as described in "New Accounting Pronouncements" above, which require the restatement of the December 31, 2014, net position in Governmental Activities. The result is a decrease in net position at January 1, 2015 of $256,397. This change is in accordance with generally accepted accounting principles.

Note 1 – Summary of Significant Accounting Policies (continued)

F. 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.

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 12, 2015. Tax bills were rendered on September 15, 2015 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 January 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 January 1, 2003. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are reported at their fair market value as of the date received. The Town maintains a capitalization threshold of one thousand dollars ($1,000). The Town is only required to report major general infrastructure assets prospectively. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

Compensated Absences

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

Long-term Obligations

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or business-type activities statement of net 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 position 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".

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

- *Restricted fund balance* reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the town 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 town's "intent" to be used for specific purposes, but are neither restricted nor committed. The town's fund balance policy provides town council and town manager 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 town's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Use of Estimates

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

Note 2 – Detailed Notes on Funds and Activities

A. Cash and Investments

Deposits

At year-end the carrying amount of the Town's deposits was $3,198,871 and the bank balance was $3,283,418. As of December 31, 2015 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.....	$ 3,103,775
Restricted cash	70,595
Agency fund.....	25,011
Total.....	$ 3,199,381
Notes to financial statements:	
Deposits.....	$ 3,198,871
Cash on hand.....	510
Total.....	$ 3,199,381

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.....	$ 250,737	$ -	$ -	$ 250,737
Accounts.....	-	-	24,439	24,439
Intergovernmental.....	7,261	54,394	-	61,655
Gross receivables	257,998	54,394	24,439	336,831
Less:				
Allowance for uncollectibles.....	(1,691)	-	(2,418)	(4,109)
Net receivables.....	$ 256,307	$ 54,394	$ 22,021	$ 332,722

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, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	$ 290,800	$ -	$ -	$ 290,800
Depreciable Assets:				
Buildings and improvements	5,569,013	-	-	5,569,013
Machinery, equipment and vehicles	1,386,725	269,779	157,394	1,499,110
Infrastructure	1,211,307	-	-	1,211,307
Sub-total assets	8,457,845	269,779	157,394	8,570,230
Accumulated Depreciation				
Buildings and improvements	(1,841,091)	(195,680)	-	(2,036,771)
Machinery, equipment and vehicles	(1,144,551)	(141,188)	(157,394)	(1,128,345)
Infrastructure	(657,343)	(60,565)	-	(717,908)
Sub-total accumulated depreciation	(3,642,985)	(397,433)	(157,394)	(3,883,024)
Total Governmental Activities	$ 4,814,860	$ (127,654)	$ -	$ 4,687,206

Depreciation expense was charged to governmental activities as follows:

General government	$ 30,296
Public safety	127,111
Public works	201,454
Health and welfare	9,364
Culture and recreation	29,208
Total depreciation expense	$ 397,433

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

Changes in capital asset of business-type activities for the year ended December 31, 2015 was as follows:

	Ending Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Non-Depreciable Assets:				
Construction in progress	$ -	$ 29,374	$ -	$ 29,374
Depreciable Assets:				
Buildings and improvements	4,446,588	118,995	-	4,565,583
Machinery, equipment and vehicles	168,462	31,941	-	200,403
Sub-total assets	4,615,050	180,310	-	4,795,360
Accumulated Depreciation				
Buildings and improvements	(2,425,034)	(108,684)	-	(2,533,718)
Machinery, equipment and vehicles	(91,846)	(14,094)	-	(105,940)
Sub-total accumulated depreciation	(2,516,880)	(122,778)	-	(2,639,658)
Total Business-type Activities	$ 2,098,170	$ 57,532	$ -	$ 2,155,702

D. Interfund Transactions and Balances

Interfund receivable and payable balances at December 31, 2015, are as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Water, Sewer and Garbage Fund	$ 3,298	Reimbursable expenditures

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.

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. The town did not have any interfund transfers during the year ended December 31, 2015.

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

E. Capital Leases

The town has entered into lease agreements as lessee for financing the acquisition of equipment and vehicles valued at $174,767. This year, $31,731 was included in depreciation expense. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and Equipment.....	$ 174,767
Less: Accumulated depreciation.....	(49,704)
Total.....	$ 125,063

The following is a schedule of the minimum lease payments under the capital leases, and the present value of the net minimum lease payments at December, 31 2015.

Year Ending December 31,	Governmental Activities Principal	Interest	Total
2016	$ 47,095	$ 4,855	$ 51,950
2017	27,209	2,292	29,501
2018	13,706	783	14,489
Totals.....	$ 88,010	$ 7,930	$ 95,940

F. Long-term Debt

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Capital leases.....	$ 84,907	$ 49,600	$ 46,497	$ 88,010	$ 47,095
Compensated absences.....	30,250	44,278	33,602	40,926	40,926
Total Governmental Activities	$ 115,157	$ 93,878	$ 80,099	$ 128,936	$ 88,021

For governmental activities, compensated absences are liquidated by the general fund. Management has determined that 100% of the liability will be liquidated within one year.

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

G. Fund Balance Classifications

Amounts for specific purposes by fund and fund classification for the year ended December 31, 2015, are as follows:

Classification/Fund	Purpose	Amount
Nonspendable		
General Fund	Prepaid items	$ 46,274
Restricted		
SPLOST Fund	Capital projects	702,017
Confiscated Asset Fund	Public safety	2,951
Unassigned		
General Fund		2,363,152
Total fund balance		$ 3,114,394

Note 3 – Other Information

A. Defined Benefit Pension Plan and Net Pension Liability

Plan Description – The Town of Thunderbolt Retirement Plan (the Plan) is a defined benefit pension 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.

Benefits Provided – essentially all regular employees of the Town are eligible to participate after one year of service. Generally, a member's retirement pension benefits are 100% vested after five 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)

Employees Covered by Benefit Terms - As of July 1, 2015, the date of the latest actuarial valuation, the number of participants was as follows:

Inactive employees (or their beneficiaries) currently receiving benefits	21
Inactive employees entitled to, but not yet receiving benefits.....	28
Active employees.....	183
Total.....	232

Contributions – The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards. The estimated minimum annual contribution under these standards is $81,721.

Net Pension Liability – The Town's net pension liability was measured as of March 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015.

Actuarial Assumptions – The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.75%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustment	2.00%
Source of mortality assumptions:	
Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	RP-2000 Disabled Retiree Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the July 1, 2015 actuarial valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Note 3 – Other Information (continued)

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Long-term Nominal Real Rate of Return
Domestic equity	50.00%	5.95%	9.20%
International equity	15.00%	6.45%	9.70%
Fixed income	25.00%	1.55%	4.80%
Real estate	10.00%	3.75%	7.00%
Cash	0.00%		
Total	100.00%		

Discount Rate – The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed the Town contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at March 31, 2014	$ 1,486,408	$ 1,145,717	$ 340,691
Changes for the year:			
Service cost	52,393	-	52,393
Interest	110,540	-	110,540
Difference between expected and actual experience	55,669	-	55,669
Contributions, employer	-	84,294	(84,294)
Net investment income	-	109,254	(109,254)
Benefit payments	(120,159)	(120,159)	-
Administrative expense	-	(7,915)	7,915
Other	13,240	-	13,240
Net changes	111,683	65,474	46,209
Balances at March 31, 2015	$ 1,598,091	$ 1,211,191	$ 386,900

Note 3 – Other Information (continued)

The balances at March 31, 2014 and 2015 include entry age normal liabilities calculated using ages and service amounts as of July 1, 2014 and 2015, respectively, and constitute measurements of the net pension liability for the fiscal years ending December 31, 2014 and 2015 respectively.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following represents the net pension liability of the Town calculated using the discount rate of 7.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1.00% point lower (6.75%) or 1.00% point higher (8.75%) than the current rate:

	1.00% Decrease (6.75%)	Current Discount Rate (7.75%)	1.00% Increase (8.75%)
City's net pension liability (asset)	$ 555,254	$ 386,900	$ 244,669

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report.

Pension expense for the year ended December 31, 2015:

Service cost	$ 52,393
Interest on total pension liability	110,540
Administrative expenses	7,915
Expected return on assets	(87,097)
Expensed portion of current year period differences between projected and actual experience in total pension liability	13,918
Expensed portion of current year period assumption changes	3,310
Expensed portion of current year period differences between projected and actual investment earnings	(4,433)
Total expense	$ 96,546

At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 41,751	$ -
Changes of assumptions	9,930	-
Net difference between projected and actual earnings on pension plan investments	-	(17,724)
City's contribution to the pension plan subsequent to the measurement date	71,220	-
Total deferred outflows/(inflows)	$ 122,901	$ (17,724)

Note 3 – Other Information (continued)

The amount of deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, $825,228, will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense for the next six years as follows:

	Outflows		Inflows	
	Demographic	Assumption Change	Investment	Total
December 31, 2015:				
Beginning balance	$ 55,669	$ 13,240	$ (22,157)	$ 46,752
Amount recognized	13,918	3,310	(4,433)	12,795
Ending balance	$ 41,751	$ 9,930	$ (17,724)	$ 33,957
Recognized in future years:				
2016	$ 13,917	$ 3,310	$ (4,431)	
2017	13,917	3,310	(4,431)	
2018	13,917	3,310	(4,431)	
	$ 41,751	$ 9,930	$ (13,293)	

The required schedule of changes in the Town's net pension liability and related ratios and the schedule of Town Contributions immediately follow the notes to the financial statements.

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, 2015. No provisions have been made in the financial statements for the year ended December 31, 2015 for any estimate of potential unpaid claims.

Note 3 – Other Information (continued)

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.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION & ANALYSIS


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

General Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 1,724,781	$ 1,724,781	$ 2,039,981	$ 315,200
Licenses and permits	82,700	82,700	146,715	64,015
Intergovernmental revenues	62,800	62,800	73,997	11,197
Charges for services	2,200	2,200	5,285	3,085
Fines and forfeitures	224,750	224,750	341,776	117,026
Investment earnings	700	700	1,800	1,100
Miscellaneous	81,000	81,000	99,336	18,336
Total revenues	2,178,931	2,178,931	2,708,890	529,959
EXPENDITURES				
Current operating:				
General governmental				
Mayor and Council	29,150	29,150	22,837	6,313
General and administrative	496,715	482,715	373,075	109,640
Government buildings	92,134	31,134	17,288	13,846
Judicial				
Municipal court	143,103	143,103	137,433	5,670
Public safety				
Police	810,084	810,084	763,147	46,937
Fire	308,965	311,965	309,065	2,900
Public works				
Streets and highways	201,000	262,000	258,982	3,018
Health and welfare				
Senior Citizens	55,580	66,580	63,161	3,419
Culture and recreation				
Youth and recreation	18,250	18,250	4,720	13,530
Museum	16,826	16,826	10,043	6,783
Housing and development				
Planning and zoning	2,900	2,900	2,271	629
Debt service:				
Principal	3,757	3,757	3,757	-
Interest	467	467	467	-
Total expenditures	2,178,931	2,178,931	1,966,246	212,685
Excess (deficiency) of revenues over (under) expenditures	-	-	742,644	742,644
OTHER FINANCING SOURCES (USES)				
Sale of surplus property	-	-	18,359	18,359
Total other financing sources (uses)	-	-	18,359	18,359
Net change in fund balance	-	-	761,003	761,003
Fund balance, beginning of year (restated)	1,648,423	1,648,423	1,648,423	-
Fund balance, end of year	$ 1,648,423	$ 1,648,423	$ 2,409,426	$ 761,003

Town of Thunderbolt, Georgia

Schedule of Changes in the Net Pension Liability and Related Ratios

For the Year Ended December 31, 2015

	2015
TOTAL PENSION LIABILITY	
Service cost	$ 52,393
Interest	110,540
Differences between expected and actual experience	55,669
Changes of assumptions	13,240
Benefit payments	(120,159)
Net change in total pension liability	111,683
Total pension liability - beginning	1,486,408
Total pension liability - ending	$ 1,598,091
PLAN FIDUCIARY NET POSITION	
Contributions - employer	$ 84,294
Net investment income	109,254
Benefit payments	(120,159)
Administrative expense	(7,915)
Net change in plan fiduciary net position	65,474
Plan fiduciary net position - beginning	1,145,717
Plan fiduciary net position - ending	$ 1,211,191
NET PENSION LIABILITY - ending	$ 386,900
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	75.79%
COVERED-EMPLOYEE PAYROLL	$ 1,001,927
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	38.62%

Note: The Town implemented GASBS No. 68 – *Accounting and Financial Reporting for Pensions* in 2015. Historical information prior to the implementation of GASBS No. 68 is not required.

Town of Thunderbolt, Georgia

Schedule of Contributions

For the Year Ended December 31, 2015

	2015 *
Actuarially determined contribution	$ -
Contributions in relation to the actuarially determined contribution	-
Contribution deficiency (excess)	$ -
COVERED-EMPLOYEE PAYROLL	$ -
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	-

**** 2015 information will be determined after fiscal year end and will be included in the 2016 valuation report.***

Note: The Town implemented GASBS No. 68 – *Accounting and Financial Reporting for Pensions* in 2015. Historical information prior to the implementation of GASBS No. 68 is not required.

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. Town Council holds budget hearings and approves the budget in November with a final budget adopted prior to December 31.
2. Amendments to the budget must be approved by the Town Council. The Town Administrator may approve budget transfers within departments.
3. 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, 2015, the following supplemental increases and decreases in appropriations were approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund	$ 2,178,931	$ 75,000	$ 75,000	$ 2,178,931
Asset Forfeiture	-	-	-	-

II. Retirement Plan Schedule of Contributions

The actuarially determined contribution rate was determined as of July 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2016. The following methods and assumptions were used to determine contribution rates:

Valuation date	7/1/2015
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization varies for the bases, with a net effective amortization period of 19 years
Asset valuation method	Sum of the actuarial value at the 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 end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Investment rate of return	7.75%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustment	0.00%
Retirement age	65
Mortality	See notes to the basic financial statements

SUPPLEMENTARY DATA – FUND SCHEDULE AND STATE MANDATED PROGRAM INFORMATION


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Town of Thunderbolt, Georgia

Police Department Asset Forfeiture Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment earnings	$ -	$ -	$ 3	$ 3
Total revenues	-	-	3	3
EXPENDITURES				
Current operating:				
Public safety				
Police	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	3	3
Fund balance, beginning of year	2,948	2,948	2,948	-
Fund balance, end of year	$ 2,948	$ 2,948	$ 2,951	$ 3

Town of Thunderbolt, Georgia

Municipal Court Agency Fund

Statement of Changes in Assets and Liabilities

For the Year Ended December 31, 2015

	Balance 1/1/2015	Addtions	Deletions	Balance 12/31/2015
ASSETS				
Cash	$ 17,201	$ 89,425	$ 81,615	$ 25,011
Total assets	$ 17,201	$ 89,425	$ 81,615	$ 25,011
LIABILITIES				
Due to others	$ 17,201	$ 89,425	$ 81,615	$ 25,011
Total liabilities	$ 17,201	$ 89,425	$ 81,615	$ 25,011

Town of Thunderbolt, Georgia

Schedule of Expenditures of Special Local Option Sales Tax Proceeds

For the Year Ended December 31, 2015

2008 - 2014 SPLOST Referendum

Capital Outlay Projects:	$ 1,953,700	$ 1,125,676			
Roads, streets and bridges			$ 48,832	$ 46,340	$ 95,172
Public safety equipment			322,639	219,686	542,325
Public works vehicles and equipment			66,536	31,941	98,477
Water systems			386,159	3,543	389,702
Debt Service:					
General Obligation Debt Service	1,046,300	921,798	921,798	-	921,798
Capital leases - police cars		75,648	75,648	-	75,648
Total 2008 - 2014 SPLOST	3,000,000	2,123,122	1,821,612	301,510	2,123,122

2014 - 2020 SPLOST Referendum

Capital Outlay Projects:	3,750,000	3,750,000			
Public safety vehicles and equipment			-	54,941	54,941
Public works vehicles and equipment			-	-	-
Water and sewer system			-	124,419	124,419
	3,750,000	3,750,000	-	179,360	179,360
Total SPLOST expenditures	$ 6,750,000	$ 5,873,122	$ 1,821,612	$ 480,870	$ 2,302,482

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

Total SPLOST Fund expenditures and transfers out (see page D - 6)	$ 528,596
Debt service on capital assets included on schedule	(47,726)
Total SPLOST expenditures	$ 480,870

Note: Proceeds from the 2008-2014 SPLOST referendum have been exhausted and this will be the final year reporting on 2008-2014.


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

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, Georgia

Net Position by Component
Last Ten Calendar Years

	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	$ 4,609,607	$ 5,201,222	$ 5,571,486	$ 5,327,967
Restricted	583,050	480,302	80,114	53,706
Unrestricted	1,016,170	1,060,505	724,923	563,460
Total governmental activities net position	$ 6,208,827	$ 6,742,029	$ 6,376,523	$ 5,945,133
Business-type activities				
Net investment in capital assets	$ 2,535,429	$ 2,451,719	$ 2,393,011	$ 2,343,529
Unrestricted	98,357	98,947	29,232	(125,824)
Total business-type activities net position	$ 2,633,786	$ 2,550,666	$ 2,422,243	$ 2,217,705
Primary Government				
Net investment in capital assets	$ 7,145,036	$ 7,652,941	$ 7,964,497	$ 7,671,496
Restricted	583,050	480,302	80,114	53,706
Unrestricted	1,114,527	1,159,452	754,155	437,636
Total primary government net position	$ 8,842,613	$ 9,292,695	$ 8,798,766	$ 8,162,838

2010	2011	2012	2013	2014	2015
$ 4,927,843	$ 4,891,646	$ 4,903,897	$ 5,028,557	$ 4,729,953	$ 4,599,196
139,712	226,123	269,041	192,900	509,394	704,968
910,035	892,761	1,069,127	1,412,362	1,800,167	2,148,868
$ 5,977,590	$ 6,010,530	$ 6,242,065	$ 6,633,819	$ 7,039,514	$ 7,453,032
$ 1,964,734	$ 2,069,866	$ 2,014,726	$ 2,107,383	$ 2,098,170	$ 2,126,328
(149,256)	69,038	324,448	200,359	207,833	160,489
$ 1,815,478	$ 2,138,904	$ 2,339,174	$ 2,307,742	$ 2,306,003	$ 2,286,817
$ 6,892,577	$ 6,961,512	$ 6,918,623	$ 7,135,940	$ 6,828,123	$ 6,725,524
139,712	226,123	269,041	192,900	509,394	704,968
760,779	961,799	1,393,575	1,612,721	2,008,000	2,309,357
$ 7,793,068	$ 8,149,434	$ 8,581,239	$ 8,941,561	$ 9,345,517	$ 9,739,849

Town of Thunderbolt, Georgia

Changes in Net Position
Last Ten Calendar Years

	2006	2007	2008
Expenses			
Governmental activities:			
General government	$ 527,178	$ 643,814	$ 742,976
Judiciary	231,718	179,944	163,223
Public safety	950,418	1,001,452	1,122,919
Public works	549,250	609,750	765,921
Health and welfare	80,253	83,237	69,476
Culture and recreation	51,124	50,365	49,412
Housing and development	-	-	-
Interest on long-term debt	66,168	57,479	4,048
Total governmental activities expenses	2,456,109	2,626,041	2,917,975
Business-type activities:			
Water, sewer and garbage	626,293	739,373	832,106
Total business-type activities expense	626,293	739,373	832,106
Total primary government expenses	$ 3,082,402	$ 3,365,414	$ 3,750,081
Program Revenues			
Governmental activities:			
Charges for services:			
General government	$ 156,348	$ 138,187	$ 120,483
Judicial	-	-	-
Public safety	275,026	253,669	202,552
Public works	135,784	145,802	156,244
Health and welfare	-	-	-
Culture and recreation	-	-	-
Operating grants and contributions	35,349	40	34,306
Capital grants and contributions	31,315	31,281	7,062
Total governmental activities program revenues	633,822	568,979	520,647
Business-type activities - water and sewer:			
Charges for services	618,075	591,808	618,919
Capital grants and contributions	-	-	15,000
Total business type activities program revenues	618,075	591,808	633,919
Total primary government program revenues	$ 1,251,897	$ 1,160,787	$ 1,154,566
Net (Expense)/Revenue			
Governmental activities	$ (1,822,287)	$ (2,057,062)	$ (2,397,328)
Business-type activities	(8,218)	(147,565)	(198,187)
Total primary government net expense	$ (1,830,505)	$ (2,204,627)	$ (2,595,515)

2009	2010	2011	2012	2013	2014	2015
$ 762,101	$ 645,839	$ 588,695	$ 491,179	$ 505,887	$ 537,209	$ 448,392
130,087	124,176	135,754	131,344	140,348	141,140	139,051
983,655	946,705	1,044,245	1,053,793	1,192,030	1,285,227	1,301,878
728,230	489,378	588,242	656,029	483,154	619,542	598,460
59,665	68,646	58,601	42,414	39,496	87,491	72,525
56,210	56,428	48,785	46,101	55,041	46,210	43,971
1,581	126	805	1,223	9,250	2,556	2,271
54,535	46,947	34,708	32,250	20,580	2,145	5,453
2,776,064	2,378,245	2,499,835	2,454,333	2,445,786	2,721,520	2,612,001
946,493	1,475,046	915,155	1,085,874	1,214,521	1,102,245	1,237,315
946,493	1,475,046	915,155	1,085,874	1,214,521	1,102,245	1,237,315
$ 3,722,557	$ 3,853,291	$ 3,414,990	$ 3,540,207	$ 3,660,307	$ 3,823,765	$ 3,849,316
$ 126,800	$ 247,907	$ 87,469	$ 85,853	$ 124,416	$ 157,383	$ 190,544
98,462	104,837	79,159	84,016	78,861	122,739	126,841
153,616	170,676	134,753	131,664	144,469	169,838	219,345
201,006	455 [1]	30	-	-	-	-
-	-	-	-	3,642	3,403	3,525
-	-	-	-	-	150	-
-	113,391	46,734	76,105	72,870	70,433	74,567
6,446	31,515	536,815	569,439	601,080	613,415	674,567
586,330	668,781	884,960	947,077	1,025,338	1,137,361	1,289,389
687,655	1,024,361	1,029,266	1,095,164	1,040,441	1,030,567	1,056,584
-	5,000	-	-	-	56,579	156,359
687,655	1,029,361	1,029,266	1,095,164	1,040,441	1,087,146	1,212,943
$ 1,273,985	$ 1,698,142	$ 1,914,226	$ 2,042,241	$ 2,065,779	$ 2,224,507	$ 2,502,332
$ (2,189,734)	$ (1,709,464)	$ (1,614,875)	$ (1,507,256)	$ (1,420,448)	$ (1,584,159)	$ (1,322,612)
(258,838)	(445,685)	114,111	9,290	(174,080)	(15,099)	(24,372)
$ (2,448,572)	$ (2,155,149)	$ (1,500,764)	$ (1,497,966)	$ (1,594,528)	$ (1,599,258)	$ (1,346,984)

(continued)

Town of Thunderbolt, Georgia

Changes in Net Position
Last Ten Calendar Years

	2006	2007	2008
General Revenues and Other Changes in Net Position			
Governmental activities:			
Property taxes for general purposes	$ 753,111	$ 847,535	$ 887,908
Sales taxes for general purposes	779,466	769,804	736,057
Selective sales and use taxes	75,101	83,485	84,015
Business and occupation taxes	112,616	127,902	130,966
Grants and contributions not restricted to specific programs	713,122	712,361	160,846
Miscellaneous	47,416	49,177	32,030
Gain (loss) on disposal of capital assets	-	-	-
Transfers	-	-	-
Total governmental activities	2,480,832	2,590,264	2,031,822
Business-type activities - water and sewer:			
Miscellaneous income	46,322	64,445	69,764
Transfers	-	-	-
Total business-type activities	46,322	64,445	69,764
Total primary government	$ 2,527,154	$ 2,654,709	$ 2,101,586
Change in Net Position			
Governmental activities	$ 658,545	$ 533,202	$ (365,506)
Business-type activities	38,104	(83,120)	(128,423)
Total primary government	$ 696,649	$ 450,082	$ (493,929)

Notes:

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

2009	2010	2011	2012	2013	2014	2015
$ 864,353	$ 895,896	$ 847,244	$ 861,947	$ 894,723	$ 958,751	$ 950,224
703,088	678,670	728,607	760,848	743,482	802,433	817,855
31,348	74,014	14,156	65,996	83,735	75,586	54,700
129,737	125,966	125,140	132,920	137,626	136,131	145,434
-	-	-	-	-	-	-
29,818	36,892	24,093	18,657	2,265	10,852	5,955
-	(98,813)	69,032	23,601	9,115	6,101	18,359
-	(17,258)	(160,457)	(125,178)	(58,744)	-	-
1,758,344	1,695,367	1,647,815	1,738,791	1,812,202	1,989,854	1,992,527
54,300	43,700	48,858	65,802	83,489	13,360	5,186
-	17,258	160,457	125,178	58,744	-	-
54,300	60,958	209,315	190,980	142,233	13,360	5,186
$ 1,812,644	$ 1,756,325	$ 1,857,130	$ 1,929,771	$ 1,954,435	$ 2,003,214	$ 1,997,713
$ (431,390)	$ (14,097)	$ 32,940	$ 231,535	$ 391,754	$ 405,695	$ 669,915
(204,538)	(384,727)	323,426	200,270	(31,847)	(1,739)	(19,186)
$ (635,928)	$ (398,824)	$ 356,366	$ 431,805	$ 359,907	$ 403,956	$ 650,729

(concluded)

Town of Thunderbolt, Georgia

Fund Balances, Governmental Funds
Last Ten Calendar Years

	Calendar Year Ending December 31,				
	2006	2007	2008	2009	2010
General Fund					
Reserved	$ 23,855	$ 20,401	$ 22,583	$ 78,615	$ 83,638
Unreserved	934,613	947,924	488,560	357,515	621,898
Total general fund	$ 958,468	$ 968,325	$ 511,143	$ 436,130	$ 705,536
All Other Governmental Funds					
Reserved	$ 581,674	$ 478,926	$ 78,788	$ 52,378	$ 131,257
Unreserved, reported in:					
Debt service fund	1,376	1,376	1,326	1,328	1,308
Special revenue funds	-	-	-	-	7,147
Total all other governmental funds	$ 583,050	$ 480,302	$ 80,114	$ 53,706	$ 139,712

	Calendar Year Ending December 31,				
	2011	2012	2013	2014	2015
General Fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-
Nonspendable	17,811	3,729	5,568	47,846	46,274
Unassigned	748,431	978,020	1,281,592	1,600,577	2,363,152
Total general fund	$ 766,242	$ 981,749	$ 1,287,160	$ 1,648,423	$ 2,409,426
All Other Governmental Funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Debt service fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Restricted:					
Capital Project Fund	218,295	257,075	191,413	506,446	702,017
Special revenue fund	7,828	11,966	1,487	2,948	2,951
Assigned:					
Debt service fund	456	3,035	-	-	-
Total all other governmental funds	$ 226,579	$ 272,076	$ 192,900	$ 509,394	$ 704,968

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


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Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years

	2006	2007	2008	2009
Revenues				
Sales tax	$ 1,523,903	$ 1,513,446	$ 836,905	$ 717,571
Other taxes	167,050	274,712	865,635	1,068,429
Licenses and permits	154,925	134,851	119,143	124,868
Revenue from other governmental units	800,350	759,353	202,214	14,301
Charges for services	169,745	165,748	157,852	207,447
Fines and fees	242,488	237,059	202,284	247,569
Miscellaneous	48,491	49,217	28,830	21,089
Total revenue	3,106,952	3,134,386	2,412,863	2,401,274
Expenditures				
Current:				
General government	502,031	619,669	720,360	718,231
Judiciary	231,718	179,944	163,223	130,087
Public safety	810,045	854,626	1,029,764	975,110
Public works	452,735	617,230	561,904	485,846
Health and welfare	69,839	72,823	59,062	49,251
Culture and recreation	15,731	14,972	14,819	21,617
Hosuing and development	-	-	-	1,581
Capital outlay	1,430,920	185,365	16,442	33,535
Debt service:				
Principal	389,884	675,005	640,384	129,456
Interest and other charges	112,566	106,461	67,475	54,535
Total expenditures	4,015,469	3,326,095	3,273,433	2,599,249
Excess (Deficiency) of revenues over (under) expenditures	(908,517)	(191,709)	(860,570)	(197,975)
Other Financing sources (uses)				
Debt issuance	756,724	98,818	-	87,825
Transfers in	112,294	109,483	228,154	113,281
Transfers out	(112,294)	(109,483)	(228,154)	(113,281)
Sale of capital assets and other	-	-	3,200	8,729
Total other financing sources (uses)	756,724	98,818	3,200	96,554
Net change in fund balances	$ (151,793)	$ (92,891)	$ (857,370)	$ (101,421)
Debt service as a percentage of noncapital expenditures	19.44%	24.88%	21.73%	7.17%

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.*

2010	2011	2012	2013	2014	2015
$ 695,136	$ 728,607	$ 760,848	$ 743,482	$ 802,433	$ 817,855
1,126,256	1,072,260	1,093,498	1,105,189	1,117,740	1,222,126
166,910	83,833	85,381	87,774	93,010	146,715
139,234	581,946	645,308	673,764	683,477	748,029
5,109 [1]	4,237	1,607	3,742	3,823	5,285
272,696	210,116	214,545	218,645	289,519	341,776
42,564	25,696	18,893	24,252	97,991	101,674
2,447,905	2,706,695	2,820,080	2,856,848	3,087,993	3,383,460
630,219	555,357	470,331	456,739	538,368	413,200
124,176	135,754	131,196	139,706	142,440	137,433
874,287	965,777	957,576	1,032,381	1,027,526	1,072,212
280,900 [1]	438,272	320,087	308,572	299,792	258,982
57,181	49,237	33,050	30,132	78,128	63,161
14,661	21,366	18,682	27,623	39,042	14,763
126	805	1,223	9,250	2,556	2,271
20,920	238,577	266,501	153,899	371,247	480,870
89,898	191,255	324,091	460,846	34,833	46,496
49,074	44,907	32,087	20,580	2,145	5,454
2,141,442	2,641,307	2,554,824	2,639,728	2,536,077	2,494,842
306,463	65,388	265,256	217,120	551,916	888,618
-	-	97,325	-	119,740	49,600
114,805	211,200	307,745	402,964	-	-
(115,140)	(211,200)	(432,923)	(402,964)	-	-
2,730	82,185	23,601	9,115	6,101	18,359
2,395	82,185	(4,252)	9,115	125,841	67,959
$ 308,858	$ 147,573	$ 261,004	$ 226,235	$ 677,757	$ 956,577
6.55%	9.83%	15.57%	19.37%	1.56%	2.33%

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
2005	$ 524,440	$ 1,523,903	$ 122,616	$ 75,101	$ 189,330	$ 2,435,390
2006	607,825	1,513,446	127,902	83,485	199,142	2,531,800
2007	660,285	836,905	130,966	84,015	158,277	1,870,448
2008	651,783	717,571	129,737	67,459	187,010	1,753,560
2009	712,578	695,136	125,966	74,014	213,698	1,821,392
2010	650,254	728,607	125,140	70,816	226,050	1,800,867
2011	683,002	760,848	132,920	65,996	211,580	1,854,346
2012	698,122	743,482	136,382	62,635	208,050	1,848,671
2014	702,326	802,433	136,131	60,432	218,851	1,920,173
2015	746,258	817,855	145,434	67,863	262,571	2,039,981

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 Town's financial statements.


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

Town of Thunderbolt, Georgia

Assessed and Actual Value of Taxable Property
Last Ten Calendar Years

	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
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
2014	98,120,513	245,301,283	5,265,247	13,163,118	966,485	2,416,213
2015	97,261,780	243,154,450	4,034,238	10,085,595	927,540	2,318,850

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
$ 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
104,352,245	260,880,614	40.00%	6.288
102,223,558	255,558,895	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
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
2014	6.288	15.881	12.543	0.100	34.812
2015	6.288	16.631	12.543	0.050	35.512

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

Town of Thunderbolt, Georgia

Principal Property Tax Payers
Current and Nine Years Ago

	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Thunderbolt Marine Inc	$ 5,587,737	1	5.33%	$ 3,608,653	2	3.88%
DT Savannah Georgia LP	4,608,000	2	4.39%	4,433,000	1	4.77%
Foster, William M	2,921,280	3	2.79%	2,529,800	3	2.72%
Church & Swan Properties LLC	1,777,471	4	1.69%			0.00%
Morning Star Marinas/Bahai Bleu	1,458,960	5	1.39%	1,579,654	5	1.70%
Hall Family Properties LLC	1,259,200	6	1.20%	1,654,000	4	1.78%
JBPP LLC	1,187,800	7	1.13%			0.00%
A Store & Lock, Inc.	818,520	8	0.78%	872,400	7	0.94%
Victory Storage Company	709,040	9	0.68%	1,094,795	6	1.18%
Georgia Power	685,542	10	0.65%			
Sea Ray of Savannah				856,772	8	0.92%
Kimberly K. Fox				788,800	9	0.85%
Regency Thunderbolt, Inc.				744,200	10	0.80%
Total	$ 21,013,550		20.04%	$ 18,162,074		19.52%

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
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%	214,945	632,134	100.00%
2010	621,106	554,797	89.32%	66,209	621,006	99.98%
2011	589,675	533,382	90.45%	54,852	588,234	99.76%
2012	618,919	574,672	92.85%	39,385	614,057	99.21%
2013	599,812	551,734	91.98%	35,262	586,996	97.86%
2014	604,535	542,916	89.81%	36,277	579,193	95.81%
2015	597,054	545,366	91.34%	-	545,366	91.34%

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
January	$ 51,269	$ 58,283	$ 61,001	$ 52,893	$ 56,288	$ 62,577	$ 68,888	$ 53,446	$ 56,623	$ 61,421
February	63,751	67,448	68,037	45,966	56,780	52,164	56,203	61,506	60,234	63,095
March	62,161	57,076	47,448	44,186	56,018	57,220	60,242	66,188	68,641	69,595
April	61,476	58,742	62,664	37,856	61,334	58,114	67,950	57,879	66,625	71,770
May	61,598	62,803	66,133	51,793	57,220	61,436	61,993	63,553	68,057	70,376
June	70,617	67,211	62,727	56,015	59,365	61,037	65,249	63,599	68,655	72,869
July	62,706	66,564	68,238	59,261	58,548	63,362	66,890	61,510	70,702	72,388
August	68,959	59,919	63,302	65,382	58,307	66,157	64,595	62,752	67,514	67,303
September	75,073	69,589	63,701	54,799	58,091	63,495	61,094	61,637	66,038	60,339
October	63,623	65,380	58,022	55,990	55,186	62,607	64,302	60,970	66,188	66,396
November	80,839	68,423	69,551	46,951	57,027	56,981	63,000	58,434	66,285	65,710
December	43,607	62,173	56,744	56,288	54,254	55,772	60,055	71,854	76,501	76,191
Pro Rata Adjustment	3,078	2,887	1,368	4,082	431	1,373	387	152	369	402
Total	$ 768,757	$ 766,498	$ 748,936	$ 631,462	$ 688,849	$ 722,295	$ 760,848	$ 743,480	$ 802,432	$ 817,855

Town of Thunderbolt, Georgia

Ratios of Outstanding Debt by Type
Last Ten Calendar Years

Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
	General Obligation Bonds	Capital Leases	Notes Payable	GEFA Loans	Capital Leases			
2006	$ 1,085,043	$ 129,552	$ 1,120,000	$ 236,903	$ -	$ 2,571,498	4.33%	$ 1,045
2007	1,030,043	168,365	560,000	223,749	-	1,982,157	3.27%	806
2008	970,043	94,286	-	210,086	-	1,274,415	2.06%	518
2009	905,043	117,655	-	195,887	-	1,218,585	1.79%	460
2010	835,043	43,824	-	181,138	33,842	1,093,847	1.55%	410
2011	665,000	22,612	-	165,817	-	853,429	1.18%	319
2012	390,000	70,846	-	149,900	-	610,746	0.87%	229
2013	-	-	-	-	-	-	0.00%	-
2014	-	84,907	-	-	-	84,907	0.12%	32
2015	-	88,010	-	-	-	88,010	0.12%	33

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]
2006	$ 1,085,043	$ -	$ 1,085,043	0.44%	$ 441
2007	1,030,043	-	1,030,043	0.35%	419
2008	970,043	-	970,043	0.33%	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%	-
2014	-	-	-	0.00%	-
2015	-	-	-	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, 2015

Governmental Unit	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 2005A	$ 3,295,000	0.93%	$ 30,721
DSA Union Mission Series 2009	1,970,000	0.93%	18,367
DSA Union Mission Series 2011	2,680,000	0.93%	24,987
DSA Chatham County Projects Series 2014	9,840,000	0.93%	91,744
Mosquito Control	3,587,423	0.93%	33,448
Savannah-Chatham County School Board:			
General Obligation Bonded Debt	40,240,000	1.15%	461,313
Other overlapping debt repaid with property taxes:			
Capital leases			
Chatham County, Georgia	4,301,351	0.93%	40,104
Savannah-Chatham County School Board	12,306,053	1.15%	141,077
Subtotal, overlapping debt			841,761
Town of Thunderbolt direct debt			88,010
Total direct and overlapping debt			$ 929,771

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				
	2006	2007	2008	2009	2010
Total assessed value of taxable property	$ 97,826,292	$116,444,651	$117,167,047	$112,054,487	$105,382,370
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$ 97,826,292	$116,444,651	$117,167,047	$112,054,487	$105,382,370
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 9,782,629	$ 11,644,465	$ 11,716,705	$ 10,538,237	$ 10,255,558
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	1,085,043	1,030,043	970,043	905,043	835,043
Legal debt margin	$ 8,697,586	$ 10,614,422	$ 10,746,662	$ 9,633,194	$ 9,420,515
Total net debt applicable to the limit as a percentage of debt limit	1.11%	0.88%	0.83%	0.81%	0.79%

	Calendar Year				
	2011	2012	2013	2014	2015
Total assessed value of taxable property	$102,555,576	$104,175,163	$105,468,628	$104,352,245	$102,223,558
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$102,555,576	$104,175,163	$105,468,628	$104,352,245	$102,223,558
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 10,546,863	$ 10,417,516	$ 10,546,863	$ 10,435,225	$ 10,222,356
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	665,000	390,000	-	-	-
Legal debt margin	$ 9,881,863	$ 10,027,516	$ 10,546,863	$ 10,435,225	$ 10,222,356
Total net debt applicable to the limit as a percentage of debt limit	0.65%	0.37%	0.00%	0.00%	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]
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	71,782,950	26,885	6.8%
2014	2,688	73,524,864	27,353	6.6%
2015	2,688	74,804,352	27,829	5.1%

Source:

[1] United States Census Bureau - Community Facts

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

[3] State Department of Labor

Town of Thunderbolt, Georgia

Principal Employers
Current Year and Nine Years Ago

	2015			2006		
Employer	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**
Gulfstream Aerospace	10,126	1	8.39%	5,000	2	4.03%
Memorial Health	5,000	2	4.14%	5,351	1	4.32%
Savannah-Chatham Board of Education	4,808	3	3.98%	4,200	3	3.39%
Ft. Stweart/Hunter Army Airfield	4,637	4	3.84%	3,212	5	2.59%
St Joseph's Candler Hospital	3,304	5	2.74%	3,300	4	2.66%
Wal-Mart	2,935	6	2.43%	2,182	6	1.76%
City of Savannah	2,795	7	2.32%	1,600	7	1.29%
Savannah College of Art and Design	1,590	8	1.32%	1,200	9	0.97%
Chatham County	1,573	9	1.30%			
Kroger	1,070	10	0.89%	1,200	10	0.97%
Georgia Pacific Savannah River Mill				1,420	8	1.15%
	37,838		31.35%	28,665		23.12%

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	**2006**	**2007**	**2008**	**2009**	**2010**
General government	6	7	7	7	6
Judiciary	3	3	3	3	3
Public safety	10	16	13	13	13
Public works	7	-	-	-	-
Total	26	26	23	23	22

	Full-time and Part-time Town Employees as of December 31				
Function/Program	**2011**	**2012**	**2013**	**2014**	**2015**
General government	7	7	7	7	7
Judiciary	3	3	4	4	4
Public safety	14	14	13	17	19
Public works	6	5	6	6	4
Total	30	29	30	34	34

Source: Town Personnel Records

Town of Thunderbolt, Georgia

Operating Indicators by Function
Last Ten Calendar Years

	Calendar Year				
	2006	**2007**	**2008**	**2009**	**2010**
Police:					
Number of emergency calls	na	1,825	1,916	2,642	2,640
Fire:					
Number of emergency calls	64	375	615	463	449
Public works:					
Street resurfacing (miles)	-	-	0.2	-	-

	Calendar Year				
	2011	**2012**	**2013**	**2014**	**2015**
Police:					
Number of emergency calls	2,180	3,200	3,391	3,296	2,580
Fire:					
Number of emergency calls	371	373	393	388	498
Public works:					
Street resurfacing (miles)	-	-	-	>1.0	>1.0

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				
	2006	**2007**	**2008**	**2009**	**2010**
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				
	2011	**2012**	**2013**	**2014**	**2015**
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, 2015, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 27, 2016.

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.

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

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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
May 27, 2016

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