



**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 it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material mistake when it exists. The risk of not detecting a material mistake 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 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,

312 Plantation Chase | St. Simons, GA 31522 | Office 912.771.8828

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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 finance.

- Obtain an understanding of internal control relevant to the audit 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

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 non-major 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
December 19, 2024

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**BRUNSWICK AND GLYNN COUNTY DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2024**

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, 2024. Please review it in conjunction with the Authority's basic financial statements.

MANAGEMENT NOTES:

During fiscal year 2024, The Authority continued to have an increase in active projects for our area. The Authority hosted five site visits from companies interested in available sites in Glynn County. At the end of the year, the Authority had 19 projects in viable consideration representing approximately 10,998 jobs and \$10.39 billion in investments.

In 2001 and 2002, the Authority facilitated the construction of 3 dorms on the FLETC campus in Glynn County through the issuance of bonds for funding the construction. When the bonds were paid off in 2023, the title to the dorms was transferred to the Authority. In October 2023, the Authority sold the dorms to the US Government. FLETC is a vital partner in Glynn County and the Authority is committed to support the continued operation of FLETC in Glynn County.

The Authority entered into a sales and lease agreement with Hillpointe, LLC in January 2024. This agreement marked a pivotal step for the Tradewinds Technology Park with Hillpointe, LLC planning to develop a 55-acre site into a state-of-the-art warehouse and office facility, totaling approximately 502,500 square feet. This will be the first building to rise in the park, located off Exit 42 near Interstate 95. The project is expected to be a catalyst for growth, bringing new jobs and businesses to the area, and is seen as a strategic investment in the future prosperity of the Golden Isles region.

In April 2024, the Authority sold 8 acres in the McBride Industrial Park to Jered, a PAR Systems company. Jered has announced a 100,000 square foot expansion of their facility. The Authority also agreed to issue taxable revenue bonds to finance the \$45,000,000 investment. This monumental addition marks a significant milestone for Jered, solidifying its commitment to enhancing manufacturing capacity for military-grade marine systems utilized by the U.S. Navy, while fostering substantial growth for both the business and the Golden Isles community.

In February 2024, Buc-ee's broke ground on a new 74,000 sq/ft facility at Exit 42 in Glynn County, creating over 200 full-time jobs with competitive benefits. In partnership with the Authority, Glynn County committed \$3 million for Exit 42 improvements, including upgrades to Highway 99, traffic signalization at ramps, and new intersections. These enhancements will benefit the entire Exit 42 interchange and support Buc-ee's and future businesses in the area.

In May 2024, the Authority, along with the Georgia Department of Economic Development, announced that the Innovation Isles Aerospace Park has earned a "GRAD Select" certification, marking it as highly attractive for industrial development. This 650-acre site, located in Brunswick near the Brunswick Golden Isles Airport and the Port of Brunswick, is ideal for aerospace manufacturers and service companies due to its strategic location and rapid market access. The GRAD Select status indicates that the site has met rigorous certification standards, enhancing its appeal to potential investors.

In February 2024, Second Harvest of Coastal Georgia, a volunteer-run organization dedicated to ending hunger and improving lives in the region, celebrated the opening of its new \$6 million facility. The 55,000- square-foot building is significantly larger than the previous Brunswick warehouse. Second Harvest operates a main branch in Savannah and encourages the community to support its mission through food drives, donations and spreading awareness.

In January 2024, the Authority moved its office to a new space in Downtown Brunswick. The Authority collaborated with the College of Coastal Georgia to provide space for the Lucas Center for Entrepreneurship. The move reflects the Authority's commitment to fostering entrepreneurship and economic growth in Glynn County. The new space offers resources such as mentorship, workshops, and funding opportunities, all aimed at supporting local businesses. This partnership was seen as a key step in building a thriving community.

Throughout 2024, the Authority continued to collaborate with community partners on workforce strategies. Efforts included: hosting a job fair for the Pinova employees affected by the company's closing; participating in the Connect Glynn Educator Externship Academy which offers educators a four-day program engaging with local industries; continuing to support the Keep Glynn Running campaign that provides resources on the benefits of working in the local manufacturing and engineering sectors. The Authority facilitated upgrades to six businesses with awards from the Share The Future grant program.

FINANCIAL HIGHLIGHTS:

The total net position for the Development Authority as of June 30, 2024 was \$45,398,396. This represents an increase of \$29,583,614 (+187.06%) from the previous year.

Governmental Activity (Operating Account) Fund balance as of June 30, 2024 totaled \$366,103, a decrease of \$174,459 (-32.27%) during the year.

Revenues (\$944,013) for Governmental Activities increased by \$107,118 (+12.80%). This increase was due an increase in the Bond Fees and Glynn County Funding received..

Expenditures (\$980,574) for Governmental Activities increased by \$106,489 (+12.18%). This increase was due to higher marketing and administrative expenditures.

Total Proprietary Fund (Capital Account) Assets (\$64,920,002) increased by \$28,288,008 (+77.22%). This increase is due to the acquisition and subsequent sale of the FLETC dorms.

Total Liabilities in this fund (\$20,168,694) decreased by \$1,195,278 (-5.59%) due to the payment on long-term loans. .

Operating Revenues/Expenses for the Proprietary Fund (\$554,135) decreased by \$2,897,126 (-83.94%). This decrease was due the receipt of a grant through the county SPLOST program in 2023.

Non-Operating Revenues/Expenses totaled \$239,100. This total included interest revenues of \$1,040,556, interest expenses of (\$749,450) and Share the Future grants of (\$55,000).

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 \$45,398,396 increased by \$29,583,614 from the previous year. The table below summarizes the assets and liabilities of the Authority, comparing the year ending 6/30/24 with the previous year: Reasons for the increase in net position are provided below.

	ALL FUNDS		
	<u>2024</u>	<u>2023</u>	<u>Difference</u>
Total Assets:			
Current Assets	\$35,210,506	\$5,457,750	\$29,752,756
Non-Current Assets	30,454,727	31,816,390	(1,361,663)
Deferred Outflows (Swap Loans)	0	0	0
Total Assets	<u>65,665,233</u>	<u>37,274,140</u>	<u>28,391,093</u>
Total Liabilities:			
Current Liabilities	4,391,862	4,404,568	(12,706)
Non-Current Liabilities	15,874,975	17,054,790	(1,179,815)
Deferred Inflows (Swap Loans)	0	0	0
Total Liabilities	<u>20,266,837</u>	<u>21,459,358</u>	<u>(1,192,521)</u>
Net Assets			
Invested in Capital Assets, net of related Debt	13,058,952	13,575,587	(516,635)
Unrestricted	32,339,444	2,239,195	30,100,249
NET ASSETS	<u>45,398,396</u>	<u>15,814,782</u>	<u>29,583,614</u>
Total Liabilities & Net Assets	<u>\$ 65,665,233</u>	<u>\$ 37,274,140</u>	<u>\$ 28,391,093</u>

Current Assets increased to due the acquisition and subsequent sale of the FLETC dorms.

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

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 \$366,103, a decrease of \$174,459 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>2024</u>	<u>2023</u>	<u>Difference</u>
Total Assets:			
Cash & cash equivalents	\$106,371	\$391,006	(\$284,635)
Short-term investments	254,431	214,715	39,716
Accounts Receivable	0	9,020	(9,020)
Prepaid Expenses	43,444	21,207	22,237
Total Assets	404,246	635,948	(231,702)
Total Liabilities:			
Accounts Payable	38,143	95,386	(57,243)
Total Liabilities	38,143	95,386	(57,243)
Fund Balance - Governmental Fund	366,103	540,562	(174,459)
Total Liabilities and Fund Balances	\$ 404,246	\$ 635,948	\$ (231,702)
Fund Balance - Governmental Fund	306,103	540,562	(234,459)
Cap Assets not Recorded in Governmental Fund	340,985	6,198	334,787
Net Position, End of Year	\$ 647,088	\$ 546,760	\$ 100,328

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

Table 3:	Governmental Fund (Operating)		
	<u>2024</u>	<u>2023</u>	<u>Difference</u>
Fund Balance, beginning of year	\$ 540,562	\$ 577,752	\$ (37,190)
Total Revenues:			
Bond Fees	86,277	53,869	32,408
Glynn County Grant	800,000	740,200	59,800
Interest	6,236	1,826	4,410
Other Income	51,500	41,000	10,500
	944,013	836,895	107,118
Total Expenses:			
Personnel	435,565	415,795	19,770
Administrative	304,269	225,185	79,084
Marketing	240,740	233,105	7,635
Capital Outlays	0	0	0
	980,574	874,085	106,489
Revenues (under) expenditures	(36,561)	(37,190)	629
Other financing sources:			
Funds Transfer	(197,898)	0	(197,898)
Total Other Sources	(197,898)	0	(197,898)
Change in Fund Balance	(234,459)	(37,190)	(197,269)
Fund Balance, end of year	\$ 306,103	\$ 540,562	\$ (234,459)

Revenues for the Governmental Fund, which totaled \$944,013, increased by \$107,118 due higher Bond Fee income and increase in Glynn County funding.

Expenditures in the Governmental Fund for the year totaled \$980,574, an increase of \$106,489 from the previous year, due to an increase in Marketing and Administrative expenditures. At year end June 30, 2024, the Governmental Fund Balance was \$306,103, a decrease of \$234,459 from the beginning of the year.

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

Personnel Expenditures were over budget (\$18,565).
 Marketing Expenditures were over budget (\$40,740).
 General and Administrative Expenditures were over budget (\$61,768).

Overall, for the year, Operating Expenditures were \$121,073 over budget.

The Proprietary Fund (Capital):

The Proprietary Fund (Capital Account) ended the year with total assets of \$64,920,002, an increase of \$28,288,008 from last year. A summary of the Assets (Table 4A) for the Proprietary Fund are shown below:

Table 4A:	Business Type Funds (Capital)		
	<u>2024</u>	<u>2023</u>	<u>Difference</u>
Current Assets:			
Cash & cash equivalents	\$7,411,376	\$4,352,332	\$3,059,044
Short-term investments	27,357,438	429,540	26,927,898
Lease receivable	31,986	31,986	0
Notes receivable	0	0	0
Capital leases receivable	5,460	7,944	(2,484)
Grant receivable	0	0	0
Derivative instrument - interest rate swap	0	0	0
Accrued interest	0	0	0
Total Current Assets	34,806,260	4,821,802	29,984,458
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	10,465,847	10,737,243	(271,396)
Buildings	35,362,077	35,347,703	14,374
Roads and other infrastructure	858,000	842,002	15,998
Furniture and Fixtures	0	14,372	(14,372)
Vehicles	0	0	0
Less accumulated depreciation	(16,572,182)	(15,131,128)	(1,441,054)
Total Capital Assets	30,113,742	31,810,192	(1,696,450)
Total Assets	\$64,920,002	\$36,631,994	\$28,288,008

Total Current Assets increased by \$29,984,458 due to cash and Capital Assets decreased by \$1,696,450 due to the sale of land for inventory.

Table 4B:

	Business Type Funds (Capital)		<u>Difference</u>
	<u>2024</u>	<u>2023</u>	
Current Liabilities:			
Notes payable	1,179,815	\$1,179,815	\$0
Accounts payable	57,569	69,787	(12,218)
Interest payable	40,534	43,779	(3,245)
Due to Others	3,015,801	3,015,801	0
Total current liabilities	4,293,719	4,309,182	(15,463)
Noncurrent liabilities:			
Deferred interest - capital lease	0		0
Notes payable	15,874,975	17,054,790	(1,179,815)
Total noncurrent liabilities	15,874,975	17,054,790	(1,179,815)
Total Liabilities	20,168,694	21,363,972	(1,195,278)
Deferred inflows	0		0
Invested in Capital Assets	13,058,952	13,575,587	(516,635)
Unrestricted	31,692,356	1,692,435	29,999,921
NET ASSETS	44,751,308	15,268,022	29,483,286
Total Liabilities & Net Assets	\$ 64,920,002	\$ 36,631,994	\$ 28,288,008

Current liabilities (Table 4B) decreased by \$15,463, due to a decrease in Accounts Payable. Non-current liabilities decreased (\$1,179,815) due to the payment on notes payable.

Total Liabilities of \$20,168,694 decreased by \$1,195,278 from the previous year.

Net Position for the Proprietary Fund at the end of the year was \$44,751,308, an increase of \$29,483,286 from the previous year.

Table 5:

	Proprietary Fund (Capital)		
	<u>2024</u>	<u>2023</u>	<u>Difference</u>
Net Assets - Beginning of Year	\$ 15,268,022	\$ 12,674,060	\$ 2,593,962
Operating Revenues:			
Rental Income	2,138,491	2,077,635	60,856
Glynn County Contract	-	59,800	(59,800)
Grant Income	-	3,000,000	(3,000,000)
Other Revenue	-	-	-
	2,138,491	5,137,435	(2,998,944)
Operating Expenses			
Industrial Park Expenses	137,104	251,495	(114,391)
Depreciation Expense	1,447,252	1,434,679	12,573
	1,584,356	1,686,174	(101,818)
Operating Income	554,135	3,451,261	(2,897,126)

Non-Operating Revenues (Expenses)

Interest Revenue	1,040,556	8,961	1,031,595
Gain (loss) on sale of capital asset	7,994	0	7,994
Interest Expense	(749,450)	(799,760)	50,310
Leasehold Improvements	0	0	0
Trustee Fees	(5,000)	(5,000)	0
Share the Future Grants	(55,000)	(61,500)	6,500
Community investments	0	0	0
Contribution to Airport Commission	0	0	0
Total Non-Oper. Revenues/(Expenses)	239,100	(857,299)	1,096,399
Income before Contributions & Transfers	793,235	2,593,962	(1,800,727)
Total Contributions & Transfers	28,690,051	0	28,690,051
Change in Net Assets	29,483,286	2,593,962	26,889,324
Net Assets - End of Year	\$ 44,751,308	\$ 15,268,022	\$ 29,483,286

Operating Revenue for the Proprietary Fund (Table 5) totaled \$2,138,491 for the year, a decrease of \$2,998,944 from the previous year. The primary reason was the receipt of a grant from the county SPLOST program in 2023.

Operating Expenses for the Proprietary Fund totaled \$1,584,356 for the year, a decrease of \$101,818 from the previous year.

Non-Operating Revenues/Expenses (net) totaled \$239,100 for the year, an increase of \$1,096,399 from the previous year. The primary reason was a decrease in interest income.

Net Proprietary Fund Assets at the end of the year totaled \$44,751,308, an increase of \$29,483,286 from the previous year.

LONG-TERM DEBT:

The long-term debt held by the Development Authority decreased by (\$1,179,815) 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, 2024 was \$17,054,790.

LONG-TERM DEBT**Table 6**

	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>Difference</u>
GULFTREAM - Building #3 - 2034	\$ 17,054,790	\$ 18,234,605	\$ (1,179,815)
TOTAL	\$ 17,054,790	\$ 18,234,605	\$ (1,179,815)

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, 2024, the Authority had six (6) industrial revenue bonds with an outstanding total of \$76,878,397. This represents an increase in over-all conduit debt of \$61,631,970 for the year.

Table 7	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>Difference</u>
FLETC III (2002)	\$ -	\$ 1,826,204	\$ (1,826,204)
GATEWAY PROJECT	4,414,485	4,645,189	(230,704)
GLYNN CO. 2020A	4,199,158	4,813,619	(614,461)
GLYNN CO. 2020B	1,445,728	2,305,706	(859,978)
FREDERICA ACADEMY	1,514,026	1,655,709	(141,683)
JERED	45,000,000	0	45,000,000
JEKYLL ISLAND	20,305,000	0	20,305,000
TOTAL	<u>\$ 76,878,397</u>	<u>\$ 15,246,427</u>	<u>\$ 61,631,970</u>

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 209 Gloucester Street, Ste 211, Brunswick, GA 31520.

Ryan Moore, President
Brunswick & Glynn County Development Authority

Brunswick and Glynn County Development Authority
Statement of Net Position
June 30, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	Primary Government		Total 2024	Total 2023
	Governmental Activities	Business-type Activities		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 106,371	\$ 7,411,376	\$ 7,517,747	\$ 4,743,338
Short-term investments	254,431	27,357,438	27,611,869	644,255
Notes and capital leases receivable	-	5,460	5,460	7,944
Lease receivable	-	31,986	31,986	31,986
Accrued interest	-	-	-	-
Fees Receivable	-	-	-	9,020
Prepaid expenses	43,444	-	43,444	21,207
Total current assets	404,246	34,806,260	35,210,506	5,457,750
Noncurrent assets:				
Notes and capital leases receivable	-	-	-	-
Capital assets:				
Land and infrastructure - net	-	10,465,847	10,465,847	11,142,092
Depreciable buildings, property and equipment - net	340,985	19,647,895	19,988,880	20,674,298
Total noncurrent assets	340,985	30,113,742	30,454,727	31,816,390
TOTAL ASSETS	745,231	64,920,002	65,665,233	37,274,140

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

Brunswick and Glynn County Development Authority
Statement of Net Position
June 30, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	Primary Government		Total 2024	Total 2023
	Governmental Activities	Business-type Activities		
LIABILITIES				
Current liabilities:				
Accounts payable	98,143	57,569	155,712	165,173
Notes payable	-	1,179,815	1,179,815	1,179,815
Interest payable	-	40,534	40,534	43,779
Due to others	-	3,015,801	3,015,801	3,015,801
Total current liabilities	<u>98,143</u>	<u>4,293,719</u>	<u>4,391,862</u>	<u>4,404,568</u>
Noncurrent liabilities:				
Notes payable	-	15,874,975	15,874,975	17,054,790
Total noncurrent liabilities	<u>-</u>	<u>15,874,975</u>	<u>15,874,975</u>	<u>17,054,790</u>
TOTAL LIABILITIES	<u>98,143</u>	<u>20,168,694</u>	<u>20,266,837</u>	<u>21,459,358</u>
DEFERRED INFLOWS				
Accumulated increase in fair value of hedging derivative	-	-	-	-
NET POSITION				
Invested in capital assets, net of related debt	-	13,058,952	13,058,952	13,575,587
Unrestricted	647,088	31,692,356	32,339,444	2,239,195
TOTAL NET POSITION	<u>\$ 647,088</u>	<u>\$ 44,751,308</u>	<u>\$ 45,398,396</u>	<u>\$ 15,814,782</u>

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

Brunswick and Glynn County Development Authority
Statement of Activities
June 30, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	Primary Government		Total 2024	Total 2023
	Governmental Activities	Business-type Activities		
EXPENDITURES/EXPENSES AND LOSSES				
Personnel	\$ 435,565	\$ -	\$ 435,565	\$ 415,795
General and administrative	304,269	-	304,269	233,105
Marketing	240,740	-	240,740	225,185
Industrial Park expenses	-	137,104	137,104	251,495
Depreciation expense	1,313	1,447,252	1,448,565	1,435,992
Contribution to Airport Commission	-	-	-	-
Trustee fees	-	5,000	5,000	5,000
Leasehold Improvements	-	-	-	-
Community Investments	-	-	-	-
Share the Future grants	-	55,000	55,000	61,500
Interest expense	-	749,450	749,450	799,790
Total expenditures/expenses and losses	<u>981,887</u>	<u>2,393,806</u>	<u>3,375,693</u>	<u>3,427,862</u>
PROGRAM REVENUES				
Rental income	-	2,138,491	2,138,491	2,077,635
Grant income	-	-	-	3,000,000
Bond administration fees	86,277	-	86,277	53,869
Interest from notes and capital leases	-	-	-	-
Other revenue	51,500	-	51,500	41,000
Total program revenues	<u>137,777</u>	<u>2,138,491</u>	<u>2,276,268</u>	<u>5,172,504</u>
NET PROGRAM REVENUE (EXPENSE)	<u>(844,110)</u>	<u>(255,315)</u>	<u>(1,099,425)</u>	<u>1,744,642</u>
GENERAL REVENUES				
Glynn County contract	800,000	-	800,000	800,000
Gain (loss) on disposal of assets	-	7,994	7,994	-
Interest from investments	6,236	1,040,556	1,046,792	10,787
Total general revenues	<u>806,236</u>	<u>1,048,550</u>	<u>1,854,786</u>	<u>810,787</u>
TRANSFERS	<u>(197,898)</u>	<u>28,690,051</u>	<u>28,492,153</u>	<u>-</u>
Total general revenues and transfers	<u>608,338</u>	<u>29,738,601</u>	<u>30,346,939</u>	<u>810,787</u>
Change in net position	<u>(235,772)</u>	<u>29,483,286</u>	<u>29,247,514</u>	<u>2,555,429</u>
Net position, beginning of year	585,265	12,674,060	13,259,325	13,259,325
Net position, end of year	<u>\$ 349,493</u>	<u>\$ 42,157,346</u>	<u>\$ 42,506,839</u>	<u>\$ 15,814,754</u>

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

Brunswick and Glynn County Development Authority
Balance Sheet
Governmental Fund
June 30, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	General Fund 2024	General Fund 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 106,371	\$ 391,006
Short-term investments	254,431	214,715
Fees Receivable	-	9,020
Prepaid expenses	43,444	21,207
TOTAL ASSETS	\$ 404,246	\$ 635,948
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 98,143	\$ 95,386
TOTAL LIABILITIES	98,143	95,386
Fund balances:		
Unassigned	306,103	540,562
TOTAL LIABILITIES AND FUND BALANCES	\$ 404,246	\$ 635,948
Fund balance - governmental fund	\$ 306,103	\$ 540,562
Capital assets not recorded in governmental fund	340,985	6,198
Net position, end of year	\$ 647,088	\$ 546,760

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, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	<u>General Fund</u> 2024	<u>General Fund</u> 2023
REVENUES		
Glynn County contract	\$ 800,000	\$ 740,200
Bond administration fees	86,277	53,869
Interest income	6,236	1,826
Other income	51,500	41,000
Total revenues	<u>944,013</u>	<u>836,895</u>
EXPENDITURES		
Personnel	435,565	415,795
Marketing	240,740	225,185
General and administrative	304,269	233,105
Capital outlays	-	-
Total expenditures	<u>980,574</u>	<u>874,085</u>
Revenues over (under) expenditures	<u>(36,561)</u>	<u>(37,190)</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers	<u>(197,898)</u>	<u>-</u>
Total other financing sources (uses)	<u>(197,898)</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(234,459)</u>	<u>(37,190)</u>
Fund balance, beginning of year	<u>540,562</u>	<u>577,752</u>
Fund balance, end of year	<u><u>\$ 306,103</u></u>	<u><u>\$ 540,562</u></u>

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, 2024

	General Fund 2024
Net change in fund balance - governmental fund	\$ (234,459)
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.	(27,102)
Change in net position of governmental activities	\$ (261,561)

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, 2024

	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Glynn County contract	\$ 740,200	\$ 800,000	\$ 59,800
Bond administration fees	54,200	86,277	32,077
Interest income	1,600	6,236	4,636
FTZ income (other)	33,500	51,500	18,000
Total revenues	829,500	944,013	114,513
EXPENDITURES			
Personnel	417,000	435,565	(18,565)
Marketing	200,000	240,740	(40,740)
General and administrative	212,500	304,269	(91,769)
Capital outlays	-	-	-
Total expenditures	829,500	980,574	(151,074)
Revenues over (under) expenditures	-	(36,561)	(36,561)
OTHER FINANCING SOURCES (USES)			
Net transfers	-	(197,898)	(197,898)
Total other financing sources (uses)	-	(197,898)	(197,898)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(234,459)	(234,459)
Fund balance, beginning of year	540,562	540,562	-
Fund balance, end of year	\$ 540,562	\$ 306,103	\$ (234,459)

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, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	<u>Industrial Development 2024</u>	<u>Industrial Development 2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,411,376	\$ 4,352,332
Short-term investments	27,357,438	429,540
Lease receivable	31,986	31,986
Notes receivable	-	-
Capital leases receivable	5,460	7,944
Grant receivable	-	-
Derivative instrument - interest rate swap	-	-
Accrued interest	-	-
Total current assets	<u>34,806,260</u>	<u>4,821,802</u>
Noncurrent assets:		
Notes receivable (net of un-drawn loan proceeds)	-	-
Capital leases receivable	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>
Capital assets:		
Land	10,465,847	10,737,243
Buildings and improvements	35,362,077	35,347,703
Infrastructure	858,000	842,002
Furniture and fixtures	-	14,372
Vehicles	-	-
Less accumulated depreciation	<u>(16,572,182)</u>	<u>(15,131,128)</u>
Total capital assets	<u>30,113,742</u>	<u>31,810,192</u>
TOTAL ASSETS	<u>64,920,002</u>	<u>36,631,994</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, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	<u>Industrial Development 2024</u>	<u>Industrial Development 2023</u>
LIABILITIES		
Current liabilities:		
Accounts payable	57,569	69,787
Notes payable	1,179,815	1,179,815
Interest payable	40,534	43,779
Due to others	3,015,801	3,015,801
Total current liabilities	<u>4,293,719</u>	<u>4,309,182</u>
Noncurrent liabilities:		
Deferred Interest - capital lease	-	-
Notes payable	15,874,975	17,054,790
Total noncurrent liabilities	<u>15,874,975</u>	<u>17,054,790</u>
Total liabilities	<u>20,168,694</u>	<u>21,363,972</u>
DEFERRED INFLOWS		
Accumulated increase in fair value of hedging derivatives	<u>-</u>	<u>-</u>
NET POSITION		
Invested in capital assets, net of related debt	13,058,952	13,575,587
Unrestricted	31,692,356	1,692,435
Total net position	<u>\$ 44,751,308</u>	<u>\$ 15,268,022</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 Net Position
Proprietary Fund
For the year ended June 30, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	Industrial Development 2024	Industrial Development 2023
	<u>2024</u>	<u>2023</u>
OPERATING REVENUES:		
Rental income	\$ 2,138,491	\$ 2,077,635
Glynn County contract	-	59,800
Grant Revenue	-	3,000,000
Other revenue	-	-
	<u>2,138,491</u>	<u>5,137,435</u>
OPERATING EXPENSES:		
Industrial Park expenses	137,104	251,495
Depreciation expense	1,447,252	1,434,679
	<u>1,584,356</u>	<u>1,686,174</u>
Total operating revenues	<u>2,138,491</u>	<u>5,137,435</u>
OPERATING INCOME	<u>554,135</u>	<u>3,451,261</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest revenue	1,040,556	8,961
Gain (loss) on sale of capital asset	7,994	-
Interest expense	(749,450)	(799,760)
Leasehold Improvements	-	-
Trustees fees	(5,000)	(5,000)
Share the Future grants	(55,000)	(61,500)
Community Investments	-	-
Contribution to Airport Commission	-	-
	<u>239,100</u>	<u>(857,299)</u>
Total non-operating revenues (expenses), net	<u>239,100</u>	<u>(857,299)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>793,235</u>	<u>2,593,962</u>
CONTRIBUTIONS AND TRANSFERS		
Operating transfers and contributions	28,690,051	-
	<u>28,690,051</u>	<u>-</u>
Total contributions and transfers	<u>28,690,051</u>	<u>-</u>
CHANGE IN NET POSITION	29,483,286	2,593,962
Net position, beginning of year	15,268,022	12,674,060
Net position, end of year	<u>\$ 44,751,308</u>	<u>\$ 15,268,022</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, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	<u>Industrial Development 2024</u>	<u>Industrial Development 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 2,138,491	\$ 5,137,435
Cash payments made to other suppliers of goods and services	185,877	(239,607)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,324,368</u>	<u>4,897,828</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash paid - operating transfers out	28,690,051	-
Cash received - operating transfers in	-	-
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>28,690,051</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash paid for acquisition of capital assets	(104,045)	(6,675,000)
Cash paid for interest on long-term debt	(747,473)	(797,783)
Cash paid for principal on long-term debt	(1,179,815)	(1,130,775)
Cash received from sale of capital assets	423,856	-
Cash paid for share the future grants	(28,500)	(35,000)
Cash paid for trustee fees	(5,000)	(5,000)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,640,977)</u>	<u>(8,643,558)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received for interest on investments	1,040,556	8,961
Cash received for interest on loans and leases	-	-
Cash received for principal payments on loans and leases	2,484	2,944
Cash received to hold in trust	-	3,000,000
Cash paid to Airport Commission	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,043,040</u>	<u>3,011,905</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	30,416,482	(733,825)
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,352,332</u>	<u>5,086,157</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 34,768,814</u></u>	<u><u>\$ 4,352,332</u></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, 2024
With Partial/Summarized Financial Information as of June 30, 2023

	Industrial Development 2024	Industrial Development 2023
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 554,135	\$ 3,451,261
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,447,252	1,434,679
Changes in assets and liabilities:		
(Increase) decrease in receivables	-	-
(Increase) decrease in other assets	-	-
Increase (decrease) in accounts payable	322,981	11,888
Increase (decrease) in due to others	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,324,368	\$ 4,897,828

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, 2024 and 2023

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, 2024, plant and equipment consisted of the following:

	Balance <u>6/30/2023</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6/30/2024</u>
Furniture and fixtures	\$105,976	80796	\$105,976	\$80,796
Signage	10,360		10,360	0
Landscape	19,411		19,411	0
Leasehold improvements	43,287	260189	43,287	260,189
	179,034	340,985	179,034	340,985
Less: Depreciation	(171,523)	(27,102)	(172,836)	(25,789)
	<u>\$7,511</u>	<u>\$313,883</u>	<u>\$6,198</u>	<u>\$315,196</u>

B. Business-type activities:

At June 30, 2024, property, plant and equipment consisted of the following:

	Balance <u>6/30/2023</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6/30/2024</u>
Land	\$10,737,243	\$104,045	\$361,067	\$10,480,221
Buildings	27,182,564			27,182,564
Furniture and fixtures	14,372		14,372	0
Leasehold improvements	8,165,139			8,165,139
Infrastructure	842,002	15,998		858,000
Total	46,941,320	120,043	375,439	46,685,924
Less: Depreciation	(15,131,128)	(1,441,054)		(16,572,182)
Land and buildings, net	<u>\$31,810,192</u>	<u>(\$1,321,011)</u>	<u>\$375,439</u>	<u>\$30,113,742</u>

For the year ended June 30, 2024 and 2023, the Authority recognized depreciation expense of \$1,441,054 and \$1,434,678, 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 6/30/2024
4.25%	240	\$161,043	05/08/14	07/10/35	\$17,054,790
					17,054,790
				Current portion:	1,179,815
					<u>\$15,874,975</u>

Business-Type Activities

Balance 06/30/23	Additions	Retirements	Balance 06/30/24	Due Within One Year
\$18,234,605	\$ -	\$1,179,815	\$17,054,790	\$1,179,815

Amounts due under long-term obligations for the next five years and subsequently as of June 30, 2024, are as follows:

2025	\$1,932,511
2026	1,932,511
2027	1,932,511
2028	1,932,511
2029	1,932,511
2030-2035	<u>11,756,104</u>
	21,418,659
Less: Amount representing interest	<u>(4,363,869)</u>
Total	<u>\$17,054,790</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	\$ 254,431	\$ 254,431	-
<i>Business-type Activities:</i>			
Certificates of deposit with initial maturities exceeding three months	\$27,357,438	\$27,357,438	-

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, 2024 and 2023, the Authority had excess cash deposits over federally insured amounts totaling \$6,573,066 and \$4,454,527, 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, 2024, are as follows:

2025	\$2,484
2026	2,484
2027	492
Total	<u>\$5,460</u>

Note 8 – Interfund Balances and Activity

Transfers to/from funds at June 30, 2024 consisted of the following:

	Transfers In:	
Transfers Out:	<u>General</u>	<u>Total</u>
Proprietary	\$ 197,898	\$ 197,898
Total	<u>\$ 197,898</u>	<u>\$ 197,898</u>

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, 2024 and 2022 was approximately \$76,878,397 and \$15,246,427, 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, 2024 and 2023 of \$11,183 and \$9,865, 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, 2024, the date the financial statements were available to be issued.

Brunswick and Glynn County Development Authority
Schedule of Expenditures - Budget and Actual
June 30, 2024

	Original Budget	FY 2024 Actual	Variance Favorable (Unfavorable)
Personnel:			
Payroll	\$ 365,000	383,110	\$ (18,110)
Employee group/medical insurance	52,000	52,455	(455)
Recruitment/Relocation expense	-	-	-
	417,000	435,565	(18,565)
Marketing	200,000	240,740	(40,740)
General and Administrative:			
Audit and accounting	16,200	16,595	(395)
Chamber Services	22,000	66,445	(44,445)
Consulting services	145,300	153,339	(8,039)
Memberships	18,000	17,153	847
Board related expenses	3,000	6,640	(3,640)
Trade zone expenses	2,000	5,850	(3,850)
Publications/subscriptions	500	372	128
General insurance	17,800	18,962	(1,162)
Office consumables/fixtures	4,700	6,118	(1,418)
Maintenance and repairs	2,400	3,599	(1,199)
Telephone	8,600	6,502	2,098
Professional Development	2,000	2,693	(693)
Other	-	-	-
	242,500	304,268	(61,768)
Capital Outlays:			
Office equipment	-	-	-
	-	-	-
Total Expenditures	\$ 859,500	\$ 980,573	\$ (121,073)

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