RATINGS: Moody's: "Aa2" See "MISCELLANEOUS, -Ratings" herein.

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Georgia income taxation. See Appendix B herein for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds. For a more complete discussion of the tax status of the Bonds and certain other tax consequences relating to the Bonds, see "TAX STATUS" herein.

\$60,000,000 EFFINGHAM COUNTY (GEORGIA) General Obligation Transportation Sales Tax Bonds, Series 2024

Dated: Date of Issuance Principal Due: August 15, as shown on inside cover

The EFFINGHAM COUNTY GENERAL OBLIGATION TRANSPORTATION SALES TAX BONDS, SERIES 2024 (the "Bonds") will be issued in registered form in the name of Cede & Co., as the nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Bonds must be made in book-entry form only in authorized denominations of \$5,000 or any integral multiple thereof. Individual purchasers ("Beneficial Owners") of the Bonds will not receive physical delivery of the Bonds. Transfers of the Bonds will be effected through a book-entry system as described herein.

Interest on the Bonds will be payable on February 15 and August 15 of each year (each an "Interest Payment Date"), beginning February 15, 2025. So long as DTC or its nominee is the registered owner of the Bonds, disbursements of payments of principal of and interest on the Bonds to DTC is the responsibility of Truist Bank, Charlotte, North Carolina, as Paying Agent; disbursements of such payments to DTC Participants is the responsibility of DTC; and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants as more fully described herein. See "THE BONDS -Book Entry Only System of Delivery of the Bonds" herein.

The Bonds are not subject to redemption prior to maturity.

The Bonds are being issued to provide funds to finance (the costs of acquiring, constructing, and equipping certain transportation projects of Effingham County (the "County") and the Cities of Guyton, Rincon, and Springfield and the costs of issuance of the Bonds. See "THE BONDS -Estimated Sources and Uses of Funds; and -The Projects" herein.

The Bonds are general obligations of the County. Principal of and interest on the Bonds are payable first from receipts of a one percent (1%) transportation special purpose local option sales and use tax (the "Transportation Sales Tax") which is projected to begin being collected in the County on July 1, 2024. The County reasonably expects that such receipts will be sufficient to pay all debt service on the Bonds. Nevertheless, if such receipts are insufficient, debt service on the Bonds shall be paid, to the extent necessary, from the general fund of the County or from an *ad valorem* tax to be levied, without limitation as to rate or amount, upon all property in the County subject to taxation for general obligation bond purposes. Prior to the issuance of the Bonds, the governing body of the County will provide for the assessment and collection of an *ad valorem* tax on all property in the County subject to taxation for general obligation bond purposes, which, together with such Transportation Sales Tax collections, will be sufficient to pay the principal of and interest on the Bonds as they become due and payable.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE BONDS OR THE SECURITY THEREFOR. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The are offered when, as and if issued by the County, subject to the approval of legality by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. Certain legal matters relating to the Bonds will be passed on by The Newberry Law Firm, Springfield, Georgia, counsel for the County, and Gray Pannell & Woodward LLP, Savannah, Georgia, Disclosure Counsel. Davenport & Company LLC, Atlanta, Georgia, is serving as Financial Advisor. Delivery of the Series Bonds in definitive form is expected to be made through DTC in New York, New York, on or about April 16, 2024.

MATURITY SCHEDULE

\$60,000,000

EFFINGHAM COUNTY (GEORGIA)

GENERAL OBLIGATION TRANSPORTATION SALES TAX BONDS, SERIES 2024

(August 15)

<u>Maturity</u>	Principal Amount	Interest Rate	<u>Yield</u>	CUSIP ¹
2025	\$10,450,000	5.00%	3.33%	28208QAA1
2026	11,485,000	5.00	3.12	28208QAB9
2027	12,070,000	5.00	2.89	28208QAC7
2028	12,675,000	5.00	2.78	28208QAD5
2029	13,320,000	5.00	2.70	28208QAE3

TCUSIP® is a registered trademark of the American Bankers Association ("ABA"). CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the County, Bond Counsel, or Disclosure Counsel and are included solely for the convenience of the registered owners of the applicable Bonds. None of the aforementioned participants in the financing or the Underwriter of the Bonds are responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the applicable Bonds or as included herein, or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part, that are applicable to all or a portion of certain maturities of the Bonds.

EFFINGHAM COUNTY, GEORGIA

Board of Commissioners

Wesley Corbitt, Chairman-At-Large
Jamie Deloach, Vice Chairman, District 3
Forrest Floyd, District 1
Roger Burdette, District 2
Reggie Loper, District 4
Phil Keiffer, District 5

Appointed Officials
Tim Callanan, County Manager
Mark Barnes, Finance Director
Stephanie Johnson, County Clerk

COUNTY ATTORNEY

The Newberry Law Firm Springfield, Georgia

BOND AND DISCLOSURE COUNSEL

Gray Pannell & Woodward LLP Savannah, Georgia

FINANCIAL ADVISOR

Davenport & Company LLC Atlanta, Georgia

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This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of any offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT APPROVED OR DISAPPROVED OF THE BONDS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The information set forth herein has been furnished by the County and by other sources which are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the other matters described herein since the date hereof.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the County. Any statements made in this Official Statement or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

This Official Statement (including the Appendices attached hereto) contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement (including the Appendices attached hereto), the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward looking statements as defined in the Securities Act of 1933, as

amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. These forward looking statements speak only as of the date of this Official Statement. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in the County's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

This Official Statement does not constitute a contract between the County and any one or more owners of the Bonds, nor does this Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, salesperson or other person has been authorized by the County to give any information or to make any representation other than those contained herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by the County or any other person.

The Bonds have not been registered under the Securities Act of 1933, and the Bond Resolution (as defined herein) has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

This Preliminary Official Statement has been deemed final by the County for purposes of Securities Exchange Act Rule 15c2-12, except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12.

OFFICIAL STATEMENT

\$60,000,000 EFFINGHAM COUNTY, GEORGIA GENERAL OBLIGATION TRANSPORTATION SALES TAX BONDS, SERIES 2024

INTRODUCTION

This Official Statement of Effingham County, Georgia (the "County"), which includes the cover page and the Appendices hereto, sets forth information concerning the County and the proposed EFFINGHAM COUNTY GENERAL OBLIGATION TRANSPORTATION SALES TAX BONDS, SERIES 2024 (the "Bonds").

The information contained in this section entitled "INTRODUCTION" is a brief description of the terms of and security for the Bonds and does not purport to be comprehensive or definitive. A full review of the entire Official Statement, as well as the documents summarized or described herein, should be made. This Official Statement speaks only as of its date, and the information contained herein is subject to change. All references herein to, or summaries of, the Resolution (hereinafter defined) or other documents or official acts are qualified in their entirety by the exact terms of such documents or official acts, copies of which are available from the County. All references herein to, or summaries of, the Bonds are qualified in their entirety by the definitive form thereof and the provisions with respect thereto included in the Resolution. All undefined, capitalized terms used herein shall have the meaning ascribed to such terms in the Resolution unless the context requires otherwise.

The County

The County is a political subdivision of the State of Georgia (the "**State**") created and existing under the laws of the State. The County is located in southeast Georgia, approximately 25 miles northwest of Savannah, Georgia, and 150 miles southeast of Macon, Georgia. The County has an estimated population of 69,041 according to the U.S. Census Bureau estimates as of July 1, 2022. For more detailed information, see "EFFINGHAM COUNTY, GEORGIA."

Purpose of the Bonds

The Bonds are being issued to provide funds to finance the costs of acquiring, constructing, and equipping certain capital outlay projects for the County and for the Cities of Cities of Guyton, Rincon, and Springfield, and the costs of issuance of the Bonds. See "THE BONDS -Estimated Sources and Uses of Funds; and -The Projects" herein.

Security and Sources of Payment for the Bonds

General Obligation Debt. The Bonds are general obligations of the County and will constitute a pledge of the full faith, credit, and taxing power of the County. Principal of and interest on the Bonds are payable first from the receipts of a one percent (1%) transportation special purpose local option sales and use tax (the "Transportation Sales Tax") collected within the territorial limits of the County. To the extent that the proceeds of the Transportation Sales Tax are insufficient to make such payments, the principal of and interest on the Bonds are payable from an ad valorem tax which may be levied, without limitation as to rate or amount, upon all taxable property subject to taxation for general obligation bond purposes within the territorial limits of the County. Prior to the issuance of the Bonds, the governing body of the County will provide for the assessment and collection of an ad valorem tax within the County in an amount which, together with the Transportation Sales Tax collections, will be sufficient to pay the principal of and interest on the Bonds as they become due and payable. For more detailed information, see "THE BONDS -Security and Sources of Payment for the Bonds" and "EFFINGHAM COUNTY AD VALOREM TAXATION."

Description of the Bonds

Redemption. The Bonds are not subject to redemption by the County prior to their respective maturities.

Denominations. Individual purchases of the Bonds may be made in book entry form only in denominations of \$5,000 or any integral multiple thereof.

Registration and Transfer. The Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will serve as securities depository for the Bonds and the Bonds may be registered, transferred, or exchanged in accordance with the rules of DTC.

Manner of Making Payments. Interest on the Bonds is payable on February 15 and August 15 (each an "Interest Payment Date") in each year, commencing on February 15, 2025. The interest so payable on any such Interest Payment Date will be paid to the person in whose name the Bonds are registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date (the "Record Date"); provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent (as defined herein) to the holders of the Bonds not less than 30 days preceding such subsequent date of record. The Bonds bear interest at the rates per annum and mature on August 15 in the years and principal amounts set forth on the inside cover page hereof.

So long as DTC or its nominee is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer by the Paying Agent to Cede & Co., as nominee for DTC, which, in turn, will remit such amounts to DTC Participants (as herein defined) for subsequent disbursement to the Beneficial Owners (as defined herein).

For more detailed information on the Bonds, see "THE BONDS."

Tax Status

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Georgia income taxation. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

See Appendix B herein for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds. For a more complete discussion of the tax status of the Bonds and certain other tax consequences relating to the Bonds, see "TAX STATUS" herein.

Bond Registrar and Paying Agent

Truist Bank, Charlotte, North Carolina, will serve as Bond Registrar and Paying Agent for the Bonds.

Professionals Involved in the Offering

Certain legal matters pertaining to the County and the authorization and issuance of the Bonds are subject to the approving legal opinion of Gray Pannell & Woodward LLP, Savannah, Georgia, as Bond Counsel; see Appendix B for the proposed form of Bond Counsel's opinion to be delivered in connection with the issuance of the Bonds. Certain other legal matters will be passed upon for the County by its counsel, The Newberry Law Firm, Springfield, Georgia, and by Gray Pannell & Woodward LLP, Savannah, Georgia,

Disclosure Counsel. Davenport & Company LLC, Atlanta, Georgia, is serving as Financial Advisor. The financial statements of the County for the fiscal year ended June 30, 2023, attached hereto as Appendix A, have been audited by Lanier, Deal, Proctor & Bloser, Statesboro, Georgia, independent certified public accountants, to the extent and for the period indicated in their report thereon which appears in Appendix A hereto.

Terms of the Offering

Authority for Issuance. The Bonds shall be issued under authority of the Constitution of the State of Georgia and the general laws of the State of Georgia, particularly Part 1, Article 5A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated ("O.C.G.A."), which authorizes the imposition of the Transportation Sales Tax. The Bonds shall be issued pursuant to the provisions of a bond resolution adopted by the governing body of the County on April 2, 2024 (the "Resolution"). The issuance of the Bonds was approved by a majority of the votes cast in the County in a special county one percent sales and use tax election held in the County on November 7, 2023 (the "Election").

Offering. The Bonds are offered when, as, and if issued by the County, subject to prior sale and to withdrawal or modification of the offer without notice, and to approval of legality by Gray Pannell & Woodward LLP, Bond Counsel.

Delivery. The Bonds in definitive form are expected to be delivered through DTC in New York, New York on or about April 16, 2024.

Continuing Disclosure

On the date of the issuance and delivery of the Bonds, the County will sign a Continuing Disclosure Certificate which will allow the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12(b)(5). See "MISCELLANEOUS -Continuing Disclosure" and "Appendix C: FORM OF THE CONTINUING DISCLOSURE CERTIFICATE."

Additional Information

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Bonds, the County, the Resolution, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Resolution, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Bonds are qualified in their entirety to the form thereof included in the Resolution. Copies of the Resolution and other documents and information are available upon request, and upon payment to the County of a charge for copying, mailing and handling, from Effingham County, 601 North Laurel Street, Springfield, Georgia 31329, telephone (912) 754-2111, Attention: County Manager.

THE BONDS

General Provisions

The Bonds, dated as of the date of issuance and delivery thereof, will be executed and delivered in the aggregate principal amount specified on the front cover page of this Official Statement. Interest with respect to the Bonds will be payable on each Interest Payment Date, commencing February 15, 2025. Interest on the Bonds will be at the rates per annum, and the principal of the Bonds will mature in the amounts and in the years, set forth on the front cover page of this Official Statement.

Redemption

The Bonds are not subject to redemption prior to maturity.

Book-Entry Only System of Delivery of Bonds

The Depository Trust Company ("**DTC**"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge

of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to an issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, security certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Authority for Issuance of the Bonds

The Bonds are being issued pursuant to the authority granted by (i) the Constitution of Georgia, (ii) the general laws of the State of Georgia, particularly the Special County One Percent (1%) Sales and Use Tax codified in Part 1, Article 5A of Chapter 8 of Title 48 of O.C.G.A., and (iii) the Resolution. The Board of Commissioners, as the governing body of the County, adopted a resolution on September 19, 2023, imposing the Transportation Sales Tax within the County and authorizing the issuance of general obligation debt of the County, conditioned upon approval of a majority of the votes cast in the Election. The resolution calling the Election and the notice of the Election stipulated an interest rate for the Bonds not exceeding five percent (5.0%) per annum. The Election was held in accordance with Article 14 of Chapter 2 of Title 21 of O.C.G.A. The canvass of the Election showed 2,464 "Yes" votes and 2,176 "No" votes, a 53.1% approval by those who voted in the Election. Subsequent to such approval, the Board of Commissioners adopted a resolution on January 16, 2024, declaring the results of the Election and declaring its intent to issue the general obligation debt authorized by the Election.

Validation of the Bonds

The Bonds and the security therefor were confirmed and validated on February 12, 2024, by the Superior Court of Effingham County, Civil Action No. SU24CV010B, in accordance with the procedures of Article 2 of Chapter 82 of Title 36 of O.C.G.A. Under Georgia law, the judgment of validation will be forever conclusive against the County.

Estimated Sources and Uses of Funds

Sources of Funds:

Proceeds from Sale of Bonds ¹	\$ <u>64,159,793.05</u>
Total Sources of Funds:	\$ <u>64,159,793.05</u>
Uses of Funds:	
Costs of Projects Estimated Costs of Issuance ²	\$63,729,213.67 430,579.38
Total Uses of Funds:	\$ <u>64,159,793.05</u>

¹ Includes original issue premium of \$4,159,793.05.

The Projects

Description of Projects. At the Election, the voters approved the imposition and collection of the Transportation Sales Tax in order to fund certain capital outlay projects for the County and the cities of Guyton, Rincon, and Springfield (each a "City," and collectively, the "Cities"). The proceeds from the sale of the Bonds and the investment earnings thereon, together with Transportation Sales Tax proceeds, will be used to acquire, construct, and equip, in whole or in part, the Projects as approved by the voters voting in the Election.

The Projects to be financed with proceeds of the Bonds consist of certain resurfacing of existing streets and roads, intersection improvements, bike and pedestrian trail improvements, transportation drainage improvements, widening of existing streets and roads, and new streets and roads (collectively, the "**Projects**").

The County and the Cities will require contractors engaged in the construction of the Projects to obtain performance and payment bonds, a certificate of insurance for general liability, a certificate of

² Includes underwriter's discount, initial Bond Registrar and Paying Agent's fee, legal and accounting fees, rating agency's fees, cost of printing, and other estimated miscellaneous fees and expenses associated with the issuance of the Bonds.

insurance for workers' compensation, a certificate of insurance/auto liability and excess liability, and evidence of property insurance for builders' risk. The Cities will be solely responsible for the acquisition, construction and equipping of the individual project of the respective city and will be solely responsible for operating and maintaining its respective projects.

Investment of Money

Construction Fund. Upon the issuance and delivery of the Bonds, the proceeds of the Bonds will be deposited in the EFFINGHAM COUNTY GENERAL OBLIGATION SALES TAX BONDS, 2024 CONSTRUCTION FUND (the "Construction Fund"), a trust fund held by the Construction Fund Custodian (as defined herein).

The money in the Construction Fund will be held by Truist Bank, Charlotte, North Carolina, as the Construction Fund Custodian (the "Construction Fund Custodian") and will be disbursed by the Construction Fund Custodian to pay the costs of the Projects. Money in the Construction Fund which is not needed at the time to pay current obligations during the construction and equipping of the Projects may be invested in any of the following investments allowed by O.C.G.A. § 36-82-7, and no others:

- (a) the local government investment pool created in O.C.G.A. § 36-83-8; or
- (b) the following securities and no others:
- (i) bonds or other obligations of the County, or bonds or obligations of the State or other states or of counties, municipal corporations, and political subdivisions of the State;
- (ii) bonds or other obligations of the United States or of subsidiary corporations of the United States government, which are fully guaranteed by such government;
- (iii) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;
- (iv) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;
- certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depositary, custodian, or trustee for any proceeds of the Series 2022 Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State or with a trust office within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or other states or any county or municipal corporation in the State, obligations of the United States or subsidiary corporations included in subparagraph (ii)

above, obligations of the agencies and instrumentalities of the United States government included in subparagraph (iii) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in subparagraph (iv) above; and

- (vi) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:
 - (A) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in subparagraph (ii) and (iii) above and repurchase agreements fully collateralized by any such obligations;
 - (B) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;
 - (C) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and
 - (D) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State; and
- (vii) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the money so placed to be available for use at the time provided with respect to the investment or reinvestment of such money.

Other Money.

(a) Pursuant to the Resolution, the County is authorized to establish, prior to or concurrently with the issuance and delivery of the Bonds, three special accounts designated the EFFINGHAM COUNTY 2024 SPECIAL COUNTY ONE PERCENT TRANSPORTATION SALES AND USE TAX PROCEEDS ACCOUNT (the "Sales Tax Proceeds Account"), the EFFINGHAM COUNTY GENERAL OBLIGATION TRANSPORTATION SALES TAX BONDS, SERIES 2024 DEBT SERVICE ACCOUNT (the "Debt Service Account") and the EFFINGHAM COUNTY 2024 SPECIAL COUNTY ONE PERCENT TRANSPORTATION SALES AND USE TAX PROJECTS ACCOUNT (the "Projects Account"). Money in said accounts may be invested and reinvested in such investments as are set forth in the Resolution. Money in the Sales Tax Proceeds Account and the Debt Service Account shall be held and kept separate and apart from all other funds of the County and shall not in any manner be commingled with other funds of the County.

The Debt Service Account will be maintained and held in trust by the County with Truist Bank, Charlotte, North Carolina, as the Debt Service Account Custodian and the owners of the Bonds shall have a beneficial interest therein. The County may establish such subaccounts within the Debt Service Account as are necessary or convenient for payment of Debt Service on the Bonds.

(b) All proceeds of the Transportation Sales Tax disbursed to the County by the State of Georgia Department of Revenue, Sales and Use Tax Division, shall be deposited in the Sales Tax Proceeds Account. The money in the Sales Tax Proceeds Account shall be disbursed from the Sales Tax Proceeds Account in each Bond Year as follows: (i) first there will be paid from the Sales Tax Proceeds Account to the Debt Service Account all money sufficient to satisfy the Debt Service Requirement on the Bonds for the current Bond Year; and (ii) next there will be paid from the Sales Tax Proceeds Account all remaining proceeds of

the Transportation Sales Tax received in the current Bond Year to pay each of the Cities its respective percentage of the Transportation Sales Tax in accordance with the Intergovernmental Contract (as defined herein) after first taking into account the amount of such proceeds deposited into the County Debt Service Account to satisfy the Debt Service Requirement on each of the Cities' *pro rata* share of the Bonds. All remaining proceeds of the Transportation Sales Tax received in any such Bond Year shall be deposited into the Projects Account until the first day of the following Bond Year when the Transportation Sales Tax receipts shall recommence being remitted into the Debt Service Account.

- (c) Direct expenditures on the Projects approved in the Election not funded with proceeds of the Bonds shall be made directly from proceeds of the Transportation Sales Tax deposited in the Projects Account. In making withdrawals from the Projects Account for the Projects, the County shall follow the same requisition procedures as outlined below for requisitions from the Construction Fund, except that any requisition and certificate signed by the Project Superintendent from the Projects Account shall be retained in the records of the County without the necessity of filing the same with the Construction Fund Custodian.
- (d) In accordance with O.C.G.A. § 48-8-269.5, the County and any City receiving any proceeds from the Transportation Sales Tax shall maintain a record of each and every project for which proceeds of the Transportation Sales Tax are used. A schedule shall be included in each of their respective annual audits which shows the original estimated cost for each of their respective projects, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year. The auditor shall verify and test expenditures of the projects in order to express an opinion thereon in accordance with generally accepted governmental auditing standards.
- (e) Payment of Debt Service on the Bonds shall be made first from the Debt Service Account. Payment of the Bonds, however, shall constitute a pledge of the full faith, credit, and taxing power of the County, and any liability on such debt which is not satisfied from the proceeds of the Transportation Sales Tax shall be satisfied from the general funds of the County or from a direct annual *ad valorem* tax levied in an amount sufficient to pay such Debt Service. Any *ad valorem* tax levied for payment of the Bonds shall be deposited in the Debt Service Account.
- (f) Money in the Sales Tax Proceeds Account and the Projects Account may be invested by the custodian of said account in the following investments, if and to the extent the same are at the time legal for investment of such money:
 - (i) any of the following investments (presently authorized by O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4), if and to the extent the same are at the time legal for investment of such money:
 - (A) obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies;
 - (B) obligations of any corporation of the United States government;
 - (C) bonds or certificates of indebtedness of the State and of its agencies and instrumentalities, or of other states;
 - (D) obligations of other political subdivisions of the State;
 - (E) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured;
 - (F) prime bankers' acceptances;
 - (G) repurchase agreements; and
 - (H) the local government investment pool established by O.C.G.A. § 36-83-8; and

(ii) any other investments to the extent at the time hereafter permitted by the applicable law of the State for the investment of public funds.

Authorized Construction Fund Disbursements

Withdrawals from the Construction Fund may be made for the purpose of paying the cost of acquiring, constructing, and equipping the Projects, including reimbursing the County for advances from its other funds to accomplish the purposes hereinafter described and including the purchase of such property and equipment as may be useful in connection therewith, and, without intending thereby to limit or to restrict or to extend any proper definition of such cost as contained in the laws of the State of Georgia relating to expenditure of proceeds of general obligation sales tax bonds, shall include:

- (a) The cost of indemnity and fidelity bonds either to secure deposits in the Construction Fund or to insure the faithful completion of any contract pertaining to the Projects;
 - (b) Any taxes or other charges lawfully levied or assessed against the Projects;
- (c) Fees and expenses of architects and engineers for engineering studies, surveys and estimates, and the preparation of plans and supervising the acquisition, construction and equipping of the Projects;
 - (d) All other items or expenses not elsewhere in this Section specified incident to the Projects;
- (e) Payments made for labor, contractors, builders and materialmen in connection with the Projects and payment for machinery and equipment and for the restoration of property damaged or destroyed in connection therewith and the repayment of advances made to it for the purpose of paying any of the aforementioned costs;
- (f) The cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, lands and rights-of-way necessary for the Projects and appurtenances in connection therewith, and options and payments thereon, and any easements or rights-of-way or any damages incident to or resulting from the acquisition, construction and equipping of the Projects; and
 - (g) Costs and expenses incident to the issuance of the Bonds.

Requisition Procedure

All payments from the Construction Fund shall be made upon checks signed by an officer of the County properly authorized to sign in its behalf, but before such officer shall sign any such checks (other than checks issued in payment for the costs incident to the issuance of the Bonds which shall not require the hereinafter described requisition and certificate but shall require an invoice for such payment) there shall be filed with the Construction Fund Custodian a requisition and certificate, signed by the Project Superintendent, certifying: (i) the amount to be paid and the name of the person, firm, or corporation to whom payment is due, (ii) that an obligation has been incurred by the County, that the same is a proper charge and has not been paid, and that the project superintendent has a copy of the invoice for the obligation, (iii) that the project superintendent has no notice of any liens or rights to liens which should be satisfied before such payment is made, (iv) that such requisition contains no item representing retained percentages which the County is entitled to retain, and (v) that the materials, supplies, or equipment invoiced were actually installed in or about the construction site or delivered at the site for that purpose.

Security and Sources of Payment for the Bonds

Security from Ad Valorem Taxation. The Bonds will constitute general obligation debt of the County within the meaning of Article IX, Section V, Paragraph I of the Constitution of Georgia and shall count against the limitation on debt contained therein. See "DEBT STRUCTURE OF EFFINGHAM COUNTY - Debt Limitation." Said limitation requires that the debt of the County shall never exceed 10% of the assessed value of taxable property within the territorial limits of the County. Any liability on such debt that is not satisfied from the proceeds of the Transportation Sales Tax shall be satisfied from the general fund of the County, in which event the principal of and interest on the Bonds will be payable from ad valorem taxes levied, without limitation as to rate or amount, upon all taxable property within the County that is subject to

taxation for general obligation bond purposes, in an amount sufficient to pay the principal of and interest on the Bonds.

Prior to the issuance of the Bonds, the Board of Commissioners, as required by Article IX, Section VI, Paragraph VI of the Constitution of the State of Georgia, will provide for the assessment and collection of an *ad valorem* tax on all taxable property within the territorial limits of the County subject to taxation for general obligation bond purposes in an amount, which, together with the Transportation Sales Tax collections, will be sufficient to pay the principal of and interest on the Bonds as the same become due and payable. The proceeds of the *ad valorem* tax assessed to pay the principal of and interest on the Bonds, together with any other money collected for such purpose, will be placed, pursuant to Article IX, Section V, Paragraph VI of the Constitution of the State of Georgia, in the County Debt Service Account, as a sinking fund, to be used exclusively for paying the principal of and interest on the Bonds. Such money will be held and kept separate and apart from all other revenues collected by the County.

Security from Transportation Sales Tax. Payment of the principal of and interest on the Bonds will be secured by, and will be first payable from, the Transportation Sales Tax. The Transportation Sales Tax is projected to begin being levied in the County on July 1, 2024 and will be collected for a period of time not to exceed five years to raise an estimated \$120,000,000. The County and the Cities have entered into an intergovernmental contract, dated August 15, 2023 (the "Intergovernmental Contract"), relating to the distribution of the Transportation Sales Tax.

According to the Intergovernmental Contract, the County will receive approximately 75.41% of the proceeds of the Transportation Sales Tax, the City of Guyton will receive approximately 3.53% of the proceeds of the Transportation Sales Tax, the City of Rincon will receive approximately 16.88% of the proceeds of the Transportation Sales Tax, and the City of Springfield will receive approximately 4.18% of the proceeds of the Transportation Sales Tax.

All of the Transportation Sales Tax proceeds disbursed to the County by the State of Georgia Department of Revenue, Sales and Use Tax Division shall be deposited in the Sales Tax Proceeds Account and shall be distributed first to the Debt Service Account sufficient to satisfy the Debt Service Requirement on the Bonds for the current Bond Year. At such time as the Debt Service Requirement on the Bonds for such Bond Year has been satisfied in compliance with the provisions of O.C.G.A. § 48-8-269.5(b) for satisfying the annual debt service requirements on the Bonds, all remaining proceeds of the Transportation Sales Tax received in the current Bond Year shall be paid to the Cities in the amount of their respective percentage in accordance with the Intergovernmental Contract. Each of the Cities will receive its respective percentage of the Transportation Sales Tax in accordance with the Intergovernmental Contract after first taking into account the amount of such proceeds deposited into the Debt Service Account to satisfy the Debt Service Requirement on each of the Cities *pro rata* share of the Bonds.

Notwithstanding the distribution provisions set forth in the Intergovernmental Contract, all funds provided by the Transportation Sales Tax (and any amount obtained from any *ad valorem* tax levied and collected for payment of the Bonds) are pledged irrevocably to and appropriated for the payment of the principal of and interest on the Bonds so that all of the Bonds will be fully paid as the same mature and become due. All proceeds of the Transportation Sales Tax will be deposited into the Debt Service Account until such time as there is on deposit in said account sufficient funds to pay the principal of and interest on the Bonds coming due in a Bond Year. All Transportation Sales Tax proceeds, if any, subsequently received in a Bond Year will be used to pay the costs of the Projects not paid for from proceeds of the Bonds.

The County has covenanted to pay to the Paying Agent on or before each Interest Payment Date, amounts sufficient to pay the principal of and interest on the Bonds on such dates. The County estimates that receipts of the Transportation Sales Tax will be sufficient to meet debt service requirements on the Bonds.

Pursuant to Part 1 of Article 3 of Chapter 8 of Title 48 of O.C.G.A. (the "Sales Tax Act") and the results of the Election, the imposition of the Transportation Sales Tax has been authorized upon the retail purchase, retail sale, rental, storage, use, and consumption of tangible personal property, and upon the services described and set forth in the Georgia Retailers' and Consumers' Sales and Use Tax Act (O.C.G.A. § 48-8-1, et seq.) (the "State Sales Tax Act") within the County, subject to numerous exemptions. The

Transportation Sales Tax is to correspond as nearly as practicable, except as to rate, with the 4% State of Georgia sales and use tax (the "State Sales Tax") levied pursuant to the State Sales Tax Act, except that the Transportation Sales Tax does not apply to (1) the sale or use of any type of fuel used for off-road heavy-duty equipment, off-road farm or agricultural equipment, or locomotives, (2) sale or use of jet fuel as such term is defined in O.C.G.A. § 48-8-2, except to the extent allowed pursuant to O.C.G.A. § 48-8-3.5, (3) the sale or use of fuel that is used for propulsion of self-propelled motor vehicles on the public highways, (4) sale or use of energy used in the manufacturing or processing of tangible goods primarily for resale, (5) motor fuel as defined under paragraph (9) of O.C.G.A. § 48-9-2 for public mass transit, and (6) the purchase or lease of any motor vehicle pursuant to O.C.G.A. § 48-5C-1.

The Transportation Sales Tax shall be administered and collected by the State of Georgia Department of Revenue, Sales and Use Tax Division (the "Collection Agent") in the same manner as the State Sales Tax. On or before the 20th day of each month, Transportation Sales Tax proceeds collected by retailers are required to be paid for the preceding month, except for retailers or providers of services with a very small tax liability who remit taxes to the Collection Agent quarterly. Retailers or providers of services are allowed, as a collection fee, a percentage of the amount of Transportation Sales Tax receipts due to the Department of Revenue in the form of a deduction in paying the amount due, if said receipts are not delinquent at the time of payment to the Department of Revenue. The rate of the deduction shall be the same as the rate from time to time authorized for deductions under the State Sales Tax.

The Collection Agent is required to disburse the proceeds of the Transportation Sales Tax as soon as practicable after collection. One percent of the amount collected is retained by the Collection Agent and paid into the general fund of the state treasury to defray the costs of administration.

Additional Payments to County from Bond Contracts. The County and each of the Cities have entered into intergovernmental bond contracts whereby the County has agreed to issue the Bonds in the principal amount not to exceed \$60,000,000 and provide approximately \$2,118,000 to the City of Guyton, approximately \$10,128,000 to the City of Rincon, and approximately \$2,508,000 to the City of Springfield (less any costs of issuance from the bond sale) of such proceeds to each of the respective Cities. If in any Bond Year the proceeds of the Transportation Sales Tax are insufficient to satisfy the Debt Service Requirement on the Bonds, each of the Cities has agreed to make contract payments to the County for its pro rata share of the principal of and interest due on such Bonds and to levy an ad valorem tax on all taxable property located within the limits of its respectable City subject to taxation for such purposes.

Transportation Sales Tax Data. The current special one percent sales and use tax (the "Current Transportation Sales Tax"), which is presently being collected in the County, was approved by a majority of the voters of the County voting in an election held for such purpose on November 3, 2020. The Current Transportation Sales Tax was imposed on April 1, 2021, and is expected to cease being collected on June 30, 2024 after collecting the estimated amount of \$45,000,000.

Set forth below is the total amount of the Current Transportation Sales Tax distributed by the Collection Agent to the County as of December 31 in the years 2021 through 2023.

Calendar Year	\underline{Amount}^1	Percentage Change
2021	\$ 8,994,663	
2022	16,243,992	$30.7\%^{2}$
2023	15,208,606	(6.4%)

¹ Amounts shown are net of deductions allowed to retailers and net of commission allowed to the Collection Agent.

Source: State of Georgia Department of Revenue

² Percentage change represents collections compared to the last nine months of calendar year 2021.

EFFINGHAM COUNTY, GEORGIA

Introduction

The County is located in southeastern Georgia, approximately 30 miles northwest of Savannah, Georgia. At approximately 478 square miles, the County is 34th in land area of Georgia's 159 counties. Set forth below are the percentages of land use for various categories within the territorial limits of the County for years 2019 through 2023, computed based upon the acres of land for the various categories set forth in the tax digest for each respective year.

Category	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Agricultural	13.4%	13.0%	13.8%	14.5%	14.3%
Commercial	0.7	0.7	0.7	0.7	0.7
Industrial	1.2	1.4	1.5	1.7	1.7
Forest Land Cons Use	20.9	20.7	20.9	20.6	20.8
Qualified Timberland	-	0.4	0.4	0.5	0.1
Residential	18.1	17.5	17.3	17.2	17.1
Utility	0.0	0.0	0.0	0.2	0.2
Conservation Use	<u>45.7</u>	<u>46.4</u>	<u>45.4</u>	<u>44.6</u>	<u>45.0</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	100.0%	<u>100.0%</u>

Source: Georgia Department of Revenue, Tax Digest Consolidated Summary.

Government Format and Principal Official

The County is a political subdivision of the State of Georgia. The County operates under a Commission – County Manager form of government. The County is governed by a six-member Commission. For purposes of electing members of the Board of Commissioners, the County is divided into five commissioner districts. One member is elected from each such district, and each district commissioner shall be elected by a majority of the voters within each respective commissioner district. The Chairman of the Board of Commissioners is elected at large by a majority of the voters of the County. The commissioners, including the Chairman, serve four year terms. The Board of Commissioners sets direction and formulates policy for the County government, develops and approves the budget, authorizes expenditures, and approves or disapproves specific actions, such as rezoning of private property. The Board of Commissioners receives direct administrative assistance from the County Manager. Information regarding the Board of Commissioners as of January 1, 2024 is as follows:

	Expiration of	Years on	Principal
Name	Current Term	Board	Occupation
Wesley Corbitt, Chairman-At-Large	December 31, 2024	7	CPA
Jamie DeLoach, Vice Chairman, District 3	December 31, 2026	9	Banking
Forrest Floyd, District 1	December 31, 2024	11	Ga. Power
Roger Burdette, Vice Chairman, District 2	December 31, 2026	6	Business Owner
Reggie Loper, District 4	December 31, 2024	19	Retired
Phil Kieffer, District 5	December 31, 2026	14	Construction

County Manager. The County Manager is the chief administration officer of the County. The position is appointed by the Board of Commissioners and serves at the Board of Commissioner's discretion. The major duties of the County Manager include supervising and coordinating the activities of the County departments for the Board of Commissioners; seeing that all orders and policies of the Board of the Commissioners are carried out; making recommendations on appropriate matters of business; recommending an annual budget and advising the Board of Commissioners on the financial condition of the County; representing the County in business matters with other parties, and performing other duties assigned by the Board of Commissioners. Tim Callanan has been the Effingham County Manager since 2019. Prior to that, he served as Deputy Supervisor and Chief Financial Officer for Berkeley County South Carolina, which is the fastest growing county in the State of South Carolina. He began his government career serving 3 terms on Berkeley County

Council. In both Effingham County and Berkeley County, Callanan concentrated on master planning, infrastructure and managing growth. He has a professional background working for several national homebuilders and spent the early part of his career trading bonds for Cantor Fitzgerald in New York City. He graduated from Iona College in New York with a bachelor's degree in economics.

Finance Director. The Finance Director for the County is responsible for the financial affairs of the County. Mark Barnes is the Finance Director for the County. Mark Barnes is a degreed accountant with 10 years of governmental accounting experience.

Government Services and Facilities

The County provides a full range of services including a system of courts, sheriff's office, tax collection, fire protection, emergency medical services, sanitation, road construction and maintenance, water and sewer services, parks and recreation programs, libraries, and general administration among others.

Employees/Employee Relations

As of January 1, 2024, the County had approximately 469 full-time and 363 part-time/temporary employees. The County's management believes that it enjoys an excellent relationship with its employees. The County has never experienced a major disruption of services due to a strike or employee action. No employees belong to labor unions or other collective bargaining groups and the County has no knowledge of any union organizing efforts.

Population Information

The following table sets forth the population, including percentage of annual increase, in the County, the State, and the United States. The County currently has a population of 69,041 residents according to the U.S. Census Bureau estimates as of July 1, 2022 (the latest data available).

	Effingham	Percentage	State of	Percentage		Percentage
<u>Year</u>	County	Change	Georgia	<u>Change</u>	United States	<u>Change</u>
1980	18,327	-	5,463,105	-	226,545,805	-
1990	25,687	40.2%	6,478,216	18.6%	248,709,873	9.8%
2000	37,538	46.1	8,186,453	26.4	281,421,906	13.2
2010	52,250	39.2	9,687,653	18.3	308,745,538	9.7
2020	64,769	24.0	10,711,908	10.6	331,449,281	7.4

Source: U.S. Department of Commerce, Bureau of the Census.

Per Capita Personal Income

The following table sets forth the per capita personal income in the County, the State, and the United States for the years 2018 through 2022.

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Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data (last updated November 16, 2023).

Median Home Values

The following table shows the median home values for the County, the State, and the United States for the years 2018 through 2022.

	Effingham		
Year	County	<u>Georgia</u>	United States
2018	\$159,100	\$166,800	\$204,900
2019	163,600	176,000	217,500
2020	170,600	190,200	229,800
2021	178,800	206,700	244,900
2022	219,000	245,900	281,000

Source: U.S. Census Bureau, American Community Survey (ACS), 5-Year Estimates

Bank Deposits

As of June 30, 2023, seven financial institutions with a total of nine offices provided banking services within the County. The following are the total deposits (rounded in millions) in the County's financial institutions as of June 30 in each of the years 2019 through 2023.

		Percentage
<u>Year</u>	<u>Amount</u>	Change
2019	\$471,385,000	
2020	574,455,000	21.9%
2021	579,275,000	0.8
2022	721,418,000	24.5
2023	768,658,000	6.5

Source: Federal Deposit Insurance Corporation, Summary of Deposits Institution Branch Report

Building Permits

The following table shows a summary of annual new family residential and multi-family residential building permits in the County for the years 2018 through 2022.

<u>Year</u>	New Construction	New Construction Costs
2018	573	\$129,280,194
2019	709	192,639,467
2020	756	172,261,564
2021	749	168,722,990
2022	662	154,087,312

Source: Georgia Department of Labor, Labor Market Explorer.

Industry and Employment

Civilian Employment Statistics of the County. Employment includes nonagricultural wage and salary employment, self-employed, unpaid family and private household workers, and agricultural workers. Persons in labor disputes are counted as employed. The use of rounded data does not imply that the numbers are exact.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Employment	29,983	$ \begin{array}{r} 31,311 \\ \underline{937} \\ 32,248 \end{array} $	29,827	32,292	32,818
Unemployment	1,028		1,573	<u>974</u>	<u>860</u>
Total Labor Force	31,011		31,400	33,266	33,678
County Unemployment Rate	3.3%	2.9%	5.0%	2.9%	2.6%
State Unemployment Rate		3.6%	6.5%	3.9%	3.0%
U.S. Unemployment Rate	3.9%	3.7%	8.1%	5.3%	3.6%

Source: Georgia Department of Labor, Workforce Statistics & Economic Research

According to the Georgia Department of Labor, as of December 2023, the unemployment rate for the State of Georgia was 2.9% and the unemployment rate for Effingham County was 2.2%.

Economic Sector Distribution. The following table shows the average percentage of persons who worked in each major sector of the local economy in the County in the years 2018 through 2022 and for the second quarter of 2023. Data are monthly averages for each respective year or quarter. Figures are based on employees covered under the State unemployment insurance program.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Agriculture, Forestry, Fishing & Hunting Mining	1.5%	1.4%	1.3%	1.2%	1.0%	0.9%
Construction	9.5	5.3	5.4	5.9	6.4	6.9
Manufacturing	14.8	15.8	16.2	15.3	15.3	18.6
Utilities	*	*	*	*	1.4	1.3
Wholesale Trade	1.8	1.8	1.9	2.0	1.6	1.6
Retail Trade	11.3	11.0	11.7	11.5	11.7	11.9
Transportation and Warehousing	4.5	5.4	2.9	3.7	4.3	4.1
Information	0.3	0.2	0.2	0.3	0.2	0.3
Finance and Insurance	1.4	1.4	1.5	1.4	1.5	1.3
Real Estate and Rental and Leasing	0.7	0.7	0.7	0.7	0.6	0.8
Professional Scientific & Technical Svc	5.2	5.6	5.5	5.3	5.0	2.4
Management of Companies and	*	0.2	*	0.3	0.2	0.2
Enterprises						
Admin., Support, Waste Mgmt,	3.6	4.5	4.9	5.3	4.2	4.8
Remediation						
Education Services	*	*	*	*	0.2	0.2
Health Care and Social Assistance	4.8	5.0	5.0	5.2	5.9	5.9
Arts, Entertainment, and Recreation	*	*	0.2	0.2	0.2	0.2
Accommodation and Food Services	6.3	7.3	7.4	8.3	9.0	8.1
Other Services (except Public Admin.)	4.1	3.8	3.3	3.4	3.2	3.5
Unclassified	0.3	0.3	0.3	0.4	0.7	0.9
Federal, State, and Local Government	<u>28.4</u>	<u>28.8</u>	<u>30.0</u>	<u>28.6</u>	<u>27.3</u>	<u>26.3</u>
All Industries	100.0%	<u>100.0%</u>	100.0%	100.0%	100.0%	100.0%

^{*} Denotes confidential data relating to individual employers and cannot be released. These data use the North American Industrial Classification System (NAICS) categories. Average weekly wage is derived by dividing gross payroll dollars paid to all employees both hourly and salaried - by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures. Figures in other columns may not sum accurately due to rounding.

Source: State of Georgia Department of Labor, Labor Information Systems.

Private Employers. Set forth below are the largest private employers with a presence in the County as of June 30, 2023, their type of business, and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the County or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed.

Employer	Type of Business	Employees
Georgia Pacific, Savannah River Mill	Pulp and Paper Products	1,000
Southern Company	Electric and Natural Gas	400
Edwards Interior Aerospace	Sheet Metal Work	300
Walmart Supercenter	Department Stores	300
Georgia Transformer Corporation	Manufacturing	300
Kroger	Grocery Stores	200
Lineage Logistics	Refrigerated Warehousing and Storage	150
Interfor	Timber Products	150
Americold	Refrigerated Warehousing and Storage	150
Pacific Cycle	Bicycle production and distribution	100

Sources: Effingham County Industrial Development Authority; Savannah Chamber of Commerce.

Public Employers. Set forth below are the largest public employers located in the County as of June 30, 2023, their type of service, and their approximate number of employees. There can be no assurance that any employer listed below will continue employment at the level stated.

<u>Employer</u>	<u>Public Service</u>	Employees
Effingham County Board of Education	Education	1,800
Effingham County Hospital Authority	Healthcare	400
Effingham County Board of Commissioners	County Government	400

DEBT STRUCTURE OF EFFINGHAM COUNTY

Summary of County Debt by Category

Set forth below is information concerning tax supported debt of the County as of January 1, 2024, and as of the anticipated date of issuance of the Bonds. The information set forth below should be read in conjunction with the County's financial statements included as Appendix A hereto.

	Amount Authorized	Amount Outstanding	Amount to be Outstanding Upon
Category of Obligation	or Issued	as of January 1, 2024	Issuance of the Bonds
General Obligation Debt ¹	** • • • • • • • • • • • • • • • • • •	424 202 000	***
Series 2021 GOTST Bond ²	\$35,000,000	\$21,305,000	\$21,305,000
Series 2022 GOST Bond ³	14,679,000	12,371,000	12,371,000
The Bonds ⁴	60,000,000	-0-	60,000,000
Intergovernmental Contract Debt ⁵			
Series 2017 Dev. Auth. Rev. Bond ⁶	28,935,000	21,080,000	21,080,000
Series 2020 Dev. Auth. Rev. Bond ⁷	5,000,000	3,766,000	3,766,000
Series 2022 Hosp. Auth. Rev. Cert. ⁸	29,785,000	<u>28,755,000</u>	<u>28,755,000</u>
Total	<u>\$173,399,000</u>	<u>\$87,277,000</u>	\$ <u>147,277,000</u>

¹ General obligations of the County to which its full faith and credit and taxing power are pledged.

- 2 The County issued its EFFINGHAM COUNTY GENERAL OBLIGATION TRANSPORTATION SALES TAX BOND, SERIES 2021 (the "Series 2021 GOTST Bond") on April 1, 2021. The Series 2021 GOTST Bond is secured by and first payable from the transportation sales tax, which tax began being imposed on April 1, 2021, for a period of time not to exceed five years and for the raising of an estimated \$45,000,000. The Series 2021 GOTST Bond constitutes a pledge of the full faith, credit, and taxing power of the County.
- 3 The County issued its Effingham County General Obligation Sales Tax Bond, Series 2022 (the "Series 2022 GOST Bond") on June 16, 2022. The Series 2022 GOST Bond is secured by and first payable from the special sales tax, which tax began being collected on July 1, 2022, for a period of time not to exceed six years and for the raising of an estimated \$80,000,000. The Series 2022 GOST Bond constitutes a pledge of the full faith, credit, and taxing power of the County.
- 4 The Bonds are secured by and first payable from a one percent transportation special purpose local option sales and use tax approved by a majority of the qualified voters of the County at an election held on November 7, 2023 for the purpose of raising an estimated amount of \$120,000,000 for funding certain transportation purposes for the County, the City of Guyton, the City of Rincon, and the City of Springfield. The Bonds constitute a pledge of the full faith, credit, and taxing power of the County.
- 5 The financial obligations of the County under the intergovernmental contracts constitutes a general obligation of the County to make the payments it has contracted to make by the provisions of the contract and constitutes a pledge of the full faith, credit, and taxing power of the County. However, the County's obligations under the instruments do not constitute debt for purpose of the constitutional debt limit as described in "DEBT STRUCTURE OF THE COUNTY Debt Limitation."
- 6 On July 6, 2017, the Effingham County Industrial Development Authority issued its EFFINGHAM COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY REFUNDING AND IMPROVEMENT REVENUE BOND (EFFINGHAM COUNTY WATER AND SEWER PROJECTS), SERIES 2017 in the amount of \$28,935,000 to provide funds for the County to prepay in full certain Georgia Environmental Finance Authority ("GEFA") loans of the County and to pay the costs of the acquisition, construction, and equipping of certain additions and improvements of the County's water and sewer system. The County is obligated to pay the debt service on the bond pursuant to the terms of an intergovernmental contract between the Authority and the County dated July 6, 2017.
- 7 On January 31, 2020, the Effingham County Industrial Development Authority issued its Effingham County Industrial Development Authority Revenue Bond (Effingham County Project), Series 2020 in the original principal amount of \$5,000,000, to provide funds needed to finance a new recreational gymnasium in the County and related site work. The County is obligated to pay the debt service on the bond pursuant to the terms of an intergovernmental lease contract between the Authority and the County dated January 31, 2020.

8 On July 20, 2022, the Effingham County Hospital Authority (the "Hospital Authority") issued its Effingham County Hospital Authority Refunding and Improvement Revenue Anticipation Certificate, Series 2022 in the principal amount of \$29,785,000 (the "Series 2022 Certificate"). The principal of and the interest on this Series 2022 Certificate are secured by a first and prior pledge or lien on, the gross revenues of the Hospital Authority's health care system. The Hospital Authority and the County have entered into an intergovernmental agreement dated October 19, 2010, which became effective December 30, 2010, as supplemented and amended by an amended and restated intergovernmental agreement, dated July 20, 2022 (together, the "Hospital Contract"). Pursuant to the Hospital Contract, the County, in consideration of the undertakings of the Hospital Authority to furnish certain care and facilities to the indigent sick of the County and otherwise to provide for certain public health and public welfare needs of the County, has agreed that should the gross revenues of the health care system be insufficient to pay the principal and interest on the Series 2022 Certificates as the same become due and payable, it will pay to the Hospital Authority for the purpose of paying such principal and interest the amount of such insufficiency. The County has agreed in the Hospital Contract to levy such annual taxes on the taxable property located within the County, at such rate or rates, within the seven mill limits now prescribed or such higher limits as may hereafter be permitted by the Hospital Authorities Law, as might be necessary to make the payments called for by the Hospital Contract.

The County has also financed purchases for equipment, previously known as capital leases, until the adoption of the new definition of a lease under GASB Statement 87. The financed purchases result in the transfer of ownership of an asset and are accounted for as notes payable in the County's audited financial statements. As of June 30, 2023, the County had notes payable for financed purchases outstanding in the principal amount of \$738,747.

Reference is made to Notes 8, 9, 10, 11 and 12 of the financial statements of the County for the fiscal year ended June 30, 2023, included in Appendix A, for further discussion of the County's long-term debt and other commitments and contingent liabilities of the County.

Long and Short-Term Indebtedness

The County has no current plans to issue any short-term obligations and no plans to issue any long term indebtedness other than the Bonds.

Debt Limitation

State Law. Article IX, Section V, Paragraph I(a) of the Constitution of the State of Georgia provides that the County may not incur long-term obligations (other than refunding obligations) payable out of general property taxes without the approval of a majority of the qualified voters of the County voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the County may not incur long-term obligations payable out of general property taxes in excess of 10% of the assessed value of all taxable property within the County. Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations are not subject to the legal limitations described above.

As computed in the table on the following page, based upon assessed values as of January 1, 2023, the County could incur, upon necessary voter approval, immediately after the issuance of the Bonds, approximately \$230,809,896 of long-term obligations payable out of general property taxes. Assessments for the year 2024 have not been finalized; however, it is not expected that the assessed value of all taxable property for maintenance and operations would be less than the assessed value of all taxable property for maintenance and operations of the County for the year 2023.

Computation of Legal Debt Margin

Gross Tax Digest for the County as of January 1, 2023	
Less M&O Exemptions ¹	(726,288,176)
Net M&O Tax Digest	\$3,118,364,200
Debt Limit (10% of Net M&O Tax Digest)	\$311,836,420
Less Amount of Debt Outstanding Applicable to Debt Limit	93,676,000
Legal Debt Margin	\$218,160,420

Based on M&O exemptions. Actual bond exemptions are not available because in past years it has not been necessary for the County to levy a tax for any general obligation debt. It is not expected that the amount of bond exemptions would be materially higher than the amount of M&O exemptions.

Source: Georgia Department of Revenue.

Indebtedness of Overlapping Governmental Entities

Property owners in the County are responsible for both the County's debt obligations and any debt obligations of other taxing entities in the proportion to which the jurisdiction of the County overlaps such entities. Set forth below are the estimated overlapping general obligation debt and overlapping property tax supported contractual obligations, if any, as of the dates indicated. Although the County has attempted to obtain accurate information as to the overlapping debt, it does not guarantee its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others.

Name of Overlapping Entity	Amount of Debt Outstanding
Effingham County School District ¹ Series 2022 General Obligation Bonds	\$44,625,000
City of Rincon ² GEFA Loans	3,593,698
Total	<u>\$48,218,698</u>

As of June 30, 2023. The Series 2022 Bonds are general obligations of the Effingham County School District to which its full faith and credit and taxing power are pledged. The School District uses receipts of a special 1% sales and use tax for educational purposes to pay debt service on the Series 2022 Bonds.

² As of December 31, 2022. Georgia Environmental Finance Authority ("GEFA") loans are secured by a promissory note payable to GEFA and are based upon a contract which requires that the City of Rincon to exercise its taxing power and its power to set rates, fees, and charges to its utility systems to the extent necessary to pay, among other things, the principal of and interest on such loans as they become due and payable. The GEFA loans are general obligations of the City to which its full faith, credit, and taxing power are pledged.

Debt Service Schedule

The following table sets forth the estimated principal and interest requirements relating to the Bonds.

Period <u>Ending</u> 2/15/2025	<u>Principal</u>	<u>Interest</u> \$2,491,666.67	<u>Debt Service</u> \$2,491,666.67	Annual <u>Debt Service</u>
8/15/2025	\$10.450.000.00			
	\$10,450,000.00	1,500,000.00	11,950,000.00	¢1444166667
12/31/2025				\$14,441,666.67
2/15/2026		1,238,750.00	1,238,750.00	
8/15/2026	11,485,000.00	1,238,750.00	12,723,750.00	
12/31/2026				13,962,500.00
2/15/2027		951,625.00	951,625.00	
8/15/2027	12,070,000.00	951,625.00	13,021,625.00	
12/31/2027				13,973,250.00
2/15/2028		649,875.00	649,875.00	
8/15/2028	12,675,000.00	649,875.00	13,324,875.00	
12/31/2028				13,974,750.00
2/15/2029		333,000.00	333,000.00	
8/15/2029	13,320,000.00	333,000.00	13,653,000.00	
12/31/2029				13,986,000.00
TOTAL	\$60,000,000.00	\$10,338,166.67	\$70,338,166.67	\$70,338,166.67

EFFINGHAM COUNTY FINANCIAL INFORMATION

Six-Year General Fund History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in fund balance of the County's General Fund for the past five fiscal years. Information in the table for fiscal years 2019 to 2023 has been extracted from audited financial statements of the County for the years ended June 30, 2019, through and including June 30, 2023. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the County for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the County for fiscal year 2023 which are included in this Official Statement as Appendix A and to the audited financial statements of the County for fiscal years 2019 to 2021, copies of which are available from the County upon request.

	Fiscal Years Ended June 30				
	2019	2020	2021	<u>2022</u>	2023
Revenues	2017	2020	2021	<u> 2022</u>	<u> 2025</u>
Taxes	\$22,130,6	\$24,680,909	\$29,051,256	\$33,314,677	\$37,260,243
Licenses and Permits	35,000	38,500	36,250	40,000	41,250
Intergovernmental	885,755	988,141	2,913,691	1,328,727	1,650,796
Charges for Services	4,757,232	5,209,546	5,481,052	5,785,468	5,814,572
Fines and Forfeitures	1,392,253	1,335,347	1,488,782	1,523,645	1,815,510
Contributions and Donations	1,700	28,920	30,543	11,953	8,325
Investment Earnings	147,855	153,956	13,173	39,245	792,607
Other	153,880	363,415	329,056	382,061	434,038
Total Revenues	29,494,345	32,798,734	39,343,803	42,425,776	47,817,341
Expenditures					
Current Operating:					
General Government	5,489,764	5,839,652	6,763,614	7,604,329	7,563,763
Judicial	2,912,478	3,251,360	3,396,006	3,773,296	4,081,377
Public Safety	17,814,823	19,241,397	19,732,673	23,277,881	24,578,797
Public Works	100,331	86,348	95,989	14,584,696	212,106
Health and Welfare	737,313	728,921	703,590	781,820	871,270
Culture and Recreation	609,308	639,500	660,000	679,800	754,667
Housing and Development	177,902	197,819	322,481	613,724	4,656,604
Capital Outlay	-	-	-	-	-
Intergovernmental	-	_	-	-	-
Debt Service					-
Principal	-	-	-	197,440	624,128
Interest	-	-	-	21,136	151,964
Total Expenditures	27,841,919	29,984,997	31,674,353	51,534,122	43,494,676
Revenues Over (Under) Expenditures	1,652,426	2,813,737	7,669,450	(9,108,346)	4,322,665
Other Financing Sources (Uses)					
Sale of Capital Assets	14,957	36,490	8,876,000	11,728	124,189
Lease Financing	-	-	-	2,679,652	792,141
Subscription Financing	_	_	-	-	14,715
Insurance Recoveries	78,483	116,505	61,023	63,178	128,516
Transfers In	-	· -	-	59,250	, -
Transfers Out	-	(66,000)	(1,509,277)	(383,397)	(1,326,085)
Total Other Sources (Uses)	93,440	86,995	7,427,746	2,430,411	(266,524)
Net Change In Fund Balance	1,745,866	2,900,732	15,097,196	(6,677,935)	4,056,141
Beginning Fund Balance – July 1	11,610,254	13,356,120	16,256,852	31,354,048	24,676,113
Ending Fund Balance – June 30	\$13,356,120	\$16,256,852	\$31,354,048	\$24,676,113	\$28,732,254

Accounting Policies

The accounting policies of the County conform to generally accepted accounting procedures ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are set forth in Note 1 of the audited financial statements for the County attached as Appendix A to this Official Statement.

Independent Auditors' Reports

The auditor reports on the financial statements of the County for the fiscal years ended June 30, 2019 through June 30, 2023, state that said financial statements present fairly, in all material respects, the financial position of the County as of each respective fiscal year, and the results of its operations and cash flows for each respective fiscal year in conformity with accounting principles generally accepted in the United States.

The County adopts an annual operating budget for the general fund, special revenue funds, and capital projects funds. The budget 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 department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

Budgetary Process for General Fund

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 County's budget process typically begins in February or March when departments submit budget requests to the County's administration. The County Manager submits to the Board of Commissioners a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing the expenditures. Public notice of the budget and tax proposals is provided to the citizens of the County in conformance with Georgia law. After public notice has run, public hearings are conducted to obtain taxpayer comments. Budget review meeting and public hearings are normally held in May and June. The budget is formally adopted on a basis consistent with generally accepted accounting principles in June.

Pursuant to O.C.G.A. § 36-81-3(b), the annual budget approved by the Board of Commissioners must be balanced. A budget is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. The Board of Commissioners has the authority under O.C.G.A. § 36-81-3(d), however, to amend its budget as follows:

- (1) Any increase in appropriation at the legal level of control of the County, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, requires the approval of the Board of Commissioners. Such amendment shall be adopted by ordinance or resolution;
- (2) Transfers of appropriations within any fund below the local government=s legal level of control requires only the approval of the budget officer; and
- (3) The Board of Commissioners may amend the legal level of control to establish a more detailed level of budgetary control at any time during the budget period. Said amendment must be adopted by ordinance or resolution.

Current Budget. Set forth below is a summary of the County's adopted General Fund budget for the fiscal years ending June 30, 2023 and June 30, 2024. The budgets are based upon certain assumptions and estimates of the County's administration regarding future events, transactions, and circumstances. Realizations of the results projected in the budget will depend upon implementation by management of policies and procedures consistent with the assumptions made by the County. Accordingly, the actual results achieved for the budget could materially vary from those projected in the budget shown below.

Effingham County General Fund Budget for Fiscal Years Ending June 30, 2023 and June 30, 2024

	FY 23 Budget	FY 24 Budget
Revenues:		
Functional Revenues	\$ 7,312,359	\$ 8,410,263
Property Taxes	22,849,172	24,944,664
LOST	10,697,828	13,042,450
Other Revenues	1,710,811	2,042,260
Fund Balance	2,872,133	(508,977)
Total Revenues	\$45,442,304	\$47,930,660
Expenditures:		
Personnel	\$27,860,441	\$31,338,751
Services	5,729,934	6,317,779
Supplies	3,390,422	3,567,635
Capital	5,186,260	2,930,339
Other	2,855,162	3,305,435
Transfer 911	352,398	402,720
Transfer Dry Waste Center	67,687	68,000
Transfer Capital Fund		
Total Expenditures	<u>\$45,442,304</u>	<u>\$47,930,660</u>

Employee Retirement Plans

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 plans 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 Probate Judge of the County is covered under the Judges of the Probate Courts Retirement Fund of Georgia pension plan which requires that certain sums from marriage licenses be remitted to the state sponsored pension plan.

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

The Sheriff and sheriff deputies are covered under the Sheriff's Retirement Fund/Peace Officers' Annuity and Benefit Fund 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.

The Magistrate Judge of the County is covered under the Magistrates Retirement Fund of Georgia pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the state sponsored pension plan.

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 the Georgia Firefighters' Pension Fund pension plan, which is funded primarily by a one percent tax on premiums for fire insurance and monthly dues collected from active members.

The Georgia Judicial Retirement System provides retirement benefits for Superior Court Judges, District Attorneys, State Court Judges, Solicitors-General of the State Courts, and Juvenile Court Judges.

Effingham County tax officials are covered under the Employee's Retirement System of Georgia.

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.

See Note 13 of the County's general purpose financial statements included as Appendix A to this Official Statement for a more detailed summary of the County's and its component units' retirement plans and related liabilities.

Other Employee Benefits

The County provides a full range of employee benefits for County employees. All County employees receive vacation leave and sick leave. 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.

Governmental Immunity and Insurance Coverage

Governmental Immunity. Under Georgia law, the defense of sovereign immunity is available to the County, except for actions for the breach of written contracts and actions for the recovery of damages for any claim for which liability insurance protection has been provided, but only to the extent of the liability insurance provided. The County, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983, alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the County in the exercise of its delegated powers. In addition, the Georgia Whistleblower Act (O.C.G.A. § 45-1-4) (the "Whistleblower Act"), protects public employees who disclose, or who refuse to participate in, an alleged violation of or non-compliance with any federal, state, or local law, rule or regulation pertaining to the possible existence of any activity constituting fraud, waste, and abuse in or relating to any state programs or operations. Any public employee who reports a potential violation shall be free from discipline or reprisal from his employer, unless such disclosure was made with false and reckless disregard. A public employee who has been the object of retaliation in violation of the Whistleblower Act may institute a civil action for relief against the employer. The County is a public employer subject to the Whistleblower Act.

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

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

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

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

EFFINGHAM COUNTY AD VALOREM TAXATION

Introduction

Ad valorem property taxes are levied on an annual basis based on the fair market value of the property assessed by the County as of January 1st of each year. Ad valorem property taxes are levied on the assessed value of the property which, by law, is established at 40% of the fair market value. Taxes are levied in mills (one-tenth of one percent) upon each dollar of assessed property value.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, against all real and personal property within the County. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property, and personal effects.

Assessed Value

Assessed valuation, which represents the value upon which *ad valorem* property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires all counties to assess taxable tangible property, with certain exceptions, at 40% of its fair market value and to tax such property on a levy made by each tax jurisdiction according to 40% of the property's fair market value. Georgia law requires certain agricultural real property to be assessed for *ad valorem* property tax purposes at 75% of the value of which other real property is assessed and requires certain historical property to be valued at a lower fair market value for *ad valorem* property tax purposes. Conservation use property represents up to 2,000 acres of real property of a single owner that is either devoted to the good faith production of agricultural products or timber or is a type of environmentally sensitive property. Such conservation use property is valued at 40% of its current use assessment. "Standing Timber" is assessed one time, following its sale or harvest, at 100% of its fair market value.

The chief appraiser of the County is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within the County to the Effingham County Board of Tax Assessors. The Tax Commissioner of Effingham County is required to present the tax returns to the Effingham County Board of Tax Assessors by April 1 of each year. The Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year. The Tax Commissioner then certifies the digest and forwards a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may be appealed by property owners within 45 days of the date of receiving an assessment notice based on taxability, value, uniformity, and/or denial of an exemption. Assessments and appeals are subject to review at various stages by the Effingham County Board of Equalization and by state courts.

The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the county which bills these taxes to the utilities.

Tax Relief Initiatives

For the purposes of reducing the burden of *ad valorem* taxation for property owned by a taxpayer and occupied as his or her legal residence ("**homesteads**"), the State has granted several types of homestead exemptions more particularly described below. In addition, local governments are authorized to provide for increased exemption amounts and several have done so. Local government exemption amounts supersede the State exemption amount when the local exemption is greater than the State exemption. The deductions are taken from the homestead's 40% assessed value before utilizing mileage rates to determined tax owed.

Standard Homestead Exemption. The home of each resident of Georgia that is actually occupied and used as the primary residence by the owner may be granted a \$2,000 exemption from county and school taxes except for school taxes levied by municipalities and except to pay interest on and to retire bonded indebtedness. The \$2,000 is deducted from the 40% assessed value of the homestead. The owner of a dwelling house of a farm that is granted a homestead exemption may also claim a homestead exemption in participation with the program of rural housing under contract with the local housing authority. The County has implemented local legislation increasing the standard exemption from County taxes to \$4,000.

Individuals 65 Years of Age and Older May Claim a \$4,000 Exemption. Individuals 65 years of age or over may claim a \$4,000 exemption from all county ad valorem taxes if the income of that person and his spouse does not exceed \$10,000 for the prior year. Income from retirement sources, pensions, and disability income is excluded up to the maximum amount allowed to be paid to an individual and his spouse under the federal Social Security Act. The social security maximum benefit for 2023 was \$87,048. The owner must notify the county tax commissioner if for any reason they no longer meet the requirements for this exemption. The County has implemented local legislation increasing this exemption from County taxes to \$6,000.

Individuals 62 Years of Age and Older May Claim Additional Exemption for Educational Purposes. Individuals 62 years of age or over that are residents of each independent school district and of each county school district may claim an additional exemption from all ad valorem taxes for educational purposes and to retire school bond indebtedness if the income of that person and his spouse does not exceed \$10,000 for the prior year. Income from retirement sources, pensions, and disability income is excluded up to the maximum amount allowed to be paid to an individual and his spouse under the federal Social Security Act. The social security maximum benefit for 2023 was \$87,048. The owner must notify the county tax commissioner if for any reason they no longer meet the requirements for this exemption. This exemption may not exceed \$10,000 of the homestead's assessed value.

Floating Inflation-Proof Exemption. Individuals 62 years of age or over may obtain a floating inflation-proof county homestead exemption, except for taxes to pay interest on and to retire bonded indebtedness, based on natural increases in the homestead's value. If the appraised value of the home has increased by more than \$10,000, the owner may benefit from this exemption. Income, together with spouse or any other person residing in the house cannot exceed \$30,000. This exemption does not affect any municipal or educational taxes and is meant to be used in the place of any other county homestead exemption.

Disabled Veteran or Surviving Spouse. Any qualifying disabled veteran may be granted an exemption of \$60,000 plus an additional sum from paying property taxes for county, municipal, and school purposes. The additional sum is determined according to an index rate set by United States Secretary of Veterans Affairs. The amount for 2023 was \$109,986. The value of the property in excess of this exemption remains taxable. This exemption is extended to the unremarried surviving spouse or minor children as long as they continue to occupy the home as a residence.

Surviving Spouse of U.S. Service Member. The unremarried surviving spouse of a member of the armed forces who was killed in or died as a result of any war or armed conflict will be granted a homestead exemption from all ad valorem taxes for county, municipal and school purposes in the amount of \$60,000 plus an additional sum. The additional sum is determined according to an index rate set by United States Secretary of Veterans Affairs. The amount for 2023 was \$109,986. The surviving spouse will continue to be eligible for the exemption as long as they do not remarry.

Surviving Spouse of Peace Officer or Firefighter. The unremarried surviving spouse of a peace officer or firefighter killed in the line of duty will be granted a homestead exemption for the full value of the homestead for as long as the applicant occupies the residence as a homestead.

The County has implemented a local homestead valuation freeze exemption. The exemption is derived from the difference between the current year floating fair market value and the adjusted floating base year value (property's value in the year prior to the homestead application plus any improvements added or removed since the year of the application). Improvements made after January 1st of the tax year will be added to the base year value for the following tax year.

In addition to the various homestead exemptions, qualified homestead property owners 62 and older with a gross income of \$15,000 or less may defer but not exempt the payment of *ad valorem* taxes on part or all of the homestead property. Generally, the tax would be deferred until the property ownership changes or until such time that the deferred taxes plus interest reach a level equal to 85% of the fair market value of the property.

Voters in the County have approved for exemption of the following types of tangible personal property from *ad valorem* taxation, known as "freeport" exemptions: (1) inventory of goods in the process of being manufactured, (2) inventory of finished goods manufactured or produced in the State held by the manufacturer or producer for a period not to exceed 12 months, (3) inventory of finished goods on January 1 that are stored in a warehouse, dock, or wharf which are destined for shipment outside the State for a period not to exceed 12 months, and (4) stock in trade of a fulfillment center which on January 1 are stored in the fulfillment center.

Conservation Use and Forest Land. A large percentage of amounts constituting real and personal property on the County's general tax digest is designated as conservation use property or forest land conservation use property. The Forest Land Conservation Use property ("FLCU") designation was created pursuant to the Forest Land Protection Act, a constitutional amendment that became effective on January 1, 2009, after approval by the State's voters in the preceding November of 2008 general election. The FLCU designation allows for a lower tax rate for property owners that qualify for the designation. The FLCU designation is available for timber land that either (a) has been certified by the U.S. Department of Natural Resources as "environmentally sensitive property" or (b) is kept in accordance with a recognized sustainable forestry certification program. Real property receiving the FLCU designation is valued at 40% of its current use value and not 40% of its actual fair market value. FLCU property must remain employed for its current use for at least 15 years after its designation. Conservation Use property is real property that consists of timber land or agricultural land and is assessed at a value equal to the sum of (a) 65% of the capitalization of the net income generated from use of the property and (b) 35% of its current use value. The purpose of this tax treatment is designed to protect property owners of agricultural and timber lands from being pressured by property tax burdens to convert their land to residential or commercial use. Conservation Use property must remain undeveloped and employed for a qualifying use (i.e., agricultural or timber land) for at least 10 years after its original designation. The value of conservation use property is not permitted to be increased or decreased by more than 3% from the current use valuation for the immediately preceding tax year or increased or decreased during the ten year covenant period by more than 34.39% from its current use valuation in the initial year of the 10-year period.

Tax Abatements. The County is also subject to tax incentive agreements, usually in the form of property tax abatements, that the County's local development authority enters into with businesses. The tax incentives are negotiated with businesses for the purpose of attracting or retaining businesses within the County and have various requirements regarding job creation and capital investments. Incentives may be granted to any business located within or promising to relocate to the County. Typically, the tax incentive agreement contains a recapture provision that requires repayment of a portion of the abated taxes if the business fails to meet its jobs or investment goals. For the County's fiscal year ending June 30, 2023, the cumulative property tax not collected by the County due to incentive agreements was \$3,034,501. Payments in lieu of taxes in the amount of \$788,653 were received in the Special Tax District Fund related to these agreements.

Annual Tax Levy

The County determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within the territorial limits of the County, will produce the necessary amount of property tax revenues. The County then levies its *ad valorem* property taxes. Under Georgia law, there is no limitation on the annual rate of levy for the payment of principal of and interest on bonded indebtedness of the County. *Ad valorem* property taxes received for the payment of debt service on general obligation bonds of the County are required by law to be held and accounted for separately from other funds of the County.

Property Tax Collections

The County bills and collects its own property taxes. Real and personal property taxes are levied on September 15 of each year on the assessed value listed as of January 1. Taxes levied by the County on September 15 are normally due and payable on or before November 15. Interest of 1.0% per month (12.0% per annum) is applied to taxes paid more than one day after they are due. In addition, a one-time 10% penalty will apply to all taxes that are not paid within 90 days of the November 15 deadline. However, there is no penalty if tax is on a homestead and less than \$500. A \$10 FiFa charge is added once a tax lien in placed on the property and recorded with the Clerk of Superior Court of Effingham County.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property taxed arising after January 1 in the year in which taxed. The lien becomes enforceable 30 days after notification. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer's personal property. There can be no assurance, however, that the value of the property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

When the last day for the payment of taxes has arrived, the tax collector notifies the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after 30 days from giving the notice described in the preceding sentence, the Tax Commissioner may issue an execution for nonpayment of taxes. The Tax Commissioner then publishes a notice of the sale in a local newspaper weekly for four weeks and gives the taxpayer ten days written notice by registered or certified mail. A public sale of the property is then made by the Tax Commissioner at the Effingham County Courthouse on the first Tuesday of the month after the required notices are given.

Motor Vehicle Property Taxes

The State of Georgia Motor Vehicle Tax Unit assesses the value of all motor vehicles by make, model, and year and provides this information to each county's tax office. The State has two types of motor vehicle property taxes, the Title Ad Valorem Tax ("TAVT") and the Annual Ad Valorem Tax ("AAVT"). The TAVT applies to most vehicles purchased on March 1, 2013 or later, with a few exceptions. The AAVT applies to most vehicles purchased prior to March 1, 2013 and non-titled vehicles. The TAVT is a one-time tax that is paid at the time the vehicle is titled. It replaced motor vehicle sales tax and the AAVT and is paid every time vehicle ownership is transferred or a new resident registers the vehicle in Georgia for the first time. The current TAVT rate is 7.0% of the fair market value of the vehicle with respect to title transfers, 3.0% of the fair market value of the vehicle with respect to new resident registrations, and 0.5% of the fair market value of the vehicle for family member or inheritance title transfers. The AAVT applies to most vehicles not taxed under the TAVT method. The AAVT is a value tax that is assessed annually and must be paid at the time of registration. Payment of is a prerequisite to receiving a tag or renewal decal. The AAVT is due each year on all vehicles whether they are operational or not, even if the tag or registration renewal is not being applied for. The AAVT must be paid by the last day of a vehicle owner's registration period (birthday) to avoid a 10% penalty. Tax amounts vary according to the current fair market value of the vehicle and the tax district in which the owner resides. Tax receipts are distributed by each county tax office to the State, and applicable county, school district and municipality.

M&O Tax Digest

Set forth below is information concerning the assessed and estimated actual value of taxable property within the County for the past five calendar years.

			As of January 1		
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSESSED VALUES:					
Real and Personal Property ^{1,2}	\$1,899,596,556	\$2,028,471,834	\$2,274,870,621	\$2,807,130,506	\$3,517,638,785
Public Utilities ³	224,256,002	241,148,190	222,507,480	265,653,558	270,079,648
Motor Vehicles ⁴	35,108,070	31,403,080	26,625,270	26,625,270	26,625,270
Mobile Homes ⁵	18,900,428	22,170,857	24,235,021	22,013,267	22,013,267
Timber 100%	10,842,021	10,523,769	10,251,449	10,251,449	8,219,066
Heavy Equipment	711,931	618,452	692,787	692,787	76,340
Gross Tax Digest	2,189,415,008	2,334,336,182	2,559,182,628	3,132,366,837	3,844,652,376
Less ("M&O") Exemptions	(294,018,131)	(306,286,632)	(374,233,377)	(527,007,333)	(726,288,176)
Net M&O Tax Digest ⁶	1,895,396,877	<u>2,028,049,550</u>	<u>2,184,949,251</u>	<u>2,605,359,504</u>	<u>3,118,364,200</u>
ESTIMATED					
ACTUAL VALUE: ⁷	\$5,457,274,489	\$5,820,054,802	\$6,382,579,397	\$7,815,539,919	\$9,599,302,341

The State of Georgia requires all counties to assess real estate and personal property at the rate of at least 40% of estimated actual value, with the exception of timber, which is assessed at 100%.

Sources: Georgia Department of Revenue.

². Includes property that is categorized as agricultural, commercial, industrial, forest land conservation use, preferential, residential, qualified timber and conservation use.

The State of Georgia Property Tax Unit assesses the value of the property of public utilities at the percentage of fair market value used by the County. The Property Tax Unit then divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these figures to the County which bills these taxes to the utilities with the amount of tax for each.

⁴ The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia assesses the value of motor vehicles at the percentage of fair market value used by the County. Any motor vehicle purchased on or after March 1, 2013 is not subject to county ad valorem. Any motor vehicle purchased on or after March 1, 2013 is not subject to annual ad valorem taxes, but are subject to a one time title ad valorem tax.

⁵ The State of Georgia assesses the value of mobile homes at the percentage of fair market value used by the County.

⁶ Total assessed value, after deducting exemptions, for purposes of levying tax for the M&O of the Effingham.

⁷ Calculated by taking the Gross Tax Digest, less Timber (assessed at 100%), divided by 40%, plus Timber at 100%.

Millage Rates

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the County, School District and the municipalities located in the County for the past five calendar years.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
County					
County Incorporated	6.558	7.528	7.337	6.939	5.939
County Unincorporated	6.668	7.528	7.337	6.939	5.939
County Recreation	0.934	0.558	0.650	0.650	0.650
County Parks	-	-	0.100	0.100	0.100
County Wide-Medical-Indigent	1.977	1.710	1.600	1.580	1.480
County Wide Industrial Authority	2.000	2.000	2.000	2.000	2.00
County Uninc. Road and Rec.	-	-	-	-	-
County SSD – Public Works	1.149	0.822	1.250	1.250	1.250
County SSD – Rincon/FT HWRD	1.651	1.651	-	-	-
Effingham Gateway SSD ²	-	-	-	-	1.100
Research Forest SSD ²	-	-	-	-	1.100
Interstate 16 SSD ²	-	-	-	-	1.100
School District					
School M&O ¹	16.468	16.225	15.810	15.810	14.957
School Bond	0.000	0.000	0.000	0.000	0.000
Municipalities					
City of Guyton	3.655	3.566	3.234	2.929	2.300
City of Rincon	0.000	0.000	0.000	0.000	0.000
City of Springfield	4.800	5.800	5.831	7.000	6.00

¹ The annual rate of levy for M&O of the School District may not exceed 20 mills.

Source: Georgia Department of Revenue.

² The Special Service Districts began levying taxes in calendar year 2023.

Ten Largest Taxpayers

Set forth below is information concerning the ten largest taxpayers in the County in calendar year 2023.

<u>Taxpayer</u>	Type of Business	2023 Assessed <u>Value</u>	Assessed Value as a Percent of Gross <u>Assessed Values</u> ¹	2023 Taxes <u>Levied</u>
Georgia Power Company	Utility	\$156,505,047	3.94%	\$3,629,415.94
ELBA Express Company LLC	Utility	44,245,076	1.11	1,026,390.11
Oglethorpe Power Corp.	Utility	37,101,573	0.93	860,670.90
Leo at the Sanctuary LLC	Real Estate	17,039,860	0.43	531,294.51
Georgia Pacific LLC	Industrial	12,872,532	0.32	377,480.75
Interfor US Inc.	Industrial	9,925,304	0.25	238,370.36
D.R. Horton Inc.	Industrial	8,173,932	0.21	237,162.37
Georgia Transformer Corp.	Industrial	8,854,633	0.22	233,549.81
Americold Logistics LLC	Industrial	7,328,790	0.18	193,304.16
CF KL Assets 2019 2 LLC	Real Estate	6,214,123	<u>0.16</u>	185,366.32
Total		<u>\$308,260,870</u>	<u>7.76%</u>	\$7,513,005.23

Based on calendar year 2023 Gross Tax Digest of \$3,973,916,122.

Source: Effingham County Tax Commissioner.

M&O Tax Levies and Collections

The County levies M&O taxes on January 1 of each year and normally bills said taxes by September 15. M&O taxes are due and payable on the earlier of December 20 or 60 days after the tax bill is mailed. Set forth below is information concerning total real and personal property tax and public utilities tax collections of the County reported as of the County's fiscal years ended June 30, 2019, through June 30, 2023, for the prior calendar year's tax levy. The County may place liens on property once the related tax payments become delinquent.

	Fiscal Years Ending June 30,								
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>				
Current Year Levy	\$11,507,544	\$12,430,012	\$15,264,568	\$16,028,675	\$18,075,604				
Tax Collections									
Collection of Current Year's Taxes	11,315,648	12,165,583	14,785,923	15,758,223	17,428,453				
Collection of Prior Years' Taxes	388,143	208,117	383,842	284,815	455,309				
Total Tax Collections	\$11,703,791	\$12,373,700	\$15,169,765	\$16,043,038	\$17,883,762				
Current Years' Tax Collections as a Percent of Current Year's Levy	98.33%	97.87%	96.86%	98.31%	96.42%				
Total Tax Collections as a Percent of Current Year's Levy	101.71%	99.55%	99.38%	100.09%	98.94%				
Uncollected Current Year's Taxes	\$191,896	\$264,429	\$478,645	\$270,452	\$647,151				
Due Date of Taxes Tax Period Begins	11/15/18 07/01/18	11/15/19 07/01/19	11/15/20 07/01/20	11/15/21 07/01/21	11/15/22 07/01/22				
Tax Period Ends	06/30/19	06/30/20	06/30/21	06/30/22	06/30/23				

Current Year's M&O Tax Levy relates to the calendar year digest prior to the applicable fiscal year. For example, for collection period fiscal year 2023, current year tax levy and tax collections relate to calendar year 2022 digest.

Source: Effingham County Finance Department.

LEGAL MATTERS

Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The County, after reviewing the current status of all pending and threatened litigation with its counsel, The Newberry Law Firm, Springfield, Georgia, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the County.

There is no litigation now pending or, to the knowledge of the County, threatened against the County which restrains or enjoins the use of the proceeds of the Bonds, or which questions or contests the validity of the proceedings and authority under which the Bonds are to be issued. Neither the creation, organization, nor existence of the County nor the title of the present members or other officials of County to their respective offices is being contested or questioned.

Legal Proceedings

Validation of the Bonds. In accordance with the law of the State, the Bonds and the security therefor were confirmed and validated by judgment of the Superior Court of Effingham County, Georgia, on February 12, 2024 (Civil Action No. SU24CV010B). Under Georgia law, the judgment of validation is forever conclusive against the County.

Opinions of Counsel. All legal matters incidental to authorization and issuance of the Bonds are subject to the approval of Gray Pannell & Woodward LLP, Savannah, Bond Counsel. It is anticipated that the approving opinion will be in substantially the form attached hereto as Appendix B. Certain legal matters will be passed upon for the County by its counsel, the Newberry Law Firm, Springfield, Georgia. Gray Pannell & Woodward LLP, Savannah, Georgia, is acting as Disclosure Counsel. The payment of legal fees is contingent upon issuance of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the attorney or law firm does not become an insurer or guarantor of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX STATUS

Federal Tax Exemption.

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under § 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

State Tax Exemption.

In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Georgia income taxation.

Maintenance of Tax Status.

The Code and the regulations promulgated thereunder contain a number of restrictions, conditions and requirements that must be satisfied subsequent to the issuance of the Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the Bonds in the gross income of the holders thereof for federal income tax purposes retroactively to the date of issuance of the Bonds. The County has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the County complies with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Bonds. Bond Counsel has not undertaken to determine or to inform any person whether any action taken or not taken or any event occurring or not occurring after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code by the Treasury Department or the Internal Revenue Service, or future court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for or marketability of the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, regulatory initiatives or litigation.

The opinion expressed by Bond Counsel is based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the treatment of the Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the beneficial owners of the Bonds regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the beneficial owners) other than the County and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of Bonds is difficult, obtaining an independent review

of IRS positions with which the County legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the County or the beneficial owners of the Bonds to incur significant expense.

As to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel has relied upon representations and covenants made on behalf of the County and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the Bonds and of the property financed or refinanced thereby).

Reference is made to the proposed form of opinion of Bond Counsel relating to the Bonds attached hereto in Appendix B for the complete text thereof. See also "LEGAL MATTERS" herein.

Premium Bonds.

The Bonds have been sold to the public at an original issue premium. The Bonds which have been purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the "**Premium Bonds**") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. However, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium properly allocable to such purchaser during each year. Proceeds received from the sale, exchange, redemption, or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

The federal income tax treatment of bond premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Premium Bonds should consult an independent tax advisor in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering a Premium Bond at its maturity.

Other Tax Consequences.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers depending on their status and income. Prospective purchasers of the Bonds should consult independent advisors as to the consequences of owning the Bonds, including the effect of such ownership under applicable state and local laws and any collateral federal income tax and state tax consequences.

Information Reporting and Backup Withholding.

Interest paid on the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes, however, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the fourth lowest rate applicable to unmarried individuals with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This backup withholding generally applies if the owner of Bonds (i) fails to furnish the paying agent (or other person who otherwise would be required to withhold tax from such interest payments) such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances fails to provide the paying agent or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds also may wish to consult with independent tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions from backup withholding.

Disposition of the Bonds.

Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a Bond may result in a taxable event for federal income tax purposes.

RISK FACTORS

The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the Bonds.

Coronavirus (COVID-19)

Developments relating to COVID-19 and its variants continue to occur rapidly. Epidemiology experts predict continued multiple "waves" of infections from COVID-19. The duration and severity of COVID-19, and its ongoing impact on the State and County are unknown and will continue to evolve, particularly in light of the emergence of new COVID-19 variants. The County cannot predict what effect the spread of COVID-19 variants or the various governmental and private actions taken in response thereto will have on the finances or operations of the County.

Climate Change

Planning for climate change in the State and its impact on County's operations is an unknown challenge. The State's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of climate change is not yet known and therefore its future impact on the County cannot be quantified reliably at this time.

Cyber-Security

County. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the County, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the commercial operations, which could materially adversely affect the operations of the County.

MISCELLANEOUS

Rating

Moody's Investors Service, Inc. has assigned the rating of "Aa2" and to the Bonds. The rating reflects only the views of the rating agency, and an explanation of the significance of such rating may be obtained from the rating agency furnishing such rating. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that the rating will remain unchanged for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the liquidity and market price of the Bonds. The rating agency may be contacted as follows: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10041, telephone (212) 553-1362.

Underwriting

The Bonds were purchased at a competitive sale on April 2, 2024, by Jefferies LLC (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price of \$64,134,213.67, which represents the par amount of the Bonds, \$60,000,000.00, less Underwriter's Discount of \$25,579.38, plus Original Issue Premium of \$4,159,793.05. The initial public offering yields of the Bonds are shown on the inside cover page of this Official Statement and may be changed from time to time by the Underwriter. The Underwriter may also allow concessions from the public offering prices to certain dealers and others.

Continuing Disclosure

Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule") under the Securities Exchange Act of 1934 imposes continuing disclosure obligations on the issuers and obligors of certain state and municipal securities to permit participating underwriters to offer and sell the issuer's securities. The County will sign a Continuing Disclosure Certificate in connection with the issuance of the Bonds, under the provisions of which it will covenant for the benefit of the beneficial owners of the Bonds to provide (i) certain financial information and/or operating data relating to the County (the "Annual Report") and (ii) notices of the occurrence of certain enumerated events, if material. The Annual Report and the notices of material events will be filed electronically with the Electronic Municipal Market Access website ("EMMA"), an Internet-based electronic filing system supported by the Municipal Securities Rulemaking Board ("MSRB"). The specific nature of the information to be contained in the Annual Report or in the notices of material events is in "Appendix C: FORM OF THE CONTINUING DISCLOSURE CERTIFICATE." These covenants will be made by the County in order to assist the Underwriter in complying with the Rule.

The undertakings described above may be amended or modified from time to time in accordance with the terms of the Continuing Disclosure Certificate. The County will reserve the right to terminate its obligation to provide annual financial information and notices of enumerated events if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

The County agrees that its undertaking pursuant to the Rule described in the Continuing Disclosure Certificate is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by such holders and beneficial owners; provided that the right to enforce the provisions of this undertaking shall be limited to a right to seek mandamus or specific performance to cause the County to comply with its obligations. Any failure by the County to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds under the Resolution. With respect to the Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information. The County fully anticipates satisfying all obligations in connection therewith.

Over the last five years, the County has not been responsible for continuing disclosure obligations under the Rule. The County plans to implement internal procedures to ensure filings are completed and filed with EMMA in a timely manner and that incomplete or late filings are remedied.

Independent Auditors; Financial Statements

Lanier, Deal, Proctor & Bloser, Statesboro, Georgia, has been employed by the County as its independent auditor. The financial statements of the County as of June 30, 2023, and for the year then ended, attached hereto as Appendix A, have been audited by Lanier, Deal, Proctor & Bloser, to the extent and for the period indicated in their report thereon which appears in such appendix. Such financial statements have been included herein in reliance upon the report of Lanier, Deal, Proctor & Bloser.

Financial Advisor

Davenport & Company LLC, Atlanta, Georgia, has been employed by the County as their financial advisor for the offering. The financial advisor has not conducted a detailed investigation of the affairs of the County to determine the completeness or accuracy of this Official Statement. Because of its limited participation, the financial advisor has not independently verified any of the data contained herein and has no responsibility for the accuracy or completeness thereof.

Miscellaneous

The references, excerpts, and summaries of all documents, statutes, and information concerning the County and certain reports and statistical data referred to herein do not purport to be complete, comprehensive, and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights and obligations of the owners thereof and to each such statute, report, or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

Forward-Looking Statements

Any statements made in this Official Statement, including in the Appendices, involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including in the Appendices, that are not purely historical, are forward-looking statements. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof and the County does not assume any obligation to update any such forward-looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements. The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement, including in the appendices, would prove to be accurate.

Certification

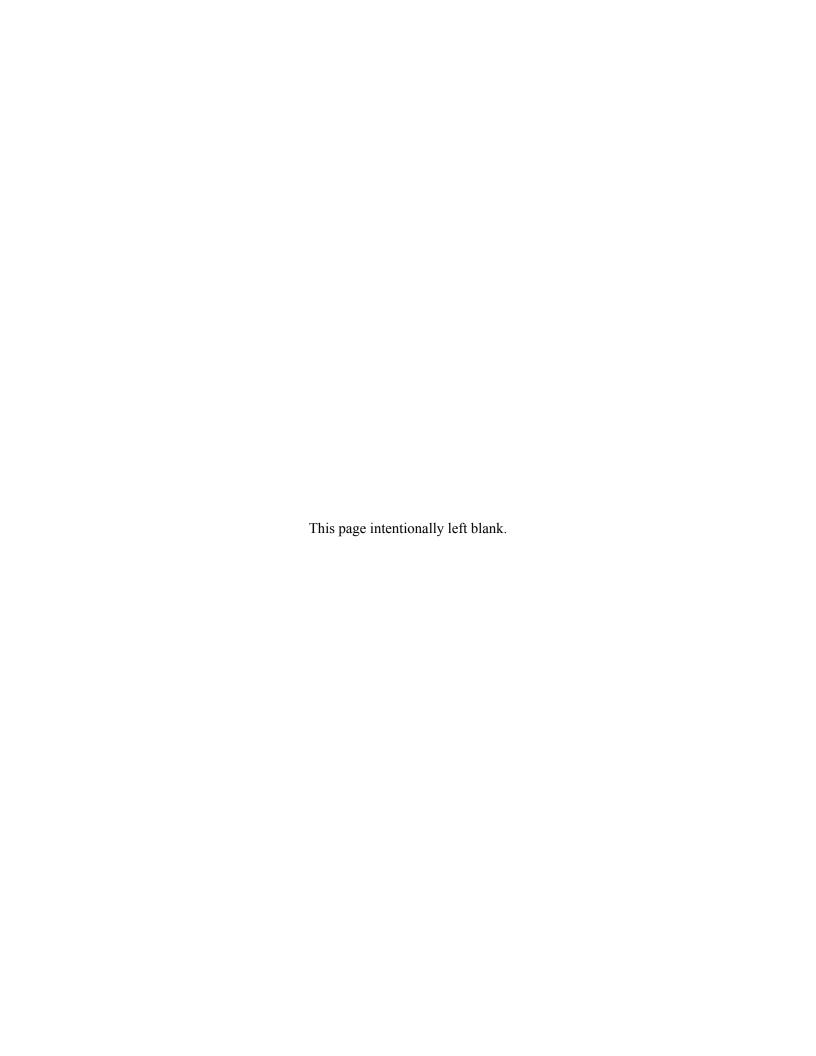
The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the County.

EFFINGHAM COUNTY, GEORGIA

By: /s/ Wesley Corbitt
Chairman
Board of Commissioners

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF EFFINGHAM COUNTY, GEORGIA FOR THE FISCAL YEAR ENDED JUNE 30, 2023



ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

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LANIER, DEAL, PROCTOR & BLOSER

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners Effingham County, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Effingham County, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Effingham County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Effingham County, Georgia, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Special Tax District Fund, American Rescue Plan Act Fund, and Hospital Indigent Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Effingham County Board of Health, a component unit, which represents 1.1%, 1.2%, and 1.4%, respectively, of the assets, net position, and revenues of Effingham County, Georgia as of June 30, 2023, and the respective changes in financial position for the year then ended. We did not audit the financial statements of the Effingham County Hospital Authority, a component unit, which represents 19.8%, 0.4%, and 60.1%, respectively, of the assets, net position, and revenues of Effingham County, Georgia as of June 30, 2023, and the respective changes in financial position for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Effingham County Board of Health and Effingham County Hospital Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Effingham County, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Effingham County, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Effingham County, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Effingham County, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of projects paid with special sales tax proceeds, and schedule of projects paid with transportation special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of projects paid with special sales tax proceeds, and schedule of projects paid with transportation special sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2024 on our consideration of the Effingham County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on

the effectiveness of the Effingham County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Effingham County, Georgia's internal control over financial reporting and compliance.

Lanier, Deal, Proctor + Bloser

Statesboro, GA March 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Effingham County, Georgia (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2023. 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 \$223,371,849 (net position) for the fiscal year reported.
- Total net position comprises the following:
 - (1) Capital assets, net of related debt, of \$142,985,074 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 \$52,822,091 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$27,564,684 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 \$107,359,954 this year. This compares to the prior year ending fund balance of \$102,075,229 showing an increase of \$5,284,725 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 \$1,828,485.
 - (2) At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,604,088 or 58.87% of total General Fund expenditures for the fiscal year ending June 30, 2023.

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 June 30, 2023

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

The government-wide financial statements are presented on pages 14 & 15 of this report.

Fund Financial Statements

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

The County has two kinds of funds:

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

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

The basic governmental fund financial statements are presented on pages 16 through 24 of this report.

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

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

The basic enterprise fund financial statements are presented on pages 25 through 27 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 30 of this report.

Other Supplementary Information

As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 53.

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 \$223,371,849. The following table provides a summary of the County's net position:

Summary of Net Position (in million

	Governmental Activities		Business-type	Activities	Total			
	2023	2022	2023	2022	2023	2022		
Assets:								
Current Assets	128.1	122.2	9.0	10.4	137.1	132.6		
Capital Assets	138.4	123.7	38.1	34.3	176.5	158.0		
Total Assets	266.5	245.9	47.1	44.7	313.6	290.6		
Liabilities								
Current Liabilities	30.8	29.5	6.0	4.5	36.8	34.0		
Long- Term Liabilities	33.1	42.5	19.7	21.1	52.8	63.6		
Total Liabilities	63.9	72.0	25.7	25.6	89.6	97.6		
Deferred Inflows of Resources	0.6	0.7			0.6	0.7		
Net Position								
Net Investment in Capital Assets	124.5	96.5	18.5	15.0	143.0	111.5		
Restricted	52.8	55.5	-	-	52.8	55.5		
Unrestricted	24.7	21.2	2.9	4.1	27.6	25.3		
Total Net Position	202.0	173.2	21.4	19.1	223.4	192.3		

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 4.2 to 1.

The County reported positive balances in net position for both governmental and business-type activities. Net position increased by \$28,737,252 for governmental activities and increased by \$2,307,480 for business-type activities. Note that approximately 62% 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 \$2,877,552 of unrestricted, undesignated net position and \$18,530,418 invested in capital assets with total net position of \$21,407,970. 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, 2023

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

Summary of Changes in Net Position

			2023	, , , , , , , , , , , , , , , , , , ,	of Changes in N	et i osition			2022			
		overnmental Activities	Business Activities		Total	% of Total	G	overnmental Activities	Business Activities		Total	% of Total
Revenues:												
Program:												
Charges for services	\$	16,548,323	\$ 10,494,859	\$	27,043,182	23%	\$	16,368,106	\$ 8,744,828	\$	25,112,934	24%
Operating grants		1,924,363	-		1,924,363	2%		1,338,018	-		1,338,018	1%
Capital grants		2,505,579	812,409		3,317,988	3%		2,370,359	2,419,321		4,789,680	5%
General:												
Taxes		81,421,718			81,421,718	71%		71,782,473			71,782,473	69%
Other		1,527,997	86,778		1,614,775	1%		522,709	8,136		530,845	1%
Total revenues		103,927,980	11,394,046	_	115,322,026	100%	_	92,381,665	11,172,285	_	103,553,950	100%
Program Expenses:												
General government		8,554,179			8,554,179	10%		7,561,610			7,561,610	11%
Judicial		4,162,058			4,162,058	5%		3,546,612			3,546,612	5%
Public safety		35,506,239			35,506,239	42%		30,745,424			30,745,424	43%
Public works		9,418,286			9,418,286	11%		9,284,255			9,284,255	13%
Health and welfare		4,549,876			4,549,876	5%		5,121,721			5,121,721	7%
Culture and recreation		3,782,494			3,782,494	4%		3,015,447			3,015,447	4%
Housing and development		6,325,104			6,325,104	8%		2,042,953			2,042,953	3%
Interest		879,860			879,860	1%		664,791			664,791	1%
Water & Sewer			6,200,797		6,200,797	8%			4,115,939		4,115,939	6%
Wastewater Treatment Plant			-		-	0%			1,464,553		1,464,553	2%
Sanitation			4,788,648		4,788,648	6%			4,322,548		4,322,548	6%
Other			109,753		109,753	0%			65,148		65,148	0%
Total expenses		73,178,096	11,099,198		84,277,294	100%		61,982,813	9,968,188		71,951,001	100%
Excess		30,749,884	294,848		31,044,732			30,398,852	1,204,097		31,602,949	
Transfers		(2,012,632)	2,012,632		-			(1,600,721)	1,600,721		-	
Special Items	s				-			<u> </u>				
Change in net position		28,737,252	2,307,480		31,044,732			28,798,131	2,804,818		31,602,949	
Beginning net position		173,226,626	19,100,490		160,724,168			144,428,496	16,295,672		160,724,168	
Prior period adjustment												
Ending net position	\$	201,963,878	\$ 21,407,970	\$	191,768,900		\$	173,226,627	\$ 19,100,490	\$	192,327,117	

Governmental Revenues

The County is heavily reliant on property and sales taxes to support governmental operations. In 2023, excluding property taxes for the hospital authority, property taxes provided 27.83% of the County's governmental revenues. Inclusive of hospital property taxes, total property taxes provided 31.88% of governmental revenues and sales taxes provided 41.17% of the County's governmental revenues. Charges for services and other program revenues cover only 28.67% of governmental operating expenses. This means that the government's taxpayers and the County's other general revenues fund 71.33% 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 48.52% (49.60% in 2022) of the County's total governmental expenses. The public works function makes up 12.87% (14.98% in 2022) 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			Net Cost
		of Services		of Services
General government	\$	8,554,179	\$	6,388,316
Judicial		4,162,058		3,664,928
Public safety		35,506,239		22,318,916
Public works		9,418,286		7,140,289
Health and welfare		4,549,876		4,031,463
Culture and recreation		3,782,494		3,255,056
Housing and development		6,325,104		4,521,003
Interest on long-term debt		879,860		879,860
Total	\$	73,178,096	\$	52,199,831

Business-Type Activities

The County is in its twentieth year of the development of its water and sewer operations. The operating revenues for water, sewer, and wastewater in 2023 were \$5,761,137 and \$4,697,644 for 2022. Note that as of 2019 cost recovery fees are no longer classified as operating revenues. Operating expenses for 2023 were \$5,575,701 and \$4,919,038 for 2022. Operating income of \$185,436 was earned for 2022 and for 2023 the operating loss was \$221,394.

The operating revenues for the sanitation fund were \$4,732,547 for 2023 and \$4,046,240 for 2022. This activity resulted in an operating loss of \$56,101.

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 \$107,359,954. Of this year-end total, \$25,604,088 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: \$34,630,597 committed to approved SPLOST projects from sales tax, and \$7,131,952 restricted to public safety purposes including the Emergency 911 program and Fire Services. In addition, there is \$25,112,568 restricted for TSPLOST projects.

The total ending fund balances of governmental funds show an increase of \$5,284,725 or 5.18% of the prior year's total fund balance. This increase is primarily the result of both events and programs described within the analysis of the County's governmental activities presented in the next section.

Major Governmental Funds

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$4,056,141 from the prior year. This was due to revenues exceeding expectations and expenses coming in below expectations for 2023.

Property tax revenues have increased from the prior year collections. Note that with the creation of the roads and recreation millage rates, those taxes are recorded in the Special Tax District fund. The digest increased from \$2,189,559,452 for tax year 2021 to \$2,651,791,563 for tax year 2022. In tax year 2022 (which funds fiscal year 2023) the millage rate was 6.939 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 58.87% of actual annual expenditures.

The total general fund expenditures were approximately \$43.5 million, a decrease from the prior year. Major groupings of expenditures showed:

General fund general government costs decreased from \$7,604,329 in 2022 to \$7,563,763 in 2023.

General fund public safety costs increased from \$23,277,881 in 2022 to \$24,578,797 in 2023.

Special Tax District fund Public Works costs increased from \$1,972,597 in 2022 to \$2,305,137 in 2023.

Special Tax District fund Recreation costs increased from \$1,982,392 in 2022 to \$2,265,626 in 2023.

Proprietary Funds

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

General Fund Budgetary Highlights

Revenues - The overall revenue budget was amended upward by \$789,319 primarily related to sales tax. The actual revenue from charges for services was \$650,683 above the final budget. Property taxes were \$951,430 above the final budgeted revenue, primarily due to vehicle TAVT receipts. Sales tax revenue performed exceptionally well, with actuals being \$943,424 above budget. For investment earnings, the revenue was above budget by \$780,607, an exceptional number driven by increased interest rates.

Expenditures - The expenditure side of the original budget for the general fund was revised upward for various items including debt service amounts related to the vehicle fleet, energy excise tax payments to the cities, and personnel changes including the hiring of additional school resource officers.

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, 2023, was \$138,425,860 and \$38,134,674 respectively. The total net increase in this net investment was \$14,728,743 for governmental activities, and a \$3,876,991 increase for business-type activities. The major changes in these amounts relate to additions in governmental activities assets of \$25,711,631 and deductions of \$3,545,875. Depreciation for governmental activities was \$8,306,857. Business-type assets depreciation was \$1,169,783.

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.

		Capita	l Assets					
	Governmen	tal Activities	Business	Activities	Total			
	2023	2022	2023	2022	2023	2022		
Non-depreciable assets:								
Land	\$ 8,477,437	\$ 8,467,437	\$ 1,643,620	\$ 1,086,706	\$ 10,121,057	\$ 9,554,143		
Easements	964,330	964,330	152,358	152,358	1,116,688	1,116,688		
Construction in progress	33,992,076	33,205,062	4,267,409	3,190,010	38,259,485	36,395,072		
Total non-depreciable assets	43,433,843	42,636,829	6,063,387	4,429,074	49,497,230	47,065,903		
Depreciable assets:								
Buildings	75,826,548	73,469,596	16,842,312	16,842,312	92,668,860	90,311,908		
Other equipment	39,685,155	37,225,753	3,438,324	3,316,846	43,123,479	40,542,599		
Right-to-use lease equipment	4,251,653	3,027,088	71,791	-	4,323,444	3,027,088		
Subscription-based IT arrangements	14,715	-	-	-	14,715	-		
Infrastructure	148,345,862	133,032,754	30,341,628	27,122,436	178,687,490	160,155,190		
Total depreciable assets	268,123,933	246,755,191	50,694,055	47,281,594	318,817,988	294,036,785		
Less accumulated depreciation	173,131,916	165,694,903	18,622,768	17,452,985	191,754,684	183,147,888		
Book value - depreciable assets	94,992,017	81,060,288	32,071,287	29,828,609	127,063,304	110,888,897		
Remaining to depreciate	35%	33%	63%	63%	40%	38%		
Book value - all assets	\$ 138,425,860	\$ 123,697,117	\$ 38,134,674	\$ 34,257,683	\$ 176,560,534	\$ 157,954,800		

At June 30, 2023, the depreciable capital assets for governmental activities had 35% remaining to depreciate.

EFFINGHAM COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2023

Long-term Debt

At the end of the fiscal year, the County had total capital leases outstanding of \$3,571,564, bonds payable within the government-type activities of \$37,442,000 and bonds payable within the business-type activities of \$21,080,000.

During the year, the County retired \$415,289 of notes payable, \$9,533,000 of bonds payable, and \$661,562 of leases payable within the governmental activities.

During fiscal year 2018, the County refinanced all existing GEFA debt that was carried in the Water & Sewer and Wastewater Treatment Plant enterprise funds by issuing a revenue bond. An additional \$8,000,000 was also issued with this revenue bond, bringing the total bond issuance to \$28,935,000. Of this new bond, \$1,385,000 was retired in fiscal year 2023. The related GEFA debt was fully retired previously, in fiscal year 2018.

		Govern Acti	Percentage		
		2023	2022	Change	
Notes Payable	\$	738,755	\$ 1,154,044	-36%	
Bond payable		37,442,000	46,975,000	-20%	
Leases payable		3,504,787	2,793,057	25%	
Subscriptions payable		9,634	-	0%	
Landfill post-closure care		1,828,485	1,708,865	7%	
Compensated absences		1,521,133	 1,327,666	15%	
Total	\$	45,044,794	\$ 53,958,632	-17%	

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

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

See notes 8, 9, 10, and 11 for additional information about the County's long-term debt.

Economic Conditions Affecting the County

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

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

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

Contacting the County's Financial Management

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

EFFINGHAM COUNTY, GEORGIA STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government		Component Unit			
	Governmental	Business-type		Effingham County	Effingham County	
	Activities	Activities	Total	Hospital Authority	Board of Health	
ASSETS	0 (0 427.71)	6 (20.401	A 67.067.207	A 644 600	D 2446.060	
Cash and cash equivalents Restricted cash	\$ 60,427,716 247,331	\$ 6,639,491	\$ 67,067,207 247,331	\$ 4,644,609	\$ 3,446,868	
Investments	58,196,594	1,571,689	59,768,283	-	-	
Receivables:	20,170,271	1,5 / 1,005	55,700,205			
Accounts	1,058,404	682,776	1,741,180	9,099,322	7,873	
Taxes	1,001,624	-	1,001,624	-	-	
Intergovernmental	4,911,490	-	4,911,490	-	35,564	
Leases Other	650,730	-	650,730	19,412		
Internal balances	(2,940)	2,940	-	19,412	-	
Inventories	67.042	58,130	125,172	1,378,218	_	
Prepaid items	1,559,682	2,723	1,562,405	-	-	
Other current assets	-	-	-	463,959	-	
Nondepreciable capital assets	43,433,843	6,063,387	49,497,230	5,524,657	-	
Depreciable capital assets, net	94,992,017	32,071,287	127,063,304	38,722,573	7,292	
Noncurrent cash and investments: Internally designated for retirement plan				96,585		
Internally designated for capital improvements	_	-	-	1,810,519	-	
Notes receivable	-	-	-	15,000	_	
Other assets				333,298		
Total Assets	266,543,533	47,092,423	313,635,956	62,108,152	3,497,597	
DEFERRED OUTFLOWS OF RESOURCES						
Resources related to pensions and OPEB				-	630,956	
LIABILITIES						
Current Liabilities:						
Accounts payable Accrued interest payable	6,149,222 58,712	2,762,471 46,600	8,911,693 105,312	7,720,061	14,425	
Other accrued liabilities	670,562	40,000	670,562	4,121,131	-	
Performance bonds	714,430	_	714,430	-,121,131	_	
Customer deposits	´-	345,500	345,500	-	-	
Unearned revenue	11,311,055	1,383,021	12,694,076	-	-	
Line of credit	-	-	-	2,925,000	-	
Compensated absences payable	912,680	50	912,730	056 127	15,100	
Leases payable Subscriptions payable	854,747 5,192	12,663	867,410 5,192	956,137 953,300	-	
Notes payable	386,792	-	386,792	581,722	-	
Bonds payable	9,674,000	1,425,000	11,099,000	1,634,000	-	
Landfill post-closure care costs	110,000		110,000			
Total Current Liabilities	30,847,392	5,975,305	36,822,697	18,926,442	29,525	
Long-Term Liabilities:	251.052		251.052	4 0 5 2 2 5 4		
Notes payable (net of current portion)	351,963 27,768,000	19,655,000	351,963 47,423,000	1,852,371 27,121,000	-	
Bonds payable (net of current portion) Compensated absences payable (net of current portion)	608,453	19,655,000	608,487	27,121,000	60,398	
Leases payable (net of current portion)	2,650,040	54,114	2,704,154	2,882,494	-	
Subscriptions payable (net of current portion)	4,442	-	4,442	10,385,113	-	
Landfill post-closure care costs (net of current portion)	1,718,485	-	1,718,485	-	-	
Net pension liability	-	-	-	-	1,232,778	
Net OPEB liability Total Long-Term Liabilities	33,101,383	19,709,148	52,810,531	42,240,978	(1,796)	
Total Liabilities	63,948,775	25,684,453	89,633,228	61,167,420	1,320,905	
DEFERRED INFLOWS OF RESOURCES	03,710,773	25,001,133	07,033,220	01,107,120	1,520,505	
Resources related to pensions and OPEB	-	_	_	_	94,201	
Lease related	630,879		630,879			
Total Deferred Inflows of Resources	630,879		630,879		94,201	
NET POSITION						
Net investment in capital assets	124,454,656	18,530,418	142,985,074	(2,118,907)	7,292	
Restricted for:						
Capital projects	32,059,782	-	32,059,782	-	-	
Service delivery to unincorporated areas	7,573,258	-	7,573,258	-	-	
Debt service Other purposes	91 13,188,960	-	91 13,188,960	-	455,815	
Unrestricted	24,687,132	2,877,552	27,564,684	3,059,639	2,250,340	
Total Net Position	\$ 201,963,879	\$ 21,407,970	\$ 223,371,849	\$ 940,732	\$ 2,713,447	
- veni . et i vatton	y 201,703,077	ψ 21, 70 1,770	Ψ 223,3/1,0 1 7	ψ /πυ,132	Ψ 4,/13,74/	

EFFINGHAM COUNTY, GEORGIA STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Program/Function Expenses Charges for Services and Courributions Capital Grammary Government Cacuminated Cacuminat			Primary Government	1		Component Unit
es 8,554,179 \$ 1,966,361 \$ 173,849 \$ 323,983	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Effingham County Hospital Authority	Effingham County Board of Health
\$ 8.554,179 \$ 1,966,361 \$ 173,849 \$ \$ 323,983 \$ 35,506,239 \$ 4,162,058 \$ 98,949 \$ 12,042,640 \$ 1,033,118 \$ 2,541,826 \$ 12,042,640 \$ 1,033,118 \$ 2,541,826 \$ 12,042,640 \$ 1,033,118 \$ 2,543,486 \$ 145,000 \$ 373,413 \$ 2,782,494 \$ 1,804,101 \$ - \$ \$ 879,860 \$ 16,548,323 \$ 1,924,363 \$ 2,33 \$						
1,267,37 1,264,40 1,033,118 2,24,82,494 3,23,983 3,5,66,239 12,042,640 1,033,118 2,4,18,286 4,5,400 3,7,413 2,7,82,494 4,12,272 -	\$ 25 653	(918 8319)	•	918 888 9)	•	•
35.06.239 35.06.239 12.02.64 145.000 373.413 25.43876 145.000 373.413 25.43876 145.000 373.413 25.84.3413 27.84.95 27.84.101 28.87.860 27.84.101 28.87.860 27.84.101 28.87.860 27.84.132 27.84.132.547 27.84.106 27.88.648 27.104.189 2						•
94,826 145,000 373,413 273,413 45,000 activities	971,47	(3,004,726)		(3,004,726)	•	
1,804,101 2,525,104 1,804,101 2,535,104 1,804,101 2,535,104 1,804,101 2,535,104 1,804,101 2,535,104 1,904,133 2,535 2,535,104 1,097,138 2,548,323 1,097,33 1,097,138 2,548,323 1,097,33 1,097,138 2,548,323 1,097,33 2,548,323 1,097,33 2,548,323	200,176	(22,316,910)		(22,316,910)	•	•
## 1,24,870 ## 1,34,870 ## 1,34,100 ## 1,34,131 ## 1,32,104 ## 1,34,100 ## 1,34,131 ## 1,32,104 ## 1,34,101 ## 1,34,102 ## 1,34,103 ## 1,34,131 ## 1,32,104 ## 1,32,44 ## 1,32,104 ## 1,32,104 ## 1,32,44 ## 1,32,413 ## 1,32	166,117,7	(7,140,289)		(7,140,289)		•
3,782,494	. :	(4,031,463)		(4,031,463)		•
activities	36,166	(3,255,056)		(3,255,056)		•
activities		(4,521,003)		(4,521,003)		•
activities		(879,860)		(879,860)	•	•
6,200,797 5,761,137	2,505,579	(52,199,831)		(52,199,831)		
## definition						
activities	681,362		\$ 241,702	241,702		•
109,753			(56,101)	(56,101)		'
11,099,198	131,047	•	22,469	22,469		•
S	812,409		208,070	208,070		
ital Authority \$ 76,225,498 \$ 63,166,384 \$ 4,362,775 \$ 5 d of Health \$ 1,267,377 \$ \$ 63,62,904 \$ \$ 5,115,651 \$ \$ \$ 77,492,875 \$ \$ 63,622,904 \$ \$ 5,115,651 \$ \$ \$ 8 d of Health \$ 1,267,377 \$ \$ 63,622,904 \$ \$ 5,115,651 \$ \$ \$ 8 d of Health \$ \$ 77,492,875 \$ \$ 63,622,904 \$ \$ 5,115,651 \$ \$ \$ \$ 8 d of Health \$ \$ 8 d of Health \$ \$ \$ 77,492,875 \$ \$ \$ 63,622,904 \$ \$ 5,115,651 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2 2 1 1 0 8 0	(52, 100, 621)	000	(192 100 13)		
tial Authority		(32,199,831)	208,070	(51,991,701)		
General Revenues Froperty taxes levied for general government purposes Property taxes levied for general government purposes Property taxes levied for hospital Sales taxes Insurance premium tax Other taxes Loss on sale of capital assets Investment carnings Other Total General Revenues Total General Revenues and Transfers Change in Net Position Net Position Beginning of Year	\$ 949,933				\$ (7,746,406)	
General Revenues Property taxes levied for general government purposes Property taxes levied for hospital Sales taxes Insurance premium tax Other taxes Loss on sale of capital assets Investment earnings Other Total General Revenues Transfers Change in Net Position Net Position	\$ 949,933				(7,746,406)	
General Revenues Property taxes levied for general government purposes Property taxes levied for hospital Sales taxes Insurance premium tax Other taxes Loss on sale of capital assets Investment earnings Other Total General Revenues Transfers Change in Net Position Net Position						
Property taxes levied for hospital Sales taxes Insurance premium tax Other taxes Loss on sale of capital assets Investment earnings Other Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position	S C C C C C C C C C C C C C C C C C C C	25 100 00		25 100 00		
Sales taxes Insurance premium tax Other taxes Loss on sale of capital assets Investment earnings Other Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position	r burboses	4 215 187		4215,763		
Insurance permium tax Other taxes Loss on sale of capital assets Insurance recoveries Investment camings Other Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position		42 791 496		42 791 496		
Other taxes Loss on sale of capital assets Loss on sale of capital assets Investment earnings Other Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position		2 704 804		2 704 804		
Loss on sale of capital assets Insurance recoveries Investment earnings Other Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position		1,794,604		1,608,468		•
Loss on sac of replant assets Investment earnings Investment earnings Other Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position		1,096,406		1,096,406		•
Institute recoveres Investment earnings Other Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position		(7,01,0)		(71,01,1)		•
Other Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position Beginning of Year		126,310	022.70	126,310	273 01	•
Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position Beginning of Year		435,538	00,7,00	435,538	777,196	371,087
Total General Revenues Transfers Total General Revenues and Transfers Change in Net Position Net Position Beginning of Year						
Transfers Total General Revenues and Transfers Change in Net Position Net Position Beginning of Year		82,949,715	86,778	83,036,493	796,772	371,087
Total General Revenues and Transfers Change in Net Position Net Position Beginning of Year		(2,012,632)	2,012,632			
Change in Net Position Net Position Beginning of Year		80,937,083	2,099,410	83,036,493	796,772	371,087
Net Position Beginning of Year		28,737,252	2,307,480	31,044,732	(6,949,634)	313,106
		173,226,627	19,100,490	192,327,117	7,890,366	2,400,341
Not Position End of Voor		\$ 201.063.870	\$ 21.407.070	\$ 223 371 840	\$ 940 732	2 7713 447

EFFINGHAM COUNTY, GEORGIA BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

	General	Special Tax District	American Rescue Plan Act	Hospital Indigent	2017 SPLOST	TSPLOST	2021 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents Restricted cash	\$ 3,317,905 247,331	\$ 4,285,231	\$ 11,242,340	\$ 693,995	\$ 3,496,626	\$ 14,041,510 -	\$15,582,796 -	\$ 7,199,682	\$ 59,860,085 247,331
Investments	23,594,445	3,177,316	-	1,027,691	8,599,161	10,648,275	8,620,894	2,528,812	58,196,594
Receivables:									
Accounts	539,442	74,549	26	25,925	-	-	-	47,813	687,755
Taxes	819,536	182,088	-	-	-	-	-	-	1,001,624
Leases	650,730	-	-	-	-	-	-	-	650,730
Intergovernmental	1,746,083	-	-	-	518,605	943,844	1,429,835	273,123	4,911,490
Interfund	24,314	1,654	-	-	-	-	-	74,101	100,069
Inventories	12,623	13,830	-	-	40,589	-	-	-	67,042
Prepaid items	1,287,058	20,576	 -	67,297	-	-		41,056	1,415,987
TOTAL ASSETS	\$ 32,239,467	\$ 7,755,244	\$ 11,242,366	\$ 1,814,908	\$ 12,654,981	\$ 25,633,629	\$25,633,525	\$ 10,164,587	\$127,138,707
LIABILITIES									
Accounts payable	\$ 914,117	\$ 165,541	-	-	\$ 2,847,224	\$ 485,561	\$ 717,376	\$ 373,206	\$ 5,503,025
Accrued liabilities	522,409	16,445	-	-	-	-	-	131,708	670,562
Performance bonds	703,045	-	-	-	-	-	-	11,385	714,430
Interfund payable	14,956	-	-	-	-	-	52,720	35,333	103,009
Unearned revenue	33,189		\$ 11,242,366			35,500			11,311,055
TOTAL LIABILITIES	2,187,716	181,986	 11,242,366		2,847,224	521,061	770,096	551,632	18,302,081
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - property taxes	688,618	157,175	-	-	-	-	-	-	845,793
Lease related	630,879	-	-	-	-	-	-	-	630,879
TOTAL DEFERRED INFLOWS OF RESOURCES	1,319,497	157,175	-	_	-				1,476,672
FUND BALANCES									
Nonspendable									
Inventories	12,623	13,830	-	-	40,589	-	-	-	67,042
Prepaid items	1,287,058	20,576	-	\$ 67,297	-	-	-	41,056	1,415,987
Restricted									
Landfill post-closure costs	1,828,485	-	-	-	-	-	=	-	1,828,485
Special service district - unincorporated area	-	7,381,677	-	-	-	-	=	-	7,381,677
Public safety	-	-	-	-	-	-	-	7,131,952	7,131,952
Public works, public safety, and recreation	-	-	-	-	-	-	-	67,525	67,525
Housing and development	-	-	-	-	-	-	-	2,119,016	2,119,016
Health and welfare	-	-	-	1,747,611	-	-	-	199,429	1,947,040
Judicial	-	-	-	-	-	-	-	53,886	53,886
Capital projects - SPLOST	-	-	-	-	9,767,168	-	24,863,429	-	34,630,597
Capital projects - TSPLOST	-	-	-	-	-	25,112,568	-	-	25,112,568
Debt service	-	-	-	-	-	-	-	91	91
Unassigned	25,604,088	-	 -		-	-			25,604,088
TOTAL FUND BALANCES	28,732,254	7,416,083	 -	1,814,908	9,807,757	25,112,568	24,863,429	9,612,955	107,359,954
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 32,239,467	\$ 7,755,244	\$ 11,242,366	\$ 1,814,908	\$ 12,654,981	\$ 25,633,629	\$25,633,525	\$ 10,164,587	\$127,138,707

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2023

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

Total Governmental Fund	l Balances			\$ 107,359,954				
Capital assets used in gover	nmental activities are not financial							
resources and therefore ar	re not reported in the funds:							
	Cost	\$	311,557,776					
	Less accumulated depreciation		(173,131,916)	138,425,860				
The internal service fund is	used by management to charge the co	osts of						
	lividual funds. Certain assets and liab included in governmental activities co							
om the statement of net po	435,778							
_	not available to pay for current period e are reported as unavailable revenue							
	Property taxes			845,793				
•	ding leases, bonds payable, compensa sure and postclosure care costs are no							
	iod and therefore are not reported in t							
but are reported on the sta								
•	Accrued interest payable	\$	(58,712)					
	Leases payable		(3,504,787)					
	Subscriptions payable		(9,634)					
	Notes payable		(738,755)					
	Bonds payable		(37,442,000)					
	Landfill post-closure care costs		(1,828,485)					
	Compensated absences payable (1,521,133)							
Net Position Of Governme	ental Activities			\$ 201,963,879				

EFFINGHAM COUNTY, GEORGIA STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

DOMESTIC	General	Special Tax District	American Rescue Plan Act	Hospital Indigent	2017 SPLOST	TSPLOST	2021 SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES	6 27 260 242	6 5 700 440		6.4.272.040	0 2.652	6 12 172 426	6 17 200 527	e 2.040.00 <i>c</i>	e el 540.222
Taxes	\$ 37,260,243	\$ 5,799,440	-	\$4,262,948	\$ 2,652	\$ 13,173,426	\$17,200,527	\$ 3,840,986	\$ 81,540,222
Licenses and permits	41,250	-		-	-	-	.	1,746,793	1,788,043
Intergovernmental	1,650,796		\$ 81,566	-	-	-	1,156,484	7,258	2,896,104
Charges for services	5,814,572	485,578	-	-	-	-	-	6,114,560	12,414,710
Fines and forfeitures	1,815,510	-	-	-	-	-	-	530,060	2,345,570
Contributions and donations	8,325	4,202	-	-	-	-	25,000	27,358	64,885
Investment earnings	792,607	141,241	-	9,928	435,540	398,826	180,580	112,044	2,070,766
Other	434,038							1,500	435,538
Total revenues	47,817,341	6,430,461	81,566	4,272,876	438,192	13,572,252	18,562,591	12,380,559	103,555,838
EXPENDITURES									
Current:									
General government	7,563,763	-	-	-	-	-	-	-	7,563,763
Judicial	4,081,377	-	-	-	-	-	-	-	4,081,377
Public safety	24,578,797	-	-	-	-	_	_	8,256,378	32,835,175
Public works	212,106	2,305,137	_	_	_	_	_	-,,	2,517,243
Health and welfare	871,270	-	_	3,552,089	_	_	_	149,592	4,572,951
Culture and recreation	754,667	2,265,626	_	-	_	_	_		3,020,293
Housing and development	4,656,604	2,203,020	_	_	_	_	_	1,631,300	6,287,904
Capital outlay:	4,050,004							1,031,300	0,207,704
General government		_					144,795		144,795
Public safety					1,944,100		431,374	2,803,468	5,178,942
Public works	-	189,904	-	-	6,249,333	9,227,111	38,344	2,003,400	15,704,692
Culture and recreation	-	/	-	-		9,227,111	392,088	-	723,896
	-	254,800	-	-	77,008	-	392,088	100.071	188,971
Housing and development	-	-	-	-	-	-	2 407 021	188,971	
Intergovernmental	-	-	-	-	-	-	3,497,931	-	3,497,931
Debt service:									
Principal	624,128	52,677	-	-	715,289	-	-	9,321,764	10,713,858
Interest	151,964	13,572			125,559			601,247	892,342
Total expenditures	43,494,676	5,081,716		3,552,089	9,111,289	9,227,111	4,504,532	22,952,720	97,924,133
EXCESS (DEFICIENCY) OF REVENUES									
OVER (UNDER) EXPENDITURES	4,322,665	1,348,745	81,566	720,787	(8,673,097)	4,345,141	14,058,059	(10,572,161)	5,631,705
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	124,189	4,365	-	-	-	-	-	20,575	149,129
Lease financing	792,141	293,577	-	-	-	_	_	287,574	1,373,292
Subscription financing	14,715	-	_	_	_	_	_	-	14,715
Insurance recoveries	128,516	_	_	_	_	_	_	_	128,516
Transfers in	,	906,000	_	_	_	_	_	10,692,971	11,598,971
Transfers out	(1,326,085)	(1,529,442)	(81,566)	_	(157,646)	(7,148,864)	(3,358,928)	(9,072)	(13,611,603)
Total other financing sources (uses)	(266,524)	(325,500)	(81,566)		(157,646)	(7,148,864)	(3,358,928)	10,992,048	(346,980)
NET CHANGE IN FUND BALANCES	4,056,141	1,023,245	-	720,787	(8,830,743)	(2,803,723)	10,699,131	419,887	5,284,725
FUND BALANCES, JULY 1, 2022	24,676,113	6,392,838		1,094,121	18,638,500	27,916,291	14,164,298	9,193,068	102,075,229
FUND BALANCES, JUNE 30, 2023	\$ 28,732,254	\$ 7,416,083	\$ -	\$1,814,908	\$ 9,807,757	\$ 25,112,568	\$24,863,429	\$ 9,612,955	\$ 107,359,954

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30,2023

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

statement of activities are different because:		
Net Change In Fund Balances - Total Governmental Funds	\$	5,284,725
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 \$ (8,306,85) Capital outlay 23,177,67		14,870,822
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 @ 6/30/23 845,79 Unavailable @ 6/30/22 (964,29		(118,504)
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.		(142,079)
The internal service fund used by management to charge the costs of health insurance to individual funds are not reported in the government-wide statement of actitivities. Governmental fund expenditures and related internal service fund revenues are eliminated.		(84,032)
Other financing sources from lease financing are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements.		(1,373,292)
Modifications on terms of leased assets are not reflected on fund-level operating statements but are reported as a change in liability on the government-wide financial statements.		(98,926)
Other financing sources from subscription financing are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements.		(14,715)
Repayment of bonds and leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		10,713,858
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 12,48 Change in compensated absences	32	
payable (193,46	57)	
Change in landfill closure and postclosure care costs (119,62	20)	(300,605)
Change In Net Position of Governmental Activities	\$	28,737,252

See accompanying notes to the basic financial statements.

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget		Actual	(Variance Positive (Negative)
REVENUES	 Budger	 Budger		1100001		(Troguerro)
Taxes						
Property	\$ 22,619,172	\$ 22,619,172	\$	23,570,602	\$	951,430
Sales	10,697,828	11,471,472		12,414,896		943,424
Other	816,500	816,500		1,274,745		458,245
Licenses and permits	40,000	40,000		41,250		1,250
Intergovernmental	786,970	802,645		1,650,796		848,151
Charges for services	5,163,889	5,163,889		5,814,572		650,683
Fines and forfeitures	1,316,000	1,316,000		1,815,510		499,510
Contributions and donations	1,000	1,000		8,325		7,325
Investment earnings	12,000	12,000		792,607		780,607
Other	139,200	139,200		434,038		294,838
Total revenues	41,592,559	 42,381,878		47,817,341		5,435,463
EXPENDITURES						
Current:						
General government:						
Commissioners' office	600,039	642,039		603,093		38,946
Elections	588,458	470,458		441,337		29,121
Vehicle maintenance	421,800	600,800		592,751		8,049
Financial administration	776,140	710,139		696,904		13,235
Information technology	856,557	688,557		679,169		9,388
Tax commissioner	973,389	910,789		819,593		91,196
Tax assessor	1,212,816	1,058,816		1,042,363		16,453
Facilities maintenance	1,282,441	1,265,441		1,229,669		35,772
Human resources	562,126	553,126		534,807		18,319
County manager	 973,283	 988,283		924,077		64,206
Total general government	 8,247,049	 7,888,448	_	7,563,763		324,685
Judicial:						
Superior court clerk's office	940,324	937,324		835,873		101,451
Superior court	622,810	687,810		687,107		703
District attorney's office	513,326	513,327		513,327		-
State Court	336,764	335,314		334,721		593
Solicitor	352,359	353,009		347,266		5,743
Magistrate Court	588,590	587,590		538,064		49,526
Probate Court	535,164	532,164		477,524		54,640
Juvenile Court	337,820	349,320		346,030		3,290
Board of equalization	 17,979	 17,979		1,465		16,514
Total judicial	 4,245,136	 4,313,837		4,081,377		232,460
Public safety:						
Emergency management	385,783	512,617		505,333		7,284
Sheriff	9,762,805	9,927,805		9,823,645		104,160
School resource officers	728,334	1,145,219		883,701		261,518
Jail	4,712,175	4,645,175		4,356,582		288,593
Correctional institute	3,453,804	3,681,804		3,632,960		48,844
Inmate medical	598,356	677,356		675,507		1,849
Probation	283,635	301,635		297,466		4,169
Emergency medical services	4,201,629	4,029,629		4,023,037		6,592
Coroner	134,431	134,431		127,216		7,215
Animal control	 306,801	 262,801		253,350		9,451
Total public safety	 24,567,753	 25,318,472		24,578,797		739,675

See accompanying notes to the basic financial statements.

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

EXPENDITURES (Continued)		Original Budget	Final Budget		Actual		Variance Positive Negative)
Public works:							
Roads - Cities	•	125,000	\$ 217,000	\$	212,106	\$	4,894
Roads - Cities	\$	123,000	 217,000	Φ	212,100	Φ	4,094
Health and welfare:							
Health Department		265,000	265,000		265,000		-
Department of Family and Children Services		73,200	73,200		71,120		2,080
Family connections		54,500	54,500		52,500		2,000
Senior citizens		386,848	406,348		395,694		10,654
Other community services		80,000	85,000		86,956		(1,956)
Total health and welfare		859,548	884,048		871,270		12,778
							_
Culture and recreation:							
Recreation		-	7,000		6,622		378
Library		748,045	 748,045		748,045		
Total culture and recreation		748,045	 755,045		754,667		378
Housing and development:		244.050	201050		100 110		4.5.404
Extension service		241,850	204,850		189,449		15,401
Geographic information systems		385,222	385,322		378,805		6,517
Economic development		4,005,000	4,079,000		4,081,750		(2,750)
Forestry		14,400	 14,400		6,600		7,800
Total housing and development		4,646,472	 4,683,572		4,656,604		26,968
Debt service:							
Principal		677,217	844,617		624,128		220,489
Interest		0//,21/	500		151,964		(151,464)
Total debt service		677,217	 845,117		776,092		69,025
Total debt service		077,217	 043,117	-	770,092		09,023
Total expenditures	4	4,116,220	44,905,539		43,494,676		1,410,863
1		, , , ,	 ,	-			, -,
EXCESS (DEFICIENCY) OF REVENUES OVER							
(UNDER) EXPENDITURES		(2,523,661)	(2,523,661)		4,322,665		6,846,326
•							
OTHER FINANCING SOURCES (USES)							
Sale of capital assets		-	-		124,189		124,189
Lease financing		861,000	861,000		792,141		(68,859)
Subscription financing		-	-		14,715		14,715
Insurance recoveries		55,000	55,000		128,516		73,516
Transfers out	((1,326,085)	(1,326,085)		(1,326,085)		-
Total other financing sources (uses)		(410,085)	 (410,085)		(266,524)		143,561
NET CHANGE IN FUND BALANCE	\$ ((2,933,746)	\$ (2,933,746)		4,056,141	\$	6,989,887
FUND BALANCE, BEGINNING OF YEAR					24,676,113		
FUND BALANCE, END OF YEAR				\$	28,732,254		

SPECIAL TAX DISTRICT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 5,742,234	\$ 5,862,234	\$ 5,799,440	\$ (62,794)
Charges for services	366,500	383,500	485,578	102,078
Contributions	-	-	4,202	4,202
Investment earnings	3,000	32,000	141,241	109,241
Total revenues	6,111,734	6,277,734	6,430,461	152,727
EXPENDITURES				
Current:				
Roads	2,090,199	2,320,199	2,305,137	15,062
Culture and recreation	2,289,159	2,297,159	2,265,626	31,533
Capital outlay:				
Roads	345,000	225,000	189,904	35,096
Culture and recreation	262,500	289,500	254,800	34,700
Debt service:				
Principal	98,974	79,974	52,677	27,297
Interest	-	-	13,572	(13,572)
Total expenditures	5,085,832	5,211,832	5,081,716	130,116
EXCESS OF REVENUES OVER EXPENDITURES	1,025,902	1,065,902	1,348,745	282,843
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	4,365	4,365
Lease financing	306,000	306,000	293,577	(12,423)
Transfers in	906,000	906,000	906,000	-
Transfers out	(1,409,442)	(1,529,442)	(1,529,442)	
Total other financing sources (uses)	(197,442)	(317,442)	(325,500)	(8,058)
NET CHANGE IN FUND BALANCE	\$ 828,460	\$ 748,460	1,023,245	\$ 274,785
FUND BALANCE, BEGINNING OF YEAR			6,392,838	
FUND BALANCE, END OF YEAR			\$ 7,416,083	

AMERICAN RESCUE PLAN ACT FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 11,615,462	\$ 81,566	\$(11,533,896)
EXPENDITURES Capital outlay:			
Judicial	250,000	-	250,000
EXCESS OF REVENUES OVER EXPENDITURES	11,365,462	81,566	(11,283,896)
OTHER FINANCING SOURCES (USES) Transfers out	(11,365,462)	(81,566)	11,283,896
NET CHANGE IN FUND BALANCE	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR		 	
FUND BALANCE, END OF YEAR		\$ -	

HOSPITAL INDIGENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	Original and Final Budget	Actual	I	Variance Positive Vegative)
REVENUES				
Taxes	\$ 4,296,517	\$ 4,262,948	\$	(33,569)
Interest	1,000	9,928		8,928
Total revenues	4,297,517	4,272,876		(24,641)
EXPENDITURES Current: Health and welfare	3,600,000	3,552,089		47,911
NET CHANGE IN FUND BALANCE	\$ 696,517	720,787	\$	23,270
FUND BALANCES, BEGINNING OF YEAR		1,094,121		
FUND BALANCES, END OF YEAR		\$ 1,814,908		

EFFINGHAM COUNTY, GEORGIA STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2023

	Water & Sewer	-	Wastewater Treatment Plant	Sanitation	Noni	Total najor Funds	En	Total terprise Funds	Int	overnmental Activities ternal Service
ASSETS										
Current Assets										
Cash and cash equivalents	\$ 6,044,12		\$ -	\$ 509,455	\$	85,916	\$	6,639,491	\$	567,631
Investments	433,47	6	-	1,138,213		-		1,571,689		-
Receivables:										
Accounts	551,38	0	-	349		131,047		682,776		370,649
Interfund	-		-	2,940		-		2,940		-
Inventory	58,13	0	-	-		-		58,130		-
Prepaid items	2,72	:3	-	 -		-		2,723		143,695
Total Current Assets	7,089,82	9	-	 1,650,957		216,963		8,957,749		1,081,975
Capital Assets	·									
Land	1,643,62	0.	-	-		-		1,643,620		-
Easements	152,35	8	-	-		-		152,358		-
Construction in progress	3,913,33	8	-	53,798		300,273		4,267,409		-
Leased assets	71,79	1	-	-		-		71,791		-
Systems and equipment	50,165,67	6	-	312,563		144,025		50,622,264		-
Less: accumulated depreciation and amortization	(18,425,94	7)	-	(128,809)		(68,012)		(18,622,768)		-
Total Capital Assets	37,520,83	6	-	237,552		376,286		38,134,674		-
Total Assets	44,610,66	5	-	 1,888,509		593,249		47,092,423		1,081,975
LIABILITIES Current Liabilities										
Accounts payable	2,747,04	17	-	506		14,918		2,762,471		646,197
Compensated absences payable	-		-	50		-		50		-
Accrued interest payable	46,60		-	-		-		46,600		-
Customer deposits	345,50		-	-		-		345,500		-
Unearned revenue	1,383,02	1	-	-		-		1,383,021		-
Leases payable	12,66		-	-		-		12,663		-
Bonds payable	1,425,00		-	 -		-		1,425,000		-
Total Current Liabilities	5,959,83	1	-	 556		14,918		5,975,305		646,197
Long-Term Liabilities										
Compensated absences payable (net										
of current portion)	-		-	34		-		34		-
Leases payable (net of current portion)	54,11			-		-		54,114		-
Bonds payable (net of current portion)	19,655,00	0	-	 -		-		19,655,000		-
Total Long-Term Liabilities	19,709,11	4	-	 34		-		19,709,148		-
Total Liabilities	25,668,94	5	-	 590		14,918		25,684,453		646,197
NET POSITION										
Net investment in capital assets	17,916,58	0	-	237,552		376,286		18,530,418		-
Unrestricted	1,025,14		-	 1,650,367		202,045		2,877,552		435,778
Total Net Position	\$ 18,941,72	0.	\$ -	\$ 1,887,919	\$	578,331	\$	21,407,970	\$	435,778

EFFINGHAM COUNTY, GEORGIA STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Water & Sewer Operating	Waste Treatme		S	anitation	-	otal ijor Funds	Ente	Total erprise Funds	Inte	Activities ernal Service f-Insurance
OPERATING REVENUES											
Charges for services	\$ 5,761,137	-		\$	4,732,547	\$	1,175	\$	10,494,859	\$	6,921,522
OPERATING EXPENSES											
Salaries and employee benefits	_		_		45,941		_		45,941		_
Purchased services	3,690,007		_		4,735,878		89,717		8,515,602		5,640,352
Materials and supplies	731,694		_		650		10,434		742,778		-
Depreciation	1,154,000		-		6,179		9,602		1,169,781		-
Claims	· · · · · ·		-		-		-		· · · · ·		1,365,202
Total operating expenses	5,575,701		-		4,788,648		109,753		10,474,102		7,005,554
OPERATING INCOME (LOSS)	185,436				(56,101)		(108,578)		20,757		(84,032)
NON-OPERATING REVENUES (EXPENSES)											
Investment earnings	72,146		_		14,628		4		86,778		_
Interest expense	(625,096)		-						(625,096)		-
Total non-operating revenues (expenses)	(552,950)				14,628		4		(538,318)		-
INCOME (LOSS) BEFORE CAPITAL											
CONTRIBUTIONS AND TRANSFERS	(367,514)		-		(41,473)		(108,574)		(517,561)		(84,032)
Capital contributions, capital grants, and cost											
recovery fees	681,362		-		-		131,047		812,409		-
Transfers in	2,967,031		-		-		369,687		3,336,718		-
Transfers out		\$ (1	,324,086)		-		-		(1,324,086)		-
CHANGE IN NET POSITION	3,280,879	(1,	,324,086)		(41,473)		392,160		2,307,480		(84,032)
NET POSITION, BEGINNING OF YEAR	15,660,841	1	,324,086		1,929,392		186,171		19,100,490		519,810
NET POSITION, END OF YEAR	\$ 18,941,720	\$	-	\$	1,887,919	\$	578,331	\$	21,407,970	\$	435,778

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2023

												vernmental Activities
		& Sewer erating		Vastewater eatment Plant		Sanitation	Non	Total major Funds	Ent	Total erprise Funds		rnal Service f-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES												
Cash received from customers	\$:	5,744,427			\$	4,732,223	\$	1,175	\$	10,477,825		_
Cash received from internal charges	φ.	5,744,427			Ф	4,732,223	Ф	1,173	Þ	10,477,623	\$	6,550,873
Cash payments to employees for services						(46,052)				(46,052)	Ψ	0,550,675
Cash payments for goods and services	C	2,528,410)		_		(5,095,147)		(112,665)		(7,736,222)		(6,680,818)
Net cash provided (used) by operating activities		3,216,017		-		(408,976)		(111,490)		2,695,551		(129,945)
CASH FLOWS FROM NONCAPITAL FINANCING												
ACTIVITIES												
Advances from (to) other funds		406,100		-		(2,940)		-		403,160		(486,550)
Interfund transfers	:	3,402,056	\$	(2,690,533)				67,687		779,210		-
Net cash provided (used) by noncapital financing activities		3,808,156		(2,690,533)		(2,940)		67,687		1,182,370		(486,550)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES												
Capital grants received		42,310		-		-		-		42,310		-
Principal paid on bonds payable	(1,385,000)		-		-		-		(1,385,000)		-
Interest paid on bonds payable		(626,867)		-		-		-		(626,867)		-
Principal paid on leases payable		(5,014)		-		-		-		(5,014)		-
Interest paid on leases payable		(1,291)		-		-		-		(1,291)		-
Capital contributions/Cost recovery fees		639,052		-		-		-		639,052		-
Purchase of capital assets	(-	4,736,243)		-		-		(238,738)		(4,974,981)		-
Transfers for capital projects		931,422		-				302,000		1,233,422		
Net cash provided (used) by capital and related financing activities	(:	5,141,631)			_			63,262		(5,078,369)		
CASH FLOWS FROM INVESTING ACTIVITIES												
Proceeds from sale of investments	2	2,428,454		-		-		-		2,428,454		-
Purchase of investments		-		-		(914,629)		-		(914,629)		-
Investment earnings		72,146		-		14,628		4		86,778		-
Net cash provided (used) by investing												
activities		2,500,600		-	_	(900,001)		4	_	1,600,603		-
NET INCREASE (DECREASE) IN CASH												
AND CASH EQUIVALENTS	4	4,383,142		(2,690,533)		(1,311,917)		19,463		400,155		(616,495)
CASH AND CASH EQUIVALENTS, JULY 1, 2022		1,660,978		2,690,533		1,821,372		66,453		6,239,336		1,184,126
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$	6,044,120	\$		\$	509,455	\$	85,916	\$	6,639,491	\$	567,631
RECONCILIATION OF OPERATING INCOME (LOSS) TO N	ET											
CASH PROVIDED (USED) BY OPERATING ACTIVITIES												
Operating income (loss) Adjustments:	\$	185,436	\$	-	\$	(56,101)	\$	(108,578)	\$	20,757	\$	(84,032)
Depreciation		1,154,000		-		6,179		9,602		1,169,781		-
(Increase) decrease in operating assets:												
Accounts receivable		(28,685)		-		(324)		-		(29,009)		(370,649)
Inventory		95,913		-		-		-		95,913		-
Prepaid items		(54)		-		-		-		(54)		(11,907)
Increase (decrease) in operating liabilities:												
Accounts payable		1,797,432		-		(358,619)		(12,514)		1,426,299		336,643
Customer deposits		11,975		-		-		-		11,975		-
Compensated absences payable	-	- 216 017	•	-	•	(111)	•	(111.400)	-	(111)	•	(120.045)
Net cash provided (used) by operating activities	\$:	3,216,017	\$		\$	(408,976)	\$	(111,490)	\$	2,695,551	\$	(129,945)

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2023

ASSETS	
Cash	\$ 3,333,877
TOTAL ASSETS	\$ 3,333,877
LIABILITIES	
Due to other governments	\$ 1,382,902
Due to other entities and individuals	5,396
TOTAL LIABILITIES	 1,388,298
NET POSITION	
Restricted for individuals, organizations,	
and other governments	1,945,579
TOTAL NET POSITION	\$ 1,945,579

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

ADDITIONS	
Tax collections for other governments	\$ 58,708,411
Fees, fines, and forfeitures	1,788,910
Court judgements/assessments	868,249
Deposits from inmates	132,580
Tax sale proceeds	49,314
Interest	924
Total additions	61,548,388
DEDUCTIONS	
Payments to other governments	59,080,884
Payments to other entities and individuals	 1,227,961
Total deductions	60,308,845
Net increase (decrease) in fiduciary net position	1,239,543
NET POSITION - JULY 1, 2022	706,036
NET POSITION - JUNE 30, 2023	\$ 1,945,579

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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 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*.

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

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

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

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

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

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

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

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

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

2017 SPLOST Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major governmental capital projects.

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

2021 SPLOST Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major governmental capital projects.

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.

Water and Sewer 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 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.

EFFINGHAM COUNTY, GEORGIANOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at June 30, 2023.

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, 2023, 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.

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

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

Compensated Absences

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

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

Accrued Liabilities and Long-term Obligations

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

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

Debt Premiums, Discounts, and Issuance Costs

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources at June 30, 2023. It does have a component unit that has deferred outflows of resources related to pensions and other post-employment benefits on the statement of net position.

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

Fund Equity

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

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

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

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

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

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

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

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

- Committed
- Assigned
- Unassigned

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

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

Operating Revenues and Expenses

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

Contributions of Capital

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

Interfund Activity

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

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

Estimates

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

Implementation of GASB 96

The County has implemented GASB Statement 96, "Subscription-Based Information Technology Arrangements." The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to Note 11.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

All budgets are adopted on a basis consistent with GAAP.

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

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

All unexpended annual appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the year ended June 30, 2023 in the following department for the general fund:

	Gen	eral Fund
Other community services	\$	1,956
Economic development		2,750
Debt service - interest		151,464

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

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

	Over	expenditure
Sheriff	\$	481,705

NOTE 3 – DEPOSITS AND INVESTMENTS

At June 30, 2023, the County has the following investments:

Investments	Maturities		Fair Value	Credit Rating
Primary Government:				
Georgia Fund 1	Average of 28 days WAM	\$	59,768,283	AAAf/S1

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

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

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

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

At June 30, 2023, the carrying amount of the County's deposits was \$70,648,415 and the bank balance was \$71,944,529. The entire bank balance was insured and collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Discretely Presented Component Units

The carrying amount of deposits for the Effingham County Board of Health was \$3,446,618 and the bank balance was \$3,447,761. As of June 30, 2023, the Board of Health did not have any balances exposed to custodial credit risk.

As of June 30, 2023, the Hospital Authority owned approximately \$560,000 in securities that were uninsured, unregistered, and held by the Authority's brokerage firm in the brokerage firm's name. Securities held in the Authority's brokerage account are protected by insurance coverage in the amount of \$500,000 through the Securities Investor Protection Corporation (SIPC). In addition, the Authority's brokerage firms provide additional insurance protection for amounts in excess of the SIPC limit. The Authority's bank deposits are entirely insured and collateralized with securities held by the pledging financial institution's designated trustee in the Authority's name.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2023, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

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

NOTE 5 – PROPERTY TAXES

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

NOTE 5 – PROPERTY TAXES (Continued)

60 days). For the year ended June 30, 2023, property taxes were levied on September 6, 2022, and were due December 15, 2022.

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2023 is as follows:

Receivable Fund	Payable Fund	 Amount		
General Fund Sheriff		\$ 2,591		
	Inspections & Zoning	21,723		
Special Tax District	General Fund	1,654		
Prison Commissary	General Fund	56		
Sheriff	State Condemnation	8,105		
Fire Taxing District	Inspections & Zoning	2,914		
	General Fund	10,306		
	2021 SPLOST	52,720		
Sanitation	General Fund	 2,940		
Total		\$ 103,009		

Interfund balances at June 30, 2023 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, 2023, consisted of the following:

	Transfers From:												
										American	V	Vastewater	
		General	2017	2021		Special		State		Rescue	-	Γreatment	
Transfers To:		Fund	SPLOST	SPLOST	Ta	x District	Coı	ndemnation	TSPLOST	Plan Act		Plant	Total
Fire Taxing District		-	-	-	\$	318,937		-	-	-		-	\$ 318,937
Senior Citizens Activity		-	-	-		196,982		-	-	-		-	196,982
Sheriff Special Funds		-	-	-		-	\$	9,072	-	-		-	9,072
E-911	\$	352,398	-	-		-		-	-	-		-	352,398
Special Tax District		906,000	-	-		-		-	-	-		-	906,000
Debt Service		-	-	\$ 2,666,718		-		-	\$ 7,148,864	-		-	9,815,582
Water and Sewer Operating		-	\$ 157,646	692,210		711,523		-	-	\$ 81,566	\$	1,324,086	2,967,031
Landfill		67,687	-	-		-		-	-	-		-	67,687
Stormwater		-	-	-		302,000		-	-	-		-	302,000
Total	\$	1,326,085	\$ 157,646	\$ 3,358,928	\$	1,529,442	\$	9,072	\$ 7,148,864	\$ 81,566	\$	1,324,086	\$ 14,935,689

Transfers to various funds from the Special Tax District Fund were to fund operations. Transfers from the SPLOST funds to the Water and Sewer Operating enterprise funds were for constructions costs. Transfers from

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

the State Condemnation to the Sheriff Special Funds were to fund various items needed by the Sheriff's department. Transfers from the American Rescue Plan Act to the Water and Sewer Operating enterprise funds were for construction costs. Transfers from the General Fund to the Landfill fund, E-911 fund, and Special Tax District fund were to fund operations. Transfers from the TSPLOST fund and SPLOST fund to the SPLOST Debt Service fund were to fund debt service payments. Transfers from the Wastewater Treatment Plant enterprise fund to the Water and Sewer Operating enterprise fund were to consolidate the activity of the two funds together.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance 6/30/2022	Additions	Deductions	Balance 6/30/2023	
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 8,467,437	\$ 10,000	-	\$ 8,477,437	
Easements	964,330	-	-	964,330	
Construction in progress	33,205,062	3,320,966	\$ 2,533,952	33,992,076	
Total capital assets not being depreciated	42,636,829	3,330,966	2,533,952	43,433,843	
Capital assets being depreciated:					
Buildings and improvements	73,469,596	2,356,952	-	75,826,548	
Machinery and equipment	37,225,753	3,322,599	863,197	39,685,155	
Right-to-use leased equipment	3,027,088	1,373,291	148,726	4,251,653	
Subscription-based IT arrangements	· -	14,715	-	14,715	
Infrastructure	133,032,754	15,313,108	-	148,345,862	
Total capital assets being depreciated	246,755,191	22,380,665	1,011,923	268,123,933	
Total capital assets	289,392,020	25,711,631	3,545,875	311,557,776	
Accumulated depreciation:					
Buildings and improvements	33,890,017	2,516,866	-	36,406,883	
Machinery and equipment	28,294,981	2,110,137	855,811	29,549,307	
Right-to-use leased equipment	214,567	777,700	14,033	978,234	
Subscription-based IT arrangements	-	2,943	-	2,943	
Infrastructure	103,295,338	2,899,211	-	106,194,549	
Total accumulated depreciation	165,694,903	8,306,857	869,844	173,131,916	
Governmental activities capital assets, net	\$ 123,697,117	\$ 17,404,774	\$ 2,676,031	\$ 138,425,860	

Governmental activities depreciation expense:

General government	\$ 955,938
Judicial	38,971
Public safety	3,215,421
Public works	3,266,653
Health and welfare	1,326
Culture and Recreation	769,899
Housing and development	58,649
Total governmental activities depreciation expense	\$ 8,306,857

NOTE 7 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2023 for the County's enterprise funds was as follows:

	Balance 6/30/2022	Additions	Deductions	Balance 6/30/2023
Business-type activities:	0/30/2022	Tagitions	Deddellons	0/30/2023
Capital assets not being depreciated:				
Land	\$ 1,086,706	\$ 556,914	_	\$ 1,643,620
Easements	152,358	· -	-	152,358
Construction in progress	3,190,010	2,504,512	\$ 1,427,113	4,267,409
Total capital assets not being depreciated	4,429,074	3,061,426	1,427,113	6,063,387
Capital assets being depreciated:				
Buildings and improvements	16,842,312	-	-	16,842,312
Machinery and equipment	3,316,846	121,478	-	3,438,324
Right-to-use leased equipment	-	71,791	-	71,791
Infrastructure	27,122,436	3,219,192		30,341,628
Total capital assets being depreciated	47,281,594	3,412,461		50,694,055
Total capital assets	51,710,668	6,473,887	1,427,113	56,757,442
Accumulated depreciation:				
Buildings and improvements	6,720,750	419,454	-	7,140,204
Equipment	2,399,630	95,897	-	2,495,527
Right-to-use leased equipment	-	5,370	-	5,370
Infrastructure	8,332,605	649,062		8,981,667
Total accumulated depreciation	17,452,985	1,169,783		18,622,768
Business-type activities capital				
assets, net	\$ 34,257,683	\$ 5,304,104	\$ 1,427,113	\$ 38,134,674

Capital asset activity for the year ended June 30, 2023 for the Effingham County Board of Health was as follows:

	Balance						Balance
	 7/1/2022	Addi	itions	Dec	luctions	6	5/30/2023
Component Unit:							
Machinery and equipment	\$ 117,673	\$	7,292		-	\$	124,965
Less accumulated depreciation	(113,285)			\$	(4,388)		(117,673)
Component unit capital assets, net	\$ 4,388	\$	7,292	\$	(4,388)	\$	7,292

NOTE 7 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2023 for the Effingham County Hospital Authority was as follows:

	Balance			
	7/1/2022,			Balance
	as restated	Additions	Deductions	6/30/2023
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 3,260,719	-	-	\$ 3,260,719
Construction in progress	6,507,799	\$ 2,432,843	\$ 6,676,704	2,263,938
Total capital assets not being depreciated	9,768,518	2,432,843	6,676,704	5,524,657
Capital assets being depreciated:				
Buildings and improvements	32,401,667	617,355	11,621	33,007,401
Machinery and equipment	28,434,033	3,740,431	-	32,174,464
Subscription IT assets	2,048,276	11,324,395	-	13,372,671
Leased equipment	6,059,546	300,113	248,657	6,111,002
Total capital assets being depreciated	68,943,522	15,982,294	260,278	84,665,538
Total capital assets	78,712,040	18,415,137	6,936,982	90,190,195
Accumulated depreciation:				
Buildings and improvements	16,692,566	1,193,269	-	17,885,835
Machinery and equipment	23,105,292	1,486,353	-	24,591,645
Subscription IT assets	279,587	800,255	-	1,079,842
Leased equipment	1,589,300	1,045,000	248,657	2,385,643
Total accumulated depreciation	41,666,745	4,524,877	248,657	45,942,965
Governmental activities capital assets, net	\$ 37,045,295	\$ 13,890,260	\$ 6,688,325	\$ 44,247,230

NOTE 8 – CAPITAL LEASES

County as Lessee

The County, as a lessee, has entered into lease agreements for financing vehicles and copiers. The total of the County's lease assets is recorded at \$4,323,444, less accumulated amortization of \$983,604.

The future lease payments under lease agreements are as follows:

	Leases - Governmental Activities					_		Leases -	Bu	siness-type A	Activ	ities	
Fiscal Year	I	Principal		Interest		Total		P	rincipal		Interest		Total
2024	\$	854,747	\$	187,825	\$	1,042,572	_	\$	12,663	\$	4,312	\$	16,975
2025		886,393		137,600		1,023,993			13,582		3,393		16,975
2026		882,441		85,701		968,142			14,569		2,407		16,976
2027		755,287		32,668		787,955			15,628		1,348		16,976
2028		125,919		3,436		129,355	_		10,335		336		10,671
Total	\$	3,504,787	\$	447,230	\$	3,952,017		\$	66,777	\$	11,796	\$	78,573

NOTE 8 – CAPITAL LEASES (Continued)

County as Lessor

The County, as a lessor, has entered into lease agreements involving land and building space. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was \$213,438.

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

	Governmental Activities									
Fiscal Year	Principal	Interest	Total							
2024	\$ 87,474	19,065	\$ 106,539							
2025	78,572	2 17,054	95,626							
2026	81,396	5 15,012	96,408							
2027	28,993	3 13,511	42,504							
2028	30,670	12,681	43,351							
2029-3033	68,180	55,969	124,149							
2034-2038	109,786	41,260	151,046							
2039-2043	165,659	18,314	183,973							
Total	\$ 650,730	\$ 192,866	\$ 843,596							

NOTE 9 – BONDS PAYABLE

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

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

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

NOTE 9 – BONDS PAYABLE (Continued)

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

As of June 30, 2023, annual debt service requirements to maturity are as follows:

Year ending	Gov	ernmental Activ	ities	Business-type Activities						
June 30	Principal	Interest	Total	Principal	Interest	Total				
2024	\$ 9,674,000	\$ 565,755	\$ 10,239,755	\$ 1,425,000	\$ 588,132	\$ 2,013,132				
2025	9,825,000	443,519	10,268,519	1,465,000	548,375	2,013,375				
2026	9,983,000	318,953	10,301,953	1,505,000	507,501	2,012,501				
2027	2,862,000	191,963	3,053,963	1,550,000	465,512	2,015,512				
2028	2,934,000	120,257	3,054,257	1,590,000	422,267	2,012,267				
2029-2033	1,784,000	158,263	1,942,263	8,645,000	1,420,389	10,065,389				
2034-2036	380,000	8,208	388,208	4,900,000	251,658	5,151,658				
	\$ 37,442,000	\$ 1,806,916	\$ 39,248,916	\$ 21,080,000	\$ 4,203,834	\$ 25,283,834				

NOTE 10 - NOTES PAYABLE

Notes payable at June 30, 2023 consisted of the following:

	 vernmental activities
Note payable to Motorola for communications equipment, payable in annual installments of \$356,016, including interest at 3.71% through September 1, 2023.	\$ 343,280
Note payable to Caterpillar Financial Services Corporation for public works equipment, payable in monthly installments of \$4,531, including interest at 2.89% through September 1, 2024 and a balloon	
payment of \$340,881.	 395,475
	\$ 738,755

As of June 30, 2023, annual debt service requirements to maturity are as follows:

Year ending		Governmental Activities									
June 30	F	Principal	I	nterest	Total						
2024	\$	386,792	\$	23,591	\$	410,383					
2025		351,963		2,516		354,471					
	\$	738,755	\$	26,107	\$	764,864					

NOTE 11 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County has entered into subscription arrangements for the use of various software programs that are needed in operations. For each arrangement, an initial liability was recorded, and the County is required to make fixed monthly payments toward that liability throughout the term of the agreement. The value of subscription-based information technology arrangement assets are also recorded on the books and amortized over the term of the agreement.

The future payments under subscription-based information technology arrangements are as follows:

		Gove	rnm	ental Acti	vitie	es
Fiscal Year	Pı	rincipal	I	nterest		Total
2024	\$	5,192	\$	208	\$	5,400
2025		4,442		58		4,500
Total	\$	9,634	\$	266	\$	9,900

NOTE 12 – CHANGES IN LONG-TERM DEBT

	Balance			Balance	Amounts
	June 30, 2022,			June 30,	Due In
Governmental Activities	as restated	Additions	Reductions	2023	One Year
Notes payable	\$ 1,154,044	-	\$ 415,289	\$ 738,755	\$ 386,792
Bonds payable	46,975,000	-	9,533,000	37,442,000	9,674,000
Leases payable	2,793,057	\$ 1,373,292	661,562	3,504,787	854,747
Subscriptions payable	-	14,715	5,081	9,634	5,192
Compensated absences					
payable	1,327,666	193,467	-	1,521,133	912,680
Landfill post-closure care costs	1,708,865	119,620		1,828,485	110,000
Total Governmental Activities	\$ 53,958,632	\$ 1,701,094	\$ 10,614,932	\$ 45,044,794	\$ 11,943,411
Business-Type Activities					
Compensated absences					
payable	\$ 195	-	\$ 111	\$ 84	\$ 50
Leases payable	-	\$ 71,791	5,014	66,777	12,663
Bonds payable	22,465,000		\$ 1,385,000	21,080,000	1,425,000
Total Business-Type Activities	\$ 22,465,195	\$ 71,791	\$ 1,390,125	\$ 21,146,861	\$ 1,437,713
Board of Health					
Compensated absences					
payable	\$ 79,123	\$ -	\$ 3,625	\$ 75,498	\$ 15,100
Hospital Authority					
Bond payable - mortgage	\$ 23,584,368	-	\$ 23,584,368	-	-
Bond payable	-	\$ 29,785,000	1,030,000	\$ 28,755,000	\$ 1,634,000
Subscriptions payable	1,761,755	10,259,465	682,807	11,338,413	953,300
Leases payable	4,570,971	300,113	1,032,453	3,838,631	956,137
Notes payable	1,686,983	-	218,480	1,468,503	218,480
Financed equipment	1,298,266		332,676	965,590	363,242
Total Hospital Authority	\$ 32,902,343	\$ 40,344,578	\$ 26,880,784	\$ 46,366,137	\$ 4,125,159

The compensated absences liability will be paid from the fund from which the employees' salaries are paid which is primarily the General Fund for governmental activities and the Sanitation Fund for the business-type activities. Notes payable will be paid from the General Fund and 2017 SPLOST fund. Bonds payable will be paid from the Water and Sewer Fund and the Wastewater Treatment Plant Fund for the business-type activities and from the 2017 SPLOST fund and TSPLOST fund for the governmental activities. Leases payable will be paid from the General Fund, E-911 fund, Special Tax District fund, and Fire fund.

NOTE 13 – 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 \$1,828,485 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, 2023. 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 14 – 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, 2023 was \$1,198,235. Total employee contributions to the plans for the year ended June 30, 2023 was \$1,240,741.

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 14 – 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 \$454,006 in revenue as support provided by nonemployer contributing entities. The amount was also recognized as expense in the appropriate functional expense category.

Effingham County Board of Health

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

The retirement contributions for the year ended June 30, 2023 were \$152,457. Contributions are fully vested to employees after 10 years of continuous service.

At June 30, 2023, the Board of Health reported \$1,232,778 as a liability for its proportionate share of the net pension liabilities. For the year ended June 30, 2023, the Board of Health recognized pension expense of \$323,691.

NOTE 15 – 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 15 – 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 16 - 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 17 – 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, 2023, the County paid \$63,496 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

NOTE 18 – HOTEL/MOTEL LODGING TAX

The county has levied a five percent lodging tax. A summary of the transactions for the year ended June 30, 2023 follows:

		Percentage of tax receipts
Lodging tax receipts	\$ 46,180	
Disbursements to the: Effingham County Chamber of Commerce County for future projects	(36,944) (9,236)	80% 20%
Total	\$ 	

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

NOTE 19 – 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, 2023, the cumulative property tax not collected by Effingham County due to incentive agreements was \$3,034,501. Payments in lieu of taxes in the amount of \$788,653 were received in the Special Tax District Fund related to these agreements.

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 13, 2024, the date that the financial statements were available to issue.

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

		t Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$	91	\$ 7,199,591	\$ 7,199,682
Investments		-	2,528,812	2,528,812
Receivables:			47.012	47.012
Accounts		-	47,813	47,813
Intergovernmental Interfund		=	273,123	273,123
Prepaid items		-	74,101	74,101
Prepaid items	1		41,056	41,056
TOTAL ASSETS	\$	91	\$ 10,164,496	\$ 10,164,587
LIABILITIES				
Accounts payable		_	\$ 373,206	\$ 373,206
Accrued liabilities		-	131,708	131,708
Interfund payable		-	35,333	35,333
Performance bonds		-	11,385	11,385
TOTAL LIABILITIES			551,632	551,632
FUND BALANCES				
Nonspendable				
Prepaid items		-	41,056	41,056
Restricted				
Public safety		-	7,131,952	7,131,952
Public works, public safety, and recreation		-	67,525	67,525
Housing and development		-	2,119,016	2,119,016
Health and welfare		-	199,429	199,429
Judicial		-	53,886	53,886
Debt service	\$	91		91
TOTAL FUND BALANCES		91	9,612,864	9,612,955
TOTAL LIABILITIES AND FUND BALANCES	\$	91	\$ 10,164,496	\$ 10,164,587

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	De	ebt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor overnmental Funds
REVENUES				
Taxes		-	\$ 3,840,986	\$ 3,840,986
Licenses and permits		-	1,746,793	1,746,793
Intergovernmental		-	7,258	7,258
Charges for services		-	6,114,560	6,114,560
Fines and forfeitures		-	530,060	530,060
Investment earnings	\$	21	112,023	112,044
Contributions		-	27,358	27,358
Other		_	 1,500	 1,500
Total revenues		21	 12,380,538	12,380,559
EXPENDITURES				
Current:				
Public safety		-	8,256,378	8,256,378
Health and welfare		-	149,592	149,592
Housing and development		-	1,631,300	1,631,300
Capital outlay:				
Public safety		-	2,803,468	2,803,468
Housing and development		-	188,971	188,971
Debt service:				
Principal		9,233,000	88,764	9,321,764
Interest		582,582	18,665	601,247
Total expenditures		9,815,582	13,137,138	22,952,720
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES		(9,815,561)	(756,600)	(10,572,161)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets		_	20,575	20,575
Lease financing		_	287,574	287,574
Transfers in		9,815,582	877,389	10,692,971
Transfers out		-	(9,072)	(9,072)
Total other financing sources (uses)		9,815,582	 1,176,466	10,992,048
NET CHANGE IN FUND BALANCES		21	419,866	419,887
FUND BALANCES, JULY 1, 2022		70	 9,192,998	 9,193,068
FUND BALANCES, JUNE 30, 2023	\$	91	\$ 9,612,864	\$ 9,612,955

EFFINGHAM COUNTY, GEORGIA COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2023

E-911 Fund	\$ 1,721,317	239,596	\$ 1,979,316	\$ 3,612 20,312	23,924	18,403	1,936,989		ı	1,955,392	\$ 1,979,316
State Condemnation	\$ 8,904	8,105	\$ 17,009		8,105		8,904		ı	8,904	\$ 17,009
Drug Seizure	\$ 107,105		\$ 107,105				\$ 107,105		ı	107,105	\$ 107,105
Impact Fees	\$ 45,380	22,145	\$ 67,525	1 1 1		,	•	\$ 67,525	ı	67,525	\$ 67,525
Prison Commissary	\$ 28,521		\$ 28,577	\$ 28,577	28,577	,		1 1	ı		\$ 28,577
Sheriff	\$ 752,198	33,186 - 8,105 13,000	\$ 806,489	\$ 79,424 - 2,591	82,015	13,000	711,474		ı	724,474	\$ 806,489
Drug Abuse & Treatment Education	\$ 132,196		\$ 132,196			ı	\$ 132,196	1 1	1	132,196	\$ 132,196
	ASSETS Cash Investments	Accounts Intergovernmental Interfund Prepaid items	TOTAL ASSETS	LIABILITIES AND FUND BALANCES Liabilities: Accounts payable Accrued payroll Interfund payable	refrormance bonds Total liabilities	Fund balances: Nonspendable: Prepaid items Restricted:	Public safety Public works, public safety, and	recreation Housing and development	Health and welfare	Judicial Total fund balances	TOTAL LIABILITIES AND FUND BALANCES

EFFINGHAM COUNTY, GEORGIA COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2023

Hotel S Motel Tax Total	\$	4,489 47,813 - 273,123 - 74,101 - 41,056	10 \$ 53,734 \$ 10,164,496	84 \$ 14,875 \$ 373,206 97 - 131,708 - 35,333 - 11,385 81 - 14,875	- 41,056	- 7,131,952	29 - 67,525 29 - 199,016 - 199,429 - 53,886 - 53,886 - 53,886 - 53,886
Senior Citizens Activity	\$ 202,910		\$ 202,910	\$ 1,084 2,397 -	ı	'	199,429
Inspections & Zoning	\$ 2,205,699	1,925	\$ 2,207,624	\$ 75,889 15,556 24,637 11,385	ı	•	2,080,157
Fire Taxing District	\$ 1,476,913 2,528,812	108 7,958 65,940 9,653	\$ 4,089,384	\$ 169,745 93,443 - - 263,188	9,653	3,816,543	3,826,196
County	\$ 415,317	3,424	\$ 418,741		ı	\$ 418,741	418,741
Juvenile Services	\$ 53,886		\$ 53,886		ı	•	\$ 53,886
	ASSETS Cash Investments	Receivables: Accounts Intergovernmental Interfund Prepaid items	TOTAL ASSETS	LIABILITIES AND FUND BALANCES Liabilities: Accounts payable Accrued payroll Interfund payable Performance bonds Total liabilities	Fund balances: Nonspendable: Prepaid items	restricter. Public safety Public works mublic safety, and	Housing and development Housing and development Health and welfare Judicial Total fund balances

EFFINGHAM COUNTY, GEORGIA COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

		FOR THE YEAR	FOR THE YEAR ENDED JUNE 30, 2023	2023			
	Drug Abuse & Treatment Education	Sheriff	Prison Commissary	Impact Fees	Drug	State Condemnation	E-911 Fund
REVENUES			C morning of				
Taxes	1	•	•	•	1	•	•
Licenses and permits	1	1	1	1	ı		1
Intergovernmental	1			•	ı	•	
Charges for services		×	\$ 221,717	1	ا ح		\$ 1,410,687
Fine and Iorienures Contributions	80,905 ¢	585,085			•	281,21	•
Investment earnings	12	2		\$ 36	98	7	167
Other	ı			1	1	1	1
Total revenues	30,921	1,052,357	221,717	36	98	12,189	1,410,854
EXPENDITURES							
Current:							
Public safety	9,232	2 627,326	221,717		•		1,534,611
Public works	İ	1	1	1	i	1	1
Housing and development	1	1	1	1	ı	1	
Health and welfare	1	•			i	•	
Capital Outlay. Public safetv	ı	354.379	1	1			
Housing and development	•		•	•	٠	•	٠
Debt service:							
Principal	1	•	1	1	•	•	2,536
Interest Total expenditures	9.232	2 981,705	221,717				1,537,224
	11.						11, 10, 11
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	21,689	9 70,652	,	36	98	12,189	(126,370)
OTHER FINANCING SOURCES (USES)							
Sale of capital assets Lease financing		' '					
Transfers in	•	9,072	•	•	•	•	352,398
Transfers out				•	i	(9,072)	•
Total other financing sources (uses)	1	9,072		-	1	(9,072)	352,398
NET CHANGE IN FUND BALANCES	21,689	9 79,724		36	98	3,117	226,028
FUND BALANCES, BEGINNING OF YEAR	110,507	7 644,750		67,489	107,019	5,787	1,729,364
FUND BALANCES, END OF YEAR	\$ 132,196	6 \$ 724,474	∞	\$ 67,525	\$ 107,105	\$ 8,904	\$ 1,955,392

EFFINGHAM COUNTY, GEORGIA COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

	Juvenile Services	County	Fire Taxing District	Inspections & Zoning	Senior Citizens Activity	Hotel Motel Tax	Total
REVENUES			,				
Taxes	•	1	\$ 3,794,806	- 777	ı	\$ 46,180	\$ 3,840,986
Licenses and permits Interconserumental			7 2 58	5 1,/46,/93			1,746,793
Charges for services			3,750,245	56,943	\$ 5,694		6,114,560
Fine and forfeitures	\$ 3,834	\$ 100,052		, 1		ı	530,060
Contributions	, ;	, ;	1,000	1 (26,358	1	27,358
Investment earnings Other	42	35	111,197	288	153		112,023
Total revenues	3,876	100,087	7,665,506	1,804,524	32,205	46,180	12,380,538
EXPENDITURES							
Current:							
Public safety	1	1	5,863,492	- 400 -	İ	- 20	8,256,378
Housing and development Health and welfare				1,394,336	149.592	30,944	1,631,300 149,592
Capital outlay:							
Public safety	•	•	2,449,089	1 0	1		2,803,468
Housing and development Debt service:			ı	188,971			188,971
Principal		•	49,576	36,652	1		88,764
Interest	1	1	11,293	7,295	1		18,665
Total expenditures			8,373,450	1,827,274	149,592	36,944	13,137,138
EXCESS (DEFICIENCY) OF REVENITES OVER (TINDER)							
EXPENDITURES	3,876	100,087	(707,944)	(22,750)	(117,387)	9,236	(756,600)
OTHER FINANCING SOURCES (USES)			:				
Sale of capital assets	ı		13,760	6,815		1	20,575
Lease unancing Transfers in			318,937	190,334	196,982		877,389
Transfers out	1	1			'	1	(9,072)
Total other financing sources (uses)			429,917	197,169	196,982		1,176,466
NET CHANGE IN FUND BALANCES	3,876	100,087	(278,027)	174,419	79,595	9,236	419,866
FUND BALANCES, BEGINNING OF YEAR	50,010	318,654	4,104,223	1,905,738	119,834	29,623	9,192,998
FUND BALANCES, END OF YEAR	\$ 53,886	\$ 418,741	\$ 3,826,196	\$ 2,080,157	\$ 199,429	\$ 38,859	\$ 9,612,864

DRUG ABUSE & TREATMENT EDUCATION FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 17,900	\$ 30,909	\$ 13,009
Investment earnings		12	12
Total revenues	17,900	30,921	13,021
EXPENDITURES Current:			
Public safety	17,900	9,232	8,668
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	21,689	\$ 21,689
FUND BALANCES, BEGINNING OF YEAR		110,507	
FUND BALANCES, END OF YEAR		\$ 132,196	

SHERIFF FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

REVENUES	Original and Final Budget	Actual	Variance Positive (Negative)
Charges for services	\$ 500,000	\$ 669,274	\$ 169,274
Fines and forfeitures	-	383,083	383,083
Total revenues	500,000	1,052,357	552,357
EXPENDITURES Current:			
Public safety	500,000	627,326	(127,326)
Capital outlay:			
Public safety	-	354,379	(354,379)
Total expenditures	500,000	981,705	(481,705)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	425,031	425,031
OTHER FINANCING SOURCES (USES) Transfers in	<u> </u>	9,072	9,072
NET CHANGE IN FUND BALANCE	\$ -	434,103	\$ 434,103
FUND BALANCES, BEGINNING OF YEAR		644,750	
FUND BALANCES, END OF YEAR		\$1,078,853	

PRISON COMMISSARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

REVENUES	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Charges for services	\$220,000	\$ 222,000	\$ 221,717	\$ (283)
EXPENDITURES Current:				
Public safety	220,000	222,000	221,717	283
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCES, BEGINNING OF YEAR				
FUND BALANCES, END OF YEAR			\$ -	

IMPACT FEES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	and	ginal Final ıdget	 Actual	Pos	riance sitive gative)
REVENUES					
Investment earnings	\$	-	\$ 36	\$	36
EXPENDITURES					
Capital outlay:					
Culture and recreation					
NET CHANGE IN FUND BALANCE	\$		36	\$	36
FUND BALANCES, BEGINNING OF YEAR			 67,489		
FUND BALANCES, END OF YEAR			\$ 67,525		

DRUG SEIZURE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	aı	Original nd Final Budget	Actual]	Variance Positive Negative)
REVENUES	<u> </u>				
Fines and forfeitures	\$	50,000	-	\$	(50,000)
Investment earnings		-	\$ 86		86
Total revenues		50,000	86		(49,914)
EXPENDITURES Current:					
Public safety		50,000	 		50,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$		86	\$	86
FUND BALANCES, BEGINNING OF YEAR			107,019		
FUND BALANCES, END OF YEAR			\$ 107,105		

STATE CONDEMNATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	ar	riginal nd Final Budget	 Actual]	Variance Positive Vegative)
REVENUES Fines and forfeitures Investment earnings Total revenues	\$	50,000	\$ 12,182 7 12,189	\$	(37,818) 7 (37,811)
EXPENDITURES Current: Public safety		50,000	<u>-</u>		50,000
EXCESS OF REVENUES OVER EXPENDITURES		-	12,189		12,189
OTHER FINANCING SOURCES (USES) Transfers out			 (9,072)		(9,072)
NET CHANGE IN FUND BALANCES	\$		3,117	\$	3,117
FUND BALANCES, BEGINNING OF YEAR			 5,787		
FUND BALANCES, END OF YEAR			\$ 8,904		

E-911 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 1,300,000	\$ 1,300,000	\$ 1,410,687	\$ 110,687
Investment earnings			167	167
Total revenues	1,300,000	1,300,000	1,410,854	110,854
EXPENDITURES				
Current:				
Public safety	1,652,398	1,649,398	1,534,611	114,787
Debt service				
Principal	-	3,000	2,536	464
Interest	-	-	77	(77)
Total expenditures	1,652,398	1,652,398	1,537,224	115,174
EXCESS (DEFICIENCY) OF REVENUES OVER				
(UNDER) EXPENDITURES	(352,398)	(352,398)	(126,370)	226,028
OTHER FINANCING SOURCES (USES)				
Transfers in	352,398	352,398	352,398	
NET CHANGE IN FUND BALANCE	\$ -	\$ -	226,028	\$ 226,028
FUND BALANCES, BEGINNING OF YEAR			1,729,364	
FUND BALANCES, END OF YEAR			\$ 1,955,392	

JUVENILE SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

an	d Final		Actual	P	ariance ositive egative)
			• • • •		
\$	2,500	\$	ŕ	\$	1,334
	-		42		42
	2,500		3,876		1,376
	2,500		-		2,500
\$	-		3,876	\$	3,876
			50,010		
		\$	53,886		
	an	2,500	and Final Budget \$ 2,500 \$	and Final Budget \$ 2,500 \$ 3,834 - 42 2,500 3,876 2,500 - \$ - \$ - \$ 50,010	and Final Budget \$ 2,500 \$ 3,834 \$ - 42 2,500 \$ 3,876 2,500 - \$ - \$ 50,010

COUNTY JAIL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

DEVENHEG	an	riginal d Final Budget		Actual	I	Variance Positive Vegative)
REVENUES Fines and forfeitures	\$	60,000	\$	100,052	\$	40,052
Investment earnings	Ф	-	Ф	35	Ф	35
Total revenues		60,000		100,087		40,087
EXPENDITURES Current: Public safety		60,000		<u>-</u>		60,000
NET CHANGE IN FUND BALANCE	\$	_		100,087	\$	100,087
FUND BALANCES, BEGINNING OF YEAR				318,654		
FUND BALANCES, END OF YEAR			\$	418,741		

FIRE TAXING DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

DENTENTIES	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES	Ф. 2.000.000	Ф. 2.000.000	Ф. 2.7 04.006	Ф. 704.006
Taxes	\$ 3,000,000	\$ 3,000,000	\$ 3,794,806	\$ 794,806
Intergovernmental	-	-	7,258	7,258
Charges for services	3,575,000	3,583,600	3,750,245	166,645
Investment earnings	1,000	1,000	111,197	110,197
Contributions			1,000	1,000
Total revenues	6,576,000	6,584,600	7,665,506	1,080,906
EXPENDITURES				
Current:				
Public safety	6,122,929	5,926,529	5,863,492	63,037
Capital outlay:	-, ,-	- / /	- , , -	,
Public safety	2,366,000	2,571,000	2,449,089	121,911
Debt service:	, ,	,- , ,	, ,,,,,,	,-
Principal	85,008	85,008	49,576	35,432
Interest	-	-	11,293	(11,293)
Total expenditures	8,573,937	8,582,537	8,373,450	209,087
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(1,997,937)	(1,997,937)	(707,944)	1,289,993
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	_	_	13,760	13,760
Lease financing	179,000	179,000	97,220	(81,780)
Transfers in	318,937	318,937	318,937	(01,700)
Total other financing sources (uses)	497,937	497,937	429,917	(68,020)
Total other maneing sources (uses)		157,557	125,517	(00,020)
NET CHANGE IN FUND BALANCE	\$ (1,500,000)	\$ (1,500,000)	(278,027)	\$ 1,221,973
FUND BALANCES, BEGINNING OF YEAR			4,104,223	
FUND BALANCES, END OF YEAR			\$ 3,826,196	

INSPECTIONS & ZONING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

REVENUES		Original Budget		Final Budget		Actual	I	Variance Positive Vegative)
	ď	1 400 150	¢.	1 (00 150	Φ	1.746.702	¢.	5((12
Licenses and permits	\$	1,490,150 50,000	\$	1,690,150 50,000	\$	1,746,793	\$	56,643 6,943
Charges for services Investment earnings		1,000		1,000		56,943 288		
		1,000		1,000		500		(712)
Other		1.541.150		1 741 150				500
Total revenues		1,541,150		1,741,150		1,804,524		63,374
EXPENDITURES								
Current:								
Housing and development		1,513,549		1,648,549		1,594,356		54,193
Capital outlay:								
Housing and development		68,000		189,000		188,971		29
Debt service:								
Principal		27,601		44,601		36,652		7,949
Interest		-		-		7,295		(7,295)
Total expenditures		1,609,150		1,882,150		1,827,274		54,876
EXCESS (DEFICIENCY) OF REVENUES								
OVER (UNDER) EXPENDITURES	_	(68,000)		(141,000)		(22,750)		118,250
OTHER FINANCING SOURCES								
Lease financing		68,000		141,000		190,354		49,354
Sale of capital assets		-		-		6,815		6,815
Total other financing sources		68,000		141,000		197,169		56,169
NET CHANGE IN FUND BALANCE	\$		\$			174,419	\$	174,419
FUND BALANCES, BEGINNING OF YEAR						1,905,738		
FUND BALANCES, END OF YEAR					\$	2,080,157		

SENIOR CITIZENS ACTIVITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

DEVENIUE	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES Changes for somions	\$ 6,000	\$ 5,694	\$ (306)
Charges for services	\$ 6,000	\$ 5,694 153	\$ (306) 153
Investment earnings Contributions	-	26,358	26,358
Total revenues	6,000	32,205	26,205
1 Otal Tevelides	0,000	32,203	20,203
EXPENDITURES			
Current:			
Health and welfare	202,982	149,592	53,390
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(196,982)	(117,387)	79,595
OTHER FINANCING SOURCES			
Transfers in	196,982	196,982	
NET CHANGE IN FUND BALANCE	\$ -	79,595	\$ 79,595
FUND BALANCES, BEGINNING OF YEAR		119,834	
FUND BALANCES, END OF YEAR		\$ 199,429	

HOTEL MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 15,000	\$37,000	\$46,180	\$ 9,180
EXPENDITURES Current:				
Housing and development	15,000	37,000	36,944	56
NET CHANGE IN FUND BALANCE	\$ -	\$ -	9,236	\$ 9,236
FUND BALANCES, BEGINNING OF YEAR			29,623	
FUND BALANCES, END OF YEAR			\$38,859	

COMBINING STATEMENT OF NET POSITION NONMAJOR PROPRIETARY FUNDS JUNE 30, 2023

	Landfill Stormwater		Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 80,248	\$ 5,668	\$ 85,916
Receivables:			
Accounts receivable	-	131,047	131,047
Total Current Assets	80,248	136,715	216,963
Capital Assets			
Construction in progress	-	300,273	300,273
Systems and equipment	144,025	-	144,025
Less: accumulated depreciation and amortization	(68,012)	-	(68,012)
Total Capital Assets	76,013	300,273	376,286
Total Assets	156,261	436,988	593,249
LIABILITIES			
Current liabilities:			
Accounts payable	362	14,556	14,918
NET POSITION			
Net investment in capital assets	76,013	300,273	376,286
Unrestricted	79,886	122,159	202,045
Total Net Position	\$ 155,899	\$ 422,432	\$ 578,331

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Landfill	Stormwater	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 1,175		\$ 1,175
OPERATING EXPENSES			
Purchased services	40,614	\$ 49,103	89,717
Materials and supplies	10,434	-	10,434
Depreciation	9,602	-	9,602
Total operating expenses	60,650	49,103	109,753
OPERATING INCOME (LOSS)	(59,475)	(49,103)	(108,578)
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	4		4
INCOME (LOSS) BEFORE TRANSFERS	(59,471)	(49,103)	(108,574)
Capital grants	-	131,047	131,047
Transfers in	67,687	302,000	369,687
CHANGE IN NET POSITION	8,216	383,944	392,160
NET POSITION, BEGINNING OF YEAR	147,683	38,488	186,171
NET POSITION, END OF YEAR	\$ 155,899	\$ 422,432	\$ 578,331

COMBINING STATEMENT OF CASH FLOWS NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	<u>I</u>	Landfill	Ste	ormwater		ll Nonmajor nterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES	Φ.	1 175			¢.	1 175
Cash received from customers	\$	1,175	¢.	(57,004)	\$	1,175
Cash payments for goods and services		(54,761)	\$	(57,904)		(111,400)
Net cash used by operating activities		(53,586)		(57,904)		(111,490)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interfund transfers		67,687		_		67,687
intervale delision	-	07,007			-	07,007
CASH FLOWS FROM CAPITAL AND RELATED						
FINANCING ACTIVITIES						
Purchase of capital assets		-		(238,738)		(238,738)
Transfers from capital projects fund		-		302,000		302,000
Net cash provided (used) by capital and related	-					
financing activities		-		63,262		63,262
CASH FLOWS FROM INVESTING ACTIVITIES Investment earnings		4			_	4_
NET INCREASE (DECREASE) IN CASH						
AND CASH EQUIVALENTS		14,105		5,358		19,463
CASH AND CASH EQUIVALENTS, JULY 1, 2022		66,143		310		66,453
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$	80,248	\$	5,668	\$	85,916
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES						
Operating income (loss)	\$	(59,475)	\$	(49,103)	\$	(108,578)
Adjustments:	Ψ	(52,175)	Ψ	(.,,100)	4	(100,070)
Depreciation		9,602		_		9,602
(Increase) decrease in operating assets		>,002				2,002
Accounts receivable		_		_		_
Increase (decrease) in operating liabilities						
Accounts payable		(3,713)		(8,801)		(12,514)
Net cash used by operating activities	\$	(53,586)	\$	(57,904)	\$	(111,490)
1.50 outsi about of operating activities	Ψ	(33,300)	Ψ	(57,701)	Ψ	(111,170)

EFFINGHAM COUNTY, GEORGIA COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2023

	Tax Commissioner	Probate Court	Clerk of Courts	Magistrate Court	Sheriff	Probation	Total
ASSETS Cash	\$ 1,249,615	\$ 466,497	\$ 1,380,435	\$ 5,893	\$ 189,354	\$ 42,083	\$ 3,333,877
TOTAL ASSETS	\$ 1,249,615	\$ 466,497	\$ 1,380,435	\$ 5,893	\$ 189,354	\$ 42,083	\$ 3,333,877
LIABILITIES Due to other governments Due to other entities and individuals	\$ 1,104,321	\$ 1,969	\$ 234,032	\$ 497	1 1	\$ 42,083	\$ 1,382,902 5,396
TOTAL LIABILITIES	1,104,321	1,969	234,032	5,893		42,083	1,388,298
NET POSITION Restricted for individuals, organizations, and other governments	;, 145,294	464,528	1,146,403	ı	\$ 189,354	ı	1,945,579
TOTAL NET POSITION	\$ 145,294	\$ 464,528	\$ 1,146,403	·	\$ 189,354	∞	\$ 1,945,579

EFFINGHAM COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Tax	Probate	Clerk of	Magistrate			
	Commissioner	Court	Courts	Court	Sheriff	Probation	Total
ADDITIONS							
Tax collections for other governments	\$ 57,214,187	ı	\$ 1,494,224	1	1	ı	\$ 58,708,411
Fees, fines, and forfeitures	ı	\$ 577,743	682,956	\$ 120,606	\$ 356,497	\$ 51,108	1,788,910
Court judgements/assessments	ı		868,249	•		ı	868,249
Deposits for cash bonds	•	•	•	•	132,580	ı	132,580
Tax sale proceeds	49,314		•	•	•	1	49,314
Interest	30	28	712	•	147	7	924
Total additions	57,263,531	577,771	3,046,141	120,606	489,224	51,115	61,548,388
DEDUCTIONS							
Payments to other governments	57,214,187	199,920	1,607,067	9,297	ı	50,413	59,080,884
Payments to other entities and individuals	1	-	636,954	111,309	478,996	702	1,227,961
Total deductions	57,214,187	199,920	2,244,021	120,606	478,996	51,115	60,308,845
Net increase (decrease) in fiduciary net position	49,344	377,851	802,120	1	10,228	ı	1,239,543
NET POSITION - JULY 1, 2022	95,950	86,677	344,283	1	179,126	ı	706,036
NET POSITION - JUNE 30, 2023	\$ 145,294	\$ 464,528	\$ 1,146,403	€	\$ 189,354	·	\$ 1,945,579

SCHEDULE OF PROJECTS PAID WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED JUNE 30, 2023

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2017 SPLOST						
Public buildings	\$ 3,385,525	\$ 3,385,525	\$ 2,203,243	-	\$ 2,203,243	65%
Roads, streets and bridges	31,251,000	31,251,000	10,167,554	\$ 4,903,676	15,071,230	48%
Drainage projects	911,488	911,488	187,838	73,000	260,838	29%
Recreation projects	4,948,075	4,948,075	3,274,314	464,834	3,739,148	76%
Vehicles and equipment	6,771,050	10,551,466	7,654,825	2,896,641	10,551,466	100%
Technology projects	520,850	520,850	39,714	-	39,714	8%
Water and sewer	4,297,012	4,297,012	682,830	84,645	767,475	18%
Intergovernmental:						
City of Rincon	11,838,000	11,838,000	9,080,100	-	9,080,100	77%
City of Springfield	3,821,000	3,821,000	2,931,843	-	2,931,843	77%
City of Guyton	2,256,000	2,256,000	1,729,040		1,729,040	77%
	\$70,000,000	\$73,780,416	\$37,951,301	\$ 8,422,796	\$46,374,097	62.9%
	SPLOST capital projects fund total expe	enditures		\$ 9,111,289		
	SPLOST capital projects fund transfer of	ut to Water & Sew	er	157,645		
				9,268,934		
	Less:					
	Intergovernmental Revenue - Road	s, streets, and br	idges	(846,138)		
	-		-	\$ 8,422,796		

EFFINGHAM COUNTY, GEORGIA SCHEDULE OF PROJECTS PAID WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED JUNE 30, 2023

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2021 SPLOST						
County Project - Tier 1 Projects						
Expand and renovate animal shelter	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 250,005	\$ 250,005	17%
Renovate space for UGA extension and 4H	1,500,000	1,500,000	-	250,005	250,005	17%
Renovate space for social services	1,500,000	1,500,000	-	250,005	250,005	17%
Renovate space for elections & registration office and storage	1,500,000	1,500,000	-	250,005	250,005	17%
Emergency operations center and emergency management offices	1,300,000	1,300,000	-	216,671	216,671	17%
Replace ambulance units	900,000	900,000	-	150,003	150,003	17%
EMS station Rincon area	600,000	600,000	-	100,002	100,002	17%
Expand EMS headquarters facility	900,000	900,000	-	150,003	150,003	17% 17%
Renovate space for juvenile court and victim & witness services	1,300,000	1,300,000	-	216,671	216,671	17%
Administrative Complex expansion E911 technology and infrastructure upgrades	2,000,000 200,000	2,000,000 200,000	-	333,340 33,334	333,340 33,334	17%
Upgrade jail camera system	200,000	200,000	-	33,334	33,334	17%
Sheriff department storage building	100,000	100,000	-	16,667	16,667	17%
Coroner morgue equipment	100,000	100,000	-	16,667	16,667	17%
Expand judicial center parking	600,000	600,000	-	100,002	100,002	17%
Renovate space for juvenile justice services	200,000	200,000		33,334	33,334	17%
Historic courthouse audio and video upgrades	200,000	200,000	_	33,334	33,334	17%
Renovate space for probation services	200,000	200,000	_	33,334	33,334	17%
Prison maintenance building	200,000	200,000	_	33,334	33,334	17%
Safety, security, and technology upgrades countywide services	1,000,000	1,000,000	-	166,670	166,670	17%
County Project - Other						
Parks and recreation capital projects	24,800,000	24,800,000	-	392,088	392,088	2%
Roads and bridges capital projects	6,000,000	6,000,000	_	38,343	38,343	1%
Fire department capital projects	3,700,000	3,700,000	-	4,500	4,500	0%
Drainage capital projects	2,500,000	2,500,000	-	-	-	0%
Public buildings capital projects	3,300,000	3,300,000	-	60,492	60,492	2%
Water and sewer capital projects	3,200,000	3,200,000	-	692,210	692,210	22%
Equipment capital outlay	3,000,000	3,000,000	-	-	-	0%
Safety, security, and technology capital projects	1,122,400	1,122,400	-	214,416	214,416	19%
Intergovernmental						
City of Rincon	10,822,400	10,822,400	-	2,401,565	2,401,565	22%
City of Springfield	3,494,400	3,494,400	-	593,634	593,634	17%
City of Guyton	2,060,800	2,060,800		502,733	502,733	24%
	\$80,000,000	\$80,000,000	\$ -	\$ 7,566,701	\$ 7,566,701	9.5%
any oar in the first term	P.			0 4 50 4 50 2		
SPLOST capital projects fund total of	-	9		\$ 4,504,532		
SPLOST capital projects fund transf				692,210		
SPLOST capital projects fund transf	er out to Debt Se	rvice Fund		2,666,718 7,863,460		
Less:				,,		
Use of bonds proceeds - Tier 1	Projects			(296,759)		
ose of contas proceeds. Then I				\$ 7,566,701		
				\$ 7,500,701		

SCHEDULE OF PROJECTS PAID WITH TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED JUNE 30, 2023

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
TSPLOST						
District 1 Road Projects	\$ 2,542,110	\$ 2,542,110	\$ 164,550	\$ 786,242	\$ 950,792	37%
District 2 Road Projects	18,206,374	18,206,374	3,974,270	1,158,318	5,132,588	28%
District 3 Road Projects	7,544,974	7,544,974	506,947	4,628,589	5,135,536	68%
District 4 Road Projects	2,899,150	2,899,150	140,905	178,238	319,143	11%
District 5 Road Projects	1,683,100	1,683,100	608,841	326,411	935,252	56%
Multi-district	500,000	500,000	32,082	71,069	103,151	21%
Intergovernmental:						
City of Rincon	-	-	-	-	-	0%
City of Springfield	2,475,000	2,475,000	1,039,326	-	1,039,326	42%
City of Guyton	1,350,000	1,350,000	626,887		626,887	46%
	\$ 37,200,708	\$ 37,200,708	\$ 7,093,808	7,148,867	\$ 14,242,675	38.3%
		Total TSPLO	OST expenditures	\$ 7,148,867		
	TSPLOST capital projects fund to	otal expenditures		\$ 9,227,111		
	TSPLOST capital projects fund to	ransfer out to Debt	Service Fund	7,148,864		
				16,375,975		
	Less:					
	Use of bond proceeds - Road	s, streets, and bri	dges	(9,227,108)		
	F F	,, 011	0	\$ 7,148,867		
				Ψ /,170,00/		

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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, 2023, and the related notes to the financial statements, which collectively comprise Effingham County's basic financial statements, and have issued our report thereon dated March 13, 2024. Our report includes a reference to other auditors who audited the financial statements of the Effingham County Board of Health and the Effingham County Hospital Authority, discretely presented component units, as described in our report on Effingham County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-1 through 2023-3 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Effingham County, Georgia's Response to Findings

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

Purpose of this Report

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

Statesboro, Georgia

March 13, 2024

Lanier, Deal, Proctor + Bloser

SCHEDULE OF FINDINGS YEAR ENDED JUNE 30, 2023

FINDINGS - FINANCIAL STATEMENTS AUDIT

MATERIAL WEAKNESSES

2023-1 Insufficient bank reconciliations prepared by Clerk of Court's office

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

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

Cause: The accounting software used by the Clerk's office is not well-understood. Relevant staff were not properly trained on the new software.

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

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

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

2023-2 Insufficient bank reconciliations prepared by Tax Commissioner's office

Condition: During our audit we noted numerous duplicate transactions that were considered outstanding items on the Tax Commissioner's bank reconciliations, causing the ending cash balances to be inaccurate. These items included both duplicated transactions during the current year and stale items from years prior.

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

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

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

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

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

SCHEDULE OF FINDINGS

2023-3 Excess funds in Tax Commissioner's office

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

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

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

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

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

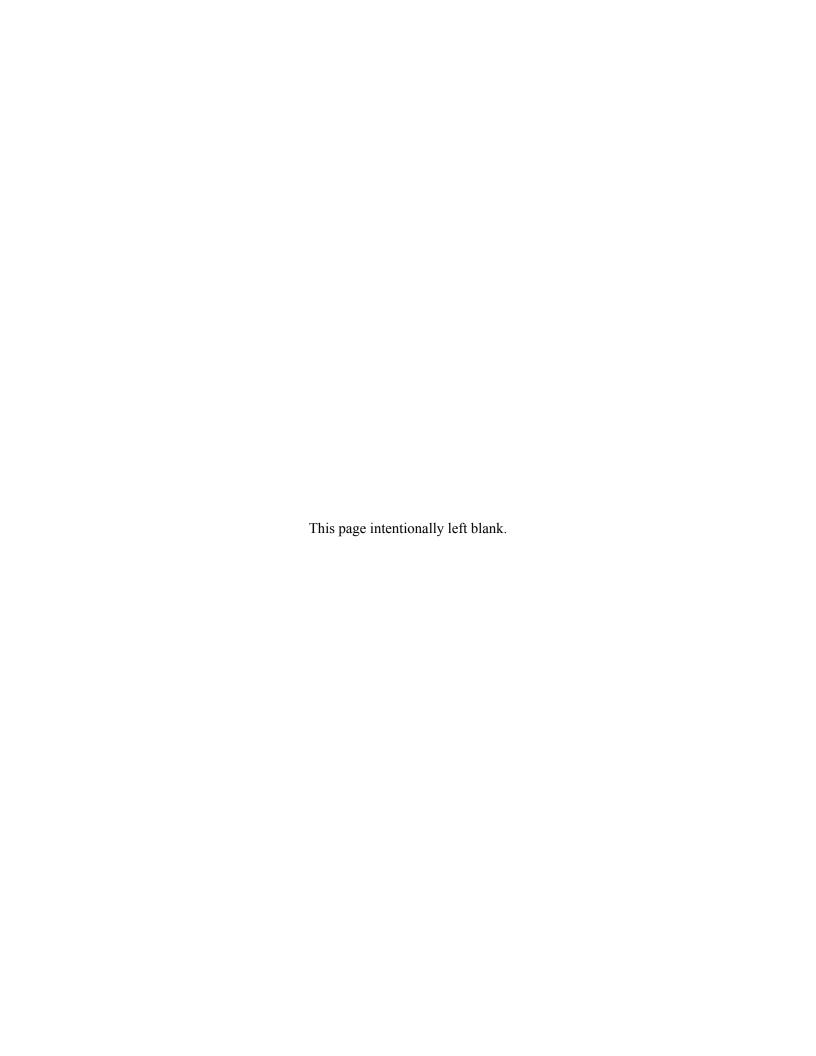
View of Responsible Officials and Planned Corrective Actions: We concur with this finding, and we will implement procedures to establish a process for creating and maintaining a list of entities to be paid.

APPENDIX B

PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL

The form of Legal Opinion included in this Appendix B has been prepared by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel, and are substantially in the form to be given in connection with the delivery of the Bonds.

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Attorneys at Law

323 East Congress Street Savannah, Georgia 31401 (912) 443-4040

336 Hill Street Athens, Georgia 30601 (706) 510-1550

gpwlawfirm.com

[Date of Closing]

Effingham County, Georgia Springfield, Georgia

Re: \$60,000,000 EFFINGHAM COUNTY (GEORGIA) GENERAL OBLIGATION TRANSPORTATION

SALES TAX BONDS, SERIES 2024

To the Addressee:

We have acted as bond counsel in connection with the issuance by Effingham County, Georgia (the "County") of its Effingham County (Georgia) General Obligation Transportation Sales Tax Bonds, Series 2024, dated as of the date hereof, in the aggregate principal amount of \$60,000,000 (the "Bonds"). In this capacity we have examined (i) the Constitution and general laws of the State of Georgia; (ii) certified copies of proceedings of the Board of Commissioners of Effingham County (the "Board of Commissioners"), the governing body of the County, including a resolution adopted on September 19, 2023, calling a special county one percent transportation sales and use tax election in the County on November 7, 2023 (the "Election"); (iii) a certified copy of a bond resolution adopted by the Board of Commissioners on April 2, 2024 (the "Resolution"); (iv) a certified copy of the proceedings in and the judgment of the Superior Court of Effingham County, Georgia, by which the Bonds were validated; and (v) other proofs authorizing and relating to the issuance of the Bonds, including a copy of the consolidated returns of the Election.

As to questions of fact material to our opinion, we have relied upon representations of the County contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Interest on the Bonds is payable on February 15th and August 15th of each year, beginning February 15, 2025, in the manner and at the rate of interest stated in the Bonds and the Resolution until the obligation with respect to the payment of the principal of the Bonds shall be discharged. The Bonds mature on August 15th in the years and principal amounts, and bear interest at the rates, as set forth in the Resolution. The Bonds are not subject to redemption prior to maturity. The Bonds are subject to transfer and exchange in the manner and on the terms specified in each Bond and the Bond Resolution. The Bonds are being issued pursuant to a book-entry system in fully registered form.

The legal opinions expressed herein are based upon existing law, are subject to judicial discretion regarding usual equity principles and do not relate to compliance by the County, the initial purchaser of the

Effingham County, Georgia [Date of Closing]
Page 2

Bonds, or any other party with any statute, regulation, or ruling of the State of Georgia or the United States of America regarding the sale (other than the initial sale by the County) or distribution of the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. Non-compliance with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The County has covenanted pursuant to the Resolution to comply with the requirements of the Code in order to maintain the exclusion from federal gross income of the interest on the Bonds.

In reliance upon and subject to the foregoing, we are of the opinion that:

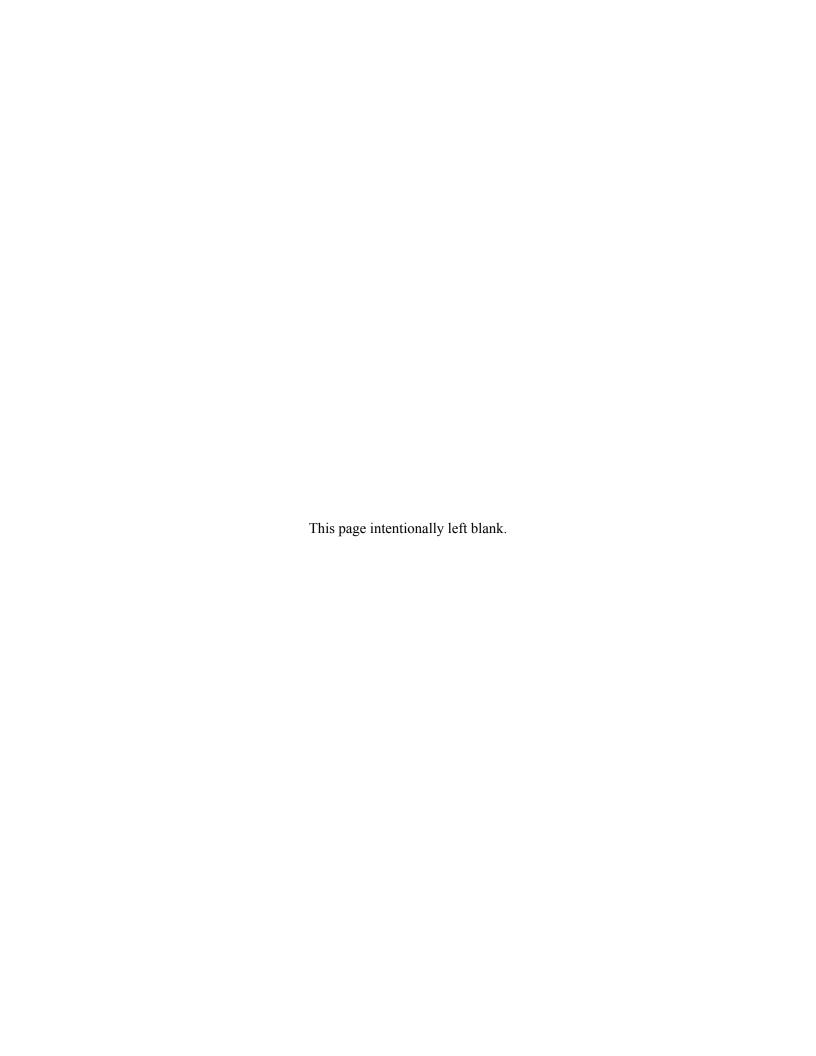
- 1. The Bonds have been duly authorized and issued by the County, with the assent of a majority of the qualified voters of the County voting in the Election held for that purpose, and in accordance with the Constitution and laws of the State of Georgia.
- 2. Payment of the Bonds are validly secured by a special county one percent transportation sales and use tax is projected to begin being collected within the County on July 1, 2024, and shall be collected for a period of time not to exceed five years. The principal of and interest on the Bonds are payable from a separate account in which are to be placed the proceeds received by the County from such transportation sales and use tax. The obligation to pay such principal and interest, however, is a general obligation debt of the County and constitutes a pledge of the full faith, credit, and taxing power of the County. Any liability on such debt which is not satisfied from the proceeds of the transportation sales and use tax shall be satisfied from the general fund of the County or from a direct annual AD VALOREM tax to be levied for such purpose.
- 3. The Bonds were duly confirmed and validated by judgment of the Superior Court of Effingham County entered on February 12, 2024, and no valid appeal may be taken from said judgment of validation.
- 4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The interest on the Bonds is exempt from present State of Georgia income taxation.

Although we have rendered an opinion that interest on the Bond is excludable from gross income for federal income tax purposes, a bondowner's federal tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of these other tax consequences will depend upon the bondowner's other items of income or deduction. We express no opinion regarding any such other tax consequences.

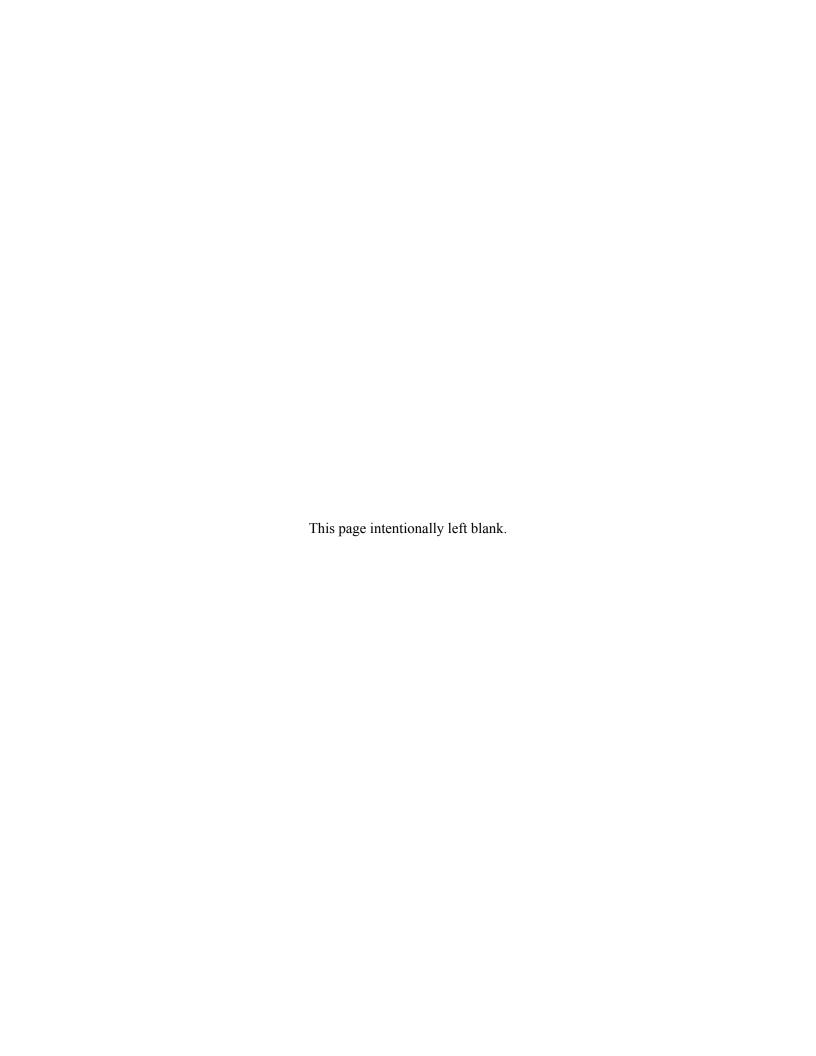
Effingham County, Georgia [Date of Closing]
Page 3

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours very truly,	
GRAY PANNELL & WOODWARD LLP	
By:	
A Partner	



$\label{eq:appendix} \mbox{APPENDIX C}$ FORM OF THE CONTINUING DISCLOSURE CERTIFICATE



CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by Effingham County, Georgia, a political subdivision of the State of Georgia (the "County"), in connection with its issuance of the EFFINGHAM COUNTY (GEORGIA) GENERAL OBLIGATION TRANSPORTATION SALES TAX BONDS, SERIES 2024, in the aggregate principal amount of \$60,000,000 (the "Bonds"). The Bonds are being issued pursuant to a bond resolution adopted by the Board of Commissioners of Effingham County on April 2, 2024 (the "Resolution").

The County covenants and agrees as follows:

- SECTION 1. <u>Purpose of the Disclosure Certificate</u>. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Holders and Beneficial Owners of the Bonds (together, the "Bondholders") and in order to assist the Participating Underwriter (defined below) in complying with U.S. Securities and Exchange Commission Rule 15c2-12(b)(5).
- SECTION 2. <u>Definitions</u>. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:
- "Annual Report" means any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.
- "Beneficial Owner" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.
 - "County" means Effingham County, Georgia, a political subdivision of the State of Georgia.
- "Dissemination Agent" means the Finance Director of Effingham County, Georgia, or any successor Dissemination Agent designated in writing by the County, and which has filed with the County a written acceptance of such designation.
- "EMMA" means the MSRB's Electronic Municipal Market Access System which became effective July 1, 2009, and which receives electronic submissions of the Annual Report on the EMMA website at http://www.emma.msrb.org.
- "Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.
- "Fiscal Year" means any period of 12 consecutive months adopted by the governing body of the County as the County's fiscal year for financial reporting purposes. The County's current fiscal year began on July 1, 2023, and will end on June 30, 2024.
 - "Listed Events" means any of the events listed in Section 5(a) of this Disclosure Certificate.
 - "MSRB" means the Municipal Securities Rulemaking Board.
 - "Obligated Person" has the meaning set forth in the Rule and means the County.

"Participating Underwriter" means Jefferies LLC, the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. <u>Provision of Annual Reports</u>.

- (a) On an annual basis, the County will provide, or cause the Dissemination Agent (if other than the County) to provide, electronically to EMMA, not later than one year after the end of each Fiscal Year, commencing with the report for the Fiscal Year ending June 30, 2024, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report shall be uploaded on EMMA in such manner and format as is prescribed by the MSRB. The County may cause its Annual Audited Financial Report ("AAFR") to be filed as its Annual Report, as long as the AAFR is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. In such event, the audited financial statements will be submitted promptly to EMMA upon their availability. If the County's fiscal year changes, notice of such change shall be given in the same manner as for a Listed Event under Section 5(c).
- (b) Not later than 15 business days prior to the dates specified in paragraph (a) of this Section 3 for providing the Annual Report to EMMA, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If the County is unable to provide an Annual Report by the date required in paragraph (a), the Dissemination Agent shall send a timely notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

- (i) determine each year, prior to the date for providing the Annual Report, the manner of filing with EMMA; and
- (ii) (if the Dissemination Agent is other than the County) notify the County that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate.
- SECTION 4. <u>Content of Annual Reports</u>. The County's Annual Report shall contain or incorporate by reference the following items:
- (a) The general purpose financial statements of the County for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as applicable to governmental entities from time to time by the Governmental Accounting Standards Board. Such financial statements will be accompanied by an audit report, if available at the time of submission of the Annual Report, resulting from an audit conducted by an independent certified public accountant or a firm of independent certified public accountants in conformity with generally accepted auditing standards. If such audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement relating to the Bonds, and the audited financial statements, together with the audit report thereon, shall be filed in the same manner as the Annual Report when they become available.
- (b) If generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 3(a) hereof and if such changes are material to the County, a narrative explanation describing the impact of such changes on the County.

(c) Tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data which shall be consistent with the information contained in the tables in the Official Statement relating to the Bonds under the headings "EFFINGHAM COUNTY AD VALOREM TAXATION, -M&O Tax Digest, -Millage Rates, -M&O Tax Levies and Collections for the County, and -Ten Largest Taxpayers."

Any or all of the items listed above may be incorporated by specific reference to other documents, including official statements of debt issues with respect to which Effingham is an Obligated Person, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

- (a) The County shall provide or cause to be provided through the Dissemination Agent to EMMA, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:
 - 1. principal and interest payment delinquencies;
 - 2. non-payment related defaults, if material;
 - 3. unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4. unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. substitution of credit or liquidity providers, or their failure to perform;
 - 6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - 7. modifications to rights of Bondholders, if material;
 - 8. bond calls, if material, and tender offers;
 - 9. defeasances:
 - 10. release, substitution, or sale of property securing repayment of the Bonds, if material:
 - 11. rating changes;
 - 12. bankruptcy, insolvency, receivership, or similar event of the Obligated Person. This event is considered to have occurred when any of the following have occurred: (i) appointment of receiver, fiscal agent, or similar officer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court of governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County;

- 13. the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- 14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
- 15. incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.
- (b) Notwithstanding the foregoing, notice of Listed Events described in paragraph (a)(8) and (9) above need not be given under this Section 5 any earlier than the notice (if any) of the underlying event is given to the Bondholders of affected Bonds pursuant to the Resolution.
- (c) The content of any notice of the occurrence of a Listed Event shall be determined by the County and shall be in substantially the form attached as Exhibit B.
- SECTION 6. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.
- SECTION 7. <u>Termination of Reporting Obligation</u>. The County reserves the right to terminate its obligations under this Disclosure Certificate if and when the County no longer remains an Obligated Person with respect to the Bonds within the meaning of the Rule; in particular upon the occurrence of the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the County shall give notice of such termination to EMMA.
- SECTION 8. <u>Dissemination Agent</u>. The County, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. A Dissemination Agent other than the County shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Finance Director of the County.
- SECTION 9. <u>Amendment</u>. Notwithstanding any other provision of this Disclosure Certificate, Effingham may amend this Disclosure Certificate if:
- (a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County on the Bonds, or type of business conducted;
- (b) such amendment is supported by an opinion of counsel expert in federal securities laws, to the effect that the undertakings contained herein, as amended, would have complied with the requirements

of the Rule on the date hereof, after taking into account any amendments or official interpretations of the Rule, as well as any change in circumstances; and

(c) such amendment does not materially impair the interests of the Bondholders, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the County, or by the approving vote of the Bondholders pursuant to the terms of the Resolution at the time of such amendment.

If any provision of this Disclosure Certificate is amended, the first release of the Annual Report containing any amended financial information or operating data shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5 and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. <u>Default</u>. If the County fails to comply with any provision of this Disclosure Certificate, any Bondholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain mandamus or specific performance by court order of the County's obligations pursuant to this Disclosure Certificate. Any failure by the County to comply with the provisions of this Disclosure Certificate shall not be an event of default with respect to the Bonds under the Resolution.

SECTION 11. <u>Duties, Immunities, and Liabilities of Dissemination Agent.</u> The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent allowed by applicable law, the County agrees to indemnify and save the Dissemination Agent (if other than itself), its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section 11 shall survive resignation or removal of the Dissemination Agent (if other than itself) and payment of the Bonds.

SECTION 12. <u>Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent (if other than the County), the Participating Underwriter, and the Bondholders, and shall create no rights in any other person or entity.

SECTION 13. <u>Counterparts</u>. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: April 16, 2024	
	EFFINGHAM COUNTY, GEORGIA
	By:
	Chairman Board of Commissioners
(SEAL)	Board of Commissioners
	Attest:
	County Clerk

Exhibit A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer/Obligor:	Effingham County, Georgia
Name of Bond Issue:	\$60,000,000 Effingham County (Georgia) General Obligation Transportation Sales Tax Bonds, Series 2024
Date of Issuance:	April 16, 2024
above-named Bonds as a	GIVEN that the Obligor has not provided an Annual Report with respect to the required by the Continuing Disclosure Certificate executed by the Obligor or . The Obligor anticipates that the Annual Report will be filed by
	[Name of Dissemination Agent]
	Ву:
	Name:
	Title:

Exhibit B

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

Relating to

\$60,000,000 EFFINGHAM COUNTY (GEORGIA) GENERAL OBLIGATION TRANSPORTATION SALES TAX BONDS, SERIES 2024

CUSIP NUMBER(S) 1 :

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken, and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of a Listed Event constituting defeasance shall include the following:

Effingham County, Georgia hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional redemption provisions of said defeased bonds.

OR

Effingham County, Georgia hereby covenants not to exercise any optional or extraordinary redemption provisions under the Resolution; however, the Sinking Fund provision will survive the defeasance.

AND

	does not constitute a notice of redemption and no Georgia or the Paying Agent as a result of this where to submit your bonds for payment will be	first call date, which is]. This notice bonds should be delivered to Effingham County, mailing. A Notice of Redemption instructing you be mailed to days prior to the
	redemption date.]	
Dated:	, 20	
		[Name of Dissemination Agent]
		By:
		Name:
		Title:

¹ No representation is made as to the correctness of the CUSIP number(s) either as printed on the Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

