

**Brunswick and Glynn County
Development Authority**

Financial Statements and Auditor Report

For the Year Ended
June 30, 2023

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**BEN PALMER
LEE, CPA, LLC**

BEN P. LEE CPA, CFE, CFF, CGMA, CGFM, CGFO

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Brunswick and Glynn County Development Authority
Brunswick, Georgia

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Brunswick and Glynn County Development Authority as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Brunswick and Glynn County Development Authority as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Brunswick and Glynn County Development Authority, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

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 Brunswick and Glynn County Development Authorities 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.

Auditors' Responsibilities for the Audit of the Financial Statements

My 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 my 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 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 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, I:

- 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,

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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 finance.

- 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 Brunswick and Glynn County Development Authority 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Brunswick and Glynn County Development Authority ability to continue as a going concern for a reasonable period of time.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brunswick and Glynn County Development Authority basic financial statements. The combining and individual nonmajor fund financial statements are presented for the 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 my opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Ben Palmer Lee, CPA, LLC

Ben Palmer Lee, CPA, LLC
St. Simons Island, Georgia
September 12, 2023

BRUNSWICK AND GLYNN COUNTY DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2023

Our discussion and analysis of the Brunswick & Glynn County Development Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2023. Please review it in conjunction with the Authority's basic financial statements.

MANAGEMENT NOTES:

During Fiscal year 2023, the Authority worked on more active projects than any time in its history. The Authority hosted site visits from nine companies interested in available sites in Glynn County. At the end of the year, the Authority had 20 projects in viable consideration representing almost \$20B in investment. Along with the site visits, the Authority had several projects completed in 2023.

The Authority was a recipient of funds from the 2023 SPLOST referendum that facilitated the purchase of 1,400 acres near Interstate 95 and Colonel's Island known as the Dean Island tract. Rebranded as the "Georgia Breakbulk Site", the property is readily available for sale and the Authority is actively performing preliminary engineering on the property.

The Authority sold 20 acres in the Eastgate Industrial Park to Georgia Land group. This property will be used for a sand mining operation to support the widening of Highway 17.

The Authority, in collaboration with the County, was instrumental in the decision for Buc-ee's to choose a location in Glynn County at Exit 42 on I-95, including an agreement to offer bonds for title to create funding for public infrastructure improvement along Highway 99 and Interstate 95. Construction is expected to begin in late 2023. Buc-ee's is expected to bring approximately 200 jobs to the location.

In the fourth quarter, the Authority entered into an LOI with Hillpointe Construction for the development of a 500,000 square foot warehouse on Authority property at Tradewinds at exit 42 of Interstate 95.

The Authority contracted to sale property along Glynco Parkway owned in partnership with the McBride Family. The purchaser will build approximately 90,000 square foot of flexible warehousing space designed to accommodate light industrial and construction trade operations.

The Authority supported Wallenius Wilhelmsen's operational headquarters expansion at Colonel's Island. Wallenius Wilhelmsen will participate in the Authority's Foreign Trade Zone. The move is expected to bring approximately 500 jobs to the location.

In fiscal year 2023, the Authority continued to collaborate with community partners on workforce strategies. The Authority participated in job fairs targeting local business needs. The Authority works diligently to support existing businesses in Glynn County. The Authority facilitated upgrades to seven businesses with awards from the Share the Future grant program.

FINANCIAL HIGHLIGHTS:

The total net position for the Development Authority as of June 30, 2023 was \$15,814,782. This represents an increase of \$2,555,459 (+19.27%) from the previous year.

Governmental Activity (Operating Account) Fund balance as of June 30, 2023 totaled \$540,562, a decrease of \$32,190 (-6.44%) during the year.

Revenues (\$836,895) for Governmental Activities decreased by \$5,584 (-1.13%). This decrease was due a change in the Bond Fees and FTZ Fees received..

Expenditures (\$874,085) for Governmental Activities increased by \$100,916 (+13.05%). This increase was due to higher marketing and personnel expenditures.

Total Proprietary Fund (Capital Account) Assets (\$36,631,994) increased by \$4,506,308 (+14.03%). This increase is due to the purchase of additional land for inventory.

Total Liabilities in this fund (\$21,363,972) increased \$1,912,346 (+9.83%) due to the receipt of Funds Held in Trust for a county project. .

Operating Revenues/Expenses for the Proprietary Fund (\$3,451,261) increased by \$2,824,155 (+450.35%). This increase was due the receipt of a grant through the county SPLOST program.

Non-Operating Revenues/Expenses totaled (\$857,299). This total included interest revenues of \$8,961, interest expenses of (\$799,760) and Share the Future grants of (\$61,500).

USING THIS ANNUAL REPORT:

This annual report consists of a statement of net position and activities for the Authority as well as separate financial statements for each fund group. Each fund’s financial statements will report the Authority’s operations in more detail.

The Statement of Net Position and the Statement of Activities provide information about the Authority and its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is like accounting used by most private-sector companies. Accrual of this current year’s revenues and expenses are considered regardless of when cash is received or paid. You can relate the Authority’s net position, the difference between assets (what the Authority owns) and liabilities (what the Authority owes), to measure the Authority’s financial health. Our analysis of the Authority is shown below.

Major Funds:

Governmental Fund – Operations
 Proprietary Fund – Capital

THE AUTHORITY AS A WHOLE:

The Authority’s total net position of \$15,814,782 increased by \$2,555,459 from the previous year. The table below summarizes the assets and liabilities of the Authority, comparing the year ending 6/30/23 with the previous year: Reasons for the increase in net position are provided below.

	ALL FUNDS		
	<u>2023</u>	<u>2022</u>	<u>Difference</u>
Total Assets:			
Current Assets	\$5,457,750	\$6,240,680	(\$782,930)
Non-Current Assets	31,816,390	26,582,381	5,234,009
Deferred Outflows (Swap Loans)	0	0	0
Total Assets	37,274,140	32,823,061	4,451,079
Total Liabilities:			
Current Liabilities	4,404,568	1,638,418	2,766,150
Non-Current Liabilities	17,054,790	17,925,320	(870,530)
Deferred Inflows (Swap Loans)	0		0
Total Liabilities	21,459,358	19,563,738	1,895,620
Net Assets			
Invested in Capital Assets, net of related Debt	13,575,587	7,209,491	6,366,096
Unrestricted	2,239,195	6,049,832	(3,810,637)
NET ASSETS	15,814,782	13,259,323	2,555,459
Total Liabilities & Net Assets	\$ 37,274,140	\$ 32,823,061	\$ 4,451,079

Non-Current Assets decreased to due to payments received for Notes Receivable..

Current Liabilities increased due to receipt of Funds Held in Trust. Non-Current Liabilities decreased due to payments on notes payable.

The Governmental Fund (Operations):

The Governmental Fund (Operating Account) ended the year with a fund balance of \$540,562, a decrease of \$37,190 from the previous year. This decrease is due to a decrease in cash. A balance sheet summary of the Assets and Liabilities of the Governmental Fund is shown in Table 2.

Table 2:	Governmental Fund - Operations		
	<u>2023</u>	<u>2022</u>	<u>Difference</u>
Total Assets:			
Cash & cash equivalents	\$391,006	\$457,404	(\$66,398)
Short-term investments	214,715	213,324	1,391
Accounts Receivable	9,020	3,500	5,520
Prepaid Expenses	21,207	15,636	5,571
Total Assets	635,948	689,864	(53,916)
Total Liabilities:			
Accounts Payable	95,386	112,112	(16,726)
Total Liabilities	95,386	112,112	(16,726)
Fund Balance - Governmental Fund	540,562	577,752	(37,190)
Total Liabilities and Fund Balances	\$ 635,948	\$ 689,864	\$ (53,916)
Fund Balance - Governmental Fund	540,562	577,752	(37,190)
Cap Assets not Recorded in Governmental Fund	6,198	7,511	(1,313)
Net Position, End of Year	\$ 546,760	\$ 585,263	\$ (38,503)

Revenues and expenditures of the Governmental Fund (Operating Account) are summarized in Table 3, shown below.

Table 3:	Governmental Fund (Operating)		
	<u>2023</u>	<u>2022</u>	<u>Difference</u>
Fund Balance, beginning of year	\$ 577,752	\$ 498,018	\$ 79,734
Total Revenues:			
Bond Fees	53,869	77,837	(23,968)
Glynn County Grant	740,200	703,900	36,300
Interest	1,826	1,242	584
Other Income	41,000	63,500	(22,500)
	836,895	846,479	(9,584)
Total Expenses:			
Personnel	415,795	357,656	58,139
Administrative	225,185	227,046	(1,861)
Marketing	233,105	188,467	44,638
Capital Outlays	0	0	0
	874,085	773,169	100,916
Revenues (under) expenditures	(37,190)	73,310	(110,500)
Other financing sources:			
Funds Transfer	0	6,424	(6,424)
Total Other Sources	0	6,424	(6,424)
Change in Fund Balance	(37,190)	79,734	(116,924)
Fund Balance, end of year	\$ 540,562	\$ 577,752	\$ (37,190)

Revenues for the Governmental Fund, which totaled \$836,895, decreased by \$9,584 due a lower Bond and FTZ Fee income.

Expenditures in the Governmental Fund for the year totaled \$874,085, an increase of \$100,916 from the previous year, due to an increase in Marketing and Personnel expenditures. At year end June 30, 2023, the Governmental Fund Balance was \$540,562, a decrease of \$37,190 from the beginning of the year.

Review of Operating Expenditures compared to Budget: (Please see page 37 of Financial Statements)

Personnel Expenditures were under budget (\$1,204).
 Marketing Expenditures were over budget (\$25,187).
 General and Administrative Expenditures were over budget (\$20,605).

Overall, for the year, Operating Expenditures were \$44,588 over budget.

The Proprietary Fund (Capital):

The Proprietary Fund (Capital Account) ended the year with total assets of \$36,631,994, an increase of \$4,506,308 from last year. A summary of the Assets (Table 4A) for the Proprietary Fund are shown below:

Table 4A:	Business Type Funds (Capital)		<u>Difference</u>
	<u>2023</u>	<u>2022</u>	
Current Assets:			
Cash & cash equivalents	\$4,352,332	\$5,086,157	(\$733,825)
Short-term investments	429,540	427,673	1,867
Lease receivable	31,986	31,986	0
Notes receivable	0	0	0
Capital leases receivable	7,944	5,000	2,944
Grant receivable	0	0	0
Derivative instrument - interest rate swap	0	0	0
Accrued interest	0	0	0
Total Current Assets	4,821,802	5,550,816	(729,014)
Non-current assets:			
Notes rec'v.-current portion above	0	0	0
Capital leases rec'v.current portion above	0	0	0
Total Non-Current Assets	0	0	0
Capital assets:			
Land	10,737,243	4,062,242	6,675,001
Buildings	35,347,703	35,351,390	(3,687)
Roads and other infrastructure	842,002	842,002	0
Furniture and Fixtures	14,372	15,685	(1,313)
Vehicles	0	0	0
Less accumulated depreciation	(15,131,128)	(13,696,449)	(1,434,679)
Total Capital Assets	31,810,192	26,574,870	5,235,322
Total Assets	\$36,631,994	\$32,125,686	\$4,506,308

Total Capital Assets increased by \$4,506,308 due to the purchase of land for inventory.

Table 4B:

	Business Type Funds (Capital)		<u>Difference</u>
	<u>2023</u>	<u>2022</u>	
Current Liabilities:			
Notes payable	\$1,179,815	\$1,440,059	(\$260,244)
Accounts payable	69,787	24,690	45,097
Interest payable	43,779	45,756	(1,977)
Due to Others	3,015,801	15,801	3,000,000
Total current liabilities	4,309,182	1,526,306	2,782,876
Noncurrent liabilities:			
Deferred interest - capital lease	0		0
Notes payable	17,054,790	17,925,320	(870,530)
Total noncurrent liabilities	17,054,790	17,925,320	(870,530)
Total Liabilities	21,363,972	19,451,626	1,912,346
Deferred inflows	0		0
Invested in Capital Assets	13,575,587	7,209,491	6,366,096
Unrestricted	1,692,435	5,464,569	(3,772,134)
NET ASSETS	15,268,022	12,674,060	2,593,962
Total Liabilities & Net Assets	\$ 36,631,994	\$ 32,125,686	\$ 4,506,308

Current liabilities (Table 4B) increased by \$2,782,876, due to funds received to be Held in Trust. Non-current liabilities decreased (\$870,530) primarily due to the payment on notes payable.

Total Liabilities of \$21,363,972 increased by \$1,912,346 from the previous year.

Net Position for the Proprietary Fund at the end of the year was \$15,268,022, an increase of \$2,593,962 from the previous year.

Table 5:	Proprietary Fund (Capital)		
	<u>2023</u>	<u>2022</u>	<u>Difference</u>
Net Assets - Beginning of Year	\$ 12,674,060	\$ 12,919,405	\$ (245,345)
Operating Revenues:			
Rental Income	2,077,635	2,077,635	-
Glynn County Contract	59,800	96,100	(36,300)
Grant Income	3,000,000	-	3,000,000
Other Revenue	-	-	-
	5,137,435	2,173,735	2,963,700
Operating Expenses			
Industrial Park Expenses	251,495	54,402	197,093
Depreciation Expense	1,434,679	1,492,227	(57,548)
	1,686,174	1,546,629	139,545
Operating Income	3,451,261	627,106	2,824,155
Non-Operating Revenues (Expenses)			
Interest Revenue	8,961	36,717	(27,756)
Gain (loss) on sale of capital asset	0	0	0
Interest Expense	(799,760)	(846,178)	46,418
Leasehold Improvements	0	0	0
Trustee Fees	(5,000)	(5,000)	0
Share the Future Grants	(61,500)	(51,566)	(9,934)
Community investments	0	0	0
Contribution to Airport Commission	0	0	0
Total Non-Oper. Revenues/(Expenses)	(857,299)	(866,027)	8,728
Income before Contributions & Transfers	2,593,962	(238,921)	2,832,883
Total Contributions & Transfers	0	(6,425)	6,425
Change in Net Assets	2,593,962	(245,346)	2,839,308
Net Assets - End of Year	\$ 15,268,022	\$ 12,674,059	\$ 2,593,963

Operating Revenue for the Proprietary Fund (Table 5) totaled \$5,137,435 for the year, an increase of \$2,963,700 from the previous year. The primary reason was the receipt of a grant from the county SPLOST program.

Operating Expenses for the Proprietary Fund totaled \$1,686,174 for the year, an increase of \$139,545 from the previous year.

Non-Operating Revenues/Expenses (net) totaled (\$857,299) for the year, a decrease of (\$8,728) from the previous year. The primary reason was a decrease in interest expense.

Net Proprietary Fund Assets at the end of the year totaled \$15,268,022, an increase of \$2,593,963 from the previous year.

LONG-TERM DEBT:

The long-term debt held by the Development Authority decreased by (\$1,130,774) due to the amortized pay-down of the long term notes payable. The total long-term debt for the Development Authority as of June 30, 2023 was \$18,234,605.

LONG-TERM DEBT

Table 6	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Difference</u>
GULFTREAM - Building #3 - 2034	\$ 18,234,605	\$ 19,365,379	\$ (1,130,774)
TOTAL	\$ 18,234,605	\$ 19,365,379	\$ (1,130,774)

BOND ISSUES:

The Brunswick & Glynn County Development Authority acts as the enabling agency in securing long-term financing for local business projects at lower interest rates through the issuance of industrial revenue bonds. As of June 30, 2023, the Authority had five (5) industrial revenue bonds with an outstanding total of \$15,246,427. This represents a decrease in over-all conduit debt of (\$5,317,060) for the year.

Table 7	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Difference</u>
FLETC I (2001)	\$ -	\$ 844,705	\$ (844,705)
FLETC II (2001B)	0	1,669,871	(1,669,871)
FLETC III (2002)	1,826,204	3,550,265	(1,724,061)
GATEWAY PROJECT	4,645,189	4,869,188	(223,999)
GLYNN CO. 2020A	4,813,619	5,118,447	(304,828)
GLYNN CO. 2020B	2,305,706	2,590,538	(284,832)
FREDERICA ACADEMY	1,655,709	1,920,473	(264,764)
TOTAL	\$ 15,246,427	\$ 20,563,487	\$ (5,317,060)

CONTACTING THE DEVELOPMENT AUTHORITY MANAGEMENT:

This financial report is designed to provide a general overview of the Authority's finances, comply with finance-related laws and regulations, and demonstrate the Authority's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Authority's President at 1505 Richmond Street, Brunswick, GA 31520.

Ryan Moore, President
Brunswick & Glynn County Development Authority

Brunswick and Glynn County Development Authority
Statement of Net Position
June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	Primary Government		Total 2023	Total 2022
	Governmental Activities	Business-type Activities		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 391,006	\$ 4,352,332	\$ 4,743,338	\$ 5,543,561
Short-term investments	214,715	429,540	644,255	640,997
Notes and capital leases receivable	-	7,944	7,944	5,000
Lease receivable	-	31,986	31,986	31,986
Accrued interest	-	-	-	-
Fees Receivable	9,020	-	9,020	3,500
Prepaid expenses	21,207	-	21,207	15,636
Total current assets	<u>635,948</u>	<u>4,821,802</u>	<u>5,457,750</u>	<u>6,240,680</u>
Noncurrent assets:				
Notes and capital leases receivable	-	-	-	-
Capital assets:				
Land and infrastructure - net	-	11,142,092	11,142,092	4,582,521
Depreciable buildings, property and equipment - net	6,198	20,668,100	20,674,298	21,999,860
Total noncurrent assets	<u>6,198</u>	<u>31,810,192</u>	<u>31,816,390</u>	<u>26,582,381</u>
TOTAL ASSETS	<u>642,146</u>	<u>36,631,994</u>	<u>37,274,140</u>	<u>32,823,061</u>

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Statement of Net Position
June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	Primary Government		Total 2023	Total 2022
	Governmental Activities	Business-type Activities		
LIABILITIES				
Current liabilities:				
Accounts payable	95,386	69,787	165,173	136,802
Notes payable	-	1,179,815	1,179,815	1,440,059
Interest payable	-	43,779	43,779	45,756
Due to others	-	3,015,801	3,015,801	15,801
Total current liabilities	<u>95,386</u>	<u>4,309,182</u>	<u>4,404,568</u>	<u>1,638,418</u>
Noncurrent liabilities:				
Notes payable	-	17,054,790	17,054,790	17,925,320
Total noncurrent liabilities	<u>-</u>	<u>17,054,790</u>	<u>17,054,790</u>	<u>17,925,320</u>
TOTAL LIABILITIES	<u>95,386</u>	<u>21,363,972</u>	<u>21,459,358</u>	<u>19,563,738</u>
DEFERRED INFLOWS				
Accumulated increase in fair value of hedging derivative	-	-	-	-
NET POSITION				
Invested in capital assets, net of related debt	-	13,575,587	13,575,587	7,209,491
Unrestricted	<u>546,760</u>	<u>1,692,435</u>	<u>2,239,195</u>	<u>6,049,832</u>
TOTAL NET POSITION	<u>\$ 546,760</u>	<u>\$ 15,268,022</u>	<u>\$ 15,814,782</u>	<u>\$ 13,259,323</u>

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Statement of Activities
June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	Primary Government		Total 2023	Total 2022
	Governmental Activities	Business-type Activities		
EXPENDITURES/EXPENSES AND LOSSES				
Personnel	\$ 415,795	\$ -	\$ 415,795	\$ 357,656
General and administrative	233,105	-	233,105	227,046
Marketing	225,185	-	225,185	188,467
Industrial Park expenses	-	251,495	251,495	54,402
Depreciation expense	1,313	1,434,679	1,435,992	1,493,654
Contribution to Airport Commission	-	-	-	-
Trustee fees	-	5,000	5,000	5,000
Leasehold Improvements	-	-	-	-
Community Investments	-	-	-	-
Share the Future grants	-	61,500	61,500	51,566
Interest expense	-	799,760	799,760	846,178
Total expenditures/expenses and losses	<u>875,398</u>	<u>2,552,434</u>	<u>3,427,832</u>	<u>3,223,969</u>
PROGRAM REVENUES				
Rental income	-	2,077,635	2,077,635	2,077,635
Grant income	-	3,000,000	3,000,000	-
Bond administration fees	53,869	-	53,869	77,837
Interest from notes and capital leases	-	-	-	77,209
Other revenue	41,000	-	41,000	63,500
Total program revenues	<u>94,869</u>	<u>5,077,635</u>	<u>5,172,504</u>	<u>2,296,181</u>
NET PROGRAM REVENUE (EXPENSE)	<u>(780,529)</u>	<u>2,525,201</u>	<u>1,744,672</u>	<u>(927,788)</u>
GENERAL REVENUES				
Glynn County contract	740,200	59,800	800,000	800,000
Gain (loss) on disposal of assets	-	-	-	-
Interest from investments	1,826	8,961	10,787	(39,250)
Total general revenues	<u>742,026</u>	<u>68,761</u>	<u>810,787</u>	<u>760,750</u>
TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>742,026</u>	<u>68,761</u>	<u>810,787</u>	<u>760,750</u>
Change in net position	<u>(38,503)</u>	<u>2,593,962</u>	<u>2,555,459</u>	<u>(167,038)</u>
Net position, beginning of year	585,265	12,674,060	13,259,325	13,426,363
Net position, end of year	<u>\$ 546,762</u>	<u>\$ 15,268,022</u>	<u>\$ 15,814,784</u>	<u>\$ 13,259,325</u>

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Balance Sheet
Governmental Fund
June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	General Fund 2023	General Fund 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 391,006	\$ 457,404
Short-term investments	214,715	213,324
Fees Receivable	9,020	3,500
Prepaid expenses	21,207	15,636
TOTAL ASSETS	\$ 635,948	\$ 689,864
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 95,386	\$ 112,112
TOTAL LIABILITIES	95,386	112,112
Fund balances:		
Unassigned	540,562	577,752
TOTAL LIABILITIES AND FUND BALANCES	\$ 635,948	\$ 689,864
Fund balance - governmental fund	\$ 540,562	\$ 577,752
Capital assets not recorded in governmental fund	6,198	7,511
Net position, end of year	\$ 546,760	\$ 585,263

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	General Fund 2023	General Fund 2022
REVENUES		
Glynn County contract	\$ 740,200	\$ 703,900
Bond administration fees	53,869	77,837
Interest income	1,826	1,242
Other income	41,000	63,500
	<hr/>	<hr/>
Total revenues	836,895	846,479
	<hr/>	<hr/>
EXPENDITURES		
Personnel	415,795	357,656
Marketing	225,185	188,467
General and administrative	233,105	227,046
Capital outlays	-	-
	<hr/>	<hr/>
Total expenditures	874,085	773,169
	<hr/>	<hr/>
Revenues over (under) expenditures	(37,190)	73,310
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Operating transfers	-	6,424
	<hr/>	<hr/>
Total other financing sources (uses)	-	6,424
	<hr/>	<hr/>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(37,190)	79,734
	<hr/>	<hr/>
Fund balance, beginning of year	577,752	498,018
	<hr/>	<hr/>
Fund balance, end of year	\$ 540,562	\$ 577,752
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balance of the Governmental Fund to the Statement of Activities
 For the year ended June 30, 2023

	General Fund <u>2023</u>
Net change in fund balance - governmental fund	\$ (37,190)
Amounts reported for governmental activities in the statement of activities are different because:	
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 depreciation expense exceeded capital outlays.	(1,313)
Change in net position of governmental activities	<u><u>\$ (38,503)</u></u>

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the year ended June 30, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Glynn County contract	\$ 740,200	\$ 740,200	\$ -
Bond administration fees	54,200	53,869	(331)
Interest income	1,600	1,826	226
FTZ income (other)	33,500	41,000	7,500
Total revenues	829,500	836,895	7,395
EXPENDITURES			
Personnel	417,000	415,795	1,205
Marketing	200,000	225,185	(25,185)
General and administrative	212,500	233,105	(20,605)
Capital outlays	-	-	-
Total expenditures	829,500	874,085	(44,585)
Revenues over (under) expenditures	-	(37,190)	(37,190)
OTHER FINANCING SOURCES (USES)			
Net transfers	-	-	-
Total other financing sources (uses)	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(37,190)	(37,190)
Fund balance, beginning of year	577,752	577,752	-
Fund balance, end of year	<u>\$ 577,752</u>	<u>\$ 540,562</u>	<u>\$ (37,190)</u>

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Statement of Net Position
Proprietary Fund
June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	Industrial Development 2023	Industrial Development 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,352,332	\$ 5,086,157
Short-term investments	429,540	427,673
Lease receivable	31,986	31,986
Notes receivable	-	-
Capital leases receivable	7,944	5,000
Grant receivable	-	-
Derivative instrument - interest rate swap	-	-
Accrued interest	-	-
Total current assets	4,821,802	5,550,816
Noncurrent assets:		
Notes receivable (net of un-drawn loan proceeds)	-	-
Capital leases receivable	-	-
Total noncurrent assets	-	-
Capital assets:		
Land	10,737,243	4,062,242
Buildings and improvements	35,347,703	35,351,390
Infrastructure	842,002	842,002
Furniture and fixtures	14,372	15,685
Vehicles	-	-
Less accumulated depreciation	(15,131,128)	(13,696,449)
Total capital assets	31,810,192	26,574,870
TOTAL ASSETS	36,631,994	32,125,686

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Statement of Net Position
Proprietary Fund
June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	Industrial Development 2023	Industrial Development 2022
LIABILITIES		
Current liabilities:		
Accounts payable	69,787	24,690
Notes payable	1,179,815	1,440,059
Interest payable	43,779	45,756
Due to others	3,015,801	15,801
Total current liabilities	4,309,182	1,526,306
Noncurrent liabilities:		
Deferred Interest - capital lease	-	-
Notes payable	17,054,790	17,925,320
Total noncurrent liabilities	17,054,790	17,925,320
Total liabilities	21,363,972	19,451,626
DEFERRED INFLOWS		
Accumulated increase in fair value of hedging derivatives	-	-
NET POSITION		
Invested in capital assets, net of related debt	13,575,587	# 7,209,491
Unrestricted	1,692,435	5,464,569
Total net position	\$ 15,268,022	\$ 12,674,060

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Fund
For the year ended June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	Industrial Development 2023	Industrial Development 2022
OPERATING REVENUES:		
Rental income	\$ 2,077,635	\$ 2,077,635
Glynn County contract	59,800	96,100
Grant Revenue	3,000,000	-
Other revenue	-	-
Total operating revenues	<u>5,137,435</u>	<u>2,173,735</u>
OPERATING EXPENSES:		
Industrial Park expenses	251,495	54,402
Depreciation expense	<u>1,434,679</u>	<u>1,492,227</u>
Total operating expenses	<u>1,686,174</u>	<u>1,546,629</u>
OPERATING INCOME	<u>3,451,261</u>	<u>627,106</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest revenue	8,961	36,717
Gain (loss) on sale of capital asset	-	-
Interest expense	(799,760)	(846,178)
Leasehold Improvements	-	-
Trustees fees	(5,000)	(5,000)
Share the Future grants	(61,500)	(51,566)
Community Investments	-	-
Contribution to Airport Commission	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses), net	<u>(857,299)</u>	<u>(866,027)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>2,593,962</u>	<u>(238,921)</u>
CONTRIBUTIONS AND TRANSFERS		
Operating transfers	<u>-</u>	<u>(6,424)</u>
Total contributions and transfers	<u>-</u>	<u>(6,424)</u>
CHANGE IN NET POSITION	2,593,962	(245,345)
Net position, beginning of year	12,674,060	12,919,405
Net position, end of year	<u>\$ 15,268,022</u>	<u>\$ 12,674,060</u>

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Statement of Cash Flows
Proprietary Fund
For the year ended June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	Industrial Development 2023	Industrial Development 2022
	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 5,137,435	\$ 2,173,733
Cash payments made to other suppliers of goods and services	(239,607)	(164,878)
	<u>4,897,828</u>	<u>2,008,855</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash paid - operating transfers out	-	(6,424)
Cash received - operating transfers in	-	-
	<u>-</u>	<u>-</u>
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash paid for acquisition of capital assets	(6,675,000)	(252,420)
Cash paid for interest on long-term debt	(797,783)	(848,738)
Cash paid for principal on long-term debt	(1,130,775)	(1,083,772)
Cash received from sale of capital assets	-	150,000
Cash paid for share the future grants	(35,000)	(36,566)
Cash paid for trustee fees	(5,000)	(5,417)
	<u>(8,643,558)</u>	<u>(2,076,913)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received for interest on investments	8,961	2,996
Cash received for interest on loans and leases	-	31,477
Cash received for principal payments on loans and leases	2,944	1,214,729
Cash received to hold in trust	3,000,000	-
Cash paid to Airport Commission	-	-
	<u>3,011,905</u>	<u>1,249,202</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	(733,825)	1,174,720
CASH AND CASH EQUIVALENTS, beginning of year	5,086,157	3,911,437
CASH AND CASH EQUIVALENTS, end of year	\$ 4,352,332	\$ 5,086,157

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Statement of Cash Flows
Proprietary Fund
For the year ended June 30, 2023
With Partial/Summarized Financial Information as of June 30, 2022

	Industrial Development 2023	Industrial Development 2022
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 3,451,261	\$ 627,106
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,434,679	1,492,227
Changes in assets and liabilities:		
(Increase) decrease in receivables	-	-
(Increase) decrease in other assets	-	-
Increase (decrease) in accounts payable	11,888	(110,476)
Increase (decrease) in due to others	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 4,897,828	\$ 2,008,857

The accompanying notes are an integral part of this financial statement.

Brunswick and Glynn County Development Authority
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies

The accounting principles of the Brunswick and Glynn County Development Authority (“Authority”) conform to generally accepted accounting principles (GAAP) as prescribed by both the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) pronouncements only issued on or before November 30, 1989. The Authority has not implemented private sector (FASB) guidance issued after that date.

The Brunswick and Glynn County Development Authority is a constitutional authority created by the General Assembly of the State of Georgia on November 6, 1962 by a constitutional amendment. Its purpose is to develop, promote and expand industry, agriculture and commerce.

On March 2, 1988, the Glynn Development Authority, a separate entity created for the same purposes as the Brunswick and Glynn County Development Authority, transferred title to all real property, transferred all cash and liquid assets and assigned all annual bond administration fees to be received from all bond issues to the Brunswick and Glynn County Development Authority. In exchange for the assets received, the Brunswick and Glynn County Development Authority canceled all indebtedness owed to it by the Glynn Development Authority, assumed the indebtedness owed to Glynn County by the Glynn Development Authority and assumed the obligations, duties and responsibilities of the Glynn Development Authority as related to the development, preservation and maintenance of the Brunswick-McBride Industrial Park in order to promote economic growth in Glynn County.

- A. Reporting Entity – In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic criterion for including a potential component unit within the reporting entity is the primary government’s financial accountability (as defined in GASB Statement No. 14) for a potential component unit. Financial accountability is defined as the ability to appoint a voting majority of the organization’s governing body and either (1) the Authority’s ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Authority. Using these criteria, the Authority has no component units.

Related Organizations – The Authority does not appoint a voting majority of board members for any other entities, therefore, there are not any relationships with the Authority and related organizations that are required to be disclosed in accordance with the standards issued by the Governmental Accounting Standards Board.

Excluded from the reporting entity:

Glynn County Airport Commission – On July 23, 1987, the Glynn County Board of Commissioners voted to place the Glynn County Airport Commission (which is deemed an agency of Glynn County) under the supervision of the Brunswick and Glynn County Development Authority. The Glynn County Airport Commission was evaluated as a potential component unit. This potential component unit is excluded from the reporting entity because it is considered to be a component unit of Glynn County, Georgia.

- B. Government-Wide and Fund Financial Statements – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Authority.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

- C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Proprietary fund financial statements use the same focus and basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within thirty-one days of the end

of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Grants and entitlements, and interest associated with the current fiscal period are all considered as being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the Authority receives cash.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Fund Accounting – The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues and expenses or expenditures. The following funds are used by the Authority:

Governmental Fund

General Fund – The General Fund is the operating fund of the Authority. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Proprietary Fund

Industrial Development Fund – The Industrial Development Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of developing the Industrial Park are financed from interest, land sales, and rentals.

D. Revenues – Exchange and Non-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 a modified accrual basis, revenue is recorded 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 Authority, available means expected to be received within thirty-one days of fiscal year-end. Under

the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the Authority receives value without directly giving value in return, include grants and donations. On an accrual basis, 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 fiscal year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

- E. Cash Flows – For purposes of the statement of cash flows, the Authority considers all unrestricted highly liquid investment instruments with an initial maturity of three months or less to be cash equivalents.
- F. Interest Capitalization – The Authority’s policy is to capitalize construction period interest costs incurred for construction projects. Interest costs from permanent financing secured after projects are completed are expensed as incurred.
- G. Budgetary Accounting – Revenues and expenditures of the General Fund are monitored through the use of annual budgets. The budget is prepared in accordance with the basis of accounting utilized by that fund.
- H. Capital Assets – Capital assets are reported in the respective activities column of the government-wide statement of net position but governmental fund capital assets are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The capitalization policy of the Authority is to capitalize all assets which have an estimated useful life of beyond one year. The Authority does not have an established dollar threshold for capitalization of capital assets. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not. Construction in progress is not depreciated until the asset is placed in service.

The Authority, as defined in Governmental Accounting Standards Board statement No. 34, is a Phase 3 government for purposes of requiring governments to retroactively capitalize and depreciate general infrastructure assets. Phase 3 governments are not required to retroactively capitalize and depreciate general infrastructure assets and the Authority has not elected to voluntarily implement the GASB 34 requirements for general infrastructure assets acquired prior to periods beginning after June 15, 2003 (the effective date of GASB 34 for Phase 3 governments).

Depreciable capital assets are depreciated using the straight-line method over the estimated economic life of the assets. The estimated useful lives are as follows:

<u>Asset Type</u>	<u>Useful Life (Years)</u>
Automobiles	5
Buildings	30
Furniture and Fixtures	5-10
Land Improvements	5-20
Leasehold Improvements	5-30
Machinery and Equipment	3-10

I. Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Fair Values of Financial Instruments – The following methods and assumptions were used by the Authority in estimating its fair value disclosures for financial instruments.

Cash, cash equivalents, certificates of deposit: The carrying amounts reported in the statement of net position approximate fair values because of the relatively short maturities of those instruments.

K. Partial Prior-Year Comparative Totals – The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government’s financial statements for the year ended June 30, 2019, from which the summarized information was derived.

L. Interest Rate Swap – The Authority enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

M. Deferred Outflow/Inflow of Resources – Accounting and financial reporting for derivative instruments requires the application of hedge accounting when reporting the changes in fair value of hedging derivative instruments. Under hedge accounting, the changes in fair values of hedging derivative instruments are reported as either deferred inflows or deferred outflows in the statement of net position.

Note 2 – Capital Assets

A. Governmental activities:

At June 30, 2023, plant and equipment consisted of the following:

	Balance <u>6/30/2022</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6/30/2023</u>
Furniture and fixtures	\$105,976			\$105,976
Signage	10,360			10,360
Landscape	19,411			19,411
Leasehold improvements	43,287			43,287
	179,034	0	0	179,034
Less: Depreciation	(171,523)	(1,313)		(172,836)
	<u>\$7,511</u>	<u>(\$1,313)</u>	<u>\$0</u>	<u>\$6,198</u>

B. Business-type activities:

At June 30, 2023, property, plant and equipment consisted of the following:

	Balance <u>6/30/2022</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6/30/2023</u>
Land	\$4,062,242	\$6,675,000	\$5,000	\$10,732,242
Buildings	27,182,564			27,182,564
Furniture and fixtures	15,685			15,685
Leasehold improvements	8,168,826			8,168,826
Infrastructure	842,002			842,002
Total	40,271,319	6,675,000	5,000	46,941,319
Less: Depreciation	(13,696,449)	(1,434,678)		(15,131,127)
Land and buildings, net	<u>\$26,574,870</u>	<u>\$5,240,322</u>	<u>\$5,000</u>	<u>\$31,810,192</u>

For the year ended June 30, 2023 and 2022, the Authority recognized depreciation expense of \$1,434,678 and \$1,492,227, respectively.

Note 3 – Long-Term Debt

Long-term obligations of the Authority consist of the following notes, which are secured by certain real property and lease assignments:

Interest Rate	Term (months)	Gross Monthly Payment	Beginning Date	Maturity Date	Balance 6/30/2023
4.25%	240	\$161,043	05/08/14	07/10/35	\$18,234,605
					18,234,605
			Current portion:		1,179,815
					<u>\$17,054,790</u>

Business-Type Activities

Balance 06/30/22	Additions	Retirements	Balance 06/30/23	Due Within One Year
\$19,365,379	\$ -	\$1,130,774	\$18,234,605	\$1,179,815

Amounts due under long-term obligations for the next five years and subsequently as of June 30, 2023, are as follows:

2024	\$1,932,511
2025	1,932,511
2026	1,932,511
2027	1,932,511
2028	1,932,511
2029-2035	<u>13,688,615</u>
	23,351,170
Less: Amount representing interest	<u>(5,116,565)</u>
Total	<u>\$18,234,605</u>

Note 4 – Investments

The Authority shall invest in only such investment instruments permitted by State of Georgia law for local governments which include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State

of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

At June 30, 2023, investments were as follows:

<u>Investments</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
<i>Governmental Activities:</i>			
Certificates of deposit with initial maturities exceeding three months	\$ 214,715	\$ 214,715	-
<i>Business-type Activities:</i>			
Certificates of deposit with initial maturities exceeding three months	\$ 429,540	\$ 429,540	-

Note 5 – Credit Risk, Concentration of Credit Risk, and Interest Rate Risk – Deposits and Investments

Credit Risk – The Authority shall invest in only such investment instruments permitted by State of Georgia law for local governments which includes certificates of deposits, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority 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 and 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.

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

Interest Rate Risk – The Authority does not have a formal policy regarding interest rate risk. The Authority does not hold any investments in debt securities.

Concentration of Credit Risk – The Authority maintains depository accounts at local financial institutions to provide for its various needs. Accounts, including checking, savings, money market deposit accounts and certificates of deposits, are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Authority has not experienced any loss in such accounts. As of June 30, 2022 and 2021, the Authority had excess cash deposits over federally insured amounts totaling \$4,454,527 and \$3,188,937, respectively.

Deposits include cash and cash equivalents and certificates of deposit reported as short-term investments.

Note 6 – Development Authority as Lessor

Capital Leases

The Authority is a lessor under various capital lease agreements for real and personal property. The original leases have terms ranging from ten to fifteen years. The future minimum lease payments for the next five years and subsequently as of June 30, 2023, are as follows:

2024	\$2,484
2025	2,484
2026	2,484
2027	492
Total	<u><u>\$7,944</u></u>

Note 8 – Interfund Balances and Activity

Transfers to/from funds at June 30, 2023 consisted of the following:

	Transfers In:	
Transfers Out:	<u>General</u>	<u>Total</u>
Proprietary	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 0</u>	<u>\$ 0</u>

During 2023, there were no proprietary funds transferred.

Note 9 – Compensated Absences

The stated policy of the Authority does not permit the accumulation of unused vacation days beyond the anniversary year to which they apply. Accordingly, no amounts for accumulated vested compensated absences have been recorded in the financial statements.

Note 10 – Economic Dependency

The Authority receives support from the government of Glynn County. This support represents a significant portion of the Authority's operating resources.

The Authority is lessor under various capital leases for real and personal property, all of which is located in Glynn County, Georgia. The lessees' ability to fulfill their obligations under these leases is considered, in part, to be dependent on local economic conditions.

Note 11 – Risk Management

Significant losses are covered by commercial insurance for all major programs, including property and casualty, workers compensation, general liability, and employee health and accident. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 12 – Commitments and Contingencies

In the course of holding and developing land at the Brunswick-McBride Industrial Park, the Authority may be subjected to loss contingencies arising from environmental matters or lawsuits. Management believes that the outcome of such matters, if any, will not have a material impact on the affected funds of the Authority.

In December of 2014, Glynn County, Georgia accepted a proposal from the Authority regarding the issuance of revenue bonds in an amount not to exceed \$10,000,000 for the purpose of financing the costs associated with certain expansions, additions and improvements to the Brunswick Golden Isles Airport.

Note 13 – Conduit Debt Obligations

In accordance with provisions of the Revenue Bond Laws of the State of Georgia, the Authority has issued a number of Revenue Bonds for the purpose of loaning the proceeds to local industries to finance the acquisition and/or construction of facilities and equipment.

The bond issues are special obligations of the Authority and the Authority, as issuer, has no obligation for the debt beyond the resources provided by the related loans. In addition, the bonds are not in any way an obligation of Glynn County, Georgia, nor the State of Georgia.

The aggregate amount of conduit debt obligations outstanding as of June 30, 2023 and 2022 was approximately \$15,246,427 and \$20,563,487, respectively.

Note 14 – Retirement Plan

The Brunswick and Glynn County Development Authority has established an IRC Section 401(k) defined contribution plan that provides for a 3% employer matching contribution unless deviated under a contractual basis. The plan covers all employees. The contribution for the year ended June 30, 2023 and 2022 of \$9,865 and \$9,563, respectively, was reflected as an expenditure in the General Fund.

Note 15 – Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through August 31, 2023, the date the financial statements were available to be issued.

Brunswick and Glynn County Development Authority
Schedule of Expenditures - Budget and Actual
June 30, 2023

	Original Budget	FY 2023 Actual	Variance Favorable (Unfavorable)
Personnel:			
Payroll	\$ 365,000	365,183	\$ (183)
Employee group/medical insurance	52,000	50,613	1,387
Recruitment/Relocation expense	-	-	-
	<u>417,000</u>	<u>415,796</u>	<u>1,204</u>
Marketing	<u>200,000</u>	<u>225,187</u>	<u>(25,187)</u>
General and Administrative:			
Audit and accounting	16,200	16,595	(395)
Chamber Services	22,000	21,929	71
Consulting services	115,300	130,064	(14,764)
Memberships	18,000	18,794	(794)
Board related expenses	3,000	3,962	(962)
Trade zone expenses	2,000	2,100	(100)
Publications/subscriptions	500	178	322
General insurance	17,800	17,879	(79)
Office consumables/fixtures	4,700	7,462	(2,762)
Maintenance and repairs	2,400	1,549	851
Telephone	8,600	10,014	(1,414)
Professional Development	2,000	2,579	(579)
Other	-	-	-
	<u>212,500</u>	<u>233,105</u>	<u>(20,605)</u>
Capital Outlays:			
Office equipment	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 829,500</u>	<u>\$ 874,088</u>	<u>\$ (44,588)</u>

The accompanying notes are an integral part of this financial statement.