

**EFFINGHAM COUNTY, GEORGIA**  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Effingham County, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Effingham County, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Effingham County Board of Health, a discretely presented component unit, which represents 1.1% and 1.2%, respectively, of the assets and net position of Effingham County, Georgia. We did not audit the financial statements of the Effingham County Hospital Authority, a discretely presented component unit, which represents 22.6% and 7.5%, respectively, of the assets and net position of Effingham County, Georgia.

### *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 did not audit the financial statements of the Effingham County Board of Health, a discretely presented component unit, which represents 1.1% and 1.2%, respectively, of the assets and net position of Effingham County, Georgia. We did not audit the financial statements of the Effingham County Hospital Authority, a discretely presented component unit, which represents 22.6% and 7.5%, respectively, of the assets and net position of Effingham County, Georgia. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Effingham County Board of Health and the Effingham County Hospital Authority, is based solely on the report of the other auditors. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all

material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Effingham County, Georgia, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, the Special Tax District fund, and the American Rescue Plan Act fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Effingham County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of projects paid with special purpose local option sales tax proceeds, and schedule of projects paid with transportation special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2022, on our consideration of Effingham County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Effingham County, Georgia'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 Effingham County, Georgia's internal control over financial reporting and compliance.

*Janier, Deal + Proctor*

Statesboro, GA  
April 11, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Within this section of the Effingham County, Georgia (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2021. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### **Financial Highlights**

- The County's assets exceeded its liabilities by \$160,724,168 (net position) for the fiscal year reported.
- Total net position comprises the following:
  - (1) Capital assets, net of related debt, of \$86,532,360 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 \$30,937,139 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of \$30,096,735 represents the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of \$91,119,151 this year. This compares to the prior year ending fund balance of \$40,804,575 showing an increase of \$50,314,576 during the current year. The ending fund balance resources have been classified and reflect the use or intended use of the resources.
  - (1) At the end of the current fiscal year, restricted fund balance for the General Fund was \$1,641,561.
  - (2) At the end of the current fiscal year, committed fund balance for the General Fund was \$6,000,000. This committed fund balance is for economic stabilization.
  - (3) At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21,624,018 or 68.27% of total General Fund expenditures for the fiscal year ending June 30, 2021.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

### **Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the County'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 County also includes in this report additional information to supplement the basic financial statements.

#### ***Government-wide Financial Statements***

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County'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 County'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 County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other non-financial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

**EFFINGHAM COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

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The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current fiscal 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 County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by sales and property taxes and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, and roads. Business-type activities include water and sewer systems and sanitation.

The government-wide financial statements are presented on pages 14 & 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 County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has two 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 County'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 through 23 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the County charges customers a fee. The County's proprietary funds are classified as enterprise funds. The enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Currently the County provides sanitation services to customers in the unincorporated areas of the County and services for water and sewer utilities in certain areas of the southern part of the unincorporated County.

The basic enterprise fund financial statements are presented on pages 24 through 26 of this report.

***Notes to the Basic Financial Statements***

The accompanying notes to the basic 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 29 of this report.

**EFFINGHAM COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

***Other Supplementary Information***

As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 51.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Financial Analysis of the County as a Whole**

The County implemented the new financial reporting model used in this report beginning with the fiscal year ended June 30, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the County as a whole.

The County's net position at fiscal year-end is \$160,724,168. The following table provides a summary of the County's net position:

**Summary of Net Position (in millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Assets:</b>						
Current Assets	106.4	46.2	11.2	11.4	117.6	57.6
Net Pension Asset	-	-	-	-	-	-
Capital Assets	<u>96.2</u>	<u>98.8</u>	<u>32.0</u>	<u>31.7</u>	<u>128.2</u>	<u>130.5</u>
Total Assets	<u>202.6</u>	<u>145.0</u>	<u>43.2</u>	<u>43.1</u>	<u>245.8</u>	<u>188.1</u>
Deferred Outflows of Resources	-	-	-	-	-	-
<b>Liabilities</b>						
Current Liabilities	22.7	6.3	4.4	4.6	27.1	10.9
Long- Term Liabilities	<u>35.5</u>	<u>8.2</u>	<u>22.5</u>	<u>23.8</u>	<u>58.0</u>	<u>32.0</u>
Total Liabilities	<u>58.2</u>	<u>14.5</u>	<u>26.9</u>	<u>28.4</u>	<u>85.1</u>	<u>42.9</u>
<b>Net Position</b>						
Net Investment in Capital Assets	86.5	95.0	13.2	12.4	99.7	107.4
Restricted	30.9	23.2	-	-	30.9	23.2
Unrestricted	<u>27.0</u>	<u>12.3</u>	<u>3.1</u>	<u>2.4</u>	<u>30.1</u>	<u>14.7</u>
Total Net Position	<u>144.4</u>	<u>130.5</u>	<u>16.3</u>	<u>14.8</u>	<u>160.7</u>	<u>145.3</u>

The County continues to maintain a high current ratio. 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 4.7 to 1.

The County reported positive balances in net position for both governmental and business-type activities. Net position increased by \$13,885,537 for governmental activities and increased by \$1,550,150 for business-type activities. Note that approximately 38% of the Governmental Activities' net position is invested in capital. The County uses these capital assets to provide services to its citizens. However, with business type activities, water, sewer, and sanitation, the County has \$3,137,738 of unrestricted, undesignated and \$13,157,934 invested in capital assets with total net position of \$16,295,672. Capital assets in the business-type activities will be providing utility services, but they also generate revenues for this fund.



**EFFINGHAM COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

The following table provides a comparative summary of the County's changes in net position:

	2021				2020			
	Governmental Activities	Business Activities	Total	% of Total	Governmental Activities	Business Activities	Total	% of Total
Revenues:								
Program:								
Charges for services	\$ 13,656,151	\$ 8,224,307	\$ 21,880,458	26%	\$ 12,553,700	\$ 7,694,332	\$ 20,248,032	27%
Operating grants	4,006,716	1,281	4,007,997	5%	1,358,818	-	1,358,818	2%
Capital grants	1,223,060	1,609,493	2,832,553	3%	3,386,199	2,282,937	5,669,136	8%
General:								
Taxes	52,899,530		52,899,530	63%	46,636,756		46,636,756	62%
Other	2,256,423	5,349	2,261,772	3%	802,927	114,304	917,231	1%
Total revenues	<u>74,041,880</u>	<u>9,840,430</u>	<u>83,882,310</u>	<u>100%</u>	<u>64,738,400</u>	<u>10,091,573</u>	<u>74,829,973</u>	<u>100%</u>
Program Expenses:								
General government	6,880,081		6,880,081	10%	6,964,147		6,964,147	11%
Judicial	3,368,018		3,368,018	5%	3,292,632		3,292,632	5%
Public safety	27,545,914		27,545,914	40%	27,660,184		27,660,184	44%
Public works	11,602,900		11,602,900	17%	7,175,339		7,175,339	11%
Health and welfare	4,369,882		4,369,882	6%	4,385,785		4,385,785	7%
Culture and recreation	3,131,772		3,131,772	5%	2,911,248		2,911,248	5%
Housing and development	1,469,678		1,469,678	2%	1,189,203		1,189,203	2%
Interest	459,094		459,094	1%	234,956		234,956	0%
Water & Sewer		4,021,654	4,021,654	6%		3,725,977	3,725,977	6%
Wastewater Treatment Plant		1,498,926	1,498,926	2%		1,404,051	1,404,051	2%
Sanitation		4,037,814	4,037,814	6%		3,770,553	3,770,553	6%
Other		60,890	60,890	0%		61,164	61,164	0%
Total expenses	<u>58,827,339</u>	<u>9,619,284</u>	<u>68,446,623</u>	<u>100%</u>	<u>53,813,494</u>	<u>8,961,745</u>	<u>62,775,239</u>	<u>100%</u>
Excess	15,214,541	221,146	15,435,687		10,924,906	1,129,828	12,054,734	
Transfers	(1,329,004)	1,329,004	-		(1,406,315)	1,406,315	-	
Change in net position	13,885,537	1,550,150	15,435,687		9,518,591	2,536,143	12,054,734	
Beginning net position	<u>130,542,959</u>	<u>14,745,522</u>	<u>145,288,481</u>		<u>121,024,368</u>	<u>12,209,379</u>	<u>133,233,747</u>	
Ending net position	<u>\$ 144,428,496</u>	<u>\$ 16,295,672</u>	<u>\$ 160,724,168</u>		<u>\$ 130,542,959</u>	<u>\$ 14,745,522</u>	<u>\$ 145,288,481</u>	

**EFFINGHAM COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

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**Governmental Revenues**

The County is heavily reliant on property and sales taxes to support governmental operations. In 2021, excluding property taxes for the hospital authority, property taxes provided 31.52% of the County's governmental revenues. Inclusive of hospital property taxes, total property taxes provided 36.34% of governmental revenues and sales taxes provided 29.40% of the County's governmental revenues. Charges for services and other program revenues cover only 32.10% of governmental operating expenses. This means that the government's taxpayers and the County's other general revenues fund 67.90% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the County's revenue streams.

**Governmental Functional Expenses**

The public safety function comprises 46.83% (51.40% in 2020) of the County's total governmental expenses. The public works function makes up 19.72% (13.33% in 2020) of the total governmental expenses.

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

	Total Cost of Services	Net Cost of Services
General government	\$ 6,880,081	\$ 4,820,619
Judicial	3,368,018	3,096,107
Public safety	27,545,914	14,471,785
Public works	11,602,900	10,489,372
Health and welfare	4,369,882	3,958,178
Culture and recreation	3,131,772	2,706,854
Housing and development	1,469,678	(60,597)
Interest on long-term debt	459,094	459,094
<b>Total</b>	<b>\$ 58,827,339</b>	<b>\$ 39,941,412</b>

**Business-Type Activities**

The County is in its eighteenth year of the development of its water and sewer operations. The operating revenues for water, sewer, and wastewater in 2021 were \$4,181,258 and \$3,810,108 for 2020. Note that as of 2019 cost recovery fees are no longer classified as operating revenues. Operating expenses for 2021 were \$4,822,360 and \$4,395,954 for 2020. An operating loss of \$641,102 was earned for 2021 and for 2020 the operating loss was \$585,846.

The operating revenues for the sanitation fund were \$4,042,463 for 2021 and \$3,788,310 for 2020. This activity resulted in operating income of \$4,649.

## **FUND LEVEL FINANCIAL STATEMENTS**

### **Financial Analysis of the County's Funds**

#### ***Governmental Funds***

As discussed, governmental funds are reported in the fund statements with a short-term focus on the inflow and outflow of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$91,119,151. Of this year-end total, \$21,624,018 is unassigned indicating availability for continuing County service requirements. Legally restricted fund balances (i.e., the restricted fund balances) include but are not limited to: \$13,543,077 committed to approved SPLOST projects from sales tax, and \$4,720,978 restricted to public safety purposes including the Emergency 911 program and Fire Services. In addition, there is \$33,097,738 restricted for TSPLOST projects, and committed fund balances are \$6,000,000 in the General Fund for economic stabilization.

The total ending fund balances of governmental funds show an increase of \$50,314,424 or 123.31% of the prior years' total fund balance. This increase is primarily the result of both events and programs described within the analysis of the County's governmental activities presented in the next section.

#### ***Major Governmental Funds***

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$15,097,197 from the prior year. This was due to revenues exceeding expenditures for 2021.

Property tax revenues have increased from the prior year collections. Note that with the creation of the roads and recreation millage rates, those taxes are recorded in the Special Tax District fund. The digest increased from \$1,940,165,984 for tax year 2019 to \$2,021,382,512 for tax year 2020. In tax year 2020 (which funds fiscal year 2021) the millage rate was 7.528 mils county-wide for maintenance and operations. The general fund's ending unassigned fund balance is considered to be in a sound position, representing the equivalent of 68.27% of actual annual expenditures. In addition to this unassigned fund balance, there is \$6.0 million which has been committed for stabilization in unforeseen emergencies or for working capital.

The total general fund expenditures were approximately \$31.7 million, an increase from the prior year. Major groupings of expenditures showed:

General fund general government costs increased from \$5,839,652 in 2020 to \$6,763,614 in 2021.

General fund public safety costs increased from \$19,241,397 in 2020 to \$19,732,673 in 2021.

Special Tax District fund Public Works costs increased from \$1,864,671 in 2020 to \$1,911,393 in 2021.

#### ***Proprietary Funds***

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status as referenced above.

**General Fund Budgetary Highlights**

**Revenues** - The overall revenue budget was amended upward by \$6,481,148 primarily related to the mid-year COVID-19 budget amendment. The actual revenue from charges for services was \$511,340 above the final budget. Property taxes were \$477,794 above the final budgeted revenue, primarily due to vehicle TAVT receipts. For investment earnings, the revenue was below budget by \$66,827.

**Expenditures** - The expenditure side of the original budget for the general fund was revised upward for various items including the mid-year COLA, Emergency Medical Services, and the Sheriff's Office.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2021, was \$96,198,894 and \$31,973,344 respectively. The total net decrease in this net investment was \$2,622,316 for governmental activities, and a \$245,875 increase for business-type activities. The major changes in these amounts relate to additions in governmental activities assets of \$11,348,059 and deductions of \$7,088,534 which includes the Grande View tract. Depreciation for governmental activities was \$6,910,598. Business-type assets depreciation was \$1,065,865.

See Note 7 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

*(This page continued on next page)*

**EFFINGHAM COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

	<b>Capital Assets</b>					
	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Non-depreciable assets:						
Land	\$ 8,242,405	\$ 14,223,003	\$ 1,086,706	\$ 1,086,706	\$ 9,329,111	\$ 15,309,709
Easements	964,330	964,330	152,358	152,358	1,116,688	1,116,688
Construction in progress	10,899,632	6,654,433	1,710,388	1,248,039	12,610,020	7,902,472
<b>Total non-depreciable assets</b>	<b>20,106,367</b>	<b>21,841,766</b>	<b>2,949,452</b>	<b>2,487,103</b>	<b>23,055,819</b>	<b>24,328,869</b>
Depreciable assets:						
Buildings	70,531,691	68,045,796	16,842,312	16,842,312	87,374,003	84,888,108
Other equipment	35,298,084	33,691,089	2,825,398	2,710,453	38,123,482	36,401,542
Infrastructure	128,717,837	126,815,803	25,681,343	24,946,897	154,399,180	151,762,700
<b>Total depreciable assets</b>	<b>234,547,612</b>	<b>228,552,688</b>	<b>45,349,053</b>	<b>44,499,662</b>	<b>279,896,665</b>	<b>273,052,350</b>
Less accumulated depreciation	158,455,085	151,573,244	16,325,161	15,259,296	174,780,246	166,832,540
<b>Book value - depreciable assets</b>	<b>76,092,527</b>	<b>76,979,444</b>	<b>29,023,892</b>	<b>29,240,366</b>	<b>105,116,419</b>	<b>106,219,810</b>
Remaining to depreciate	32%	34%	64%	66%	38%	39%
<b>Book value - all assets</b>	<b>\$ 96,198,894</b>	<b>\$ 98,821,210</b>	<b>\$ 31,973,344</b>	<b>\$ 31,727,469</b>	<b>\$ 128,172,238</b>	<b>\$ 130,548,679</b>

At June 30, 2021, the depreciable capital assets for governmental activities had 32% remaining to depreciate.

*(This page continued on next page)*

**EFFINGHAM COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*June 30, 2021*

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***Long-term Debt***

At the end of the fiscal year, the County had total capital leases outstanding of \$1,864,244, bonds payable within the government-type activities of \$39,360,000 and bonds payable within the business-type activities of \$23,815,000.

During the year, the County retired \$183,217 of the patrol cars capital leases, and \$307,742 of the capital lease for the communications tower. A new bond was also issued in the government-type activities for \$35,000,000 for TSPLOST projects. \$288,000 was retired on the CEM recreation complex bond.

During fiscal year 2018, the County refinanced all existing GEFA debt that was carried in the Water & Sewer and Wastewater Treatment Plant enterprise funds by issuing a revenue bond. An additional \$8,000,000 was also issued with this revenue bond, bringing the total bond issuance to \$28,935,000. Of this new bond, \$1,315,000 was retired in fiscal year 2021. The related GEFA debt was fully retired previously, in fiscal year 2018.

	<b>Activities</b>		<b>Percentage Change</b>
	<b>2021</b>	<b>2020</b>	
Capital leases	\$ 1,864,244	\$ 2,581,533	-28%
Bond payable	\$ 39,360,000	\$ 4,648,000	747%
Landfill closure and postclosure care	1,641,561	1,622,096	1%
Compensated absences	<u>1,305,779</u>	<u>1,185,660</u>	10%
Total	<u>\$ 44,171,583</u>	<u>\$ 10,037,289</u>	340%

See notes 8, 9 and 10 for additional information about the County’s long-term debt.

**Economic Conditions Affecting the County**

The County is physically located in the southeastern portion of the State of Georgia, in the greater Savannah, Georgia area. This area of southeast Georgia has experienced moderate economic growth.

The County is growing with a population increase of 73% from 2000 to 2020, using the most recent official census figures from 2020.

Since the County relies primarily on property and sales taxes, changes in the economy can quickly affect revenue streams. Since sales taxes are an “elastic revenue stream,” in a sluggish economy, sales tax revenues can be reduced immediately. Property taxes are considered “inelastic” in the short-term; this revenue stream is more stable. Fortunately, for the County, because of its revenue stream makeup, it is able to survive financially in a slow economy.

**Contacting the County’s Financial Management**

This financial report is designed to provide a general overview of the County’s finances, comply with finance-related laws and regulations, and demonstrate the County’s commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County’s Manager or Finance Director at 601 North Laurel Street, Springfield, Georgia 31329 or telephone 912-754-2111 or 912-754-8011.

**EFFINGHAM COUNTY, GEORGIA**  
STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Effingham County Hospital Authority	Effingham County Board of Health
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 56,657,173	\$ 3,919,975	\$ 60,577,148	\$ 1,086,617	\$ 2,733,215
Restricted cash	214,266	-	214,266	-	-
Investments	41,949,192	6,437,735	48,386,927	-	-
Receivables:					
Accounts	699,755	699,551	1,399,306	10,593,910	6,140
Taxes	784,767	-	784,767	42,753	-
Intergovernmental	4,999,160	17,759	5,016,919	-	31,041
Other	-	-	-	1,367,386	-
Internal balances	(50,820)	50,820	-	-	-
Inventories	23,763	34,954	58,717	1,357,327	-
Prepaid items	1,141,875	2,916	1,144,791	-	-
Other current assets	-	-	-	862,901	-
<b>Total Current Assets</b>	<b>106,419,131</b>	<b>11,163,710</b>	<b>117,582,841</b>	<b>15,310,894</b>	<b>2,770,396</b>
<b>Capital Assets:</b>					
Nondepreciable capital assets	20,106,367	2,949,452	23,055,819	6,905,105	-
Depreciable capital assets, net	76,092,527	29,023,892	105,116,419	22,096,581	13,190
<b>Total Capital Assets</b>	<b>96,198,894</b>	<b>31,973,344</b>	<b>128,172,238</b>	<b>29,001,686</b>	<b>13,190</b>
<b>Other Noncurrent Assets:</b>					
Noncurrent cash and investments:					
Internally designated for capital improvements	-	-	-	6,237,240	-
Held by trustee under indenture	-	-	-	4,708,146	-
Notes receivable	-	-	-	21,250	-
Other asset	-	-	-	150,347	-
<b>Total Other Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,116,983</b>	<b>-</b>
<b>Total Assets</b>	<b>202,618,025</b>	<b>43,137,054</b>	<b>245,755,079</b>	<b>55,429,563</b>	<b>2,783,586</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Resources related to pensions and OPEB	-	-	-	-	205,545
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	5,985,096	765,863	6,750,959	5,552,690	462
Accrued interest payable	110,436	52,647	163,083	-	-
Other accrued liabilities	1,146,853	-	1,146,853	5,566,469	-
Performance bonds	582,008	-	582,008	-	-
Customer deposits	-	295,025	295,025	-	-
Unearned revenue	6,193,552	1,912,021	8,105,573	-	-
Line of credit	-	-	-	2,496,229	-
Compensated absences payable	783,467	496	783,963	-	15,074
Capital leases payable	706,692	-	706,692	381,161	-
Notes payable	-	-	-	172,419	-
Bonds payable	7,064,000	1,350,000	8,414,000	942,640	-
Advance payments payable	-	-	-	2,010,912	-
Landfill post-closure care costs	110,000	-	110,000	-	-
<b>Total Current Liabilities</b>	<b>22,682,104</b>	<b>4,376,052</b>	<b>27,058,156</b>	<b>17,122,520</b>	<b>15,536</b>
<b>Long-Term Liabilities:</b>					
Notes payable (net of current portion)	-	-	-	1,789,898	-
Bonds payable (net of current portion)	32,296,000	22,465,000	54,761,000	23,584,368	-
Compensated absences payable (net of current portion)	522,312	330	522,642	-	60,296
Capital leases payable (net of current portion)	1,157,552	-	1,157,552	472,523	-
Advance payments payable (net of current portion)	-	-	-	396,936	-
Landfill post-closure care costs (net of current portion)	1,531,561	-	1,531,561	-	-
Net pension liability	-	-	-	-	709,419
Net OPEB liability	-	-	-	-	123,600
<b>Total Long-Term Liabilities</b>	<b>35,507,425</b>	<b>22,465,330</b>	<b>57,972,755</b>	<b>26,243,725</b>	<b>893,315</b>
<b>Total Liabilities</b>	<b>58,189,529</b>	<b>26,841,382</b>	<b>85,030,911</b>	<b>43,366,245</b>	<b>908,851</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Resources related to pensions and OPEB	-	-	-	-	183,061
<b>NET POSITION</b>					
Net investment in capital assets	86,532,360	13,157,934	99,690,294	(427,002)	13,190
Restricted for:					
Capital projects	15,093,646	-	15,093,646	-	-
Service delivery to unincorporated areas	5,488,812	-	5,488,812	-	-
Debt service	6	-	6	-	-
Other purposes	10,354,675	-	10,354,675	4,708,146	423,355
Unrestricted	26,958,997	3,137,738	30,096,735	7,782,174	1,460,674
<b>Total Net Position</b>	<b>\$ 144,428,496</b>	<b>\$ 16,295,672</b>	<b>\$ 160,724,168</b>	<b>\$ 12,063,318</b>	<b>\$ 1,897,219</b>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 202**

Program/Function	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total		Component Unit Effingham County Board of Health
							Effingham County Hospital Authority	Effingham County Board of Health	
<b>Governmental Activities</b>									
General government	\$ 6,880,081	\$ 1,852,593	\$ 197,313	\$ 9,556	\$ (4,820,619)	-	\$ (4,820,619)	-	-
Judicial	3,368,018	80,356	191,555	-	(3,096,107)	-	(3,096,107)	-	-
Public safety	27,545,914	9,696,386	3,302,524	75,219	(14,471,785)	-	(14,471,785)	-	-
Public works	11,602,900	-	7,838	1,105,690	(10,489,372)	-	(10,489,372)	-	-
Health and welfare	4,369,882	145,000	266,704	-	(3,958,178)	-	(3,958,178)	-	-
Culture and recreation	3,131,772	354,562	37,761	32,595	(2,706,854)	-	(2,706,854)	-	-
Housing and development	1,469,678	1,527,254	3,021	-	60,597	-	60,597	-	-
Interest and fiscal charges	459,094	-	-	-	(459,094)	-	(459,094)	-	-
<b>Total governmental activities</b>	<b>58,827,339</b>	<b>13,656,151</b>	<b>4,006,716</b>	<b>1,223,060</b>	<b>(39,941,412)</b>	<b>-</b>	<b>(39,941,412)</b>	<b>-</b>	<b>-</b>
<b>Business-type Activities</b>									
Water and Sewer	4,021,654	4,065,176	-	678,739	-	\$ 722,261	722,261	-	-
Wastewater Treatment Plant	1,498,926	116,082	-	930,754	-	(452,090)	(452,090)	-	-
Sanitation	4,037,814	4,042,463	1,281	-	-	5,930	5,930	-	-
Other	60,890	586	-	-	-	(60,304)	(60,304)	-	-
<b>Total business-type activities</b>	<b>9,619,284</b>	<b>8,224,307</b>	<b>1,281</b>	<b>1,609,493</b>	<b>-</b>	<b>215,797</b>	<b>215,797</b>	<b>-</b>	<b>-</b>
<b>Total - Primary Government</b>	<b>\$ 68,446,623</b>	<b>\$ 21,880,458</b>	<b>\$ 4,007,997</b>	<b>\$ 2,832,553</b>	<b>(39,941,412)</b>	<b>215,797</b>	<b>(39,725,615)</b>	<b>-</b>	<b>-</b>
<b>Component Units:</b>									
Effingham County Hospital Authority	\$ 70,115,057	\$ 56,763,024	\$ 9,043,711	\$ -	-	-	\$ (4,308,322)	-	\$ (7,681)
Effingham County Board of Health	1,060,921	423,054	630,186	-	-	-	-	-	(7,681)
<b>Total Component Units</b>	<b>\$ 71,175,978</b>	<b>\$ 57,186,078</b>	<b>\$ 9,673,897</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(4,308,322)</b>	<b>\$ -</b>	<b>(7,681)</b>
<b>General Revenues</b>									
Property taxes levied for general government purposes					23,339,600	-	23,339,600	-	-
Property taxes levied for hospital					3,568,283	-	3,568,283	-	-
Sales taxes					21,770,857	-	21,770,857	-	-
Insurance premium tax					2,853,804	-	2,853,804	-	-
Other taxes					1,366,986	-	1,366,986	-	-
Gain on sale of capital assets					64,615	-	64,615	-	-
Insurance recoveries					1,833,899	-	1,833,899	-	-
Investment earnings					17,755	5,349	23,104	68,480	-
Other					340,154	-	340,154	940,811	269,134
<b>Total General Revenues</b>					<b>55,155,953</b>	<b>5,349</b>	<b>55,161,302</b>	<b>1,009,291</b>	<b>269,134</b>
<b>Transfers</b>					<b>(1,329,004)</b>	<b>1,329,004</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>53,826,949</b>	<b>1,334,353</b>	<b>55,161,302</b>	<b>1,009,291</b>	<b>269,134</b>
<b>Change in Net Position</b>					<b>13,885,537</b>	<b>1,550,150</b>	<b>15,435,687</b>	<b>(3,299,031)</b>	<b>261,453</b>
<b>Net Position Beginning of Year, As Restated</b>					<b>130,542,959</b>	<b>14,745,522</b>	<b>145,288,481</b>	<b>15,362,349</b>	<b>1,635,766</b>
<b>Net Position End of Year</b>					<b>\$ 144,428,496</b>	<b>\$ 16,295,672</b>	<b>\$ 160,724,168</b>	<b>\$ 12,063,318</b>	<b>\$ 1,897,219</b>

See accompanying note to the basic financial statements.



**EFFINGHAM COUNTY, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General	Special Tax District	American Rescue Plan Act	SPLOST	TSPLOST	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,971,036	\$ 2,205,157	\$ 6,244,372	\$ 1,520,344	\$ 35,363,210	\$ 4,567,413	\$ 55,871,532
Restricted cash	214,266	-	-	-	-	-	214,266
Investments	24,751,444	3,531,359	-	9,990,327	642,987	3,033,075	41,949,192
Receivables:							
Accounts	614,655	76,419	-	-	-	8,681	699,755
Taxes	697,790	86,977	-	-	-	-	784,767
Intergovernmental	1,234,046	-	-	2,742,206	663,800	359,108	4,999,160
Interfund	8,885	27,897	-	108	-	168,637	205,527
Inventories	7,680	5,542	-	10,541	-	-	23,763
Prepaid items	1,000,045	10,022	-	-	-	39,251	1,049,318
<b>TOTAL ASSETS</b>	<b>\$ 34,499,847</b>	<b>\$ 5,943,373</b>	<b>\$ 6,244,372</b>	<b>\$ 14,263,526</b>	<b>\$ 36,669,997</b>	<b>\$ 8,176,165</b>	<b>\$ 105,797,280</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 840,564	\$ 410,244	-	\$ 709,908	\$ 3,572,259	\$ 243,529	\$ 5,776,504
Accrued liabilities	895,219	44,317	-	-	-	207,317	1,146,853
Performance bonds	570,623	-	-	-	-	11,385	582,008
Interfund payable	196,336	-	\$ 50,820	-	-	8,539	255,695
Unearned revenue	-	-	6,193,552	-	-	-	6,193,552
<b>TOTAL LIABILITIES</b>	<b>2,502,742</b>	<b>454,561</b>	<b>6,244,372</b>	<b>709,908</b>	<b>3,572,259</b>	<b>470,770</b>	<b>13,954,612</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	643,057	80,461	-	-	-	-	723,518
<b>FUND BALANCES</b>							
<b>Nonspendable</b>							
Inventories	7,680	5,542	-	10,541	-	-	23,763
Prepaid items	1,000,045	10,022	-	-	-	39,251	1,049,318
<b>Restricted</b>							
Landfill post-closure costs	1,641,561	-	-	-	-	-	1,641,561
Special service district - unincorporated area	-	5,392,787	-	-	-	-	5,392,787
Public safety	-	-	-	-	-	4,720,978	4,720,978
Public works, public safety, and recreation	-	-	-	-	-	89,396	89,396
Housing and development	-	-	-	-	-	1,107,002	1,107,002
Health and welfare	-	-	-	-	-	1,701,560	1,701,560
Judicial	-	-	-	-	-	47,202	47,202
Capital projects - SPLOST	-	-	-	13,543,077	-	-	13,543,077
Capital projects - TSPLOST	-	-	-	-	33,097,738	-	33,097,738
Debt service	-	-	-	-	-	6	6
<b>Committed</b>							
Economic stabilization	6,000,000	-	-	-	-	-	6,000,000
<b>Assigned</b>							
Subsequent year expenditures	1,080,745	-	-	-	-	-	1,080,745
Unassigned	21,624,017	-	-	-	-	-	21,624,017
<b>TOTAL FUND BALANCES</b>	<b>31,354,048</b>	<b>5,408,351</b>	<b>-</b>	<b>13,553,618</b>	<b>33,097,738</b>	<b>7,705,395</b>	<b>91,119,150</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 34,499,847</b>	<b>\$ 5,943,373</b>	<b>\$ 6,244,372</b>	<b>\$ 14,263,526</b>	<b>\$ 36,669,997</b>	<b>\$ 8,176,165</b>	<b>\$ 105,797,280</b>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

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**Amounts reported for governmental activities in the statement of net position are different because:**

**Total Governmental Fund Balances** \$ 91,119,150

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

Cost	\$ 254,653,979	
Less accumulated depreciation	<u>(158,455,085)</u>	96,198,894

The internal service fund is used by management to charge the costs of the health insurance to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities columns on the statement of net position. 668,954

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds:

Property taxes	723,518	
Sales taxes	<u>-</u>	723,518

Long-term liabilities, including capital leases, bonds payable, compensated absences, and landfill closure and postclosure care costs are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net position:

Accrued interest payable	\$ (110,436)	
Capital leases payable	(1,864,244)	
Bond payable	(39,360,000)	
Landfill post-closure care costs	(1,641,561)	
Compensated absences payable	<u>(1,305,779)</u>	<u>(44,282,020)</u>

**Net Position Of Governmental Activities** \$ 144,428,496

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	General	Special Tax District	American Rescue Plan Act	SPLOST	TSPLOST	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 29,051,256	\$ 3,755,117	-	\$ 11,875,793	\$ 1,895,573	\$ 6,605,200	\$ 53,182,939
Licenses and permits	36,250	-	-	-	-	1,458,829	1,495,079
Intergovernmental	2,913,691	15,885	\$ 50,820	1,048,114	-	691,978	4,720,488
Charges for services	5,481,052	348,632	-	-	-	4,751,025	10,580,709
Fines and forfeitures	1,488,782	-	-	-	-	91,581	1,580,363
Contributions and donations	30,543	75,000	-	-	-	2,715	108,258
Investment earnings	13,173	2,396	-	6,743	14	2,186	24,512
Other	329,056	60	-	-	-	11,038	340,154
Total revenues	<u>39,343,803</u>	<u>4,197,090</u>	<u>50,820</u>	<u>12,930,650</u>	<u>1,895,587</u>	<u>13,614,552</u>	<u>72,032,502</u>
<b>EXPENDITURES</b>							
Current:							
General government	6,763,614	-	-	-	-	-	6,763,614
Judicial	3,396,006	-	-	-	-	-	3,396,006
Public safety	19,732,673	-	-	-	-	6,166,129	25,898,802
Public works	95,989	1,911,393	-	-	-	-	2,007,382
Health and welfare	703,590	-	-	-	-	3,670,992	4,374,582
Culture and recreation	660,000	1,838,447	-	-	-	-	2,498,447
Housing and development	322,481	-	-	-	-	1,132,219	1,454,700
Capital outlay							
General government	-	-	-	176,155	-	-	176,155
Judicial	-	-	-	22,620	-	-	22,620
Public safety	-	-	-	354,618	-	756,313	1,110,931
Public works	-	-	-	5,063,875	7,320	1,021,191	6,092,386
Culture and recreation	-	63,600	-	2,411,775	-	-	2,475,375
Intergovernmental	-	-	-	3,087,794	3,569,029	-	6,656,823
Debt service:							
Principal	-	-	-	1,005,289	-	-	1,005,289
Interest	-	-	-	179,626	-	-	179,626
Debt issuance costs	-	-	-	-	221,500	-	221,500
Total expenditures	<u>31,674,353</u>	<u>3,813,440</u>	<u>-</u>	<u>12,301,752</u>	<u>3,797,849</u>	<u>12,746,844</u>	<u>64,334,238</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>7,669,450</u>	<u>383,650</u>	<u>50,820</u>	<u>628,898</u>	<u>(1,902,262)</u>	<u>867,708</u>	<u>7,698,264</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of capital assets	8,876,000	-	-	-	-	4,700	8,880,700
Issuance of bond	-	-	-	-	35,000,000	-	35,000,000
Insurance recoveries	61,023	-	-	-	-	3,592	64,615
Transfers in	-	1,445,177	-	-	-	482,252	1,927,429
Transfers out	(1,509,277)	(1,408,227)	(50,820)	(286,017)	-	(2,092)	(3,256,433)
Total other financing sources (uses)	<u>7,427,746</u>	<u>36,950</u>	<u>(50,820)</u>	<u>(286,017)</u>	<u>35,000,000</u>	<u>488,452</u>	<u>42,616,311</u>
<b>NET CHANGE IN FUND BALANCES</b>	15,097,196	420,600	-	342,881	33,097,738	1,356,160	50,314,575
<b>FUND BALANCES, JULY 1, 2020</b>	<u>16,256,852</u>	<u>4,987,751</u>	<u>-</u>	<u>13,210,737</u>	<u>-</u>	<u>6,349,235</u>	<u>40,804,575</u>
<b>FUND BALANCES, JUNE 30, 2021</b>	<u>\$ 31,354,048</u>	<u>\$ 5,408,351</u>	<u>\$ -</u>	<u>\$ 13,553,618</u>	<u>\$ 33,097,738</u>	<u>\$ 7,705,395</u>	<u>\$ 91,119,150</u>

See accompanying notes to the basic financial statements

**EFFINGHAM COUNTY, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**Amounts reported for governmental activities in the statement of activities are different because:**

**Net Change In Fund Balances - Total Governmental Funds** **\$ 50,314,575**

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 capitalized capital outlays exceeded depreciation expense in the current period.

Depreciation expense	\$(6,910,598)	
Capital outlay	<u>11,335,083</u>	4,424,485

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

Property taxes:		
Unavailable @ 6/30/21	723,518	
Unavailable @ 6/30/20	<u>(656,261)</u>	67,257
Sales taxes:		
Unavailable @ 6/30/21	-	
Unavailable @ 6/30/20	<u>(471,267)</u>	(471,267)

Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities. (7,046,801)

Deferred outflows of resources payable with future revenues were recognized as expenses in the statement of activities in the prior year. 120,597

The internal service fund used by management to charge the costs of health insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. 668,954

Other financing sources for the issuance of bonds are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements. (35,000,000)

Repayment of bonds and capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,005,289

Some expenses reported in the statement of activities, such as landfill closure and post-closure care costs, accrued interest payable, and compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in accrued interest payable	(57,968)	
Change in compensated absences payable	(120,119)	
Change in landfill closure and postclosure care costs	<u>(19,465)</u>	<u>(197,552)</u>

**Change In Net Position of Governmental Activities** **\$ 13,885,537**

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$ 15,912,100	\$ 19,348,648	\$ 19,826,441	\$ 477,793
Sales	6,157,231	7,221,367	8,350,166	1,128,799
Other	774,900	774,900	874,649	99,749
Licenses and permits	38,000	38,000	36,250	(1,750)
Intergovernmental	867,768	2,848,232	2,913,691	65,459
Charges for services	4,969,712	4,969,712	5,481,052	511,340
Fines and forfeitures	1,190,099	1,190,099	1,488,782	298,683
Contributions and donations	13,500	13,500	30,543	17,043
Investment earnings	80,000	80,000	13,173	(66,827)
Other	185,415	185,415	329,056	143,641
Total revenues	<u>30,188,725</u>	<u>36,669,873</u>	<u>39,343,803</u>	<u>2,673,930</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Commissioners' office	1,037,873	1,043,470	887,293	156,177
Elections	373,838	433,040	382,076	50,964
Vehicle maintenance	317,620	533,620	531,181	2,439
Financial administration	715,968	677,513	637,659	39,854
Information technology	842,815	669,171	557,995	111,176
Tax commissioner	837,522	852,563	795,041	57,522
Tax assessor	906,242	844,991	799,885	45,106
Facilities maintenance	1,948,931	1,821,625	1,730,566	91,059
Human resources	424,173	490,570	441,918	48,652
Total general government	<u>7,404,982</u>	<u>7,366,563</u>	<u>6,763,614</u>	<u>602,949</u>
Judicial:				
Superior court clerk's office	661,186	665,440	646,154	19,286
Superior court	535,422	600,422	596,815	3,607
District attorney's office	409,000	409,000	409,000	-
State Court	327,099	329,078	313,384	15,694
Solicitor	310,542	321,532	318,961	2,571
Magistrate Court	487,985	502,966	497,740	5,226
Probate Court	382,914	421,396	416,745	4,651
Juvenile Court	181,780	191,280	189,961	1,319
Board of equalization	16,402	16,511	7,246	9,265
Total judicial	<u>3,312,330</u>	<u>3,457,625</u>	<u>3,396,006</u>	<u>61,619</u>
Public safety:				
Emergency management	276,839	307,470	302,498	4,972
Sheriff	7,626,677	8,203,957	8,080,135	123,822
School resource officers	561,855	584,289	574,822	9,467
Jail	3,715,862	3,668,449	3,518,895	149,554
Correctional institute	2,735,306	2,809,970	2,789,962	20,008
Inmate medical	410,000	575,000	565,525	9,475
Probation	273,852	276,802	256,169	20,633
Emergency medical services	3,057,408	3,423,918	3,387,711	36,207
Coroner	71,753	71,753	53,566	18,187
Animal control	254,731	256,342	203,390	52,952
Total public safety	<u>18,984,283</u>	<u>20,177,950</u>	<u>19,732,673</u>	<u>445,277</u>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES (Continued)</b>				
Public works:				
Roads - Cities	\$ 101,892	\$ 101,892	\$ 95,989	\$ 5,903
Health and welfare:				
Health Department	265,000	265,000	265,000	-
Department of Family and Children Services	66,480	71,480	68,834	2,646
Family connections	48,000	52,800	51,798	1,002
Senior citizens	286,489	416,421	248,091	168,330
Other community services	77,000	77,000	69,867	7,133
Total health and welfare	<u>742,969</u>	<u>882,701</u>	<u>703,590</u>	<u>179,111</u>
Culture and recreation:				
Library	660,000	660,000	660,000	-
Housing and development:				
Extension service	205,118	210,061	202,726	7,335
Geographic information systems	-	115,929	114,755	1,174
Economic development	4,500	4,500	5,000	(500)
Total housing and development	<u>209,618</u>	<u>330,490</u>	<u>322,481</u>	<u>8,009</u>
Total expenditures	<u>31,416,074</u>	<u>32,977,221</u>	<u>31,674,353</u>	<u>1,302,868</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,227,349)</u>	<u>3,692,652</u>	<u>7,669,450</u>	<u>3,976,798</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	30,000	8,906,000	8,876,000	(30,000)
Insurance recoveries	150,000	150,000	61,023	(88,977)
Transfers out	(64,100)	(1,509,277)	(1,509,277)	-
Total other financing sources (uses)	<u>115,900</u>	<u>7,546,723</u>	<u>7,427,746</u>	<u>(118,977)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,111,449)</u>	<u>\$ 11,239,375</u>	15,097,196	<u>\$ 3,857,821</u>
FUND BALANCE, BEGINNING OF YEAR			<u>16,256,852</u>	
FUND BALANCE, END OF YEAR			<u>\$ 31,354,048</u>	

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**SPECIAL TAX DISTRICT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 5,212,023	\$ 3,677,048	\$ 3,755,117	\$ 78,069
Intergovernmental	-	-	15,885	15,885
Charges for services	162,850	301,882	348,632	46,750
Contributions	-	75,000	75,000	-
Investment earnings	20,000	20,000	2,396	(17,604)
Other	-	-	60	60
Total revenues	<u>5,394,873</u>	<u>4,073,930</u>	<u>4,197,090</u>	<u>123,160</u>
<b>EXPENDITURES</b>				
Current:				
Roads	1,786,991	1,913,991	1,911,393	2,598
Culture and recreation	1,507,630	1,857,818	1,838,447	19,371
Capital outlay:				
Roads	13,000	13,000	-	13,000
Culture and recreation	53,000	91,168	63,600	27,568
Total expenditures	<u>3,360,621</u>	<u>3,875,977</u>	<u>3,813,440</u>	<u>62,537</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	2,034,252	197,953	383,650	185,697
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,445,177	1,445,177	-
Transfers out	(1,989,336)	(1,408,227)	(1,408,227)	-
Total other financing sources (uses)	<u>(1,989,336)</u>	<u>36,950</u>	<u>36,950</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 44,916</u>	<u>\$ 234,903</u>	420,600	<u>\$ 185,697</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>4,987,751</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 5,408,351</u>	

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**AMERICAN RESCUE PLAN ACT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 6,244,372	\$ 50,820	\$ (6,193,552)
EXPENDITURES				
Current:				
Roads	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	6,244,372	50,820	(6,193,552)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(50,820)	(50,820)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 6,244,372</u>	-	<u>\$ (6,244,372)</u>
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

See accompanying notes to the basic financial statements.



**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Water & Sewer Operating	Wastewater Treatment Plant	Sanitation	Non-major fund - Landfill	Total Enterprise Funds	Governmental Activities Internal Service Self-Insurance
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 1,247,036	\$ 2,248,125	\$ 373,302	\$ 51,512	\$ 3,919,975	\$ 785,641
Investments	4,854,753	-	1,582,982	-	6,437,735	-
Receivables:						
Accounts	688,009	8,442	3,100	-	699,551	-
Intergovernmental	17,759	-	-	-	17,759	-
Interfund	3,251,246	-	-	-	3,251,246	-
Inventory	34,954	-	-	-	34,954	-
Prepaid items	2,916	-	-	-	2,916	92,557
Total Current Assets	<u>10,096,673</u>	<u>2,256,567</u>	<u>1,959,384</u>	<u>51,512</u>	<u>14,364,136</u>	<u>878,198</u>
<b>Capital Assets</b>						
Land	-	1,086,706	-	-	1,086,706	-
Easements	152,358	-	-	-	152,358	-
Construction in progress	1,656,590	-	53,798	-	1,710,388	-
Systems and equipment (net of depreciation)	18,099,899	10,632,664	196,112	95,217	29,023,892	-
Total Capital Assets	<u>19,908,847</u>	<u>11,719,370</u>	<u>249,910</u>	<u>95,217</u>	<u>31,973,344</u>	<u>-</u>
<b>Total Assets</b>	<u>30,005,520</u>	<u>13,975,937</u>	<u>2,209,294</u>	<u>146,729</u>	<u>46,337,480</u>	<u>878,198</u>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts payable	672,003	89,964	3,371	525	765,863	208,592
Compensated absences payable	-	-	496	-	496	-
Accrued interest payable	31,909	20,738	-	-	52,647	-
Customer deposits	293,150	1,875	-	-	295,025	-
Unearned revenue	1,898,021	14,000	-	-	1,912,021	-
Interfund payable	-	3,200,426	-	-	3,200,426	652
Bonds payable	818,100	531,900	-	-	1,350,000	-
Total Current Liabilities	<u>3,713,183</u>	<u>3,858,903</u>	<u>3,867</u>	<u>525</u>	<u>7,576,478</u>	<u>209,244</u>
<b>Long-Term Liabilities</b>						
Compensated absences payable (net of current portion)	-	-	330	-	330	-
Bonds payable (net of current portion)	13,616,077	8,848,923	-	-	22,465,000	-
Total Long-Term Liabilities	<u>13,616,077</u>	<u>8,848,923</u>	<u>330</u>	<u>-</u>	<u>22,465,330</u>	<u>-</u>
<b>Total Liabilities</b>	<u>17,329,260</u>	<u>12,707,826</u>	<u>4,197</u>	<u>525</u>	<u>30,041,808</u>	<u>209,244</u>
<b>NET POSITION</b>						
Net investment in capital assets	10,474,260	2,338,547	249,910	95,217	13,157,934	-
Unrestricted	2,202,000	(1,070,436)	1,955,187	50,987	3,137,738	668,954
<b>Total Net Position</b>	<u>\$ 12,676,260</u>	<u>\$ 1,268,111</u>	<u>\$ 2,205,097</u>	<u>\$ 146,204</u>	<u>\$ 16,295,672</u>	<u>\$ 668,954</u>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Water & Sewer Operating	Wastewater Treatment Plant	Sanitation	Non-major fund - Landfill	Total Enterprise Funds	Governmental Activities Internal Service Self-Insurance
<b>OPERATING REVENUES</b>						
Charges for services	\$ 4,065,176	\$ 116,082	\$ 4,042,463	\$ 586	\$ 8,224,307	\$ 2,976,266
<b>OPERATING EXPENSES</b>						
Salaries and employee benefits	-	-	44,706	-	44,706	-
Purchased services	2,716,914	470,753	3,986,437	43,015	7,217,119	1,826,354
Materials and supplies	277,054	307,555	492	8,273	593,374	-
Depreciation	604,498	445,586	6,179	9,602	1,065,865	-
Claims	-	-	-	-	-	480,958
Total operating expenses	3,598,466	1,223,894	4,037,814	60,890	8,921,064	2,307,312
<b>OPERATING INCOME (LOSS)</b>	466,710	(1,107,812)	4,649	(60,304)	(696,757)	668,954
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenue	-	-	1,281	-	1,281	-
Investment earnings	4,000	157	1,189	3	5,349	-
Interest expense	(423,188)	(275,032)	-	-	(698,220)	-
Total non-operating revenues (expenses)	(419,188)	(274,875)	2,470	3	(691,590)	-
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	47,522	(1,382,687)	7,119	(60,301)	(1,388,347)	668,954
Capital contributions and cost recovery fees	678,739	930,754	-	-	1,609,493	-
Transfers in	524,769	740,135	-	64,100	1,329,004	-
<b>CHANGE IN NET POSITION</b>	1,251,030	288,202	7,119	3,799	1,550,150	668,954
<b>NET POSITION, BEGINNING OF YEAR</b>	11,425,230	979,909	2,197,978	142,405	14,745,522	-
<b>NET POSITION, END OF YEAR</b>	\$ 12,676,260	\$ 1,268,111	\$ 2,205,097	\$ 146,204	\$ 16,295,672	\$ 668,954

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Water & Sewer Operating	Wastewater Treatment Plant	Sanitation	Non-major fund - Landfill	Total Enterprise Funds	Governmental
						Activities Internal Service Self-Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 3,916,882	\$ 133,222	\$ 4,042,463	\$ 836	\$ 8,093,403	-
Cash received from internal charges	-	-	-	-	-	\$ 2,976,266
Cash payments to employees for services	-	-	(44,503)	-	(44,503)	-
Cash payments for goods and services	(2,883,272)	(799,069)	(4,309,895)	(51,896)	(8,044,132)	(2,191,277)
Net cash provided (used) by operating activities	1,033,610	(665,847)	(311,935)	(51,060)	4,768	784,989
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances from (to) other funds	(788,881)	737,531	28	-	(51,322)	652
Interfund transfers	187,932	740,135	-	64,100	992,167	-
Operating grants received	5,195	-	1,281	-	6,476	-
Net cash provided (used) by noncapital financing activities	(595,754)	1,477,666	1,309	64,100	947,321	652
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal paid on bonds payable	(797,016)	(517,984)	-	-	(1,315,000)	-
Interest paid on bonds payable	(424,951)	(276,176)	-	-	(701,127)	-
Capital contributions/Cost recovery fees	678,739	930,754	-	-	1,609,493	-
Purchase of capital assets	(1,311,740)	-	-	-	(1,311,740)	-
Transfers for capital projects	336,837	-	-	-	336,837	-
Net cash provided (used) by capital and related financing activities	(1,518,131)	136,594	-	-	(1,381,537)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investments	(3,923)	-	-	-	(3,923)	-
Proceeds from sale of investments	-	-	498,812	-	498,812	-
Investment earnings	4,000	157	1,189	3	5,349	-
Net cash provided (used) by investing activities	77	157	500,001	3	500,238	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,080,198)</b>	<b>948,570</b>	<b>189,375</b>	<b>13,043</b>	<b>70,790</b>	<b>785,641</b>
<b>CASH AND CASH EQUIVALENTS, JULY 1, 2020</b>	<b>2,327,234</b>	<b>1,299,555</b>	<b>183,927</b>	<b>38,469</b>	<b>3,849,185</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2021</b>	<b>\$ 1,247,036</b>	<b>\$ 2,248,125</b>	<b>\$ 373,302</b>	<b>\$ 51,512</b>	<b>\$ 3,919,975</b>	<b>\$ 785,641</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 466,710	\$ (1,107,812)	\$ 4,649	\$ (60,304)	\$ (696,757)	\$ 668,954
Adjustments:						
Depreciation	604,498	445,586	6,179	9,602	1,065,865	-
(Increase) decrease in operating assets:						
Accounts receivable	(144,931)	3,140	-	250	(141,541)	-
Inventory	(4,311)	-	-	-	(4,311)	-
Prepaid items	(414)	-	-	-	(414)	(92,557)
Increase (decrease) in operating liabilities:						
Accounts payable	115,421	(20,761)	(322,966)	(608)	(228,914)	208,592
Customer deposits	55,350	-	-	-	55,350	-
Unearned revenue	(58,713)	14,000	-	-	(44,713)	-
Compensated absences payable	-	-	203	-	203	-
Net cash provided (used) by operating activities	\$ 1,033,610	\$ (665,847)	\$ (311,935)	\$ (51,060)	\$ 4,768	\$ 784,989

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**JUNE 30, 2021**

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<b>ASSETS</b>	
Cash	\$ 2,103,661
<b>TOTAL ASSETS</b>	<b>\$ 2,103,661</b>
<b>LIABILITIES</b>	
Due to other governments	\$ 1,452,636
Due to other entities and individuals	10,023
<b>TOTAL LIABILITIES</b>	<b>1,462,659</b>
<b>NET POSITION</b>	
Restricted for individuals, organizations, and other governments	641,002
<b>TOTAL NET POSITION</b>	<b>\$ 641,002</b>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2021

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ADDITIONS

Tax collections for other governments	\$	56,901,825
Fees, fines, and forfeitures		2,282,532
Court judgements/assessments		179,511
Deposits from inmates		19,980
Tax sale proceeds		3,814
Interest		40
Total additions		<u>59,387,702</u>

DEDUCTIONS

Payments to other governments		58,268,872
Payments to other entities and individuals		1,053,535
Total deductions		<u>59,322,407</u>

Net increase (decrease) in fiduciary net position 65,295

NET POSITION - JULY 1, 2020, AS RESTATED 575,707

NET POSITION - JUNE 30, 2021 \$ 641,002

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2021

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Effingham County, Georgia (the “County”) operates under a five-member board of commissioners and a chairman-at-large form of government.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County’s accounting policies are described below.

**1-A. Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization’s governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization’s resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the County’s discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

A brief description of the County’s discretely presented component units follows:

**Effingham County Board of Health** – The Effingham County Board of Health is included as a discretely presented component unit. Copies of the discretely presented component unit’s separate financial statements may be obtained directly from their administrative office at:

Effingham County Board of Health  
P.O. Box 350  
Springfield, Georgia 31329

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Effingham County Hospital Authority** – The Effingham County Hospital Authority is included as a discretely presented component unit. Copies of the discretely presented component unit’s separate financial statements may be obtained directly from their administrative office at:

Effingham Hospital  
459 Highway 119 South  
Springfield, Georgia 31329

The Effingham County Board of Education, Department of Family and Children Services, and Effingham County Industrial Development Authority have all been evaluated as potential component units and none meet the component unit criteria.

**1-B. Basis of Presentation**

The County’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes, grants and the County’s general revenues, from business-type activities, generally financed in whole or part with service charges to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the County and its discretely presented component unit.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County’s governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County’s services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

**Fund Financial Statements** – During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental funds are reported in separate columns with composite columns for non-major funds. Fiduciary funds are reported by type.

**Fund Accounting** – The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds** – Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

**The General Fund** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

**The Special Tax District Fund** – This fund accounts for financial resources to be used for a special service tax district which is composed of the unincorporated areas of the County as agreed to in an intergovernmental agreement with the municipalities of the County.

**American Rescue Plan Act Fund** – This fund is used to account for all Local Fiscal Recovery funds received by the County through the American Rescue Plan Act of 2021.

**SPLOST Capital Projects Fund** – This fund is used to account for financial resources to be used for the acquisition or construction of major governmental capital projects.

**TSPLOST Capital Projects Fund** – This fund is used to account for financial resources to be used for the acquisition or construction of capital projects for transportation purposes.

**Proprietary Funds** - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The proprietary funds are classified as enterprise funds. The following are the County's major enterprise funds:

**Water and Sewer Fund** – This fund is used to account for the construction of facilities and operation of activities involved in providing water and sewer services to County residents.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Wastewater Treatment Plant Fund** – This fund is used to account for the construction of facilities and operation of activities involved in providing wastewater treatment services to County residents.

**Sanitation Fund** – This fund is used to account for the construction of facilities and operation of activities involved in providing sanitation services to County residents.

**Fiduciary Funds** – The Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for others. The agency funds report the collections and disbursements of the various constitutional officers.

**1-C. Measurement Focus**

**Government-wide Financial Statements** – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

**Fund Financial Statements** – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

The proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

**1-D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

At the fund reporting level, the governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows, and in the presentation of expenses versus expenditures.

**Revenues – Exchange Transactions** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**Revenue – Non-exchange Transactions** – Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

**Unearned Revenue** – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On both the governmental fund financial statements and the government-wide financial statements, revenues are reported as unearned for grants and entitlements received before eligibility requirements are met (e.g., cash advances).

**Expenses/Expenditures** – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government agency
- Obligations of any corporation of the United States Government

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

**Receivables**

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at June 30, 2021.

**Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns on the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances on this statement. These amounts are ultimately eliminated from the total column on the statement of net position.

**Consumable Inventories**

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

**Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the County fund financial statements. Capital assets utilized by proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in proprietary funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of ten thousand dollars. The County's infrastructure consists of roads, bridges, water lines, and sewer lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	7-40 years
Machinery and equipment	5-10 years
Infrastructure	10-50 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an “other financing source” of an equal amount are reported at the net present value of future minimum lease payments.

**Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The total compensated absences liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absences liability in each individual fund at the fund reporting level. Governmental funds report the compensated absences liability at the fund reporting level only “*when due.*”

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Notes and capital leases are recognized as a liability in the governmental fund financial statements when due.

**Debt Premiums, Discounts, and Issuance Costs**

On the government-wide statement of net position and the proprietary fund type statements of net position, debt premiums and discounts are netted against the debt payable. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts are amortized over the life of the debt using the effective interest method and debt issuance costs are expensed in the current period.

At the governmental fund reporting level, debt premiums and discounts are reported as other financing sources and uses, separately from the face amount of the debt issued. Debt issuance costs are reported as debt service expenditures.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, 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 County does not have any deferred outflows of resources at June 30, 2021. It does have a component unit that has deferred outflows of resources related to pensions and other post-employment benefits on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has an item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County has a component unit that has deferred inflows of resources related to pensions and other post-employment benefits on the statement of net position.

**Fund Equity**

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 current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County 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 spendable form (i.e. items that are not expected to be converted to cash) 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 County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**Assigned** – Fund balances are reported as assigned when amounts are constrained by the Board of Commissioners’ intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners can delegate authority to assign fund balances.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County 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 County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

**Net Position** – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

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

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for the water, sewer, and sanitation programs. Operating expenses are necessary costs incurred to provide the goods or service that are the primary activity of each fund and include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Contributions of Capital**

Contributions of capital in enterprise fund financial statements arise from outside contributions of capital assets, tap in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in proprietary funds. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated. Transfers between governmental and business-type activities are eliminated from the total column.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Implementation of GASB 84**

The County has implemented GASB Statement 84, “Fiduciary Activities.” This statement clarifies the definitions of the three existing fiduciary fund categories associated with trusts that meet specific criteria, and establishes a new custodial fund category for all other fiduciary activity not required to be reported within trust funds. All of the County’s fiduciary activity is custodial and has been reflected as such. The statement also requires that certain amounts be recognized as liabilities only when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the asset. Therefore, a restatement was required to the net position for Custodial funds in the following amounts:

	<u>Custodial Funds</u>
Net Position, June 30, 2020, as previously reported	-
Tax Commissioner funds previously reported as liabilities	\$ 169,095
Probate Court funds previously reported as liabilities	66,387
Clerk of Courts funds previously reported as liabilities	198,871
Sheriff's funds previously reported as liabilities	141,354
Net Position, June 30, 2020, as restated	<u>\$ 575,707</u>

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

The County adopts an annual operating budget for the general fund, each special revenue fund and capital projects fund. The budget resolution reflects the total of each department’s appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the category within each department of each individual fund. The County Administrator may approve budget transfers within department categories. Any change in total to a fund or department category appropriation within a fund requires approval of the Board of Commissioners.

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

During the year, the Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

**Excess of Expenditures Over Appropriations**

Expenditures exceeded appropriations for the year ended June 30, 2021 in the following department for the general fund:

	<u>General Fund</u>
Economic development	\$ 500

The overexpenditure in this area was funded by underexpenditures in other areas.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

At June 30, 2021, the County has the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Primary Government:			
Georgia Fund 1	Average of 36 days WAM	\$ 48,386,927	AAAf/S1+

*Interest Rate Risk* – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker’s acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

*Custodial Credit Risk – Deposits* – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County 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 (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.

*Custodial Credit Risk – Investments* – Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. State statutes require all 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.

At June 30, 2021, the carrying amount of the County’s deposits was \$62,895,075 and the bank balance was \$68,528,651. The entire bank balance was insured and collateralized with securities held by the pledging financial institution’s trust department or agent in the County’s name.



**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

Discretely Presented Component Units

The carrying amount of deposits for the Effingham County Board of Health was \$2,732,965 and the bank balance was \$2,733,019. As of June 30, 2021, the Board of Health did not have any balances exposed to custodial credit risk.

As of June 30, 2021, the Hospital Authority owned \$873,097 in securities that were uninsured, unregistered, and held by the Authority's brokerage firm in the brokerage firm's name. Securities held in the Authority's brokerage account are protected by insurance coverage in the amount of \$500,000 through the Securities Investor Protection Corporation (SIPC). In addition, the Authority's brokerage firms provide additional insurance protection for amounts in excess of the SIPC limit. The Authority's bank deposits are entirely insured and collateralized with securities held by the pledging financial institution's designated trustee in the Authority's name.

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2021, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectibility.

**NOTE 5 – PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about September 15th of each year and are payable within sixty days. The County bills and collects its own property taxes and also collects taxes for the Effingham County Board of Education, the Effingham County Hospital Authority, the Effingham County Industrial Development Authority, the State of Georgia and cities within the County. Collection of the County's taxes and for the other government agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an Agency Fund. County property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended June 30, 2021, property taxes were levied on September 8, 2020, and were due November 30, 2020.

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Sheriff	\$ 2,591
	Fire Taxing District	287
	Inspections & Zoning	1,150
	Prison Commissary	1,905
	Self-Insurance	652
	Hospital Indigent	2,300
	E-911	168,331
Special Tax District	General Fund	27,897
Fire Taxing District	Inspections & Zoning	306
SPLOST	General Fund	108
Water and Sewer Operating	Wastewater Treatment Plant	3,200,426
	American Rescue Plan Act	<u>50,820</u>
Total		<u>\$ 3,456,773</u>

Interfund balances at June 30, 2021 represent reimbursable expenses and temporary loans. The County expects to repay all interfund balances within one year.

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Transfers To:	Transfers From:					Total
	General Fund	SPLOST	Special Tax District	State Condemnation	American Rescue Plan Act	
Fire Taxing District	-	-	\$ 86,422	-	-	\$ 86,422
Inspection and Zoning	-	-	280,311	-	-	280,311
Senior Citizens Activity	-	-	113,427	-	-	113,427
Sheriff Special Funds	-	-	-	\$ 2,092	-	2,092
Special Tax District	\$ 1,445,177	-	-	-	-	1,445,177
Water and Sewer Operating	-	\$ 286,017	187,932	-	\$ 50,820	524,769
Wastewater Treatment Plant	-	-	740,135	-	-	740,135
Landfill	64,100	-	-	-	-	64,100
Total	<u>\$ 1,509,277</u>	<u>\$ 286,017</u>	<u>\$ 1,408,227</u>	<u>\$ 2,092</u>	<u>\$ 50,820</u>	<u>\$ 3,256,433</u>

Transfers to various funds from the Special Tax District Fund were to fund operations. Transfers from the SPLOST fund to the Water and Sewer Operating enterprise fund were for construction costs. Transfers from the State Condemnation to the Sheriff Special Funds were to fund various items needed by the Sheriff's department. Transfers from the American Rescue Plan Act to the Water and Sewer Operating enterprise fund were for construction costs. Transfers from the General Fund to the Landfill fund were to fund operations. Transfers from the General Fund to the Special Tax District Fund were to move LOST revenues to fund activities within the Special Tax District.

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance 6/30/2020	Additions	Deductions	Balance 6/30/2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 14,223,003	\$ 1,046,941	\$ 7,027,539	\$ 8,242,405
Easements	964,330	-	-	964,330
Construction in progress	6,654,433	4,258,175	12,976	10,899,632
	<u>21,841,766</u>	<u>5,305,116</u>	<u>7,040,515</u>	<u>20,106,367</u>
Capital assets being depreciated:				
Buildings and improvements	68,045,796	2,485,895	-	70,531,691
Machinery and equipment	33,691,089	1,655,014	48,019	35,298,084
Infrastructure	126,815,803	1,902,034	-	128,717,837
Total capital assets being depreciated	<u>228,552,688</u>	<u>6,042,943</u>	<u>48,019</u>	<u>234,547,612</u>
Total capital assets	<u>250,394,454</u>	<u>11,348,059</u>	<u>7,088,534</u>	<u>254,653,979</u>
Accumulated depreciation:				
Buildings and improvements	29,015,051	2,436,822	-	31,451,873
Machinery and equipment	24,509,708	1,884,276	28,757	26,365,227
Infrastructure	98,048,485	2,589,500	-	100,637,985
Total accumulated depreciation	<u>151,573,244</u>	<u>6,910,598</u>	<u>28,757</u>	<u>158,455,085</u>
Governmental activities capital assets, net	<u>\$ 98,821,210</u>	<u>\$ 4,437,461</u>	<u>\$ 7,059,777</u>	<u>\$ 96,198,894</u>

Governmental activities depreciation expense:

General government	\$ 835,238
Judicial	4,506
Public safety	2,538,317
Public works	2,833,531
Health and welfare	518
Culture and Recreation	658,625
Housing and development	<u>39,863</u>
Total governmental activities depreciation expense	<u>\$ 6,910,598</u>

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – CAPITAL ASSETS (Continued)**

Capital asset activity for the year ended June 30, 2021 for the County’s enterprise funds was as follows:

	Balance 6/30/2020	Additions	Deductions	Balance 6/30/2021
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,086,706	-	\$ -	\$ 1,086,706
Easements	152,358	-	-	152,358
Construction in progress	1,248,039	\$ 462,349	-	1,710,388
Total capital assets not being depreciated	<u>2,487,103</u>	<u>462,349</u>	<u>-</u>	<u>2,949,452</u>
Capital assets being depreciated:				
Buildings and improvements	16,842,312	-	-	16,842,312
Machinery and equipment	2,710,453	114,945	-	2,825,398
Infrastructure	24,946,897	734,446	-	25,681,343
Total capital assets being depreciated	<u>44,499,662</u>	<u>849,391</u>	<u>-</u>	<u>45,349,053</u>
Total capital assets	<u>46,986,765</u>	<u>1,311,740</u>	<u>-</u>	<u>48,298,505</u>
Accumulated depreciation:				
Buildings and improvements	5,881,841	419,454	-	6,301,295
Equipment	2,270,295	46,685	-	2,316,980
Infrastructure	7,107,160	599,726	-	7,706,886
Total accumulated depreciation	<u>15,259,296</u>	<u>1,065,865</u>	<u>-</u>	<u>16,325,161</u>
Business-type activities capital assets, net	<u>\$ 31,727,469</u>	<u>\$ 245,875</u>	<u>\$ -</u>	<u>\$ 31,973,344</u>

Capital asset activity for the year ended June 30, 2021 for the Effingham County Board of Health was as follows:

	Balance 7/1/2020	Additions	Deductions	Balance 6/30/2021
Component Unit:				
Machinery and equipment	\$ 117,673	-	\$ -	\$ 117,673
Less accumulated depreciation	(95,681)	\$ (8,802)	-	(104,483)
Component unit capital assets, net	<u>\$ 21,992</u>	<u>\$ (8,802)</u>	<u>\$ -</u>	<u>\$ 13,190</u>

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – CAPITAL ASSETS (Continued)**

Capital asset activity for the year ended June 30, 2021 for the Effingham County Hospital Authority was as follows:

	Balance <u>7/1/2020</u>	Additions	Deductions	Balance <u>6/30/2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 619,242	-	-	\$ 619,242
Construction in progress	<u>2,238,979</u>	<u>\$ 4,302,237</u>	<u>\$ 255,353</u>	<u>6,285,863</u>
Total capital assets not being depreciated	<u>2,858,221</u>	<u>4,302,237</u>	<u>255,353</u>	<u>6,905,105</u>
Capital assets being depreciated:				
Buildings and improvements	31,206,154	228,121	-	31,434,275
Machinery and equipment	<u>27,298,858</u>	<u>1,107,404</u>	-	<u>28,406,262</u>
Total capital assets being depreciated	<u>58,505,012</u>	<u>1,335,525</u>	<u>-</u>	<u>59,840,537</u>
Total capital assets	<u>61,363,233</u>	<u>5,637,762</u>	<u>255,353</u>	<u>66,745,642</u>
Accumulated depreciation:				
Buildings and improvements	14,056,160	1,418,817	-	15,474,977
Machinery and equipment	<u>20,727,534</u>	<u>1,541,445</u>	-	<u>22,268,979</u>
Total accumulated depreciation	<u>34,783,694</u>	<u>2,960,262</u>	<u>-</u>	<u>37,743,956</u>
Governmental activities capital assets, net	<u>\$26,579,539</u>	<u>\$ 2,677,500</u>	<u>\$ 255,353</u>	<u>\$29,001,686</u>

**NOTE 8 – CAPITAL LEASES**

Governmental Activities

The County has entered into lease agreements as lessee for financing various equipment costing \$5,180,871. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Amortization of the cost of the equipment is included in depreciation expense in the government-wide financial statements.

The accumulated depreciation on the various equipment was \$2,116,433 at June 30, 2021.

The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021:

<u>Year ending June 30</u>	
2022	\$ 764,309
2023	456,001
2024	410,381
2025	<u>354,473</u>
Total minimum lease payments	1,985,164
Less amount representing interest	<u>120,920</u>
Present value of future minimum lease payments	<u>\$ 1,864,244</u>

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 9 – BONDS PAYABLE**

In July, 2017, the County issued Effingham County Industrial Development Authority Refunding and Improvement Revenue Bond Series 2017 in the amount of \$28,935,000 to provide funds to refinance all outstanding long term debt related to the County’s water and sewer system and to fund additional water and sewer construction projects deemed necessary by the County. The Bond will mature on June 1, 2036, and will be payable in annual principal amounts ranging from \$1,095,000 to \$1,930,000. Interest will be paid semi-annually on June 1 and December 1 of each year and will accrue at 2.79% for the first 15 years the bond is outstanding and at a variable rate equal to 70% of the Wall Street Journal Prime Rate, but not to exceed 12% per year after June 1, 2033.

In January, 2020, the County issued Effingham County Industrial Development Authority Revenue Bond Series 2020 in the amount of \$5,000,000 to provide funds to construct a new 27,000 square foot gymnasium building and associated site work. The Bond will mature on June 1, 2034, and will be payable in annual principal amounts ranging from \$288,000 to \$380,000. Interest will be paid semi-annually on June 1 and December 1 of each year and will accrue at 2.16%.

In April, 2021, the County issued General Obligation Transportation Sales Tax Bond Series 2021 in the amount of \$35,000,000 to provide funds for certain transportation projects. The bond will mature on June 1, 2026, and will be payable in annual principal amounts ranging from \$6,770,000 to \$7,190,000. Interest will be paid semi-annually on June 1 and December 1 of each year and will accrue at .793%.

As of June 30, 2021, annual debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 7,064,000	\$ 417,984	\$ 7,481,984	\$ 1,350,000	\$ 664,439	\$ 2,014,439
2023	7,225,000	311,690	7,536,690	1,385,000	626,774	2,011,774
2024	7,322,000	250,294	7,572,294	1,425,000	588,132	2,013,132
2025	7,414,000	188,034	7,602,034	1,465,000	548,375	2,013,375
2026	7,510,000	124,949	7,634,949	1,505,000	507,501	2,012,501
2027-2031	1,709,000	232,891	1,941,891	8,185,000	1,883,390	10,068,390
2032-2036	1,116,000	48,557	1,164,557	8,500,000	676,436	9,176,436
	<u>\$ 39,360,000</u>	<u>\$ 1,574,399</u>	<u>\$ 40,934,399</u>	<u>\$ 23,815,000</u>	<u>\$ 5,495,047</u>	<u>\$ 29,310,047</u>

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – CHANGES IN LONG-TERM DEBT**

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due In One Year
<b>Governmental Activities</b>					
Capital lease payable - Patrol Cars	\$ 21,071	-	\$ 21,071	-	-
Capital lease payable - Admin. Vehicles	10,535	-	10,535	-	-
Capital lease payable - Comm. equipment	1,301,178	-	307,742	\$ 993,436	\$ 319,159
Capital lease payable - Public works equipment	518,715	-	39,902	478,813	41,071
Capital lease payable - Patrol Cars	356,379	-	162,146	194,233	166,147
Capital lease payable - EMS equipment	77,261	-	29,907	47,354	29,907
Capital lease payable - Recreation lighting	256,674	-	126,126	130,548	130,548
Capital lease payable - Sheriff equipment	39,720	-	19,860	19,860	19,860
Total Capital Leases	2,581,533	-	717,289	1,864,244	706,692
Bond payable	4,648,000	\$ 35,000,000	288,000	39,360,000	7,064,000
Compensated absences payable	1,185,660	120,119	-	1,305,779	783,467
Landfill post-closure care costs	1,622,096	19,465	-	1,641,561	110,000
Total Governmental Activities	<u>\$ 10,037,289</u>	<u>\$ 35,139,584</u>	<u>\$ 1,005,289</u>	<u>\$ 44,171,584</u>	<u>\$ 8,664,159</u>
<b>Business-Type Activities</b>					
Compensated absences payable	\$ 623	\$ 203	-	\$ 826	\$ 496
Bonds payable	25,130,000	-	\$ 1,315,000	23,815,000	1,350,000
Total Business-Type Activities	<u>\$ 25,130,623</u>	<u>\$ 203</u>	<u>\$ 1,315,000</u>	<u>\$ 23,815,826</u>	<u>\$ 1,350,496</u>
<b>Board of Health</b>					
Compensated absences payable	\$ 71,219	\$ 4,151	\$ -	\$ 75,370	\$ 15,074
<b>Hospital Authority</b>					
Bond payable - mortgage	\$ 25,412,415	-	\$ 885,407	\$ 24,527,008	\$ 942,640
Notes payable	5,876,787	\$ 410,550	4,325,020	1,962,317	172,419
Capital lease payable	1,168,323	-	314,639	853,684	381,161
Total Hospital Authority	<u>\$ 32,457,525</u>	<u>\$ 410,550</u>	<u>\$ 5,525,066</u>	<u>\$ 27,343,009</u>	<u>\$ 1,496,220</u>

The compensated absences liability will be paid from the fund from which the employees' salaries are paid which is primarily the General Fund for governmental activities and the Sanitation Fund for the business-type activities. The capital lease obligations will be paid from the General Fund and SPLOST fund. Bonds payable will be paid from the Water and Sewer Fund and the Wastewater Treatment Plant Fund for the business-type activities and from the SPLOST fund and TSPLOST fund for the governmental activities.

**NOTE 11 – LANDFILL POST-CLOSURE CARE COSTS**

The landfill has been closed for several years and received a closure certificate dated October 11, 2017 from the Environmental Protection Division. A liability is being recognized based on the estimated future post-closure care costs that are expected to be incurred for thirty years after closure. The estimated total current cost of the landfill post-closure of \$1,641,561 is based on the present value of the amount that would be paid if all equipment, facilities, and services necessary to maintain and monitor the closed landfill were acquired as of June 30, 2021. However, the actual cost may be higher due to inflation, unexpected mitigation requirements, changes in technology, or changes in laws and regulations.

**NOTE 11 – LANDFILL POST-CLOSURE CARE COSTS (Continued)**

Under the agreement with federal and state authorities, the County, in order to assure that adequate resources are available to finance the landfill post-closure costs, designates a portion of fund balance annually in an amount equal to the provision for the landfill post-closure care costs. However, unanticipated future inflation costs and additional costs that might arise from changes in the post-closure requirements due to changes in technology and regulatory standards may have to be covered by increased landfill user fees, additional taxes, or both.

**NOTE 12 – EMPLOYEE RETIREMENT PLANS**

Defined Contribution Plan

The County has adopted a prototype 401(a) Defined Contribution Plan for Employees of Effingham County (the 401(a) Plan) and a prototype 457 Deferred Compensation Plan for Effingham County (the 457 Plan) administered by the Board of Commissioners through GEBCORP. The County has the authority to establish the Plans or amend the adoption agreement which defines the specific provisions of the plan as provided in the prototype document. The Plan covers substantially all employees who meet the minimum years of service requirement. The County contributes 3% of employee's compensation and additionally matches up to 3% of employee's contributions. The total cost for the 401(a) Plan and the 457 Plan for the year ended June 30, 2021 was \$964,470. Total employee contributions to the plans for the year ended June 30, 2021 was \$792,386.

Judges of the Probate Courts Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses be remitted to the state sponsored pension plan.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the state sponsored pension plan.

Sheriff's Retirement Fund/Peace Officers' Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Magistrate Court and Clerk of Superior Court to the state sponsored pension plans.

Magistrates Retirement Fund of Georgia

The Magistrate Judge is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the state sponsored pension plan.

Georgia Firefighters' Pension Fund

Full-time fire department employees who are certified or are candidates for certification by the Georgia Firefighter Standards and Training Council are eligible to be covered by this pension plan, which is funded primarily by a one percent tax on premiums for fire insurance and monthly dues collected from active members.



**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)**

Georgia Judicial Retirement System

This system provides retirement benefits for Superior Court Judges, District Attorneys, State Court Judges, Solicitors-General of the State Courts, and Juvenile Court Judges.

Employee's Retirement System of Georgia

Effingham County tax officials are covered under this retirement plan.

In the government-wide statement of activities, the County recognized \$394,273 in revenue as support provided by nonemployer contributing entities. The amount was also recognized as expense in the appropriate functional expense category.

Effingham County Board of Health

The employees of the Effingham County Board of Health participate in the Georgia State Employees Retirement System (ERS). The plan is administered by the State of Georgia. ERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov](http://www.ers.ga.gov).

The retirement contributions for the year ended June 30, 2021 were \$105,990. Contributions are fully vested to employees after 10 years of continuous service.

At June 30, 2021, the Board of Health reported \$709,419 as a liability for its proportionate share of the net pension liabilities. For the year ended June 30, 2021, the Board of Health recognized pension expense of \$274,722.

**NOTE 13 – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management insurance program for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 13 – RISK MANAGEMENT (Continued)**

Settled claims in the past three years have not exceeded the coverages.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County attorney, the resolution of these matters probably will not have a material adverse effect on the financial condition of the County.

**Hospital Authority** – The County entered into a contract with the Effingham County Hospital Authority dated October 19, 2010 whereby the Hospital Authority will provide indigent care to Effingham County citizens. In return, the County will provide the Hospital Authority \$3,600,000 per year or approximately \$300,000 per month. This payment will be financed by the County by a levy of annual tax on all taxable property located within the boundaries of the County at such rates to provide the funding, not to exceed two mills (but not less than the millage necessary, up to the applicable maximum mil limit prescribed by the Georgia Hospital Authorities law). In the event this rate does not generate adequate funding, the County must fund the deficit from other sources. The agreement prescribes the Hospital to have a first priority lien on any and all revenues realized by the County under and pursuant to the annual tax levied.

**NOTE 15 – JOINT VENTURE**

Under Georgia law, the County, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission of Georgia (RC) and is required to pay annual dues thereto. During its year ended June 30, 2021, the County paid \$50,541 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Coastal Regional Commission of Georgia  
118 Coastal Drive SW  
Darien, Georgia 31305

**NOTE 16 – HOTEL/MOTEL LODGING TAX**

The county has levied a five percent lodging tax. A summary of the transactions for the year ended June 30, 2021 follows:

		<u>Percentage of tax receipts</u>
Lodging tax receipts	\$ 14,886	
Disbursements to the:		
Effingham County Chamber of Commerce	(11,909)	80%
County for future projects	(2,977)	20%
Total	<u>\$ -</u>	

**NOTE 16 – HOTEL/MOTEL LODGING TAX (Continued)**

All expenditures were for promotion of tourism as required by O.C.G.A. 48-13-41.

**NOTE 17 – TAX ABATEMENTS**

The Effingham County Industrial Development Authority (the “Authority”) can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment through an “Investment Assistance Program.” Georgia case law and statutory provisions, including the Development Authorities Law (Title 36 Chapter 62 of the Georgia Code Annotated), provide the Authority with the power to enter into such agreements with companies.

The Authority may accept title to real property (land and building) and personal property (machinery and equipment) assets from a company in return for job creation and/or capital investment and provide a tax benefit to the company through a lease agreement with the Authority. Agreements with respect to taxation of such assets under the lease provide the terms and conditions of any tax abatement. In general, failure to create jobs and/or investments as set forth in the agreements would result in a reduction (or claw back) of any tax abatements.

The Authority monitors compliance with performance and accountability agreements to ensure the companies meet their commitments.

For Effingham County’s fiscal year ending June 30, 2021, the cumulative property tax not collected by Effingham County due to incentive agreements was \$2,391,369. Payments in lieu of taxes in the amount of \$788,653 were received in the Special Tax District Fund related to these agreements.

**NOTE 18 – PRIOR PERIOD ADJUSTMENT – COMPONENT UNIT**

The financial statements of the Hospital Authority have been restated to correct certain errors resulting in an understatement of previously reported estimated third-party payor settlement liabilities. During the current fiscal year, management discovered errors in filed Medicare cost reports for fiscal years 2015 through 2020 as a result of audits conducted by the Medicare Administrative Contractor (MAC). Accordingly, an adjustment has been made to beginning net position as of July 1, 2019 of \$3,099,875 and net patient service revenue for the year ended June 30, 2020 of \$400,000 to record estimated third-party settlement liabilities of \$2,699,875 in the correct period.

**NOTE 18 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 11, 2022, the date that the financial statements were available to issue.

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	SPLOST Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6	\$ 4,567,407	\$ 4,567,413
Investments	-	3,033,075	3,033,075
Receivables:			
Accounts	-	8,681	8,681
Intergovernmental	-	359,108	359,108
Interfund	-	168,637	168,637
Prepaid items	-	39,251	39,251
<b>TOTAL ASSETS</b>	<b>\$ 6</b>	<b>\$ 8,176,159</b>	<b>\$ 8,176,165</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 243,529	\$ 243,529
Accrued liabilities	-	207,317	207,317
Interfund payable	-	8,539	8,539
Performance bonds	-	11,385	11,385
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>470,770</b>	<b>470,770</b>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	-	39,251	39,251
Restricted			
Public safety	-	4,720,978	4,720,978
Public works, public safety, and recreation	-	89,396	89,396
Housing and development	-	1,107,002	1,107,002
Health and welfare	-	1,701,560	1,701,560
Judicial	-	47,202	47,202
Debt service	6	-	6
<b>TOTAL FUND BALANCES</b>	<b>6</b>	<b>7,705,389</b>	<b>7,705,395</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6</b>	<b>\$ 8,176,159</b>	<b>\$ 8,176,165</b>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	SPLOST Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ -	\$ 6,605,200	\$ 6,605,200
Licenses and permits	-	1,458,829	1,458,829
Intergovernmental	-	691,978	691,978
Charges for services	-	4,751,025	4,751,025
Fines and forfeitures	-	91,581	91,581
Investment earnings	-	2,186	2,186
Contributions	-	2,715	2,715
Other	-	11,038	11,038
Total revenues	<u>-</u>	<u>13,614,552</u>	<u>13,614,552</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	6,166,129	6,166,129
Health and welfare	-	3,670,992	3,670,992
Housing and development	-	1,132,219	1,132,219
Capital outlay:			
Public safety	-	756,313	756,313
Public works	-	1,021,191	1,021,191
Total expenditures	<u>-</u>	<u>12,746,844</u>	<u>12,746,844</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>867,708</u>	<u>867,708</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	4,700	4,700
Insurance recoveries	-	3,592	3,592
Transfers in	-	482,252	482,252
Transfers out	-	(2,092)	(2,092)
Total other financing sources (uses)	<u>-</u>	<u>488,452</u>	<u>488,452</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	1,356,160	1,356,160
<b>FUND BALANCES, JULY 1, 2020</b>	<u>6</u>	<u>6,349,229</u>	<u>6,349,235</u>
<b>FUND BALANCES, JUNE 30, 2021</b>	<u>\$ 6</u>	<u>\$ 7,705,389</u>	<u>\$ 7,705,395</u>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	Hospital Indigent	Drug Abuse & Treatment Education	Sheriff	Prison Commissary	Impact Fees	Drug Seizure	State Condemnation	E-911 Fund
<b>ASSETS</b>								
Cash	\$ 1,002,661		\$ 282,975	\$ 45,844	\$ 67,251	\$ 42,561	\$ 5,776	\$ 1,033,411
Investments	617,665							
Receivables:								
Accounts	-							
Intergovernmental	-	200			22,145			226,996
Interfund	-							168,331
Prepaid items	8,250							29,601
<b>TOTAL ASSETS</b>	<u>\$ 1,628,576</u>	<u>\$ 89,553</u>	<u>\$ 282,975</u>	<u>\$ 45,844</u>	<u>\$ 89,396</u>	<u>\$ 42,561</u>	<u>\$ 5,776</u>	<u>\$ 1,458,339</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	-	\$ 271	\$ 59,294	\$ 43,939				\$ 3,751
Accrued payroll	-							34,349
Interfund payable	2,300		2,591	1,905				
Performance bonds	-							
Total liabilities	<u>2,300</u>	<u>271</u>	<u>61,885</u>	<u>45,844</u>				<u>38,100</u>
Fund balances:								
Nonspendable:								
Prepaid items	\$ 8,250							29,601
Restricted:								
Public safety		89,282	221,090			\$ 42,561	\$ 5,776	1,390,638
Public works, public safety, and recreation					\$ 89,396			
Housing and development								
Health and welfare	1,618,026							
Judicial								
Total fund balances	<u>1,626,276</u>	<u>89,282</u>	<u>221,090</u>	<u>-</u>	<u>89,396</u>	<u>42,561</u>	<u>5,776</u>	<u>1,420,239</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,628,576</u>	<u>\$ 89,553</u>	<u>\$ 282,975</u>	<u>\$ 45,844</u>	<u>\$ 89,396</u>	<u>\$ 42,561</u>	<u>\$ 5,776</u>	<u>\$ 1,458,339</u>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	Juvenile Services	County Jail	Fire Taxing District	Inspections & Zoning	Senior Citizens Activity	Hotel Motel Tax	Total
<b>ASSETS</b>							
Cash	\$ 47,202	\$ 234,933	\$ 417,985	\$ 1,185,858	\$ 88,167	\$ 23,430	\$ 4,567,407
Investments	-	-	2,415,410	-	-	-	3,033,075
Receivables:							
Accounts	-	-	108	6,752	-	1,821	8,681
Intergovernmental	-	669	109,098	-	-	-	359,108
Interfund	-	-	306	-	-	-	168,637
Prepaid items	-	-	1,400	-	-	-	39,251
<b>TOTAL ASSETS</b>	<b>\$ 47,202</b>	<b>\$ 235,602</b>	<b>\$ 2,944,307</b>	<b>\$ 1,192,610</b>	<b>\$ 88,167</b>	<b>\$ 25,251</b>	<b>\$ 8,176,159</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	-	-	\$ 75,590	\$ 57,510	\$ 389	\$ 2,785	\$ 243,529
Accrued payroll	-	-	131,001	37,723	4,244	-	207,317
Interfund payable	-	-	287	1,456	-	-	8,539
Performance bonds	-	-	-	11,385	-	-	11,385
Total liabilities	-	-	206,878	108,074	4,633	2,785	470,770
Fund balances:							
Nonspendable:							
Prepaid items	-	-	1,400	-	-	-	39,251
Restricted:							
Public safety	-	\$ 235,602	2,736,029	-	-	-	4,720,978
Public works, public safety, and recreation	-	-	-	-	-	-	89,396
Housing and development	-	-	-	1,084,536	-	22,466	1,107,002
Health and welfare	-	-	-	-	83,534	-	1,701,560
Judicial	\$ 47,202	-	-	-	-	-	47,202
Total fund balances	47,202	235,602	2,737,429	1,084,536	83,534	22,466	7,705,389
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 47,202</b>	<b>\$ 235,602</b>	<b>\$ 2,944,307</b>	<b>\$ 1,192,610</b>	<b>\$ 88,167</b>	<b>\$ 25,251</b>	<b>\$ 8,176,159</b>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Hospital Indigent	Drug Abuse & Treatment Education	Sheriff	Prison Commissary	Impact Fees	Drug Seizure	State Condemnation	E-911 Fund
<b>REVENUES</b>								
Taxes	\$ 3,736,512	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	\$ 25,073	\$ 401,535	\$ 211,790	-	-	-	\$ 1,338,826
Fine and forfeitures	-	-	-	-	-	\$ 9,392	\$ 2,647	-
Contributions	-	-	-	-	-	-	-	-
Investment earnings	678	8	-	-	\$ 19	3	-	113
Other	-	-	-	-	-	-	-	-
Total revenues	<u>3,737,190</u>	<u>25,081</u>	<u>401,535</u>	<u>211,790</u>	<u>19</u>	<u>9,395</u>	<u>2,647</u>	<u>1,338,939</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	15,835	396,355	211,790	-	-	-	1,104,892
Housing and development	-	-	-	-	-	-	-	-
Health and welfare	3,553,588	-	-	-	-	-	-	-
Capital outlay:								
Public works	-	-	-	-	1,021,191	-	-	-
Public safety	-	-	-	-	-	-	-	-
Total expenditures	<u>3,553,588</u>	<u>15,835</u>	<u>396,355</u>	<u>211,790</u>	<u>1,021,191</u>	<u>-</u>	<u>-</u>	<u>1,104,892</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>183,602</u>	<u>9,246</u>	<u>5,180</u>	<u>-</u>	<u>(1,021,172)</u>	<u>9,395</u>	<u>2,647</u>	<u>234,047</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-
Transfers in	-	-	2,092	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(2,092)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,092)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>183,602</u>	<u>9,246</u>	<u>7,272</u>	<u>-</u>	<u>(1,021,172)</u>	<u>9,395</u>	<u>555</u>	<u>234,047</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,442,674</u>	<u>80,036</u>	<u>213,818</u>	<u>-</u>	<u>1,110,568</u>	<u>33,166</u>	<u>5,221</u>	<u>1,186,192</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,626,276</u>	<u>\$ 89,282</u>	<u>\$ 221,090</u>	<u>\$ -</u>	<u>\$ 89,396</u>	<u>\$ 42,561</u>	<u>\$ 5,776</u>	<u>\$ 1,420,239</u>



**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Juvenile Services	County Jail	Fire Taxing District	Inspections & Zoning	Senior Citizens Activity	Hotel Motel Tax	Total
<b>REVENUES</b>							
Taxes	-	-	\$ 2,853,802	-	-	\$ 14,886	\$ 6,605,200
Licenses and permits	-	-	-	\$ 1,458,829	-	-	1,458,829
Intergovernmental	-	-	685,331	3,021	\$ 3,626	-	691,978
Charges for services	-	-	2,724,837	68,107	5,930	-	4,751,025
Fine and forfeitures	\$ 2,669	\$ 51,800	-	-	-	-	91,581
Contributions	-	-	2,000	-	715	-	2,715
Investment earnings	5	20	1,201	132	7	-	2,186
Other	-	-	11,038	-	-	-	11,038
Total revenues	2,674	51,820	6,278,209	1,530,089	10,278	14,886	13,614,552
<b>EXPENDITURES</b>							
Current:							
Public safety	2,250	-	4,435,007	-	-	-	6,166,129
Housing and development	-	-	-	1,120,310	-	11,909	1,132,219
Health and welfare	-	-	-	-	117,404	-	3,670,992
Capital outlay:							
Public works	-	-	-	-	-	-	1,021,191
Public safety	-	-	756,313	-	-	-	756,313
Total expenditures	2,250	-	5,191,320	1,120,310	117,404	11,909	12,746,844
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	424	51,820	1,086,889	409,779	(107,126)	2,977	867,708
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of capital assets	-	-	4,700	-	-	-	4,700
Insurance recoveries	-	-	3,592	-	-	-	3,592
Transfers in	-	-	86,422	280,311	113,427	-	482,252
Transfers out	-	-	-	-	-	-	(2,092)
Total other financing sources (uses)	-	-	94,714	280,311	113,427	-	488,452
<b>NET CHANGE IN FUND BALANCES</b>	424	51,820	1,181,603	690,090	6,301	2,977	1,356,160
<b>FUND BALANCES, BEGINNING OF YEAR</b>	46,778	183,782	1,555,826	394,446	77,233	19,489	6,349,229
<b>FUND BALANCES, END OF YEAR</b>	\$ 47,202	\$ 235,602	\$ 2,737,429	\$ 1,084,536	\$ 83,534	\$ 22,466	\$ 7,705,389

**EFFINGHAM COUNTY, GEORGIA**  
**HOSPITAL INDIGENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 3,600,000	\$ 3,736,512	\$ 136,512
Interest	-	678	678
Total revenues	<u>3,600,000</u>	<u>3,737,190</u>	<u>137,190</u>
EXPENDITURES			
Current:			
Health and welfare	<u>3,600,000</u>	<u>3,553,588</u>	<u>46,412</u>
NET CHANGE IN FUND BALANCE	-	183,602	183,602
FUND BALANCES, BEGINNING OF YEAR	<u>1,442,674</u>	<u>1,442,674</u>	-
FUND BALANCES, END OF YEAR	<u><u>\$ 1,442,674</u></u>	<u><u>\$ 1,626,276</u></u>	<u><u>\$ 183,602</u></u>

**EFFINGHAM COUNTY, GEORGIA**  
**DRUG ABUSE & TREATMENT EDUCATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 30,500	\$ 25,073	\$ (5,427)
Investment earnings	-	8	8
Total revenues	<u>30,500</u>	<u>25,081</u>	<u>(5,419)</u>
EXPENDITURES			
Current:			
Public safety	<u>30,500</u>	<u>15,835</u>	<u>14,665</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	9,246	9,246
FUND BALANCES, BEGINNING OF YEAR	<u>80,036</u>	<u>80,036</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 80,036</u></u>	<u><u>\$ 89,282</u></u>	<u><u>\$ 9,246</u></u>

**EFFINGHAM COUNTY, GEORGIA**  
**SHERIFF FUNDS**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 500,000	\$ 401,535	\$ (98,465)
EXPENDITURES			
Current:			
Public safety	500,000	396,355	103,645
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	5,180	5,180
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,092	2,092
NET CHANGE IN FUND BALANCE	-	7,272	7,272
FUND BALANCES, BEGINNING OF YEAR	213,818	213,818	-
FUND BALANCES, END OF YEAR	\$ 213,818	\$ 221,090	\$ 7,272

**EFFINGHAM COUNTY, GEORGIA**  
**PRISON COMMISSARY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$180,000	\$ 213,000	\$ 211,790	\$ (1,210)
EXPENDITURES				
Current:				
Public safety	180,000	213,000	211,790	1,210
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ -

**EFFINGHAM COUNTY, GEORGIA**  
**IMPACT FEES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Investment earnings	\$ -	-	\$ 19	\$ 19
EXPENDITURES				
Capital outlay:				
Public works	-	\$ 1,021,191	1,021,191	-
Culture and recreation	-	67,234	-	67,234
Total expenditures	-	1,088,425	1,021,191	67,234
NET CHANGE IN FUND BALANCE	-	(1,088,425)	(1,021,172)	67,253
FUND BALANCES, BEGINNING OF YEAR	1,110,568	1,110,568	1,110,568	-
FUND BALANCES, END OF YEAR	<u>\$ 1,110,568</u>	<u>\$ 22,143</u>	<u>\$ 89,396</u>	<u>\$ 67,253</u>

**EFFINGHAM COUNTY, GEORGIA**  
**DRUG SEIZURE FUND**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Fines and forfeitures	\$ 50,000	\$ 9,392	\$ (40,608)
Investment earnings	-	3	3
Total revenues	<u>50,000</u>	<u>9,395</u>	<u>(40,605)</u>
EXPENDITURES			
Current:			
Public safety	<u>50,000</u>	<u>-</u>	<u>50,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	9,395	9,395
FUND BALANCES, BEGINNING OF YEAR	<u>33,166</u>	<u>33,166</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 33,166</u></u>	<u><u>42,561</u></u>	<u><u>\$ 9,395</u></u>

**EFFINGHAM COUNTY, GEORGIA**  
**STATE CONDEMNATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 50,000	\$ 2,647	\$ (47,353)
EXPENDITURES			
Current:			
Public safety	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	50,000	2,647	(47,353)
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(2,092)	47,908
NET CHANGE IN FUND BALANCES	-	555	555
FUND BALANCES, BEGINNING OF YEAR	5,221	5,221	-
FUND BALANCES, END OF YEAR	<u>\$ 5,221</u>	<u>5,776</u>	<u>\$ 555</u>



**EFFINGHAM COUNTY, GEORGIA**  
**E-911 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Charges for services	\$ 1,191,032	\$ 1,201,796	\$ 1,338,826	\$ 137,030
Investment earnings	60	60	113	53
Total revenues	<u>1,191,092</u>	<u>1,201,856</u>	<u>1,338,939</u>	<u>137,083</u>
EXPENDITURES				
Current:				
Public safety	<u>1,191,092</u>	<u>1,201,856</u>	<u>1,104,892</u>	<u>96,964</u>
NET CHANGE IN FUND BALANCE	-	-	234,047	234,047
FUND BALANCES, BEGINNING OF YEAR	<u>1,186,192</u>	<u>1,186,192</u>	<u>1,186,192</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,186,192</u>	<u>\$ 1,186,192</u>	<u>\$ 1,420,239</u>	<u>\$ 234,047</u>

**EFFINGHAM COUNTY, GEORGIA**  
**JUVENILE SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Fines and forfeitures	\$ 2,500	\$ 2,669	\$ 169
Investment earnings	-	5	5
Total revenues	<u>2,500</u>	<u>2,674</u>	<u>174</u>
 EXPENDITURES			
Current:			
Health and welfare	<u>2,500</u>	<u>2,250</u>	<u>250</u>
 NET CHANGE IN FUND BALANCE	 -	 424	 424
 FUND BALANCES, BEGINNING OF YEAR	 <u>46,778</u>	 <u>46,778</u>	 <u>-</u>
 FUND BALANCES, END OF YEAR	 <u><u>\$ 46,778</u></u>	 <u><u>\$ 47,202</u></u>	 <u><u>\$ 424</u></u>

**EFFINGHAM COUNTY, GEORGIA**  
**COUNTY JAIL FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 60,000	\$ 51,800	\$ (8,200)
Investment earnings	-	20	20
Total revenues	<u>60,000</u>	<u>51,820</u>	<u>(8,180)</u>
EXPENDITURES			
Current:			
Public safety	<u>60,000</u>	<u>-</u>	<u>60,000</u>
NET CHANGE IN FUND BALANCE	-	51,820	51,820
FUND BALANCES, BEGINNING OF YEAR	<u>183,782</u>	<u>183,782</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 183,782</u></u>	<u><u>\$ 235,602</u></u>	<u><u>\$ 51,820</u></u>

**EFFINGHAM COUNTY, GEORGIA**  
**FIRE TAXING DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 2,600,000	\$ 2,850,000	\$ 2,853,802	\$ 3,802
Intergovernmental	-	660,000	685,331	25,331
Charges for services	2,280,000	2,280,000	2,724,837	444,837
Investment earnings	1,000	1,000	1,201	201
Contributions	1,500	1,500	2,000	500
Other	-	-	11,038	11,038
Total revenues	<u>4,882,500</u>	<u>5,792,500</u>	<u>6,278,209</u>	<u>485,709</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	4,573,590	4,613,922	4,435,007	178,915
Capital outlay:				
Public safety	1,100,000	1,265,000	756,313	508,687
Total expenditures	<u>5,673,590</u>	<u>5,878,922</u>	<u>5,191,320</u>	<u>687,602</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>308,910</u>	<u>1,178,578</u>	<u>1,843,202</u>	<u>664,624</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	4,700	4,700
Insurance recoveries	-	-	3,592	3,592
Transfers in	791,090	86,422	86,422	-
Total other financing sources (uses)	<u>791,090</u>	<u>86,422</u>	<u>94,714</u>	<u>8,292</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,100,000	1,265,000	1,937,916	672,916
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,555,826</u>	<u>1,555,826</u>	<u>1,555,826</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 2,655,826</u>	<u>\$ 2,820,826</u>	<u>\$ 3,493,742</u>	<u>\$ 672,916</u>

**EFFINGHAM COUNTY, GEORGIA**  
**INSPECTIONS & ZONING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Licenses and permits	\$ 853,800	\$ 853,800	\$ 1,458,829	\$ 605,029
Charges for services	25,000	25,000	68,107	43,107
Intergovernmental	-	-	3,021	3,021
Investment earnings	1,000	1,000	132	(868)
Other	30	30	-	(30)
Total revenues	<u>879,830</u>	<u>879,830</u>	<u>1,530,089</u>	<u>650,259</u>
<b>EXPENDITURES</b>				
Current:				
Housing and development	<u>1,037,859</u>	<u>1,160,141</u>	<u>1,120,310</u>	<u>39,831</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(158,029)	(280,311)	409,779	690,090
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>158,029</u>	<u>280,311</u>	<u>280,311</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	690,090	690,090
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>394,446</u>	<u>394,446</u>	<u>394,446</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 394,446</u>	<u>\$ 394,446</u>	<u>\$ 1,084,536</u>	<u>\$ 690,090</u>

**EFFINGHAM COUNTY, GEORGIA**  
**SENIOR CITIZENS ACTIVITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 9,250	\$ 9,250	\$ 5,930	\$ (3,320)
Intergovernmental	-	-	3,626	3,626
Investment earnings	-	-	7	7
Contributions	-	-	715	715
Total revenues	<u>9,250</u>	<u>9,250</u>	<u>10,278</u>	<u>1,028</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	<u>121,401</u>	<u>122,677</u>	<u>117,404</u>	<u>5,273</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(112,151)	(113,427)	(107,126)	6,301
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>112,151</u>	<u>113,427</u>	<u>113,427</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	6,301	6,301
FUND BALANCES, BEGINNING OF YEAR	<u>77,233</u>	<u>77,233</u>	<u>77,233</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 77,233</u>	<u>\$ 77,233</u>	<u>\$ 83,534</u>	<u>\$ 6,301</u>

**EFFINGHAM COUNTY, GEORGIA**  
**HOTEL MOTEL TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

---

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 14,000	\$ 14,886	\$ 886
EXPENDITURES			
Current:			
Housing and development	<u>14,000</u>	<u>11,909</u>	<u>2,091</u>
NET CHANGE IN FUND BALANCE	-	2,977	2,977
FUND BALANCES, BEGINNING OF YEAR	<u>19,489</u>	<u>19,489</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 19,489</u></u>	<u><u>\$ 22,466</u></u>	<u><u>\$ 2,977</u></u>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**JUNE 30, 2021**

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Probation	Total
<b>ASSETS</b>							
Cash	\$ 1,230,623	\$ 82,264	\$ 638,360	\$ 6,888	\$ 126,370	\$ 19,156	\$ 2,103,661
<b>TOTAL ASSETS</b>	<u>\$ 1,230,623</u>	<u>\$ 82,264</u>	<u>\$ 638,360</u>	<u>\$ 6,888</u>	<u>\$ 126,370</u>	<u>\$ 19,156</u>	<u>\$ 2,103,661</u>
<b>LIABILITIES</b>							
Due to other governments	\$ 1,134,362	\$ 7,495	\$ 287,600	\$ 4,023	-	\$ 19,156	\$ 1,452,636
Due to other entities and individuals	-	7,158	-	2,865	-	-	10,023
<b>TOTAL LIABILITIES</b>	<u>1,134,362</u>	<u>14,653</u>	<u>287,600</u>	<u>6,888</u>	<u>-</u>	<u>19,156</u>	<u>1,462,659</u>
<b>NET POSITION</b>							
Restricted for individuals, organizations, and other governments	96,261	67,611	350,760	-	\$ 126,370	-	641,002
<b>TOTAL NET POSITION</b>	<u>\$ 96,261</u>	<u>\$ 67,611</u>	<u>\$ 350,760</u>	<u>\$ -</u>	<u>\$ 126,370</u>	<u>\$ -</u>	<u>\$ 641,002</u>



**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**JUNE 30, 2021**

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Probation	Total
<b>ADDITIONS</b>							
Tax collections for other governments	\$ 56,660,296	-	\$ 241,529	-	-	-	\$ 56,901,825
Fees, fines, and forfeitures	-	\$ 199,399	1,940,180	\$ 107,470	\$ 571	\$ 34,912	2,282,532
Court judgements/assessments	-	-	179,511	-	-	-	179,511
Deposits for cash bonds	-	-	-	-	19,980	-	19,980
Tax sale proceeds	3,814	-	-	-	-	-	3,814
Interest	-	4	-	-	33	3	40
Total additions	56,664,110	199,403	2,361,220	107,470	20,584	34,915	59,387,702
<b>DEDUCTIONS</b>							
Payments to other governments	56,660,296	198,179	1,334,349	41,133	-	34,915	58,268,872
Payments to other entities and individuals	76,648	-	874,982	66,337	35,568	-	1,053,535
Total deductions	56,736,944	198,179	2,209,331	107,470	35,568	34,915	59,322,407
Net increase (decrease) in fiduciary net position	(72,834)	1,224	151,889	-	(14,984)	-	65,295
NET POSITION - JULY 1, 2020, AS RESTATED	169,095	66,387	198,871	-	141,354	-	575,707
NET POSITION - JUNE 30, 2021	\$ 96,261	\$ 67,611	\$ 350,760	\$ -	\$ 126,370	\$ -	\$ 641,002

**EFFINGHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS PAID WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
<b>2017 SPLOST</b>						
Public buildings	\$ 3,385,525	\$ 3,385,525	\$ 1,931,700	\$ 254,812	\$ 2,186,512	65%
Roads, streets and bridges	31,251,000	31,251,000	3,381,780	3,980,685	7,362,465	24%
Drainage projects	911,488	911,488	76,156	38,341	114,497	13%
Recreation projects	4,948,075	4,948,075	1,211,344	607,588	1,818,932	37%
Vehicles and equipment	6,771,050	6,771,050	4,911,717	989,278	5,900,995	87%
Technology projects	520,850	520,850	39,714	-	39,714	8%
Water and sewer	4,297,012	4,297,012	294,051	286,017	580,068	13%
Intergovernmental:						
City of Rincon	11,838,000	11,838,000	4,694,166	1,901,324	6,595,490	56%
City of Springfield	3,821,000	3,821,000	1,515,687	613,911	2,129,598	56%
City of Guyton	2,256,000	2,256,000	893,871	362,050	1,255,921	56%
	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>	<u>\$ 18,950,186</u>	<u>\$ 9,034,006</u>	<u>\$ 27,984,192</u>	<u>40.0%</u>

SPLOST capital projects fund total expenditures	\$ 12,301,752
SPLOST capital projects fund transfer out to Water & Sewer	<u>286,017</u>
	12,587,769
Less:	
Intergovernmental Revenue - Roads, streets, and bridges	(1,016,265)
Use of bond proceeds - Public buildings	(2,301,522)
Property tax millage - Roads, streets, and bridges	<u>(235,976)</u>
	<u>\$ 9,034,006</u>

**EFFINGHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS PAID WITH TRANSPORTATION SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
<b>TSPLOST</b>						
District 1 Road Projects	\$ 2,542,110	\$ 2,542,110	\$ -	\$ -	\$ -	0%
District 2 Road Projects	18,206,374	18,206,374	-	-	-	0%
District 3 Road Projects	7,544,974	7,544,974	-	-	-	0%
District 4 Road Projects	2,899,150	2,899,150	-	-	-	0%
District 5 Road Projects	1,683,100	1,683,100	-	-	-	0%
Multi-district	500,000	500,000	-	-	-	0%
<b>Intergovernmental:</b>						
City of Rincon	-	-	-	-	-	0%
City of Springfield	2,475,000	2,475,000	-	-	-	0%
City of Guyton	1,350,000	1,350,000	-	-	-	0%
	<u>\$ 37,200,708</u>	<u>\$ 37,200,708</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>0.0%</u>
Total TSPLOST expenditures				<u>\$ -</u>		
TSPLOST capital projects fund total expenditures				\$ 3,797,849		
Less:						
Use of bond proceeds - Bond issuance fees				(221,500)		
Use of bond proceeds - Roads, streets, and bridges				(7,320)		
Use of bond proceeds - Intergovernmental payments				<u>(3,569,029)</u>		
				<u>\$ -</u>		

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## 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*

To the Board of Commissioners  
Effingham County, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Effingham County, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Effingham County's basic financial statements, and have issued our report thereon dated April 11, 2022. Our report includes a reference to other auditors who audited the financial statements of the Effingham County Board of Health and the Effingham County Hospital Authority, discretely presented component units, as described in our report on Effingham County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Effingham County, Georgia's internal control over financial reporting (internal control) as a basis to design 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 Effingham County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Effingham County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-1 through 2021-3 that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Effingham County, Georgia's financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Effingham County, Georgia's Response to Findings**

Effingham County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Effingham County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Janier, Deal + Proctor*

Statesboro, Georgia  
April 11, 2022

**EFFINGHAM COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Direct Programs:			
COVID-19 - Provider Relief Fund	93.498		\$ 60,050
Aging Cluster:			
Pass-through programs from CSRA Regional Commission:			
Special Programs for the Aging - Nutrition Services	93.045	Not Available	48,828
COVID-19 - FFCRA (CARES Act) Nutrition Services Incentive Program	93.053	Not Available	34,827
Total Aging Cluster			83,655
Total U.S. Department of Health and Human Services			143,705
U.S. Department of the Interior:			
Direct Programs:			
National Wildlife Refuge Fund	15.659		32,595
U.S. Department of Justice:			
Direct Programs:			
Other Federal Assistance	16.999		20,394
U.S. Department of Homeland Security:			
Pass through program from Georgia Emergency Management Agency:			
Emergency Management Performance Grants	97.042	OEM 20-053	15,675
U.S. Department of the Treasury:			
Direct Programs:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		50,820
Pass through program from Georgia Governor's Office:			
COVID-19 - Coronavirus Relief Fund	21.019	14597-CRF	2,493,059
Total U.S. Department of the Treasury			2,543,879
U.S. Department of Transportation:			
Highway Safety Cluster			
Pass-through programs from Georgia Governor's Office of Highway Safety:			
State and Community Highway Safety	20.600	TEN-2020-402 PT-013-C11	1,097
State and Community Highway Safety	20.600	TEN-2021-F.A.S.T. 402 PT-013	15,461
State and Community Highway Safety	20.600	GA-2021-F.A.S.T. 402 SC-182	51,165
Total Highway Safety Cluster			67,723
Total U.S. Department of Transportation			67,723
Total expenditures of federal awards			\$ 2,823,971

**EFFINGHAM COUNTY, GEORGIA**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Effingham County, Georgia under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Effingham County, Georgia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Effingham County, Georgia.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Effingham County, Georgia has not elected to use the ten percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners  
Effingham County, Georgia

### Report on Compliance for Each Major Federal Program

We have audited Effingham County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Effingham County, Georgia's major federal programs for the year ended June 30, 2021. Effingham County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Effingham County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Effingham County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Effingham County, Georgia's compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, Effingham County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of Effingham County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Effingham County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Effingham County, Georgia's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Janis, Deal + Proctor*

Statesboro, Georgia  
April 11, 2022

**EFFINGHAM COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

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**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Effingham County, Georgia.
2. Three material weaknesses were disclosed during the audit of the financial statements in the 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*.
3. No instances of noncompliance material to the financial statements of Effingham County, Georgia were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Effingham County, Georgia expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for Effingham County, Georgia are reported in this schedule.
7. The program tested as a major program was: Coronavirus Relief Funds, CFDA number 21.019.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Effingham County, Georgia was determined not to be a low-risk auditee.

**EFFINGHAM COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**FINDINGS – FINANCIAL STATEMENTS AUDIT**

**MATERIAL WEAKNESSES**

**2021-1 Insufficient bank reconciliations prepared by Clerk of Court’s office**

Condition: During our audit we noted numerous duplicate deposits that were considered outstanding items on the Clerk of Court’s bank reconciliations.

Criteria: All bank reconciliations should reflect an accurate listing of outstanding items that does not include duplicate transactions.

Cause: A software conversion caused changes in the entering of transactions and bank reconciliation process. Relevant staff were not properly trained on the new software.

Effect: Many adjustments were needed to correctly state cash balances and receipts.

Auditor’s Recommendation: Bank reconciliations should be reviewed for accuracy. Additionally, relevant staff should receive further training on the software bank reconciliation module.

View of Responsible Officials and Planned Corrective Actions: We concur with this finding, and we will implement procedures to establish a process for reviewing the bank statements for accuracy.

**2021-2 Insufficient bank reconciliations prepared by Tax Commissioner’s office**

Condition: During our audit we noted numerous duplicate transactions that were considered outstanding items on the Tax Commissioner’s bank reconciliations remaining from prior years, causing the ending cash balances to be inaccurate.

Criteria: All bank reconciliations should be reviewed for accuracy and outstanding items should be reviewed for duplicate transactions and other errors.

Cause: Transactions were entered that already existed in the software and the monthly bank reconciliations were incorrect.

Effect: Many adjustments were needed to properly state cash balances and receipts.

Auditor’s Recommendation: Bank reconciliations should be reviewed for accuracy. Additionally, the outstanding check listing should be reviewed on a regular basis for stale checks.

View of Responsible Officials and Planned Corrective Actions: We concur with this finding, and we will implement procedures to establish a process for reviewing the bank statements for accuracy.

**EFFINGHAM COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**2021-3 Excess funds in Tax Commissioner's office**

Condition: During our audit we noted excess funds held in the property account. This excess is largely due to a prior year overage from the Paypal account that was transferred into the property account during the year ended June 30, 2021.

Criteria: Cash balances within custodial accounts should only hold funds collected and payable to another entity.

Cause: Inadequate bookkeeping and bank reconciliations caused cash balances to be misstated, and those balances were not compared to monthly collections.

Effect: Excess funds have accumulated. Further procedures would be required to determine the proper resolution for these funds.

Auditor's Recommendation: Closing procedures each month should include comparing the reconciled cash balances to amounts to be paid out to the appropriate entities.

View of Responsible Officials and Planned Corrective Actions: We concur with this finding, and we will implement procedures to establish a process for creating and maintaining a list of entities to be paid.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None reported.