

## Financial Policy Addendum No. 16

### Fund Balance

4. Surplus fund balance: Fund balance will be considered a surplus if over 35% of the current year's expenditures. Should unassigned fund balance ever exceed 35%, the County will consider such fund balance surplus for one time expenditures that are non-recurring in nature and which will not require additional future expense outlays for maintenance, additional staffing or other recurring expenditures.

### Financing and Debt Management

- m. **Limitations on Debt.** Georgia law limits the amount of general obligation debt that the County may issue to 10% of the assessed value of all taxable property located within the boundaries of the County (Georgia Constitution, Article 9, Section 5, Paragraph 1). However, the County takes a more conservative approach and limits the issuance of all tax supported debt, which includes any General Obligation, Intergovernmental Agreement, SPLOST and Long Term Lease Obligations, to no more than 1.75% of Total Taxable Full Value (Market Value) of the County. Additionally, total tax supported debt service including General Obligation, Intergovernmental Agreement and Long Term Lease obligations, but excluding SPLOST debt, will not exceed 15% of the Operating Expenditures and Debt Service of the General Fund. Intergovernmental debt that is supported by the full faith and credit of the County but is self-supported by enterprise fund revenues (or other similar types of revenues), may be excluded from the debt as a percent of full value and debt service as a percent of expenditure ratios.

### Investments

- a. **Objective.** The objective of this policy is to maximize investment earnings with a strong focus on the safety of principal, while remaining sufficiently liquid to meet all operating requirements which might be reasonably anticipated.
- b. **Scope.** This investment policy applies to all cash and investments which are the responsibility of and under the management of the Effingham County Board of Commissioners.
- c. **Authority to Invest.** The Finance Director of the County is responsible for investment activities. The creation of new investment accounts must be approved by the Effingham County Board of Commissioners. Additional accounts with Georgia Fund I (also called LGIP) may be authorized by the Chairman.
- d. **Eligible Investments.** The County shall make investments in only those instruments that local governments are permitted to invest in under O.C.G.A. 36-83-4. Those instruments are:

- Obligations of this state or of other states
- Obligations issued by the United States government
- Obligations fully insured or guaranteed by the United States government or a United States government agency
- Obligations of any corporation of the United States government
- Prime bankers' acceptances
- The local government investment pool established by Code Section 36-83-8 (i.e. Georgia Fund I, also called 'LGIP')
- Repurchase agreements
- Obligations of other political subdivisions of this state

Eligible investments must have (or be collateralized by other eligible investments that have) a long-term rating equal to or greater than Aa3 from Moody's Investors Service, AA- from Fitch Ratings, or AA- from Standard & Poor's Rating Services.

- e. **Reporting.** Investment activities shall be included in the reporting that financial policies require staff to regularly prepare for the Board.