

TOWN OF THUNDERBOLT, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2020

Prepared By:
The Town's Finance Department



TOWN OF THUNDERBOLT, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

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INTRODUCTORY SECTION



BETH E. GOETTE
MAYOR

FRANK A. NEAL, MPA, AICP
TOWN ADMINISTRATOR

DEATRE N. DENION
CLERK/ZONING ADMINISTRATOR

CHARLES W. BARROW
TOWN ATTORNEY



COUNCIL MEMBERS

KIMBERLY CHAPPELL-STEVENS
MAYOR PRO-TEM

DAVID P. CRENSHAW

EDWARD M. DROHAN, III

AL HENDERSON, JR.

JOHN HENRY

DANA WILLIAMS

June 10, 2021

Citizens of Thunderbolt
Honorable Mayor
Members of Council

The Town's Finance office is pleased to submit the Comprehensive Annual Financial Report of the Town of Thunderbolt, Georgia (the "Town") for the year ended December 31, 2020. The purpose of the report is to provide the Mayor, 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, rests with the Town. To meet these responsibilities, management has established a comprehensive framework of internal control. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, LLC has issued an unmodified ("clean") opinion on the Town's financial statements for the year ended December 31, 2020. 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 auditor's 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 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.

The Town was a settlement which evolved into a shipping point for local plantation needs which also serviced the river traffic. In 1856, the Town 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 Town 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 Governmental Accounting Standards Board (“GASB”) Statement No. 61, as amended. 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 fund 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 largely unchanged during the 2020 fiscal year with a few commercial redevelopments added to our property tax base. 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 the Town’s general fund revenue is generated from taxes. Our property tax digest's overall value increased slightly and, with the adoption of the rollback rate, property tax revenue was relatively flat. Municipal Court Fines and Fees saw a large decrease due to the pandemic state of 2020. Court dates were canceled and less people traveling led to a decrease in citations issued.

An outside firm was contracted in late 2019 and early 2020 to conduct a utility rate study. The result of the study was a calculated rate structure increase that was implemented in the beginning of 2021. The goal of the study and subsequent rate adjustments is financial independence and stability for the Enterprise Fund, while planning for future capital outlay to ensure continued service to the residents of the Town.

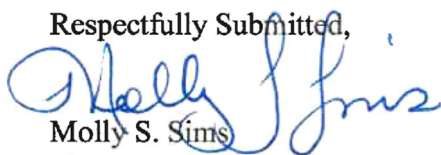
Major Initiatives

The utility rate study and the completion of the large Bannon-Falligant water line replacement both took place in 2020. Other initiatives were tabled due to COVID-19, so we could better understand the overall economic impacts of the unprecedented event.

Awards and Acknowledgements

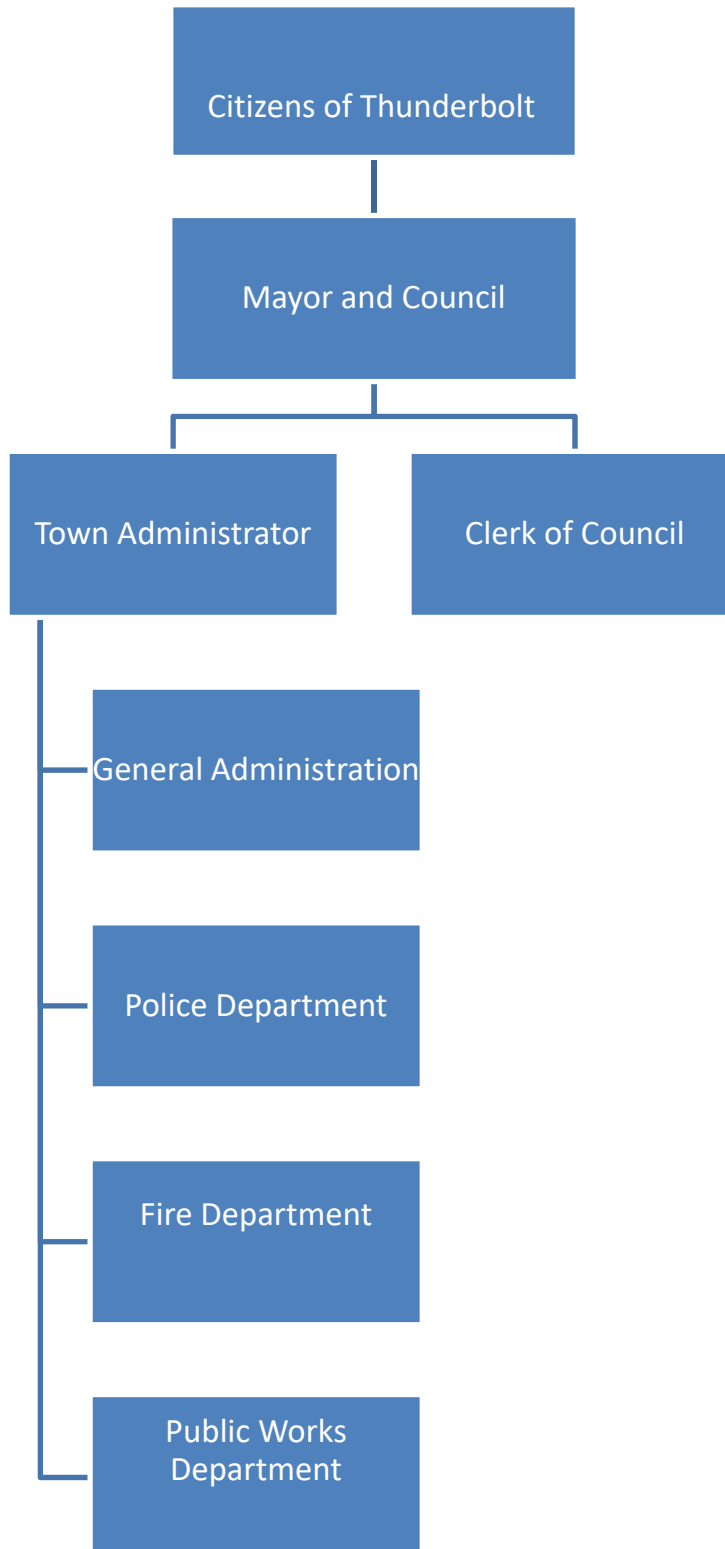
The Government Finance Officers Association (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the year ended December 31, 2019. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized Comprehensive Annual Financial Report. This is the ninth year the Town has received this award and we are proud to have maintained this standard of excellence.

Respectfully Submitted,



Molly S. Sims
Finance Administrator

Town of Thunderbolt Organizational Chart
December 31, 2020



Town of Thunderbolt, Georgia

Principal Officials December 31, 2020

Mayor	Beth E. Goette
Town Administrator	Frank Neal (January – October)
Town Clerk	Deatre N. Denion
Finance Clerk	Molly S. Sims
	(Interim Town Administrator November – December)
Chief of Police	Sean L. Clayton
Fire Chief	Francis A. (Andrew) Bateman
Public Works Director	Marshall O. (Oscar) Crosby
Town Attorney	Charles W. Barrow

Town Council Members

Mayor	Beth E. Goette
Mayor Pro-Tem	Kimberly Chappell-Stevens (January – June)
Councilman	David P. Crenshaw
Councilman	Dr. Edward M. Drohan, III
Councilman	Clair Alvin (Al) Henderson
Councilman	Ashley D. (Dana) Williams
Councilman	John M. Henry
Councilman	Lawrence Ward (July – December)



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, 2019

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Thunderbolt, Georgia** (the "Town"), as of and for the year ended December 31, 2020, 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, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10, the Town implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities, as of January 1, 2020. This standard significantly changed the accounting for the Town's fiduciary activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 – 12), the Schedule of Changes in the Town's Net Pension Liability and Related Ratios, and the Schedule of Town Contributions (on pages 49 and 50) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of special purpose local option sales tax proceeds is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of special purpose local option sales tax proceeds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2021, 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 solely 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 the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Thunderbolt, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
June 10, 2021



TOWN OF THUNDERBOLT, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Within this section of the Town of Thunderbolt, Georgia's (the "Town") annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the calendar year ended December 31, 2020. 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 plus deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$12,020,799 (net position).
- Under Government Accounting Standards Board ("GASB") Statements 67 and 68 (GASB 67 and GASB 68), the Town has recorded a net pension liability of \$1,048,904 and deferred outflows of resources related to the pension of \$345,334 in the Statement of Net Position.
- Total net position is comprised of the following:
 - (1) Capital assets, net of related debt, of \$8,498,082 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 \$71,314 is restricted by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$3,451,403 represents the portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of \$4,082,546 this year. This compares to the prior year ending fund balance of \$3,472,065 showing an increase of \$610,481 during the current year. Unassigned fund balance of \$4,004,249 for calendar year 2020 shows an increase of \$418,304 over the prior year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$4,004,249 or just under 141.8% 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's Discussion and Analysis ("MD&A") 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure, in addition to the financial information provided in this report.

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

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

The government-wide financial statements are presented on pages 13 – 15 of this report.

Fund Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town has three kinds of funds:

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

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

The basic governmental fund financial statements are presented on pages 16 – 20 of this report.

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

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

The basic proprietary fund financial statements are presented on pages 21 – 24 of this report.

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

The fiduciary fund financial statements can be found on pages 25 and 26 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 27 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Town as a Whole

The Town's net assets at calendar year-end are \$12,020,799. The following table provides a summary of the Town's net position:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 4,236,285	\$ 3,750,611	\$ 259,683	\$ 399,117	\$ 4,495,968	\$ 4,149,728
Capital assets	4,136,416	4,425,195	4,361,666	4,379,871	8,498,082	8,805,066
Total assets	8,372,701	8,175,806	4,621,349	4,778,988	12,994,050	12,954,794
Deferred outflows of resources	345,334	185,663	-	-	345,334	185,663
Current liabilities	92,957	259,382	151,639	111,781	244,596	371,163
Long-term liabilities	1,073,989	751,042	-	-	1,073,989	751,042
Total liabilities	1,166,946	1,010,424	151,639	111,781	1,318,585	1,122,205
Deferred inflows of resources	-	-	-	-	-	-
Net position:						
Net investment in capital assets	4,136,416	4,410,100	4,361,666	4,379,871	8,498,082	8,789,971
Restricted	71,314	9,903	-	-	71,314	9,903
Unrestricted	3,343,359	2,931,042	108,044	287,336	3,451,403	3,218,378
Total net position	\$ 7,551,089	\$ 7,351,045	\$ 4,469,710	\$ 4,667,207	\$ 12,020,799	\$ 12,018,252

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 35.89 to 1 and 1.71 to 1 for business-type activities. The governmental activities ratio is up over last year while the business-type activities ratio is down over last year. The governmental activities ratio remains at an adequate level. The business-type ratio decreased over last year but should improve in 2021 due to an implemented utility rate structure. It should see an upward trend in the coming years as a result of the Utility Rate Structure Study and the establishment of a three-year cycle of adjustments.

The Town reported positive balances in net position for both governmental and business-type activities. Net position increased \$200,044 for governmental activities and decreased \$197,497 for business-type activities. An overall increase in total assets and an overall decrease in liabilities contributed to the increase in governmental activities net position. A decrease in assets combined with a slight increase in liabilities contributed to the decrease in the business-type activities net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Approximately 55% of the governmental activities' net position are invested in capital assets net of related debt category. The Town uses these capital assets to provide services to its citizens. Capital assets in the business-type activities provide water and sewer services and generate revenues for this fund. The following table provides a summary of the Town's changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue						
Program revenue:						
Charges for services	\$ 217,600	\$ 328,505	\$ 1,489,566	\$ 1,514,677	\$ 1,707,166	\$ 1,843,182
Operating grants and contributions	242,019	42,587	-	-	242,019	42,587
Capital grants and contributions	408,423	822,590	-	-	408,423	822,590
General Revenue:						
Taxes	2,185,939	2,237,039	-	-	2,185,939	2,237,039
Other	53,549	47,711	407	350	53,956	48,061
Total revenue	<u>3,107,530</u>	<u>3,478,432</u>	<u>1,489,973</u>	<u>1,515,027</u>	<u>4,597,503</u>	<u>4,993,459</u>
Program expenses						
General government	635,143	437,759	-	-	635,143	437,759
Judiciary	135,425	133,215	-	-	135,425	133,215
Public safety	1,271,451	1,574,484	-	-	1,271,451	1,574,484
Public works	668,542	589,824	-	-	668,542	589,824
Health and welfare	68,515	79,035	-	-	68,515	79,035
Culture and recreation	43,803	52,429	-	-	43,803	52,429
Housing and development	986	4,511	-	-	986	4,511
Water, sewer and garbage	-	-	1,771,091	1,531,890	1,771,091	1,531,890
Total program expenses	<u>2,823,865</u>	<u>2,871,257</u>	<u>1,771,091</u>	<u>1,531,890</u>	<u>4,594,956</u>	<u>4,403,147</u>
Excess (deficiency)	283,665	607,175	(281,118)	(16,863)	2,547	590,312
Transfers	(83,621)	(1,149,428)	83,621	1,149,428	-	-
Change in net position	<u>200,044</u>	<u>(542,253)</u>	<u>(197,497)</u>	<u>1,132,565</u>	<u>2,547</u>	<u>590,312</u>
Net position, beginning	<u>7,351,045</u>	<u>7,893,298</u>	<u>4,667,207</u>	<u>3,534,642</u>	<u>12,018,252</u>	<u>11,427,940</u>
Net position, ending	<u>\$ 7,551,089</u>	<u>\$ 7,351,045</u>	<u>\$ 4,469,710</u>	<u>\$ 4,667,207</u>	<u>\$ 12,020,799</u>	<u>\$ 12,018,252</u>

Governmental Activities Revenues

The Town is heavily reliant on taxes to support governmental activities. Taxes provided 70.3% of the Town's total governmental activities revenue. Local Option Sales Tax ("LOST") accounts for 44.8% of tax revenues. Property taxes account for 32.7% and utility franchise fees account for 9.1% of tax revenues. The general economy and the Town businesses have a major impact on Town revenue streams.

Special Purpose Local Option Sales Tax ("SPLOST") proceeds of \$408,423 account for largely all of the capital grants and contributions. Charges for services were down 33.8% over the previous year for governmental activities and were down 1.7% for business-type activities for an overall decrease of 7.4%. This decrease is largely attributed to the decrease in the governmental activities Charges for Services attributed to Judicial Programs decreasing.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities Program Expenses

The general government, public safety, and public works functions make up almost 91% of the total governmental activity expenses.

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

	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
General government	\$ 635,143	\$ 437,759	\$ 513,683	\$ 319,086
Judiciary	135,425	133,215	47,950	(63,542)
Public safety	1,271,451	1,574,484	1,020,767	1,518,822
Public works	668,542	589,824	260,119	(232,766)
Health and welfare	68,515	79,035	68,515	79,035
Culture and recreation	43,803	52,429	43,803	52,429
Housing and developments	986	4,511	986	4,511
Total program expenses	<u>\$ 2,823,865</u>	<u>\$ 2,871,257</u>	<u>\$ 1,955,823</u>	<u>\$ 1,677,575</u>

Overall total program expenses were down slightly over 2019 due mainly to a decrease in Public Safety and Culture and Recreation total costs of services. Public Safety saw a decrease due to staffing vacancies for a better part of the year. Public Works and General Government both had increases over 2019 while judiciary, health and welfare and housing and developments experienced minor changes.

Business-Type Activities

Revenues vs. Costs

The sole business-type activity is the Town's water and sewer utility fund. Charges for services decreased by \$25,111 over 2019. The program expenses increased by \$239,201 over 2019.

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. Total governmental funds reported ending fund balances of \$4,082,546. Approximately 98.1% of this amount, \$4,004,249 is unassigned and is available for spending at the Town's discretion. The remainder of the fund balance is: 1) non-spendable (\$6,983) because it represents prepaid expenses, and 2) restricted to fund public safety programs (\$5,464) and capital projects (\$65,850).

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 \$4,004,249 while total fund balance was \$4,011,232. 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 166.39% of total general fund expenditures, while total fund balance represents 169.69% of that same amount.

The General Fund's fund balance increased by \$336,661 during the year. Key factors in this growth are as follows:

- Consistent LOST and franchise revenues.
- Increase in annual insurance premium tax revenue.
- Greater than budgeted CNT fees and grant revenue.
- Increase in admin services from Enterprise Fund.
- Department budgets managed carefully throughout the year which aided in maintaining expenses within budget while continuing to provide a responsible and adequate level of services to the citizens. Many departments operated through the year with staffing vacancies which also kept expenses lower.

The General Fund's ending unassigned fund balance experienced an increase of \$418,304 over the prior year, from \$3,585,945 to \$4,004,249. We carry this balance primarily for cash flow purposes and to cover any unforeseen emergencies including natural disasters.

The SPLOST Fund's fund balance increased over 2019. Funds were received and no major expenditures or projects were started.

The Proprietary Fund

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

Budgetary Highlights

The General Fund revenue was higher than the original and final budget by \$99,058.

General Fund budget expenditures were closely monitored throughout the year as necessary. COVID-19 and staffing vacancies played a major role in keeping the departmental expenditures low overall.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2020, was \$4,136,416 and \$4,361,666 respectively. The decrease in this net investment was 6.2% for governmental activities. The business-type activities decrease was just under 1% from 2019 to 2020. The overall decrease was 3.4% for the Town as a whole. See Note 5 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	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	\$ 290,800	\$ 290,800	\$ -	\$ -	\$ 290,800	\$ 290,800
Construction in progress	-	-	-	1,298,712	-	1,298,712
Total non-depreciable assets	<u>290,800</u>	<u>290,800</u>	<u>-</u>	<u>1,298,712</u>	<u>290,800</u>	<u>1,589,512</u>
Depreciable assets:						
Buildings and improvements	5,584,594	5,584,594	6,100,849	6,100,849	11,685,443	11,685,443
Machinery, equipment and vehicles	2,557,643	2,469,003	1,626,819	200,403	4,184,462	2,669,406
Infrastructure	1,267,058	1,267,058	-	-	1,267,058	1,267,058
Total depreciable assets	<u>9,409,295</u>	<u>9,320,655</u>	<u>7,727,668</u>	<u>6,301,252</u>	<u>17,136,963</u>	<u>15,621,907</u>
Less accumulated depreciation	<u>5,563,679</u>	<u>5,186,260</u>	<u>3,366,002</u>	<u>3,220,093</u>	<u>8,929,681</u>	<u>8,406,353</u>
Book value - depreciable assets	<u>3,845,616</u>	<u>4,134,395</u>	<u>4,361,666</u>	<u>3,081,159</u>	<u>8,207,282</u>	<u>7,215,554</u>
Percentage depreciated	59.1%	55.6%	43.6%	51.1%	52.1%	53.8%
Book value - all assets	<u>\$ 4,136,416</u>	<u>\$ 4,425,195</u>	<u>\$ 4,361,666</u>	<u>\$ 4,379,871</u>	<u>\$ 8,498,082</u>	<u>\$ 8,805,066</u>

At December 31, 2020, the depreciable capital assets for governmental activities were 59% depreciated. This compares to 56% for December 31, 2019. This comparison indicates that the Town is replacing its assets at approximately the same rate as they are depreciating.

With the Town's business-type activities, 44% of the asset values were depreciated at December 31, 2020 compared to 51% at December 31, 2019.

See Note 5 for additional information about the Town's capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

Governmental Activities:

Governmental-type activities had no outstanding long-term debt as of December 31, 2020.

Business-type Activities:

Business-type activities had no outstanding long-term debt as of December 31, 2020.

See Note 6 for additional information about the Town's long-term debt.

Economic Conditions Affecting the Town

The Town is a small community to the east of the City of Savannah in Chatham County, which is situated along with Intercoastal Waterway – Wilmington River. The community's population is 2,668 according to the 2010 Census. Our community make up is 57.7% Caucasian, 33.6% African American, 2.46% Asian, 2.42% Hispanic and 3.82% 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 \$56,457 with a median home value of \$176,000.

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 \$2.9 million.

Contacting the Town's Financial Management

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



BASIC FINANCIAL STATEMENTS



TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,737,346	\$ 36,782	\$ 3,774,128
Restricted cash	-	67,830	67,830
Receivables, net of allowance			
Taxes	198,085	-	198,085
Accounts	245,104	154,375	399,479
Due from other governments	48,767	-	48,767
Prepaid items	6,983	696	7,679
Capital assets:			
Non-depreciable	290,800	-	290,800
Depreciable, net of accumulated depreciation	3,845,616	4,361,666	8,207,282
Total assets	<u>8,372,701</u>	<u>4,621,349</u>	<u>12,994,050</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	345,334	-	345,334
Total deferred outflows of resources	<u>345,334</u>	<u>-</u>	<u>345,334</u>
LIABILITIES			
Accounts payable	35,773	83,809	119,582
Unearned revenue	45,421	-	45,421
Accrued salaries and related liabilities	3,401	-	3,401
Customer deposits	-	67,830	67,830
Non-current liabilities			
Due within one year	8,362	-	8,362
Due in more than one year	25,085	-	25,085
Net pension liability - due in more than one year	1,048,904	-	1,048,904
Total liabilities	<u>1,166,946</u>	<u>151,639</u>	<u>1,318,585</u>
NET POSITION			
Investment in capital assets	4,136,416	4,361,666	8,498,082
Restricted for:			
Public safety	5,464	-	5,464
Capital projects	65,850	-	65,850
Unrestricted	3,343,359	108,044	3,451,403
Total net position	<u>\$ 7,551,089</u>	<u>\$ 4,469,710</u>	<u>\$ 12,020,799</u>

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 635,143	\$ 121,460	\$ -	\$ -
Public safety	1,271,451	8,665	242,019	-
Judicial	135,425	87,475	-	-
Public works	668,542	-	-	408,423
Culture and recreation	43,803	-	-	-
Health and welfare	68,515	-	-	-
Housing and development	986	-	-	-
Interest and fees	-	-	-	-
Total governmental activities	<u>\$ 2,823,865</u>	<u>\$ 217,600</u>	<u>\$ 242,019</u>	<u>\$ 408,423</u>
Business-type activities:				
Water and Sewer Utility	\$ 1,771,091	\$ 1,489,566	\$ -	\$ -
Total business-type activities	<u>\$ 1,771,091</u>	<u>\$ 1,489,566</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Taxes				
Property taxes				
Sales and use taxes				
Selective sales and use taxes				
Business and occupation taxes				
Unrestricted investment earnings				
Miscellaneous revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (513,683)	\$ -	\$ (513,683)
(1,020,767)	-	(1,020,767)
(47,950)	-	(47,950)
(260,119)	-	(260,119)
(43,803)	-	(43,803)
(68,515)	-	(68,515)
(986)	-	(986)
-	-	-
(1,955,823)	-	(1,955,823)
-	(281,525)	(281,525)
-	(281,525)	(281,525)
951,382	-	951,382
980,353	-	980,353
51,498	-	51,498
202,706	-	202,706
683	152	835
52,866	255	53,121
(83,621)	83,621	-
2,155,867	84,028	2,239,895
200,044	(197,497)	2,547
7,351,045	4,667,207	12,018,252
\$ 7,551,089	\$ 4,469,710	\$ 12,020,799

TOWN OF THUNDERBOLT, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2020

	General Fund	Special Purpose Local Option Sales Tax Fund	Non-Major Governmental Fund - Asset Forfeiture	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,707,518	\$ 24,364	\$ 5,464	\$ 3,737,346
Receivables, net of allowance				
Taxes	198,085	-	-	198,085
Accounts	245,104	-	-	245,104
Due from other governments	-	48,767	-	48,767
Prepaid items	6,983	-	-	6,983
Total assets	<u>\$ 4,157,690</u>	<u>\$ 73,131</u>	<u>\$ 5,464</u>	<u>\$ 4,236,285</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 28,492	\$ 7,281	\$ -	\$ 35,773
Accrued salaries and related liabilities	3,401	-	-	3,401
Unearned revenue	45,421	-	-	45,421
Total liabilities	<u>77,314</u>	<u>7,281</u>	<u>-</u>	<u>84,595</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	69,144	-	-	69,144
Total deferred inflows of resources	<u>69,144</u>	<u>-</u>	<u>-</u>	<u>69,144</u>
FUND BALANCE				
Nonspendable:				
Prepaid items	6,983	-	-	6,983
Restricted for:				
Public safety	-	-	5,464	5,464
Capital projects	-	65,850	-	65,850
Unassigned	4,004,249	-	-	4,004,249
Total fund balance	<u>4,011,232</u>	<u>65,850</u>	<u>5,464</u>	<u>4,082,546</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 4,157,690</u>	<u>\$ 73,131</u>	<u>\$ 5,464</u>	<u>\$ 4,236,285</u>

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

TOWN OF THUNDERBOLT, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2020

Total governmental fund balances:		\$	4,082,546
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Amounts reported for governmental activities in the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Cost of assets	\$	9,700,095	
Accumulated depreciation		<u>(5,563,679)</u>	
			4,136,416

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	69,144
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Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.	345,334
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Net pension liability	\$	(1,048,904)	
Compensated absences payable		<u>(33,447)</u>	
			<u>(1,082,351)</u>

Net position of governmental activities	\$	<u>7,551,089</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Special Purpose Local Option Sales Tax Fund	Non-Major Governmental Fund - Asset Forfeiture	Total Governmental Funds
Revenues				
Taxes	\$ 2,171,885	\$ -	\$ -	\$ 2,171,885
Licenses and permits	121,459	-	-	121,459
Charges for services	8,665	-	-	8,665
Fines and forfeitures	87,475	-	-	87,475
Intergovernmental revenues	257,533	408,372	-	665,905
Miscellaneous	53,541	51	8	53,600
Total revenues	<u>2,700,558</u>	<u>408,423</u>	<u>8</u>	<u>3,108,989</u>
Expenditures				
Current:				
General government	579,078	-	-	579,078
Public safety	1,116,668	-	4,447	1,121,115
Judicial	123,154	-	-	123,154
Public works	463,073	-	-	463,073
Recreation	19,509	-	-	19,509
Health and welfare	59,152	-	-	59,152
Housing and development	986	-	-	986
Capital outlay	-	116,521	-	116,521
Debt service:				
Principal retirement	2,218	12,877	-	15,095
Interest	59	766	-	825
Total expenditures	<u>2,363,897</u>	<u>130,164</u>	<u>4,447</u>	<u>2,498,508</u>
Net change in fund balances	336,661	278,259	(4,439)	610,481
Fund balances (deficit), beginning of year	<u>3,674,571</u>	<u>(212,409)</u>	<u>9,903</u>	<u>3,472,065</u>
Fund balances, end of year	<u>\$ 4,011,232</u>	<u>\$ 65,850</u>	<u>\$ 5,464</u>	<u>\$ 4,082,546</u>

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

TOWN OF THUNDERBOLT, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020

Net change in fund balances - total governmental funds	\$	610,481
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay (not including transfers to other funds) in the current period.

Capital outlay	\$	172,261	
Depreciation expense		(377,419)	
			(205,158)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers to the Water & Sewer Utility fund, trade-ins, and donations) is to decrease net position.

(83,621)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes unavailable at December 31, 2020	\$	69,144	
Property taxes unavailable at December 31, 2019		(70,604)	
			(1,460)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.

15,095

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	\$	2,072	
Net pension liability, net of pension related deferred outflows of resources		(138,191)	
Accrued interest		826	
			(135,293)

Change in net position of governmental activities	\$	200,044
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The accompanying notes are an integral part of these financial statements.

TOWN OF THUNDERBOLT, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,174,700	\$ 2,174,700	\$ 2,171,885	\$ (2,815)
Licenses and permits	117,400	117,400	121,459	4,059
Charges for services	12,800	12,800	8,665	(4,135)
Fines and forfeitures	198,000	198,000	87,475	(110,525)
Intergovernmental revenues	65,000	65,000	257,533	192,533
Miscellaneous	33,600	33,600	53,541	19,941
Total revenues	<u>2,601,500</u>	<u>2,601,500</u>	<u>2,700,558</u>	<u>99,058</u>
Expenditures				
Current:				
General government:				
Administrative	568,700	568,700	553,489	15,211
Mayor and council	23,500	23,500	25,589	(2,089)
Public safety:				
Police	661,100	661,100	560,240	100,860
Fire	570,600	570,600	556,428	14,172
Judicial:				
Municipal Court	139,600	139,600	123,154	16,446
Public works:				
Streets and highways	541,400	541,400	463,073	78,327
Culture and recreation:				
Youth and recreation	14,400	14,400	9,595	4,805
Museum	12,800	12,800	9,914	2,886
Health and welfare:				
Senior citizens	64,300	64,300	59,152	5,148
Housing and development:				
Planning and zoning	5,100	5,100	986	4,114
Debt service:				
Principal retirement	-	-	2,218	(2,218)
Interest	-	-	59	(59)
Total expenditures	<u>2,601,500</u>	<u>2,601,500</u>	<u>2,363,897</u>	<u>237,603</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>336,661</u>	<u>336,661</u>
Fund balance, beginning of year	<u>3,674,571</u>	<u>3,674,571</u>	<u>3,674,571</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,674,571</u>	<u>\$ 3,674,571</u>	<u>\$ 4,011,232</u>	<u>\$ 336,661</u>

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2020

		Water and Sewer Utility Fund
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$	36,782
Accounts receivable, net of allowance		154,375
Prepaid items		696
Restricted cash		67,830
Total current assets		259,683
NON-CURRENT ASSETS		
Capital assets		
Depreciable, net of accumulated depreciation		4,361,666
Total non-current assets		4,361,666
Total assets		4,621,349
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		83,809
Customer deposits payable		67,830
Total current liabilities		151,639
Total liabilities		151,639
NET POSITION		
Investment in capital assets		4,361,666
Unrestricted		108,044
Total net position	\$	4,469,710

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



TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Water and Sewer Utility Fund</u>
OPERATING REVENUE	
Charges for services and sales	\$ 1,489,566
Miscellaneous	<u>255</u>
Total operating revenues	<u>1,489,821</u>
OPERATING EXPENSES	
Administrative	291,555
Contractual services	416,935
Materials and supplies	22,708
Repairs and maintenance	855,534
Depreciation	145,909
Utilities	<u>38,450</u>
Total operating expenses	<u>1,771,091</u>
Operating loss	<u>(281,270)</u>
NON-OPERATING REVENUES	
Interest income	<u>152</u>
Total non-operating revenues	<u>152</u>
Loss before capital contributions	(281,118)
CAPITAL CONTRIBUTIONS	<u>83,621</u>
Change in net position	(197,497)
Net position, beginning of year	<u>4,667,207</u>
Net position, end of year	<u><u>\$ 4,469,710</u></u>

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	Water and Sewer Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,480,587
Cash paid to suppliers	<u>(1,582,687)</u>
Net cash used in operating activities	<u>(102,100)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(44,083)</u>
Net cash used in capital and related financing activities	<u>(44,083)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned on investments	<u>152</u>
Net cash provided by investing activities	<u>152</u>
Net decrease in cash and cash equivalents	(146,031)
Cash and cash equivalents (including restricted amount of \$70,560), beginning of year	<u>250,643</u>
Cash and cash equivalents (including restricted amount of \$67,830), end of year	<u><u>\$ 104,612</u></u>

(Continued)

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Water and Sewer Utility Fund</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (281,270)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	145,909
(Increase) decrease in:	
Accounts and taxes receivables	(9,234)
Prepays	2,637
Increase (decrease) in:	
Accounts payable	42,588
Customer deposits	(2,730)
Net cash used in operating activities	<u>\$ (102,100)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Contributed capital assets	<u>\$ 83,621</u>

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2020

	<u>Municipal Court</u>
ASSETS	
Cash and cash equivalents	<u>\$ 29,893</u>
Total assets	<u><u>\$ 29,893</u></u>
LIABILITIES	
Due to other governments	\$ 1,649
Municipal cash bond	<u>28,218</u>
Total liabilities	<u><u>\$ 29,867</u></u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>\$ 26</u>
Total net position	<u><u>\$ 26</u></u>

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

TOWN OF THUNDERBOLT, GEORGIA

STATEMENT OF CHANGES IN FUDUCIARY NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Municipal Court</u>
REVENUE	
Fines	\$ 127,314
Investment income	<u>27</u>
Total revenues	<u>127,341</u>
EXPENSES	
Payments to individuals, organizations and other governments	<u>127,472</u>
Total expenses	<u>127,472</u>
Change in net position	(131)
Net position, beginning of year, as restated	<u>157</u>
Net position, end of year	<u><u>\$ 26</u></u>

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



NOTES TO THE BASIC FINANCIAL STATEMENTS



TOWN OF THUNDERBOLT, GEORGIA

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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

B. Government-wide and Fund Financial Statements

Government-wide Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Fund Financial Statements

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major Funds

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Special Purpose Local Option Sales Tax ("SPLOST") Fund* is used to account for resources restricted for the acquisition or construction of specific capital projects and items. The reporting entity includes only one capital project fund and it is used to account for the acquisition of capital assets with the 1% SPLOST proceeds.

The Town reports the following major proprietary fund:

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

Nonmajor Fund

Additionally, the Town reports the following nonmajor fund:

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

Fiduciary Fund

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 custodial fund that accounts for the receipts and disbursements of funds by the Town's municipal court activities.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental fund.

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

D. Cash and Cash Equivalents

The Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the Georgia Local Government Investment Pool ("Georgia Fund 1") to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the Georgia Fund 1 are reported as investments.

E. Receivables and Payables

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables (Continued)

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

All trade and tax receivables are reported net of an allowance for the uncollectibles, where applicable. Unbilled water charges are accrued as receivables and revenue at December 31, 2020.

F. Prepaid Items

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

G. Capital Assets

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

General capital assets are those assets not specifically related to activities reported in the Proprietary Fund. These assets generally result from expenditures in the governmental fund. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the Proprietary Fund are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective fund financial statements.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

<u>Asset</u>	<u>Years</u>
Buildings and improvements	5 – 50
Machinery and equipment	3 – 20
Vehicles	4 – 15
Public domain infrastructure	20
Water and sewer system	50

H. Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources

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

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

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item which arises under this modified accrual basis of accounting.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

Deferred Inflows of Resources (Continued)

The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

I. Pensions

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

J. Net Position and Fund Balance

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

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

Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in a spendable form, or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Net Position and Fund Balance (Continued)

Fund Balance (Continued)

- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council through the adoption of a resolution or passage of an ordinance. Only the Town Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by council or by an official or body to which Council delegates the authority. The Town Council has not delegated such authority as of December 31, 2020.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Town reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Accounting Estimates

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

L. 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 Town does not have a policy to pay any amounts when employees separate from service with the Town. 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.

M. Accrued Liabilities and Long-Term Obligations

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

1. Town Council holds budget hearings and approves the budget in November with a final budget adopted prior to December 31.
2. Amendments to the budget must be approved by the Town Council. The Town Administrator may approve transfers within departments.
3. Formal budgetary integration is employed for the general fund on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for the capital projects funds. A budget was not adopted for the Asset Forfeiture Fund.

Excess Expenditures Over Appropriations

For the year ended December 31, 2020, the Town had excess of actual expenditures over appropriations for the General Fund – Mayor and Council of \$2,089 and Debt Service of \$2,277.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total cash and cash equivalents as of December 31, 2020, are summarized as follows:

Statement of net position:	
Cash	\$ 3,774,128
Restricted cash	67,830
Custodial fund	29,893
Total cash	<u>\$ 3,871,851</u>
Cash deposited with financial institutions	\$ 3,871,341
Cash on hand	510
	<u>\$ 3,871,851</u>

Certain cash and cash equivalents of the Town are legally restricted for specified purposes. Restrictions at December 31, 2020, represented amounts owed back to customers for utility deposits.

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

At December 31, 2020, The Town had no investments.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2020, all of the deposits for the Town were fully collateralized in accordance with the state statutes.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of December 31, 2020, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water and Sewer Utility Fund	Special Purpose Local Option Sales tax Fund	Total
Receivables:				
Taxes	\$ 198,085	\$ -	\$ -	\$ 198,085
Accounts	246,795	199,708	-	446,503
Intergovernmental	-	-	48,767	48,767
Gross receivables	<u>444,880</u>	<u>199,708</u>	<u>48,767</u>	<u>693,355</u>
Less allowance for uncollectibles	<u>(1,691)</u>	<u>(45,333)</u>	<u>-</u>	<u>(47,024)</u>
Net receivables	<u><u>\$ 443,189</u></u>	<u><u>\$ 154,375</u></u>	<u><u>\$ 48,767</u></u>	<u><u>\$ 646,331</u></u>

Property Taxes. Property taxes are billed twice a year. The first half installment is billed based on the January 1 assessed value at half of the prior year millage rate. The second installment is billed based on the current year assessment and adopted millage. Any payments made to the first half installment are credited to the second half billing and the net of the two billings are issued. The first half installment billing is real property only. The second half installment includes both real and personal property taxes. A rollback millage rate of 6.132 was adopted August 12, 2020. The second half tax billing was rendered on October 20, 2020 and was due December 20, 2020. Applicable penalties and interest were assessed on unpaid taxes. An allowance is established for delinquent taxes to the extent their collection is improbable.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 290,800	\$ -	\$ -	\$ -	\$ 290,800
Construction in progress	-	83,621	-	(83,621)	-
Total	<u>290,800</u>	<u>83,621</u>	<u>-</u>	<u>(83,621)</u>	<u>290,800</u>
Capital assets, being depreciated:					
Buildings and improvements	5,584,594	-	-	-	5,584,594
Machinery, equipment and vehicles	2,469,003	88,640	-	-	2,557,643
Infrastructure	1,267,058	-	-	-	1,267,058
Total	<u>9,320,655</u>	<u>88,640</u>	<u>-</u>	<u>-</u>	<u>9,409,295</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,810,611)	(193,041)	-	-	(3,003,652)
Machinery, equipment and vehicles	(1,408,507)	(119,139)	-	-	(1,527,646)
Infrastructure	(967,142)	(65,239)	-	-	(1,032,381)
Total	<u>(5,186,260)</u>	<u>(377,419)</u>	<u>-</u>	<u>-</u>	<u>(5,563,679)</u>
Total capital assets, being depreciated, net	<u>4,134,395</u>	<u>(288,779)</u>	<u>-</u>	<u>-</u>	<u>3,845,616</u>
Governmental activities capital assets, net	<u>\$ 4,425,195</u>	<u>\$ (205,158)</u>	<u>\$ -</u>	<u>\$ (83,621)</u>	<u>\$ 4,136,416</u>

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

General government	\$ 35,791
Public safety	125,662
Public works	182,309
Culture and recreation	24,294
Health and welfare	9,363
Total depreciation expense - governmental activities	<u>\$ 377,419</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended December 31, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Construction in progress	\$ 1,298,712	\$ -	\$ -	\$ (1,298,712)	\$ -
Total	<u>1,298,712</u>	<u>-</u>	<u>-</u>	<u>(1,298,712)</u>	<u>-</u>
Capital assets, being depreciated:					
Buildings and improvements	6,100,849	-	-	-	6,100,849
Machinery, equipment and vehicles	200,403	44,083	-	1,382,333	1,626,819
Total	<u>6,301,252</u>	<u>44,083</u>	<u>-</u>	<u>1,382,333</u>	<u>7,727,668</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,084,847)	(141,802)	-	-	(3,226,649)
Machinery, equipment and vehicles	(135,246)	(4,107)	-	-	(139,353)
Total	<u>(3,220,093)</u>	<u>(145,909)</u>	<u>-</u>	<u>-</u>	<u>(3,366,002)</u>
Total capital assets, being depreciated, net	<u>3,081,159</u>	<u>(101,826)</u>	<u>-</u>	<u>1,382,333</u>	<u>4,361,666</u>
Business-type activities capital assets, net	<u>\$ 4,379,871</u>	<u>\$ (101,826)</u>	<u>\$ -</u>	<u>\$ 83,621</u>	<u>\$ 4,361,666</u>

NOTE 6. LONG-TERM LIABILITIES

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital lease obligations	\$ 15,095	\$ -	\$ (15,095)	\$ -	\$ -
Compensated absences	35,519	44,051	(46,123)	33,447	8,362
Net pension liability	751,042	419,333	(121,471)	1,048,904	-
Total long-term liabilities	<u>\$ 801,656</u>	<u>\$ 463,384</u>	<u>\$ (182,689)</u>	<u>\$ 1,082,351</u>	<u>\$ 8,362</u>

Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of equipment and vehicles valued at \$188,121. During the current year, \$16,157 was included in depreciation expense. These leases were fully paid off during the year ended December 31, 2020.

NOTE 7. RISK MANAGEMENT

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

The Town joined the Georgia Interlocal Risk Management Agency ("GIRMA"). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by Town's management based on the anticipated needs. The Town is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the Town in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The Town has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The Town is unaware of any claims which the Town is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2020. No provisions have been made in the financial statements for the year ended December 31, 2020 for any estimate of potential unpaid claims.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7. RISK MANAGEMENT (CONTINUED)

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

The Town pays unemployment claims to the State Department of Labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

NOTE 8. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

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

Plan Membership

As of July 1, 2020, the date of the most recent actuarial valuation, there were 93 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not receiving benefits	27
Active plan members	31
	<u>93</u>

Net Pension Liability of the Town

The Town's net pension liability ("NPL") was measured as of March 31, 2020. The total pension liability ("TPL") used to calculate the NPL was determined by an actuarial valuation as of July 1, 2020 with updated procedures performed by the actuary to roll forward to the TPL measured as of March 31, 2020.

Actuarial Assumptions. The TPL in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25% plus service based merit increases
Investment rate of return	7.375% Ongoing basis, based on long-term expected rate of return of pension plan investments

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Town (Continued)

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.41 %
International equity	20	6.96
Real estate	10	4.76
Global fixed income	5	3.06
Domestic fixed income	20	1.96
Total	100 %	

* Rates shown are net of the 2.25% assumed rate of inflation.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the TPL.

Changes in the Net Pension Liability of the Town

The changes in the components of the NPL of the Town for the year ended December 31, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	\$ 2,086,851	\$ 1,335,809	\$ 751,042
Changes for the year:			
Service cost	67,572	-	67,572
Interest	155,862	-	155,862
Differences between expected and actual experience	70,063	-	70,063
Contributions - employer	-	121,471	(121,471)
Net investment income	-	(89,742)	89,742
Benefit payments, including refunds of employee contributions	(152,522)	(152,522)	-
Administrative expense	-	(12,837)	12,837
Other	23,257	-	23,257
Net changes	164,232	(133,630)	297,862
Balances at December 31, 2020	\$ 2,251,083	\$ 1,202,179	\$ 1,048,904

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The following presents the NPL of the Town, calculated using the discount rate of 7.375%, as well as what the Town's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Town's net pension liability	\$ 1,305,278	\$ 1,048,904	\$ 835,193

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2020, and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2020, the Town recognized pension expense of \$275,456. At December 31, 2020, the Town reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 77,534
Changes in assumptions	17,290
Net difference between projected and actual earnings on pension plan investments	147,159
Town contributions subsequent to the measurement date	103,351
Total	<u>\$ 345,334</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Town contributions subsequent to the measurement date of \$103,351 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2021	\$ 88,173
2022	68,258
2023	47,896
2024	37,656
Total	<u>\$ 241,983</u>

NOTE 10. CHANGE IN ACCOUNTING PRINCIPLE

The Town has determined that a restatement to the January 1, 2020 beginning net position was required to recognize the change in accounting principle for implementation of GASB Statement No. 84, Fiduciary Activities, through which accounting and financial reporting for fiduciary activities were modified. This adjustment resulted in a change to the beginning net position of the Town as follows:

	<u>Municipal Court</u>
Beginning net position, January 1, 2020, as restated	\$ -
Change in accounting principle due to the implementation of GASB Statement No. 84	<u>157</u>
Beginning net position, January 1, 2020, as restated	<u>\$ 157</u>

REQUIRED SUPPLEMENTARY INFORMATION



TOWN OF THUNDERBOLT, GEORGIA

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

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 67,572	\$ 57,387	\$ 64,172	\$ 58,398	\$ 69,019	\$ 52,393
Interest on total pension liability	155,862	144,239	132,506	128,044	119,066	110,540
Differences between expected and actual experience	70,063	92,477	74,351	11,621	58,911	55,669
Changes of assumptions	-	-	-	-	-	13,240
Benefit payments, including refunds of employee contributions	(152,522)	(146,107)	(142,174)	(138,784)	(123,519)	(120,159)
Other	23,257	-	29,153	-	-	-
Net change in total pension liability	164,232	147,996	158,008	59,279	123,477	111,683
Total pension liability - beginning	2,086,851	1,938,855	1,780,847	1,721,568	1,598,091	1,486,408
Total pension liability - ending (a)	2,251,083	2,086,851	1,938,855	1,780,847	1,721,568	1,598,091
Plan fiduciary net position						
Contributions - employer	121,471	108,487	99,089	92,812	75,458	84,294
Contributions - employee					-	-
Net investment income	(89,742)	47,303	152,236	141,997	3,043	109,254
Benefit payments, including refunds of employee contributions	(152,522)	(146,107)	(142,174)	(138,784)	(123,519)	(120,159)
Administrative expenses	(12,837)	(12,167)	(11,968)	(12,412)	(8,676)	(7,915)
Net change in plan fiduciary net position	(133,630)	(2,484)	97,183	83,613	(53,694)	65,474
Plan fiduciary net position - beginning	1,335,809	1,338,293	1,241,110	1,157,497	1,211,191	1,145,717
Plan fiduciary net position - ending (b)	1,202,179	1,335,809	1,338,293	1,241,110	1,157,497	1,211,191
Town's net pension liability (a) - (b)	\$ 1,048,904	\$ 751,042	\$ 600,562	\$ 539,737	\$ 564,071	\$ 386,900
Plan fiduciary net position as a percentage of the total pension liability	53.4%	64.0%	69.0%	69.7%	67.2%	75.8%
Covered payroll	\$ 1,178,330	\$ 1,206,798	\$ 1,030,201	\$ 1,071,560	\$ 938,170	\$ 1,001,927
Town's net pension liability as a percentage of covered payroll	89.02%	62.23%	58.30%	50.37%	60.12%	38.62%

Notes to the Schedule:

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

TOWN OF THUNDERBOLT, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN CONTRIBUTIONS FOR THE YEAR ENDED DECEMBER 31,

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 135,656	\$ 116,742	\$ 105,736	\$ 96,874	\$ 91,458	\$ 70,125
Contributions in relation to the actuarially determined contribution	137,265	116,742	105,736	96,874	83,837	70,125
Contribution deficiency (excess)	\$ (1,609)	\$ -	\$ -	\$ -	\$ 7,621	\$ -
Covered payroll	\$ 1,050,078	\$ 1,039,294	\$ 1,049,444	\$ 944,662	\$ 930,454	\$ 1,002,749
Contributions as a percentage of covered payroll	12.9%	11.2%	10.1%	10.3%	9.8%	7.0%

Notes to the Schedule:

Valuation date	July 1, 2020
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.38%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	0.00%
Amortization method	Closed level dollar for remaining unfunded liability.
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

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

OTHER SUPPLEMENTARY INFORMATION

TOWN OF THUNDERBOLT, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2020

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Beginning of Year	Current Year	To Date
Capital Outlay Projects:	\$ 3,750,000	\$ 3,750,000	\$ -	\$ -	\$ -
Public safety vehicles and equipment	-	-	1,027,052	32,900	1,059,952
Public works vehicles and equipment	-	-	68,073	83,621	151,694
Water and sewer system	-	-	2,932,880	-	2,932,880
Totals	<u>\$ 3,750,000</u>	<u>\$ 3,750,000</u>	<u>\$ 4,028,005</u>	<u>\$ 116,521</u>	<u>\$ 4,144,526</u>

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

Total SPLOST Fund expenditures per the statement of revenues, expenditures and changes in fund balance	\$ 130,164
Less debt service related to capital assets previously included on schedule	<u>(13,643)</u>
Total SPLOST Expenditures	<u>\$ 116,521</u>

TOWN OF THUNDERBOLT, GEORGIA
STATISTICAL SECTION
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Page

Financial Trends..... 52 – 57

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

Revenue Capacity 58 – 62

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

Debt Capacity 63 – 66

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information..... 67 and 68

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

Operating Information 69 – 71

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

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



TOWN OF THUNDERBOLT, GEORGIA

NET POSITION BY COMPONENT LAST TEN CALENDAR YEARS *(accrual basis of accounting)*

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 4,891,646	\$ 4,903,897	\$ 5,028,557	\$ 4,729,953	\$ 4,599,196	\$ 4,324,384	\$ 4,159,647	\$ 3,904,400	\$ 4,410,100	\$ 4,136,416
Restricted	226,123	269,041	192,900	509,394	704,968	356,608	414,093	964,073	9,903	71,314
Unrestricted	892,761	1,069,127	1,412,362	1,800,167	2,148,868	2,508,897	2,922,819	3,024,825	2,931,042	3,343,359
Total governmental activities net position	<u>\$ 6,010,530</u>	<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>\$ 7,496,559</u>	<u>\$ 7,893,298</u>	<u>\$ 7,351,045</u>	<u>\$ 7,551,089</u>
Business-type activities										
Net investment in capital assets	\$ 2,069,866	\$ 2,014,726	\$ 2,107,383	\$ 2,098,170	\$ 2,126,328	\$ 2,974,379	\$ 3,377,222	\$ 3,377,308	\$ 4,379,871	\$ 4,361,666
Unrestricted	69,038	324,448	200,359	207,833	160,489	5,021	115,411	157,334	287,336	108,044
Total business-type activities net position	<u>\$ 2,138,904</u>	<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>\$ 3,492,633</u>	<u>\$ 3,534,642</u>	<u>\$ 4,667,207</u>	<u>\$ 4,469,710</u>
Primary Government										
Net investment in capital assets	\$ 6,961,512	\$ 6,918,623	\$ 7,135,940	\$ 6,828,123	\$ 6,725,524	\$ 7,298,763	\$ 7,536,869	\$ 7,281,708	\$ 8,789,971	\$ 8,498,082
Restricted	226,123	269,041	192,900	509,394	704,968	356,608	414,093	964,073	9,903	71,314
Unrestricted	961,799	1,393,575	1,612,721	2,008,000	2,309,357	2,513,918	3,038,230	3,182,159	3,218,378	3,451,403
Total primary government net position	<u>\$ 8,149,434</u>	<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>\$ 10,989,192</u>	<u>\$ 11,427,940</u>	<u>\$ 12,018,252</u>	<u>\$ 12,020,799</u>

TOWN OF THUNDERBOLT, GEORGIA

CHANGES IN NET POSITION LAST TEN CALENDAR YEARS *(accrual basis of accounting)*

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 588,695	\$ 491,179	\$ 505,887	\$ 537,209	\$ 448,392	\$ 497,126	\$ 461,374	\$ 551,950	\$ 437,759	\$ 635,143
Judiciary	135,754	131,344	140,348	141,140	139,051	125,125	128,699	122,036	133,215	135,425
Public safety	1,044,245	1,053,793	1,192,030	1,285,227	1,301,878	1,346,759	1,371,119	1,499,990	1,574,484	1,271,451
Public works	588,242	656,029	483,154	619,542	598,460	1,638,346	1,052,590	533,938	589,824	668,542
Health and welfare	58,601	42,414	39,496	87,491	72,525	82,007	74,367	72,447	79,035	43,803
Culture and recreation	48,785	46,101	55,041	46,210	43,971	57,491	83,578	95,952	52,429	68,515
Housing and development	805	1,223	9,250	2,556	2,271	6,137	12,517	4,323	4,511	986
Interest on long-term debt	34,708	32,250	20,580	2,145	5,453	4,855	3,738	7,146	-	-
Total governmental activities expenses	2,499,835	2,454,333	2,445,786	2,721,520	2,612,001	3,757,846	3,187,982	2,887,782	2,871,257	2,823,865
Business-type activities:										
Water, sewer and garbage	915,155	1,085,874	1,214,521	1,102,245	1,237,315	1,438,087	1,466,854	1,478,019	1,531,890	1,771,091
Total business-type activities expense	915,155	1,085,874	1,214,521	1,102,245	1,237,315	1,438,087	1,466,854	1,478,019	1,531,890	1,771,091
Total primary government expenses	\$ 3,414,990	\$ 3,540,207	\$ 3,660,307	\$ 3,823,765	\$ 3,849,316	\$ 5,195,933	\$ 4,654,836	\$ 4,365,801	\$ 4,403,147	\$ 4,594,956
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 87,469	\$ 85,853	\$ 124,416	\$ 157,383	\$ 190,544	\$ 205,587	\$ 202,395	\$ 135,181	\$ 124,407	\$ 121,460
Judicial	79,159	84,016	78,861	122,739	126,841	91,122	106,370	120,017	137,977	87,475
Public safety	134,753	131,664	144,469	169,838	219,345	143,153	164,567	105,126	66,121	8,665
Public works	30	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	3,642	3,403	3,525	4,120	5,451	-	-	-
Culture and recreation	-	-	-	150	-	500	-	-	-	-
Operating grants and contributions	46,734	76,105	72,870	70,433	74,567	83,545	89,512	87,878	42,587	242,019
Capital grants and contributions	536,815	569,439	601,080	613,415	674,567	936,307	829,554	775,367	822,590	408,423
Total governmental activities program revenues	884,960	947,077	1,025,338	1,137,361	1,289,389	1,464,334	1,397,849	1,223,569	1,193,682	868,042
Business-type activities - water and sewer:										
Charges for services	1,029,266	1,095,164	1,040,441	1,030,567	1,056,584	1,179,453	1,422,219	1,370,143	1,514,677	1,489,566
Capital grants and contributions	-	-	-	56,579	156,359	949,582	556,311	-	-	-
Total business-type activities program revenues	1,029,266	1,095,164	1,040,441	1,087,146	1,212,943	2,129,035	1,978,530	1,370,143	1,514,677	1,489,566
Total primary government program revenues	\$ 1,914,226	\$ 2,042,241	\$ 2,065,779	\$ 2,224,507	\$ 2,502,332	\$ 3,593,369	\$ 3,376,379	\$ 2,593,712	\$ 2,708,359	\$ 2,357,608
Net (Expense)/Revenue										
Governmental activities	\$ (1,614,875)	\$ (1,507,256)	\$ (1,420,448)	\$ (1,584,159)	\$ (1,322,612)	\$ (2,293,512)	\$ (1,790,133)	\$ (1,664,213)	\$ (1,677,575)	\$ (1,955,823)
Business-type activities	114,111	9,290	(174,080)	(15,099)	(24,372)	690,948	511,676	(107,876)	(17,213)	(281,525)
Total primary government net expense	\$ (1,500,764)	\$ (1,497,966)	\$ (1,594,528)	\$ (1,599,258)	\$ (1,346,984)	\$ (1,602,564)	\$ (1,278,457)	\$ (1,772,089)	\$ (1,694,788)	\$ (2,237,348)

(Continued)

TOWN OF THUNDERBOLT, GEORGIA

CHANGES IN NET POSITION LAST TEN CALENDAR YEARS *(accrual basis of accounting)*

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Property taxes for general purposes	\$ 847,244	\$ 861,947	\$ 894,723	\$ 958,751	\$ 950,224	\$ 943,179	\$ 981,609	\$ 965,286	\$ 978,495	\$ 951,382
Sales taxes for general purposes	728,607	760,848	743,482	802,433	817,855	815,639	874,211	945,058	1,010,440	980,353
Selective sales and use taxes	14,156	65,996	83,735	75,586	54,700	63,836	61,314	59,578	55,940	51,498
Business and occupation taxes	125,140	132,920	137,626	136,131	145,434	157,533	167,615	180,764	192,164	202,706
Miscellaneous	24,093	18,657	2,265	10,852	5,955	47,532	5,144	59,550	48,263	53,549
Gain (loss) on disposal of capital assets	69,032	23,601	9,115	6,101	18,359	2,650	6,910	-	-	-
Transfers	(160,457)	(125,178)	(58,744)	-	-	-	-	(149,284)	(1,149,428)	(83,621)
Total governmental activities	<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>	<u>2,060,952</u>	<u>1,135,874</u>	<u>2,155,867</u>
Business-type activities - water and sewer:										
Miscellaneous income	48,858	65,802	83,489	13,360	5,186	1,635	1,557	601	350	407
Transfers	160,457	125,178	58,744	-	-	-	-	149,284	1,149,428	83,621
Total business-type activities	<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>149,885</u>	<u>1,149,778</u>	<u>84,028</u>
Total primary government	<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>	<u>\$ 2,210,837</u>	<u>\$ 2,285,652</u>	<u>\$ 2,239,895</u>
Change in Net Position										
Governmental activities	\$ 32,940	\$ 231,535	\$ 391,754	\$ 405,695	\$ 669,915	\$ (263,143)	\$ 306,670	\$ 396,739	\$ (541,701)	\$ 200,044
Business-type activities	323,426	200,270	(31,847)	(1,739)	(19,186)	692,583	513,233	42,009	1,132,565	(197,497)
Total primary government	<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>\$ 819,903</u>	<u>\$ 438,748</u>	<u>\$ 590,864</u>	<u>\$ 2,547</u>

TOWN OF THUNDERBOLT, GEORGIA

FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN CALENDAR YEARS *(modified accrual basis of accounting)*

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 17,811	\$ 3,729	\$ 5,568	\$ 47,846	\$ 46,274	\$ 42,007	\$ 2,397	\$ 3,960	\$ 88,626	\$ 6,983
Unassigned	748,431	978,020	1,281,592	1,600,577	2,363,152	2,766,931	3,268,557	3,491,553	3,585,945	4,004,249
Total general fund	<u>\$ 766,242</u>	<u>\$ 981,749</u>	<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>	<u>\$ 3,495,513</u>	<u>\$ 3,674,571</u>	<u>\$ 4,011,232</u>
 All Other Governmental Funds										
Restricted:										
Capital Project Fund	\$ 218,295	\$ 257,075	\$ 191,413	\$ 506,446	\$ 702,017	\$ 346,735	\$ 419,035	\$ 954,180	\$ -	\$ 65,850
Special revenue fund	7,828	11,966	1,487	2,948	2,951	9,873	9,883	9,893	9,903	5,464
Assigned:										
Debt service fund	456	3,035	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(212,409)	-
Total all other governmental funds	<u>\$ 226,579</u>	<u>\$ 272,076</u>	<u>\$ 192,900</u>	<u>\$ 509,394</u>	<u>\$ 704,968</u>	<u>\$ 356,608</u>	<u>\$ 428,918</u>	<u>\$ 964,073</u>	<u>\$ (202,506)</u>	<u>\$ 71,314</u>

TOWN OF THUNDERBOLT, GEORGIA

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN CALENDAR YEARS

(modified accrual basis of accounting)

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Sales tax	\$ 728,607	\$ 760,848	\$ 743,482	\$ 802,433	\$ 817,855	\$ 815,639	\$ 874,211	\$ 945,058	\$ 1,010,440	\$ 980,353
Other taxes	1,072,260	1,093,498	1,105,189	1,117,740	1,222,126	1,137,184	1,224,423	1,193,936	1,206,644	1,191,532
Licenses and permits	83,833	85,381	87,774	93,010	146,715	124,696	157,169	126,733	118,673	121,459
Revenue from other governmental units	581,946	645,308	673,764	683,477	748,029	1,018,912	918,084	881,363	883,120	665,905
Charges for services	4,237	1,607	3,742	3,823	5,285	9,294	15,950	14,323	13,075	8,665
Fines and fees	210,116	214,545	218,645	289,519	341,776	226,097	256,351	219,268	196,757	87,475
Miscellaneous	25,696	18,893	24,252	97,991	101,674	132,867	55,439	59,550	48,263	53,600
Total revenue	<u>2,706,695</u>	<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>3,501,627</u>	<u>3,440,231</u>	<u>3,476,972</u>	<u>3,108,989</u>
Expenditures										
Current:										
General government	555,357	470,331	456,739	538,368	413,200	453,920	438,243	501,323	398,787	579,078
Judiciary	135,754	131,196	139,706	142,440	137,433	123,278	126,515	118,510	121,906	123,154
Public safety	965,777	957,576	1,032,381	1,027,526	1,072,212	1,169,437	1,225,911	1,346,704	1,453,236	1,121,115
Public works	438,272	320,087	308,572	299,792	258,982	472,415	302,213	330,538	396,583	463,073
Health and welfare	49,237	33,050	30,132	78,128	63,161	72,643	65,003	63,083	69,672	59,152
Culture and recreation	21,366	18,682	27,623	39,042	14,763	28,544	58,231	70,605	28,135	19,509
Housing and development	805	1,223	9,250	2,556	2,271	6,137	12,517	4,323	4,511	986
Capital outlay	238,577	266,501	153,899	371,247	480,870	1,060,016	752,230	205,155	1,967,256	116,521
Debt service:										
Principal	191,255	324,091	460,846	34,833	46,496	55,375	49,962	36,094	22,269	15,095
Interest and other charges	44,907	32,087	20,580	2,145	5,454	4,855	3,738	4,182	2,138	825
Total expenditures	<u>2,641,307</u>	<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>	<u>2,680,517</u>	<u>4,464,493</u>	<u>2,498,508</u>
Excess (deficiency) of revenues over (under) expenditures	65,388	265,256	217,120	551,916	888,618	18,069	467,064	759,714	(987,521)	610,481
Other financing sources (uses)										
Debt issuance	-	97,325	-	119,740	49,600	30,433	60,352	-	-	-
Transfers in	211,200	307,745	402,964	-	-	-	-	-	-	-
Transfers out	(211,200)	(432,923)	(402,964)	-	-	-	-	-	-	-
Sale of capital assets	82,185	23,601	9,115	6,101	18,359	2,650	6,910	-	-	-
Total other financing sources (uses)	<u>82,185</u>	<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>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 147,573</u>	<u>\$ 261,004</u>	<u>\$ 226,235</u>	<u>\$ 677,757</u>	<u>\$ 956,577</u>	<u>\$ 51,152</u>	<u>\$ 534,326</u>	<u>\$ 759,714</u>	<u>\$ (987,521)</u>	<u>\$ 610,481</u>
Debt service as a percentage of noncapital expenditures	9.83%	15.57%	19.37%	1.71%	2.24%	1.90%	1.79%	1.60%	0.57%	0.68%

TOWN OF THUNDERBOLT, GEORGIA

SCHEDULE OF TAX REVENUES AND FRANCHISE FEES LAST TEN CALENDAR YEARS *(modified accrual basis of accounting)*

<u>Year Ended December 31,</u>	<u>Property and Intangible Tax</u>	<u>Local Option Sales Tax</u>	<u>Business and Insurance Premium Tax</u>	<u>Malt and Alcohol Beverage Tax</u>	<u>Utility and Cablevision Franchise Fees</u>	<u>Annual Totals</u>
2011	\$ 650,254	\$ 728,607	\$ 125,140	\$ 70,816	\$ 226,050	\$ 1,800,867
2012	683,002	760,848	132,920	65,996	211,580	1,854,346
2013	698,122	743,482	136,382	62,635	208,050	1,848,671
2014	702,326	802,433	136,131	60,432	218,851	1,920,173
2015	746,258	817,855	145,434	67,863	262,571	2,039,981
2016	685,038	815,639	157,533	80,452	214,161	1,952,823
2017	747,157	874,211	167,615	80,560	229,091	2,098,634
2018	725,379	945,058	180,764	80,857	206,936	2,138,994
2019	740,081	1,010,440	192,164	75,435	198,964	2,217,084
2020	719,023	980,353	202,706	71,146	198,657	2,171,885

TOWN OF THUNDERBOLT, GEORGIA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN CALENDAR YEARS

Calendar Year	Real Property		Personal Property		Utilities and Other Property		Total		Ratio of Total Assessed To Total Estimated	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2011	\$ 92,235,730	\$ 230,589,325	\$ 5,173,736	\$ 12,934,340	\$ 706,789	\$ 1,766,973	\$ 98,116,255	\$ 245,290,638	40.00%	6.377
2012	92,737,805	231,844,513	5,368,219	13,420,548	663,879	1,659,698	98,769,903	246,924,759	40.00%	6.496
2013	99,047,908	247,619,770	5,466,699	13,666,748	954,021	2,385,053	105,468,628	263,671,571	40.00%	6.288
2014	98,951,139	247,377,848	6,160,809	15,402,023	925,803	2,314,508	106,037,751	265,094,379	40.00%	6.288
2015	98,051,940	245,129,850	6,069,819	15,174,548	1,055,708	2,639,270	105,177,467	262,943,668	40.00%	6.288
2016	89,983,989	224,959,973	6,296,445	15,741,113	1,121,408	2,803,520	97,401,842	243,504,606	40.00%	6.366
2017	92,402,372	231,005,930	7,593,003	18,982,508	1,504,229	3,760,573	101,499,604	253,749,011	40.00%	6.366
2018	96,021,106	240,052,765	7,286,041	18,215,103	1,963,541	4,908,853	105,270,688	263,176,721	40.00%	6.148
2019	100,405,221	251,013,053	6,784,412	16,961,030	1,749,796	4,374,490	108,939,429	272,348,573	40.00%	6.148
2020	101,826,187	254,565,468	4,995,466	12,488,665	1,189,086	2,972,715	108,010,739	270,026,848	40.00%	6.136

Source: Chatham County Tax Assessor

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

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

TOWN OF THUNDERBOLT, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN CALENDAR YEARS

(rate per \$1,000 of assessed value)

Tax Year	Direct	Overlapping Rates			Total
	Town of Thunderbolt	School District	County	State	
2011	6.377	14.631	11.968	0.250	33.226
2012	6.496	14.631	11.968	0.200	33.295
2013	6.288	15.880	12.950	0.150	35.268
2014	6.288	15.881	12.543	0.100	34.812
2015	6.288	16.631	16.673	0.050	39.642
2016	6.366	16.631	16.673	0.000	39.670
2017	6.366	16.631	17.683	0.000	40.680
2018	6.148	18.881	17.683	0.000	42.712
2019	6.148	18.881	17.604	0.000	42.633
2020	6.132	18.881	17.494	0.000	42.507

Source: Chatham County Commission

TOWN OF THUNDERBOLT, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total District Net Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Net Assessed Value
Jars - River Crossing Investors LLC	\$ 5,778,440	1	5.35%	\$ 4,433,000	1	4.52%
Thunderbolt Marine Inc	4,611,600	2	4.27%	4,123,080	2	4.20%
Foster, William M	2,786,360	3	2.58%	2,800,560	3	2.85%
2201 East Victory, LLS	1,513,200	4	1.40%	92,208	10	0.09%
Church & Swann	1,378,960	5	1.28%	915,120	7	0.93%
Hall Family Properties LLC	1,239,920	6	1.15%	1,302,040	5	1.33%
Morning Star Marinas/Bahai Bleu	1,164,600	7	1.08%	1,459,580	4	1.49%
A Store & Lock	1,156,280	8	1.07%	503,880	9	0.51%
JBPP LLC	1,068,080	9	0.99%	1,196,560	6	1.22%
Victory Storage	632,560	10	0.59%	548,440	8	0.56%
Total	<u>\$ 21,330,000</u>		<u>19.75%</u>	<u>\$ 17,374,468</u>		<u>17.71%</u>

Source: County Tax Assessor

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
2011	\$ 622,571	\$ 533,382	85.67%	\$ 58,272	\$ 591,654	95.03%
2012	617,908	568,562	92.01%	49,078	617,640	99.96%
2013	622,813	551,734	88.59%	47,868	599,602	96.27%
2014	622,205	569,017	91.45%	35,212	604,229	97.11%
2015	596,459	571,402	95.80%	24,689	596,091	99.94%
2016	596,665	527,740	88.45%	67,874	595,614	99.82%
2017	621,967	545,416	87.69%	71,720	617,136	99.22%
2018	619,863	544,770	87.89%	54,381	599,151	96.66%
2019	642,289	593,286	92.37%	38,260	631,546	98.33%
2020	634,409	566,570	89.31%	50,770	617,340	97.31%

Source: Town records.

- (1) Taxes are assessed for the calendar year beginning January 1.
- (2) The total tax levy includes real property, industrial area, personal property and public utilities.
The total tax levy is the original state approved levy after adjustments for cancellations, releases, errors and additions.

TOWN OF THUNDERBOLT, GEORGIA

LOCAL OPTION SALES TAX HISTORY LAST TEN CALENDAR YEARS

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
January	\$ 62,577	\$ 68,888	\$ 53,446	\$ 56,623	\$ 61,421	\$ 52,172	\$ 65,080	\$ 63,002	\$ 76,109	\$ 73,020
February	52164	56,203	61,506	60,234	63,095	62,821	66,362	65,243	74,550	73,081
March	57220	60,242	66,188	68,641	69,595	71,893	76,151	85,427	88,488	71,903
April	58115	67,950	57,879	66,625	71,770	68,858	75,048	82,472	87,211	63,662
May	61436	61,993	63,553	68,057	70,478	68,565	73,843	79,210	89,376	76,353
June	61037	65,249	63,599	68,655	72,870	72,506	75,954	83,898	87,526	84,205
July	63362	66,890	61,510	70,702	72,388	69,331	75,829	81,887	86,808	81,545
August	66157	64,595	62,752	67,514	67,303	67,886	70,508	77,634	83,586	115,252
September	63495	61,094	61,637	66,038	60,339	68,117	67,848	75,614	78,045	77,164
October	62608	64,302	60,970	66,188	66,396	62,510	71,360	82,407	85,293	85,985
November	56981	63,000	58,434	66,285	65,710	69,767	74,088	78,095	79,847	81,474
December	55772	60,055	71,854	76,501	76,191	80,880	81,913	89,363	92,908	96,503
Pro Rata Adjustment	1373	387	152	369	401	334	227	806	694	206
Total	<u>\$ 722,295</u>	<u>\$ 760,848</u>	<u>\$ 743,480</u>	<u>\$ 802,433</u>	<u>\$ 817,958</u>	<u>\$ 815,639</u>	<u>\$ 874,211</u>	<u>\$ 945,058</u>	<u>\$ 1,010,441</u>	<u>\$ 980,353</u>

TOWN OF THUNDERBOLT, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN CALENDAR YEARS

Calendar Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Notes Payable	GEFA loans				
2011	\$ 665,000	\$ -	\$ -	\$ 164,524	\$ 829,524	1.36%	\$ 310	
2012	390,000	-	-	149,902	539,902	0.96%	202	
2013	-	-	-	-	-	0.00%	-	
2014	-	84,907	-	-	84,907	0.13%	32	
2015	-	88,010	-	-	88,010	0.14%	33	
2016	-	108,360	-	-	108,360	0.16%	41	
2017	-	71,246	-	-	71,246	0.10%	27	
2018	-	37,364	-	-	37,364	0.05%	14	
2019	-	15,095	-	-	15,095	0.02%	6	
2020	-	-	-	-	-	0.00%	-	

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

TOWN OF THUNDERBOLT, GEORGIA

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN CALENDAR YEARS

General Bonded Debt Outstanding					
Calendar Year	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2011	\$ 665,000	\$ -	\$ 665,000	0.25%	\$ 249
2012	390,000	-	390,000	0.15%	146
2013	-	-	-	0.00%	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-

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

TOWN OF THUNDERBOLT, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF DECEMBER 31, 2020

	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes:			
Chatham County, Georgia:			
DSA Chatham County Projects Series 2005	\$ 18,265	2.20%	\$ 402
Chatham County Public Health Facilities Projects	785,000	2.20%	17,263
DSA Chatham County Projects Series 1999	430,000	2.20%	9,456
DSA Chatham County Projects Series 2005A	5,975,000	2.20%	131,400
Mosquito Control	4,166,343	2.20%	91,624
Chatham-Savannah School Board:			
General Obligation Bonded Debt	87,885,000	1.39%	1,221,190
Overlapping other debt:			
Chatham County, Georgia capital leases	1,180,740	2.20%	25,966
Chatham-Savannah School Board capital leases	7,539,750	1.39%	104,767
Subtotal, overlapping debt			1,602,069
Town of Thunderbolt direct debt			-
Total direct and overlapping debt			<u>\$ 1,602,069</u>

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

Notes: 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 the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term-debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping payment.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the Town's boundaries and dividing it by each unit's total taxable value. For overlapping other debt ("County"), the percentage of overlapping debt applicable is estimated using the Town's population and dividing it by the County's population. For overlapping other debt ("School District"), the percentage of overlapping debt 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total assessed value of taxable property	\$ 102,555,576	\$ 100,526,623	\$ 99,047,908	\$ 98,951,139	\$ 98,051,940	\$ 96,428,961	\$ 99,048,565	\$ 101,214,619	\$ 104,649,854	\$ 108,010,739
Less exemptions for bond purposes	-	-	-	-	-	-	-	-	-	-
Net assessed value for bond purposes	<u>\$ 102,555,576</u>	<u>\$ 100,526,623</u>	<u>\$ 99,047,908</u>	<u>\$ 98,951,139</u>	<u>\$ 98,051,940</u>	<u>\$ 96,428,961</u>	<u>\$ 99,048,565</u>	<u>\$ 101,214,619</u>	<u>\$ 104,649,854</u>	<u>\$ 108,010,739</u>
Debt limit percentage	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Debt limit	\$ 10,255,558	\$ 10,052,662	\$ 9,904,791	\$ 9,895,114	\$ 9,805,194	\$ 9,642,896	\$ 9,904,857	\$ 10,121,462	\$ 10,464,985	\$ 10,801,074
Total net debt applicable to limit:										
General obligation bonds (net of set aside)	<u>665,000</u>	<u>390,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 9,590,558</u>	<u>\$ 9,662,662</u>	<u>\$ 9,904,791</u>	<u>\$ 9,895,114</u>	<u>\$ 9,805,194</u>	<u>\$ 9,642,896</u>	<u>\$ 9,904,857</u>	<u>\$ 10,121,462</u>	<u>\$ 10,464,985</u>	<u>\$ 10,801,074</u>
Total net debt applicable to the limit as a percentage of debt limit	0.65%	0.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The present constitutional limit on direct general obligation bonds for the Town 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 has no general obligation bonds authorized but unissued.

TOWN OF THUNDERBOLT, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Population in thousands (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (3)</u>
2011	2	\$ 61,009,156	\$ 22,867	10.10%
2012	2	56,385,060	21,118	9.70%
2013	2	60,515,550	22,665	8.70%
2014	2	60,320,640	22,592	6.60%
2015	2	62,971,950	23,585	5.70%
2016	2	68,087,670	25,501	5.50%
2017	2	71,409,150	26,745	4.00%
2018	2	72,802,890	27,267	3.50%
2019	2	81,446,010	30,503	2.70%
2020	2	82,664,671	30,985	3.50%

Source:

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

TOWN OF THUNDERBOLT, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2020			2011		
	Employees	Rank	Percentage of Total Metro Area Employment	Employees	Rank	Percentage of Total Metro Area Employment
Gulfstream Aerospace	11,391	1	7.81%	6,000	1	4.36%
Savannah-Chatham Board of Education	5,700	2	3.91%	4,093	4	2.98%
Memorial Health	4,400	4	3.02%	4,643	3	3.38%
St Joseph's Candler Hospital	4,071	5	2.79%	3,304	5	2.40%
Ft. Stewart/Hunter Army Airfield	3,299	3	2.26%	5,109	2	3.72%
Georgia Southern University/Armstrong	2,901	6	1.99%	-	-	0.00%
Walmart	2,421	7	1.66%	2,935	6	2.13%
City of Savannah	2,205	8	1.51%	2,500	7	1.82%
YMCA of Coastal Georgia	1,987	9	1.36%	-	-	-
Chatham County	2,136	10	1.46%	1,500	10	1.09%
	<u>40,511</u>		<u>27.77%</u>	<u>30,084</u>		<u>21.88%</u>

Source: Savannah Economic Development Authority.

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

TOWN OF THUNDERBOLT, GEORGIA

FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION/PROGRAM LAST TEN CALENDAR YEARS

Function/Program	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	7	7	7	7	7	7	7	7	7	6
Judiciary	3	3	4	4	4	3	2	2	2	3
Public safety	14	14	13	17	19	20	14	15	15	13
Public works	6	5	6	6	4	3	3	4	4	4
Total	<u>30</u>	<u>29</u>	<u>30</u>	<u>34</u>	<u>34</u>	<u>33</u>	<u>26</u>	<u>28</u>	<u>28</u>	<u>26</u>

Source: Town Personnel Records

TOWN OF THUNDERBOLT, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN CALENDAR YEARS

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fire:										
Number of emergency calls	371	373	393	388	498	534	497	471	447	409
Public works:										
Street resurfacing (miles)	-	-	-	-	>1	>1	>1	>1	>1	>1
Police:										
Number of emergency calls	2,180	3,200	3391	3296	2,580	2,491	2,002	3,959	3,922	3,569

Sources: Town records

TOWN OF THUNDERBOLT, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN CALENDAR YEARS

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets (miles)	11	11	11	11	11	11	11	11	11	11
Streetlights	210	210	210	210	210	210	210	210	210	210
Traffic signals	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Parks	4	4	4	4	4	4	4	4	4	4
Community centers										
Water:										
Water mains (miles)	10	10	10	10	10	10	10	10	10	10
Maximum daily capacity (thousands of gallons)	400	400	400	400	400	400	400	400	400	400
Wastewater:										
Sanitary sewers (miles)	10	10	10	10	10	10	10	10	10	10
Maximum daily treatment capacity (thousands of gallons)	na	na	na	na	na	na	na	na	na	na

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

na - not applicable. The town's wastewater is treated by a contractor.

COMPLIANCE SECTION





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Thunderbolt, Georgia (the "Town") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 10, 2021.

Internal Control Over Financial Reporting

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

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. We did identify a deficiency in internal control as described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and is described in the accompanying schedule of findings and responses as item 2020-002.

Town's Responses to Findings

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

TOWN OF THUNDERBOLT, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

X Yes ___ None reported

Noncompliance material to financial statements noted?

X Yes ___ No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2020 due to the total amount expended being less than \$750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020 – 001. Segregation of Duties

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

Condition/Context: We noted several instances of bank statements being reconciled by employees of the Town with no consistent review of the reconciled statements being performed. Additionally, we noted that journal entries were being prepared and posted into the accounting system with no formal review for accuracy and/or appropriateness.

Effect of Condition: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause of Condition: The lack of segregation of duties and formal review is due to turnover experienced within the Town during the year. The Town appears to have sufficient controls in place, but, at times due to lack of personnel, these controls were not being followed as designed.

Recommendation: We recommend the duties of recording, distributing, and reconciling of accounts be segregated among employees. Also, we recommend adhering to policies for formal review of accounting work performed, including posting journal entries and reconciling bank accounts on a consistent basis.

Views of Responsible Officials and Planned Corrective Action: We concur. The Town is in the process of reviewing their respective systems and processes to evaluate and determine the most efficient and effective solution to properly segregate duties and adhere to a formal review policy among all Town functions to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

TOWN OF THUNDERBOLT, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020 – 002. Special Revenue Fund without Budget

Criteria: State law requires the governing body to approve annual budgets for the general fund, special revenue funds and debt service funds and a project length budget for capital projects funds.

Condition: The Asset Forfeiture Fund did not have an approved annual budget for the year ended December 31, 2020.

Cause of Condition: Activity in the Asset Forfeiture Fund fluctuates from year to year, and the Town inadvertently did not adopt a budget for the year ended December 31, 2020.

Effect of Condition: Noncompliance with state law.

Recommendation: We recommend the Town approve an annual budget for all funds in accordance with state law.

View of Responsible Officials and Planned Corrective Action: Management concurs. The Town will improve controls to ensure budgets are adopted for all required funds going forward.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

TOWN OF THUNDERBOLT, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

None reported.