

**EFFINGHAM COUNTY, GEORGIA**  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2020

## TABLE OF CONTENTS

	Page
Independent Auditor's Report	3
Management's Discussion and Analysis (Unaudited)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Special Tax District	22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Fiduciary Assets and Liabilities - Agency Funds	26
Notes to the Financial Statements	27
Supplementary Information:	
Non-Major Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	50
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Hospital Indigent Fund	55
Schedule of Revenues, Expenditures, and Changes in Fund	

Balance - Budget and Actual - Drug Abuse & Treatment Education Fund	56
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Sheriff Funds	57
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Prison Funds	58
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Impact Fees Fund	59
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Drug Seizure Fund	60
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - State Condemnation Fund	61
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - E-911 Fund	62
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Wireless E-911 Fund	63
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Juvenile Services Fund	64
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - County Jail Fund	65
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Fire Taxing District Fund	66
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Inspections & Zoning Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Senior Citizens Activity Fund	68
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Hotel Motel Tax Fund	69
Nonmajor Proprietary Funds:	
Combining Statement of Net Position	70
Combining Statement of Revenues, Expenditures and Changes in Net Position	71
Combining Statement of Cash Flows	72
Fiduciary Funds - Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	73
Combining Statement of Changes in Assets and Liabilities	74
Schedule of Projects Paid with Special Purpose Local Option Sales Tax Proceeds	75
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 <i>Government Auditing Standards</i>	76

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Effingham County, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Effingham County, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Effingham County Board of Health, a discretely presented component unit, which represents 1.4% and 1.1%, respectively, of the assets and net position of Effingham County, Georgia. We did not audit the financial statements of the Effingham County Hospital Authority, a discretely presented component unit, which represents 33.4% and 12.4%, respectively, of the assets and net position of Effingham County, Georgia.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Effingham County Board of Health, a discretely presented component unit, which represents 1.4% and 1.1%, respectively, of the assets and net position of Effingham County, Georgia. We did not audit the financial statements of the Effingham County Hospital Authority, a discretely presented component unit, which represents 33.4% and 12.4%, respectively, of the assets and net position of Effingham County, Georgia. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Effingham County Board of Health and the Effingham County Hospital Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Effingham County, Georgia, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Special Tax District fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Effingham County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of projects paid with special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedule of projects paid with special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedule of projects paid with special purpose local option 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 February 5, 2021, on our consideration of Effingham County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Effingham County, Georgia's internal control over financial reporting and compliance.

*Janier, Deal + Proctor*

Statesboro, GA  
February 5, 2021

**EFFINGHAM COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

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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, 2020. 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 \$145,288,481 (net position) for the fiscal year reported.
- Total net position comprises the following:
  - (1) Capital assets, net of related debt, of \$107,369,640 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 \$23,187,758 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of \$14,731,083 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 \$40,804,575 this year. This compares to the prior year ending fund balance of \$32,443,488 showing an increase of \$8,361,087 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 \$1,622,096.
  - (2) At the end of the current fiscal year, committed fund balance for the General Fund was \$6,000,000. This committed fund balance is for economic stabilization.
  - (3) At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,381,600 or 21.28% of total General Fund expenditures for the fiscal year ending June 30, 2020.

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.

**EFFINGHAM COUNTY, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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 22 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 23 through 25 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 27 of this report.

**EFFINGHAM COUNTY, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

***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 49.

**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 \$145,288,481. The following table provides a summary of the County's net position:

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets:						
Current Assets	46.2	37.4	11.4	9.8	57.6	47.2
Net Pension Asset	-	-	-	-	-	-
Capital Assets	<u>98.8</u>	<u>94.2</u>	<u>31.7</u>	<u>32.2</u>	<u>130.5</u>	<u>126.4</u>
Total Assets	<u>145.0</u>	<u>131.6</u>	<u>43.1</u>	<u>42.0</u>	<u>188.1</u>	<u>173.6</u>
Liabilities						
Current Liabilities	6.3	6.0	4.6	4.7	10.9	10.7
Long- Term Liabilities	<u>8.2</u>	<u>4.6</u>	<u>23.8</u>	<u>25.1</u>	<u>32.0</u>	<u>29.7</u>
Total Liabilities	<u>14.5</u>	<u>10.6</u>	<u>28.4</u>	<u>29.8</u>	<u>42.9</u>	<u>40.4</u>
Net Position						
Net Investment in Capital Assets	95.0	90.7	12.3	11.9	107.3	102.6
Restricted	23.2	21.0	-	-	23.2	21.0
Unrestricted	<u>12.3</u>	<u>9.3</u>	<u>2.4</u>	<u>0.3</u>	<u>14.7</u>	<u>9.6</u>
Total Net Position	<u>130.5</u>	<u>121.0</u>	<u>14.7</u>	<u>12.2</u>	<u>145.3</u>	<u>133.2</u>

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 7.3 to 1.

The County reported positive balances in net position for both governmental and business-type activities. Net position increased by \$9,518,591 for governmental activities and increased by \$2,536,143 for business-type activities. Note that approximately 73% 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 \$2,382,217 of unrestricted, undesignated and \$12,363,305 invested in capital assets with total net position of \$14,745,522. Capital assets in the business-type activities will be providing utility services, but they also generate revenues for this fund.



**EFFINGHAM COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

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

	Summary of Changes in Net Position							
	2020				2019			
	Governmental Activities	Business Activities	Total	% of Total	Governmental Activities	Business Activities	Total	% of Total
Revenues:								
Program:								
Charges for services	\$ 12,553,700	\$ 7,694,332	\$ 20,248,032	27%	\$ 11,543,919	\$ 6,509,823	\$ 18,053,742	28%
Operating grants	1,358,818	-	1,358,818	2%	1,083,570	-	1,083,570	2%
Capital grants	3,386,199	2,282,937	5,669,136	8%	1,488,243	1,312,965	2,801,208	4%
General:								
Taxes	46,636,756		46,636,756	62%	41,939,662		41,939,662	65%
Other	802,927	114,304	917,231	1%	512,106	89,743	601,849	1%
Total revenues	<u>64,738,400</u>	<u>10,091,573</u>	<u>74,829,973</u>	<u>100%</u>	<u>56,567,500</u>	<u>7,912,531</u>	<u>64,480,031</u>	<u>100%</u>
Program Expenses:								
General government	6,964,147		6,964,147	11%	6,537,501		6,537,501	11%
Judicial	3,292,632		3,292,632	5%	2,942,240		2,942,240	5%
Public safety	27,660,184		27,660,184	45%	25,402,245		25,402,245	42%
Public works	7,175,339		7,175,339	11%	6,886,633		6,886,633	12%
Health and welfare	4,385,785		4,385,785	7%	4,397,173		4,397,173	8%
Culture and recreation	2,911,248		2,911,248	5%	2,546,447		2,546,447	4%
Housing and development	1,189,203		1,189,203	2%	1,016,118		1,016,118	2%
Interest	234,956		234,956	0%	120,394		120,394	1%
Water & Sewer		3,725,977	3,725,977	6%		3,263,896	3,263,896	6%
Wastewater Treatment Plant		1,404,051	1,404,051	2%		1,489,389	1,489,389	3%
Sanitation		3,770,553	3,770,553	6%		3,433,762	3,433,762	6%
Other		61,164	61,164	0%		58,301	58,301	0%
Total expenses	<u>53,813,494</u>	<u>8,961,745</u>	<u>62,775,239</u>	<u>100%</u>	<u>49,848,751</u>	<u>8,245,348</u>	<u>58,094,099</u>	<u>100%</u>
Excess	10,924,906	1,129,828	12,054,734		6,718,749	(332,817)	6,385,932	
Transfers	<u>(1,406,315)</u>	<u>1,406,315</u>	<u>-</u>		<u>(296,318)</u>	<u>296,318</u>	<u>-</u>	
Change in net position	9,518,591	2,536,143	12,054,734		6,422,431	(36,499)	6,385,932	
Beginning net position	<u>121,024,368</u>	<u>12,209,379</u>	<u>133,233,747</u>		<u>114,601,937</u>	<u>12,245,878</u>	<u>126,847,815</u>	
Ending net position	<u>\$ 130,542,959</u>	<u>\$ 14,745,522</u>	<u>\$ 145,288,481</u>		<u>\$ 121,024,368</u>	<u>\$ 12,209,379</u>	<u>\$ 133,233,747</u>	

**EFFINGHAM COUNTY, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Governmental Revenues**

The County is heavily reliant on property and sales taxes to support governmental operations. In 2020, excluding property taxes for the hospital authority, property taxes provided 32.94% of the County's governmental revenues. Inclusive of hospital property taxes, total property taxes provided 39.56% of governmental revenues and sales taxes provided 26.47% of the County's governmental revenues. Charges for services and other program revenues cover only 32.15% of governmental operating expenses. This means that the government's taxpayers and the County's other general revenues fund 67.85% 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 51.40% (50.96% in 2019) of the County's total governmental expenses. The public works function makes up 13.33% (13.82% in 2019) of the total governmental expenses.

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

	Total Cost of Services	Net Cost of Services
General government	\$ 6,964,147	\$ 5,294,359
Judicial	3,292,632	2,984,080
Public safety	27,660,184	17,879,176
Public works	7,175,339	3,829,922
Health and welfare	4,385,785	3,944,892
Culture and recreation	2,911,248	2,551,173
Housing and development	1,189,203	(203,781)
Interest on long-term debt	234,956	234,956
Total	<u>\$ 53,813,494</u>	<u>\$ 36,514,777</u>

**Business-Type Activities**

The County is in its seventeenth year of the development of its water and sewer operations. The operating revenues for water, sewer, and wastewater in 2020 were \$3,810,108 and \$2,940,054 for 2019. Operating expenses for 2020 were \$4,395,954 and \$3,984,602 for 2019. An operating loss of \$585,846 was earned for 2020 and for 2019 the operating loss was \$1,044,548.

The operating revenues for the sanitation fund were \$3,788,310 for 2020 and \$3,568,750 for 2019. This activity resulted in operating income of \$17,757.

**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 \$40,804,575. Of this year-end total, \$6,381,600 is unassigned indicating availability for continuing County service requirements. Legally restricted fund balances (i.e., the restricted fund balances) include but are not limited to: \$13,190,262 committed to approved SPLOST projects from sales tax, and \$3,234,931 restricted to public safety purposes including the Emergency 911 program and Fire Services. In addition, committed fund balances are \$6,000,000 in the General Fund for economic stabilization.

The total ending fund balances of governmental funds show an increase of \$8,361,087 or 25.77% of the prior years' total fund balance. This increase is primarily the result of both events and programs described within the analysis of the County's governmental activities presented in the next section.

***Major Governmental Funds***

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$2,900,732 from the prior year. This was due to revenues exceeding expenditures for 2020.

Property tax revenues have increased from the prior year collections. Note that with the creation of the roads and recreation millage rates, those taxes are recorded in the Special Tax District fund. The digest increased from \$1,760,697,104 for tax year 2018 to \$1,940,165,984 for tax year 2019. In tax year 2019 (which funds fiscal year 2020) the millage rate was 6.558 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 21.28% of actual annual expenditures. In addition to this unassigned fund balance, there is \$6.0 million which has been committed for stabilization in unforeseen emergencies or for working capital.

The total general fund expenditures were approximately \$30 million, an increase from the prior year. Major groupings of expenditures showed:

General fund general government costs increased from \$5,489,764 in 2019 to \$5,839,652 in 2020.

General fund public safety costs increased from \$17,814,823 in 2019 to \$19,241,397 in 2020.

Special Tax District fund Public Works costs decreased from \$1,920,692 in 2019 to \$1,864,671 in 2020.

***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.

**EFFINGHAM COUNTY, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**General Fund Budgetary Highlights**

**Revenues** - The overall revenue budget was amended upward by \$149,457 primarily related to intergovernmental revenue. The actual revenue from charges for services was \$531,328 above the final budget. Property taxes were \$1,604,057 above the final budgeted revenue, primarily due to vehicle TAVT receipts. For investment earnings, the revenue was above budget by \$73,956.

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2020, was \$98,821,210 and \$31,727,469 respectively. The total net increase in this net investment was \$4,594,255 for governmental activities, and a \$451,264 decrease for business-type activities. The major changes in these amounts relate to additions in governmental activities assets of \$11,413,702. Depreciation for governmental activities was \$6,665,517. Business-type assets depreciation was \$1,061,283.

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

*(This page continued on next page)*

**EFFINGHAM COUNTY, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

	<b>Capital Assets</b>					
	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Non-depreciable assets:						
Land	\$ 14,223,003	\$ 13,088,686	\$ 1,086,706	\$ 1,086,706	\$ 15,309,709	\$ 14,175,392
Easements	964,330	964,330	152,358	152,358	1,116,688	1,116,688
Construction in progress	6,654,433	5,483,450	1,248,039	803,443	7,902,472	6,286,893
<b>Total non-depreciable assets</b>	<b>21,841,766</b>	<b>19,536,466</b>	<b>2,487,103</b>	<b>2,042,507</b>	<b>24,328,869</b>	<b>21,578,973</b>
Depreciable assets:						
Buildings	68,045,796	64,529,456	16,842,312	16,842,312	84,888,108	81,371,768
Equipment	33,691,089	32,455,189	2,710,453	2,643,032	36,401,542	35,098,221
Infrastructure	126,815,803	123,128,230	24,946,897	24,848,895	151,762,700	147,977,125
<b>Total depreciable assets</b>	<b>228,552,688</b>	<b>220,112,875</b>	<b>44,499,662</b>	<b>44,334,239</b>	<b>273,052,350</b>	<b>264,447,114</b>
Less accumulated depreciation	151,573,244	145,422,386	15,259,296	14,198,013	166,832,540	159,620,399
<b>Book value - depreciable assets</b>	<b>76,979,444</b>	<b>74,690,489</b>	<b>29,240,366</b>	<b>30,136,226</b>	<b>106,219,810</b>	<b>104,826,715</b>
Remaining to depreciate	34%	34%	66%	68%	39%	40%
<b>Book value - all assets</b>	<b>\$ 98,821,210</b>	<b>\$ 94,226,955</b>	<b>\$ 31,727,469</b>	<b>\$ 32,178,733</b>	<b>\$ 130,548,679</b>	<b>\$ 126,405,688</b>

At June 30, 2020, the depreciable capital assets for governmental activities had 34% remaining to depreciate.

***Long-term Debt***

At the end of the fiscal year, the County had total capital leases outstanding of \$2,581,533, bonds payable within the government-type activities of \$4,648,000 and bonds payable within the business-type activities of \$25,130,000.

During the year, the County retired \$302,865 of the patrol cars capital leases, and \$296,733 of the capital lease for the communications tower. A new bond was also issued in the government-type activities for \$5,000,000 for gym construction.

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, \$1,275,000 was retired in fiscal year 2020. The related GEFA debt was fully retired previously, in fiscal year 2018.

*(This page continued on next page)*

**EFFINGHAM COUNTY, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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	<b>Governmental</b>		<b>Percentage</b>
	<b>Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Change</b>
Capital leases	\$ 2,581,533	\$ 3,453,935	-25%
Bond payable	4,648,000	-	-
Landfill closure and postclosure care	1,622,096	1,646,528	-1%
Compensated absences	<u>1,185,660</u>	<u>1,060,044</u>	12%
Total	<u>\$ 10,037,289</u>	<u>\$ 6,160,507</u>	63%

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

**Economic Conditions Affecting the County**

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

The County is growing with a population increase of 71% from 2000 to 2019, using the latest estimated population per the U.S. Census Bureau of 64,296 as of July 1, 2019.

Since the County relies primarily on property and sales taxes, changes in the economy definitely affect the 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.

With the onset of the COVID-19 pandemic in February 2020, the County decreased spending due to the uncertainty of what would follow. Several departments with close personal interaction were closed, as were most all government buildings during the initial quest to "flatten the curve". Some departments remained closed throughout the remainder of fiscal year 2020 as COVID-19 cases continued to rise in our area. Though the revenue stream makeup allowed us to realize minimal reduction to revenue, those closures contributed to the reduced spending and increased fund balance seen in this fiscal year.

**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, 2020

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Effingham County Hospital Authority	Effingham County Board of Health
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 13,365,583	\$ 3,849,185	\$ 17,214,768	\$ 10,798,390	\$ 2,481,224
Restricted cash	211,425	-	211,425	-	-
Investments	24,326,128	6,932,623	31,258,751	-	-
Receivables:					
Accounts	469,511	558,010	1,027,521	8,246,329	26,087
Taxes	858,306	-	858,306	50,640	-
Intergovernmental	5,718,837	22,954	5,741,791	-	32,272
Other	-	-	-	393,274	-
Internal balances	502	(502)	-	-	-
Inventories	41,357	30,643	72,000	1,235,932	-
Prepaid items	1,256,516	2,502	1,259,018	-	-
Other current assets	-	-	-	615,474	-
<b>Total Current Assets</b>	<b>46,248,165</b>	<b>11,395,415</b>	<b>57,643,580</b>	<b>21,340,039</b>	<b>2,539,583</b>
<b>Capital Assets:</b>					
Nondepreciable capital assets	21,841,766	2,487,103	24,328,869	2,858,221	-
Depreciable capital assets, net	76,979,444	29,240,366	106,219,810	23,721,318	21,992
<b>Total Capital Assets</b>	<b>98,821,210</b>	<b>31,727,469</b>	<b>130,548,679</b>	<b>26,579,539</b>	<b>21,992</b>
<b>Other Noncurrent Assets:</b>					
Noncurrent cash and investments:					
Internally designated for capital improvements	-	-	-	10,146,096	-
Internally designated for employee health insurance	-	-	-	365,843	-
Held by trustee under indenture	-	-	-	4,216,924	-
Notes receivable	-	-	-	22,583	-
Other asset	-	-	-	200,389	-
<b>Total Other Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,951,835</b>	<b>-</b>
<b>Total Assets</b>	<b>145,069,375</b>	<b>43,122,884</b>	<b>188,192,259</b>	<b>62,871,413</b>	<b>2,561,575</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Resources related to pensions and OPEB	-	-	-	-	377,157
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	2,732,984	994,776	3,727,760	5,028,039	100,708
Accrued interest payable	52,468	55,554	108,022	-	-
Other accrued liabilities	1,097,136	-	1,097,136	4,307,257	-
Performance bonds	606,539	-	606,539	-	-
Customer deposits	-	239,675	239,675	-	-
Unearned revenue	-	1,956,734	1,956,734	-	-
Compensated absences payable	711,396	374	711,770	-	14,244
Capital leases payable	717,289	-	717,289	378,992	-
Notes payable	-	-	-	826,847	-
Bonds payable	288,000	1,315,000	1,603,000	885,408	-
Advance payments payable	-	-	-	377,046	-
Landfill post-closure care costs	110,000	-	110,000	-	-
<b>Total Current Liabilities</b>	<b>6,315,812</b>	<b>4,562,113</b>	<b>10,877,925</b>	<b>11,803,589</b>	<b>114,952</b>
<b>Long-Term Liabilities:</b>					
Notes payable (net of current portion)	-	-	-	5,049,940	-
Bonds payable (net of current portion)	4,360,000	23,815,000	28,175,000	24,527,007	-
Compensated absences payable (net of current portion)	474,264	249	474,513	-	56,975
Capital leases payable (net of current portion)	1,864,244	-	1,864,244	789,331	-
Advance payments payable (net of current portion)	-	-	-	2,639,322	-
Landfill post-closure care costs (net of current portion)	1,512,096	-	1,512,096	-	-
Net pension liability	-	-	-	-	683,312
Net OPEB liability	-	-	-	-	150,384
<b>Total Long-Term Liabilities</b>	<b>8,210,604</b>	<b>23,815,249</b>	<b>32,025,853</b>	<b>33,005,600</b>	<b>890,671</b>
<b>Total Liabilities</b>	<b>14,526,416</b>	<b>28,377,362</b>	<b>42,903,778</b>	<b>44,809,189</b>	<b>1,005,623</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Resources related to pensions and OPEB	-	-	-	-	297,343
<b>NET POSITION</b>					
Net investment in capital assets	95,006,335	12,363,305	107,369,640	(1,725,385)	21,992
Restricted for:					
Capital projects	10,146,749	-	10,146,749	-	-
Service delivery to unincorporated areas	5,069,678	-	5,069,678	-	-
Debt service	6	-	6	-	-
Other purposes	7,971,325	-	7,971,325	4,216,924	450,000
Unrestricted	12,348,866	2,382,217	14,731,083	15,570,685	1,163,774
<b>Total Net Position</b>	<b>\$ 130,542,959</b>	<b>\$ 14,745,522</b>	<b>\$ 145,288,481</b>	<b>\$ 18,062,224</b>	<b>\$ 1,635,766</b>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Program/Function	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Unit	
					Governmental Activities	Business-type Activities		Effingham County Hospital Authority	Effingham County Board of Health
<b>Primary Government</b>									
<b>Governmental Activities</b>									
General government	\$ 6,964,147	\$ 1,548,293	\$ 114,133	\$ 7,362	\$ (5,294,359)	-	\$ (5,294,359)	-	-
Judicial	3,292,632	123,166	185,386	-	(2,984,080)	-	(2,984,080)	-	-
Public safety	27,660,184	9,048,765	717,831	14,412	(17,879,176)	-	(17,879,176)	-	-
Public works	7,175,339	-	15,675	3,329,742	(3,829,922)	-	(3,829,922)	-	-
Health and welfare	4,385,785	145,000	295,893	-	(3,944,892)	-	(3,944,892)	-	-
Culture and recreation	2,911,248	295,492	29,900	34,683	(2,551,173)	-	(2,551,173)	-	-
Housing and development	1,189,203	1,392,984	-	-	203,781	-	203,781	-	-
Interest and fiscal charges	234,956	-	-	-	(234,956)	-	(234,956)	-	-
<b>Total governmental activities</b>	<u>53,813,494</u>	<u>12,553,700</u>	<u>1,358,818</u>	<u>3,386,199</u>	<u>(36,514,777)</u>	<u>-</u>	<u>(36,514,777)</u>	<u>-</u>	<u>-</u>
<b>Business-type Activities</b>									
Water and Sewer	3,725,977	3,650,344	-	834,546	-	\$ 758,913	758,913	-	-
Wastewater Treatment Plant	1,404,051	159,764	-	1,448,391	-	204,104	204,104	-	-
Sanitation	3,770,553	3,788,310	-	-	-	17,757	17,757	-	-
Other	61,164	95,914	-	-	-	34,750	34,750	-	-
<b>Total business-type activities</b>	<u>8,961,745</u>	<u>7,694,332</u>	<u>-</u>	<u>2,282,937</u>	<u>-</u>	<u>1,015,524</u>	<u>1,015,524</u>	<u>-</u>	<u>-</u>
<b>Total - Primary Government</b>	<u>\$ 62,775,239</u>	<u>\$ 20,248,032</u>	<u>\$ 1,358,818</u>	<u>\$ 5,669,136</u>	<u>(36,514,777)</u>	<u>1,015,524</u>	<u>(35,499,253)</u>	<u>-</u>	<u>-</u>
<b>Component Units:</b>									
Effingham County Hospital Authority	\$ 68,672,928	\$ 57,225,678	\$ 9,982,987	\$ -				\$ (1,464,263)	-
Effingham County Board of Health	1,193,318	415,817	628,278	-				-	\$ (149,223)
<b>Total Component Units</b>	<u>\$ 69,866,246</u>	<u>\$ 57,641,495</u>	<u>\$ 10,611,265</u>	<u>\$ -</u>				<u>(1,464,263)</u>	<u>(149,223)</u>
<b>General Revenues</b>									
Property taxes levied for general government purposes					21,321,769	-	21,321,769	-	-
Property taxes levied for hospital					4,287,180	-	4,287,180	-	-
Sales taxes					17,135,059	-	17,135,059	-	-
Insurance premium tax					2,686,418	-	2,686,418	-	-
Other taxes					1,206,330	-	1,206,330	-	-
Gain on sale of capital assets					69,786	-	69,786	-	-
Insurance recoveries					126,520	-	126,520	-	-
Investment earnings					241,701	114,304	356,005	240,237	-
Other					364,920	-	364,920	320,643	181,885
<b>Total General Revenues</b>					<u>47,439,683</u>	<u>114,304</u>	<u>47,553,987</u>	<u>560,880</u>	<u>181,885</u>
<b>Transfers</b>					<u>(1,406,315)</u>	<u>1,406,315</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Revenues and Transfers</b>					<u>46,033,368</u>	<u>1,520,619</u>	<u>47,553,987</u>	<u>560,880</u>	<u>181,885</u>
<b>Change in Net Position</b>					<u>9,518,591</u>	<u>2,536,143</u>	<u>12,054,734</u>	<u>(903,383)</u>	<u>32,662</u>
<b>Net Position Beginning of Year, as restated</b>					<u>121,024,368</u>	<u>12,209,379</u>	<u>133,233,747</u>	<u>18,965,607</u>	<u>1,603,104</u>
<b>Net Position End of Year</b>					<u>\$ 130,542,959</u>	<u>\$ 14,745,522</u>	<u>\$ 145,288,481</u>	<u>\$ 18,062,224</u>	<u>\$ 1,635,766</u>

See accompanying note to the basic financial statements.



**EFFINGHAM COUNTY, GEORGIA**  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General	Special Tax District	SPLOST	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,670,494	\$ 2,295,421	\$ 4,592,097	\$ 3,807,571	\$ 13,365,583
Restricted cash	211,425	-	-	-	211,425
Investments	12,489,615	2,628,963	7,676,354	1,531,196	24,326,128
Receivables:					
Accounts	338,195	94,820	-	36,496	469,511
Taxes	736,016	122,290	-	-	858,306
Intergovernmental	1,374,959	-	3,050,458	1,293,420	5,718,837
Interfund	8,597	167,641	-	3,254	179,492
Inventories	7,233	13,649	20,475	-	41,357
Prepaid items	1,220,442	8,076	-	27,998	1,256,516
<b>TOTAL ASSETS</b>	<b>19,056,976</b>	<b>5,330,860</b>	<b>15,339,384</b>	<b>6,699,935</b>	<b>46,427,155</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Resources payable with future revenues	-	-	120,597	-	120,597
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 19,056,976</b>	<b>\$ 5,330,860</b>	<b>\$ 15,459,981</b>	<b>\$ 6,699,935</b>	<b>\$ 46,547,752</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 582,752	\$ 225,116	\$ 1,777,969	\$ 147,147	\$ 2,732,984
Accrued liabilities	878,928	36,066	-	182,142	1,097,136
Performance bonds	593,354	-	-	13,185	606,539
Interfund payable	170,756	-	8	8,226	178,990
<b>TOTAL LIABILITIES</b>	<b>2,225,790</b>	<b>261,182</b>	<b>1,777,977</b>	<b>350,700</b>	<b>4,615,649</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	574,334	81,927	-	-	656,261
Unavailable revenue - sales taxes	-	-	471,267	-	471,267
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>574,334</b>	<b>81,927</b>	<b>471,267</b>	<b>-</b>	<b>1,127,528</b>
<b>FUND BALANCES</b>					
<b>Nonspendable</b>					
Inventories	7,233	13,649	20,475	-	41,357
Prepaid items	1,220,442	8,076	-	27,998	1,256,516
<b>Restricted</b>					
Landfill post-closure costs	1,622,096	-	-	-	1,622,096
Special service district - unincorporated area	-	4,966,026	-	-	4,966,026
Public safety	-	-	-	3,234,931	3,234,931
Public works, public safety, and recreation	-	-	-	1,110,568	1,110,568
Housing and development	-	-	-	413,843	413,843
Health and welfare	-	-	-	1,515,111	1,515,111
Judicial	-	-	-	46,778	46,778
Capital projects - SPLOST	-	-	13,190,262	-	13,190,262
Debt service	-	-	-	6	6
<b>Committed</b>					
Economic stabilization	6,000,000	-	-	-	6,000,000
<b>Assigned</b>					
Subsequent year expenditures	1,025,481	-	-	-	1,025,481
Unassigned	6,381,600	-	-	-	6,381,600
<b>TOTAL FUND BALANCES</b>	<b>16,256,852</b>	<b>4,987,751</b>	<b>13,210,737</b>	<b>6,349,235</b>	<b>40,804,575</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 19,056,976</b>	<b>\$ 5,330,860</b>	<b>\$ 15,459,981</b>	<b>\$ 6,699,935</b>	<b>\$ 46,547,752</b>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

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

<b>Total Governmental Fund Balances</b>		<b>\$ 40,804,575</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost	\$ 250,394,454	
Less accumulated depreciation	<u>(151,573,244)</u>	98,821,210
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	656,261	
Sales taxes	<u>471,267</u>	1,127,528
Deferred outflows of resources are due to be paid with revenues that are unavailable in the current period in the funds.		(120,597)
Long-term liabilities, including capital leases, bonds payable, compensated absences, and landfill closure and postclosure care costs are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net position:		
Accrued interest payable	\$ (52,468)	
Capital leases payable	(2,581,533)	
Bond payable	(4,648,000)	
Landfill post-closure care costs	(1,622,096)	
Compensated absences payable	<u>(1,185,660)</u>	<u>(10,089,757)</u>
<b>Net Position Of Governmental Activities</b>		<b><u>\$ 130,542,959</u></b>

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, 2020**

	General	Special Tax District	SPLOST	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 24,680,909	\$ 7,362,210	\$ 10,063,613	\$ 3,971,543	\$ 46,078,275
Licenses and permits	38,500	-	-	1,343,757	1,382,257
Intergovernmental	988,141	-	3,186,675	29,889	4,204,705
Charges for services	5,209,546	282,475	-	4,222,415	9,714,436
Fines and forfeitures	1,335,347	-	-	121,659	1,457,006
Contributions and donations	28,920	2,400	15,244	2,500	49,064
Investment earnings	153,956	58,289	127,823	29,456	369,524
Other	363,415	35	-	1,470	364,920
Total revenues	<u>32,798,734</u>	<u>7,705,409</u>	<u>13,393,355</u>	<u>9,722,689</u>	<u>63,620,187</u>
<b>EXPENDITURES</b>					
Current:					
General government	5,839,652	-	-	-	5,839,652
Judicial	3,251,360	-	-	-	3,251,360
Public safety	19,241,397	-	-	6,774,971	26,016,368
Public works	86,348	1,864,671	-	-	1,951,019
Health and welfare	728,921	-	-	3,661,745	4,390,666
Culture and recreation	639,500	1,683,852	-	-	2,323,352
Housing and development	197,819	-	-	951,521	1,149,340
Capital outlay					
General government	-	-	1,531,741	-	1,531,741
Judicial	-	-	3,150	-	3,150
Public safety	-	-	746,492	-	746,492
Public works	-	-	5,344,968	-	5,344,968
Culture and recreation	-	21,588	2,591,729	-	2,613,317
Intergovernmental	-	-	2,426,161	-	2,426,161
Debt service:					
Principal	-	-	1,224,402	-	1,224,402
Interest	-	-	138,603	-	138,603
Bond issuance costs	-	-	98,500	-	98,500
Total expenditures	<u>29,984,997</u>	<u>3,570,111</u>	<u>14,105,746</u>	<u>11,388,237</u>	<u>59,049,091</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,813,737</u>	<u>4,135,298</u>	<u>(712,391)</u>	<u>(1,665,548)</u>	<u>4,571,096</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	36,490	21,811	-	11,485	69,786
Issuance of bond	-	-	5,000,000	-	5,000,000
Insurance recoveries	116,505	-	-	10,015	126,520
Transfers in	-	-	-	3,788,322	3,788,322
Transfers out	(66,000)	(4,886,621)	(231,880)	(10,136)	(5,194,637)
Total other financing sources (uses)	<u>86,995</u>	<u>(4,864,810)</u>	<u>4,768,120</u>	<u>3,799,686</u>	<u>3,789,991</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,900,732	(729,512)	4,055,729	2,134,138	8,361,087
<b>FUND BALANCES, JULY 1, 2019</b>	<u>13,356,120</u>	<u>5,717,263</u>	<u>9,155,008</u>	<u>4,215,097</u>	<u>32,443,488</u>
<b>FUND BALANCES, JUNE 30, 2020</b>	<u>\$ 16,256,852</u>	<u>\$ 4,987,751</u>	<u>\$ 13,210,737</u>	<u>\$ 6,349,235</u>	<u>\$ 40,804,575</u>

See accompanying notes to the basic financial statements

**EFFINGHAM COUNTY, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

**Net Change In Fund Balances - Total Governmental Funds** **\$ 8,361,087**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays exceeded depreciation expense in the current period.

Depreciation expense	\$(6,665,517)	
Capital outlay	<u>11,413,702</u>	4,748,185

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 @ 6/30/20	656,261	
Unavailable @ 6/30/19	<u>(569,047)</u>	87,214
Sales taxes:		
Unavailable @ 6/30/20	471,267	
Unavailable @ 6/30/19	<u>-</u>	471,267

Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities. (153,930)

Deferred outflows of resources payable with future revenues are recognized as expenses in the statement of activities. (120,597)

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. (5,000,000)

Repayment of bonds and capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,224,402

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	2,147	
Change in compensated absences payable	(125,616)	
Change in landfill closure and postclosure care costs	<u>24,432</u>	<u>(99,037)</u>

**Change In Net Position of Governmental Activities** **\$ 9,518,591**

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, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$ 15,251,446	\$ 15,251,446	\$ 16,855,503	\$ 1,604,057
Sales	6,585,971	6,585,971	7,071,453	485,482
Other	777,000	777,000	753,953	(23,047)
Licenses and permits	38,000	38,000	38,500	500
Intergovernmental	697,121	831,578	988,141	156,563
Charges for services	4,678,218	4,678,218	5,209,546	531,328
Fines and forfeitures	1,167,655	1,167,655	1,335,347	167,692
Contributions and donations	16,000	31,000	28,920	(2,080)
Investment earnings	80,000	80,000	153,956	73,956
Other	154,715	154,715	363,415	208,700
Total revenues	<u>29,446,126</u>	<u>29,595,583</u>	<u>32,798,734</u>	<u>3,203,151</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Commissioners' office	879,130	796,230	788,797	7,433
Elections	482,018	377,218	360,139	17,079
Vehicle maintenance	372,600	426,700	426,619	81
Financial administration	819,582	771,582	767,910	3,672
Information technology	703,273	563,147	552,592	10,555
Tax commissioner	867,898	801,698	791,738	9,960
Tax assessor	904,772	825,772	794,689	31,083
Facilities maintenance	1,002,598	936,698	934,052	2,646
Human resources	407,657	438,657	423,116	15,541
Total general government	<u>6,439,528</u>	<u>5,937,702</u>	<u>5,839,652</u>	<u>98,050</u>
Judicial:				
Superior court clerk's office	653,336	649,336	642,445	6,891
Superior court	526,822	604,822	596,536	8,286
District attorney's office	444,749	409,000	409,000	-
State Court	313,655	315,955	312,924	3,031
Solicitor	303,288	304,688	301,839	2,849
Magistrate Court	438,918	439,418	437,105	2,313
Probate Court	381,224	364,624	351,257	13,367
Juvenile Court	28,000	185,378	181,173	4,205
Board of equalization	16,416	19,716	19,081	635
Total judicial	<u>3,106,408</u>	<u>3,292,937</u>	<u>3,251,360</u>	<u>41,577</u>
Public safety:				
Emergency management	38,025	171,025	169,937	1,088
Sheriff	7,331,104	7,487,384	7,452,317	35,067
School resource officers	559,993	569,493	561,892	7,601
Jail	3,569,018	3,602,018	3,546,477	55,541
Correctional institute	2,833,072	2,783,572	2,765,893	17,679
Inmate medical	410,000	417,700	417,605	95
Probation	269,600	270,100	259,068	11,032
Emergency medical services	3,232,338	3,794,438	3,793,294	1,144
Coroner	68,970	70,170	58,151	12,019
Animal control	200,883	236,883	216,763	20,120
Total public safety	<u>18,513,003</u>	<u>19,402,783</u>	<u>19,241,397</u>	<u>161,386</u>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES (Continued)</b>				
Public works:				
Roads - Cities	\$ 119,076	\$ 87,376	\$ 86,348	\$ 1,028
Health and welfare:				
Health Department	265,000	265,000	264,267	733
Department of Family and Children Services	66,000	69,400	68,376	1,024
Family connections	50,000	50,000	50,000	-
Senior citizens	272,281	318,080	266,494	51,586
Other community services	77,244	77,244	79,784	(2,540)
Total health and welfare	<u>730,525</u>	<u>779,724</u>	<u>728,921</u>	<u>50,803</u>
Culture and recreation:				
Library	639,500	639,500	639,500	-
Housing and development:				
Extension service	218,719	213,719	197,819	15,900
Economic development	4,500	4,500	-	4,500
Total housing and development	<u>223,219</u>	<u>218,219</u>	<u>197,819</u>	<u>20,400</u>
Total expenditures	<u>29,771,259</u>	<u>30,358,241</u>	<u>29,984,997</u>	<u>373,244</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(325,133)</u>	<u>(762,658)</u>	<u>2,813,737</u>	<u>3,576,395</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	50,000	50,000	36,490	(13,510)
Insurance recoveries	150,000	150,000	116,505	(33,495)
Transfers out	(239,677)	(66,677)	(66,000)	677
Total other financing sources (uses)	<u>(39,677)</u>	<u>133,323</u>	<u>86,995</u>	<u>(46,328)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (364,810)</u>	<u>\$ (629,335)</u>	<u>2,900,732</u>	<u>\$ 3,530,067</u>
FUND BALANCE, BEGINNING OF YEAR			<u>13,356,120</u>	
FUND BALANCE, END OF YEAR			<u>\$ 16,256,852</u>	

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**SPECIAL TAX DISTRICT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 6,881,534	\$ 6,881,534	\$ 7,362,210	\$ 480,676
Charges for services	301,882	301,882	282,475	(19,407)
Contributions	-	-	2,400	2,400
Investment earnings	-	-	58,289	58,289
Other	-	-	35	35
Total revenues	<u>7,183,416</u>	<u>7,183,416</u>	<u>7,705,409</u>	<u>521,993</u>
<b>EXPENDITURES</b>				
Current:				
Roads	1,754,200	1,875,700	1,864,671	11,029
Culture and recreation	1,828,330	1,785,209	1,683,852	101,357
Capital outlay:				
Culture and recreation	6,000	23,000	21,588	1,412
Total expenditures	<u>3,588,530</u>	<u>3,683,909</u>	<u>3,570,111</u>	<u>113,798</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	3,594,886	3,499,507	4,135,298	635,791
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	21,811	21,811
Transfers in	150,469	150,469	-	(150,469)
Transfers out	(5,979,140)	(5,883,760)	(4,886,621)	997,139
Total other financing sources (uses)	<u>(5,828,671)</u>	<u>(5,733,291)</u>	<u>(4,864,810)</u>	<u>868,481</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,233,785)</u>	<u>\$ (2,233,784)</u>	(729,512)	<u>\$ 1,504,272</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>5,717,263</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 4,987,751</u>	

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	Water & Sewer Operating	Wastewater Treatment Plant	Sanitation	Total Nonmajor Funds	Total Enterprise Funds
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 2,327,234	\$ 1,299,555	\$ 183,927	\$ 38,469	\$ 3,849,185
Investments	4,850,830	-	2,081,793	-	6,932,623
Receivables:					
Accounts	543,078	11,582	3,100	250	558,010
Intergovernmental	22,954	-	-	-	22,954
Interfund	2,462,895	-	28	-	2,462,923
Inventory	30,643	-	-	-	30,643
Prepaid items	2,502	-	-	-	2,502
Total Current Assets	<u>10,240,136</u>	<u>1,311,137</u>	<u>2,268,848</u>	<u>38,719</u>	<u>13,858,840</u>
<b>Capital Assets</b>					
Land	-	1,086,706	-	-	1,086,706
Easements	152,358	-	-	-	152,358
Construction in progress	1,194,241	-	53,798	-	1,248,039
Systems and equipment (net of depreciation)	17,855,005	11,078,251	202,292	104,818	29,240,366
Total Capital Assets	<u>19,201,604</u>	<u>12,164,957</u>	<u>256,090</u>	<u>104,818</u>	<u>31,727,469</u>
<b>Total Assets</b>	<u>29,441,740</u>	<u>13,476,094</u>	<u>2,524,938</u>	<u>143,537</u>	<u>45,586,309</u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	556,582	110,725	326,337	1,132	994,776
Compensated absences payable	-	-	374	-	374
Accrued interest payable	33,671	21,883	-	-	55,554
Customer deposits	237,800	1,875	-	-	239,675
Unearned revenue	1,956,734	-	-	-	1,956,734
Interfund payable	530	2,462,895	-	-	2,463,425
Bonds payable	796,890	518,110	-	-	1,315,000
Total Current Liabilities	<u>3,582,207</u>	<u>3,115,488</u>	<u>326,711</u>	<u>1,132</u>	<u>7,025,538</u>
<b>Long-Term Liabilities</b>					
Compensated absences payable (net of current portion)	-	-	249	-	249
Bonds payable (net of current portion)	14,434,303	9,380,697	-	-	23,815,000
Total Long-Term Liabilities	<u>14,434,303</u>	<u>9,380,697</u>	<u>249</u>	<u>-</u>	<u>23,815,249</u>
<b>Total Liabilities</b>	<u>18,016,510</u>	<u>12,496,185</u>	<u>326,960</u>	<u>1,132</u>	<u>30,840,787</u>
<b>NET POSITION</b>					
Net investment in capital assets	9,736,247	2,266,150	256,090	104,818	12,363,305
Unrestricted	1,688,983	(1,286,241)	1,941,888	37,587	2,382,217
<b>Total Net Position</b>	<u>\$ 11,425,230</u>	<u>\$ 979,909</u>	<u>\$ 2,197,978</u>	<u>\$ 142,405</u>	<u>\$ 14,745,522</u>

See accompanying notes to the basic financial statements.



**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Water & Sewer Operating	Wastewater Treatment Plant	Sanitation	Total Nonmajor Funds	Total Enterprise Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,650,344	\$ 159,764	\$ 3,788,310	\$ 95,914	\$ 7,694,332
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	-	-	37,252	-	37,252
Purchased services	2,421,415	383,304	3,726,845	43,241	6,574,805
Materials and supplies	259,728	286,005	277	8,321	554,331
Depreciation	599,915	445,587	6,179	9,602	1,061,283
Total operating expenses	<u>3,281,058</u>	<u>1,114,896</u>	<u>3,770,553</u>	<u>61,164</u>	<u>8,227,671</u>
<b>OPERATING INCOME (LOSS)</b>	<u>369,286</u>	<u>(955,132)</u>	<u>17,757</u>	<u>34,750</u>	<u>(533,339)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment earnings	87,345	77	26,879	3	114,304
Interest expense	(444,919)	(289,155)	-	-	(734,074)
Total non-operating revenues (expenses)	<u>(357,574)</u>	<u>(289,078)</u>	<u>26,879</u>	<u>3</u>	<u>(619,770)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	11,712	(1,244,210)	44,636	34,753	(1,153,109)
Capital contributions and cost recovery fees	834,546	1,448,391	-	-	2,282,937
Transfers in	401,033	939,282	-	66,000	1,406,315
<b>CHANGE IN NET POSITION</b>	1,247,291	1,143,463	44,636	100,753	2,536,143
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>10,177,939</u>	<u>(163,554)</u>	<u>2,153,342</u>	<u>41,652</u>	<u>12,209,379</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 11,425,230</u>	<u>\$ 979,909</u>	<u>\$ 2,197,978</u>	<u>\$ 142,405</u>	<u>\$ 14,745,522</u>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Water & Sewer Operating	Wastewater Treatment Plant	Sanitation	Total Nonmajor Funds	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 3,222,917	\$ 165,624	\$ 3,788,310	\$ 1,164	\$ 7,178,015
Cash payments to employees for services	-	-	(37,090)	-	(37,090)
Cash payments for goods and services	(2,539,263)	(587,784)	(3,704,474)	(50,848)	(6,882,369)
Net cash provided (used) by operating activities	<u>683,654</u>	<u>(422,160)</u>	<u>46,746</u>	<u>(49,684)</u>	<u>258,556</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances from (to) other funds	260,215	(260,476)	675	-	414
Interfund transfers	169,153	939,282	-	66,000	1,174,435
Net cash provided (used) by noncapital financing activities	<u>429,368</u>	<u>678,806</u>	<u>675</u>	<u>66,000</u>	<u>1,174,849</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal paid on bonds payable	(772,772)	(502,228)	-	-	(1,275,000)
Interest paid on bonds payable	(446,627)	(290,265)	-	-	(736,892)
Capital contributions/Cost recovery fees	834,546	1,448,391	-	-	2,282,937
Purchase of capital assets	(610,019)	-	-	-	(610,019)
Transfers from capital projects fund	231,880	-	-	-	231,880
Net cash provided (used) by capital and related financing activities	<u>(762,992)</u>	<u>655,898</u>	<u>-</u>	<u>-</u>	<u>(107,094)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	-	-	(21,879)	-	(21,879)
Proceeds from sale of investments	1,162,712	-	-	-	1,162,712
Investment earnings	87,345	77	26,879	3	114,304
Net cash provided (used) by investing activities	<u>1,250,057</u>	<u>77</u>	<u>5,000</u>	<u>3</u>	<u>1,255,137</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,600,087</b>	<b>912,621</b>	<b>52,421</b>	<b>16,319</b>	<b>2,581,448</b>
<b>CASH AND CASH EQUIVALENTS, JULY 1, 2019</b>	<b><u>727,147</u></b>	<b><u>386,934</u></b>	<b><u>131,506</u></b>	<b><u>22,150</u></b>	<b><u>1,267,737</u></b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2020</b>	<b><u>\$ 2,327,234</u></b>	<b><u>\$ 1,299,555</u></b>	<b><u>\$ 183,927</u></b>	<b><u>\$ 38,469</u></b>	<b><u>\$ 3,849,185</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 369,286	\$ (955,132)	\$ 17,757	\$ 34,750	\$ (533,339)
Adjustments:					
Depreciation	599,915	445,587	6,179	9,602	1,061,283
(Increase) decrease in operating assets:					
Accounts receivable	(117,472)	5,610	-	(250)	(112,112)
Inventory	3,058	-	-	-	3,058
Prepaid items	(290)	-	-	-	(290)
Increase (decrease) in operating liabilities:					
Accounts payable	139,112	81,525	22,648	714	243,999
Customer deposits	34,304	250	-	-	34,554
Unearned revenue	(344,259)	-	-	(94,500)	(438,759)
Compensated absences payable	-	-	162	-	162
Net cash provided (used) by operating activities	<u>\$ 683,654</u>	<u>\$ (422,160)</u>	<u>\$ 46,746</u>	<u>\$ (49,684)</u>	<u>\$ 258,556</u>

See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2020**

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**Assets**

Cash and cash equivalents	\$ 2,238,338
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**Liabilities**

Due to other entities and individuals	\$ 2,238,338
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See accompanying notes to the basic financial statements.

**EFFINGHAM COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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

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

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

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

**1-A. Reporting Entity**

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

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

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

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

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

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

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

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

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

Effingham Hospital  
459 Highway 119 South  
Springfield, Georgia 31329

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

**1-B. Basis of Presentation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**1-C. Measurement Focus**

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

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

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

**1-D. Basis of Accounting**

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

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

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

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

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

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

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

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

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

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

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

**Cash, Cash Equivalents, and Investments**

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

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

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

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



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

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

**Receivables**

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at June 30, 2020.

**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, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

**Capital Assets**

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

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

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

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

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

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

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

**Compensated Absences**

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

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

**Accrued Liabilities and Long-term Obligations**

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

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

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

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

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

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources at June 30, 2020. 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 and sales taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County has a component unit that has deferred inflows of resources related to pensions and other post-employment benefits on the statement of net position.

**Fund Equity**

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

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

**Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

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

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

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

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

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

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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

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

**Operating Revenues and Expenses**

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

**Contributions of Capital**

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

**Interfund Activity**

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

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

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

**Estimates**

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

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

**Budgetary Information**

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

All budgets are adopted on a basis consistent with GAAP.

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

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, 2020 in the following department for the general fund:

	<u>General Fund</u>
Other community services	\$ 2,540

The overexpenditure in this area was 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.

	<u>Overexpenditures</u>
Sheriff	\$ 104,847

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

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**NOTE 3 – DEPOSITS AND INVESTMENTS**

At June 30, 2020, the County has the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Primary Government:			
Georgia Fund 1	Average of 38 days WAM	\$ 31,258,751	AAAf

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

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

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

*Custodial Credit Risk – Investments* – Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

At June 30, 2020, the carrying amount of the County’s deposits was \$19,664,531 and the bank balance was \$23,835,592. The entire bank balance was insured and collateralized with securities held by the pledging financial institution’s trust department or agent in the County’s name.

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

Discretely Presented Component Units

The carrying amount of deposits for the Effingham County Board of Health was \$2,480,977 and the bank balance was \$2,483,251. As of June 30, 2020, the Board of Health did not have any balances exposed to custodial credit risk.

As of June 30, 2020, the Hospital Authority owned \$3,180,230 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, 2020, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

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

**NOTE 5 – PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about September 15th of each year and are payable within sixty days. The County bills and collects its own property taxes and also collects taxes for the Effingham County Board of Education, the Effingham County Hospital Authority, the Effingham County Industrial Development Authority, the State of Georgia and cities within the County. Collection of the County's taxes and for the other government agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an Agency Fund. County property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended June 30, 2020, property taxes were levied on September 20, 2019, and were due November 25, 2019.

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

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

The composition of interfund balances as of June 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST	\$ 8
	Sheriff	8,059
	Water and Sewer Operating	530
E-911	General Fund	534
Special Tax District	General Fund	167,641
Fire Taxing District	Inspections & Zoning	167
	General Fund	2,010
Inspections & Zoning	General Fund	518
Senior Citizens Activity	General Fund	25
Water and Sewer Operating	Wastewater Treatment Plant	2,462,895
Sanitation	General Fund	28
Total		<u>\$ 2,642,415</u>

Interfund balances at June 30, 2020 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, 2020, consisted of the following:

Transfers To:	Transfers From:					Total
	General Fund	SPLOST	Special Tax District	State Condemnation	Wireless E-911	
Fire Taxing District	-	-	\$ 3,499,998	-	-	\$ 3,499,998
Inspection and Zoning	-	-	169,360	-	-	169,360
Senior Citizens Activity	-	-	108,828	-	-	108,828
Sheriff Special Funds	-	-	-	\$ 5,917	-	5,917
E-911	-	-	-	-	\$ 4,219	4,219
Water and Sewer Operating	-	\$ 231,880	169,153	-	-	401,033
Wastewater Treatment Plant	-	-	939,282	-	-	939,282
Landfill	\$ 66,000	-	-	-	-	66,000
Total	<u>\$ 66,000</u>	<u>\$ 231,880</u>	<u>\$ 4,886,621</u>	<u>\$ 5,917</u>	<u>\$ 4,219</u>	<u>\$ 5,194,637</u>

Transfers to various funds from the Special Tax District Fund were to fund operations. Transfers from the SPLOST fund to the Water and Sewer Operating enterprise fund were for construction costs. Transfers from the State Condemnation to the Sheriff Special Funds were to fund various items needed by the Sheriff's department. Transfers from the General Fund to the Landfill fund were to fund operations. Transfers from the Wireless E-911 Fund to the E-911 fund were to close out the remaining fund balance into E-911 continuing operations.



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

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance 6/30/2019	Additions	Deductions	Balance 6/30/2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 13,088,686	\$ 1,134,317	-	\$ 14,223,003
Easements	964,330	-	-	964,330
Construction in progress	5,483,450	1,309,255	\$ 138,272	6,654,433
Total capital assets not being depreciated	<u>19,536,466</u>	<u>2,443,572</u>	<u>138,272</u>	<u>21,841,766</u>
Capital assets being depreciated:				
Buildings and improvements	64,529,456	3,516,340	-	68,045,796
Machinery and equipment	32,455,189	2,037,326	801,426	33,691,089
Infrastructure	123,128,230	3,687,573	-	126,815,803
Total capital assets being depreciated	<u>220,112,875</u>	<u>9,241,239</u>	<u>801,426</u>	<u>228,552,688</u>
Total capital assets	<u>239,649,341</u>	<u>11,684,811</u>	<u>939,698</u>	<u>250,394,454</u>
Accumulated depreciation:				
Buildings and improvements	26,658,503	2,356,548	-	29,015,051
Machinery and equipment	23,118,688	1,905,679	514,659	24,509,708
Infrastructure	95,645,195	2,403,290	-	98,048,485
Total accumulated depreciation	<u>145,422,386</u>	<u>6,665,517</u>	<u>514,659</u>	<u>151,573,244</u>
Governmental activities capital assets, net	<u>\$ 94,226,955</u>	<u>\$ 5,019,294</u>	<u>\$ 425,039</u>	<u>\$ 98,821,210</u>

Governmental activities depreciation expense:

General government	\$ 872,114
Judicial	4,043
Public safety	2,518,954
Public works	2,651,278
Health and welfare	302
Culture and Recreation	578,963
Housing and development	<u>39,863</u>
Total governmental activities depreciation expense	<u>\$ 6,665,517</u>

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

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

Capital asset activity for the year ended June 30, 2020 for the County’s enterprise funds was as follows:

	Balance 6/30/2019	Additions	Deductions	Balance 6/30/2020
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,086,706	-	\$ -	\$ 1,086,706
Easements	152,358	-	-	152,358
Construction in progress	803,443	\$ 444,596	-	1,248,039
Total capital assets not being depreciated	<u>2,042,507</u>	<u>444,596</u>	<u>-</u>	<u>2,487,103</u>
Capital assets being depreciated:				
Buildings and improvements	16,842,312	-	-	16,842,312
Machinery and equipment	2,643,032	67,421	-	2,710,453
Infrastructure	24,848,895	98,002	-	24,946,897
Total capital assets being depreciated	<u>44,334,239</u>	<u>165,423</u>	<u>-</u>	<u>44,499,662</u>
Total capital assets	<u>46,376,746</u>	<u>610,019</u>	<u>-</u>	<u>46,986,765</u>
Accumulated depreciation:				
Buildings and improvements	5,462,387	419,454	-	5,881,841
Equipment	2,225,633	44,662	-	2,270,295
Infrastructure	6,509,993	597,167	-	7,107,160
Total accumulated depreciation	<u>14,198,013</u>	<u>1,061,283</u>	<u>-</u>	<u>15,259,296</u>
Business-type activities capital assets, net	<u>\$ 32,178,733</u>	<u>\$ (451,264)</u>	<u>\$ -</u>	<u>\$ 31,727,469</u>

Capital asset activity for the year ended June 30, 2020 for the Effingham County Board of Health was as follows:

	Balance 7/1/2019	Additions	Deductions	Balance 6/30/2020
Component Unit:				
Machinery and equipment	\$ 117,673	-	\$ -	\$ 117,673
Less accumulated depreciation	(82,660)	\$ (13,021)	-	(95,681)
Component unit capital assets, net	<u>\$ 35,013</u>	<u>\$ (13,021)</u>	<u>\$ -</u>	<u>\$ 21,992</u>

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

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

Capital asset activity for the year ended June 30, 2020 for the Effingham County Hospital Authority was as follows:

	Balance 6/30/2019	Additions	Deductions	Balance 6/30/2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 619,242	-	-	\$ 619,242
Construction in progress	173,994	\$ 2,246,912	\$ 181,927	2,238,979
Total capital assets not being depreciated	<u>793,236</u>	<u>2,246,912</u>	<u>181,927</u>	<u>2,858,221</u>
Capital assets being depreciated:				
Buildings and improvements	31,008,870	197,284	-	31,206,154
Machinery and equipment	26,186,061	1,112,797	-	27,298,858
Total capital assets being depreciated	<u>57,194,931</u>	<u>1,310,081</u>	<u>-</u>	<u>58,505,012</u>
Total capital assets	<u>57,988,167</u>	<u>3,556,993</u>	<u>181,927</u>	<u>61,363,233</u>
Accumulated depreciation:				
Buildings and improvements	12,813,261	1,242,899	-	14,056,160
Machinery and equipment	19,171,008	1,556,526	-	20,727,534
Total accumulated depreciation	<u>31,984,269</u>	<u>2,799,425</u>	<u>-</u>	<u>34,783,694</u>
Governmental activities capital assets, net	<u>\$26,003,898</u>	<u>\$ 757,568</u>	<u>\$ 181,927</u>	<u>\$26,579,539</u>

**NOTE 8 – CAPITAL LEASES**

Governmental Activities

The County has entered into lease agreements as lessee for financing various equipment costing \$6,097,823. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Amortization of the cost of the equipment is included in depreciation expense in the government-wide financial statements.

The accumulated depreciation on the various equipment was \$2,530,661 at June 30, 2020.

The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2020:

<u>Year ending June 30</u>	
2021	\$ 796,001
2022	764,309
2023	456,001
2024	410,381
2025	354,473
Total minimum lease payments	<u>2,781,165</u>
Less amount representing interest	<u>199,632</u>
Present value of future minimum lease payments	<u>\$ 2,581,533</u>

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

**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%.

As of June 30, 2020, annual debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 288,000	\$ 100,397	\$ 388,397	\$ 1,315,000	\$ 701,127	\$ 2,016,127
2022	294,000	94,176	388,176	1,350,000	664,439	2,014,439
2023	300,000	87,826	387,826	1,385,000	626,774	2,011,774
2024	307,000	81,346	388,346	1,425,000	588,132	2,013,132
2025	314,000	74,714	388,714	1,465,000	548,375	2,013,375
2026-2030	1,672,000	269,006	1,941,006	7,960,000	2,105,475	10,065,475
2031-2035	1,473,000	80,374	1,553,374	9,135,000	931,303	10,066,303
2036	-	-	-	1,095,000	30,551	1,125,551
	<u>\$ 4,648,000</u>	<u>\$ 787,838</u>	<u>\$ 5,435,838</u>	<u>\$ 25,130,000</u>	<u>\$ 6,196,176</u>	<u>\$ 31,326,176</u>

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

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

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due In One Year
<b>Governmental Activities</b>					
Capital lease payable - Patrol Cars	\$ 145,900	-	\$ 124,829	\$ 21,071	\$ 21,071
Capital lease payable - Admin. Vehicles	72,950	-	62,415	10,535	10,535
Capital lease payable - Comm. equipment	1,597,911	-	296,733	1,301,178	307,742
Capital lease payable - Public works equipment	557,482	-	38,767	518,715	39,902
Capital lease payable - Patrol Cars	534,415	-	178,036	356,379	162,146
Capital lease payable - EMS equipment	107,168	-	29,907	77,261	29,907
Capital lease payable - Recreation lighting	378,529	-	121,855	256,674	126,126
Capital lease payable - Sheriff equipment	59,580	-	19,860	39,720	19,860
Total Capital Leases	3,453,935	-	872,402	2,581,533	717,289
Bond payable	-	\$ 5,000,000	352,000	4,648,000	288,000
Compensated absences payable	1,060,044	125,616	-	1,185,660	711,396
Landfill post-closure care costs	1,646,528	-	24,432	1,622,096	110,000
<b>Total Governmental Activities</b>	<b>\$ 6,160,507</b>	<b>\$ 125,616</b>	<b>\$ 896,834</b>	<b>\$ 5,389,289</b>	<b>\$ 1,538,685</b>
<b>Business-Type Activities</b>					
Compensated absences payable	\$ 461	\$ 162	-	\$ 623	\$ 374
Bonds payable	26,405,000	-	\$ 1,275,000	25,130,000	1,315,000
<b>Total Business-Type Activities</b>	<b>\$ 27,654,682</b>	<b>\$ 162</b>	<b>\$ 1,275,000</b>	<b>\$ 25,130,623</b>	<b>\$ 1,315,374</b>
<b>Board of Health</b>					
Compensated absences payable	\$ 59,409	\$ 11,810	\$ -	\$ 71,219	\$ 14,244
<b>Hospital Authority</b>					
Bond payable - mortgage	\$ 26,244,064	-	\$ 831,649	\$ 25,412,415	\$ 885,408
Notes payable	-	\$ 5,876,787	-	5,876,787	826,847
Capital lease payable	1,182,200	305,482	319,359	1,168,323	378,992
<b>Total Hospital Authority</b>	<b>\$ 27,654,682</b>	<b>\$ 6,182,269</b>	<b>\$ 1,151,008</b>	<b>\$ 32,457,525</b>	<b>\$ 2,091,247</b>

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

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

The landfill has been closed for several years and received a closure certificate dated October 11, 2017 from the Environmental Protection Division. A liability is being recognized based on the estimated future post-closure care costs that are expected to be incurred for thirty years after closure. The estimated total current cost of the landfill post-closure of \$1,622,096 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, 2020. 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 12 – EMPLOYEE RETIREMENT PLANS**

Defined Contribution Plan

The County has adopted a prototype 401(a) Defined Contribution Plan for Employees of Effingham County (the 401(a) Plan) and a prototype 457 Deferred Compensation Plan for Effingham County (the 457 Plan) administered by the Board of Commissioners through GEBCORP. The County has the authority to establish the Plans or amend the adoption agreement which defines the specific provisions of the plan as provided in the prototype document. The Plan covers substantially all employees who meet the minimum years of service requirement. The County contributes 3% of employee's compensation and additionally matches up to 3% of employee's contributions. The total cost for the 401(a) Plan and the 457 Plan for the year ended June 30, 2020 was \$959,989. Total employee contributions to the plans for the year ended June 30, 2020 was \$844,348.

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 12 – 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 \$363,425 in revenue as support provided by nonemployer contributing entities. The amount was also recognized as expense in the appropriate functional expense category.

Effingham County Board of Health

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

The retirement contributions for the year ended June 30, 2020 were \$104,647. Contributions are fully vested to employees after 10 years of continuous service.

At June 30, 2020, the Board of Health reported \$683,312 as a liability for its proportionate share of the net pension liabilities. For the year ended June 30, 2020, the Board of Health recognized pension expense of \$385,727.

**NOTE 13 – RISK MANAGEMENT**

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

**NOTE 13 – 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 14 – COMMITMENTS AND CONTINGENCIES**

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

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

**NOTE 15 – JOINT VENTURE**

Under Georgia law, the County, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission of Georgia (RC) and is required to pay annual dues thereto. During its year ended June 30, 2020, 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



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

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**NOTE 16 – HOTEL/MOTEL LODGING TAX**

The county has levied a five percent lodging tax. A summary of the transactions for the year ended June 30, 2020 follows:

		<u>Percentage of tax receipts</u>
Lodging tax receipts	\$ 16,249	
Disbursements to the:		
Effingham County Chamber of Commerce	(13,000)	80%
County for future projects	(3,249)	20%
Total	<u><u>\$ -</u></u>	

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

**NOTE 17 – TAX ABATEMENTS**

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

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

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

For Effingham County’s fiscal year ending June 30, 2020, the cumulative property tax not collected by Effingham County due to incentive agreements was \$2,404,610. Payments in lieu of taxes in the amount of \$737,925 were received in the Special Tax District Fund related to these agreements.

**NOTE 18 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 5, 2021, the date that the financial statements were available to issue.

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	SPLOST Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6	\$ 3,807,565	\$ 3,807,571
Investments	-	1,531,196	1,531,196
Receivables:			
Accounts	-	36,496	36,496
Intergovernmental	-	1,293,420	1,293,420
Interfund	-	3,254	3,254
Prepaid items	-	27,998	27,998
<b>TOTAL ASSETS</b>	<b>\$ 6</b>	<b>\$ 6,699,929</b>	<b>\$ 6,699,935</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 147,147	\$ 147,147
Accrued liabilities	-	182,142	182,142
Interfund payable	-	8,226	8,226
Performance bonds	-	13,185	13,185
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>350,700</b>	<b>350,700</b>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	-	27,998	27,998
Restricted			
Public safety	-	3,234,931	3,234,931
Public works, public safety, and recreation	-	1,110,568	1,110,568
Housing and development	-	413,843	413,843
Health and welfare	-	1,515,111	1,515,111
Judicial	-	46,778	46,778
Debt service	6	-	6
<b>TOTAL FUND BALANCES</b>	<b>6</b>	<b>6,349,229</b>	<b>6,349,235</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6</b>	<b>\$ 6,699,929</b>	<b>\$ 6,699,935</b>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	SPLOST Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ -	\$ 3,971,543	\$ 3,971,543
Licenses and permits	-	1,343,757	1,343,757
Intergovernmental	-	29,889	29,889
Charges for services	-	4,222,415	4,222,415
Fines and forfeitures	-	121,659	121,659
Investment earnings	-	29,456	29,456
Contributions	-	2,500	2,500
Other	-	1,470	1,470
Total revenues	<u>-</u>	<u>9,722,689</u>	<u>9,722,689</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	6,774,971	6,774,971
Health and welfare	-	3,661,745	3,661,745
Housing and development	-	951,521	951,521
Total expenditures	<u>-</u>	<u>11,388,237</u>	<u>11,388,237</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(1,665,548)</u>	<u>(1,665,548)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	11,485	11,485
Insurance recoveries	-	10,015	10,015
Transfers in	-	3,788,322	3,788,322
Transfers out	-	(10,136)	(10,136)
Total other financing sources (uses)	<u>-</u>	<u>3,799,686</u>	<u>3,799,686</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	2,134,138	2,134,138
<b>FUND BALANCES, JULY 1, 2019</b>	<u>6</u>	<u>4,215,091</u>	<u>4,215,097</u>
<b>FUND BALANCES, JUNE 30, 2020</b>	<u>\$ 6</u>	<u>\$ 6,349,229</u>	<u>\$ 6,349,235</u>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2020**

	Hospital Indigent	Drug Abuse & Treatment Education	Sheriff	Prison Commissary	Impact Fees	Drug Seizure	State Condemnation	E-911 Fund
<b>ASSETS</b>								
Cash	\$ 420,891	\$ 81,769	\$ 269,360	\$ 16,513	\$ 67,232	\$ 33,166	\$ 5,221	976,654
Investments	1,016,987	-	-	-	-	-	-	-
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	64	-	-	1,043,336	-	-	226,186
Interfund	-	-	-	-	-	-	-	534
Prepaid items	4,796	-	-	-	-	-	-	20,950
<b>TOTAL ASSETS</b>	<u>\$1,442,674</u>	<u>\$ 81,833</u>	<u>\$ 269,360</u>	<u>\$ 16,513</u>	<u>\$ 1,110,568</u>	<u>\$ 33,166</u>	<u>\$ 5,221</u>	<u>\$ 1,224,324</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	-	\$ 1,797	\$ 47,483	\$ 16,513	-	-	-	\$ 6,504
Accrued payroll	-	-	-	-	-	-	-	31,628
Interfund payable	-	-	8,059	-	-	-	-	-
Performance bonds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,797</u>	<u>55,542</u>	<u>16,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,132</u>
Fund balances:								
Nonspendable:								
Prepaid items	\$ 4,796	-	-	-	-	-	-	20,950
Restricted:								
Public safety	-	80,036	213,818	-	-	\$ 33,166	\$ 5,221	1,165,242
Public works, public safety, and recreation	-	-	-	-	\$ 1,110,568	-	-	-
Housing and development	-	-	-	-	-	-	-	-
Health and welfare	1,437,878	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Total fund balances	<u>1,442,674</u>	<u>80,036</u>	<u>213,818</u>	<u>-</u>	<u>1,110,568</u>	<u>33,166</u>	<u>5,221</u>	<u>1,186,192</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$1,442,674</u>	<u>\$ 81,833</u>	<u>\$ 269,360</u>	<u>\$ 16,513</u>	<u>\$ 1,110,568</u>	<u>\$ 33,166</u>	<u>\$ 5,221</u>	<u>\$ 1,224,324</u>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2020**

	Wireless E-911 Fund	Juvenile Services	County Jail	Fire Taxing District	Inspections & Zoning	Senior Citizens Activity	Hotel Motel Tax	Total
<b>ASSETS</b>								
Cash	\$ -	\$ 46,778	\$ 183,274	\$ 1,156,569	\$ 447,860	\$ 82,333	\$ 19,945	\$ 3,807,565
Investments	-	-	-	514,209	-	-	-	1,531,196
Receivables:								
Accounts	-	-	-	27,551	7,169	-	1,776	36,496
Intergovernmental	-	-	508	23,326	-	-	-	1,293,420
Interfund	-	-	-	2,177	518	25	-	3,254
Prepaid items	-	-	-	2,160	92	-	-	27,998
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 46,778</b>	<b>\$ 183,782</b>	<b>\$ 1,725,992</b>	<b>\$ 455,639</b>	<b>\$ 82,358</b>	<b>\$ 21,721</b>	<b>\$ 6,699,929</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	-	-	-	\$ 55,853	\$ 15,799	\$ 966	\$ 2,232	\$ 147,147
Accrued payroll	-	-	-	114,313	32,042	4,159	-	182,142
Interfund payable	-	-	-	-	167	-	-	8,226
Performance bonds	-	-	-	-	13,185	-	-	13,185
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170,166</b>	<b>61,193</b>	<b>5,125</b>	<b>2,232</b>	<b>350,700</b>
Fund balances:								
Nonspendable:								
Prepaid items	-	-	-	2,160	92	-	-	27,998
Restricted:								
Public safety	\$ -	-	\$ 183,782	1,553,666	-	-	-	3,234,931
Public works, public safety, and recreation	-	-	-	-	-	-	-	1,110,568
Housing and development	-	-	-	-	394,354	-	19,489	413,843
Health and welfare	-	-	-	-	-	77,233	-	1,515,111
Judicial	-	\$ 46,778	-	-	-	-	-	46,778
<b>Total fund balances</b>	<b>-</b>	<b>46,778</b>	<b>183,782</b>	<b>1,555,826</b>	<b>394,446</b>	<b>77,233</b>	<b>19,489</b>	<b>6,349,229</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 46,778</b>	<b>\$ 183,782</b>	<b>\$ 1,725,992</b>	<b>\$ 455,639</b>	<b>\$ 82,358</b>	<b>\$ 21,721</b>	<b>\$ 6,699,929</b>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Hospital Indigent	Drug Abuse & Treatment Education	Sheriff	Prison Commissary	Impact Fees	Drug Seizure	State Condemnation	E-911 Fund
<b>REVENUES</b>								
Taxes	\$ 3,955,294	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	\$ 429,143	\$ 180,885	-	-	-	\$ 1,275,744
Fine and forfeitures	-	\$ 27,060	-	-	-	\$ 24,751	\$ 6,871	-
Contributions	-	-	-	-	-	-	-	-
Investment earnings	16,383	7	-	-	\$ 7	3	-	88
Other	-	-	-	-	-	-	-	-
Total revenues	<u>3,971,677</u>	<u>27,067</u>	<u>429,143</u>	<u>180,885</u>	<u>7</u>	<u>24,754</u>	<u>6,871</u>	<u>1,275,832</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	21,901	374,745	180,885	-	-	-	1,001,525
Housing and development	-	-	-	-	-	-	-	-
Health and welfare	3,551,470	-	-	-	-	-	-	-
Total expenditures	<u>3,551,470</u>	<u>21,901</u>	<u>374,745</u>	<u>180,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001,525</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>								
	<u>420,207</u>	<u>5,166</u>	<u>54,398</u>	<u>-</u>	<u>7</u>	<u>24,754</u>	<u>6,871</u>	<u>274,307</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of capital assets	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-
Transfers in	-	-	5,917	-	-	-	-	4,219
Transfers out	-	-	-	-	-	-	(5,917)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,917)</u>	<u>4,219</u>
<b>NET CHANGE IN FUND BALANCES</b>								
	420,207	5,166	60,315	-	7	24,754	954	278,526
<b>FUND BALANCES, BEGINNING OF YEAR</b>								
	<u>1,022,467</u>	<u>74,870</u>	<u>153,503</u>	<u>-</u>	<u>1,110,561</u>	<u>8,412</u>	<u>4,267</u>	<u>907,666</u>
<b>FUND BALANCES, END OF YEAR</b>								
	<u>\$ 1,442,674</u>	<u>\$ 80,036</u>	<u>\$ 213,818</u>	<u>\$ -</u>	<u>\$ 1,110,568</u>	<u>\$ 33,166</u>	<u>\$ 5,221</u>	<u>\$ 1,186,192</u>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Wireless E-911 Fund	Juvenile Services	County Jail	Fire Taxing District	Inspections & Zoning	Senior Citizens Activity	Hotel Motel Tax	Total
<b>REVENUES</b>								
Taxes	\$ -	-	-	-	-	-	\$ 16,249	\$ 3,971,543
Licenses and permits	-	-	-	-	\$1,343,757	-	-	1,343,757
Intergovernmental	-	-	-	\$ 26,537	3,352	-	-	29,889
Charges for services	-	-	-	2,274,706	48,920	\$ 13,017	-	4,222,415
Fine and forfeitures	-	\$ 2,069	\$ 60,908	-	-	-	-	121,659
Contributions	-	-	-	2,500	-	-	-	2,500
Investment earnings	-	5	14	8,761	4,182	6	-	29,456
Other	-	-	-	1,440	30	-	-	1,470
Total revenues	-	2,074	60,922	2,313,944	1,400,241	13,023	16,249	9,722,689
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	5,195,915	-	-	-	6,774,971
Housing and development	-	-	-	-	938,521	-	13,000	951,521
Health and welfare	-	-	-	-	-	110,275	-	3,661,745
Total expenditures	-	-	-	5,195,915	938,521	110,275	13,000	11,388,237
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	2,074	60,922	(2,881,971)	461,720	(97,252)	3,249	(1,665,548)
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of capital assets	-	-	-	11,485	-	-	-	11,485
Insurance recoveries	-	-	-	10,015	-	-	-	10,015
Transfers in	-	-	-	3,499,998	169,360	108,828	-	3,788,322
Transfers out	(4,219)	-	-	-	-	-	-	(10,136)
Total other financing sources (uses)	(4,219)	-	-	3,521,498	169,360	108,828	-	3,799,686
<b>NET CHANGE IN FUND BALANCES</b>	(4,219)	2,074	60,922	639,527	631,080	11,576	3,249	2,134,138
<b>FUND BALANCES, BEGINNING OF YEAR</b>	4,219	44,704	122,860	916,299	(236,634)	65,657	16,240	4,215,091
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ 46,778	\$ 183,782	\$ 1,555,826	\$ 394,446	\$ 77,233	\$ 19,489	\$ 6,349,229

**EFFINGHAM COUNTY, GEORGIA**  
**HOSPITAL INDIGENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 3,600,000	\$ 3,955,294	\$ 355,294
Interest	-	16,383	16,383
Total revenues	<u>3,600,000</u>	<u>3,971,677</u>	<u>371,677</u>
EXPENDITURES			
Health and welfare	<u>3,600,000</u>	<u>3,551,470</u>	<u>48,530</u>
NET CHANGE IN FUND BALANCE	-	420,207	420,207
FUND BALANCES, BEGINNING OF YEAR	<u>1,022,467</u>	<u>1,022,467</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 1,022,467</u>	<u>\$ 1,442,674</u>	<u>\$ 420,207</u>



**EFFINGHAM COUNTY, GEORGIA**  
**DRUG ABUSE & TREATMENT EDUCATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Fines and forfeitures	\$ 25,000	\$ 27,060	\$ 2,060
Investment earnings	-	7	7
Total revenues	<u>25,000</u>	<u>27,067</u>	<u>2,067</u>
 EXPENDITURES			
Public safety	<u>25,000</u>	<u>21,901</u>	<u>3,099</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 -	 5,166	 5,166
 FUND BALANCES, BEGINNING OF YEAR	 <u>74,870</u>	 <u>74,870</u>	 <u>-</u>
 FUND BALANCES, END OF YEAR	 <u><u>\$ 74,870</u></u>	 <u><u>\$ 80,036</u></u>	 <u><u>\$ 5,166</u></u>

**EFFINGHAM COUNTY, GEORGIA**  
**SHERIFF FUNDS**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 269,898	\$ 429,143	\$ 159,245
EXPENDITURES			
Public safety	269,898	374,745	(104,847)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	54,398	54,398
OTHER FINANCING SOURCES (USES)			
Transfers in	-	5,917	5,917
NET CHANGE IN FUND BALANCE	-	60,315	60,315
FUND BALANCES, BEGINNING OF YEAR	153,503	153,503	-
FUND BALANCES, END OF YEAR	<u>\$ 153,503</u>	<u>\$ 213,818</u>	<u>\$ 60,315</u>

**EFFINGHAM COUNTY, GEORGIA**  
**PRISON COMMISSARY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Charges for services	\$125,000	\$ 185,000	\$ 180,885	\$ (4,115)
EXPENDITURES				
Public safety	<u>125,000</u>	<u>185,000</u>	<u>180,885</u>	<u>4,115</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EFFINGHAM COUNTY, GEORGIA**  
**IMPACT FEES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 7	\$ 7
EXPENDITURES				
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	7	7
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	7	7
FUND BALANCES, BEGINNING OF YEAR	1,110,561	1,110,561	1,110,561	-
FUND BALANCES, END OF YEAR	<u>\$ 1,110,561</u>	<u>\$ 1,110,561</u>	<u>\$ 1,110,568</u>	<u>\$ 7</u>

**EFFINGHAM COUNTY, GEORGIA**  
**DRUG SEIZURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Fines and forfeitures	\$ 50,000	\$ 24,751	\$ (25,249)
Investment earnings	-	3	3
Total revenues	<u>50,000</u>	<u>24,754</u>	<u>(25,246)</u>
EXPENDITURES			
Public safety	<u>50,000</u>	<u>-</u>	<u>50,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	24,754	24,754
FUND BALANCES, BEGINNING OF YEAR	<u>8,412</u>	<u>8,412</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 8,412</u></u>	<u><u>33,166</u></u>	<u><u>\$ 24,754</u></u>

**EFFINGHAM COUNTY, GEORGIA**  
**STATE CONDEMNATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 50,000	6,871	\$ (43,129)
EXPENDITURES			
Public safety	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	50,000	6,871	(43,129)
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(5,917)	44,083
NET CHANGE IN FUND BALANCES	-	954	954
FUND BALANCES, BEGINNING OF YEAR	4,267	4,267	-
FUND BALANCES, END OF YEAR	\$ 4,267	5,221	\$ 954

**EFFINGHAM COUNTY, GEORGIA**  
**E-911 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 1,000,000	\$ 1,068,000	\$ 1,275,744	\$ 207,744
Investment earnings	60	60	88	28
Total revenues	<u>1,000,060</u>	<u>1,068,060</u>	<u>1,275,832</u>	<u>207,772</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>1,023,267</u>	<u>1,091,267</u>	<u>1,001,525</u>	<u>89,742</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(23,207)	(23,207)	274,307	297,514
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>23,207</u>	<u>23,207</u>	<u>4,219</u>	<u>(18,988)</u>
NET CHANGE IN FUND BALANCE	-	-	278,526	278,526
FUND BALANCES, BEGINNING OF YEAR	<u>907,666</u>	<u>907,666</u>	<u>907,666</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 907,666</u>	<u>\$ 907,666</u>	<u>\$ 1,186,192</u>	<u>\$ 278,526</u>

**EFFINGHAM COUNTY, GEORGIA**  
**WIRELESS E-911 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment earnings	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers out	-	\$ (4,219)	\$ (4,219)
NET CHANGE IN FUND BALANCE	-	(4,219)	(4,219)
FUND BALANCES, BEGINNING OF YEAR	\$ 4,219	4,219	-
FUND BALANCES, END OF YEAR	\$ 4,219	\$ -	\$ -



**EFFINGHAM COUNTY, GEORGIA**  
**JUVENILE SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 2,500	\$ 2,069	\$ (431)
Investment earnings	-	5	5
Total revenues	2,500	2,074	(426)
EXPENDITURES			
Health and welfare	2,500	-	2,500
NET CHANGE IN FUND BALANCE	-	2,074	2,074
FUND BALANCES, BEGINNING OF YEAR	44,704	44,704	-
FUND BALANCES, END OF YEAR	\$ 44,704	\$ 46,778	\$ 2,074

**EFFINGHAM COUNTY, GEORGIA**  
**COUNTY JAIL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Fines and forfeitures	\$ 50,000	\$ 60,908	\$ 10,908
Investment earnings	-	14	14
Total revenues	<u>50,000</u>	<u>60,922</u>	<u>10,922</u>
EXPENDITURES			
Public safety	<u>50,000</u>	<u>-</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	-	60,922	60,922
FUND BALANCES, BEGINNING OF YEAR	<u>122,860</u>	<u>122,860</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 122,860</u></u>	<u><u>\$ 183,782</u></u>	<u><u>\$ 60,922</u></u>

**EFFINGHAM COUNTY, GEORGIA**  
**FIRE TAXING DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	-	\$ 26,537	\$ 26,537
Charges for services	\$ 2,090,000	2,274,706	184,706
Investment earnings	-	8,761	8,761
Contributions	-	2,500	2,500
Other	-	1,440	1,440
Total revenues	<u>2,090,000</u>	<u>2,313,944</u>	<u>223,944</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	<u>6,532,047</u>	<u>5,195,915</u>	<u>1,336,132</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	<u>(4,442,047)</u>	<u>(2,881,971)</u>	<u>1,560,076</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	11,485	11,485
Insurance recoveries	-	10,015	10,015
Transfers in	4,442,047	3,499,998	(942,049)
Total other financing sources (uses)	<u>4,442,047</u>	<u>3,521,498</u>	<u>(920,549)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	639,527	639,527
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>916,299</u>	<u>916,299</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 916,299</u>	<u>\$ 1,555,826</u>	<u>\$ 639,527</u>

**EFFINGHAM COUNTY, GEORGIA**  
**INSPECTIONS & ZONING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Licenses and permits	\$ 654,000	\$ 834,515	\$ 1,343,757	\$ 509,242
Charges for services	25,000	25,000	48,920	23,920
Intergovernmental	-	-	3,352	3,352
Investment earnings	-	-	4,182	4,182
Other	-	-	30	30
Total revenues	<u>679,000</u>	<u>859,515</u>	<u>1,400,241</u>	<u>540,726</u>
<b>EXPENDITURES</b>				
Housing and development	<u>848,360</u>	<u>1,028,875</u>	<u>938,521</u>	<u>90,354</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(169,360)	(169,360)	461,720	631,080
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>169,360</u>	<u>169,360</u>	<u>169,360</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	-	-	631,080	631,080
<b>FUND BALANCES, BEGINNING OF YEAR</b>				
	<u>(236,634)</u>	<u>(236,634)</u>	<u>(236,634)</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>				
	<u>\$ (236,634)</u>	<u>\$ (236,634)</u>	<u>\$ 394,446</u>	<u>\$ 631,080</u>

**EFFINGHAM COUNTY, GEORGIA**  
**SENIOR CITIZENS ACTIVITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 5,000	\$ 13,017	\$ 8,017
Investment earnings	-	6	6
Total revenues	<u>5,000</u>	<u>13,023</u>	<u>8,023</u>
EXPENDITURES			
Health and welfare	<u>113,828</u>	<u>110,275</u>	<u>3,553</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(108,828)	(97,252)	11,576
OTHER FINANCING SOURCES			
Transfers in	<u>108,828</u>	<u>108,828</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	11,576	11,576
FUND BALANCES, BEGINNING OF YEAR	<u>65,657</u>	<u>65,657</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 65,657</u>	<u>\$ 77,233</u>	<u>\$ 11,576</u>

**EFFINGHAM COUNTY, GEORGIA**  
**HOTEL MOTEL TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 10,000	\$ 13,000	\$ 16,249	\$ 3,249
EXPENDITURES				
Housing and development	<u>10,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	3,249	3,249
FUND BALANCES, BEGINNING OF YEAR	<u>16,240</u>	<u>-</u>	<u>16,240</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 16,240</u>	<u>\$ -</u>	<u>\$ 19,489</u>	<u>\$ 3,249</u>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**JUNE 30, 2020**

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	Water Impact Fees	Sewer Impact Fees	Landfill	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ 38,469	\$ 38,469
Accounts receivable	-	-	250	250
Total Current Assets	-	-	38,719	38,719
Capital Assets				
Systems and equipment (net of depreciation)	-	-	104,818	104,818
Total Assets	-	-	143,537	143,537
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	-	1,132	1,132
<b>NET POSITION</b>				
Net investment in capital assets	-	-	104,818	104,818
Unrestricted	-	-	37,587	37,587
Total Net Position	\$ -	\$ -	\$ 142,405	\$ 142,405

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	Water Impact Fees	Sewer Impact Fees	Landfill	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 42,000	\$ 52,500	\$ 1,414	\$ 95,914
<b>OPERATING EXPENSES</b>				
Purchased services	-	-	43,241	43,241
Materials and supplies	-	-	8,321	8,321
Depreciation	-	-	9,602	9,602
Total operating expenses	-	-	61,164	61,164
<b>OPERATING INCOME (LOSS)</b>	42,000	52,500	(59,750)	34,750
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment earnings	-	-	3	3
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	42,000	52,500	(59,747)	34,753
<b>TRANSFERS IN (OUT)</b>	-	-	66,000	66,000
<b>CHANGE IN NET POSITION</b>	42,000	52,500	6,253	100,753
<b>NET POSITION, BEGINNING OF YEAR</b>	(42,000)	(52,500)	136,152	41,652
<b>NET POSITION, END OF YEAR</b>	\$ -	\$ -	\$ 142,405	\$ 142,405



**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Water Impact Fees	Sewer Impact Fees	Landfill	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ -	\$ -	\$ 1,164	\$ 1,164
Cash payments for goods and services	-	-	(50,848)	(50,848)
Net cash used by operating activities	-	-	(49,684)	(49,684)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund transfers	-	-	66,000	66,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment earnings	-	-	3	3
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>	<b>16,319</b>	<b>16,319</b>
CASH AND CASH EQUIVALENTS, JULY 1, 2019	-	-	22,150	22,150
CASH AND CASH EQUIVALENTS, JUNE 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,469</u>	<u>\$ 38,469</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 42,000	\$ 52,500	\$ (59,750)	\$ 34,750
Adjustments:				
Depreciation	-	-	9,602	9,602
(Increase) decrease in operating assets				
Accounts receivable	-	-	(250)	(250)
Increase (decrease) in operating liabilities				
Accounts payable	-	-	714	714
Unearned revenue	(42,000)	(52,500)	-	(94,500)
Net cash used by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,684)</u>	<u>\$ (49,684)</u>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2020**

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	<u>Tax Commissioner</u>	<u>Probate Court</u>	<u>Clerk of Courts</u>	<u>Magistrate Court</u>	<u>Sheriff</u>	<u>Probation</u>	<u>Total</u>
ASSETS							
Cash	<u>\$ 1,619,782</u>	<u>\$ 75,820</u>	<u>\$ 373,395</u>	<u>\$ 5,530</u>	<u>\$ 141,354</u>	<u>\$ 22,457</u>	<u>\$ 2,238,338</u>
LIABILITIES							
Due to other entities and individuals	<u>\$ 1,619,782</u>	<u>\$ 75,820</u>	<u>\$ 373,395</u>	<u>\$ 5,530</u>	<u>\$ 141,354</u>	<u>\$ 22,457</u>	<u>\$ 2,238,338</u>

**EFFINGHAM COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Tax Commissioner</b>				
Assets				
Cash	\$ 1,611,699	\$ 80,501,405	\$ 80,493,322	\$ 1,619,782
Liabilities				
Due to other entities and individuals	\$ 1,611,699	\$ 80,501,405	\$ 80,493,322	\$ 1,619,782
<b>Probate Court</b>				
Assets				
Cash	\$ 180,678	\$ 445,680	\$ 550,538	\$ 75,820
Liabilities				
Due to other entities and individuals	\$ 180,678	\$ 445,680	\$ 550,538	\$ 75,820
<b>Clerk of Courts</b>				
Assets				
Cash	\$ 302,286	\$ 3,741,207	\$ 3,670,098	\$ 373,395
Liabilities				
Due to other entities and individuals	\$ 302,286	\$ 3,741,207	\$ 3,670,098	\$ 373,395
<b>Magistrate Court</b>				
Assets				
Cash	\$ 18,093	\$ 266,553	\$ 279,116	\$ 5,530
Liabilities				
Due to other entities and individuals	\$ 18,093	\$ 266,553	\$ 279,116	\$ 5,530
<b>Sheriff</b>				
Assets				
Cash	\$ 218,429	\$ 127,901	\$ 204,976	\$ 141,354
Liabilities				
Due to other entities and individuals	\$ 218,429	\$ 127,901	\$ 204,976	\$ 141,354
<b>Probation</b>				
Assets				
Cash	\$ 26,402	\$ 389,635	\$ 393,580	\$ 22,457
Liabilities				
Due to other entities and individuals	\$ 26,402	\$ 389,635	\$ 393,580	\$ 22,457
<b>Total Agency Funds</b>				
Assets				
Cash	\$ 2,357,587	\$ 85,472,381	\$ 85,591,630	\$ 2,238,338
Liabilities				
Due to other entities and individuals	\$ 2,357,587	\$ 85,472,381	\$ 85,591,630	\$ 2,238,338

**EFFINGHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS PAID WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
<b>2017 SPLOST</b>						
Public buildings	\$ 3,385,525	\$ 3,385,525	\$ 359,570	\$ 1,572,130	\$ 1,931,700	57%
Roads, streets and bridges	31,251,000	31,251,000	1,857,293	1,524,487	3,381,780	11%
Drainage projects	911,488	911,488	38,078	38,078	76,156	8%
Recreation projects	4,948,075	4,948,075	305,751	905,593	1,211,344	24%
Vehicles and equipment	6,771,050	6,771,050	3,302,471	1,609,246	4,911,717	73%
Technology projects	520,850	520,850	39,714	-	39,714	8%
Water and sewer	4,297,012	4,297,012	62,171	231,880	294,051	7%
Intergovernmental:						
City of Rincon	11,838,000	11,838,000	3,090,958	1,603,208	4,694,166	40%
City of Springfield	3,821,000	3,821,000	998,026	517,661	1,515,687	40%
City of Guyton	2,256,000	2,256,000	588,579	305,292	893,871	40%
	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>	<u>\$ 10,642,611</u>	<u>8,307,575</u>	<u>\$ 18,950,186</u>	<u>27.1%</u>
			Total SPLOST expenditures	<u>\$ 8,307,575</u>		
			SPLOST capital projects fund total expenditures	\$ 14,105,746		
			SPLOST capital projects fund transfer out to Water & Sewer	<u>231,880</u>		
				14,337,626		
			Less:			
			Intergovernmental Revenue - Roads, streets, and bridges	(3,092,447)		
			Use of bond proceeds - Public buildings	(2,247,649)		
			Property tax millage - Roads, streets, and bridges	<u>(689,955)</u>		
				<u>\$ 8,307,575</u>		

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

To the Board of Commissioners  
Effingham County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Effingham County, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Effingham County's basic financial statements, and have issued our report thereon dated February 5, 2021. Our report includes a reference to other auditors who audited the financial statements of the Effingham County Board of Health and the Effingham County Hospital Authority, discretely presented component units, as described in our report on Effingham County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Effingham County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described below that we consider to be significant deficiencies.

#### **2020-1 Insufficient bank reconciliations prepared by Tax Commissioner's office**

Monthly bank reconciliations are not being reviewed for accuracy. Numerous errors were identified when comparing the bank statement activity to the activity recorded within Quickbooks. Duplicated entries and deleted transactions were also found, which caused the ending cash in Quickbooks to be misstated and the data to be unreliable.

County response: We concur with this finding and monthly bank reconciliations will be reviewed by someone within the Tax Commissioner's office.

#### **2020-2 Excess funds in Tax Commissioner's office**

Excess funds have accumulated in multiple Tax Commissioner accounts. Software problems caused payouts to the County and City of Springfield to be incorrect and need to be corrected. As a result of this issue, it appears that the City of Springfield has been overpaid and the County has been underpaid. The software company has yet to identify the cause of the reporting issue.

County response: We concur with this finding and will work with the Tax Commissioner to put procedures in place to ensure the accuracy of their financial records.

### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

## **Purpose of this Report**

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

*Janier, Deal + Proctor*

Statesboro, Georgia  
February 5, 2021