EFFINGHAM COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Effingham County, Georgia

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Effingham County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Special Tax District Fund, American Rescue Plan Act Fund, and Hospital Indigent Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Effingham County Board of Health, a component unit, which represents 1.1%, 1.2%, and 1.4%, respectively, of the assets, net position, and revenues of Effingham County, Georgia as of June 30, 2022, and the respective changes in financial position for the year then ended. We did not audit the financial statements of the Effingham County Hospital Authority, a component unit, which represents 19.7%, 4.1%, and 67.4%, respectively, of the assets, net position, and revenues of Effingham County, Georgia as of June 30, 2022, and the respective changes in financial position for the year then ended. 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 Effingham County Hospital Authority, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Effingham County, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Effingham County, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Effingham County, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Effingham County, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 and other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Effingham County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of projects paid with special sales tax proceeds, and schedule of projects paid with transportation special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 sales tax proceeds, and schedule of projects paid with transportation special sales tax proceeds 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 March 13, 2023 on our consideration of the 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 the 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.

Lanier, Deal, Proctor, & Bloser

Statesboro, GA
March 13, 2023

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, 2022. 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 $192,327,117 (net position) for the fiscal year reported.

- Total net position comprises the following:

  (1) Capital assets, net of related debt, of $111,513,072 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 $55,538,400 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $25,275,645 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 $102,075,229 this year. This compares to the prior year ending fund balance of $91,119,150 showing an increase of $10,956,079 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 $1,708,865.

  (2) At the end of the current fiscal year, committed fund balance for the General Fund was zero. In prior years, some funds were committed to economic stabilization via a Board of Commissioners resolution, but now such 'rainy day' funds are set via Board-approved financial policy.

  (3) At the end of the current fiscal year, unassigned fund balance for the General Fund was $18,978,785 or 36.83% of total General Fund expenditures for the fiscal year ending June 30, 2022.

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.

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 24 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 25 through 27 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 30 of this report.

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 53.

Please note, information presented here for prior fiscal years does not reflect the effects of the new GASB 87 accounting standard that went into effect for the fiscal year ending June 30, 2022. This new accounting standard changed the accounting for leased assets, and will be in effect for fiscal years ending June 30, 2022 and future years.

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 $192,327,117. The following table provides a summary of the County's net position:

Summary of Net Position (in millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current Assets	122.2	106.4	10.4	11.2	132.6	117.6
Net Pension Asset	-	-	-	-	-	-
Capital Assets	123.7	96.2	34.3	32.0	158.0	128.2
Total Assets	245.9	202.6	44.7	43.2	290.6	245.8
Deferred Outflows of Resources	-	-	-	-	-	-
Liabilities						
Current Liabilities	29.5	22.7	4.5	4.4	34.0	27.1
Long- Term Liabilities	42.5	35.5	21.1	22.5	63.6	58.0
Total Liabilities	72.0	58.2	25.6	26.9	97.6	85.1
Deferred Inflows of Resources	0.7	-	-	-	.7	-
Net Position						
Net Investment in Capital Assets	96.5	55.3	15.0	13.2	111.5	68.5
Restricted	55.5	62.1	-	-	55.5	62.1
Unrestricted	21.2	27.0	4.1	3.1	25.3	30.1
Total Net Position	173.2	144.4	19.1	16.3	192.3	160.7

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 4.1 to 1.

The County reported positive balances in net position for both governmental and business-type activities. Net position increased by $28,798,131 for governmental activities and increased by $2,804,818 for business-type activities. Note that approximately 56% 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 $4,064,202 of unrestricted, undesignated and $15,036,288 invested in capital assets with total net position of $19,100,490. Capital assets in the business-type activities will be providing utility services, but they also generate revenues for this fund.

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

Summary of Changes in Net Position

	2022				2021			
	Governmental Activities	Business Activities	Total	% of Total	Governmental Activities	Business Activities	Total	% of Total
Revenues:								
Program:								
Charges for services	$ 16,368,106	$ 8,744,828	$ 25,112,934	24%	$ 13,656,151	$ 8,224,307	$ 21,880,458	26%
Operating grants	1,338,018		1,338,018	1%	4,006,716	1,281	4,007,997	5%
Capital grants	2,370,359	2,419,321	4,789,680	5%	1,223,060	1,609,493	2,832,553	3%
General:								
Taxes	71,782,473		71,782,473	69%	52,899,530		52,899,530	63%
Other	522,709	8,136	530,845	1%	2,256,423	5,349	2,261,772	3%
Total revenues	92,381,665	11,172,285	103,553,950	100%	74,041,880	9,840,430	83,882,310	100%
Program Expenses:								
General government	7,561,610		7,561,610	11%	6,880,081		6,880,081	10%
Judicial	3,546,612		3,546,612	5%	3,368,018		3,368,018	5%
Public safety	30,745,424		30,745,424	42%	27,545,914		27,545,914	40%
Public works	9,284,255		9,284,255	13%	11,602,900		11,602,900	17%
Health and welfare	5,121,721		5,121,721	7%	4,369,882		4,369,882	6%
Culture and recreation	3,015,447		3,015,447	4%	3,131,772		3,131,772	5%
Housing and development	2,042,953		2,042,953	3%	1,469,678		1,469,678	2%
Interest	664,791		664,791	1%	459,094		459,094	1%
Water & Sewer		4,115,939	4,115,939	6%		4,021,654	4,021,654	6%
Wastewater Treatment Plant		1,464,553	1,464,553	2%		1,498,926	1,498,926	2%
Sanitation		4,322,548	4,322,548	6%		4,037,814	4,037,814	6%
Other		65,148	65,148	0%		60,890	60,890	0%
Total expenses	61,982,813	9,968,188	71,951,001	100%	58,827,339	9,619,284	68,446,623	100%
Excess	30,398,852	1,204,097	31,602,949		15,214,541	221,146	15,435,687	
Transfers	(1,600,721)	1,600,721	-		(1,329,004)	1,329,004	-	
Special Items	-	-	-		-	-	-	
Change in net position	28,798,131	2,804,818	31,602,949		13,885,537	1,550,150	15,435,687	
Beginning net position	144,428,496	16,295,672	160,724,168		130,542,959	14,745,522	145,288,481	
Prior period adjustment	-	-	-		-	-	-	
Ending net position	$ 173,226,627	$ 19,100,490	$ 192,327,117		$ 144,428,496	$ 16,295,672	$ 160,724,168	

Governmental Revenues

The County is heavily reliant on property and sales taxes to support governmental operations. In 2022, excluding property taxes for the hospital authority, property taxes provided 28.22% of the County's governmental revenues. Inclusive of hospital property taxes, total property taxes provided 32.17% of governmental revenues and sales taxes provided 40.48% of the County's governmental revenues. Charges for services and other program revenues cover only 32.39% of governmental operating expenses. This means that the government's taxpayers and the County's other general revenues fund 67.61% 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 49.60% (46.83% in 2021) of the County's total governmental expenses. The public works function makes up 14.98% (19.72% in 2021) 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	$ 7,561,610	$ 5,485,568
Judicial	3,546,612	3,344,836
Public safety	30,745,424	18,244,104
Public works	9,284,255	7,145,132
Health and welfare	5,121,721	4,734,778
Culture and recreation	3,015,447	2,440,542
Housing and development	2,042,953	(153,421)
Interest on long-term debt	664,791	664,791
Total	$ 61,982,813	$ 41,906,330

Business-Type Activities

The County is in its nineteenth year of the development of its water and sewer operations. The operating revenues for water, sewer, and wastewater in 2022 were $4,697,644 and $4,181,258 for 2021. Note that as of 2019 cost recovery fees are no longer classified as operating revenues. Operating expenses for 2022 were $4,919,038 and $4,822,360 for 2021. An operating loss of $221,394 was reflected for 2022 and for 2021 the operating loss was $641,102.

The operating revenues for the sanitation fund were $4,046,240 for 2022 and $4,042,463 for 2021. This activity resulted in an operating loss of $276,308.

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 $102,075,229. Of this year-end total, $16,453,521 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: $32,788,152 committed to approved SPLOST projects from sales tax, and $6,990,205 restricted to public safety purposes including the Emergency 911 program and Fire Services. In addition, there is $27,916,291 restricted for TSPLOST projects.

The total ending fund balances of governmental funds show an increase of $10,956,079 or 12.02% of the prior year's 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 decreased by $6,677,935 from the prior year. This was due to expenditures exceeding revenues for 2022.

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 $2,021,382,512 for tax year 2020 to $2,189,559,452 for tax year 2021. In tax year 2021 (which funds fiscal year 2022) the millage rate was 7.337 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 36.83% of actual annual expenditures.

The total general fund expenditures were approximately $51.5 million, an increase from the prior year. Major groupings of expenditures showed:

General fund general government costs increased from $6,763,614 in 2021 to $7,604,329 in 2022.

General fund public safety costs increased from $19,732,673 in 2021 to $23,277,881 in 2022.

Special Tax District fund Public Works costs increased from $1,911,393 in 2021 to $1,972,597 in 2022.

Special Tax District fund Recreation costs increased from $1,838,447 in 2021 to $1,982,392 in 2022.

For fiscal year 2022, the Hospital Indigent fund is presented in the governmental funds balance sheet as a major governmental fund. This resulted from the decision to pay the Hospital Authority's annual contracted fiscal year 2023 payment in advance during the 2022 fiscal year. The Hospital Indigent fund is not expected to be classified as a major governmental fund in fiscal year 2023.

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 $347,589 primarily related to grant funding and sales tax. The actual revenue from charges for services was $580,963 above the final budget. Property taxes were $641,425 above the final budgeted revenue, primarily due to vehicle TAVT receipts. Sales tax revenue performed exceptionally well, with actuals being $3,329,510 above budget. For investment earnings, the revenue was above budget by $1,745.

Expenditures - The expenditure side of the original budget for the general fund was revised upward for various items including the Effingham Parkway payment, fuel costs, and expenses related to the new administration building.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's total capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2022, was $123,697,117 and $34,257,683 respectively. The total net increase in this net investment was $27,498,223 for governmental activities, and a $2,284,339 increase for business-type activities. The major changes in these amounts relate to additions in governmental activities assets of $36,400,665 and deductions of $1,662,624. Depreciation for governmental activities was $7,292,503. Business-type assets depreciation was $1,127,824.

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.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2022	2021	2022	2021	2022	2021
Non-depreciable assets:						
Land	$ 8,467,437	$ 8,242,405	$ 1,086,706	$ 1,086,706	$ 9,554,143	$ 9,329,111
Easements	964,330	964,330	152,358	152,358	1,116,688	1,116,688
Construction in progress	33,205,062	10,899,632	3,190,010	1,710,388	36,395,072	12,610,020
Total non-depreciable assets	42,636,829	20,106,367	4,429,074	2,949,452	47,065,903	23,055,819
Depreciable assets:						
Buildings	73,469,596	70,531,691	16,842,312	16,842,312	90,311,908	87,374,003
Other equipment	37,225,753	35,298,084	3,316,846	2,825,398	40,542,599	38,123,482
Right-to-use lease equipment	3,027,088	-	-	-	3,027,088	-
Infrastructure	133,032,754	128,717,837	27,122,436	25,681,343	160,155,190	154,399,180
Total depreciable assets	246,755,191	234,547,612	47,281,594	45,349,053	294,036,785	279,896,665
Less accumulated depreciation	165,694,903	158,455,085	17,452,985	16,325,161	183,147,888	174,780,246
Book value - depreciable assets	81,060,288	76,092,527	29,828,609	29,023,892	110,888,897	105,116,419
Remaining to depreciate	33%	32%	63%	64%	38%	38%
Book value - all assets	$ 123,697,117	$ 96,198,894	$ 34,257,683	$ 31,973,344	$ 157,954,800	$ 128,172,238

At June 30, 2022, the depreciable capital assets for governmental activities had 33% remaining to depreciate.

Long-term Debt

At the end of the fiscal year, the County had total capital leases outstanding of $2,793,057, notes payable outstanding of $1,154,044, bonds payable within the government-type activities of $46,975,000 and bonds payable within the business-type activities of $22,465,000.

Late in the fiscal year, a general obligation sales tax bond was issued with a principal balance of $14,679,000. This bond is to be used to fund the county-wide projects that were part of the SPLOST referendum approved by voters on November 2, 2021.

During the year, the County retired $710,200 of notes payable, $7,064,000 of bonds payable, and $234,031 of leases payable within the governmental activities.

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, $1,350,000 was retired in fiscal year 2022. The related GEFA debt was fully retired previously, in fiscal year 2018.

	Governmental Activities		Percentage
	2022	2021	Change
Notes Payable	$ 1,154,044	$ 1,864,244	-38%
Bond payable	46,975,000	39,360,000	19%
Leases payable	2,793,057	-	N/A
Landfill post-closure care	1,708,865	1,641,561	4%
Compensated absences	1,327,666	1,305,779	2%
Total	$ 53,958,632	$ 44,171,583	22%

For fiscal year 2022 and future years, the new accounting standard GASB 87 changed the way leases are accounted for and presented in the financial statements. In the fiscal year 2021 financial statements, note 8 listed capital lease balances. Those balances are now classified as notes payable and appear in note 10 on the fiscal year 2022 financial statements.

Note 8 of the fiscal year 2022 financial statements lists leases payable under the new GASB 87 standard, and these leases are all copier machines and vehicles leased through Enterprise Fleet Management.

See notes 8, 9, 10, and 11 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, 2022

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Effingham County Hospital Authority	Effingham County Board of Health
ASSETS					
Cash and cash equivalents	$ 74,202,656	$ 6,239,336	$ 80,441,992	$ 1,274,606	$ 3,068,893
Restricted cash	222,214	-	222,214	-	-
Investments	33,302,161	3,085,514	36,387,675	-	-
Receivables:					
Accounts	1,028,806	522,720	1,551,526	9,464,952	7,478
Taxes	1,050,654	-	1,050,654	348	-
Intergovernmental	7,168,489	-	7,168,489	-	31,946
Leases	673,376	-	673,376		
Other	-	-	-	1,153,861	-
Internal balances	(406,100)	406,100	-	-	-
Inventories	27,307	154,043	181,350	1,452,540	-
Prepaid items	4,899,838	2,669	4,902,507	-	-
Other current assets	-	-	-	563,626	-
Nondepreciable capital assets	42,636,829	4,429,074	47,065,903	9,768,518	-
Depreciable capital assets, net	81,060,288	29,828,609	110,888,897	25,508,088	4,388
Noncurrent cash and investments:					
Internally designated for capital improvements	-	-	-	2,621,293	-
Held by trustee under indenture	-	-	-	5,123,657	-
Notes receivable	-	-	-	18,250	-
Other assets	-	-	-	248,175	-
Total Assets	245,866,518	44,668,065	290,534,583	57,197,914	3,112,705
DEFERRED OUTFLOWS OF RESOURCES					
Resources related to pensions and OPEB	-	-	-	-	327,249
LIABILITIES					
Current Liabilities:					
Accounts payable	4,518,569	1,336,172	5,854,741	5,734,202	1,283
Accrued interest payable	71,194	49,662	120,856	-	-
Other accrued liabilities	1,337,511	-	1,337,511	4,303,050	-
Performance bonds	702,087	-	702,087	-	-
Customer deposits	-	333,525	333,525	-	-
Unearned revenue	11,381,782	1,383,021	12,764,803	-	-
Line of credit	-	-	-	3,498,500	
Compensated absences payable	796,600	117	796,717	-	15,825
Leases payable	583,650	-	583,650	997,716	-
Notes payable	415,297	-	415,297	598,161	-
Bonds payable	9,533,000	1,385,000	10,918,000	1,003,572	-
Advance payments payable	-	-	-	587,934	-
Landfill post-closure care costs	110,000	-	110,000	-	-
Total Current Liabilities	29,449,690	4,487,497	33,937,187	16,723,135	17,108
Long-Term Liabilities:					
Notes payable (net of current portion)	738,747	-	738,747	2,387,088	-
Bonds payable (net of current portion)	37,442,000	21,080,000	58,522,000	22,580,796	-
Compensated absences payable (net of current portion)	531,066	78	531,144	-	63,298
Leases payable (net of current portion)	2,209,407	-	2,209,407	3,573,255	-
Advance payments payable (net of current portion)	-	-	-	443,274	-
Landfill post-closure care costs (net of current portion)	1,598,865	-	1,598,865	-	-
Net pension liability	-	-	-	-	419,365
Net OPEB liability	-	-	-	-	(81,483)
Total Long-Term Liabilities	42,520,085	21,080,078	63,600,163	28,984,413	401,180
Total Liabilities	71,969,775	25,567,575	97,537,350	45,707,548	418,288
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions and OPEB	-	-	-	-	621,325
Property taxes	-	-	-	3,600,000	-
Lease related	670,116	-	670,116	-	-
Total Deferred Outflows of Resources	670,116	-	670,116	3,600,000	621,325
NET POSITION					
Net investment in capital assets	96,476,784	15,036,288	111,513,072	637,518	4,388
Restricted for:					
Capital projects	37,017,321	-	37,017,321	-	-
Service delivery to unincorporated areas	6,525,025	-	6,525,025	-	-
Debt service	70	-	70	-	-
Other purposes	11,995,984	-	11,995,984	5,123,657	326,158
Unrestricted	21,211,443	4,064,202	25,275,645	2,129,191	2,069,795
Total Net Position	$ 173,226,627	$ 19,100,490	$ 192,327,117	$ 7,890,366	$ 2,400,341

See accompanying notes to the basic financial statements.

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

Program/Function	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Effingham County Hospital Authority	Component Unit: Effingham County Board of Health
Primary Government									
Governmental Activities									
General government	$ 7,561,610	$ 1,991,317	$ 76,395	$ 8,330	$ (5,485,568)	-	$ (5,485,568)	-	-
Judicial	3,546,612	69,813	131,963	-	(3,344,836)	-	(3,344,836)	-	-
Public safety	30,745,424	11,530,518	880,217	90,585	(18,244,104)	-	(18,244,104)	-	-
Public works	9,284,255	-	-	2,139,123	(7,145,132)	-	(7,145,132)	-	-
Health and welfare	5,121,721	145,000	241,943	-	(4,734,778)	-	(4,734,778)	-	-
Culture and recreation	3,015,447	435,084	7,500	132,321	(2,440,542)	-	(2,440,542)	-	-
Housing and development	2,042,953	2,196,374	-	-	153,421	-	153,421	-	-
Interest and fiscal charges	664,791	-	-	-	(664,791)	-	(664,791)	-	-
Total governmental activities	61,982,813	16,368,106	1,338,018	2,370,359	(41,906,330)	-	(41,906,330)	-	-
Business-type Activities									
Water and Sewer	4,115,939	4,591,840	-	1,021,180	-	$ 1,497,081	1,497,081	-	-
Wastewater Treatment Plant	1,464,553	105,804	-	1,398,141	-	39,392	39,392	-	-
Sanitation	4,322,548	4,046,240	-	-	-	(276,308)	(276,308)	-	-
Other	65,148	944	-	-	-	(64,204)	(64,204)	-	-
Total business-type activities	9,968,188	8,744,828	-	2,419,321	-	1,195,961	1,195,961		
Total - Primary Government	$ 71,951,001	$ 25,112,934	$ 1,338,018	$ 4,789,680	(41,906,330)	1,195,961	(40,710,369)	-	-
Component Units:									
Effingham County Hospital Authority	$ 73,510,945	$ 62,196,049	$ 6,751,819	$ -				$ (4,563,077)	-
Effingham County Board of Health	907,705	426,158	648,349	-				-	$ 166,802
Total Component Units	$ 74,418,650	$ 62,622,207	$ 7,400,168	$ -				(4,563,077)	166,802
		General Revenues							
		Property taxes levied for general government purposes			26,067,506	-	26,067,506	-	-
		Property taxes levied for hospital			3,647,569	-	3,647,569	-	-
		Sales taxes			37,397,555	-	37,397,555	-	-
		Insurance premium tax			2,962,940	-	2,962,940	-	-
		Other taxes			1,706,903	-	1,706,903	-	-
		Gain on sale of capital assets			17,527	-	17,527	-	-
		Insurance recoveries			76,241	-	76,241	-	-
		Investment earnings			46,700	8,136	54,836	859	-
		Other			382,241	-	382,241	804,434	336,320
		Total General Revenues			72,305,182	8,136	72,313,318	805,293	336,320
		Transfers			(1,600,721)	1,600,721	-	-	-
		Total General Revenues and Transfers			70,704,461	1,608,857	72,313,318	805,293	336,320
		Change in Net Position			28,798,131	2,804,818	31,602,949	(3,757,784)	503,122
		Net Position Beginning of Year, as restated			144,428,496	16,295,672	160,724,168	11,648,150	1,897,219
		Net Position End of Year			$ 173,226,627	$ 19,100,490	$ 192,327,117	$ 7,890,366	$ 2,400,341

See accompanying note to the basic financial statements.

EFFINGHAM COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Special Tax District	American Rescue Plan Act	Hospital Indigent	2017 SPLOST	TSPLOST	2021 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	$ 7,133,671	$ 4,579,705	$ 12,488,718	$ 123,048	$ 2,162,251	$ 23,938,219	$14,164,298	$ 8,428,620	$ 73,018,530
Restricted cash	222,214	-	-	-	-	-	-	-	222,214
Investments	12,667,012	2,036,075	-	17,763	13,961,071	3,702,625	-	917,615	33,302,161
Receivables:									
Accounts	886,324	78,457	26	25,925	-	-	-	38,074	1,028,806
Taxes	903,895	146,759	-	-	-	-	-	-	1,050,654
Leases	673,376	-	-	-	-	-	-	-	673,376
Intergovernmental	2,034,403	-	-	-	3,525,539	1,354,069	-	254,478	7,168,489
Interfund	3,241,788	1,349	-	-	659,003	-	-	120,582	4,022,722
Inventories	8,332	6,821	-	-	12,154	-	-	-	27,307
Prepaid items	1,107,998	8,076	-	3,619,385	2,492	-	-	30,099	4,768,050
TOTAL ASSETS	$ 28,879,013	$ 6,857,242	$ 12,488,744	$ 3,786,121	$ 20,322,510	$ 28,994,913	$14,164,298	$ 9,789,468	$125,282,309
LIABILITIES									
Accounts payable	$ 871,816	$ 282,688	-	-	$ 1,684,010	$ 1,043,122	-	$ 327,379	$ 4,209,015
Accrued liabilities	1,034,500	49,529	-	-	-	-	-	253,482	1,337,511
Performance bonds	690,702	-	-	-	-	-	-	11,385	702,087
Interfund payable	81,305	-	$ 1,164,813	$ 2,692,000	-	-	-	4,154	3,942,272
Unearned revenue	22,351	-	11,323,931	-	-	35,500	-	-	11,381,782
TOTAL LIABILITIES	2,700,674	332,217	12,488,744	2,692,000	1,684,010	1,078,622	-	596,400	21,572,667
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - property taxes	832,110	132,187	-	-	-	-	-	-	964,297
Lease related	670,116	-	-	-	-	-	-	-	670,116
TOTAL DEFERRED INFLOWS OF RESOURCES	1,502,226	132,187	-	-	-	-	-	-	1,634,413
FUND BALANCES									
Nonspendable									
Inventories	8,332	6,821	-	-	12,154	-	-	-	27,307
Prepaid items	1,107,998	8,076	-	3,619,385	2,492	-	-	30,099	4,768,050
Restricted									
Landfill post-closure costs	1,708,865	-	-	-	-	-	-	-	1,708,865
Special service district - unincorporated area	-	6,377,941	-	-	-	-	-	-	6,377,941
Public safety	-	-	-	-	-	-	-	6,990,205	6,990,205
Public works, public safety, and recreation	-	-	-	-	-	-	-	67,489	67,489
Housing and development	-	-	-	-	-	-	-	1,935,361	1,935,361
Health and welfare	-	-	-	-	-	-	-	119,834	119,834
Judicial	-	-	-	-	-	-	-	50,010	50,010
Capital projects - SPLOST	-	-	-	-	18,623,854	-	$14,164,298	-	32,788,152
Capital projects - TSPLOST	-	-	-	-	-	27,916,291	-	-	27,916,291
Debt service	-	-	-	-	-	-	-	70	70
Assigned									
Subsequent year expenditures	2,872,133	-	-	-	-	-	-	-	2,872,133
Unassigned	18,978,785	-	-	(2,525,264)	-	-	-	-	16,453,521
TOTAL FUND BALANCES	24,676,113	6,392,838	-	1,094,121	18,638,500	27,916,291	14,164,298	9,193,068	102,075,229
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 28,879,013	$ 6,857,242	$ 12,488,744	$ 3,786,121	$ 20,322,510	$ 28,994,913	$14,164,298	$ 9,789,468	$125,282,309

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, 2022

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Fund Balances		$ 102,075,229
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	$ 289,392,020	
Less accumulated depreciation	(165,694,903)	123,697,117
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 om the statement of net position.		519,810
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		964,297
Long-term liabilities, including 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	$ (71,194)	
Leases payable	(2,793,057)	
Notes payable	(1,154,044)	
Bonds payable	(46,975,000)	
Landfill post-closure care costs	(1,708,865)	
Compensated absences payable	(1,327,666)	(54,029,826)
Net Position Of Governmental Activities		$ 173,226,627

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, 2022

	General	Special Tax District	American Rescue Plan Act	Hospital Indigent	2017 SPLOST	TSPLOST	2021 SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES									
Taxes	$ 33,314,677	$ 5,055,290	-	$ 3,709,094	$ 14,990,609	$ 11,473,296	-	$ 2,998,728	$ 71,541,694
Licenses and permits	40,000	-	-	-	-	-	-	2,155,485	2,195,485
Intergovernmental	1,328,727	-	$ 1,113,994	-	988,410	-	-	67,019	3,498,150
Charges for services	5,785,468	428,627	-	-	-	-	-	5,890,196	12,104,291
Fines and forfeitures	1,523,645	-	-	-	-	-	-	544,685	2,068,330
Contributions and donations	11,953	3,090	-	-	100,000	-	-	7,570	122,613
Investment earnings	39,245	4,716	-	98	26,813	9,907	-	2,641	83,420
Other	382,061	120	-	-	-	-	-	60	382,241
Total revenues	42,425,776	5,491,843	1,113,994	3,709,192	16,105,832	11,483,203	-	11,666,384	91,996,224
EXPENDITURES									
Current:									
General government	7,604,329	-	-	-	-	-	-	-	7,604,329
Judicial	3,773,296	-	-	-	-	-	-	-	3,773,296
Public safety	23,277,881	-	-	-	-	-	-	6,985,676	30,263,557
Public works	14,584,696	1,972,597	-	-	-	-	-	-	16,557,293
Health and welfare	781,820	-	-	4,241,347	-	-	-	97,778	5,120,945
Culture and recreation	679,800	1,982,392	-	-	-	-	-	-	2,662,192
Housing and development	613,724	-	-	-	-	-	-	1,391,598	2,005,322
Capital outlay									
General government	-	-	-	-	16,731	-	-	-	16,731
Public safety	-	-	-	-	479,950	-	$ 312,412	600,128	1,392,490
Public works	-	103,860	-	-	4,838,769	9,570,842	-	-	14,513,471
Culture and recreation	-	145,816	-	-	617,359	-	-	21,912	785,087
Housing and development	-	-	-	-	-	-	-	72,752	72,752
Intergovernmental	-	-	-	-	3,765,701	-	-	-	3,765,701
Debt service:									
Principal	197,440	9,086	-	-	1,004,199	-	-	6,797,506	8,008,231
Interest	21,136	818	-	-	152,079	-	-	327,711	501,744
Debt issuance costs	-	-	-	-	-	-	202,290	-	202,290
Total expenditures	51,534,122	4,214,569	-	4,241,347	10,874,788	9,570,842	514,702	16,295,061	97,245,431
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,108,346)	1,277,274	1,113,994	(532,155)	5,231,044	1,912,361	(514,702)	(4,628,677)	(5,249,207)
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	11,728	-	-	-	-	-	-	11,950	23,678
Proceeds from bond	-	-	-	-	-	-	14,679,000	-	14,679,000
Lease financing	2,679,652	81,998	-	-	-	-	-	265,438	3,027,088
Insurance recoveries	63,178	-	-	-	-	-	-	13,063	76,241
Transfers in	59,250	-	-	-	659,003	-	-	7,458,198	8,176,451
Transfers out	(383,397)	(374,785)	(1,113,994)	-	(805,165)	(7,093,808)	-	(6,023)	(9,777,172)
Total other financing sources (uses)	2,430,411	(292,787)	(1,113,994)	-	(146,162)	(7,093,808)	14,679,000	7,742,626	16,205,286
NET CHANGE IN FUND BALANCES	(6,677,935)	984,487	-	(532,155)	5,084,882	(5,181,447)	14,164,298	3,113,949	10,956,079
FUND BALANCES, JULY 1, 2021	31,354,048	5,408,351	-	1,626,276	13,553,618	33,097,738	-	6,079,119	91,119,150
FUND BALANCES, JUNE 30, 2022	$ 24,676,113	$ 6,392,838	$ -	$ 1,094,121	$ 18,638,500	$ 27,916,291	$ 14,164,298	$ 9,193,068	$ 102,075,229

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, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Net Change In Fund Balances - Total Governmental Funds		$ 10,956,079
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	$ (7,292,503)	
Capital outlay	34,796,877	27,504,374
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 @ 6/30/22	964,297	
Unavailable @ 6/30/21	(723,518)	240,779
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.		(6,151)
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 actitivities. Governmental fund expenditures and related internal service fund revenues are eliminated.		(149,144)
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.		(14,679,000)
Other financing sources from lease financing are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements.		(3,027,088)
Repayment of bonds and leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		8,008,231
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	39,242	
Change in compensated absences payable	(21,887)	
Change in landfill closure and postclosure care costs	(67,304)	(49,949)
Change In Net Position of Governmental Activities		$ 28,798,131

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Property	$ 20,488,889	$ 20,488,889	$ 21,130,314	$ 641,425
Sales	7,520,999	7,604,141	10,933,651	3,329,510
Other	754,230	754,230	1,250,712	496,482
Licenses and permits	38,000	38,000	40,000	2,000
Intergovernmental	939,980	1,204,427	1,328,727	124,300
Charges for services	5,204,505	5,204,505	5,785,468	580,963
Fines and forfeitures	1,233,902	1,233,902	1,523,645	289,743
Contributions and donations	13,500	13,500	11,953	(1,547)
Investment earnings	37,500	37,500	39,245	1,745
Other	210,700	210,700	382,061	171,361
Total revenues	36,442,205	36,789,794	42,425,776	5,635,982
EXPENDITURES				
Current:				
General government:				
Commissioners' office	663,365	689,965	569,757	120,208
Elections	535,451	535,451	468,936	66,515
Vehicle maintenance	345,160	505,160	474,719	30,441
Financial administration	787,626	750,626	704,387	46,239
Information technology	801,560	741,560	634,269	107,291
Tax commissioner	999,286	999,286	878,075	121,211
Tax assessor	1,056,958	926,958	943,953	(16,995)
Facilities maintenance	1,467,697	1,951,697	1,856,187	95,510
Human resources	530,346	531,096	537,165	(6,069)
County manager	731,872	731,872	536,881	194,991
Total general government	7,919,321	8,363,671	7,604,329	759,342
Judicial:				
Superior court clerk's office	733,535	733,535	703,624	29,911
Superior court	823,237	893,237	643,971	249,266
District attorney's office	428,716	428,716	428,716	-
State Court	330,502	330,502	253,406	77,096
Solicitor	382,729	382,729	381,354	1,375
Magistrate Court	635,466	636,466	564,399	72,067
Probate Court	491,420	491,420	482,059	9,361
Juvenile Court	212,648	362,648	310,812	51,836
Board of equalization	10,000	10,000	4,955	5,045
Total judicial	4,048,253	4,269,253	3,773,296	495,957
Public safety:				
Emergency management	379,687	437,629	332,318	105,311
Sheriff	10,722,953	10,849,700	10,795,734	53,966
School resource officers	627,802	627,802	547,478	80,324
Jail	4,312,540	4,312,540	3,805,086	507,454
Correctional institute	3,383,523	3,383,523	3,099,193	284,330
Inmate medical	628,356	683,356	669,020	14,336
Probation	280,309	280,309	223,518	56,791
Emergency medical services	3,725,796	3,617,455	3,500,428	117,027
Coroner	113,286	121,786	64,579	57,207
Animal control	305,376	305,376	240,527	64,849
Total public safety	24,479,628	24,619,476	23,277,881	1,341,595

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works:				
Roads - Cities	$ 110,000	$ 14,498,051	$ 14,584,696	$ (86,645)
Health and welfare:				
Health Department	265,000	265,000	265,000	-
Department of Family and Children Services	71,780	71,780	71,407	373
Family connections	50,000	48,000	48,000	-
Senior citizens	340,369	387,043	314,103	72,940
Other community services	87,000	87,000	83,310	3,690
Total health and welfare	814,149	858,823	781,820	77,003
Culture and recreation:				
Library	679,800	679,800	679,800	-
Housing and development:				
Extension service	209,572	210,572	186,334	24,238
Geographic information systems	388,537	433,537	416,090	17,447
Economic development	5,000	5,000	5,000	-
Forestry	3,600	6,600	6,300	300
Total housing and development	606,709	655,709	613,724	41,985
Debt service:				
Principal	634,690	620,690	197,440	423,250
Interest	-	-	21,136	(21,136)
Total debt service	634,690	620,690	218,576	402,114
Total expenditures	39,292,550	54,565,473	51,534,122	3,031,351
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,850,345)	(17,775,679)	(9,108,346)	8,667,333
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	11,728	11,728
Lease financing	2,900,279	2,900,279	2,679,652	(220,627)
Insurance recoveries	124,000	124,000	63,178	(60,822)
Transfers in	-	-	59,250	59,250
Transfers out	(1,289,397)	(1,289,397)	(383,397)	906,000
Total other financing sources (uses)	1,734,882	1,734,882	2,430,411	695,529
NET CHANGE IN FUND BALANCE	$ (1,115,463)	$ (16,040,797)	(6,677,935)	$ 9,362,862
FUND BALANCE, BEGINNING OF YEAR			31,354,048	
FUND BALANCE, END OF YEAR			$ 24,676,113	

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 4,768,270	$ 4,768,270	$ 5,055,290	$ 287,020
Charges for services	357,300	357,300	428,627	71,327
Contributions	-	2,560	3,090	530
Investment earnings	10,000	10,000	4,716	(5,284)
Other	-	-	120	120
Total revenues	5,135,570	5,138,130	5,491,843	353,713
EXPENDITURES				
Current:				
Roads	1,880,880	1,976,880	1,972,597	4,283
Culture and recreation	2,026,110	2,117,670	1,982,392	135,278
Capital outlay:				
Roads	315,993	219,993	103,860	116,133
Culture and recreation	213,987	166,987	145,816	21,171
Debt service:				
Principal	58,241	51,241	9,086	42,155
Interest	-	-	818	(818)
Total expenditures	4,495,211	4,532,771	4,214,569	318,202
EXCESS OF REVENUES OVER EXPENDITURES	640,359	605,359	1,277,274	671,915
OTHER FINANCING SOURCES (USES)				
Lease financing	290,980	290,980	81,998	(208,982)
Transfers in	906,000	906,000	-	(906,000)
Transfers out	(1,385,915)	(1,385,915)	(374,785)	1,011,130
Total other financing sources (uses)	(188,935)	(188,935)	(292,787)	(103,852)
NET CHANGE IN FUND BALANCE	$ 451,424	$ 416,424	984,487	$ 568,063
FUND BALANCE, BEGINNING OF YEAR			5,408,351	
FUND BALANCE, END OF YEAR			$ 6,392,838	

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 1,800,000	$ 1,113,994	$ (686,006)
EXPENDITURES				
Current:				
Roads	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	1,800,000	1,113,994	(686,006)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,800,000)	(1,113,994)	686,006
NET CHANGE IN FUND BALANCE	$ -	$ -	-	$ -
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			$ -	

See accompanying notes to the basic financial statements.

EFFINGHAM COUNTY, GEORGIA
HOSPITAL INDIGENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 3,600,000	$ 3,600,000	$ 3,709,094	$ 109,094
Interest	-	-	98	98
Total revenues	3,600,000	3,600,000	3,709,192	109,192
EXPENDITURES				
Current:				
Health and welfare	3,600,000	4,292,000	4,241,347	50,653
NET CHANGE IN FUND BALANCE	-	(692,000)	(532,155)	159,845
FUND BALANCES, BEGINNING OF YEAR	1,626,276	1,626,276	1,626,276	-
FUND BALANCES, END OF YEAR	$ 1,626,276	934,276	$ 1,094,121	$ 159,845

See accompanying notes to the basic financial statements.

EFFINGHAM COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Water & Sewer Operating	Wastewater Treatment Plant	Sanitation	Total Nonmajor Funds	Total Enterprise Funds	Governmental Activities Internal Service Self-Insurance
ASSETS						
Current Assets						
Cash and cash equivalents	$ 1,660,978	$ 2,690,533	$ 1,821,372	$ 66,453	$ 6,239,336	$ 1,184,126
Investments	2,861,930	-	223,584	-	3,085,514	-
Receivables:						
Accounts	510,673	12,022	25	-	522,720	-
Intergovernmental	-	-	-	-	-	-
Interfund	4,142,364	7,920	-	-	4,150,284	-
Inventory	154,043	-	-	-	154,043	-
Prepaid items	2,669	-	-	-	2,669	131,788
Total Current Assets	9,332,657	2,710,475	2,044,981	66,453	14,154,566	1,315,914
Capital Assets						
Land	-	1,086,706	-	-	1,086,706	-
Easements	152,358	-	-	-	152,358	-
Construction in progress	3,074,677	-	53,798	61,535	3,190,010	-
Systems and equipment (net of depreciation)	19,358,843	10,194,218	189,933	85,615	29,828,609	-
Total Capital Assets	22,585,878	11,280,924	243,731	147,150	34,257,683	-
Total Assets	31,918,535	13,991,399	2,288,712	213,603	48,412,249	1,315,914
LIABILITIES						
Current Liabilities						
Accounts payable	897,101	52,514	359,125	27,432	1,336,172	309,554
Compensated absences payable	-	-	117	-	117	-
Accrued interest payable	30,100	19,562	-	-	49,662	-
Customer deposits	331,525	2,000	-	-	333,525	-
Unearned revenue	1,383,021	-	-	-	1,383,021	-
Interfund payable	-	3,744,184	-	-	3,744,184	486,550
Bonds payable	839,443	545,557	-	-	1,385,000	-
Total Current Liabilities	3,481,190	4,363,817	359,242	27,432	8,231,681	796,104
Long-Term Liabilities						
Compensated absences payable (net of current portion)	-	-	78	-	78	-
Bonds payable (net of current portion)	12,776,504	8,303,496	-	-	21,080,000	-
Total Long-Term Liabilities	12,776,504	8,303,496	78	-	21,080,078	-
Total Liabilities	16,257,694	12,667,313	359,320	27,432	29,311,759	796,104
NET POSITION						
Net investment in capital assets	12,236,893	2,431,871	243,731	123,793	15,036,288	-
Unrestricted	3,423,948	(1,107,785)	1,685,661	62,378	4,064,202	519,810
Total Net Position	$ 15,660,841	$ 1,324,086	$ 1,929,392	$ 186,171	$ 19,100,490	$ 519,810

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, 2022

	Water & Sewer Operating	Wastewater Treatment Plant	Sanitation	Total Nonmajor Funds	Total Enterprise Funds	Governmental Activities Internal Service Self-Insurance
OPERATING REVENUES						
Charges for services	$ 4,591,840	$ 105,804	$ 4,046,240	$ 944	$ 8,744,828	$ 8,205,470
OPERATING EXPENSES						
Salaries and employee benefits	-	-	49,239	-	49,239	-
Purchased services	2,737,582	441,251	4,266,313	46,329	7,491,475	7,184,182
Materials and supplies	312,256	315,906	817	9,217	638,196	-
Depreciation	665,196	446,847	6,179	9,602	1,127,824	-
Claims	-	-	-	-	-	1,170,432
Total operating expenses	3,715,034	1,204,004	4,322,548	65,148	9,306,734	8,354,614
OPERATING INCOME (LOSS)	876,806	(1,098,200)	(276,308)	(64,204)	(561,906)	(149,144)
NON-OPERATING REVENUES (EXPENSES)						
Investment earnings	7,268	262	603	3	8,136	-
Interest expense	(400,905)	(260,549)	-	-	(661,454)	-
Total non-operating revenues (expenses)	(393,637)	(260,287)	603	3	(653,318)	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	483,169	(1,358,487)	(275,705)	(64,201)	(1,215,224)	(149,144)
Capital contributions and cost recovery fees	1,021,180	1,398,141	-	-	2,419,321	-
Transfers in	1,480,232	16,321	-	104,168	1,600,721	-
CHANGE IN NET POSITION	2,984,581	55,975	(275,705)	39,967	2,804,818	(149,144)
NET POSITION, BEGINNING OF YEAR	12,676,260	1,268,111	2,205,097	146,204	16,295,672	668,954
NET POSITION, END OF YEAR	$ 15,660,841	$ 1,324,086	$ 1,929,392	$ 186,171	$ 19,100,490	$ 519,810

See accompanying notes to the basic financial statements.

EFFINGHAM COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Water & Sewer Operating	Wastewater Treatment Plant	Sanitation	Total Nonmajor Funds	Total Enterprise Funds	Governmental Activities Internal Service Self-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 4,292,551	$ 88,349	$ 4,049,315	$ 944	$ 8,431,159	-
Cash received from internal charges	-	-	-	-	-	$ 8,205,470
Cash payments to employees for services	-	-	(49,870)	-	(49,870)	-
Cash payments for goods and services	(2,943,582)	(794,607)	(3,911,376)	(51,996)	(7,701,561)	(8,292,883)
Net cash provided (used) by operating activities	1,348,969	(706,258)	88,069	(51,052)	679,728	(87,413)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances from (to) other funds	(891,118)	535,838	-	-	(355,280)	485,898
Interfund transfers	1,017,110	16,321	-	104,168	1,137,599	-
Operating grants received	17,759	-	-	-	17,759	-
Net cash provided (used) by noncapital financing activities	143,751	552,159	-	104,168	800,078	485,898
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on bonds payable	(818,230)	(531,770)	-	-	(1,350,000)	-
Interest paid on bonds payable	(402,714)	(261,725)	-	-	(664,439)	-
Capital contributions/Cost recovery fees	1,021,180	1,398,141	-	-	2,419,321	-
Purchase of capital assets	(3,342,227)	(8,401)	-	(38,178)	(3,388,806)	-
Transfers for capital projects	463,122	-	-	-	463,122	-
Net cash provided (used) by capital and related financing activities	(3,078,869)	596,245	-	(38,178)	(2,520,802)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	1,992,823	-	1,359,398	-	3,352,221	-
Investment earnings	7,268	262	603	3	8,136	-
Net cash provided (used) by investing activities	2,000,091	262	1,360,001	3	3,360,357	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	413,942	442,408	1,448,070	14,941	2,319,361	398,485
CASH AND CASH EQUIVALENTS, JULY 1, 2021	1,247,036	2,248,125	373,302	51,512	3,919,975	785,641
CASH AND CASH EQUIVALENTS, JUNE 30, 2022	$ 1,660,978	$ 2,690,533	$ 1,821,372	$ 66,453	$ 6,239,336	$ 1,184,126
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 876,806	$ (1,098,200)	$ (276,308)	$ (64,204)	$ (561,906)	$ (149,144)
Adjustments:						
Depreciation	665,196	446,847	6,179	9,602	1,127,824	-
(Increase) decrease in operating assets:						
Accounts receivable	177,336	(3,580)	3,075	-	176,831	-
Inventory	(119,089)	-	-	-	(119,089)	-
Prepaid items	247	-	-	-	247	(39,231)
Increase (decrease) in operating liabilities:						
Accounts payable	225,098	(37,450)	355,754	3,550	546,952	100,962
Customer deposits	38,375	125	-	-	38,500	-
Unearned revenue	(515,000)	(14,000)	-	-	(529,000)	-
Compensated absences payable	-	-	(631)	-	(631)	-
Net cash provided (used) by operating activities	$ 1,348,969	$ (706,258)	$ 88,069	$ (51,052)	$ 679,728	$ (87,413)

See accompanying notes to the basic financial statements.

EFFINGHAM COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022

ASSETS		
Cash	$	2,007,490
TOTAL ASSETS	$	2,007,490
LIABILITIES		
Due to other governments	$	1,294,176
Due to other entities and individuals		7,278
TOTAL LIABILITIES		1,301,454
NET POSITION		
Restricted for individuals, organizations, and other governments		706,036
TOTAL NET POSITION	$	706,036

See accompanying notes to the basic financial statements.

EFFINGHAM COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

ADDITIONS		
Tax collections for other governments	$	63,869,493
Fees, fines, and forfeitures		1,240,634
Court judgements/assessments		68,693
Deposits from inmates		112,011
Tax sale proceeds		36
Interest		231
Total additions		65,291,098
DEDUCTIONS		
Payments to other governments		64,566,192
Payments to other entities and individuals		659,872
Total deductions		65,226,064
Net increase (decrease) in fiduciary net position		65,034
NET POSITION - JULY 1, 2021		641,002
NET POSITION - JUNE 30, 2022	$	706,036

See accompanying notes to the basic financial statements.

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

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*.

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.

Hospital Indigent Fund – This fund accounts for financial resources to be used for the provision of medical or other care and hospitalization of the indigent sick and poor within the County, in accordance with an intergovernmental agreement between the County and the Effingham County Hospital Authority.

2017 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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**.**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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
- 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, 2022.

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, 2022, 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

Description	Estimated Lives
Buildings and improvements	7-40 years
Machinery and equipment	5-10 years
Infrastructure	10-50 years
Intangible right-to-use leased assets	3-15 years

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2022. 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 reports deferred amounts related to leases in the governmental funds balance sheet and the statement of net position. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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).

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 87

The County has implemented GASB Statement 87, "Leases." The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

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, 2022 in the following department for the general fund:

	General Fund
Tax assessor	$ 16,995
Human resources	6,069
Roads - cities	86,645
Debt service - interest	21,136

The overexpenditure in these areas were funded by underexpenditures in other areas.

Expenditures exceeded appropriations in the following special revenue funds and these overexpenditures were funded by additional revenues over amounts budgeted.

	Overexpenditure
Sheriff	$ 3,144
Hotel Motel Tax	2,632

NOTE 3 – DEPOSITS AND INVESTMENTS

At June 30, 2022, the County has the following investments:

Investments	Maturities	Fair Value	Credit Rating
Primary Government:			
Georgia Fund 1	Average of 43 days WAM	$ 36,387,675	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.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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 statues 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, 2022, the carrying amount of the County's deposits was $82,671,696 and the bank balance was $88,505,148. 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.

Discretely Presented Component Units

The carrying amount of deposits for the Effingham County Board of Health was $3,068,643 and the bank balance was $3,068,795. As of June 30, 2022, the Board of Health did not have any balances exposed to custodial credit risk.

As of June 30, 2022, the Hospital Authority owned approximately $560,000 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, 2022, 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

NOTE 5 – PROPERTY TAXES (Continued)

60 days). For the year ended June 30, 2022, property taxes were levied on August 17, 2021, and were due December 15, 2021.

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Sheriff	$ 2,591
	American Rescue Plan Act	59,250
	Prison Commissary	1,397
	Self-Insurance	486,550
	Hospital Indigent	2,692,000
E-911	General Fund	24,760
Special Tax District	General Fund	1,349
Fire Taxing District	Inspections & Zoning	166
	General Fund	54,796
	American Rescue Plan Act	40,460
Inspections & Zoning	General Fund	400
2017 SPLOST	American Rescue Plan Act	659,003
Water and Sewer Operating	Wastewater Treatment Plant	3,744,184
	American Rescue Plan Act	398,180
Wastewater Treatment Plant	American Rescue Plan Act	7,920
Total		$ 8,173,006

Interfund balances at June 30, 2022 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, 2022, consisted of the following:

	Transfers From:						
Transfers To:	General Fund	2017 SPLOST	Special Tax District	State Condemnation	TSPLOST	American Rescue Plan Act	Total
General Fund	-	-	-	-	-	$ 59,250	$ 59,250
Fire Taxing District	-	-	-	-	-	40,460	40,460
Senior Citizens Activity	$ 126,894	-	-	-	-	-	126,894
Sheriff Special Funds	-	-	-	$ 6,023	-	-	6,023
E-911	191,013	-	-	-	-	-	191,013
2017 SPLOST	-	-	-	-	-	659,003	659,003
Debt Service	-	-	-	-	$ 7,093,808	-	7,093,808
Water and Sewer Operating	-	$ 796,765	$ 336,107	-	-	347,360	1,480,232
Wastewater Treatment Plant	-	8,400	-	-	-	7,921	16,321
Landfill	65,490	-	-	-	-	-	65,490
Stormwater	-	-	38,678	-	-	-	38,678
Total	$ 383,397	$ 805,165	$ 374,785	$ 6,023	$ 7,093,808	$ 1,113,994	$ 9,777,172

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 and Wastewater Treatment Plant enterprise funds were for

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

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 various funds were for construction costs. Transfers from the General Fund to the Landfill fund, E-911 fund, and Senior Citizens Activity Fund were to fund operations. Transfers from the TSPLOST fund to the SPLOST Debt Service fund were to fund debt service payments.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance 6/30/2021	Additions	Deductions	Balance 6/30/2022
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 8,242,405	$ 225,032	-	$ 8,467,437
Easements	964,330	-	-	964,330
Construction in progress	10,899,632	23,909,218	$ 1,603,788	33,205,062
Total capital assets not being depreciated	20,106,367	24,134,250	1,603,788	42,636,829
Capital assets being depreciated:				
Buildings and improvements	70,531,691	2,937,905	-	73,469,596
Machinery and equipment	35,298,084	1,986,505	58,836	37,225,753
Right-to-use leased equipment	-	3,027,088	-	3,027,088
Infrastructure	128,717,837	4,314,917	-	133,032,754
Total capital assets being depreciated	234,547,612	12,266,415	58,836	246,755,191
Total capital assets	254,653,979	36,400,665	1,662,624	289,392,020
Accumulated depreciation:				
Buildings and improvements	31,451,873	2,438,144	-	33,890,017
Machinery and equipment	26,365,227	1,982,439	52,685	28,294,981
Right-to-use leased equipment	-	214,567	-	214,567
Infrastructure	100,637,985	2,657,353	-	103,295,338
Total accumulated depreciation	158,455,085	7,292,503	52,685	165,694,903
Governmental activities capital assets, net	$ 96,198,894	$ 29,108,162	$ 1,609,939	$ 123,697,117

Governmental activities depreciation expense:

General government	$ 838,207
Judicial	23,972
Public safety	2,773,980
Public works	2,926,249
Health and welfare	971
Culture and Recreation	693,941
Housing and development	35,183
Total governmental activities depreciation expense	$ 7,292,503

NOTE 7 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2022 for the County's enterprise funds was as follows:

	Balance 6/30/2021	Additions	Deductions	Balance 6/30/2022
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,086,706	-	$ -	$ 1,086,706
Easements	152,358	-	-	152,358
Construction in progress	1,710,388	$ 1,822,386	342,764	3,190,010
Total capital assets not being depreciated	2,949,452	1,822,386	342,764	4,429,074
Capital assets being depreciated:				
Buildings and improvements	16,842,312	-	-	16,842,312
Machinery and equipment	2,825,398	491,448	-	3,316,846
Infrastructure	25,681,343	1,441,093	-	27,122,436
Total capital assets being depreciated	45,349,053	1,932,541	-	47,281,594
Total capital assets	48,298,505	3,754,927	342,764	51,710,668
Accumulated depreciation:				
Buildings and improvements	6,301,295	419,455	-	6,720,750
Equipment	2,316,980	82,650	-	2,399,630
Infrastructure	7,706,886	625,719	-	8,332,605
Total accumulated depreciation	16,325,161	1,127,824	-	17,452,985
Business-type activities capital assets, net	$ 31,973,344	$ 2,627,103	$ 342,764	$ 34,257,683

Capital asset activity for the year ended June 30, 2022 for the Effingham County Board of Health was as follows:

	Balance 7/1/2021	Additions	Deductions	Balance 6/30/2022
Component Unit:				
Machinery and equipment	$ 117,673	-	$ -	$ 117,673
Less accumulated depreciation	(104,483)	$ (8,802)	-	(113,285)
Component unit capital assets, net	$ 13,190	$ (8,802)	$ -	$ 4,388

NOTE 7 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2022 for the Effingham County Hospital Authority was as follows:

	Balance 7/1/2021, as restated	Additions	Deductions	Balance 6/30/2022
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 619,242	2,641,477	-	$ 3,260,719
Construction in progress	6,285,863	$ 3,787,594	$ 3,565,658	6,507,799
Total capital assets not being depreciated	6,905,105	6,429,071	3,565,658	9,768,518
Capital assets being depreciated:				
Buildings and improvements	31,434,275	967,392	-	32,401,667
Machinery and equipment	27,021,082	1,412,951	-	28,434,033
Leased equipment	4,186,755	1,974,634	101,843	6,059,546
Total capital assets being depreciated	62,642,112	4,354,977	101,843	66,895,246
Total capital assets	66,745,642	10,784,048	3,667,501	76,663,764
Accumulated depreciation:				
Buildings and improvements	15,474,977	1,217,589	-	16,692,566
Machinery and equipment	21,893,624	1,211,668	-	23,105,292
Leased equipment	731,139	960,004	101,843	1,589,300
Total accumulated depreciation	38,099,740	3,389,261	101,843	41,387,158
Governmental activities capital assets, net	$ 29,001,686	$ 7,394,787	$ 3,565,658	$ 35,276,606

NOTE 8 – LEASES

County as Lessee

The County, as a lessee, has entered into lease agreements for financing vehicles and copiers. The total of the County's lease assets is recorded at $3,027,088, less accumulated amortization of $214,567.

The future lease payments under lease agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2023	$ 583,650	$ 141,350	$ 725,000
2024	583,021	110,490	693,511
2025	570,373	79,089	649,462
2026	603,323	46,132	649,455
2027	452,690	12,554	465,244
Total	$ 2,793,057	$ 389,615	$ 3,182,672

NOTE 8 – LEASES (Continued)

County as Lessor

The County, as a lessor, has entered into lease agreements involving land and building space. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was $131,161.

The future principal and interest payments expected to maturity are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2023	$ 134,396	18,820	$ 153,216
2024	56,875	16,685	73,560
2025	59,103	15,211	74,314
2026	61,424	13,672	75,096
2027	8,504	12,688	21,192
2028-2032	61,256	58,118	119,374
2033-2037	100,452	44,785	145,237
2038-2042	153,019	23,684	176,703
2043-2047	38,347	1,346	39,693
Total	$ 673,376	$ 205,009	$ 878,385

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%.

NOTE 9 – BONDS PAYABLE (Continued)

In June, 2022, the County issued General Obligation Sales Tax Bond Series 2022 in the amount of $14,679,000 to provide funds for certain county-wide capital outlay projects. The bond will mature on June 1, 2028, and will be payable in annual principal amounts ranging from $2,308,000 to $2,600,000. Interest will be paid semi-annually on June 1 and December 1 of each year and will accrue at 2.55%.

As of June 30, 2022, annual debt service requirements to maturity are as follows:

Year ending	Governmental Activities			Business-type Activities		
June 30	Principal	Interest	Total	Principal	Interest	Total
2023	$ 9,533,000	$ 670,408	$ 10,203,408	$ 1,385,000	$ 626,774	$ 2,011,774
2024	9,674,000	565,755	10,239,755	1,425,000	588,132	2,013,132
2025	9,825,000	443,519	10,268,519	1,465,000	548,375	2,013,375
2026	9,983,000	318,953	10,301,953	1,505,000	507,501	2,012,501
2027	2,862,000	191,963	3,053,963	1,550,000	465,512	2,015,512
2028-2032	4,346,000	262,277	4,608,277	8,410,000	1,655,028	10,065,028
2033-2036	752,000	24,451	776,451	6,725,000	439,286	7,164,286
	$ 46,975,000	$ 2,477,324	$ 49,452,324	$ 22,465,000	$ 4,830,608	$ 27,295,608

NOTE 10 – NOTES PAYABLE

Certain financing arrangements previously known as capital leases are no longer classified as leases under the new definition of a lease under GASB Statement 87. These agreements are financed purchases because they result in the transfer of ownership of the asset, and they are therefore accounted for as notes payable. The County's agreements that were identified as capital leases in the previous year but are shown as notes payable in the current year are detailed below.

	Governmental Activities
Note payable to Motorola for communications equipment, payable in annual installments of $356,016, including interest at 3.71% through September 1, 2023.	$ 674,280
Note payable to Caterpillar Financial Services Corporation for public works equipment, payable in monthly installments of $4,531, including interest at 2.89% through September 1, 2024 and a balloon payment of $340,881.	437,740
Note payable to Truist Equipment Finance Corporation for Sheriff vehicles, payable in monthly installments of $12,596, including interest at 2.38% through August 30, 2022.	24,578
Note payable to Stryker Flex Financial for Sheriff tasers, payable in monthly installments of $2,492, including interest at 0% through January, 2023.	17,446
	$ 1,154,044

NOTE 10 – NOTES PAYABLE (Continued)

As of June 30, 2022, annual debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities		
	Principal	Interest	Total
2023	$ 415,297	$ 37,184	$ 452,481
2024	386,792	23,591	410,383
2025	351,955	2,516	354,471
	$ 1,154,044	$ 63,291	$ 1,217,335

NOTE 11 – CHANGES IN LONG-TERM DEBT

Governmental Activities	Balance June 30, 2021, as restated	Additions	Reductions	Balance June 30, 2022	Amounts Due In One Year
Notes payable	$ 1,864,244	-	$ 710,200	$ 1,154,044	$ 415,297
Bonds payable	39,360,000	$ 14,679,000	7,064,000	46,975,000	9,533,000
Leases payable	-	3,027,088	234,031	2,793,057	583,650
Compensated absences payable	1,305,779	21,887	-	1,327,666	796,600
Landfill post-closure care costs	1,641,561	67,304	-	1,708,865	110,000
Total Governmental Activities	$ 10,037,289	$ 17,795,279	$ 8,008,231	$ 53,958,632	$ 11,438,547
Business-Type Activities					
Compensated absences payable	$ 826	$ -	$ 631	$ 195	$ 117
Bonds payable	23,815,000	-	1,350,000	22,465,000	1,385,000
Total Business-Type Activities	$ 25,130,623	$ -	$ 1,350,631	$ 22,465,195	$ 1,385,117
Board of Health					
Compensated absences payable	$ 79,521	$ -	$ 398	$ 79,123	$ 15,825
Hospital Authority					
Bond payable - mortgage	$ 24,527,008	-	$ 942,640	$ 23,584,368	$ 1,003,572
Leases payable	3,507,509	$ 1,936,753	873,291	4,570,971	997,716
Notes payable	1,962,317	469,446	744,780	1,686,983	218,480
Financed equipment	199,584	1,420,696	322,014	1,298,266	379,681
Total Hospital Authority	$ 30,196,418	$ 3,826,895	$ 2,882,725	$ 31,140,588	$ 2,599,449

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. Notes payable will be paid from the General Fund and 2017 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 2017 SPLOST fund and TSPLOST fund for the governmental activities. Leases payable will be paid from the General Fund, E-911 fund, Special Tax District fund, and Fire fund.

NOTE 12 – 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 $1,708,865 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, 2022. However, the actual cost may be higher due to inflation, unexpected mitigation requirements, changes in technology, or changes in laws and regulations.

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 13 – 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, 2022 was $975,408. Total employee contributions to the plans for the year ended June 30, 2022 was $1,040,389.

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.

NOTE 13 – EMPLOYEE RETIREMENT PLANS (Continued)

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.

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 $168,448 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.

The retirement contributions for the year ended June 30, 2022 were $111,307. Contributions are fully vested to employees after 10 years of continuous service.

At June 30, 2022, the Board of Health reported $419,365 as a liability for its proportionate share of the net pension liabilities. For the year ended June 30, 2022, the Board of Health recognized pension benefit of $73,052.

NOTE 14 – 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.

NOTE 14 – RISK MANAGEMENT (Continued)

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.

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

NOTE 15 – 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 16 – 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, 2022, 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 17 – HOTEL/MOTEL LODGING TAX

The county has levied a five percent lodging tax. A summary of the transactions for the year ended June 30, 2022 follows:

		Percentage of tax receipts
Lodging tax receipts	$ 35,789	
Disbursements to the:		
Effingham County Chamber of Commerce	(28,632)	80%
County for future projects	(7,157)	20%
Total	$ -	

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

NOTE 18 – 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, 2022, the cumulative property tax not collected by Effingham County due to incentive agreements was $2,814,428. Payments in lieu of taxes in the amount of $850,817 were received in the Special Tax District Fund related to these agreements.

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 13, 2023, the date that the financial statements were available to issue.

EFFINGHAM COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 70	$ 8,428,550	$ 8,428,620
Investments	-	917,615	917,615
Receivables:			
Accounts	-	38,074	38,074
Intergovernmental	-	254,478	254,478
Interfund	-	120,582	120,582
Prepaid items	-	30,099	30,099
TOTAL ASSETS	$ 70	$ 9,789,398	$ 9,789,468
LIABILITIES			
Accounts payable	$ -	$ 327,379	$ 327,379
Accrued liabilities	-	253,482	253,482
Interfund payable	-	4,154	4,154
Performance bonds	-	11,385	11,385
TOTAL LIABILITIES	-	596,400	596,400
FUND BALANCES			
Nonspendable			
Prepaid items	-	30,099	30,099
Restricted			
Public safety	-	6,990,205	6,990,205
Public works, public safety, and recreation	-	67,489	67,489
Housing and development	-	1,935,361	1,935,361
Health and welfare	-	119,834	119,834
Judicial	-	50,010	50,010
Debt service	70	-	70
Unassigned	-	-	-
TOTAL FUND BALANCES	70	9,192,998	9,193,068
TOTAL LIABILITIES AND FUND BALANCES	$ 70	$ 9,789,398	$ 9,789,468

EFFINGHAM COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ -	$ 2,998,728	$ 2,998,728
Licenses and permits	-	2,155,485	2,155,485
Intergovernmental	-	67,019	67,019
Charges for services	-	5,890,196	5,890,196
Fines and forfeitures	-	544,685	544,685
Investment earnings	64	2,577	2,641
Contributions	-	7,570	7,570
Other	-	60	60
Total revenues	64	11,666,320	11,666,384
EXPENDITURES			
Current:			
Public safety	-	6,985,676	6,985,676
Health and welfare	-	97,778	97,778
Housing and development	-	1,391,598	1,391,598
Capital outlay:			
Public safety	-	600,128	600,128
Culture and recreation	-	21,912	21,912
Housing and development	-	72,752	72,752
Debt service:			
Principal	6,770,000	27,506	6,797,506
Interest	323,808	3,903	327,711
Total expenditures	7,093,808	9,201,253	16,295,061
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,093,744)	2,465,067	(4,628,677)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	11,950	11,950
Lease financing	-	265,438	265,438
Insurance recoveries	-	13,063	13,063
Transfers in	7,093,808	364,390	7,458,198
Transfers out	-	(6,023)	(6,023)
Total other financing sources (uses)	7,093,808	648,818	7,742,626
NET CHANGE IN FUND BALANCES	64	3,113,885	3,113,949
FUND BALANCES, JULY 1, 2021	6	6,079,113	6,079,119
FUND BALANCES, JUNE 30, 2022	$ 70	$ 9,192,998	$ 9,193,068

EFFINGHAM COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Drug Abuse & Treatment Education	Sheriff	Prison Commissary	Impact Fees	Drug Seizure	State Condemnation	E-911 Fund
ASSETS							
Cash	$ 110,631	$ 671,776	$ 25,017	$ 45,344	$ 107,019	$ 5,787	$ 1,505,787
Investments	-	-	-	-	-	-	-
Receivables:							
Accounts	-	31,894	-	-	-	-	-
Intergovernmental	334	-	-	22,145	-	-	228,989
Interfund	-	-	-	-	-	-	24,760
Prepaid items	-	4,800	-	-	-	-	23,034
TOTAL ASSETS	$ 110,965	$ 708,470	$ 25,017	$ 67,489	$ 107,019	$ 5,787	$ 1,782,570
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 458	$ 61,129	$ 23,620	-	-	-	$ 4,833
Accrued payroll	-	-		-	-	-	48,373
Interfund payable	-	2,591	1,397	-	-	-	-
Performance bonds	-	-	-	-	-	-	-
Total liabilities	458	63,720	25,017	-	-	-	53,206
Fund balances:							
Nonspendable:							
Prepaid items	-	4,800	-	-	-	-	23,034
Restricted:							
Public safety	110,507	639,950	-	-	$ 107,019	$ 5,787	1,706,330
Public works, public safety, and recreation	-	-	-	$ 67,489	-	-	-
Housing and development	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Total fund balances	110,507	644,750	-	67,489	107,019	5,787	1,729,364
TOTAL LIABILITIES AND FUND BALANCES	$ 110,965	$ 708,470	$ 25,017	$ 67,489	$ 107,019	$ 5,787	$ 1,782,570

EFFINGHAM COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Juvenile Services	County Jail	Fire Taxing District	Inspections & Zoning	Senior Citizens Activity	Hotel Motel Tax	Total
ASSETS							
Cash	$ 50,010	$ 315,644	$ 3,442,802	$ 1,992,047	$ 124,516	$ 32,170	$ 8,428,550
Investments	-	-	917,615	-	-	-	917,615
Receivables:							
Accounts	-	-	108	1,925	-	4,147	38,074
Intergovernmental	-	3,010	-	-	-	-	254,478
Interfund	-	-	95,422	400	-	-	120,582
Prepaid items	-	-	2,265	-	-	-	30,099
TOTAL ASSETS	$ 50,010	$ 318,654	$ 4,458,212	$ 1,994,372	$ 124,516	$ 36,317	$ 9,789,398
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	-	$ 190,144	$ 40,452	$ 49	$ 6,694	$ 327,379
Accrued payroll	-	-	163,845	36,631	4,633	-	253,482
Interfund payable	-	-	-	166	-	-	4,154
Performance bonds	-	-	-	11,385	-	-	11,385
Total liabilities	-	-	353,989	88,634	4,682	6,694	596,400
Fund balances:							
Nonspendable:							
Prepaid items	-	-	2,265	-	-	-	30,099
Restricted:							
Public safety	-	$ 318,654	4,101,958	-	-	-	6,990,205
Public works, public safety, and recreation	-	-	-	-	-	-	67,489
Housing and development	-	-	-	1,905,738	-	29,623	1,935,361
Health and welfare	-	-	-	-	119,834	-	119,834
Judicial	$ 50,010	-	-	-	-	-	50,010
Total fund balances	50,010	318,654	4,104,223	1,905,738	119,834	29,623	9,192,998
TOTAL LIABILITIES AND FUND BALANCES	$ 50,010	$ 318,654	$ 4,458,212	$ 1,994,372	$ 124,516	$ 36,317	$ 9,789,398

EFFINGHAM COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Drug Abuse & Treatment Education	Sheriff	Prison Commissary	Impact Fees	Drug Seizure	State Condemnation	E-911 Fund
REVENUES							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	24,447
Charges for services	-	$ 563,988	$ 229,708	-	-	-	$ 1,350,697
Fine and forfeitures	$ 31,580	356,793	-	-	$ 64,450	$ 6,034	-
Contributions	-	-	-	-	-	-	-
Investment earnings	9	-	-	$ 5	8	-	134
Other	-	-	-	-	-	-	-
Total revenues	31,589	920,781	229,708	5	64,458	6,034	1,375,278
EXPENDITURES							
Current:							
Public safety	10,364	503,144	229,708	-	-	-	1,243,983
Public works	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay:							
Public safety	-	-	-	-	-	-	16,880
Culture and recreation	-	-	-	21,912	-	-	-
Housing and development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	2,445
Interest	-	-	-	-	-	-	265
Total expenditures	10,364	503,144	229,708	21,912	-	-	1,263,573
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	21,225	417,637	-	(21,907)	64,458	6,034	111,705
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-
Lease financing	-	-	-	-	-	-	6,407
Transfers in	-	6,023	-	-	-	-	191,013
Transfers out	-	-	-	-	-	(6,023)	-
Total other financing sources (uses)	-	6,023	-	-	-	(6,023)	197,420
NET CHANGE IN FUND BALANCES	21,225	423,660	-	(21,907)	64,458	11	309,125
FUND BALANCES, BEGINNING OF YEAR	89,282	221,090	-	89,396	42,561	5,776	1,420,239
FUND BALANCES, END OF YEAR	$ 110,507	$ 644,750	$ -	$ 67,489	$ 107,019	$ 5,787	$ 1,729,364

EFFINGHAM COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Juvenile Services	County Jail	Fire Taxing District	Inspections & Zoning	Senior Citizens Activity	Hotel Motel Tax	Total
REVENUES							
Taxes	-	-	$ 2,962,939	-	-	$ 35,789	$ 2,998,728
Licenses and permits	-	-	-	$ 2,155,485	-	-	2,155,485
Intergovernmental	-	-	42,572	-	-	-	67,019
Charges for services	-	-	3,698,847	40,499	$ 6,457	-	5,890,196
Fine and forfeitures	$ 2,803	$ 83,025	-	-	-	-	544,685
Contributions	-	-	6,850	-	720	-	7,570
Investment earnings	5	27	2,206	176	7	-	2,577
Other	-	-	-	60	-	-	60
Total revenues	2,808	83,052	6,713,414	2,196,220	7,184	35,789	11,666,320
EXPENDITURES							
Current:							
Public safety	-	-	4,998,477	-	-	-	6,985,676
Housing and development	-	-	-	1,362,966	-	28,632	1,391,598
Health and welfare	-	-	-	-	97,778	-	97,778
Capital outlay:							
Public safety	-	-	583,248	-	-	-	600,128
Culture and recreation	-	-	-	-	-	-	21,912
Housing and development	-	-	-	72,752	-	-	72,752
Debt service:							
Principal	-	-	16,376	8,685	-	-	27,506
Interest	-	-	2,828	810	-	-	3,903
Total expenditures	-	-	5,600,929	1,445,213	97,778	28,632	9,201,253
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,808	83,052	1,112,485	751,007	(90,594)	7,157	2,465,067
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	-	11,950	-	-	-	11,950
Insurance recoveries	-	-	13,063	-	-	-	13,063
Lease financing	-	-	188,836	70,195	-	-	265,438
Transfers in	-	-	40,460	-	126,894	-	364,390
Transfers out	-	-	-	-	-	-	(6,023)
Total other financing sources (uses)	-	-	254,309	70,195	126,894	-	648,818
NET CHANGE IN FUND BALANCES	2,808	83,052	1,366,794	821,202	36,300	7,157	3,113,885
FUND BALANCES, BEGINNING OF YEAR	47,202	235,602	2,737,429	1,084,536	83,534	22,466	6,079,113
FUND BALANCES, END OF YEAR	$ 50,010	$ 318,654	$ 4,104,223	$ 1,905,738	$ 119,834	$ 29,623	$ 9,192,998

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, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	$ 26,000	$ 31,580	$ 5,580
Investment earnings	-	9	9
Total revenues	26,000	31,589	5,589
EXPENDITURES			
Current:			
Public safety	13,500	10,364	3,136
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,500	21,225	8,725
FUND BALANCES, BEGINNING OF YEAR	89,282	89,282	-
FUND BALANCES, END OF YEAR	$ 101,782	$ 110,507	$ 8,725

EFFINGHAM COUNTY, GEORGIA
SHERIFF FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	$ 500,000	$ 563,988	$ 63,988
Fines and forfeitures	-	356,793	356,793
Total revenues	500,000	920,781	420,781
EXPENDITURES			
Current:			
Public safety	500,000	503,144	(3,144)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	417,637	417,637
OTHER FINANCING SOURCES (USES)			
Transfers in	-	6,023	6,023
NET CHANGE IN FUND BALANCE	-	423,660	423,660
FUND BALANCES, BEGINNING OF YEAR	221,090	221,090	-
FUND BALANCES, END OF YEAR	$ 221,090	$ 644,750	$ 423,660

EFFINGHAM COUNTY, GEORGIA
PRISON COMMISSARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$180,000	$ 230,000	$ 229,708	$ (292)
EXPENDITURES				
Current:				
Public safety	180,000	230,000	229,708	292
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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Investment earnings	$ -	-	$ 5	$ 5
EXPENDITURES				
Capital outlay:				
Culture and recreation	-	$ 21,912	21,912	-
NET CHANGE IN FUND BALANCE	-	(21,912)	(21,907)	5
FUND BALANCES, BEGINNING OF YEAR	89,396	89,396	89,396	-
FUND BALANCES, END OF YEAR	$ 89,396	$ 67,484	$ 67,489	$ 5

EFFINGHAM COUNTY, GEORGIA
DRUG SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	$ 50,000	$ 64,450	$ 14,450
Investment earnings	-	8	8
Total revenues	50,000	64,458	14,458
EXPENDITURES			
Current:			
Public safety	50,000	-	50,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	64,458	64,458
FUND BALANCES, BEGINNING OF YEAR	42,561	42,561	-
FUND BALANCES, END OF YEAR	$ 42,561	107,019	$ 64,458

EFFINGHAM COUNTY, GEORGIA
STATE CONDEMNATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	$ 50,000	$ 6,034	$ (43,966)
EXPENDITURES			
Current:			
Public safety	50,000	-	50,000
EXCESS OF REVENUES OVER EXPENDITURES	-	6,034	6,034
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(6,023)	(6,023)
NET CHANGE IN FUND BALANCES	-	11	11
FUND BALANCES, BEGINNING OF YEAR	5,776	5,776	-
FUND BALANCES, END OF YEAR	$ 5,776	5,787	$ 11

EFFINGHAM COUNTY, GEORGIA
E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	-	-	$ 24,447	$ 24,447
Charges for services	$ 1,300,000	$ 1,300,000	1,350,697	50,697
Investment earnings	20	20	134	114
Total revenues	1,300,020	1,300,020	1,375,278	75,258
EXPENDITURES				
Current:				
Public safety	1,480,533	1,502,842	1,243,983	258,859
Capital outlay:				
Public safety	10,500	10,500	16,880	(6,380)
Debt service				
Principal	-	-	2,445	(2,445)
Interest	-	-	265	(265)
Total expenditures	1,491,033	1,513,342	1,263,573	249,769
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(191,013)	(213,322)	111,705	325,027
OTHER FINANCING SOURCES (USES)				
Lease financing	-	-	6,407	6,407
Transfers in	191,013	191,013	191,013	-
Total other financing sources (uses)	191,013	191,013	197,420	6,407
NET CHANGE IN FUND BALANCE	-	(22,309)	309,125	331,434
FUND BALANCES, BEGINNING OF YEAR	1,420,239	1,420,239	1,420,239	-
FUND BALANCES, END OF YEAR	$ 1,420,239	$ 1,397,930	$ 1,729,364	$ 331,434

EFFINGHAM COUNTY, GEORGIA
JUVENILE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	$ 2,500	$ 2,803	$ 303
Investment earnings	-	5	5
Total revenues	2,500	2,808	308
EXPENDITURES			
Current:			
Health and welfare	2,500	-	2,500
NET CHANGE IN FUND BALANCE	-	2,808	2,808
FUND BALANCES, BEGINNING OF YEAR	47,202	47,202	-
FUND BALANCES, END OF YEAR	$ 47,202	$ 50,010	$ 2,808

EFFINGHAM COUNTY, GEORGIA
COUNTY JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	$ 60,000	$ 83,025	$ 23,025
Investment earnings	-	27	27
Total revenues	60,000	83,052	23,052
EXPENDITURES			
Current:			
Public safety	60,000	-	60,000
NET CHANGE IN FUND BALANCE	-	83,052	83,052
FUND BALANCES, BEGINNING OF YEAR	235,602	235,602	-
FUND BALANCES, END OF YEAR	$ 235,602	$ 318,654	$ 83,052

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 2,850,000	$ 2,850,000	$ 2,962,939	$ 112,939
Intergovernmental	-	-	42,572	42,572
Charges for services	2,585,600	2,585,600	3,698,847	1,113,247
Investment earnings	200	200	2,206	2,006
Contributions	2,000	2,000	6,850	4,850
Total revenues	5,437,800	5,437,800	6,713,414	1,275,614
EXPENDITURES				
Current:				
Public safety	4,913,944	5,013,944	4,998,477	15,467
Capital outlay:				
Public safety	1,816,112	1,716,112	583,248	1,132,864
Debt service:				
Principal	55,735	55,735	16,376	39,359
Interest	-	-	2,828	(2,828)
Total expenditures	6,785,791	6,785,791	5,600,929	1,184,862
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,347,991)	(1,347,991)	1,112,485	2,460,476
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	11,950	11,950
Insurance recoveries	-	-	13,063	13,063
Lease financing	-	281,612	188,836	(92,776)
Transfers in	66,379	66,379	40,460	(25,919)
Total other financing sources (uses)	66,379	347,991	254,309	(93,682)
NET CHANGE IN FUND BALANCE	(1,281,612)	(1,000,000)	1,366,794	2,366,794
FUND BALANCES, BEGINNING OF YEAR	2,737,429	2,737,429	2,737,429	-
FUND BALANCES, END OF YEAR	$ 1,455,817	$ 1,737,429	$ 4,104,223	$ 2,366,794

EFFINGHAM COUNTY, GEORGIA
INSPECTIONS & ZONING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Licenses and permits	$ 1,150,000	$ 1,209,551	$ 2,155,485	$ 945,934
Charges for services	60,000	60,000	40,499	(19,501)
Investment earnings	1,000	1,000	176	(824)
Other	30	30	60	30
Total revenues	1,211,030	1,270,581	2,196,220	925,639
EXPENDITURES				
Current:				
Housing and development	1,484,243	1,543,794	1,362,966	180,828
Capital outlay:				
Housing and development	49,725	49,725	72,752	(23,027)
Debt service:				
Principal	9,624	9,624	8,685	939
Interest	-	-	810	(810)
Total expenditures	1,543,592	1,603,143	1,445,213	157,930
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(332,562)	(332,562)	751,007	1,083,569
OTHER FINANCING SOURCES				
Lease financing	49,725	49,725	70,195	20,470
Transfers in	282,837	282,837	-	(282,837)
Total other financing sources	332,562	332,562	70,195	(262,367)
NET CHANGE IN FUND BALANCE	-	-	821,202	821,202
FUND BALANCES, BEGINNING OF YEAR	1,084,536	1,084,536	1,084,536	-
FUND BALANCES, END OF YEAR	$ 1,084,536	$ 1,084,536	$ 1,905,738	$ 821,202

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, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	$ 3,500	$ 6,457	$ 2,957
Investment earnings	-	7	7
Contributions	-	720	720
Total revenues	3,500	7,184	3,684
EXPENDITURES			
Current:			
Health and welfare	130,394	97,778	32,616
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(126,894)	(90,594)	36,300
OTHER FINANCING SOURCES			
Transfers in	126,894	126,894	-
NET CHANGE IN FUND BALANCE	-	36,300	36,300
FUND BALANCES, BEGINNING OF YEAR	83,534	83,534	-
FUND BALANCES, END OF YEAR	$ 83,534	$ 119,834	$ 36,300

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 15,000	$ 26,000	$ 35,789	$ 9,789
EXPENDITURES				
Current:				
Housing and development	15,000	26,000	28,632	(2,632)
NET CHANGE IN FUND BALANCE	-	-	7,157	7,157
FUND BALANCES, BEGINNING OF YEAR	22,466	22,466	22,466	-
FUND BALANCES, END OF YEAR	$ 22,466	$ 22,466	$ 29,623	$ 7,157

EFFINGHAM COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2022

	Landfill	Stormwater	Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	$ 66,143	$ 310	$ 66,453
Capital Assets			
Construction in progress	-	61,535	61,535
Systems and equipment (net of depreciation)	85,615	-	85,615
Total Capital Assets	85,615	61,535	147,150
Total Assets	151,758	61,845	213,603
LIABILITIES			
Current liabilities:			
Accounts payable	4,075	23,357	27,432
NET POSITION			
Net investment in capital assets	85,615	38,178	123,793
Unrestricted	62,068	310	62,378
Total Net Position	$ 147,683	$ 38,488	$ 186,171

EFFINGHAM COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Landfill	Stormwater	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	$ 944	-	$ 944
OPERATING EXPENSES			
Purchased services	46,139	$ 190	46,329
Materials and supplies	9,217	-	9,217
Depreciation	9,602	-	9,602
Total operating expenses	64,958	190	65,148
OPERATING INCOME (LOSS)	(64,014)	(190)	(64,204)
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	3	-	3
INCOME (LOSS) BEFORE TRANSFERS	(64,011)	(190)	(64,201)
TRANSFERS IN (OUT)	65,490	38,678	104,168
CHANGE IN NET POSITION	1,479	38,488	39,967
NET POSITION, BEGINNING OF YEAR	146,204	-	146,204
NET POSITION, END OF YEAR	$ 147,683	$ 38,488	$ 186,171

EFFINGHAM COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Landfill	Stormwater	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 944	-	$ 944
Cash payments for goods and services	(51,806)	$ (190)	(51,996)
Net cash used by operating activities	(50,862)	(190)	(51,052)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund transfers	65,490	38,678	104,168
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	(38,178)	(38,178)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	3	-	3
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,631	310	14,941
CASH AND CASH EQUIVALENTS, JULY 1, 2021	51,512	-	51,512
CASH AND CASH EQUIVALENTS, JUNE 30, 2022	$ 66,143	$ 310	$ 66,453
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating income (loss)	$ (64,014)	$ (190)	$ (64,204)
Adjustments:			
Depreciation	9,602	-	9,602
(Increase) decrease in operating assets			
Accounts receivable	-	-	-
Increase (decrease) in operating liabilities			
Accounts payable	3,550	-	3,550
Net cash used by operating activities	$ (50,862)	$ (190)	$ (51,052)

EFFINGHAM COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Probation	Total
ASSETS							
Cash	$ 1,163,082	$ 95,324	$ 539,057	$ 6,514	$ 179,126	$ 24,387	$ 2,007,490
TOTAL ASSETS	$ 1,163,082	$ 95,324	$ 539,057	$ 6,514	$ 179,126	$ 24,387	$ 2,007,490
LIABILITIES							
Due to other governments	$ 1,067,132	$ 4,718	$ 194,774	$ 3,165	-	$ 24,387	$ 1,294,176
Due to other entities and individuals	-	3,929	-	3,349	-	-	7,278
TOTAL LIABILITIES	1,067,132	8,647	194,774	6,514	-	24,387	1,301,454
NET POSITION							
Restricted for individuals, organizations, and other governments	95,950	86,677	344,283	-	$ 179,126	-	706,036
TOTAL NET POSITION	$ 95,950	$ 86,677	$ 344,283	$ -	$ 179,126	$ -	$ 706,036

EFFINGHAM COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Probation	Total
ADDITIONS							
Tax collections for other governments	$ 62,178,906	-	$ 1,690,587	-	-	-	$ 63,869,493
Fees, fines, and forfeitures	-	$ 378,869	612,195	$ 152,363	$ 54,729	$ 42,478	1,240,634
Court judgements/assessments	-	-	68,693	-	-	-	68,693
Deposits for cash bonds	-	-	-	-	112,011	-	112,011
Tax sale proceeds	36	-	-	-	-	-	36
Interest	-	4	186	-	38	3	231
Total additions	62,178,942	378,873	2,371,661	152,363	166,778	42,481	65,291,098
DEDUCTIONS							
Payments to other governments	62,178,906	359,807	1,985,844	8,984	-	32,651	64,566,192
Payments to other entities and individuals	347	-	392,294	143,379	114,022	9,830	659,872
Total deductions	62,179,253	359,807	2,378,138	152,363	114,022	42,481	65,226,064
Net increase (decrease) in fiduciary net position	(311)	19,066	(6,477)	-	52,756	-	65,034
NET POSITION - JULY 1, 2021	96,261	67,611	350,760	-	126,370	-	641,002
NET POSITION - JUNE 30, 2022	$ 95,950	$ 86,677	$ 344,283	$ -	$ 179,126	$ -	$ 706,036

EFFINGHAM COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2022

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2017 SPLOST						
Public buildings	$ 3,385,525	$ 3,385,525	$ 2,186,512	$ 16,731	$ 2,203,243	65%
Roads, streets and bridges	31,251,000	31,251,000	7,362,465	2,805,089	10,167,554	33%
Drainage projects	911,488	911,488	114,497	73,341	187,838	21%
Recreation projects	4,948,075	4,948,075	1,818,932	1,455,382	3,274,314	66%
Vehicles and equipment	6,771,050	7,654,825	5,900,995	1,753,830	7,654,825	100%
Technology projects	520,850	520,850	39,714	-	39,714	8%
Water and sewer	4,297,012	4,297,012	580,068	102,762	682,830	16%
Intergovernmental:						
City of Rincon	11,838,000	11,838,000	6,595,490	2,484,610	9,080,100	77%
City of Springfield	3,821,000	3,821,000	2,129,598	802,245	2,931,843	77%
City of Guyton	2,256,000	2,256,000	1,255,921	473,119	1,729,040	77%
	$ 70,000,000	$ 70,883,775	$ 27,984,192	$ 9,967,109	$ 37,951,301	53.5%

SPLOST capital projects fund total expenditures	$ 10,874,788
SPLOST capital projects fund transfer out to Water & Sewer	796,765
SPLOST capital projects fund transfer out to Waterwater Treatment Plant	8,400
	11,679,953
Less:	
Intergovernmental Revenue - Roads, streets, and bridges	(1,048,114)
Transfer from American Rescue Plan Act Fund - Water and sewer	(659,003)
Property tax millage - Roads, streets, and bridges	(5,727)
	$ 9,967,109

EFFINGHAM COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2022

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2021 SPLOST						
County Project - Tier 1 Projects						
Expand and renovate animal shelter	$ 1,500,000	$ 1,500,000	$ -	$ -	$ -	0%
Renovate space for UGA extension and 4H	1,500,000	1,500,000	-	-	-	0%
Renovate space for social services	1,500,000	1,500,000	-	-	-	0%
Renovate space for elections & registration office and storage	1,500,000	1,500,000	-	-	-	0%
Emergency operations center and emergency management offices	1,300,000	1,300,000	-	-	-	0%
Replace ambulance units	900,000	900,000	-	-	-	0%
EMS station Rincon area	600,000	600,000	-	-	-	0%
Expand EMS headquarters facility	900,000	900,000	-	-	-	0%
Renovate space for juvenile court and victim & witness services	1,300,000	1,300,000	-	-	-	0%
Administrative Complex expansion	2,000,000	2,000,000	-	-	-	0%
E911 technology and infrastructure upgrades	200,000	200,000	-	-	-	0%
Upgrade jail camera system	200,000	200,000	-	-	-	0%
Sheriff department storage building	100,000	100,000	-	-	-	0%
Coroner morgue equipment	100,000	100,000	-	-	-	0%
Expand judicial center parking	600,000	600,000	-	-	-	0%
Renovate space for juvenile justice services	200,000	200,000	-	-	-	0%
Historic courthouse audio and video upgrades	200,000	200,000	-	-	-	0%
Renovate space for probation services	200,000	200,000	-	-	-	0%
Prison maintenance building	200,000	200,000	-	-	-	0%
Safety, security, and technology upgrades countywide services	1,000,000	1,000,000	-	-	-	0%
County Project - Other						
Parks and recreation capital projects	24,800,000	24,800,000	-	-	-	0%
Roads and bridges capital projects	6,000,000	6,000,000	-	-	-	0%
Fire department capital projects	3,700,000	3,700,000	-	-	-	0%
Drainage capital projects	2,500,000	2,500,000	-	-	-	0%
Public buildings capital projects	3,300,000	3,300,000	-	-	-	0%
Water and sewer capital projects	3,200,000	3,200,000	-	-	-	0%
Equipment capital outlay	3,000,000	3,000,000	-	-	-	0%
Safety, security, and technology capital projects	1,122,400	1,122,400	-	-	-	0%
Intergovernmental						
City of Rincon	10,822,400	10,822,400	-	-	-	0%
City of Springfield	3,494,400	3,494,400	-	-	-	0%
City of Guyton	2,060,800	2,060,800	-	-	-	0%
	$80,000,000	$80,000,000	$ -	$ -	$ -	0.0%

SPLOST capital projects fund total expenditures	$ 514,702
Less:	
Use of bonds proceeds - Bond issuance fees	(202,290)
Use of bonds proceeds - EMS station Rincon area	(312,412)
	$ -

EFFINGHAM COUNTY, GEORGIA
SCHEDULE OF PROJECTS PAID WITH TRANSPORTATION SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2022

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
TSPLOST						
District 1 Road Projects	$ 2,542,110	$ 2,542,110	$ -	$ 164,550	$ 164,550	6%
District 2 Road Projects	18,206,374	18,206,374	-	3,974,270	3,974,270	22%
District 3 Road Projects	7,544,974	7,544,974	-	506,947	506,947	7%
District 4 Road Projects	2,899,150	2,899,150	-	140,905	140,905	5%
District 5 Road Projects	1,683,100	1,683,100	-	608,841	608,841	36%
Multi-district	500,000	500,000	-	32,082	32,082	6%
Intergovernmental:						
City of Rincon	-	-	-	-	-	0%
City of Springfield	2,475,000	2,475,000	-	1,039,326	1,039,326	42%
City of Guyton	1,350,000	1,350,000	-	626,887	626,887	46%
	$ 37,200,708	$ 37,200,708	$ -	7,093,808	$ 7,093,808	19.1%
			Total TSPLOST expenditures	$ 7,093,808		
TSPLOST capital projects fund total expenditures				$ 9,570,842		
TSPLOST capital projects fund transfer out to Debt Service Fund				7,093,808		
				16,664,650		
Less:						
Use of bond proceeds - Roads, streets, and bridges				(9,570,842)		
				$ 7,093,808		

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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, 2022, and the related notes to the financial statements, which collectively comprise Effingham County's basic financial statements, and have issued our report thereon dated March 13, 2023. 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.

Report on 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 for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 as items 2022-1 through 2022-4 that we consider to be material weaknesses.

Report on 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. 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 the response.

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.

Lanier, Deal, Proctor, & Bloser
Statesboro, Georgia
March 13, 2023

FINDINGS – FINANCIAL STATEMENTS AUDIT

MATERIAL WEAKNESSES

2022-1 Insufficient bank reconciliations prepared by Clerk of Court's office

Condition: During our audit we noted multiple duplicate transactions that were considered outstanding items on the Clerk of Court's bank reconciliations. These items included stale items from years prior.

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

Cause: The accounting software used by the Clerk's office is not well-understood. 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 reconciliations for accuracy.

2022-2 Timely disbursements not made by Clerk of Court's office

Condition: During our audit we noted that June disbursements were significantly lower than other months. After further review, it was determined that an error in the traffic fines software caused the disbursements for that month to be understated. This was also the case for some of the following months until the error was discovered.

Criteria: All monthly disbursements should be reviewed for accuracy and reasonableness.

Cause: An error in the software used to record traffic fines in the accounting software prevented the information from being transmitted to the accounting software.

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

Auditor's Recommendation: Monthly disbursements should be reviewed for accuracy and reasonableness. Additionally, procedures should be implemented to provide a secondary review before disbursement checks are issued.

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 monthly disbursements for accuracy and reasonableness.

2022-3 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, causing the ending cash balances to be inaccurate. These items included both duplicated transactions during the current year and stale items from years prior.

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 reconciliations for accuracy.

2022-4 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.