TOWN OF THUNDERBOLT, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
December 31, 2018

Prepared By:
The Town's Finance Department


TOWN OF THUNDERBOLT
INCORPORATED
1856
GEORGIA
CHATHAM COUNTY

TOWN OF THUNDERBOLT, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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TOWN OF THUNDERBOLT, GEORGIA

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INTRODUCTORY SECTION


TOWN OF THUNDERBOLT
INCORPORATED
1856
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CHATHAM COUNTY

BETH E. GOETTE
MAYOR

TOWN ADMINISTRATOR

DEATRE N. DENION
CLERK/ZONING ADMINISTRATOR

CHARLES W. BARROW
TOWN ATTORNEY

COUNCIL MEMBERS

KIMBERLY CHAPPELL-STEVENS
MAYOR PRO-TEM

DAVID P. CRENSHAW

EDWARD M. DROHAN, III

AL HENDERSON, JR.

JOHN HENRY

DANA WILLIAMS

June 24, 2019

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, 2018. The purpose of the report is to provide Council, Staff, the public and other interested parties with detailed information reflecting the Town's financial condition. This report also satisfies the state law to publish an annual audit within six months of the close of each fiscal year. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Town. To meet these responsibilities management has established a comprehensive framework of internal control. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, LLC. have issued an unmodified ("clean") opinion on the Town of Thunderbolt's financial statements for the year ended December 31, 2018. 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 2018 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 large shipyard complex. Both employ about 100 people.

Long-term Financial Planning

The majority of the Town's general fund revenue is generated from taxes. We observed a small increase of just over 3% in the overall property values for 2018 and with the adoption of the rollback millage rate the town recorded a revenue neutral tax billing. LOST distributions and the Annual Insurance Premium Tax distribution both recorded an increase over 2017 revenues. Most other tax revenue items remained flat from 2017 to 2018. Licenses and Permits, Charges for Services and Court Fines and Forfeitures all recorded drops in revenue from 2017 to 2018. These decreases can be attributed to several things. Licenses and permits saw the majority of the decrease in the building permits revenue. In 2017 the Town issued a building permit for a large storage unit facility resulting in a large building permit fee. This pushed 2017 building permit revenue higher than recent years. Building permit revenue has been a challenging revenue item to budget in that the Town of Thunderbolt is an older, land locked and mostly built out community with very little room for development. Charges for Services saw a decrease in revenue due mainly to the decrease in the budgeted amount for Administrative Services to the Water/Sewer fund. This budgeted amount is a calculated amount of overheard paid for out of the General Fund for the service of the Water/Sewer fund. Items in this calculation are mainly attributed to the staff and staff related overhead used to run the Water/Sewer department. This amount was lowered in 2018 due to a smaller staff allocation. Lastly, the Court Fines and Forfeitures were down from 2017 to 2018. This decrease is attributed to staff turnover and vacant positions in the Police Department. Staff turnover and vacancies mean longer training periods and less staff on the roads generating fewer citations.

As we continued to monitor the results of the adopted utility rate structure from 2016 it was decided that an additional rate increase in 2018 would be necessary. Like many older municipalities with older infrastructure the utility rate structure was not pacing the need to plan for future maintenance and replacement. The staff and council studied the results of the 2016 rate change and adopted a new rate structure for the last quarter of 2018. At the time of the new rate structure adoption it was also decided that the utility rate structure would be reviewed every six months and presented to Council with recommendations. In the last half of 2018 the Town began discussions and planning for a major water line replacement project on Falligant Avenue and Bannon Drive to commence ground work in the first quarter of 2019. This is part of the overall long-term planning for infrastructure replacement and improvements. SPLOST is a major source of funding for the infrastructure projects while the utility rate structure is monitored for the building of fund balance for future maintenance.

Major Initiatives

Infrastructure continues to be a major focus for the Town. Two major water line replacements along Falligant Avenue and Bannon Drive will begin the groundwork in 2019. Aged hydrants, valves, and water lines will be replaced in these areas during this major project. Town Council and staff are also discussing and reviewing water conservation in the coming months and years as the withdrawal limits will be reduced over time by the EPD. In conjunction with infrastructure projects new zoning ordinances for Victory Drive and River Drive were adopted to promote appropriate development of the Town's "Main Street" area and corridor in Thunderbolt to encourage small scale, mixed-use residential and commercial businesses. In other departments planning for major apparatus replacement in the Fire Department is also ongoing. The Town is also focused on renewing a sense of community through parks and community center improvements in the coming years. The Town of Thunderbolt is a Tree City USA and Water First Community.

Relevant Financial Policies

In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits require estimates and judgements by management.

All internal control evaluations occur within the framework as mentioned above. We believe the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The objective of the Town's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. Under State law, all expenditures are subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed appropriations at the Town's legal level of control.

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, 2017. 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 ninth year the Town has received this award and we are proud to have maintained this standard of excellence.

Respectfully Submitted,



Molly S. Sims
Finance Administrator

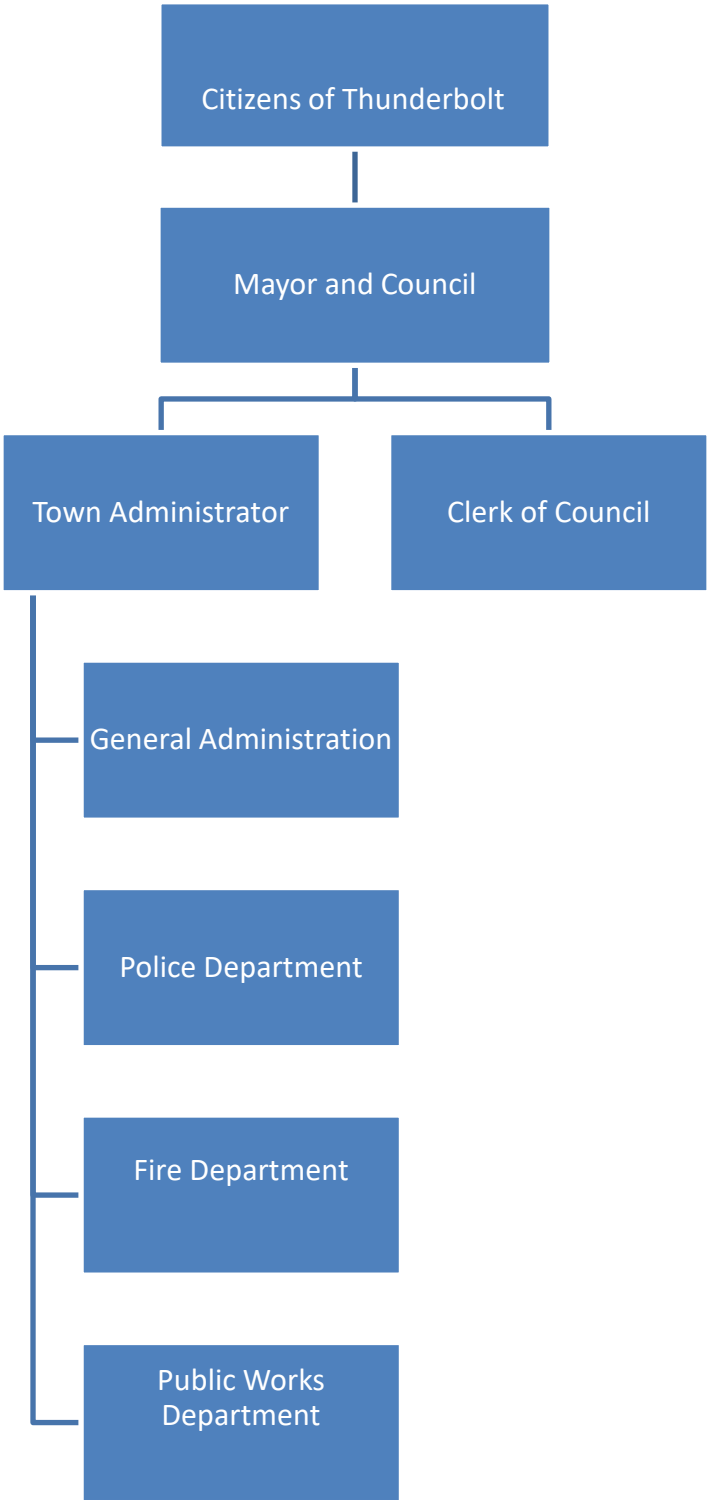
Town of Thunderbolt, Georgia
Principal Officials
December 31, 2018

Mayor	Beth E. Goette
Town Administrator	Caroline R. Hankins (1/1/2018-12/6/18 – vacant 12/31/18)
Town Clerk	Deatre N. Denion
Finance Clerk	Molly S. Sims
Chief of Police	Sean L. Clayton
Fire Chief	Francis A. (Andrew) Bateman
Public Works Director	Marshall O. (Oscar) Crosby
Town Attorney	Charles W. Barrow

Town Council Members

Mayor	Beth E. Goette
Mayor Pro-Tem	Kimberly Chappell-Stevens
Councilman	David P. Crenshaw
Councilman	Dr. Edward M. Drohan, III
Councilman	Clair Alvin (Al) Henderson
Councilman	Ashley D. (Dana) Williams
Councilwoman	Sherry Elmore Phillips (1/1/2018-2/28/2019 – resigned due to move)
Councilman	John M. Henry (3/13/2019-12/31/2021 – appointed by council)

Town of Thunderbolt Organizational Chart
December 31, 2018



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, 2017

Christopher P. Morrill

Executive Director/CEO


TOWN OF THUNDERBOLT
INCORPORATED
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GEORGIA
CHATHAM COUNTY

FINANCIAL SECTION


TOWN OF THUNDERBOLT
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GEORGIA
CHATHAM COUNTY

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Thunderbolt, Georgia** (the "Town"), as of and for the year ended December 31, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 (on pages 4 – 12), the Schedule of Changes in the Town's Net Pension Liability and Related Ratios, and the Schedule of Town Contributions (on pages 49 and 50) 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 introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The municipal court agency fund – statement of changes in assets and liabilities is also presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of special purpose local option sales tax proceeds and the municipal court agency fund – statement of changes in assets and liabilities are the responsibility of management and were derived from and relate 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 schedule of expenditures of special purpose local option sales tax proceeds and municipal court agency fund – statement of changes in assets and liabilities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, 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 the Town of Thunderbolt, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
June 24, 2019


TOWN OF THUNDERBOLT
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CHATHAM COUNTY

TOWN OF THUNDERBOLT, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

Within this section of Town of Thunderbolt, Georgia (the "Town") annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the calendar year ended December 31, 2018. 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 $11,427,940 (net position) for the calendar year reported.
- Total net position is comprised of the following:
  - (1) Capital assets, net of related debt, of $7,281,708 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 $964,073 is restricted by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of $3,182,159 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 $4,459,586 this year. This compares to the prior year ending fund balance of $3,699,872 showing an increase of $759,714 during the current year. Unassigned fund balance of $3,491,553 for calendar year 2018 shows a $222,996 increase over the prior year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was $3,491,553 or just under 144% 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 13 – 15 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 16 – 20 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 proprietary fund financial statements are presented on pages 21 – 24 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 25 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 26 of this report.

Other Supplementary Information

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

Financial Analysis of the Town as a Whole

The Town's net assets at calendar year-end are $11,427,940. The following table provides a summary of the Town's net position:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	**2018**	2017	**2018**	2017
Current assets	**$ 4,680,060**	$ 3,870,289	**$ 269,797**	$ 253,229	**$ 4,949,857**	$ 4,123,518
Capital assets	**3,941,764**	4,233,105	**3,377,308**	3,377,222	**7,319,072**	7,610,327
Total assets	**8,621,824**	8,103,394	**3,647,105**	3,630,451	**12,268,929**	11,733,845
Deferred outflows of resources	**152,180**	143,056	**-**	-	**152,180**	143,056
Current liabilities	**216,787**	172,790	**112,463**	137,818	**329,250**	310,608
Long-term liabilities	**615,657**	577,101	**-**	-	**615,657**	577,101
Total liabilities	**832,444**	749,891	**112,463**	137,818	**944,907**	887,709
Deferred intflows of resources	**48,262**	-	**-**	-	**48,262**	-
Net position:						
Net investment in capital assets	**3,904,400**	4,159,647	**3,377,308**	3,377,222	**7,281,708**	7,536,869
Restricted	**964,073**	414,093	**-**	-	**964,073**	414,093
Unrestricted	**3,024,825**	2,922,819	**157,334**	115,411	**3,182,159**	3,038,230
Total net position	**$ 7,893,298**	$ 7,496,559	**$ 3,534,642**	$ 3,492,633	**$ 11,427,940**	$ 10,989,192

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 21.59 to 1 and 2.4 to 1 for business type activities. The governmental activities ratio is down slightly over last year while the business type activities ratio is up over last year. The governmental activities ratio remains at an adequate level. The business type ratio has improved over last year and should continue to improve due to a new schedule of utility rate structure analysis and rate change recommendations. This new analysis schedule requires a bi-annual review and approved rate changes as indicated.

The Town reported positive balances in net position for both governmental and business-type activities. Net position increased $396,739 for governmental activities and $42,009 for business-type activities. An increase in current assets contributed to the overall increase in governmental activities net position. An increase in current assets and a decrease in current liabilities contributed to the increase in the business-type activities net position.

Approximately 95.5% 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 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	
	2018	2017	**2018**	2017	**2018**	2017
Revenue:						
Program revenue:						
Charges for services	**$ 360,324**	$ 478,783	**$ 1,370,143**	$ 1,422,219	**$ 1,730,467**	$ 1,901,002
Operating grants and contributions	**87,878**	89,512	**-**	-	**87,878**	89,512
Capital grants and contributions	**775,367**	829,554	**-**	556,311	**775,367**	1,385,865
General Revenue:						
Taxes	**2,150,686**	2,084,749	**-**	-	**2,150,686**	2,084,749
Other	**59,550**	12,054	**601**	1,557	**60,151**	13,611
Total revenue	**3,433,805**	3,494,652	**1,370,744**	1,980,087	**4,804,549**	5,474,739
Program expenses:						
General government	**551,950**	461,374	**-**	-	**551,950**	461,374
Judiciary	**122,036**	128,699	**-**	-	**122,036**	128,699
Public safety	**1,499,990**	1,371,119	**-**	-	**1,499,990**	1,371,119
Public works	**533,938**	1,052,590	**-**	-	**533,938**	1,052,590
Health and welfare	**72,447**	74,367	**-**	-	**72,447**	74,367
Culture and recreation	**95,952**	83,578	**-**	-	**95,952**	83,578
Housing and development	**4,323**	12,517	**-**	-	**4,323**	12,517
Interest on long-term debt	**7,146**	3,738	**-**	-	**7,146**	3,738
Water, sewer and garbage	**-**	-	**1,478,019**	1,466,854	**1,478,019**	1,466,854
Total program expenses	**2,887,782**	3,187,982	**1,478,019**	1,466,854	**4,365,801**	4,654,836
Excess (deficiency)	**546,023**	306,670	**(107,275)**	513,233	**438,748**	819,903
Transfers	**(149,284)**	-	**149,284**	-	**-**	-
Change in net position	**396,739**	306,670	**42,009**	513,233	**438,748**	819,903
Net position, beginning	**7,496,559**	7,189,889	**3,492,633**	2,979,400	**10,989,192**	10,169,289
Net position, ending	**$ 7,893,298**	$ 7,496,559	**$ 3,534,642**	$ 3,492,633	**$ 11,427,940**	$ 10,989,192

Governmental Activities Revenues

The Town is heavily reliant on taxes to support governmental activities. Taxes provided 62.17% of the Town's total governmental activities revenue. Local option sales tax accounts for 44.2% of tax revenues. Property taxes account for 29% and utility franchise fees account for 9.7% of tax revenues. The general economy and the Town businesses have a major impact on Town revenue streams.

Special purpose local option sales tax proceeds of $775,367 accounts for largely all of the capitals grants and contributions. Charges for services were down 24.7% over the previous year for governmental activities and down 3.6% for business-type activities for an overall decrease of just under 10%.

Governmental Activities program Expenses

The general government, public safety, and public works functions make up 89.5% of the total governmental activity expenses.

This table presents the cost of each of the Town's functions, including the net cost (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	
	2018	2017	**2018**	2017
General government	**$ 551,950**	$ 461,374	**$ 416,769**	$ 258,979
Judiciary	**122,036**	128,699	**2,019**	22,329
Public safety	**1,499,990**	1,371,119	**1,306,986**	1,126,106
Public works	**533,938**	1,052,590	**(241,429)**	228,795
Health and welfare	**72,447**	74,367	**72,447**	68,916
Culture and recreation	**95,952**	83,578	**95,952**	83,578
Housing and developments	**4,323**	12,517	**4,323**	12,517
Interest on long-term debt	**7,146**	3,738	**7,146**	3,738
Total program expenses	**$ 2,887,782**	$ 3,187,982	**$ 1,664,213**	$ 1,804,958

Overall total program expenses were down over 2017 due mainly to a decrease in public works total costs of services. General government and public safety recognized increases over 2017 while judiciary, health and welfare, culture and recreation and housing and developments experienced minor changes.

Business-Type Activities

Revenues vs. Costs

The sole business-type activity is the Town's water and sewer utility fund. Charges for services decreased by $52,076 or 3.7% over 2017. The program expenses increased by $11,165 over 2017.

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 $4,459,586. Approximately 78.3% of this amount, $3,491,553 is unassigned and is available for spending at the Town's discretion. The remainder of the fund balance is: 1) non-spendable ($3,960) because it represents prepaid expenses, and 2) restricted for capital projects ($954,180) or to fund public safety programs ($9,893).

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 $3,491,553 while total fund balance was $3,495,513. 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 143.2% of total general fund expenditures, while total fund balance represents 143.3% of that same amount.

The General Fund's fund balance increased by $224,559 during the year. Key factors in this growth are as follows:

- Strong LOST and TVAT revenues.
- Increase in annual Insurance Premium Tax revenue.
- Greater than budgeted Building Permits, Business Licenses, and Probation Payment revenues.
- Department budgets managed carefully throughout the year which aided in maintaining expenses within budget while continuing to provide a responsible and adequate level of services to the citizens.

The General Fund's ending unassigned fund balance experienced an increase of $222,996 over the prior year from $3,268,557 to $3,491,553. We carry this balance primarily for cash flow purposes and to cover any unforeseen emergencies including natural disasters.

The Special Purpose Local Option Sales Tax (SPLOST) Fund's fund balance increased $535,145 during the year. The large increase in fund balance is related to fewer capital projects in 2018 over 2017. The SPLOST Fund revenues were down $26,180 over 2017. 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 was lower than the final budget by $155,559 and exceeded the original budget by $25,441. Above budgeted Local Option Sales Tax, Insurance Premium Tax, Building Permits, Business Licenses and Probation collection accounts for the majority of the additional revenue.

General Fund budget expenditures were closely monitored through the year and amendments were made in the 4th quarter as needed. Budget amendments were necessary to cover facility and equipment repairs and adjustments to staffing and benefits.

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, 2018, was $3,941,764 and $3,377,308 respectively. The decrease in this net investment was 6.8% for governmental activities. The business-type activities was relatively flat from 2017 to 2018. The overall decrease was 3% for the Town as a whole. See Note 6 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**	
	2018	2017	**2018**	2017	**2018**	2017
Non-depreciable assets:						
Land	**$ 290,800**	$ 290,800	**$ -**	$ -	**$ 290,800**	$ 290,800
Construction in progress	**-**	-	**149,284**	-	**149,284**	-
Total non-depreciable assets	**290,800**	290,800	**149,284**	-	**440,084**	290,800
Depreciable assets:						
Buildings and improvements	**5,584,594**	5,584,594	**6,100,849**	6,100,849	**11,685,443**	11,685,443
Machinery, equipment and vehicles	**1,666,066**	1,614,945	**200,403**	200,403	**1,866,469**	1,815,348
Infrastructure	**1,244,042**	1,244,043	**-**	-	**1,244,042**	1,244,043
Total depreciable assets	**8,494,702**	8,443,582	**6,301,252**	6,301,252	**14,795,954**	14,744,834
Less accumulated depreciation	**4,843,738**	4,501,277	**3,073,228**	2,924,030	**7,916,966**	7,425,307
Book value - depreciable assets	**3,650,964**	3,942,305	**3,228,024**	3,377,222	**6,878,988**	7,319,527
Precentage depreciated	**57.0%**	53.3%	**48.8%**	46.4%	**53.5%**	50.4%
Book value - all assets	**$ 3,941,764**	$ 4,233,105	**$ 3,377,308**	$ 3,377,222	**$ 7,319,072**	$ 7,610,327

At December 31, 2018, the depreciable capital assets for governmental activities were 57% depreciated. This compares to 53.3% for December 31, 2017. This comparison indicates that the Town is replacing its assets at approximately the same rate as they are depreciating.

With the Town's business type activities, 48.8% of the asset values were depreciated at December 31, 2018 compared to 46.4% at December 31, 2017.

See Note 6 for additional information about the Town's capital assets.

Long-term Debt

Governmental Activities:

At the end of the year the Town had an outstanding long-term liability balance of $37,364 representing capital leases.

Business-type Activities:

Business-type activities had no outstanding long-term liability as of December 31, 2018.

See Note 7 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. The community's population is 2,668 according to the 2010 Census. Our community make up is 57% Caucasian, 28.8% African American, 2.8% Asian, 8.7% Hispanic and 2.7% other. A significant portion of our community is retired and on a fixed income while there has been a slight increase in middle age families moving to the area. The median family income in this community is $50,962 with a median home value of $166,800.

Noting the significant portion of the population being of retirement age and on a fixed income, it provides a challenge to continue to provide services to this community with the constantly rising cost of providing services. We have approximately 1,100 homes and of that, nearly 460 receive some type of property tax exemption. The Town's operating budget is a little over $2.8 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, Georgia 31404.


TOWN OF THUNDERBOLT
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BASIC FINANCIAL STATEMENTS


TOWN OF THUNDERBOLT
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TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 4,246,093	$ 66,852	$ 4,312,945
Restricted cash	-	67,465	67,465
Receivables, net of allowance			
Taxes	178,493	-	178,493
Accounts	187,830	134,471	322,301
Due from other governments	64,210	-	64,210
Internal balances	(526)	526	-
Prepaid items	3,960	483	4,443
Capital assets:			
Non-depreciable	290,800	149,284	440,084
Depreciable, net of accumulated depreciation	3,650,964	3,228,024	6,878,988
Total assets	8,621,824	3,647,105	12,268,929
DEFERRED OUTFLOWS OF RESOURCES			
Pension	152,180	-	152,180
Total deferred outflows of resources	152,180	-	152,180
LIABILITIES			
Accounts payable	52,263	44,998	97,261
Unearned revenue	53,448	-	53,448
Accrued salaries and related liabilities	45,619	-	45,619
Customer deposits	-	67,465	67,465
Accrued interest payable	2,964	-	2,964
Noncurrent liabilities			
Due within one year	62,493	-	62,493
Due in more than one year	15,095	-	15,095
Net pension liability	600,562	-	600,562
Total liabilities	832,444	112,463	944,907
DEFERRED INFLOWS OF RESOURCES			
Pension	48,262	-	48,262
Total deferred inflows of resources	48,262	-	48,262
NET POSITION			
Net investment in capital assets	3,904,400	3,377,308	7,281,708
Restricted for:			
Public safety	9,893	-	9,893
Capital projects	954,180	-	954,180
Unrestricted	3,024,825	157,334	3,182,159
Total net position	$ 7,893,298	$ 3,534,642	$ 11,427,940

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 551,950	$ 135,181	$ -	$ -
Public safety	1,499,990	105,126	87,878	-
Judicial	122,036	120,017	-	-
Public works	533,938	-	-	775,367
Culture and recreation	95,952	-	-	-
Health and Welfare	72,447	-	-	-
Housing and development	4,323	-	-	-
Interest and fees	7,146	-	-	-
Total governmental activities	2,887,782	360,324	87,878	775,367
Business-type activities:				
Water and Sewer Utility	1,478,019	1,370,143	-	-
Total business-type activities	$ 1,478,019	$ 1,370,143	$ -	$ -
General revenues:				
Taxes				
Property taxes				
Sales and use taxes				
Selective sales and use taxes				
Business and occupation taxes				
Unrestricted investment earnings				
Miscellaneous revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (416,769)	$ -	$ (416,769)
(1,306,986)	-	(1,306,986)
(2,019)	-	(2,019)
241,429	-	241,429
(95,952)	-	(95,952)
(72,447)	-	(72,447)
(4,323)	-	(4,323)
(7,146)	-	(7,146)
(1,664,213)	-	(1,664,213)
-	(107,876)	(107,876)
$ -	$ (107,876)	$ (107,876)
965,286	-	965,286
945,058	-	945,058
59,578	-	59,578
180,764	-	180,764
3,717	101	3,818
55,833	500	56,333
(149,284)	149,284	-
2,060,952	149,885	2,210,837
396,739	42,009	438,748
7,496,559	3,492,633	10,989,192
$ 7,893,298	$ 3,534,642	$ 11,427,940

TOWN OF THUNDERBOLT, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Special Purpose Local Option Sales Tax Fund	Non-Major Governmental Fund - Asset Forfeiture	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,342,374	$ 893,826	$ 9,893	$ 4,246,093
Receivables, net of allowance				
Taxes	178,493	-	-	178,493
Accounts	187,830	-	-	187,830
Due from other governments	-	64,210	-	64,210
Prepaid items	3,960	-	-	3,960
Restricted cash	-	-	-	-
Total assets	$ 3,712,657	$ 958,036	$ 9,893	$ 4,680,586
LIABILITIES				
Accounts payable	$ 48,407	$ 3,856	$ -	$ 52,263
Accrued salaries and related liabilities	45,619	-	-	45,619
Due to other funds	526	-	-	526
Unearne revenue	53,448	-	-	53,448
Total liabilities	148,000	3,856	-	151,856
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	69,144	-	-	69,144
Business licenses collected in advance	-	0	0	-
Deferred property tax credit	-	0	0	-
Unavailable revenue - intergovernmental	-	0	0	-
Total deferred inflows of resources	69,144	-	-	69,144
FUND BALANCE				
Nonspendable				
Prepaid items	3,960	-	-	3,960
Interfund advances	-	-	-	-
Restricted for:				
Public safety	-	-	9,893	9,893
Capital projects	-	954,180	-	954,180
Unassigned	3,491,553	-	-	3,491,553
Total fund balance	3,495,513	954,180	9,893	4,459,586
Total liabilities, deferred inflows of resources, and fund balance	$ 3,712,657	$ 958,036	$ 9,893	$ 4,680,586

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

TOWN OF THUNDERBOLT, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2018

Total governmental fund balances:			$ 4,459,586
Amounts reported for governmental activities in the statement of net position are different because of the following:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds:			
Cost of assets	$	8,785,502	
Accumulated depreciation		(4,843,738)	
			3,941,764
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.			69,144
Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.			152,180
Deferred inflows of resources related to the recording of the net pension liability do not consume current financial resources, and therefore, are not reported in the funds.			(48,262)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Capital leases payable	$	(37,364)	
Net pension liabilities		(600,562)	
Compensated absences payable		(40,224)	
Accrued interest payable		(2,964)	
			(681,114)
Net position of governmental activities			$ 7,893,298

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Special Purpose Local Option Sales Tax Fund	Non-Major Governmental Fund - Asset Forfeiture	Total Governmental Funds
Revenues:				
Taxes	$ 2,138,994	$ -	$ -	$ 2,138,994
Licenses and permits	126,733	-	-	126,733
Charges for services	14,323	-	-	14,323
Fines and forfeitures	219,268	-	-	219,268
Intergovernmental revenues	105,996	775,367	-	881,363
Miscellaneous	58,927	613	10	59,550
Total revenues	2,664,241	775,980	10	3,440,231
Expenditures:				
Current:				
General government	501,323	-	-	501,323
Public safety	1,346,704	-	-	1,346,704
Judicial	118,510	-	-	118,510
Public works	330,538	-	-	330,538
Recreation	70,605	-	-	70,605
Health and welfare	63,083	-	-	63,083
Housing and development	4,323	-	-	4,323
Capital outlay	-	205,155	-	205,155
Debt service:				
Principal retirement	4,261	31,833	-	36,094
Interest	335	3,847	-	4,182
Total expenditures	2,439,682	240,835	-	2,680,517
Net change in fund balances	224,559	535,145	10	759,714
Fund balances, beginning of year, as restated	3,270,954	419,035	9,883	3,699,872
Fund balance, end of year	$ 3,495,513	$ 954,180	$ 9,893	$ 4,459,586

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

TOWN OF THUNDERBOLT, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - total governmental funds		$ 759,714
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay (not including transfers to other funds) in the current period.		
Capital outlay	$ 200,404	
Depreciation expense	(342,461)	
		(142,057)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(149,284)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes unavailable at December 31, 2018	$ 69,144	
Property taxes unavailable at December 31, 2017	(75,570)	
		(6,426)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.		36,094
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	$ 1,625	
Net pension liability, net of pension related deferred outflows and inflows of resources	(99,963)	
Accrued interest	(2,964)	
		(101,302)
Change in net position of governmental activities		$ 396,739

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

TOWN OF THUNDERBOLT, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 1,934,000	$ 2,104,000	$ 2,138,994	$ 34,994
Licenses and permits	108,000	108,000	126,733	18,733
Charges for services	222,200	222,200	14,323	(207,877)
Fines and forfeitures	257,600	268,600	219,268	(49,332)
Intergovernmental revenues	76,000	76,000	105,996	29,996
Miscellaneous	41,000	41,000	58,927	17,927
Total revenues	2,638,800	2,819,800	2,664,241	(155,559)
Expenditures:				
Current:				
General government:				
Administrative	565,800	595,800	472,073	123,727
Mayor and council	31,100	31,100	29,250	1,850
Public safety:				
Police	852,800	900,800	879,363	21,437
Fire	421,500	499,500	467,341	32,159
Judicial:				
Municipal Court	127,804	127,804	118,510	9,294
Public works:				
Streets and highways	506,300	506,300	330,538	175,762
Culture and recreation:				
Youth and recreation	39,700	64,700	58,930	5,770
Museum	18,200	18,200	11,675	6,525
Health and welfare:				
Senior citizens	63,500	63,500	63,083	417
Housing and development:				
Planning and zoning	9,500	9,500	4,323	5,177
Debt service:				
Principal retirement	4,261	4,261	4,261	-
Interest	335	335	335	-
Total expenditures	2,640,800	2,821,800	2,439,682	382,118
Excess (deficiency) of revenues over (under) expenditures	(2,000)	(2,000)	224,559	226,559
Other financing sources:				
Proceeds from sale of capital assets	2,000	2,000	-	(2,000)
Total other financing sources	2,000	2,000	-	(2,000)
Net change in fund balances	-	-	224,559	224,559
Fund balance, beginning of year	3,270,954	3,270,954	3,270,954	-
Fund balance, end of year	$ 3,270,954	$ 3,270,954	$ 3,495,513	$ 224,559

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water and Sewer Utility Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 66,852
Accounts receivable, net of allowance	134,471
Due from other funds	526
Prepaid items	483
Restricted cash	67,465
Total current assets	269,797
NONCURRENT ASSETS	
Capital assets	
Non-depreciable	149,284
Depreciable, net of accumulated deprecation	3,228,024
Total noncurrent assets	3,377,308
Total assets	3,647,105
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	44,998
Customer deposits payable	67,465
Total current liabilities	112,463
Total liabilities	112,463
NET POSITION	
Investment in capital assets	3,377,308
Unrestricted	157,334
Total net position	$ 3,534,642

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water and Sewer Utility Fund
OPERATING REVENUE	
Charges for services and sales	$ 1,370,143
Miscellaneous	500
Total operating revenues	1,370,643
OPERATING EXPENSES	
Administrative	223,152
Contractual services	416,528
Materials and supplies	14,672
Repairs and maintenance	637,549
Depreciation	149,198
Utilities	36,920
Total operating expenses	1,478,019
Operating loss	(107,376)
NON-OPERATING REVENUES	
Interest income	101
Total non-operating revenues	101
Loss before capital contributions	(107,275)
CAPITAL CONTRIBUTIONS	149,284
Change in net position	42,009
Net position, beginning of year, as restated	3,492,633
Net position, end of year	$ 3,534,642

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water and Sewer Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	$ 1,396,137
Cash paid to suppliers	(1,353,700)
Net cash provided by operating activities	42,437
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned on investments	101
Net cash provided by investing activities	101
Net increase in cash and cash equivalents	42,538
Cash and cash equivalents (including restricted amount of $44,994), beginning of year	91,779
Cash and cash equivalents (including restricted amount of $67,465), end of year	$ 134,317

(Continued)

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water and Sewer Utility Fund
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$ (107,376)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	149,198
(Increase) decrease in:	
Accounts and taxes receivables	26,020
Due from other funds	(526)
Prepaids	476
Decrease in:	
Accounts payable	(24,252)
Customer deposits	(1,103)
Net cash provided by operating activities	$ 42,437
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Contributed capital assets	$ 149,284

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF NET POSITION - FIDUCIARY FUND
DECEMBER 31, 2018

	Municipal Court
ASSETS	
Cash and cash equivalents	$ 33,717
Total assets	$ 33,717
LIABILITIES	
Due to others	$ 33,717
Total liabilities	$ 33,717

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


TOWN OF THUNDERBOLT
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NOTES TO THE BASIC FINANCIAL STATEMENTS


TOWN OF THUNDERBOLT
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CHATHAM COUNTY

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Thunderbolt, Georgia (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

A. Reporting Entity

The Town operates under the Mayor Council form of government with the Mayor and six council members comprising the governing body. As authorized by its Code of Ordinances, the Town provides public safety (police), municipal court, public works (streets), water and sewer utilities, zoning administration, licensing and regulation and general administrative services to its constituents.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. As required by GAAP, the financial statements must present the Town's financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the Town both appoints a voting majority of the entity's governing body, and either: 1) the Town is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the Town. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the Town and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the Town.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: a) determine its budget without the Town having the authority to approve or modify that budget; b) levy taxes or set rates or charges without approval by the Town; and c) issue bonded debt without approval by the Town. An entity has a financial benefit or burden relationship with the Town if, for example, any one of the following conditions exists: a) the Town is legally entitled to or can otherwise access the entity's resources, b) the Town is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the Town is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the Town's financial statements to be misleading.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the Town. Based on the criteria above, the Town does not have any component units.

B. Government-wide and Fund Financial Statements

Government-wide 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. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable, when applicable.

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.

Fund Financial Statements

The fund financial statements provide information about the government’s funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Major Funds

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 general 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 and 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 sales tax (SPLOST) proceeds.

The Town reports the following major proprietary fund:

The *Water and Sewer Utility Fund* accounts for the operations and maintenance of the water and sewer distribution system owned by the Town.

Nonmajor Funds

Additionally, the Town reports the following nonmajor funds:

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 *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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds, when applicable) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and proprietary fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants, entitlements and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State-levied locally shared taxes are recognized as revenue in the year appropriated by the state.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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. The Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are considered to be measurable if the amount is known or reasonably estimable at year-end. The following revenue sources are deemed both measurable and available if collected within 60 days of year-end: delinquent property taxes, investment earnings, fines and forfeitures, state-levied locally shared taxes, insurance taxes, certain charges for services, and grant revenues for which all eligibility requirements imposed by the provider have been met. Permits, vehicle and some franchise taxes, licenses, and miscellaneous revenues, although they may be available within 60 days of year-end are considered to be measurable only when cash is received by the Town.

Expenditures generally are recorded 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 only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental fund.

Proceeds of general long-term debt and proceeds for acquisitions under capital leases are reported as other financing sources.

D. Cash and Cash Equivalents

The Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the Georgia Local Government Investment Pool to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the Pool are reported as investments.

E. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables, i.e., the current portion of interfund loans, or advances to/from other funds, i.e., the noncurrent portion of interfund loans. All other outstanding balances between funds are reported as due to/from other funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables (Continued)

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

All trade and tax receivables are reported net of an allowance for the uncollectibles, where applicable. Unbilled water charges are accrued as receivables and revenue at December 31, 2018.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets and infrastructure are defined by the Town as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of two years. Assets with individual values under $1,000 are considered capital assets if purchased in bulk and acquired by issuance of capital lease obligations. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

General capital assets are those assets not specifically related to activities reported in the Proprietary Fund. These assets generally result from expenditures in the governmental fund. These 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 financial statements.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of enterprise fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

All reported capital assets except land and construction in progress are depreciated. Useful lives for infrastructure are estimated based on the Town's historical records of necessary improvements and replacements. Depreciation is provided using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and improvements	5 - 50
Machinery and equipment	3 - 20
Vehicles	4 - 15
Public Domain infrastructure	20
Water and sewer system	50

I. Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has three items that qualify for reporting in this category:

1. Pension contributions made subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the subsequent year.
2. The differences between expected and actual experience is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
3. Changes is actuarial assumptions adjust the net pension liability and are amortized into pension expense over the expected remaining service lives of plan members.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has the following item that qualifies for reporting in this category:

1. The net difference between the projected and actual earnings on pension plan investments which is deferred and amortized over a closed five-year period.

I. Deferred Outflows/Inflows of Resources (CONTINUED)

Deferred Outflows of Resources (Continued)

The Town also has inflows which arise under the modified accrual basis of accounting that qualify for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds balance sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Thunderbolt Retirement Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Net Position and Fund Balance

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

- ***Fund Balance*** – Generally, fund balance represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable –*** Fund balances are reported as nonspendable when amounts cannot be spent because they are either a) not in a spendable form, or b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

- ***Committed –*** Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council through the adoption of a resolution or passage of an ordinance. Only the Town Council may modify or rescind the commitment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Net Position and Fund Balance (Continued)

- ***Assigned*** **–** Fund balances are reported as assigned when amounts are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by council or by an official or body to which Council delegates the authority. The Town Council has not delegated such authority as of December 31, 2018.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Town reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

- ***Flow Assumptions*** **–** When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

- ***Net Position*** – Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the Town has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

  The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the Town's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. The portion applicable to the Proprietary Fund is also recorded in the Proprietary Fund financial statements.

All current payables and accrued liabilities from the governmental fund are reported in the governmental fund financial statements.

In the government-wide financial statements for the primary government, long-term debt, and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. The Town did not have any premiums, discounts or issuance cost related to any outstanding bond.

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. Premiums received on debt issuances are 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 expenditures.

O. Proprietary Fund Operating and Non-Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The Town's business-type activities accounted for in the proprietary fund are chiefly water sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

State Law requires the Town to adopt by ordinances or resolutions an annual balanced budget for the general 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 the procedures below 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 transfers within departments.

3. Formal budgetary integration is employed for the general fund on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for the capital projects funds.

NOTE 3. CASH AND INVESTMENTS

Total cash and cash equivalents as of December 31, 2018, are summarized as follows:

Statement of net position:		
Cash	$	4,312,945
Restricted cash		67,465
Agency fund		33,717
Total cash	$	4,414,127
Cash deposited with financial institutions	$	4,413,617
Cash on hand		510
	$	4,414,127

Certain cash and cash equivalents of the Town are legally restricted for specified purposes. Restrictions at December 31, 2018, represented amounts owed back to customers for utility deposits.

Credit Risk. State statutes authorize the Town to invest in: obligations of the United States, the State of Georgia, and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund 1).

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

At December 31, 2018, The Town had no investments.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2018, all of the deposits for the Town were fully collateralized in accordance with the state statutes.

NOTE 4. RECEIVABLES

Receivables as of December 31, 2018, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water and Sewer Utility Fund	Special Purpose Local Option Sales tax Fund	Total
Receivables:				
Taxes	$ 178,493	$ -	$ -	$ 178,493
Accounts	189,521	170,804	-	360,325
Intergovernmental	-	-	64,210	64,210
Gross recievables	368,014	170,804	64,210	603,028
Less allowance for uncollectibles	(1,691)	(36,333)	-	(38,024)
Net receivables	$ 366,323	$ 134,471	$ 64,210	$ 565,004

Property Taxes. Property taxes are levied as of January 1 on property values assessed on the same date. A millage rate of 6.148 mills was adopted on August 8, 2018. Tax bills were rendered on September 17, 2018, 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. An allowance is established for delinquent taxes to the extent their collection is improbable.

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2018, is as follows:

	Receivable Fund	Payable Fund
Governmental Fund		
General Fund	$ -	$ 526
Enterprise Fund		
Water and Sewer Utility Fund	526	-
	$ 526	$ 526

These amounts represent short-term receivables and payables. The balances resulted from the time lag between dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The only other interfund transaction was a transfer of capital assets in the amount of $149,284. The assets were purchased with governmental funds and then transferred to the Water and Sewer Utility Fund.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2018, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 290,800	$ -	$ -	$ -	$ 290,800
Construction in progress	-	149,284	-	(149,284)	-
Total	290,800	149,284	-	(149,284)	290,800
Capital assets, being depreciated:					
Buildings and improvements	5,584,594	-	-	-	5,584,594
Machinery, equipment and vehicles	1,614,946	51,120	-	-	1,666,066
Infrastructure	1,244,042	-	-	-	1,244,042
Total	8,443,582	51,120	-	-	8,494,702
Less accumulated depreciation for:					
Buildings and improvements	(2,424,531)	(193,040)	-	-	(2,617,571)
Machinery, equipment and vehicles	(1,237,708)	(85,582)	-	-	(1,323,290)
Infrastructure	(839,038)	(63,839)	-	-	(902,877)
Total	(4,501,277)	(342,461)	-	-	(4,843,738)
Total capital assets, being depreciated, net	3,942,305	(291,341)	-	-	3,650,964
Governmental activities capital assets, net	$ 4,233,105	$ (142,057)	$ -	$ (149,284)	$ 3,941,764

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	$ 30,395
Public safety	90,299
Public works	187,056
Culture and recreation	25,347
Health and welfare	9,364
Total depreciation expense - governmental activities	$ 342,461

Capital asset activity for the business-type activities for the year ended December 31, 2018, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Construction in progress	$ -	$ -	$ -	$ 149,284	$ 149,284
Total	-	-	-	149,284	149,284
Capital assets, being depreciated:					
Buildings and improvements	6,100,849	-	-	-	6,100,849
Machinery, equipment and vehicles	200,403	-	-	-	200,403
Total	6,301,252	-	-	-	6,301,252
Less accumulated depreciation for:					
Buildings and improvements	(2,796,998)	(145,091)	-	-	(2,942,089)
Machinery, equipment and vehicles	(127,032)	(4,107)	-	-	(131,139)
Total	(2,924,030)	(149,198)	-	-	(3,073,228)
Total capital assets, being depreciated, net	3,377,222	(149,198)	-	-	3,228,024
Business-type activities capital assets, net	$ 3,377,222	$ (149,198)	$ -	$ 149,284	$ 3,377,308

NOTE 7. LONG-TERM DEBT

The Town has the following forms of long-term indebtedness:

Capital Lease Obligations – The Town uses leases to finance the purchase of various equipment. Leases are paid from the General and SPLOST Funds.

Compensated Absences Payable – These obligations represent accumulated annual leave and compensatory time benefits which were not funded by the current or prior years' revenue resources. These obligations are funded by the General Fund.

Net Pension Liability – This liability represents the Town's allocated portion of their long-term liability for pension benefits. This liability is funded by the General Fund.

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2018, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital lease obligations	73,458	-	(36,094)	37,364	22,269
Compensated absences	41,849	48,756	(50,381)	40,224	40,224
Net pension liability	539,737	312,150	(251,325)	600,562	-
Total long-term liabilities	$ 655,044	$ 360,906	$ (337,800)	$ 678,150	$ 62,493

Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of equipment and vehicles valued at $244,701. During the current year, $42,932 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 annual requirements for debt service on capital lease obligations outstanding at December 31, 2018, are summarized as follows:

NOTE 7. LONG-TERM DEBT (CONTINUED)

Year ending December 31,	Amount
2019	$ 24,407
2020	15,920
Total minimum lease payments	40,327
Less: Amounts representing interest	(2,963)
Present value of future minimum lease payments	37,364
Less current portion	(22,269)
Long-term portion of leases	$ 15,095

The carrying value of assets acquired through capital leases are as follows:

Vehicles	$ 244,701
Less: Accumulated depreciation	(146,187)
	$ 98,514

NOTE 8. 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.

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, 2018. No provisions have been made in the financial statements for the year ended December 31, 2018 for any estimate of potential unpaid claims.

NOTE 8. RISK MANAGEMENT (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.

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.

NOTE 9. COMMITMENTS AND CONTINGENCIES

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

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

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

The Town's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The Town Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the Town and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at **www.gmanet.com** or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Membership

As of July 1, 2018, the date of the most recent actuarial valuation, there were 81 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	33
Inactive plan members entitled to but not receiving benefits	20
Active plan members	28
	81

Net Pension Liability of the Town

The Town's net pension liability was measured as of March 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2018.

Actuarial Assumptions. The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	2.75% plus service based merit increases
Investment rate of return	7.50% On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2014.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Town (Continued)

The long-term expected rate of return on pension plan investments was determined using a 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. 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, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.71 %
International equity	20	7.71
Real estate	10	5.21
Global fixed income	5	3.36
Domestic fixed income	20	2.11
Total	100 %	

* Rates shown are net of the 2.75% assumed rate of inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability of the Town

The changes in the components of the net pension liability of the Town for the year ended December 31, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	$ 1,780,847	$ 1,241,110	$ 539,737
Changes for the year:			
Service cost	64,172	-	64,172
Interest	132,506	-	132,506
Differences between expected and actual experience	74,351	-	74,351
Contributions - employer	-	99,089	(99,089)
Net investment income	-	152,236	(152,236)
Benefit payments, including refunds of employee contributions	(142,174)	(142,174)	-
Administrative expense	-	(11,968)	11,968
Other	29,153	-	29,153
Net changes	158,008	97,183	60,825
Balances at December 31, 2018	$ 1,938,855	$ 1,338,293	$ 600,562

The required schedule of changes in the Town's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 7.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Town's net pension liability	$ 808,660	$ 600,562	$ 424,952

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2018, and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, the Town recognized pension expense of $180,579. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 53,442	$ -
Changes in assumptions	19,436	-
Net difference between projected and actual earnings on pension plan investments	-	(48,262)
Town contributions subsequent to the measurement date	79,302	-
Total	$ 152,180	$ (48,262)

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Town contributions subsequent to the measurement date of $79,302 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2019	29,122
2020	29,679
2021	(22,548)
2022	(11,637)
Total	$ 24,616

NOTE 11. PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS

The Town has determined that restatements to beginning net position of its governmental activities as well as to business-type activities are required to reflect corrections of errors in the December 31, 2017 financial report. These restatements are as follows:

	Governmental Activities	Business-type Activities
Beginning net position, January 1, 2017, as previously reported	$ 7,481,734	$ 3,359,887
Adjustment to record unbilled utilities	-	132,746
Adjustment to recognize unearned revenue	14,825	-
Beginning net position, January 1, 2017, as restated	$ 7,496,559	$ 3,492,633

NOTE 11. PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS (CONTINUED)

The Town has determined that restatements to beginning fund balance of the Special Purpose Local Option Sales Tax Fund as well as to beginning net position of the Water and Sewer Utility Fund are required to reflect corrections of errors in the December 31, 2017 financial report. These restatements are as follows:

	Special Purpose Local Option Sales Tax Fund	Water and Sewer Utility Fund
Beginning fund balnce/net position, January 1, 2017, as previously reported	$ 404,210	$ 3,359,887
Adjustment to record unbilled utilities	-	132,746
Adjustment to recognize unearned revenue	14,825	-
Beginning fund balance/net position, January 1, 2017, as restated	$ 419,035	$ 3,492,633

To further explain the above restatements, the following thoughts are provided:

Unbilled Utilities. The Town did not record an unbilled receivable at the end of December 31, 2017. These receivables result from services performed during the fiscal year that were not billed until the next fiscal year. This resulted in net position and accounts receivable for both business type activities and the Water and Sewer Utility Fund to be understated at December 31, 2017, by $132,746.

Unearned Revenue. In prior years, the Town deferred funds received from the Local Maintenance and Improvement Grant program. These funds should be recognized in the year received. The result of not recognizing this revenue in the year received resulted in net position for governmental activities and fund balance for the Special Purpose Local Option Sales Tax Fund to be understated and unearned revenue to be overstated at December 31, 2017 by $14,825.


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REQUIRED SUPPLEMENTARY INFORMATION


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TOWN OF THUNDERBOLT, GEORGIA

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31

	2018	2017	2016	2015
Total pension liability				
Service cost	**$ 64,172**	$ 58,398	$ 69,019	$ 52,393
Interest on total pension liability	**132,506**	128,044	119,066	110,540
Differences between expected and actual experience	**74,351**	11,621	58,911	55,669
Changes of assumptions	**-**	-	-	13,240
Benefit payments, including refunds of employee contributions	**(142,174)**	(138,784)	(123,519)	(120,159)
Other	**29,153**	-	-	-
Net change in total pension liability	**158,008**	59,279	123,477	111,683
Total pension liability - beginning	**1,780,847**	1,721,568	1,598,091	1,486,408
Total pension liability - ending (a)	**$ 1,938,855**	$ 1,780,847	$ 1,721,568	$ 1,598,091
Plan fiduciary net position				
Contributions - employer	**$ 99,089**	$ 92,812	$ 75,458	$ 84,294
Contributions - employee			-	-
Net investment income	**152,236**	141,997	3,043	109,254
Benefit payments, including refunds of employee contributions	**(142,174)**	(138,784)	(123,519)	(120,159)
Administrative expenses	**(11,968)**	(12,412)	(8,676)	(7,915)
Net change in plan fiduciary net position	**97,183**	83,613	(53,694)	65,474
Plan fiduciary net position - beginning	**1,241,110**	1,157,497	1,211,191	1,145,717
Plan fiduciary net position - ending (b)	**$ 1,338,293**	$ 1,241,110	$ 1,157,497	$ 1,211,191
Town's net pension liability (a) - (b)	**$ 600,562**	$ 539,737	$ 564,071	$ 386,900
Plan fiduciary net position as a percentage of the total pension liability	**69.0%**	69.7%	67.2%	75.8%
Covered payroll	**$ 1,030,201**	$ 1,071,560	$ 938,170	$ 1,001,927
Town's net pension liability as a percentage of covered payroll	**58.30%**	50.37%	60.12%	38.62%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

TOWN OF THUNDERBOLT, GEORGIA

SCHEDULE OF TOWN CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31

	2018	2017	2016	2015
Actuarially determined contribution	**$ 105,736**	$ 96,874	$ 91,458	$ 70,125
Contributions in relation to the actuarially determined contribution	**105,736**	96,874	83,837	70,125
Contribution deficiency (excess)	**$ -**	$ -	$ 7,621	$ -
Covered payroll	**$ 1,030,201**	$ 1,071,560	$ 938,170	$ 1,001,927
Contributions as a percentage of covered payroll	**10.3%**	9.0%	9.7%	7.0%

Notes to the Schedule

Valuation date	July 1, 2018
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.50%
Projected salary increases	2.75% plus service based merit increases
Cost of living adjustments	0.00%
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

The schedule will present 10 years of information once it is accumulated.


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OTHER SUPPLEMENTARY INFORMATION


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TOWN OF THUNDERBOLT, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2018

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Beginning of Year	Current Year	To Date
Capital Outlay Projects:	$ 3,750,000	$ 3,750,000	$ -	$ -	$ -
Public safety vehicles and equipment	-	-	212,209	52,015	264,224
Public works vehicles and equipment	-	-	13,073	-	13,073
Water and sewer system	-	-	1,630,312	153,140	1,783,452
Totals	$ 3,750,000	$ 3,750,000	$ 1,855,594	$ 205,155	$ 2,060,749

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

Total SPLOST Fund expenditures per the statement of revenues, expenditures, and changes in fund balance	$ 240,835
Less debt service related to capital assets previously included on schedule	(35,680)
Total SPLOST Expenditures	$ 205,155

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
MUNICIPAL COURT AGENCY FUND
December 31, 2018

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash	$ 14,566	$ 86,586	$ 67,435	$ 33,717
LIABILITIES				
Payable from assets				
Due to others	$ 14,566	$ 86,586	$ 67,435	$ 33,717


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TOWN OF THUNDERBOLT, GEORGIA
STATISTICAL SECTION

FOR THE YEAR ENDED DECEMBER 31, 2018

This section of the Town of Thunderbolt, Georgia's comprehensive annual financial report presents detailed trend and other information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary information says about the Town's overall financial health.

Page

Financial Trends ..... **53 – 58**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity ..... **59 – 63**

These schedules contain information to help the reader assess the Town's most significant local revenue sources, property and sales taxes.

Debt Capacity ..... **64 – 67**

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.

Demographic and Economic Information ..... **68 – 69**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information ..... **70 – 72**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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

Town of Thunderbolt, Georgia
Net Position by Component
Last Ten Calendar Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	$ 5,327,967	$ 4,927,843	$ 4,891,646	$ 4,903,897	$ 5,028,557	$ 4,729,953	$ 4,599,196	$ 4,324,384	$ 4,159,647	$ 3,904,400
Restricted	53,706	139,712	226,123	269,041	192,900	509,394	704,968	356,608	414,093	964,073
Unrestricted	563,460	910,035	892,761	1,069,127	1,412,362	1,800,167	2,148,868	2,508,897	2,922,819	3,024,825
Total governmental activities net position	$ 5,945,133	$ 5,977,590	$ 6,010,530	$ 6,242,065	$ 6,633,819	$ 7,039,514	$ 7,453,032	$ 7,189,889	$ 7,496,559	$ 7,893,298
Business-type activities										
Net investment in capital assets	$ 2,343,529	$ 1,964,734	$ 2,069,866	$ 2,014,726	$ 2,107,383	$ 2,098,170	$ 2,126,328	$ 2,974,379	$ 3,377,222	$ 3,377,308
Unrestricted	(125,824)	(149,256)	69,038	324,448	200,359	207,833	160,489	5,021	115,411	157,334
Total business-type activities net position	$ 2,217,705	$ 1,815,478	$ 2,138,904	$ 2,339,174	$ 2,307,742	$ 2,306,003	$ 2,286,817	$ 2,979,400	$ 3,492,633	$ 3,534,642
Primary Government										
Net investment in capital assets	$ 7,671,496	$ 6,892,577	$ 6,961,512	$ 6,918,623	$ 7,135,940	$ 6,828,123	$ 6,725,524	$ 7,298,763	$ 7,536,869	$ 7,281,708
Restricted	53,706	139,712	226,123	269,041	192,900	509,394	704,968	356,608	414,093	964,073
Unrestricted	437,636	760,779	961,799	1,393,575	1,612,721	2,008,000	2,309,357	2,513,918	3,038,230	3,182,159
Total primary government net position	$ 8,162,838	$ 7,793,068	$ 8,149,434	$ 8,581,239	$ 8,941,561	$ 9,345,517	$ 9,739,849	$ 10,169,289	$ 10,989,192	$ 11,427,940

Town of Thunderbolt, Georgia
Net Position by Component
Last Ten Calendar Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	$ 762,101	$ 645,839	$ 588,695	$ 491,179	$ 505,887	$ 537,209	$ 448,392	$ 497,126	$ 461,374	$ 551,950
Judiciary	130,087	124,176	135,754	131,344	140,348	141,140	139,051	125,125	128,699	122,036
Public safety	983,655	946,705	1,044,245	1,053,793	1,192,030	1,285,227	1,301,878	1,346,759	1,371,119	1,499,990
Public works	728,230	489,378	588,242	656,029	483,154	619,542	598,460	1,638,346	1,052,590	533,938
Health and welfare	59,665	68,646	58,601	42,414	39,496	87,491	72,525	82,007	74,367	72,447
Culture and recreation	56,210	56,428	48,785	46,101	55,041	46,210	43,971	57,491	83,578	95,952
Housing and development	1,581	126	805	1,223	9,250	2,556	2,271	6,137	12,517	4,323
Interest on long-term debt	54,535	46,947	34,708	32,250	20,580	2,145	5,453	4,855	3,738	7,146
Total governmental activities expenses	2,776,064	2,378,245	2,499,835	2,454,333	2,445,786	2,721,520	2,612,001	3,757,846	3,187,982	2,887,782
Business-type activities:										
Water, sewer and garbage	946,493	1,475,046	915,155	1,085,874	1,214,521	1,102,245	1,237,315	1,438,087	1,466,854	1,478,019
Total business-type activities expense	946,493	1,475,046	915,155	1,085,874	1,214,521	1,102,245	1,237,315	1,438,087	1,466,854	1,478,019
Total primary government expenses	$ 3,722,557	$ 3,853,291	$ 3,414,990	$ 3,540,207	$ 3,660,307	$ 3,823,765	$ 3,849,316	$ 5,195,933	$ 4,654,836	$ 4,365,801
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 126,800	$ 247,907	$ 87,469	$ 85,853	$ 124,416	$ 157,383	$ 190,544	$ 205,587	$ 202,395	$ 135,181
Judicial	98,462	104,837	79,159	84,016	78,861	122,739	126,841	91,122	106,370	120,017
Public safety	153,616	170,676	134,753	131,664	144,469	169,838	219,345	143,153	164,567	105,126
Public works	201,006	455	30	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	3,642	3,403	3,525	4,120	5,451	-
Culture and recreation	-	-	-	-	-	150	-	500	-	-
Operating grants and contributions	-	113,391	46,734	76,105	72,870	70,433	74,567	83,545	89,512	87,878
Capital grants and contributions	6,446	31,515	536,815	569,439	601,080	613,415	674,567	936,307	829,554	775,367
Total governmental activities program revenues	586,330	668,781	884,960	947,077	1,025,338	1,137,361	1,289,389	1,464,334	1,397,849	1,223,569
Business-type activities - water and sewer:										
Charges for services	687,655	1,024,361	1,029,266	1,095,164	1,040,441	1,030,567	1,056,584	1,179,453	1,422,219	1,370,143
Capital grants and contributions	-	5,000	-	-	-	56,579	156,359	949,582	556,311	-
Total business type activities program revenues	687,655	1,029,361	1,029,266	1,095,164	1,040,441	1,087,146	1,212,943	2,129,035	1,978,530	1,370,143
Total primary government program revenues	$ 1,273,985	$ 1,698,142	$ 1,914,226	$ 2,042,241	$ 2,065,779	$ 2,224,507	$ 2,502,332	$ 3,593,369	$ 3,376,379	$ 2,593,712
Net (Expense)/Revenue										
Governmental activities	$ (2,189,734)	$ (1,709,464)	$ (1,614,875)	$ (1,507,256)	$ (1,420,448)	$ (1,584,159)	$ (1,322,612)	$ (2,293,512)	$ (1,790,133)	$ (1,664,213)
Business-type activities	(258,838)	(445,685)	114,111	9,290	(174,080)	(15,099)	(24,372)	690,948	511,676	(107,876)
Total primary government net expense	$ (2,448,572)	$ (2,155,149)	$ (1,500,764)	$ (1,497,966)	$ (1,594,528)	$ (1,599,258)	$ (1,346,984)	$ (1,602,564)	$ (1,278,457)	$ (1,772,089)

(continued)

Town of Thunderbolt, Georgia
Net Position by Component
Last Ten Calendar Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes for general purposes	$ 864,353	$ 895,896	$ 847,244	$ 861,947	$ 894,723	$ 958,751	$ 950,224	$ 943,179	$ 981,609	$ 965,286
Sales taxes for general purposes	703,088	678,670	728,607	760,848	743,482	802,433	817,855	815,639	874,211	945,058
Selective sales and use taxes	31,348	74,014	14,156	65,996	83,735	75,586	54,700	63,836	61,314	59,578
Business and occupation taxes	129,737	125,966	125,140	132,920	137,626	136,131	145,434	157,533	167,615	180,764
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Miscellaneous	29,818	36,892	24,093	18,657	2,265	10,852	5,955	47,532	5,144	59,550
Gain (loss) on disposal of capital assets	-	(98,813)	69,032	23,601	9,115	6,101	18,359	2,650	6,910	-
Transfers	-	(17,258)	(160,457)	(125,178)	(58,744)	-	-	-	-	(149,284)
Total governmental activities	1,758,344	1,695,367	1,647,815	1,738,791	1,812,202	1,989,854	1,992,527	2,030,369	2,096,803	2,060,952
Business-type activities - water and sewer:										
Miscellaneous income	54,300	43,700	48,858	65,802	83,489	13,360	5,186	1,635	1,557	601
Transfers	-	17,258	160,457	125,178	58,744	-	-	-	-	149,284
Total business-type activities	54,300	60,958	209,315	190,980	142,233	13,360	5,186	1,635	1,557	149,885
Total primary government	$ 1,812,644	$ 1,756,325	$ 1,857,130	$ 1,929,771	$ 1,954,435	$ 2,003,214	$ 1,997,713	$ 2,032,004	$ 2,098,360	$ 2,210,837
Change in Net Position										
Governmental activities	$ (431,390)	$ (14,097)	$ 32,940	$ 231,535	$ 391,754	$ 405,695	$ 669,915	$ (263,143)	$ 306,670	$ 396,739
Business-type activities	(204,538)	(384,727)	323,426	200,270	(31,847)	(1,739)	(19,186)	692,583	513,233	42,009
Total primary government	$ (635,928)	$ (398,824)	$ 356,366	$ 431,805	$ 359,907	$ 403,956	$ 650,729	$ 429,440	$ 819,903	$ 438,748

(concluded)

Notes:

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

Town of Thunderbolt, Georgia
Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)

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

	Calendar Year Ending December 31,				
	2014	2015	2016	2017	2018
General Fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-
Nonspendable	47,846	46,274	42,007	2,397	3,960
Unassigned	1,600,577	2,363,152	2,766,931	3,268,557	3,491,553
Total general fund	$ 1,648,423	$ 2,409,426	$ 2,808,938	$ 3,270,954	$ 3,495,513
All Other Governmental Funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Debt service fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Restricted:					
Capital Project Fund	506,446	702,017	346,735	419,035	954,180
Special revenue fund	2,948	2,951	9,873	9,883	9,893
Assigned:					
Debt service fund	-	-	-	-	-
Total all other governmental funds	$ 509,394	$ 704,968	$ 356,608	$ 428,918	$ 964,073

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

Town of Thunderbolt, Georgia
Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Sales tax	$ 717,571	$ 695,136	$ 728,607	$ 760,848	$ 743,482	$ 802,433	$ 817,855	$ 815,639	$ 874,211	$ 945,058
Other taxes	1,068,429	1,126,256	1,072,260	1,093,498	1,105,189	1,117,740	1,222,126	1,137,184	1,224,423	1,193,936
Licenses and permits	124,868	166,910	83,833	85,381	87,774	93,010	146,715	124,696	157,169	126,733
Revenue from other governmental units	14,301	139,234	581,946	645,308	673,764	683,477	748,029	1,018,912	918,084	881,363
Charges for services	207,447	5,109	4,237	1,607	3,742	3,823	5,285	9,294	15,950	14,323
Fines and fees	247,569	272,696	210,116	214,545	218,645	289,519	341,776	226,097	256,351	219,268
Miscellaneous	21,089	42,564	25,696	18,893	24,252	97,991	101,674	132,867	55,439	59,550
Total revenue	2,401,274	2,447,905	2,706,695	2,820,080	2,856,848	3,087,993	3,383,460	3,464,689	3,501,627	3,440,231
Expenditures										
Current:										
General government	718,231	630,219	555,357	470,331	456,739	538,368	413,200	453,920	438,243	501,323
Judiciary	130,087	124,176	135,754	131,196	139,706	142,440	137,433	123,278	126,515	118,510
Public safety	975,110	874,287	965,777	957,576	1,032,381	1,027,526	1,072,212	1,169,437	1,225,911	1,346,704
Public works	485,846	280,900	438,272	320,087	308,572	299,792	258,982	472,415	302,213	330,538
Health and welfare	49,251	57,181	49,237	33,050	30,132	78,128	63,161	72,643	65,003	63,083
Culture and recreation	21,617	14,661	21,366	18,682	27,623	39,042	14,763	28,544	58,231	70,605
Hosuing and development	1,581	126	805	1,223	9,250	2,556	2,271	6,137	12,517	4,323
Capital outlay	33,535	20,920	238,577	266,501	153,899	371,247	480,870	1,060,016	752,230	205,155
Debt service:										
Principal	129,456	89,898	191,255	324,091	460,846	34,833	46,496	55,375	49,962	36,094
Interest and other charges	54,535	49,074	44,907	32,087	20,580	2,145	5,454	4,855	3,738	4,182
Total expenditures	2,599,249	2,141,442	2,641,307	2,554,824	2,639,728	2,536,077	2,494,842	3,446,620	3,034,563	2,680,517
Excess (Deficiency) of revenues over (under) expenditures	(197,975)	306,463	65,388	265,256	217,120	551,916	888,618	18,069	467,064	759,714
Other Financing sources (uses)										
Debt issuance	87,825	-	-	97,325	-	119,740	49,600	30,433	60,352	-
Transfers in	113,281	114,805	211,200	307,745	402,964	-	-	-	-	-
Transfers out	(113,281)	(115,140)	(211,200)	(432,923)	(402,964)	-	-	-	-	-
Sale of capital assets and other	8,729	2,730	82,185	23,601	9,115	6,101	18,359	2,650	6,910	-
Total other financing sources (uses)	96,554	2,395	82,185	(4,252)	9,115	125,841	67,959	33,083	67,262	-
Net change in fund balances	$ (101,421)	$ 308,858	$ 147,573	$ 261,004	$ 226,235	$ 677,757	$ 956,577	$ 51,152	$ 534,326	$ 759,714
Debt service as a percentage of noncapital expenditures	7.17%	6.55%	9.83%	15.57%	19.37%	1.71%	2.24%	1.90%	1.79%	1.60%

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.*

Town of Thunderbolt, Georgia
Schedule of Tax Revenues and Franchise Fees
Last Ten Calendar Years
(modified accrual basis of accounting)

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
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
2016	685,038	815,639	157,533	80,452	214,161	1,952,823
2017	747,157	874,211	167,615	80,560	229,091	2,098,634
2018	725,379	945,058	180,764	80,857	206,936	2,138,994

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

Town of Thunderbolt, Georgia
Assessed Value and Actual Value of Taxable Property
Last Ten Calendar Years

	Real Property		Personal Property		Utilities and Other Property		Total			
Calendar Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio of Total Assessed To Total Estimated	Total Direct Tax Rate
2009	106,239,926	265,599,815	5,085,440	12,713,600	729,121	1,822,803	112,054,487	280,136,218	40.00%	6.119
2010	99,935,046	249,837,615	4,697,625	11,744,063	749,699	1,874,248	105,382,370	263,455,926	40.00%	6.377
2011	92,235,730	230,589,325	5,173,736	12,934,340		-	97,409,466	243,523,665	40.00%	6.377
2012	92,737,805	231,844,513	5,368,219	13,420,548	663,879	1,659,698	98,769,903	246,924,759	40.00%	6.496
2013	99,047,908	247,619,770	5,466,699	13,666,748	954,021	2,385,053	105,468,628	263,671,571	40.00%	6.288
2014	98,951,139	247,377,848	6,160,809	15,402,023	925,803	2,314,508	106,037,751	265,094,379	40.00%	6.288
2015	98,051,940	245,129,850	6,069,819	15,174,548	1,055,708	2,639,270	105,177,467	262,943,668	40.00%	6.288
2016	89,983,989	224,959,973	6,296,445	15,741,113	1,121,408	2,803,520	97,401,842	243,504,606	40.00%	6.366
2017	92,402,372	231,005,930	7,593,003	18,982,508	1,504,229	3,760,573	101,499,604	253,749,011	40.00%	6.366
2018	96,021,106	240,052,765	7,286,041	18,215,103	1,963,541	4,908,853	105,270,688	263,176,721	40.00%	6.148

Source: Chatham County Tax Assessor

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.

Town of Thunderbolt, Georgia
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
(rate per $1,000 of assessed value)

Tax Year	Direct	Overlapping Rates			
	Town of Thunderbolt	School District	County	State	Total
2009	6.119	13.404	10.537	0.250	30.310
2010	6.377	14.131	11.479	0.250	32.237
2011	6.377	14.631	11.968	0.250	33.226
2012	6.496	14.631	11.968	0.200	33.295
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	16.673	0.050	39.642
2016	6.366	16.631	16.673	0.000	39.670
2017	6.366	16.631	17.683	0.000	40.680
2018	6.148	18.881	17.683	0.000	42.712

Source: Chatham County Commission

Town of Thunderbolt, Georgia
Principal Property Taxpayers
Current Year and Nine Years Ago

	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Jars - River Crossing Investors LLC	$ 5,778,440	1	5.49%	$ 4,433,000	1	3.96%
Thunderbolt Marine Inc	4,891,960	2	4.65%	3,936,888	2	3.51%
Foster, William M	2,870,680	3	2.73%	3,881,000	3	3.46%
Church & Swann	1,551,680	4	1.47%	-	0	0.00%
A Store & Lock	1,506,400	5	1.43%	823,280	7	0.73%
Morning Star Marinas/Bahai Bleu	1,344,280	6	1.28%	1,694,371	5	1.51%
Hall Family Properties LLC	1,251,000	7	1.19%	1,775,000	4	1.58%
JBPP LLC	1,112,480	8	1.06%	-	0	0.00%
Rhangos Bros LLC	639,200	9	0.61%	-	0	0.00%
Victory Storage	633,720	10	0.60%	840,000	6	0.75%
Regency of Georgia	570,920	11	0.54%	744,200	8	0.66%
Total	$ 22,150,760		21.04%	$ 18,127,739		16.18%

Source: County Tax Assessor

Town of Thunderbolt, Georgia
Property Tax Levies and Collections
Last Ten Calendar Years

		Collected within the Calendar Year of the Levy			Total Collections to Date	
Calendar Year (1)	Total Tax Levy (2)	Amount	Percentage of Levy	Collections for subsequent years	Amount	Percentage of Levy
2009	622,601	417,189	67.01%	-	417,189	67.01%
2010	621,106	554,797	89.32%	231,073	785,870	126.53%
2011	622,571	533,382	85.67%		533,382	85.67%
2012	617,908	568,562	92.01%	16,461	585,023	94.68%
2013	622,813	551,734	88.59%	38,262	589,996	94.73%
2014	622,205	569,017	91.45%	37,184	606,201	97.43%
2015	596,459	571,402	95.80%	17,561	588,963	98.74%
2016	596,665	527,740	88.45%	62,279	590,019	98.89%
2017	621,967	545,416	87.69%	77,027	622,443	100.08%
2018	619,863	544,770	87.89%	81,226	625,996	100.99%

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 cancellations, releases, errors and additions.

Town of Thunderbolt, Georgia
Local Option Sales Tax History
Last Ten Calendar Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	$ 52,893	$ 56,288	$ 62,577	$ 68,888	$ 53,446	$ 56,623	$ 61,421	$ 52,172	$ 65,080	$ 63,002
February	45,966	56,780	52164	56,203	61,506	60,234	63,095	62,821	66,362	65,243
March	44,186	56,018	57220	60,242	66,188	68,641	69,595	71,893	76,151	85,427
April	37,856	61,334	58115	67,950	57,879	66,625	71,770	68,858	75,048	82,472
May	51,793	57,220	61436	61,993	63,553	68,057	70,478	68,565	73,843	79,210
June	56,015	59,365	61037	65,249	63,599	68,655	72,870	72,506	75,954	83,898
July	59,261	58,548	63362	66,890	61,510	70,702	72,388	69,331	75,829	81,887
August	65,382	58,307	66157	64,595	62,752	67,514	67,303	67,886	70,508	77,634
September	54,799	58,091	63495	61,094	61,637	66,038	60,339	68,117	67,848	75,614
October	55,990	55,186	62608	64,302	60,970	66,188	66,396	62,510	71,360	82,407
November	46,951	57,027	56981	63,000	58,434	66,285	65,710	69,767	74,088	78,095
December	56,288	54,254	55772	60,055	71,854	76,501	76,191	80,880	81,913	89,363
Pro Rata Adjustment	4,082	431	1373	387	152	369	401	334	227	806
Total	$ 631,462	$ 688,847	$ 722,295	$ 760,848	$ 743,480	$ 802,433	$ 817,958	$ 815,639	$ 874,211	$ 945,058

Town of Thunderbolt, Georgia
Ratios of Outstanding Debt by Type
Last Ten Calendar Years

Calendar Year Ended June 30,	Governmental Activities			Business-type	Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Notes Payable	GEFA loans			
2009	905,043	117,655	-	195,887	1,218,585	1.21%	466
2010	835,043	43,824	-	181,139	1,060,006	1.11%	397
2011	665,000			164,524	829,524	1.36%	310
2012	390,000			149,902	539,902	0.96%	202
2013	-			-	-	0.00%	-
2014	-	84,907	-	-	84,907	0.14%	32
2015	-	88,010	-	-	88,010	0.14%	33
2016	-	108,360	-	-	108,360	0.16%	41
2017	-	71,246	-	-	71,246	0.10%	27
2018	-	35,680	-	-	35,680	0.05%	13

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

	General Bonded Debt Outstanding				
Calendar Year	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2009	905,043	-	905,043	0.32%	346
2010	835,043	-	835,043	0.32%	313
2011	665,000	-	665,000	0.26%	249
2012	390,000	-	390,000	0.16%	146
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-

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

Town of Thunderbolt, Georgia
Direct and Overlapping Governmental Activities Debt
As of December 31, 2018

	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	$ 1,410,000	2.24%	$ 31,516
DSA Union Mission Series 2009	1,670,000	2.24%	37,328
DSA Chatham County Projects Series 2014	7,400,000	2.24%	165,404
Mosquito Control	3,208,705	2.24%	71,721
Chatham-Savannah School Board:			
General Obligation Bonded Debt	16,080,427	0.94%	150,731
Overlapping other debt:			
Chatham County, Georgia capital leases	2,490,015	2.24%	55,657
Chatham-Savannah School Board capital leases	17,624,364	0.94%	165,203
Subtotal, overlapping debt			677,560
Town of Thunderbolt direct debt			539,902
Total direct and overlapping debt			$ 1,217,462

Sources: Assessed value data used to estimate applicable percentages provided by the Chatham County Board of Taxation. 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				
	2009	**2010**	**2011**	**2012**	**2013**
Total assessed value of taxable property	$112,054,487	$105,382,870	102,555,576	100,526,623	99,047,908
Less exemptions for bond purposes	309,659	-	-	-	-
Net assessed value for bond purposes	$111,744,828	$105,382,870	$102,555,576	$100,526,623	$ 99,047,908
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 11,174,483	$ 10,538,287	$ 10,255,558	$ 10,052,662	$ 9,904,791
Total net debt applicable to limit: General obligation bonds (net of set aside)	905,043	835,043	665,000	390,000	0
Legal debt margin	$ 10,269,440	$ 9,703,244	$ 9,590,558	$ 9,662,662	$ 9,904,791
Total net debt applicable to the limit as a percentage of debt limit	0.81%	0.79%	0.65%	0.39%	0.00%

	Calendar Year				
	2014	2015	2016	2017	2018
Total assessed value of taxable property	$ 98,951,139	$ 98,051,940	$ 96,428,961	$ 99,048,565	$101,214,619
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$ 98,951,139	$ 98,051,940	$ 96,428,961	$ 99,048,565	$101,214,619
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 9,895,114	$ 9,805,194	$ 9,642,896	$ 9,904,857	$ 10,121,462
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	$ 9,895,114	$ 9,805,194	$ 9,642,896	$ 9,904,857	$ 10,121,462
Total net debt applicable to the limit as a percentage of debt lim	0.00%	0.00%	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 in thousands (1)	Personal Income (2)	Per Capita Personal Income (1)	Unemployment Rate (3)
2009	2	100,331,448	38,353	8.5%
2010	2	95,578,432	35,824	9.0%
2011	2	61,009,156	22,867	10.10%
2012	2	56,385,060	21,118	9.70%
2013	2	60,515,550	22,665	8.70%
2014	2	60,320,640	22,592	6.60%
2015	2	62,971,950	23,585	5.70%
2016	2	68,087,670	25,501	5.50%
2017	2	71,409,150	26,745	4.00%
2018	2	72,802,890	27,267	3.50%

Source:

(1) Chamber of Commerce and Metropolitan Planning Commission
(2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
(3) State Department of Labor

Town of Thunderbolt, Georgia
Principal Employers
Current Year and Nine Years Ago

	2018			2009		
Employer	Employees	Rank	Percentage of Total Metro Area Employment	Employees	Rank	Percentage of Total Metro Area Employment
Gulfstream Aerospace	10,000	1	6.86%	6,024	1	4.45%
Ft. Stweart/Hunter Army Airfield	5,773	2	3.96%	4,285	3	3.16%
Savannah-Chatham Board of Education	5,654	3	3.88%	4,093	4	3.02%
Memorial Health	4,775	4	3.27%	4,643	2	3.43%
St Joseph's Candler Hospital	3,400	5	2.33%	3,304	5	2.44%
City of Savannah	2,468	6	1.69%	2,500	6	1.84%
Savannah College of Art and Design	1,886	7	1.29%	1,500	8	
Chatham County	1,600	8	1.10%	1,500	7	
Kroger	1,300	9	0.89%	-	0	
Georgia Ports Authority	1,080	10	0.74%	-	0	0.00%
Armstrong State University	886	11	0.61%	-	0	0.00%
	38,822		26.62%	27,849		18.34%

Source: Savannah Economic Development Authority.

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

Town of Thunderbolt, Georgia
Full-time Equivalent Town Employees by Function/Program
Last Ten Calendar Years

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

	Full-time and Part-time Town Employees as of December 31				
Function/Program	**2014**	**2015**	**2016**	**2017**	**2018**
General government	7	7	7	7	7
Judiciary	4	4	3	2	2
Public safety	17	19	20	14	15
Public works	6	4	3	3	4
Total	34	34	33	26	28

Source: Town Personnel Records

Town of Thunderbolt, Georgia
Operating Indicators by Function
Last Ten Calendar Years

	Calendar Year				
	2009	2010	2011	2012	2013
Fire:					
Number of emergency calls	463	449	371	373	393
Public works:					
Street resurfacing (miles)	-	-	-	-	-
Police:					
Number of emergency calls	2,642	2,640	2,180	3,200	3391

	Calendar Year				
	2014	2015	2016	2017	2018
Fire:					
Number of emergency calls	388	498	534	497	471
Public works:					
Street resurfacing (miles)	-	>1	>1	>1	>1
Police:					
Number of emergency calls	3,296	2,580	2,491	2,002	3,959

Sources: Town records

Town of Thunderbolt, Georgia
Capital Asset Statistics by Function
Last Ten Calendar Years

	Calendar Year				
	2009	2010	2011	2012	2013
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	1	1	1	1	1
Public works:					
Streets (miles)	11	11	11	11	11
Streetlights	210	210	210	210	210
Traffic signals	3	3	3	3	3
Parks and recreation:					
Parks	4	4	4	4	4
Community centers					
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
Maximum daily treatment capacity (thousands of gallons)	na	na	na	na	na

	Calendar Year				
	2014	2015	2016	2017	2018
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
Community centers					
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
Maximum daily treatment capacity (thousands of gallons)	na	na	na	na	na

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


TOWN OF THUNDERBOLT
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COMPLIANCE SECTION


TOWN OF THUNDERBOLT
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CHATHAM COUNTY

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S 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*

The 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 the Town of Thunderbolt, Georgia (the "Town") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 24, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2018-002 to be a material weakness.

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. We consider the deficiency described in the accompany schedule of findings and responses as item 2018-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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*.

Town of Thunderbolt, Georgia's Responses to Findings

The Town's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Savannah, Georgia
June 24, 2019


TOWN OF THUNDERBOLT
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TOWN OF THUNDERBOLT, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	X Yes ___ No
Significant deficiencies identified not considered to be material weaknesses?	X Yes ___ No
Noncompliance material to financial statements noted?	___ Yes X No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2018 due to the total amount expended being less than $750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2018-001. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties among the functions of payroll processing, maintaining personnel files, performing human resources functions and making personnel changes in the payroll system does not exist. Additionally, we noted that appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other financial cycles in the various funds possessed by the Town.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties among the various financial cycles in the funds possessed by the Town can lead to misappropriation of funds that may not be detected during the normal course of business.

Cause: The lack of segregation of duties is due to the limited number of personnel available to perform the required functions of the Town.

Recommendation: The duties among the various financial cycles associated with the various funds of the Town should be segregated among employees to eliminate various overlapping duties.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2018-001. Segregation of Duties (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur. The Town is in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among the financial cycles of the Town.

2018-002. Correction of Errors

Criteria: Generally accepted accounting principles (GAAP) generally require the reporting of accounts receivable and related revenue in the accounting period in which they are realized or realizable and earned. Additionally, GAAP requires the recognition of grant revenue in the period the revenue is realized or realizable and earned.

Condition/Context: As of December 31, 2017, amounts recorded as utility accounts receivable for the Water and Sewer Utility Fund were not properly stated and amounts recorded as revenue for the General and Special Purpose Local Option Sales Tax funds were not properly stated.

Effect: Prior period adjustments were required to increase net position and accounts receivable in the Water and Sewer Utility Fund in the amounts of $132,746 and $108,228, respectively, as of December 31, 2017. A prior period adjustment was required to decrease unearned revenue and increase fund balance in the Special Purpose Local Option Sales Tax Fund in the amount of $14,825 as of December 31, 2017. An adjustment was required to decrease unearned revenue and increase revenue in the General Fund in the amount of $31,637 as of December 31, 2018.

Cause: Management did not consider the effects of utilities consumed, but not billed as of the fiscal year-end. Management did not recognize revenue in the proper period as of the fiscal year-end.

Recommendation: We recommend: 1) the Town implement procedures to calculate and record the amount of utilities consumed, but not billed as of the end of each fiscal year related to the utility accounts receivables, and 2) the Town implement procedures to ensure revenue is properly recorded in the proper period as of the end of each fiscal year.

Views of Responsible Officials and Planned Corrective Action: The Town will consider unbilled utility consumption and the recording of the related accounts receivable in future periods. The Town will develop procedures to ensure revenue is properly recorded in the proper period as of the end of the fiscal year.

TOWN OF THUNDERBOLT, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

TOWN OF THUNDERBOLT, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

No prior year findings