

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Town of Thunderbolt, Georgia

FOR THE FISCAL YEAR ENDED December 31, 2017

**PREPARED BY
THE TOWN'S FINANCE DEPARTMENT**



Town of Thunderbolt, Georgia

Annual Financial Report

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INTRODUCTORY SECTION



BETH E. GOETTE
MAYOR

CAROLINE R. HANKINS
TOWN ADMINISTRATOR

KAY McCAFFERTY
CLERK/ZONING ADMINISTRATOR

CHARLES W. BARROW
TOWN ATTORNEY



COUNCIL MEMBERS

KIMBERLY CHAPPELL-STEVENSON
MAYOR PRO-TEM

DAVID P. CRENSHAW

EDWARD M. DROHAN, III

AL HENDERSON, JR.

SHERRY ELMORE-PHILLIPS

DANA WILLIAMS

May 31, 2018

Citizens of Thunderbolt
Honorable Mayor
Members of Council

The Town's Administrative office is pleased to submit the Comprehensive Annual Financial Report of the Town of Thunderbolt, Georgia for the year ended December 31, 2017. The purpose of the report is to provide the Council, Staff, the public and other interested parties with detailed information reflecting the Town's financial condition. This report also satisfies the state law to publish an annual audit within six months of the close of each fiscal year. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Town. To meet these responsibilities management has established a comprehensive framework of internal control. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

KRT, CPAs P.C. have issued an unmodified ("clean") opinion on the Town of Thunderbolt's financial statements for the year ended December 31, 2017. 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 2017 fiscal year. Most of the commercial activity in the Town is small retail businesses and restaurants, with the exception of a large nursing home and a small shipyard complex. Both employ about 100 people.

Long-term Financial Planning

The majority of our general fund revenue is generated from taxes. We observed a small increase in the overall property values for 2017 while leaving the mileage rate flat thus increasing the property tax revenue slightly. LOST distributions as well as building permit revenues were recorded above anticipated levels once again in 2017.

We continue to monitor the results of the adopted utility rate structure in 2016 and estimate an additional rate increase in 2018. The Town completed a major water line removal and replacement project internally described as the "Woodlawn Subdivision". This project included aged hydrants, valves and water line replacements in this area.

Major Initiatives

Currently, the Town is working on two major water line replacements along Falligant Avenue and Bannon Drive. Aged hydrants, valves, and water lines will be replaced in these areas. A new zoning ordinance for Victory Drive was adopted to promote appropriate development of the Town's "Main Street" area of Thunderbolt to encourage small scale, mixed-use residential and commercial businesses.

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, 2016. 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,



Caroline R. Hankins
Town Administrator

Town of Thunderbolt, Georgia

Principal Officials

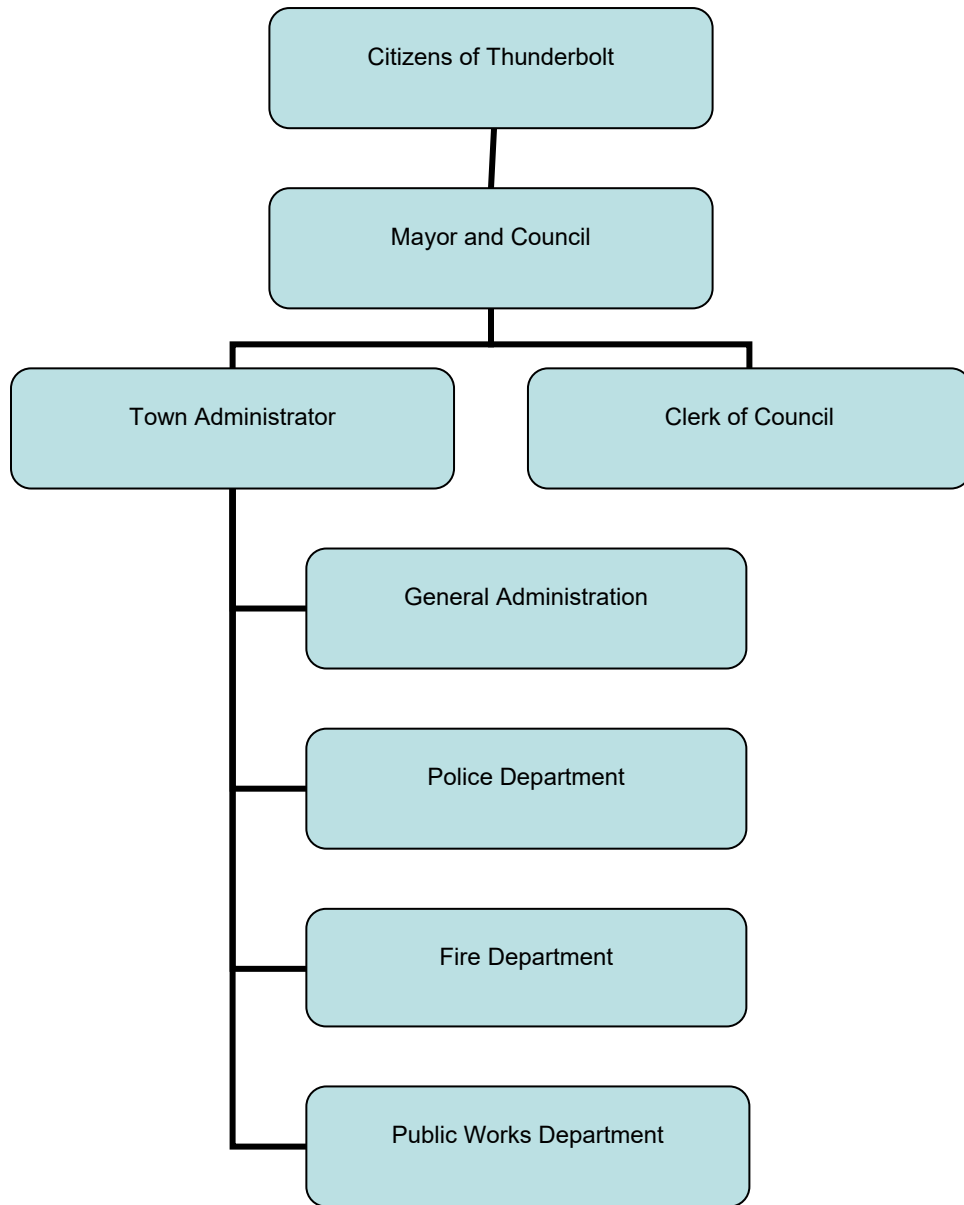
December 31, 2017

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

Town Council Members

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

Town of Thunderbolt, Georgia
Organizational Chart
December 31, 2017





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, 2016

Christopher P. Morrell

Executive Director/CEO



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Thunderbolt, Georgia, as of and for the year ended December 31, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information other than Management's Discussion and Analysis beginning on page C-1 and E-1 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2018 on our consideration of the Town of Thunderbolt, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Thunderbolt, Georgia's internal control over financial reporting and compliance.

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
May 31, 2018



Management's Discussion and Analysis

Within this section of Town of Thunderbolt, Georgia (the Town) annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the calendar year ending December 31, 2017. 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 \$10,841,621 (net position) for the calendar year reported.
- Total net position is comprised of the following:
 - (1) Capital assets, net of related debt, of \$7,536,869 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 \$414,093 is restricted by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$2,890,659 represents the portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of \$3,685,047 this year. This compares to the prior year ending fund balance of \$3,165,546 showing an increase of \$519,501 during the current year. Unassigned fund balance of \$3,268,557 for calendar year 2017 shows a \$501,626 increase over the prior year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$3,268,557 or 147% 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.

Management's Discussion and Analysis

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

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

The government-wide financial statements are presented on pages D-1 & D-2 of this report.

Fund Financial Statements

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

The Town has three kinds of funds:

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

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

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

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

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Thunderbolt's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to the Basic Financial Statements

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

Other Supplementary Information

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

Financial Analysis of the Town as a Whole

The Town's net assets at calendar year-end are \$10,841,621. The following table provides a summary of the Town's net position:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current assets.....	\$ 3,870,289	\$ 3,407,153	\$ 120,483	\$ 250,391	\$ 3,990,772	\$ 3,657,544
Capital assets.....	4,233,105	4,387,452	3,377,222	2,974,379	7,610,327	7,361,831
Total assets.....	8,103,394	7,794,605	3,497,705	3,224,770	11,601,099	11,019,375
Deferred outflows of resources.....	143,056	223,692	-	-	143,056	223,692
Current liabilities.....	187,615	235,439	137,818	245,370	325,433	480,809
Long-term liabilities.....	577,101	592,969	-	-	577,101	592,969
Total liabilities.....	764,716	828,408	137,818	245,370	902,534	1,073,778
Net position:						
Net investment in capital assets.....	4,159,647	4,324,384	3,377,222	2,974,379	7,536,869	7,298,763
Restricted.....	414,093	356,608	-	-	414,093	356,608
Unrestricted.....	2,907,994	2,508,897	(17,335)	5,021	2,890,659	2,513,918
Total net position.....	\$ 7,481,734	\$ 7,189,889	\$ 3,359,887	\$ 2,979,400	\$10,841,621	\$10,169,289

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 20.63 to 1 and .88 to 1 for business type activities. The governmental activities ratio is up over last year and the business type activities is down over last year. While the governmental activities ratio remains at an adequate level the business type ratio is down. A new rate structure will be adopted in 2018 to address the decline in the fund.

The Town reported positive balances in net assets for both governmental and business-type activities. Net position increased \$291,845 for governmental activities while business-type activities recognized an increase of \$380,487. An increase in current assets and a decrease in current and long-term liabilities contributed to the overall increase in governmental activities net position. An increase in capital assets and a decrease in current liabilities contributed to the increase in the business-type activities net position.

Management's Discussion and Analysis

Approximately 55.6% of the governmental activities' net assets 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	
	2017	2016	2017	2016	2017	2016
Revenue:						
Program revenue:						
Charges for services.....	\$ 478,783	\$ 444,482	\$ 1,289,473	\$ 1,179,453	\$ 1,768,256	\$ 1,623,935
Operating grants and contribution	74,687	83,545	-	-	74,687	83,545
Capital grants and contributions	829,554	936,307	556,311	949,582	1,385,865	1,885,889
General Revenue:						
Taxes.....	2,084,749	1,980,187	-	-	2,084,749	1,980,187
Other.....	12,054	50,182	1,557	1,635	13,611	51,817
Total revenue.....	<u>3,479,827</u>	<u>3,494,703</u>	<u>1,847,341</u>	<u>2,130,670</u>	<u>5,327,168</u>	<u>5,625,373</u>
Program expenses:						
General government.....	461,374	497,126	-	-	461,374	497,126
Judiciary.....	128,699	125,125	-	-	128,699	125,125
Public safety.....	1,371,119	1,346,759	-	-	1,371,119	1,346,759
Public works.....	1,052,590	1,638,346	-	-	1,052,590	1,638,346
Health and welfare.....	74,367	82,007	-	-	74,367	82,007
Culture and recreation.....	83,578	57,491	-	-	83,578	57,491
Housing and development.....	12,517	6,137	-	-	12,517	6,137
Interest on long-term debt.....	3,738	4,855	-	-	3,738	4,855
Water, sewer and garbage.....	-	-	1,466,854	1,438,087	1,466,854	1,438,087
Total program expenses.....	<u>3,187,982</u>	<u>3,757,846</u>	<u>1,466,854</u>	<u>1,438,087</u>	<u>4,654,836</u>	<u>5,195,933</u>
Change in net position.....	291,845	(263,143)	380,487	692,583	672,332	429,440
Net position, beginning.....	7,189,889	7,453,032	2,979,400	2,286,817	10,169,289	9,739,849
Net position, ending.....	<u>\$ 7,481,734</u>	<u>\$ 7,189,889</u>	<u>\$ 3,359,887</u>	<u>\$ 2,979,400</u>	<u>\$10,841,621</u>	<u>\$10,169,289</u>

Governmental Activities Revenues

The Town is heavily reliant on taxes to support governmental activities. Taxes provided 59.9% of the Town's total governmental activities revenue. Local option sales taxes account for \$874,211 or 41.9% of tax revenues. Property taxes, \$621,907 and utility franchise fees, \$229,091, account for 40.8% of tax revenue. The general economy and the Town businesses have a major impact on the Town's revenue streams.

Special purpose local option sales tax proceeds of \$719,585 accounts for substantially all of the capital grants and contributions. Charges for services include administrative fees charged to the Town's enterprise fund. Charges for services were up 7.5% over the previous year for governmental activities and up 9.3% for business-type activities for an overall increase of 8.9%.

Management's Discussion and Analysis

Governmental Activities Program Expenses

The general government, public safety, and public works functions make up 90.5% of the total governmental activities expenses.

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

	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
General government.....	\$ 461,374	\$ 497,126	\$ 258,979	\$ 291,539
Judiciary	128,699	125,125	22,329	34,003
Public safety	1,371,119	1,346,759	1,126,106	1,114,704
Public works.....	1,052,590	1,638,346	228,795	707,396
Health and welfare.....	74,367	82,007	68,916	77,887
Culture and recreation.....	83,578	57,491	83,578	56,991
Housing and developments.....	12,517	6,137	12,517	6,137
Interest on long-term debt.....	3,738	4,855	3,738	4,855
Total program expenses.....	<u>\$ 3,187,982</u>	<u>\$ 3,757,846</u>	<u>\$ 1,804,958</u>	<u>\$ 2,293,512</u>

Overall total program expenses were down over 2016 due to the decrease in public works total costs of services. General government and health and welfare saw slight decreases while judiciary, public safety, culture and recreation and housing and developments saw slight increases.

Business-Type Activities

Revenues vs. Costs

The sole business-type activity is the Town's water, sewer and sanitation program. Charges for services increased by \$110,020 or 9% over 2016. This increase is the result of a utility rate increase implemented in the last quarter of 2016. Total program expenses increased slightly over 2016 at \$28,767.

Financial Analysis of the Town's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$3,685,047. Approximately 88.7% of this amount, \$3,268,557 is unassigned and is available for spending at the Town's discretion. The remainder of the fund balance is 1) non-spendable (\$2,397) because it represents prepaid expenses and 2) restricted for capital projects (\$404,210) or to fund public safety programs (\$9,883).

Management's Discussion and Analysis

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 \$3,268,557 while total fund balance was \$3,270,954. 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 146.4% of total general fund expenditures, while total fund balance represents just under 146.5% of that same amount.

The General Fund's fund balance increased by \$462,016 during the year. Key factors in this growth are as follows:

- Continued strong LOST and Utility Franchise revenues contributed to a budget surplus in General Fund Revenues.
- An increase in the Annual Insurance Premium Tax in addition to strong Building Permit Revenues also contributed to the surplus in General Fund Revenues.
- Small increases were also experienced in Property Taxes and Probation Payments.
- Department budgets were carefully managed 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 \$501,626 over the prior year from \$2,766,931 to \$3,268,557. 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 \$57,475 during the year. Although there was a small increase in the fund balance several major capital projects were completed including aging waterline replacement. The SPLOST Fund reported revenues of \$802,160 which is an increase of \$71,853 from the prior year. SPLOST revenues are available for approved capital projects and related debt service.

The Proprietary Fund

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

Budgetary Highlights

The General Fund revenue exceeded the final budget by \$284,232. Above budgeted Utility Franchise, Local Option Sales Tax, Insurance Premium Tax, Building Permits and Fines and Forfeiture 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 unanticipated facility and equipment maintenance along with overtime and benefit adjustments.

(continued on next page)

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2017, was \$4,233,105 and \$3,377,222 respectively. The decrease in this net investment was 3.5% for governmental activities. The business-type activities reported an increase of 13.5%. The overall increase was slightly less than 3.5% for the Town as a whole. See Note 2-C for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Non-depreciable assets:						
Land.....	\$ 290,800	\$ 290,800	\$ -	\$ -	\$ 290,800	\$ 290,800
Construction in progress.....	-	-	-	788,866	-	788,866
Total non-depreciable assets.....	290,800	290,800	-	788,866	290,800	1,079,666
Depreciable assets:						
Buildings and improvements.....	5,584,594	5,569,013	6,100,849	4,755,673	11,685,443	10,324,686
Machinery, equipment and vehicles	1,614,945	1,538,433	200,403	200,403	1,815,348	1,738,836
Infrastructure.....	1,244,043	1,211,307	-	-	1,244,043	1,211,307
Total depreciable assets.....	8,443,582	8,318,753	6,301,252	4,956,076	14,744,834	13,274,829
Less accumulated depreciation.....	4,501,277	4,222,101	2,924,030	2,770,563	7,425,307	6,992,664
Book value - depreciable assets.....	3,942,305	4,096,652	3,377,222	2,185,513	7,319,527	6,282,165
Percentage depreciated.....	53.3%	50.8%	46.4%	55.9%	50.4%	52.7%
Book value - all assets.....	\$ 4,233,105	\$ 4,387,452	\$ 3,377,222	\$ 2,974,379	\$ 7,610,327	\$ 7,361,831

At December 31, 2017, the depreciable capital assets for governmental activities were 53.3% depreciated. This compares to 50.8% for December 31, 2016. This comparison indicates that the Town is replacing its assets at approximately the same rate as they are depreciating which is a positive indicator.

With the Town's business type activities, 46.4% of the asset values were depreciated at December 31, 2017 compared to 55.9% at December 31, 2016.

Long-term Debt

Governmental Activities:

At the end of the year the Town had an outstanding long-term liability balance of \$73,458 representing capital leases.

Business-type Activities:

Business-type activities had no outstanding long-term liability as of December 31, 2017.

See Note 2-F for additional information about the Town's long-term debt.

Management's Discussion and Analysis

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 \$2.6 million.

Contacting the Town's Financial Management

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Thunderbolt, Georgia

Statement of Net Position

December 31, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents.....	\$ 3,384,351	\$ 23,211	\$ 3,407,562
Receivables.....	483,541	27,745	511,286
Prepaid.....	2,397	959	3,356
Restricted assets			
Cash and cash equivalents.....	-	68,568	68,568
Capital assets			
Land and construction in progress.....	290,800	-	290,800
Other capital assets, net of depreciation.....	3,942,305	3,377,222	7,319,527
Total assets.....	<u>8,103,394</u>	<u>3,497,705</u>	<u>11,601,099</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related.....	<u>143,056</u>	<u>-</u>	<u>143,056</u>
LIABILITIES			
Accounts payable.....	27,996	69,250	97,246
Deposits payable.....	-	68,568	68,568
Unearned revenue.....	81,676	-	81,676
Long-term liabilities			
Due within one year			
Capital leases payable.....	36,094	-	36,094
Compensated absences.....	41,849	-	41,849
Due in more than one year			
Capital leases payable.....	37,364	-	37,364
Net pension liability.....	539,737	-	539,737
Total liabilities.....	<u>764,716</u>	<u>137,818</u>	<u>902,534</u>
NET POSITION			
Net investment in capital assets.....	4,159,647	3,377,222	7,536,869
Restricted for			
Capital projects.....	404,210	-	404,210
Other purposes.....	9,883	-	9,883
Unrestricted.....	2,907,994	(17,335)	2,890,659
Total net position.....	<u>\$ 7,481,734</u>	<u>\$ 3,359,887</u>	<u>\$ 10,841,621</u>

Town of Thunderbolt, Georgia
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government.....	\$ 461,374	\$ 202,395	\$ -	\$ -
Judicial.....	128,699	106,370	-	-
Public safety.....	1,371,119	164,567	74,687	5,759
Public works.....	1,052,590	-	-	823,795
Health and welfare.....	74,367	5,451	-	-
Culture and recreation.....	83,578	-	-	-
Housing and development.....	12,517	-	-	-
Interest on long-term debt.....	3,738	-	-	-
Total governmental activities.....	<u>3,187,982</u>	<u>478,783</u>	<u>74,687</u>	<u>829,554</u>
Business-type activities:				
Water and sewer.....	1,188,974	1,060,131	-	556,311
Garbage.....	277,880	229,342	-	-
Total business-type activities.....	<u>1,466,854</u>	<u>1,289,473</u>	<u>-</u>	<u>556,311</u>
Total.....	<u>\$ 4,654,836</u>	<u>\$ 1,768,256</u>	<u>\$ 74,687</u>	<u>\$ 1,385,865</u>
General revenues:				
Taxes:				
Property taxes.....				
Sales and use taxes.....				
Selective sales and use taxes.....				
Business and occupation taxes.....				
Unrestricted investment earnings.....				
Miscellaneous.....				
Gain on disposal of capital assets.....				
Total general revenues and transfers.....				
Change in net position.....				
Net position - beginning.....				
Net position - ending.....				

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business- Type Activities	Total
\$ (258,979)	\$ -	\$ (258,979)
(22,329)	-	(22,329)
(1,126,106)	-	(1,126,106)
(228,795)	-	(228,795)
(68,916)	-	(68,916)
(83,578)	-	(83,578)
(12,517)	-	(12,517)
(3,738)	-	(3,738)
<u>(1,804,958)</u>	<u>-</u>	<u>(1,804,958)</u>
-	427,468	427,468
-	(48,538)	(48,538)
<u>-</u>	<u>378,930</u>	<u>378,930</u>
<u>(1,804,958)</u>	<u>378,930</u>	<u>(1,426,028)</u>
981,609	-	981,609
874,211	-	874,211
61,314	-	61,314
167,615	-	167,615
2,658	187	2,845
2,486	1,370	3,856
6,910	-	6,910
<u>2,096,803</u>	<u>1,557</u>	<u>2,098,360</u>
291,845	380,487	672,332
<u>7,189,889</u>	<u>2,979,400</u>	<u>10,169,289</u>
<u>\$ 7,481,734</u>	<u>\$ 3,359,887</u>	<u>\$ 10,841,621</u>



FUND FINANCIAL STATEMENTS



Town of Thunderbolt, Georgia

Governmental Funds

Balance Sheet

December 31, 2017

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Fund - Asset Forfeiture	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 3,045,114	\$ 329,354	\$ 9,883	\$ 3,384,351
Receivables.....	393,860	89,681	-	483,541
Prepaid items.....	2,397	-	-	2,397
Total assets.....	<u>\$ 3,441,371</u>	<u>\$ 419,035</u>	<u>\$ 9,883</u>	<u>\$ 3,870,289</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable.....	\$ 27,996	\$ -	\$ -	\$ 27,996
Unearned revenue.....	66,851	14,825	-	81,676
Total liabilities.....	<u>94,847</u>	<u>14,825</u>	<u>-</u>	<u>109,672</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes.....	75,570	-	-	75,570
Total deferred inflows of resources.....	<u>75,570</u>	<u>-</u>	<u>-</u>	<u>75,570</u>
Combined liabilities and deferred inflows of resources.....	<u>170,417</u>	<u>14,825</u>	<u>-</u>	<u>185,242</u>
Fund Balances				
Nonspendable.....	2,397	-	-	2,397
Restricted:				
Capital projects.....	-	404,210	-	404,210
Public Safety	-	-	9,883	9,883
Unassigned.....	3,268,557	-	-	3,268,557
Total fund balances.....	<u>3,270,954</u>	<u>404,210</u>	<u>9,883</u>	<u>3,685,047</u>
Total liabilities, deferred inflows of resources and fund balances.....	<u>\$ 3,441,371</u>	<u>\$ 419,035</u>	<u>\$ 9,883</u>	<u>\$ 3,870,289</u>

Town of Thunderbolt, Georgia
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities

December 31, 2017

Total Governmental Fund Balances	\$ 3,685,047
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.	
Cost of capital assets	\$ 8,734,382
Less: accumulated depreciation	<u>(4,501,277)</u>
	4,233,105
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds balance sheet.	
Property taxes	75,570
Long-term and related liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	
Capital leases payable	(73,458)
Compensated absences	(41,849)
Net pension liability	(539,737)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund financial statements:	
Deferred outflows of resources related to pensions	<u>143,056</u>
Net Position of Governmental Activities	<u><u>\$ 7,481,734</u></u>

Town of Thunderbolt, Georgia
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Fund - Asset Forfeiture	Total Governmental Funds
REVENUES				
Taxes.....	\$ 2,098,634	\$ -	\$ -	\$ 2,098,634
Licenses and permits.....	157,169	-	-	157,169
Intergovernmental.....	101,381	801,878	-	903,259
Charges for services.....	15,950	-	-	15,950
Fines and forfeitures.....	256,351	-	-	256,351
Investment earnings.....	2,648	282	10	2,940
Miscellaneous.....	52,499	-	-	52,499
Total revenues.....	2,684,632	802,160	10	3,486,802
EXPENDITURES				
Current				
General government.....	438,243	-	-	438,243
Judicial.....	126,515	-	-	126,515
Public safety.....	1,225,911	-	-	1,225,911
Public works.....	302,213	-	-	302,213
Health and welfare.....	65,003	-	-	65,003
Culture and recreation.....	58,231	-	-	58,231
Housing and development.....	12,517	-	-	12,517
Capital Outlay.....	-	752,230	-	752,230
Debt Service				
Principal.....	4,042	45,920	-	49,962
Interest.....	182	3,556	-	3,738
Total expenditures.....	2,232,857	801,706	-	3,034,563
Excess (deficiency) of revenues over (under) expenditures.....	451,775	454	10	452,239
OTHER FINANCING SOURCES (USES)				
Capital lease.....	3,331	57,021	-	60,352
Sale of general capital assets.....	6,910	-	-	6,910
Total other financing sources (uses)	10,241	57,021	-	67,262
Net changes in fund balances.....	462,016	57,475	10	519,501
Fund balances at beginning of year.....	2,808,938	346,735	9,873	3,165,546
Fund balances at end of year.....	\$ 3,270,954	\$ 404,210	\$ 9,883	\$ 3,685,047

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

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

For the Year Ended December 31, 2017

Net change in Fund Balances - Total Governmental Funds.....	\$	519,501
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays.....	\$	170,387
Depreciation expense.....		<u>(324,734)</u>
		(154,347)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes deferred at December 31, 2017.....		75,570
Property taxes deferred at December 31, 2016.....		<u>(89,455)</u>
		(13,885)
Governmental funds report debt proceeds as an other financing source. However, in the statement of activities, debt proceeds are recognized as a long-term liability.		
Capital leases.....		(60,352)
Repayment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.		
Capital leases.....		49,962
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences at December 31, 2017.....		41,849
Compensated absences at December 31, 2016.....		<u>49,117</u>
		7,268
In the statement of activities, pension expense represents the change in net pension liability from the beginning of the year to the end of the year. However, in the governmental funds, pension expense is measured by the amount of financial resources used (amount actually paid). This is the amount by which pension contributions paid in the current period exceeded the change in net pension liability.....		
		<u>(56,302)</u>
Change in Net Position of Governmental Activities.....	\$	<u>291,845</u>

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Net Position

December 31, 2017

ASSETS

Current assets	
Cash and cash equivalents.....	\$ 23,211
Receivables (net of allowance).....	27,745
Prepaid items.....	959
Restricted cash and cash equivalents.....	68,568
Total current assets.....	<u>120,483</u>
Noncurrent assets	
Depreciable capital assets, net of depreciation.....	3,377,222
Total noncurrent assets.....	<u>3,377,222</u>
Total assets.....	<u>3,497,705</u>

LIABILITIES

Accounts payable.....	69,250
Payable from restricted assets:	
Customer deposits payable.....	68,568
Total current liabilities.....	<u>137,818</u>

NET POSITION

Investment in capital assets.....	3,377,222
Unrestricted.....	(17,335)
Total net position.....	<u>\$ 3,359,887</u>

Town of Thunderbolt, Georgia
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended December 31, 2017

OPERATING REVENUES	
Charges for services.....	\$ 1,289,473
Other income.....	1,370
Total operating revenues.....	<u>1,290,843</u>
OPERATING EXPENSES	
Purchased and contractual services.....	1,225,765
Materials and supplies.....	87,622
Depreciation.....	153,467
Total operating expenses.....	<u>1,466,854</u>
Operating income (loss).....	<u>(176,011)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings.....	187
Total nonoperating revenues (expenses).....	<u>187</u>
Income before capital contributions.....	(175,824)
Capital contributions.....	556,311
Change in net position.....	380,487
Net position, beginning of year.....	<u>2,979,400</u>
Net position, end of year.....	<u><u>\$ 3,359,887</u></u>

Town of Thunderbolt, Georgia

Proprietary Fund

Statement of Cash Flows

For the Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers.....	\$ 1,288,534
Cash payments to suppliers for goods and services.....	(1,417,856)
Net cash provided (used) by operating activities.....	<u>(129,322)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest earned on cash and investments.....	187
Net cash provided (used) by investing activities.....	<u>187</u>
Net increase (decrease) in cash and cash equivalents.....	(129,135)
Cash and cash equivalents, beginning of year.....	220,914
Cash and cash equivalents, end of year.....	<u>\$ 91,779</u>

Operating income (loss).....	<u>\$ (176,011)</u>
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Adjustments to reconcile operating income
to net cash provided by operating activities:

Depreciation.....	153,467
Change in assets and liabilities:	
Decrease (increase) in accounts receivables.....	(3,061)
Decrease (increase) in prepaid items.....	3,835
(Decrease) Increase in accounts payable.....	(108,304)
(Decrease) increase in customer deposits.....	752

Total adjustments.....	<u>46,689</u>
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Net cash provided (used) by operating activities.....	<u>\$ (129,322)</u>
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Noncash capital and related financing activities:

Contributions of capital assets from government.....	<u>\$ 949,582</u>
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Town of Thunderbolt, Georgia
Fiduciary Fund
Statement of Fiduciary Assets and Liabilities
December 31, 2017

	<u>Municipal Court Fund</u>
ASSETS	
Cash and cash equivalents.....	\$ 14,566
Total assets.....	<u>\$ 14,566</u>
LIABILITIES	
Due to others.....	\$ 14,566
Total liabilities.....	<u>\$ 14,566</u>

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

Note 1 Summary of Significant Accounting Policies

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

Note 2 Detail Notes on Funds and Activities

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

Note 3 Other Information

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



Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

Note 1 – Summary of Significant Accounting Policies

The Town complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

Blended Component Units

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

Discretely Presented Component Units

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

Membership in Regional Commission

Under Georgia law, the Town is a member of the Coastal Regional Commission and is required to pay annual dues thereto. Membership in a CRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a CRC. Management believes that the CRC is currently accumulating sufficient financial resources to meet its financial obligations. Separate financial statements may be obtained from:

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

Note 1 – Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The fiduciary fund, an agency fund, has no measurement focus. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Town reports the following major governmental funds:

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

Note 1 – Summary of Significant Accounting Policies (continued)

The Town reports the following major enterprise fund:

- The *Water, Sewer and Garbage Fund* accounts for water, sewer and garbage services provided to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

Additionally, the Town reports the following fund types:

Governmental Funds

- The *Special Revenue Fund*, a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The *Police Department Asset Forfeiture Fund* accounts for all activities associated with the Town's participation in the U.S. Department of Justice Equitable Sharing Program.

Fiduciary Funds

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

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

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

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments

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

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

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Receivables

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

Property taxes are levied as of January 1 on property values assessed on the same date. A millage rate of 6.366 mills was adopted on August 9, 2017. Tax bills were rendered on September 1, 2017 and are considered past due 60 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed.

Prepaid Items

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

Capital Assets

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences

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

Long-term Obligations

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

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

Equity Classifications

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

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

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

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

- *Restricted fund balance* reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the town council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

- *Assigned fund balance* reflects the amounts constrained by the town's "intent" to be used for specific purposes, but are neither restricted nor committed. The town's fund balance policy provides town council and town manager the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.
- *Unassigned fund balance* is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

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

Use of Estimates

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

Note 2 – Detailed Notes on Funds and Activities

A. Cash and Investments

Deposits

At year-end the carrying amount of the Town's deposits was \$3,490,186 and the bank balance was \$3,515,642. As of December 31, 2017 the entire bank balance was insured and collateralized with securities held by the pledging financial institution's agent in the Town's name.

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

Reconciliation of financial statements to notes:

Basic financial statements:

Cash and cash equivalents.....	\$ 3,407,562
Restricted cash	68,568
Agency fund.....	14,566
Total.....	<u>\$ 3,490,696</u>

Notes to financial statements:

Deposits.....	\$ 3,490,186
Cash on hand.....	510
Total.....	<u>\$ 3,490,696</u>

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

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

B. Accounts Receivable

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

Receivable	General Fund	SPLOST Fund	Water, Sewer and Garbage Fund	Total
Taxes.....	\$ 340,517	\$ -	\$ -	\$ 340,517
Accounts.....	-	-	30,163	30,163
Intergovernmental.....	55,034	89,681	-	144,715
Gross receivables	395,551	89,681	30,163	515,395
Less:				
Allowance for uncollectibles.....	(1,691)	-	(2,418)	(4,109)
Net receivables.....	<u>\$ 393,860</u>	<u>\$ 89,681</u>	<u>\$ 27,745</u>	<u>\$ 511,286</u>

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

C. Capital Assets

Changes in capital asset of governmental activities for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Non-Depreciable Assets:</i>				
Land.....	\$ 290,800	\$ -	\$ -	\$ 290,800
<i>Depreciable Assets:</i>				
Buildings and improvements.....	5,569,013	15,581	-	5,584,594
Machinery, equipment and vehicles.....	1,538,433	122,071	45,558	1,614,946
Infrastructure.....	1,211,307	32,735	-	1,244,042
Sub-total assets.....	8,609,553	170,387	45,558	8,734,382
<i>Accumulated Depreciation</i>				
Buildings and improvements.....	(2,232,451)	(192,080)	-	(2,424,531)
Machinery, equipment and vehicles.....	(1,211,177)	(72,089)	(45,558)	(1,237,708)
Infrastructure.....	(778,473)	(60,565)	-	(839,038)
Sub-total accumulated depreciation.....	(4,222,101)	(324,734)	(45,558)	(4,501,277)
Total Governmental Activities.....	<u>\$ 4,387,452</u>	<u>\$ (154,347)</u>	<u>\$ -</u>	<u>\$ 4,233,105</u>

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

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

Depreciation expense was charged to governmental activities as follows:

General government.....	\$ 30,296
Public safety.....	72,670
Public works.....	187,057
Health and welfare.....	9,364
Culture and recreation.....	25,347
Total depreciation expense.....	<u>\$ 324,734</u>

Changes in capital asset of business-type activities for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<i>Non-Depreciable Assets:</i>				
Construction in progress.....	\$ 788,866	\$ 556,310	\$ 1,345,176	\$ -
<i>Depreciable Assets:</i>				
Buildings and improvements.....	4,755,673	1,345,176	-	6,100,849
Machinery, equipment and vehicles.	200,403	-	-	200,403
Sub-total assets.....	5,744,942	1,901,486	1,345,176	6,301,252
<i>Accumulated Depreciation</i>				
Buildings and improvements.....	(2,651,906)	(145,092)	-	(2,796,998)
Machinery, equipment and vehicles.	(118,657)	(8,375)	-	(127,032)
Sub-total accumulated depreciation.....	(2,770,563)	(153,467)	-	(2,924,030)
Total Business-type Activities.....	<u>\$ 2,974,379</u>	<u>\$ 1,748,019</u>	<u>\$ 1,345,176</u>	<u>\$ 3,377,222</u>

D. Interfund Transactions and Balances

These balances represent loans between the borrower fund and the lender fund. These balances resulted from the time lag between the dates that 1) interfund goods or services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Interfund receivables and payables are reported in the fund financial statements; however, they are eliminated in the government-wide financial statements if the interfund loan is between governmental funds. The town did not have any interfund receivables/payables at December 31, 2017

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group. The town did not have any interfund transfers during the year ended December 31, 2017.

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

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

E. Capital Leases

The town has entered into lease agreements as lessee for financing the acquisition of equipment and vehicles valued at \$244,701. This year, \$33,057 was included in depreciation expense. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and Equipment.....	\$ 244,701
Less: Accumulated depreciation.....	(103,255)
Total.....	<u>\$ 141,446</u>

The following is a schedule of the minimum lease payments under the capital leases, and the present value of the net minimum lease payments at December, 31 2017.

Year Ending December 31,	Governmental Activities Principal	Interest	Total
2018	\$ 36,094	\$ 4,182	40,276
2019	22,269	2,138	24,407
2020	15,095	825	15,920
Totals.....	<u>\$ 73,458</u>	<u>\$ 7,145</u>	<u>\$ 80,603</u>

F. Long-term Debt

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Capital leases.....	\$ 63,068	\$ 60,352	\$ 49,962	\$ 73,458	\$ 36,094
Compensated absences.....	49,117	51,844	59,112	41,849	41,849
Total Governmental Activities	<u>\$ 112,185</u>	<u>\$ 112,196</u>	<u>\$ 109,074</u>	<u>\$ 115,307</u>	<u>\$ 77,943</u>

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

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

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

G. Fund Balance Classifications

Amounts for specific purposes by fund and fund classification for the year ended December 31, 2017, are as follows:

Classification/Fund	Purpose	Amount
Nonspendable		
General Fund.....	Prepaid items.....	\$ 2,397
Restricted		
SPLOST Fund.....	Capital projects.....	404,210
Confiscated Asset Fund.....	Public safety.....	9,883
Unassigned		
General Fund.....		3,268,557
Total fund balance.....		<u>\$ 3,685,047</u>

Note 3 – Other Information

A. Defined Benefit Pension Plan and Net Pension Liability

Plan Description – The Town of Thunderbolt Retirement Plan (the Plan) is a defined benefit pension plan covering all full time employees. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer type plan administered by the Georgia Municipal Association. The Georgia Municipal Association handles all administrative and investment functions relative to the Plan. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Benefits Provided – essentially all regular employees of the Town are eligible to participate after one year of service. Generally, a member's retirement pension benefits are 100% vested after five years of service. Members are eligible for normal retirement benefits at age 65 with 5 years of service. For normal retirement, benefit payments are based on the member's last 5-year average annual salary (average final compensation) times 1.25% prior to March 1, 2001 and 1.50% on or after March 1, 2001, multiplied by the length of service (years and months).

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

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

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

Note 3 – Other Information (continued)

Employees Covered by Benefit Terms - As of July 1, 2017, the date of the latest actuarial valuation, the number of participants was as follows:

Inactive employees (or their beneficiaries) currently receiving benefits....	29
Inactive employees entitled to, but not yet receiving benefits.....	19
Active employees.....	31
Total.....	<u>79</u>

Contributions – The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards. The estimated minimum annual contribution under these standards is \$90,875.

Net Pension Liability – Historically, the general fund has been used to liquidate pension liabilities. The Town's net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions – The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.75%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustment	0.00%
Source of mortality assumptions:	
Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	RP-2000 Disabled Retiree Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the July 1, 2017 actuarial valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

Note 3 – Other Information (continued)

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity.....	45.00%	6.71%
International equity.....	20.00%	7.71%
Real estate.....	10.00%	5.21%
Global fixed income.....	5.00%	3.36%
Domestic fixed income.....	20.00%	2.11%
Cash.....	0.00%	
Total.....	<u>100.00%</u>	

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

Changes in the net pension liability are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at March 31, 2016.....	\$ 1,721,568	\$ 1,157,497	\$ 564,071
Changes for the year:			
Service cost.....	58,398	-	58,398
Interest.....	128,044	-	128,044
Difference between expected and actual experience.	11,621	-	11,621
Contributions, employer.....	-	92,812	(92,812)
Net investment income.....	-	141,997	(141,997)
Benefit payments.....	(138,784)	(138,784)	-
Administrative expense.....	-	(12,412)	12,412
Net changes.....	<u>59,279</u>	<u>83,613</u>	<u>(24,334)</u>
Balances at March 31, 2017.....	<u>\$ 1,780,847</u>	<u>\$ 1,241,110</u>	<u>\$ 539,737</u>

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

Note 3 – Other Information (continued)

The balances at March 31, 2016 and 2017 include entry age normal liabilities calculated using ages and service amounts as of July 1, 2016 and 2017, respectively, and constitute measurements of the net pension liability for the fiscal years ending December 31, 2016 and 2017 respectively.

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

	1.00% Decrease (6.75%)	Current Discount Rate (7.75%)	1.00% Increase (8.75%)
City's net pension liability (asset).....	\$ 725,564	\$ 539,737	\$ 382,762

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

Pension expense for the year ended December 31, 2017:

Service cost.....	\$ 58,398
Interest on total pension liability.....	128,044
Administrative expenses.....	12,412
Expected return on assets.....	(87,444)
Expensed portion of current year period differences between projected and actual experience in total pension liability.....	3,873
Expensed portion of current year period differences between projected and actual investment earnings.....	(10,909)
Current year recognition of deferred inflows and outflows established in prior years.....	50,158
Total expense.....	<u>\$ 154,532</u>

At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience.....	\$ 41,302	\$ -
Changes of assumptions.....	3,310	-
Net difference between projected and actual earnings on pension plan investments.....	669	-
City's contribution to the pension plan subsequent to the measurement date.....	97,775	-
Total deferred outflows/(inflows).....	<u>\$ 143,056</u>	<u>\$ -</u>

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

Note 3 – Other Information (continued)

The amount of deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, \$97,775, will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense for the next six years as follows:

	Outflows			Total
	Demographic	Assumption Change	Investment	
December 31, 2017:				
Beginning balance.....	\$ 78,729	\$ 6,620	\$ 3,054	\$ 88,403
Amount recognized.....	37,427	3,310	2,385	43,122
Ending balance.....	<u>\$ 41,302</u>	<u>\$ 3,310</u>	<u>\$ 669</u>	<u>\$ 45,281</u>
Recognized in future years:				
2018	\$ 37,428	\$ 3,310	\$ 2,383	
2019	3,874	-	2,383	
2020	-	-	6,814	
2021	-	-	(10,911)	
	<u>\$ 41,302</u>	<u>\$ 3,310</u>	<u>\$ 669</u>	

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

B. Risk Management

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

Risk Pools

The Town joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by Town's management based on the anticipated needs. The Town is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the Town in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The Town has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The Town is unaware of any claims which the Town is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2017. No provisions have been made in the financial statements for the year ended December 31, 2017 for any estimate of potential unpaid claims.

Town of Thunderbolt, Georgia
Notes to the Basic Financial Statements
December 31, 2017

Note 3 – Other Information (continued)

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

Self-Insurance

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

C. Commitments and Contingencies

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

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



**REQUIRED SUPPLEMENTARY INFORMATION OTHER
THAN MANAGEMENT'S DISCUSSION & ANALYSIS**



Town of Thunderbolt, Georgia
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes.....	\$ 1,810,500	\$ 1,835,500	\$ 2,098,634	\$ 263,134
Licenses and permits.....	99,400	144,400	157,169	12,769
Intergovernmental revenues.....	72,000	123,500	101,381	(22,119)
Charges for services.....	6,500	6,500	15,950	9,450
Fines and forfeitures.....	233,800	233,800	256,351	22,551
Investment earnings.....	700	700	2,648	1,948
Miscellaneous.....	56,000	56,000	52,499	(3,501)
Total revenues.....	2,278,900	2,400,400	2,684,632	284,232
EXPENDITURES				
Current operating:				
General governmental				
Mayor and Council.....	28,500	28,500	22,934	5,566
General and administrative.....	378,401	394,401	396,234	(1,833)
Government buildings.....	29,000	50,500	19,075	31,425
Judicial				
Municipal court.....	116,700	125,700	126,515	(815)
Public safety				
Police.....	871,400	871,400	836,293	35,107
Fire.....	372,600	397,600	389,618	7,982
Public works				
Streets and highways.....	379,532	379,532	302,213	77,319
Health and welfare				
Senior Citizens.....	61,700	65,700	65,003	697
Culture and recreation				
Youth and recreation.....	16,100	41,100	33,479	7,621
Museum.....	11,036	21,036	24,752	(3,716)
Housing and development				
Planning and zoning.....	9,500	20,500	12,517	7,983
Debt service:				
Principal.....	4,218	4,218	4,042	176
Interest.....	213	213	182	31
Total expenditures.....	2,278,900	2,400,400	2,232,857	167,543
Excess (deficiency) of revenues over (under) expenditures.....	-	-	451,775	451,775
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds.....	-	-	3,331	3,331
Sale of surplus property.....	-	-	6,910	6,910
Total other financing sources (uses).....	-	-	10,241	10,241
Net change in fund balance.....	-	-	462,016	462,016
Fund balance, beginning of year (restated).....	2,808,938	2,808,938	2,808,938	-
Fund balance, end of year.....	\$ 2,808,938	\$ 2,808,938	\$ 3,270,954	\$ 462,016

Town of Thunderbolt, Georgia
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended December 31, 2017

	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 52,393	\$ 69,019	\$ 58,398
Interest	110,540	119,066	128,044
Differences between expected and actual experience	55,669	58,911	11,621
Changes of assumptions	13,240	-	-
Benefit payments	(120,159)	(123,519)	(138,784)
Net change in total pension liability	111,683	123,477	59,279
Total pension liability - beginning	1,486,408	1,598,091	1,721,568
Total pension liability - ending	<u>\$ 1,598,091</u>	<u>\$ 1,721,568</u>	<u>\$ 1,780,847</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 84,294	\$ 75,458	\$ 92,812
Net investment income	109,254	3,043	141,997
Benefit payments	(120,159)	(123,519)	(138,784)
Administrative expense	(7,915)	(8,676)	(12,412)
Net change in plan fiduciary net position	65,474	(53,694)	83,613
Plan fiduciary net position - beginning	1,145,717	1,211,191	1,157,497
Plan fiduciary net position - ending	<u>\$ 1,211,191</u>	<u>\$ 1,157,497</u>	<u>\$ 1,241,110</u>
NET PENSION LIABILITY - ending	\$ 386,900	\$ 564,071	\$ 539,737
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	75.79%	67.24%	69.69%
COVERED-EMPLOYEE PAYROLL	\$ 1,001,927	\$ 938,170	\$ 1,071,560
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	38.62%	60.12%	50.37%

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

Town of Thunderbolt, Georgia
Schedule of Contributions
For the Year Ended December 31, 2017

	<u>2015</u>	<u>2016</u>	<u>2017 *</u>
Actuarially determined contribution	\$ 70,125	\$ 91,458	\$ -
Contributions in relation to the actuarially determined contribution	<u>70125</u>	<u>83,837</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 7,621</u>	<u>\$ -</u>
COVERED-EMPLOYEE PAYROLL	\$ 1,001,927	\$ 938,170	\$ -
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	7.00%	8.94%	-

** 2017 information will be determined after fiscal year end and will be included in the 2018 valuation report.*

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

Town of Thunderbolt, Georgia
Notes to Required Supplementary Information
December 31, 2017

I. Budgetary Information

A. Budgets and Budgetary Accounting

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

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

1. Town Council holds budget hearings and approves the budget in November with a final budget adopted prior to December 31.
2. Amendments to the budget must be approved by the Town Council. The Town Administrator may approve budget transfers within departments.
3. Formal budgetary integration is employed for the general fund and the debt service fund on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for the capital projects funds.

Supplemental appropriations and decreases in budget appropriations were properly approved by the Town Council. For the year ended December 31, 2017, the following supplemental increases and decreases in appropriations were approved:

<u>Fund Type</u>	<u>Original Appropriation</u>	<u>Supplemental Appropriation</u>	<u>Supplemental Decreases</u>	<u>Final Appropriation</u>
General Fund	\$ 2,278,900	\$ 121,500	\$ -	\$ 2,400,400
Asset Forfeiture	-	-	-	-

II. Retirement Plan Schedule of Contributions

The actuarially determined contribution rate was determined as of July 1, 2017, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2017. The following methods and assumptions were used to determine contribution rates:

Valuation date	7/1/2017
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization varies for the bases, with a net effective amortization period of 16 years
Asset valuation method	Sum of the actuarial value at the beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Investment rate of return	7.75%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustment	0.00%
Retirement age	65
Mortality	See notes to the basic financial statements

**SUPPLEMENTARY DATA – FUND SCHEDULE AND
STATE MANDATED PROGRAM INFORMATION**



Town of Thunderbolt, Georgia
Police Department Asset Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	10	10
Total revenues	-	-	10	10
EXPENDITURES				
Current operating:				
Public safety				
Police	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	10	10
Fund balance, beginning of year	9,873	9,873	9,873	-
Fund balance, end of year	<u>\$ 9,873</u>	<u>\$ 9,873</u>	<u>\$ 9,883</u>	<u>\$ 10</u>

Town of Thunderbolt, Georgia
Municipal Court Agency Fund
Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2017

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
ASSETS				
Cash.....	\$ 26,087	\$ 71,974	\$ 83,495	\$ 14,566
Total assets.....	<u>\$ 26,087</u>	<u>\$ 71,974</u>	<u>\$ 83,495</u>	<u>\$ 14,566</u>
LIABILITIES				
Due to others.....	\$ 26,087	\$ 98,101	\$ 109,622	\$ 14,566
Total liabilities.....	<u>\$ 26,087</u>	<u>\$ 98,101</u>	<u>\$ 109,622</u>	<u>\$ 14,566</u>

Town of Thunderbolt, Georgia
Schedule of Expenditures of Special Local Option Sales Tax Proceeds
For the Year Ended December 31, 2017

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
<u>2014 - 2020 SPLOST Referendum</u>					
Capital Outlay Projects:	3,750,000	3,750,000			
Public safety vehicles and equipment..			98,530	113,679	212,209
Public works vehicles and equipment..			6,197	6,876	13,073
Water and sewer system.....			1,074,001	556,311	1,630,312
Total SPLOST expenditures.....	<u>\$ 3,750,000</u>	<u>\$ 3,750,000</u>	<u>\$ 1,178,728</u>	<u>\$ 676,866</u>	<u>\$ 1,855,594</u>

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

Total SPLOST Fund expenditures and transfers out (see page D - 6).....	<u>\$ 801,706</u>
Local maintenance and improvement grant.....	(82,293)
Debt service on capital assets included on schedule.....	<u>(42,547)</u>
Total SPLOST expenditures.....	<u>\$ 676,866</u>



STATISTICAL SECTION

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

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

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





Town of Thunderbolt, Georgia**Net Position by Component
Last Ten Calendar Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 5,571,486	\$ 5,327,967	\$ 4,927,843	\$ 4,891,646
Restricted	80,114	53,706	139,712	226,123
Unrestricted	<u>724,923</u>	<u>563,460</u>	<u>910,035</u>	<u>892,761</u>
Total governmental activities net position	<u>\$ 6,376,523</u>	<u>\$ 5,945,133</u>	<u>\$ 5,977,590</u>	<u>\$ 6,010,530</u>
Business-type activities				
Net investment in capital assets	\$ 2,393,011	\$ 2,343,529	\$ 1,964,734	\$ 2,069,866
Unrestricted	<u>29,232</u>	<u>(125,824)</u>	<u>(149,256)</u>	<u>69,038</u>
Total business-type activities net position	<u>\$ 2,422,243</u>	<u>\$ 2,217,705</u>	<u>\$ 1,815,478</u>	<u>\$ 2,138,904</u>
Primary Government				
Net investment in capital assets	\$ 7,964,497	\$ 7,671,496	\$ 6,892,577	\$ 6,961,512
Restricted	80,114	53,706	139,712	226,123
Unrestricted	<u>754,155</u>	<u>437,636</u>	<u>760,779</u>	<u>961,799</u>
Total primary government net position	<u>\$ 8,798,766</u>	<u>\$ 8,162,838</u>	<u>\$ 7,793,068</u>	<u>\$ 8,149,434</u>

2012	2013	2014	2015	2016	2017
\$ 4,903,897	\$ 5,028,557	\$ 4,729,953	\$ 4,599,196	\$ 4,324,384	\$ 4,159,647
269,041	192,900	509,394	704,968	356,608	414,093
1,069,127	1,412,362	1,800,167	2,148,868	2,508,897	2,907,994
<u>\$ 6,242,065</u>	<u>\$ 6,633,819</u>	<u>\$ 7,039,514</u>	<u>\$ 7,453,032</u>	<u>\$ 7,189,889</u>	<u>\$ 7,481,734</u>
\$ 2,014,726	\$ 2,107,383	\$ 2,098,170	\$ 2,126,328	\$ 2,974,379	\$ 3,377,222
324,448	200,359	207,833	160,489	5,021	(17,335)
<u>\$ 2,339,174</u>	<u>\$ 2,307,742</u>	<u>\$ 2,306,003</u>	<u>\$ 2,286,817</u>	<u>\$ 2,979,400</u>	<u>\$ 3,359,887</u>
\$ 6,918,623	\$ 7,135,940	\$ 6,828,123	\$ 6,725,524	\$ 7,298,763	\$ 7,536,869
269,041	192,900	509,394	704,968	356,608	414,093
1,393,575	1,612,721	2,008,000	2,309,357	2,513,918	2,890,659
<u>\$ 8,581,239</u>	<u>\$ 8,941,561</u>	<u>\$ 9,345,517</u>	<u>\$ 9,739,849</u>	<u>\$ 10,169,289</u>	<u>\$ 10,841,621</u>

Town of Thunderbolt, Georgia

Changes in Net Position Last Ten Calendar Years

	2008	2009	2010
Expenses			
Governmental activities:			
General government	\$ 742,976	\$ 762,101	\$ 645,839
Judiciary	163,223	130,087	124,176
Public safety	1,122,919	983,655	946,705
Public works	765,921	728,230	489,378
Health and welfare	69,476	59,665	68,646
Culture and recreation	49,412	56,210	56,428
Housing and development	-	1,581	126
Interest on long-term debt	4,048	54,535	46,947
Total governmental activities expenses	<u>2,917,975</u>	<u>2,776,064</u>	<u>2,378,245</u>
Business-type activities:			
Water, sewer and garbage	832,106	946,493	1,475,046
Total business-type activities expense	<u>832,106</u>	<u>946,493</u>	<u>1,475,046</u>
Total primary government expenses	<u><u>\$ 3,750,081</u></u>	<u><u>\$ 3,722,557</u></u>	<u><u>\$ 3,853,291</u></u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 120,483	\$ 126,800	\$ 247,907
Judicial	-	98,462	104,837
Public safety	202,552	153,616	170,676
Public works	156,244	201,006	455
Health and welfare	-	-	-
Culture and recreation	-	-	-
Operating grants and contributions	34,306	-	113,391
Capital grants and contributions	7,062	6,446	31,515
Total governmental activities program revenues	<u>520,647</u>	<u>586,330</u>	<u>668,781</u>
Business-type activities - water and sewer:			
Charges for services	618,919	687,655	1,024,361
Capital grants and contributions	15,000	-	5,000
Total business type activities program revenues	<u>633,919</u>	<u>687,655</u>	<u>1,029,361</u>
Total primary government program revenues	<u><u>\$ 1,154,566</u></u>	<u><u>\$ 1,273,985</u></u>	<u><u>\$ 1,698,142</u></u>
Net (Expense)/Revenue			
Governmental activities	\$ (2,397,328)	\$ (2,189,734)	\$ (1,709,464)
Business-type activities	<u>(198,187)</u>	<u>(258,838)</u>	<u>(445,685)</u>
Total primary government net expense	<u><u>\$ (2,595,515)</u></u>	<u><u>\$ (2,448,572)</u></u>	<u><u>\$ (2,155,149)</u></u>

2011	2012	2013	2014	2015	2016	2017
\$ 588,695	\$ 491,179	\$ 505,887	\$ 537,209	\$ 448,392	\$ 497,126	\$ 461,374
135,754	131,344	140,348	141,140	139,051	125,125	128,699
1,044,245	1,053,793	1,192,030	1,285,227	1,301,878	1,346,759	1,371,119
588,242	656,029	483,154	619,542	598,460	1,638,346	1,052,590
58,601	42,414	39,496	87,491	72,525	82,007	74,367
48,785	46,101	55,041	46,210	43,971	57,491	83,578
805	1,223	9,250	2,556	2,271	6,137	12,517
34,708	32,250	20,580	2,145	5,453	4,855	3,738
<u>2,499,835</u>	<u>2,454,333</u>	<u>2,445,786</u>	<u>2,721,520</u>	<u>2,612,001</u>	<u>3,757,846</u>	<u>3,187,982</u>
915,155	1,085,874	1,214,521	1,102,245	1,237,315	1,438,087	1,466,854
915,155	1,085,874	1,214,521	1,102,245	1,237,315	1,438,087	1,466,854
<u>\$ 3,414,990</u>	<u>\$ 3,540,207</u>	<u>\$ 3,660,307</u>	<u>\$ 3,823,765</u>	<u>\$ 3,849,316</u>	<u>\$ 5,195,933</u>	<u>\$ 4,654,836</u>
\$ 87,469	\$ 85,853	\$ 124,416	\$ 157,383	\$ 190,544	\$ 205,587	\$ 202,395
79,159	84,016	78,861	122,739	126,841	91,122	106,370
134,753	131,664	144,469	169,838	219,345	143,153	164,567
30	-	-	-	-	-	-
-	-	3,642	3,403	3,525	4,120	5,451
-	-	-	150	-	500	-
46,734	76,105	72,870	70,433	74,567	83,545	74,687
536,815	569,439	601,080	613,415	674,567	936,307	829,554
<u>884,960</u>	<u>947,077</u>	<u>1,025,338</u>	<u>1,137,361</u>	<u>1,289,389</u>	<u>1,464,334</u>	<u>1,383,024</u>
1,029,266	1,095,164	1,040,441	1,030,567	1,056,584	1,179,453	1,289,473
-	-	-	56,579	156,359	949,582	556,311
<u>1,029,266</u>	<u>1,095,164</u>	<u>1,040,441</u>	<u>1,087,146</u>	<u>1,212,943</u>	<u>2,129,035</u>	<u>1,845,784</u>
<u>\$ 1,914,226</u>	<u>\$ 2,042,241</u>	<u>\$ 2,065,779</u>	<u>\$ 2,224,507</u>	<u>\$ 2,502,332</u>	<u>\$ 3,593,369</u>	<u>\$ 3,228,808</u>
\$ (1,614,875)	\$ (1,507,256)	\$ (1,420,448)	\$ (1,584,159)	\$ (1,322,612)	\$ (2,293,512)	\$ (1,804,958)
114,111	9,290	(174,080)	(15,099)	(24,372)	690,948	378,930
<u>\$ (1,500,764)</u>	<u>\$ (1,497,966)</u>	<u>\$ (1,594,528)</u>	<u>\$ (1,599,258)</u>	<u>\$ (1,346,984)</u>	<u>\$ (1,602,564)</u>	<u>\$ (1,426,028)</u>
<i>(continued)</i>						

Town of Thunderbolt, Georgia

Changes in Net Position Last Ten Calendar Years

	2008	2009	2010
General Revenues and Other Changes in Net Position			
Governmental activities:			
Property taxes for general purposes	\$ 887,908	\$ 864,353	\$ 895,896
Sales taxes for general purposes	736,057	703,088	678,670
Selective sales and use taxes	84,015	31,348	74,014
Business and occupation taxes	130,966	129,737	125,966
Grants and contributions not restricted to specific programs	160,846	-	-
Miscellaneous	32,030	29,818	36,892
Gain (loss) on disposal of capital assets	-	-	(98,813)
Transfers	-	-	(17,258)
Total governmental activities	<u>2,031,822</u>	<u>1,758,344</u>	<u>1,695,367</u>
Business-type activities - water and sewer:			
Miscellaneous income	69,764	54,300	43,700
Transfers	-	-	17,258
Total business-type activities	<u>69,764</u>	<u>54,300</u>	<u>60,958</u>
Total primary government	<u>\$ 2,101,586</u>	<u>\$ 1,812,644</u>	<u>\$ 1,756,325</u>
Change in Net Position			
Governmental activities	\$ (365,506)	\$ (431,390)	\$ (14,097)
Business-type activities	<u>(128,423)</u>	<u>(204,538)</u>	<u>(384,727)</u>
Total primary government	<u>\$ (493,929)</u>	<u>\$ (635,928)</u>	<u>\$ (398,824)</u>

Notes:

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

2011	2012	2013	2014	2015	2016	2017
\$ 847,244	\$ 861,947	\$ 894,723	\$ 958,751	\$ 950,224	\$ 943,179	\$ 981,609
728,607	760,848	743,482	802,433	817,855	815,639	874,211
14,156	65,996	83,735	75,586	54,700	63,836	61,314
125,140	132,920	137,626	136,131	145,434	157,533	167,615
-	-	-	-	-	-	-
24,093	18,657	2,265	10,852	5,955	47,532	5,144
69,032	23,601	9,115	6,101	18,359	2,650	6,910
(160,457)	(125,178)	(58,744)	-	-	-	-
<u>1,647,815</u>	<u>1,738,791</u>	<u>1,812,202</u>	<u>1,989,854</u>	<u>1,992,527</u>	<u>2,030,369</u>	<u>2,096,803</u>
48,858	65,802	83,489	13,360	5,186	1,635	1,557
160,457	125,178	58,744	-	-	-	-
<u>209,315</u>	<u>190,980</u>	<u>142,233</u>	<u>13,360</u>	<u>5,186</u>	<u>1,635</u>	<u>1,557</u>
<u>\$ 1,857,130</u>	<u>\$ 1,929,771</u>	<u>\$ 1,954,435</u>	<u>\$ 2,003,214</u>	<u>\$ 1,997,713</u>	<u>\$ 2,032,004</u>	<u>\$ 2,098,360</u>
\$ 32,940	\$ 231,535	\$ 391,754	\$ 405,695	\$ 669,915	\$ (263,143)	\$ 291,845
323,426	200,270	(31,847)	(1,739)	(19,186)	692,583	380,487
<u>\$ 356,366</u>	<u>\$ 431,805</u>	<u>\$ 359,907</u>	<u>\$ 403,956</u>	<u>\$ 650,729</u>	<u>\$ 429,440</u>	<u>\$ 672,332</u>
						(concluded)

Town of Thunderbolt, Georgia

Fund Balances, Governmental Funds Last Ten Calendar Years

	Calendar Year Ending December 31,				
	2008	2009	2010	2011	2012
General Fund					
Reserved	\$ 22,583	\$ 78,615	\$ 83,638	\$ -	\$ -
Unreserved	488,560	357,515	621,898	-	-
Nonspendable	-	-	-	17,811	3,729
Unassigned	-	-	-	748,431	978,020
Total general fund	<u>\$ 511,143</u>	<u>\$ 436,130</u>	<u>\$ 705,536</u>	<u>\$ 766,242</u>	<u>\$ 981,749</u>
All Other Governmental Funds					
Reserved	\$ 78,788	\$ 52,378	\$ 131,257	\$ -	\$ -
Unreserved, reported in:					
Debt service fund	1,326	1,328	1,308	-	-
Special revenue funds	-	-	7,147	-	-
Restricted:					
Capital Project Fund	-	-	-	218,295	257,075
Special revenue fund	-	-	-	7,828	11,966
Assigned:					
Debt service fund	-	-	-	456	3,035
Total all other governmental funds	<u>\$ 80,114</u>	<u>\$ 53,706</u>	<u>\$ 139,712</u>	<u>\$ 226,579</u>	<u>\$ 272,076</u>
	Calendar Year Ending December 31,				
	2013	2014	2015	2016	2017
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	5,568	47,846	46,274	42,007	2,397
Unassigned	1,281,592	1,600,577	2,363,152	2,766,931	3,268,557
Total general fund	<u>\$ 1,287,160</u>	<u>\$ 1,648,423</u>	<u>\$ 2,409,426</u>	<u>\$ 2,808,938</u>	<u>\$ 3,270,954</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Debt service fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Restricted:					
Capital Project Fund	191,413	506,446	702,017	346,735	404,210
Special revenue fund	1,487	2,948	2,951	9,873	9,883
Assigned:					
Debt service fund	-	-	-	-	-
Total all other governmental funds	<u>\$ 192,900</u>	<u>\$ 509,394</u>	<u>\$ 704,968</u>	<u>\$ 356,608</u>	<u>\$ 414,093</u>

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

	2008	2009	2010	2011
Revenues				
Sales tax	\$ 836,905	\$ 717,571	\$ 695,136	\$ 728,607
Other taxes	865,635	1,068,429	1,126,256	1,072,260
Licenses and permits	119,143	124,868	166,910	83,833
Revenue from other governmental units	202,214	14,301	139,234	581,946
Charges for services	157,852	207,447	5,109 ¹	4,237
Fines and fees	202,284	247,569	272,696	210,116
Miscellaneous	28,830	21,089	42,564	25,696
Total revenue	<u>2,412,863</u>	<u>2,401,274</u>	<u>2,447,905</u>	<u>2,706,695</u>
Expenditures				
Current:				
General government	720,360	718,231	630,219	555,357
Judiciary	163,223	130,087	124,176	135,754
Public safety	1,029,764	975,110	874,287	965,777
Public works	561,904	485,846	280,900 ¹	438,272
Health and welfare	59,062	49,251	57,181	49,237
Culture and recreation	14,819	21,617	14,661	21,366
Housing and development	-	1,581	126	805
Capital outlay	16,442	33,535	20,920	238,577
Debt service:				
Principal	640,384	129,456	89,898	191,255
Interest and other charges	67,475	54,535	49,074	44,907
Total expenditures	<u>3,273,433</u>	<u>2,599,249</u>	<u>2,141,442</u>	<u>2,641,307</u>
Excess (Deficiency) of revenues over (under) expenditures	(860,570)	(197,975)	306,463	65,388
Other Financing sources (uses)				
Debt issuance	-	87,825	-	-
Transfers in	228,154	113,281	114,805	211,200
Transfers out	(228,154)	(113,281)	(115,140)	(211,200)
Sale of capital assets and other	3,200	8,729	2,730	82,185
Total other financing sources (uses)	<u>3,200</u>	<u>96,554</u>	<u>2,395</u>	<u>82,185</u>
Net change in fund balances	<u>\$ (857,370)</u>	<u>\$ (101,421)</u>	<u>\$ 308,858</u>	<u>\$ 147,573</u>
Debt service as a percentage of noncapital expenditures	21.73%	7.17%	6.55%	9.83%

Notes:

Noncapital expenditures are total expenditures less capital outlay.

Housing and development account classifications were added beginning with year end December 31, 2009.

Prior to December 31, 2009, Housing and development were combined in Public works.

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

2012	2013	2014	2015	2016	2017
\$ 760,848	\$ 743,482	\$ 802,433	\$ 817,855	\$ 815,639	\$ 874,211
1,093,498	1,105,189	1,117,740	1,222,126	1,137,184	1,224,423
85,381	87,774	93,010	146,715	124,696	157,169
645,308	673,764	683,477	748,029	1,018,912	903,259
1,607	3,742	3,823	5,285	9,294	15,950
214,545	218,645	289,519	341,776	226,097	256,351
18,893	24,252	97,991	101,674	132,867	55,439
<u>2,820,080</u>	<u>2,856,848</u>	<u>3,087,993</u>	<u>3,383,460</u>	<u>3,464,689</u>	<u>3,486,802</u>
470,331	456,739	538,368	413,200	453,920	438,243
131,196	139,706	142,440	137,433	123,278	126,515
957,576	1,032,381	1,027,526	1,072,212	1,169,437	1,225,911
320,087	308,572	299,792	258,982	472,415	302,213
33,050	30,132	78,128	63,161	72,643	65,003
18,682	27,623	39,042	14,763	28,544	58,231
1,223	9,250	2,556	2,271	6,137	12,517
266,501	153,899	371,247	480,870	1,060,016	752,230
324,091	460,846	34,833	46,496	55,375	49,962
32,087	20,580	2,145	5,454	4,855	3,738
<u>2,554,824</u>	<u>2,639,728</u>	<u>2,536,077</u>	<u>2,494,842</u>	<u>3,446,620</u>	<u>3,034,563</u>
265,256	217,120	551,916	888,618	18,069	452,239
97,325	-	119,740	49,600	30,433	60,352
307,745	402,964	-	-	-	-
(432,923)	(402,964)	-	-	-	-
23,601	9,115	6,101	18,359	2,650	6,910
<u>(4,252)</u>	<u>9,115</u>	<u>125,841</u>	<u>67,959</u>	<u>33,083</u>	<u>67,262</u>
<u>\$ 261,004</u>	<u>\$ 226,235</u>	<u>\$ 677,757</u>	<u>\$ 956,577</u>	<u>\$ 51,152</u>	<u>\$ 519,501</u>
15.57%	19.37%	1.56%	2.33%	1.77%	1.87%

Town of Thunderbolt, Georgia**Schedule of Tax Revenues and Franchise Fees
Last Ten Calendar Years**

<u>Year Ending December 31,</u>	<u>Property and Intangible Tax</u>	<u>Local Option Sales Tax</u>	<u>Business & Insurance Premium Tax</u>	<u>Malt and Alcohol Beverage Tax</u>	<u>Utility and Cablevision Franchise Fees</u>	<u>Annual Totals</u>
2007	\$ 660,285	\$ 836,905	\$ 130,966	\$ 84,015	\$ 158,277	\$ 1,870,448
2008	651,783	717,571	129,737	67,459	187,010	1,753,560
2009	712,578	695,136	125,966	74,014	213,698	1,821,392
2010	650,254	728,607	125,140	70,816	226,050	1,800,867
2011	683,002	760,848	132,920	65,996	211,580	1,854,346
2012	698,122	743,482	136,382	62,635	208,050	1,848,671
2014	702,326	802,433	136,131	60,432	218,851	1,920,173
2015	746,258	817,855	145,434	67,863	262,571	2,039,981
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

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



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

Calendar Year	Real Property		Personal Property		Utilities and Other Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2008	\$ 110,266,126	\$ 275,665,315	\$ 6,193,530	\$ 15,483,825	\$ 707,391	\$ 1,768,478
2009	106,239,926	265,599,815	5,085,440	12,713,600	729,121	1,822,803
2010	99,935,046	249,837,615	4,697,625	11,744,063	749,699	1,874,248
2011	96,651,603	241,629,008	5,173,736	12,934,340	757,863	1,894,658
2012	97,882,662	244,706,655	5,368,219	13,420,548	663,879	1,659,698
2013	99,047,908	247,619,770	5,466,699	13,666,748	954,021	2,385,053
2014	98,120,513	245,301,283	6,160,809	15,402,023	925,803	2,314,508
2015	97,261,780	243,154,450	6,069,819	15,174,548	1,055,708	2,639,270
2016	89,983,989	224,959,973	6,296,445	15,741,113	1,121,408	2,803,520
2017	92,402,372	231,005,930	7,593,003	18,982,508	1,504,229	3,760,573

Source: Chatham County Board of Assessors

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

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

Total		Ratio of Total Assessed To	
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Total Estimated Value</u>	<u>Total Direct Tax Rate</u>
\$ 117,167,047	\$ 292,917,618	40.00%	6.018
112,054,487	280,136,218	40.00%	6.119
105,382,370	263,455,926	40.00%	6.377
102,583,202	256,458,006	40.00%	6.377
103,914,760	259,786,901	40.00%	6.496
105,468,628	263,671,571	40.00%	6.288
105,207,125	263,017,814	40.00%	6.288
104,387,307	260,968,268	40.00%	6.288
97,401,842	243,504,606	40.00%	6.288
101,499,604	253,749,011	40.00%	6.366

Town of Thunderbolt, Georgia

Direct and Overlapping Property Tax Rates Last Ten Calendar Years

<u>Tax Year</u>	<u>Direct</u>	<u>Overlapping Rates</u>			<u>Total</u>
	<u>Town of Thunderbolt</u>	<u>School District</u>	<u>County</u>	<u>State</u>	
2007	6.080	13.795	10.537	0.250	30.662
2008	6.018	13.404	10.537	0.250	30.209
2009	6.119	13.404	10.537	0.250	30.310
2010	6.377	14.131	10.537	0.250	31.295
2011	6.377	14.631	11.109	0.250	32.367
2012	6.496	14.631	11.109	0.200	32.436
2013	6.288	15.880	12.950	0.150	35.268
2014	6.288	15.881	12.543	0.100	34.812
2015	6.288	16.631	12.543	0.050	35.512
2016	6.366	16.631	12.543	-	35.540
2017	6.366	16.631	12.693	-	35.690

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

Town of Thunderbolt, Georgia

Principal Property Tax Payers Current and Nine Years Ago

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Thunderbolt Marine Inc	\$ 5,095,761	1	5.02%	\$ 3,608,653	2	3.08%
River Crossing Investors LLC	4,608,000	2	4.54%	4,433,000	1	3.78%
Foster, William M	2,888,760	3	2.85%	2,529,800	3	2.16%
Church & Swan Properties LLC	1,551,680	4	1.53%	881,400	8	0.75%
Hall Family Properties LLC	1,532,720	5	1.51%	1,654,000	4	1.41%
Morning Star Marinas/Bahai Bleu	1,378,680	6	1.36%	1,579,654	5	1.35%
JBPP LLC	1,177,880	7	1.16%	1,285,000	6	1.10%
A Store & Lock, Inc.	778,920	8	0.77%	872,400	9	0.74%
Georgia Power	688,650	9	0.68%	530,298	11	0.45%
Rhangos Bros LLC	642,080	10	0.63%	345,400	12	0.29%
Victory Storage Company	611,600	11	0.60%	1,094,795	7	0.93%
Regency Thunderbolt, Inc	568,920	12	0.56%	744,200	10	0.64%
Total	<u>\$ 21,523,651</u>		<u>21.21%</u>	<u>\$ 19,558,600</u>		<u>16.69%</u>

Source: Chatham County Board of Assessors

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

Calendar Year ⁽¹⁾	Total Tax Levy ⁽²⁾	Collected within the Calendar Year of the Levy		Collections for subsequent years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	600,714	322,532	53.69%	278,204	600,736	100.00%
2009	632,134	417,189	66.00%	214,945	632,134	100.00%
2010	621,106	554,797	89.32%	66,309	621,106	100.00%
2011	589,675	533,382	90.45%	55,502	588,884	99.87%
2012	618,919	574,672	92.85%	41,642	616,314	99.58%
2013	599,812	551,734	91.98%	44,867	596,601	99.46%
2014	604,535	542,916	89.81%	53,916	596,832	98.73%
2015	597,054	545,366	91.34%	32,107	577,473	96.72%
2016	596,521	527,659	88.46%	-	527,659	88.46%
2017	615,861	545,416	88.56%	-	545,416	88.56%

Source: Town records.

⁽¹⁾ *Taxes are assessed for the calendar year beginning January 1.*

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

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
January	\$ 61,000	\$ 52,893	\$ 56,288	\$ 62,577	\$ 68,888	\$ 53,446	\$ 56,623	\$ 61,421	\$ 61,421	\$ 65,080
February	68,036	45,966	56,780	52,164	56,203	61,506	60,234	63,095	63,095	66,362
March	47,448	44,186	56,018	57,220	60,242	66,188	68,641	69,595	69,595	76,151
April	62,664	37,856	61,334	58,114	67,950	57,879	66,625	71,770	71,770	75,048
May	66,133	51,793	57,220	61,436	61,993	63,553	68,057	70,478	70,478	73,959
June	62,727	56,015	59,365	61,037	65,249	63,599	68,655	72,869	72,869	75,954
July	68,237	59,261	58,548	63,362	66,890	61,510	70,702	72,388	72,388	75,829
August	63,302	65,382	58,307	66,157	64,595	62,752	67,514	67,303	67,303	70,508
September	63,700	54,799	58,091	63,495	61,094	61,637	66,038	60,339	60,339	67,848
October	58,021	55,990	55,186	62,607	64,302	60,970	66,188	66,396	66,396	71,360
November	70,925	51,033	57,458	58,354	63,387	58,586	66,654	66,010	66,010	74,199
December	56,743	56,288	54,254	55,772	60,055	71,854	76,501	76,191	76,191	81,913
Total	<u>\$ 748,936</u>	<u>\$ 631,462</u>	<u>\$ 688,849</u>	<u>\$ 722,295</u>	<u>\$ 760,848</u>	<u>\$ 743,480</u>	<u>\$ 802,432</u>	<u>\$ 817,855</u>	<u>\$ 817,855</u>	<u>\$ 874,211</u>

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

Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Notes Payable	GEFA Loans	Capital Leases			
2008	970,043	94,286	-	210,086	-	1,274,415	2.06%	518
2009	905,043	117,655	-	195,887	-	1,218,585	1.79%	460
2010	835,043	43,824	-	181,138	33,842	1,093,847	1.55%	410
2011	665,000	22,612	-	165,817	-	853,429	1.18%	319
2012	390,000	70,846	-	149,900	-	610,746	0.87%	229
2013	-	-	-	-	-	-	0.00%	-
2014	-	84,907	-	-	-	84,907	0.12%	32
2015	-	88,010	-	-	-	88,010	0.12%	33
2016	-	63,068	-	-	-	63,068	0.09%	24
2017	-	73,458	-	-	-	73,458	0.10%	27

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 ^a of Property	Per Capita ^b
2008	\$ 970,043	\$ -	\$ 970,043	0.33%	\$ 394
2009	905,043	-	905,043	0.32%	342
2010	835,043	-	835,043	0.32%	313
2011	665,000	-	665,000	0.26%	249
2012	390,000	-	390,000	0.15%	146
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-

Note:

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

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

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

Town of Thunderbolt, Georgia

Direct and Overlapping Governmental Activities Debt As of December 31, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes:			
Chatham County, Georgia:			
DSA Chatham County Projects Series 2005A	\$ 2,105,432	2.21%	\$ 46,452
DSA Union Mission Series 2009	1,775,000	2.21%	39,161
DSA Chatham County Projects Series 2014	8,230,000	2.21%	181,577
Mosquito Control	3,342,673	2.21%	73,749
Savannah-Chatham County School Board:			
General Obligation Bonded Debt	25,113,901	0.94%	235,627
Other overlapping debt repaid with property taxes:			
Capital leases			
Chatham County, Georgia	3,102,818	2.21%	68,457
Savannah-Chatham County School Board	17,295,032	0.94%	162,268
Subtotal, overlapping debt			807,290
Town of Thunderbolt direct debt			73,458
Total direct and overlapping debt			\$ 880,748

Sources:

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

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Thunderbolt. This process recognizes that, when considering the town's ability to issue 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 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				
	2008	2009	2010	2011	2012
Total assessed value of taxable property	\$117,167,047	\$112,054,487	\$105,382,870	\$102,555,576	\$104,175,163
Less exemptions for bond purposes	309,659	309,659	-	-	-
Net assessed value for bond purposes	<u>\$116,857,388</u>	<u>\$111,744,828</u>	<u>\$105,382,870</u>	<u>\$102,555,576</u>	<u>\$104,175,163</u>
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	\$ 11,685,739	\$ 11,174,483	\$ 10,538,287	\$ 10,255,558	\$ 10,417,516
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	970,043	905,043	835,043	665,000	390,000
Legal debt margin	<u>\$ 10,715,696</u>	<u>\$ 10,269,440</u>	<u>\$ 9,703,244</u>	<u>\$ 9,590,558</u>	<u>\$ 10,027,516</u>
Total net debt applicable to the limit as a percentage of debt limit	0.83%	0.81%	0.79%	0.65%	0.37%

	Calendar Year				
	2013	2014	2015	2016	2017
Total assessed value of taxable property	\$105,468,628	\$104,352,245	\$102,223,558	\$ 97,401,842	\$101,499,604
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	<u>\$105,468,628</u>	<u>\$104,352,245</u>	<u>\$102,223,558</u>	<u>\$ 97,401,842</u>	<u>\$101,499,604</u>
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	\$ 10,546,863	\$ 10,435,225	\$ 10,222,356	\$ 9,740,184	\$ 10,149,960
Total net debt applicable to limit:					
General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	<u>\$ 10,546,863</u>	<u>\$ 10,435,225</u>	<u>\$ 10,222,356</u>	<u>\$ 9,740,184</u>	<u>\$ 10,149,960</u>
Total net debt applicable to the limit as a percentage of debt limit	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	Personal Income ⁽²⁾	Per Capita Personal Income ⁽¹⁾	Unemployment Rate ⁽³⁾
2008	2,460	\$ 61,964,940	\$ 25,189	5.4%
2009	2,649	\$ 68,193,207	25,743	8.5%
2010	2,668	\$ 70,776,704	26,528	9.0%
2011	2,672	\$ 72,087,824	26,979	8.7%
2012	2,670	\$ 70,554,750	26,425	8.7%
2013	2,670	\$ 71,782,950	26,885	6.8%
2014	2,688	\$ 73,524,864	27,353	6.6%
2015	2,688	\$ 74,804,352	27,829	5.1%
2016	2,668	\$ 75,539,084	28,313	5.2%
2017	2,683	\$ 77,286,498	28,806	4.0%

Source:

⁽¹⁾ *United States Census Bureau - Community Facts*

⁽²⁾ *Personal income has been estimated based upon the municipal population and per cap. personal income presented.*

⁽³⁾ *State Department of Labor*

Town of Thunderbolt, Georgia

Principal Employers Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank	Percentage of Total Metro Area Employment	Employees	Rank	Percentage of Total Metro Area Employment
Gulfstream Aerospace	9,878	1	5.56%	6,000	1	3.75%
Ft. Stewart/Hunter Army Airfield	5,773	2	3.25%	3,200	4	2.00%
Savannah-Chatham Board of Education	5,654	3	3.18%	4,800	2	3.00%
Memorial Health	4,775	4	2.69%	3,855	3	2.41%
St Joseph's Candler Hospital	3,100	5	1.75%	3,163	5	1.97%
City of Savannah	2,616	6	1.47%	2,400	6	1.50%
Chatham County	1,716	7	0.97%	1,300	9	0.81%
Savannah College of Art and Design	1,309	8	0.74%	1,400	8	0.87%
Georgia Ports Authority	1,080	9	0.61%	900	10	0.56%
Kroger	1,100	10	0.62%	-	0	0.00%
Armstrong State University	886	11	0.50%	-	0	0.00%
	<u>37,887</u>		<u>21.33%</u>	<u>27,018</u>		<u>16.87%</u>

Source: Savannah Economic Development Authority - Leading Employers

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

Town of Thunderbolt, Georgia
Full Time City Employees by Function/Program
Last Ten Calendar Years

Full-time and Part-time Town Employees as of December 31

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General government	7	7	6	7	7
Judiciary	3	3	3	3	3
Public safety	13	13	13	14	14
Public works	-	-	-	6	5
Total	<u>23</u>	<u>23</u>	<u>22</u>	<u>30</u>	<u>29</u>

Full-time and Part-time Town Employees as of December 31

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	7	7	7	7	7
Judiciary	4	4	4	3	2
Public safety	13	17	19	20	14
Public works	6	6	4	3	3
Total	<u>30</u>	<u>34</u>	<u>34</u>	<u>33</u>	<u>26</u>

Source: Town Personnel Records

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

	Calendar Year				
	2008	2009	2010	2011	2012
Police:					
Number of emergency calls	1,916	2,642	2,640	2,180	3,200
Fire:					
Number of emergency calls	615	463	449	371	373
Public works:					
Street resurfacing (miles)	0.2	-	-	-	-

	Calendar Year				
	2013	2014	2015	2016	2017
Police:					
Number of emergency calls	3,391	3,296	2,580	2,491	2,002
Fire:					
Number of emergency calls	393	388	498	534	497
Public works:					
Street resurfacing (miles)	-	>1.0	>1.0	>1.0	>1.0

Sources: Town records

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

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

	Calendar Year				
	2008	2007	2010	2011	2012
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	1	1	1	1	1
Public works:					
Streets (miles)	11	11	11	11	11
Streetlights	210	210	210	210	210
Traffic signals	3	3	3	3	3
Parks and recreation:					
Parks	4	4	4	4	4
Water:					
Water mains (miles)	10	10	10	10	10
Maximum daily capacity (thousands of gallons)	400	400	400	400	400
Wastewater:					
Sanitary sewers (miles)	10	10	10	10	10

	Calendar Year				
	2013	2014	2015	2016	2017
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	1	1	1	1	1
Public works:					
Streets (miles)	11	11	11	11	11
Streetlights	210	210	210	210	210
Traffic signals	3	3	3	3	3
Parks and recreation:					
Parks	4	4	4	4	4
Water:					
Water mains (miles)	10	10	10	10	10
Maximum daily capacity (thousands of gallons)	400	400	400	400	400
Wastewater:					
Sanitary sewers (miles)	10	10	10	10	10

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

COMPLIANCE SECTION





**Report on Internal Control over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Thunderbolt, Georgia, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 31, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
May 31, 2018