

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Commissioners
Glynn County Airport Commission
Brunswick, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Glynn County Airport Commission (the "Commission"), an enterprise fund of Glynn County, Georgia (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Commission, as of June 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Commission, are intended to present the financial position, and the changes in financial position and cash flows, of only that portion of the business-type activities of the County that is attributable to the transactions of the Commission. They do not purport to, and do not, present fairly the financial position of the County as of June 30, 2023, and the changes in its financial position and its cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and OPEB related schedules on pages 5-21 and pages 42-45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The Schedule of Expenditures of Passenger Facility Charges (PFC) Funds and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Passenger Facility Charges (PFC) Funds and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Nichols, Cauley + Associates, LLC

Dublin, Georgia
January 31, 2024

GLYNN COUNTY
AIRPORT COMMISSION
MD&A
JUNE 30, 2023



Glynn County Airport Commission

7-25

7-25

Glynn County Airport Commission 2022-2023



Jeff Culwell, Chair



Cedric King, Vice Chair



Doug Hutson, Commissioner



Ed Farley, Secretary Treasurer



David Furnish, Commissioner

Glynn County Airport Commission Management Team



Robert Burr, A.A.E.
Executive Director



Terra Winslett, CM
Property & Marketing Director



Shawna Williams, CM
Finance & Administration Director



Vernon Bessing, ACE
Operations & Facility Director

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

This Management Discussion and Analysis (MD&A) of the Glynn County Airport Commission provides an overview of the major financial activities affecting the operations of the airports controlled by the Commission. This overview analysis incorporates the financial performance and financial statements of the Glynn County Airport Commission for the fiscal year ending June 30, 2023. The information contained in this MD&A is prepared by management and should be considered in conjunction with the information contained in the Auditors' Report and Notes to the Financial Statements. Following this MD&A are the basic financial statements of the Commission, combined with the notes which are essential for a full understanding of the data contained in the financial statements.

The Glynn County Airport Commission, an agency of Glynn County, but under the supervision of the Golden Isles Development Authority, was established to meet the needs and requirements set forth in the county's creation ordinance and all state and federal regulations.



'The Airport Commission's function is to insure the maintenance and operation of a unified and coordinated airports system in the Glynn County are; to insure that the maximum public benefit is obtained from the various public airports presently in existence and hereafter established; to insure proper planning and establishment of airports needed in the future; to ensure the maximum participation of Glynn County in national and international programs of air transportation; to promote public transportation, trade, commerce, industry and employment opportunities and all of this to the end of providing the most effective and economical use of public airports for the public welfare, safety, and convenience. The Commission has also adopted a shared vision statement along with other community organizations to work together to make Brunswick and the Golden Isles an exceptional place in Georgia to live, work and visit by strengthening our communities and enhancing the quality of life.'

The Airport Commission obtains its operating funds from several revenue sources including aviation customers, aviation land development, and non-aviation land development.

The capital program, which is used to maintain and improve the airports, is funded by multiple agencies including: Federal and State aviation grants, Passenger Facility Charges

(PFC) from commercial airline service, and net remaining airport revenues after operating and maintenance expenditures.

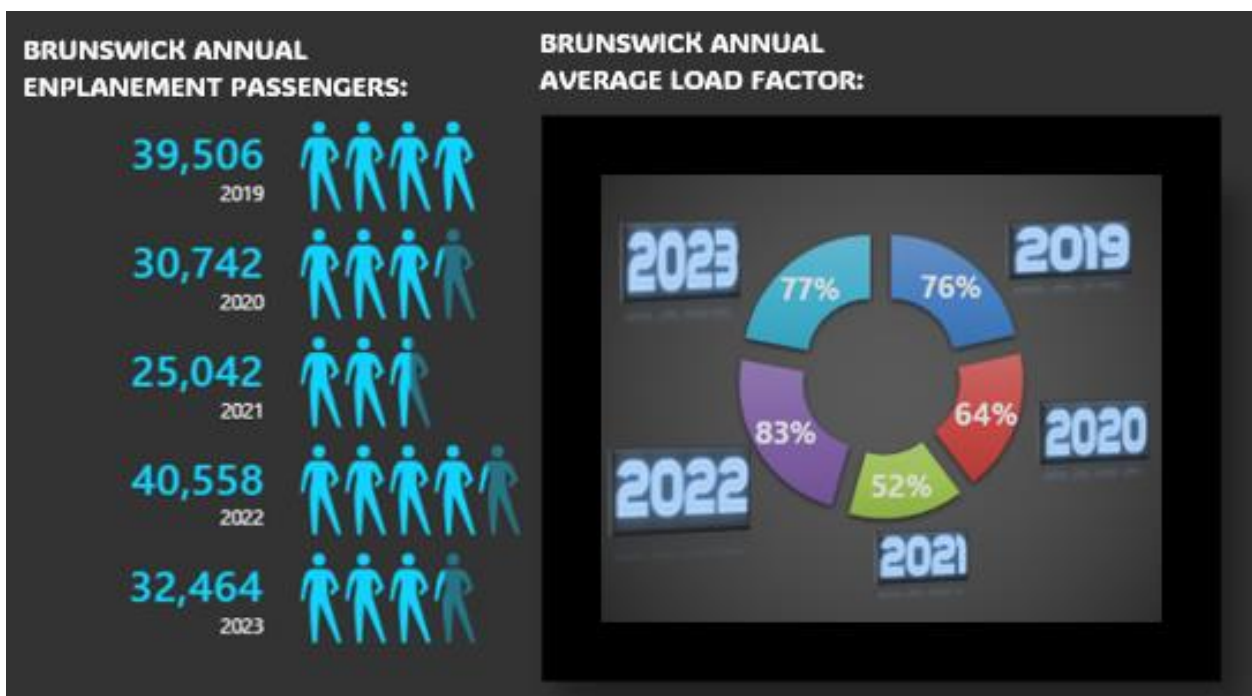
AIR CARRIER ACTIVITIES

The Glynn County Airport Commission entered 2023 with Delta Air Lines as its commercial carrier. Delta has provided continuous service for more than 40 years at Brunswick Golden Isles Airport. This year, Delta increased the size of aircraft that flies into Brunswick Golden Isles Airport from a CRJ200 to a CRJ700 or CRJ900, which includes first class service. The new aircraft will seat up to 76 passengers as compared to 50 passengers previously serviced on the CRJ200. Delta's flights schedule for the year incorporated a reduction in the number of daily flights from three to two flights. The reduction in flights is expected to be temporary and will be resolved as a sufficient number of new pilots enter the system.

Enplanements for the fiscal year decreased by approximately 8,100 passengers due to a reduction of flights from three flights per day to two flights per day. The chart illustrates variances in enplanements for the previous five years.

Historically, the average load factor has increased steadily or remained the same, as illustrated below. Staff are hopeful that those trends will revive in the coming year.

Airline revenues are affected by two contributing components. The first is operations (landings and takeoffs), which generate landing fee revenues. The second is passenger traffic which generates concessions, passenger facility charges, and rental car revenues. The chart below illustrates load factors, versus capacity, over the last five years at the Brunswick Golden Isles Airport.



ANNUAL HIGHLIGHTS

EVENTS



On March 4, 2023, The Commission hosted Aviation Career Day, which took place at the Brunswick Golden Isles Airport. This year featured Aviation Career Exhibitors, Young Eagle Flights by the Experimental Aircraft Association (EAA), and tours of the Gulfstream Aerospace facility. Over 400 people registered for the event which included more than 230 Young Eagles flights, and over 270 tours of the Gulfstream facility. Students spent the day learning about a wide variety of aviation careers. The Airport Commission is committed to promoting aviation related careers to our community.



In May, the annual Coastal Georgia Honor Flight took place to honor America's veterans for their service and sacrifice. Veterans and their guardians flew from BQK to Washington, D.C. to tour the national memorials. The group included veterans from World War II, the Korean War, and the Vietnam War. Hundreds of people from the community came out to the Brunswick Golden Isles Airport to welcome the veterans home after a flight to Washington, D.C. The Brunswick High School band played patriotic music for the flag-waving crowd.



SCHOOL TOUR PROGRAM

The Airport Commission relaunched the airport tour program. Over 720 students from the area toured the Brunswick airport over a four-day period from the public school system and home school programs. The Commission encourages the regional school systems to participate in the program to encourage youth to consider a career in aviation.



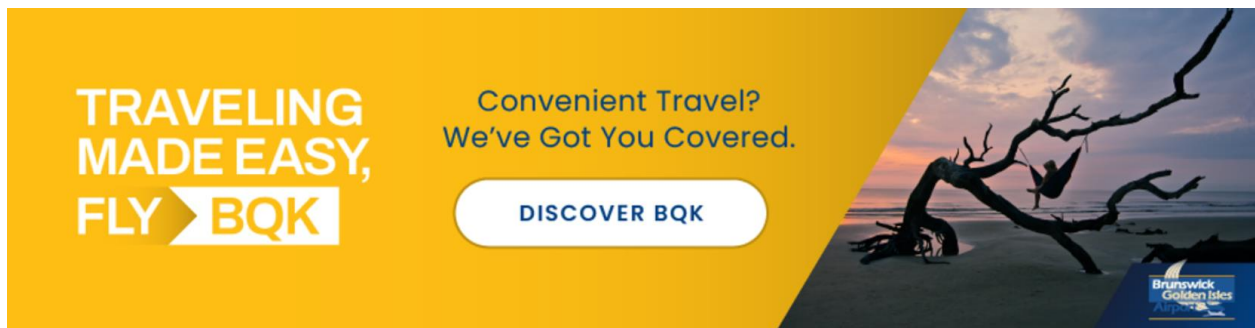
**BURROUGHS-MOLETTE
ELEMENTARY SCHOOL**



LEASES

The Commission executed agreements, subleases, assignments, amendments, and contracts during the year which had a positive financial impact on the financial statements. The following is a summary of some of the aforementioned items.

The Commission approved two new agreements during the year. The first is with St. Simons Radio, Inc., dba Island 94.7, for land and tower use of an antenna. Annual marketing services, such as radio advertising and website banner ads, are provided in lieu of payment with a minimum value of \$4,250. The second, is an agreement with St. Simons Island Properties for a non-aeronautical sublease, which will provide additional annual revenue totaling \$32,350 for future fiscal years.



Staff negotiated seven sublease assignments at the St. Simons Island Airport: three from Golden Isles Aviation to Odyssey GIA Holdings, LLC (for Lot 1, Lots 3 & 4, and the FBO sublease), one from Golden Isles Aviation to 3809 Kilo, LLC (Lot L), one from 3809 Kilo, LLC to Odyssey GIA Holdings, LLC (Lot M), one from Southern Star to SSI Tire Store, LLC, and one from Gruber Aviation to Odyssey GIA Hangar, G, LLC.

During the fiscal year, the Airport Commission completed one land acquisition purchase and three purchases of leasehold interest.

In July 2022, the Commission purchased land in the safety area at the St. Simons Island airport totaling \$260,029. The land acquisition resulted in a \$12,900 annual revenue increase.

Leasehold interest for Parcel D Hangar (or Lot 2), a newly built hangar, from Manning Aviation was purchased in August of 2022 totaling \$374,018.

Leasehold interest for Parcel C (former Brumit) was purchased in March of 2023 from Manning Aviation totaling \$99,972.

Leasehold interest for Presby Aire, LLCs hangar was purchased in December 2022 for \$95,015. At year end, Commission staff were in the process of implementing a new sublease with Wings of Grace Ministries for the former Presby Aire hangar. The sublease was executed in August of 2023 and provides for an additional \$30,000 for future years.

A sublease amendment was completed in February 2023 for Gulfstream Aerospace to add parcels C & D to the existing sublease. This amendment had a positive financial impact of \$1,825 for the current year. The amended rental rate for all four hangar facilities is an annual revenue increase of \$113,696 for future years.

CAPITAL PROJECTS

Several capital projects were completed or are ongoing for the fiscal year.

Runway 7-25 Airfield Pavement Rehabilitation at the Brunswick Golden Isles Airport - The FAA recommended during the Part 139 inspection to extend the runway and taxiway pavement life through seal coating and remarking. The contract was awarded to Remac. The work was completed during the fiscal year.



Skylane Infrastructure and Safety Improvements Environmental Assessment at the St. Simons Island Airport - There is sizeable demand for hangar rental at the St. Simons Island Airport. The environmental assessment is the first step toward installing infrastructure to meet current demands. The project scope includes the expansion of taxi lane and hangar development areas in the midfield, site development, drainage improvements, and utility infrastructure. Hangar and building structures will be completed by the lessee. The construction phases will be completed in future fiscal years.

Automated Weather Observation System (AWOS) Installation at the St. Simons Island Airport - The previous weather system at St. Simons Island was an FAA owned and operated Automated Surface Observing System (ASOS). The installation work has been completed for a new airport owned and operated AWOS at St. Simons Island Airport.



Chiller Replacement Project at the Brunswick Golden Isles Airport - Unforeseen circumstances led to two chiller failures in the Brunswick Terminal. Staff planned the purchase of one chiller which had been approved and ordered in a previous budget year. However, in September, there was a major catastrophic failure to the second chiller. Due to supply chain challenges, the chillers were delivered a year later than anticipated. Arrangements for chiller rentals were completed and those rental fees, service calls, labor and repairs had significant impacts on the expense budget. Approximately \$111,400 was disbursed to keep the system functioning. A secondary project which includes installation of sanitizing components and cleaning of the duct system is planned.

Aircraft Rescue and Fire Fighting (ARFF) Station Design at the Brunswick Golden Isles Airport - The current ARFF building was last renovated in 2005. The structure is past its useful life, undersized, and the flooring in the bays has failed, creating the need for a brand-new structure. This is a joint-use station that serves the Brunswick Golden Isles

Airport and Glynn County. The Airport Commission is funding this project using a grant from the FAA and Special Purpose Local Option Sales Tax (SPLOST) funds. The environmental phase of this project was completed in a previous fiscal year.

STATEMENT OF NET POSITION

The Statement of Net Position presents a snapshot of the financial position of the Commission at the end of the fiscal year. The Statement includes all assets and liabilities of the Commission. Net position reflects the difference between total assets and total liabilities and is an indicator of the current fiscal health of the Commission.

The Commission's financial position remained positive at June 30, 2023, with total assets of \$62,874,223 and total liabilities of \$1,472,462. Current assets increased by \$796,357 due to receipt of federal reimbursement grants for the Compass Calibration Pad project. Total net position, which represents the residual interest in the Commission's assets after liabilities, was \$52,843,549 at June 30, 2023, a decrease of (\$545,721) from 2022. Total assets decreased by (\$509,029) due to an decrease of capital activities, and other capital improvements contributing to non-depreciable assets.

SUMMARY OF FINANCIAL OPERATIONAL HIGHLIGHTS



With nearly 65,000 passengers utilizing the Brunswick Golden Isles terminal, the airline's revenue streams have increased from the previous year. This change in ridership reflects the return of tourists visiting our area. For most of the fiscal year, the Golden Isles Convention Visitor's Bureau reported record numbers for hotel occupancies and bed tax collections. However, as inflation and the cost of food and gas continues to rise, this upwards tourism trend slowed down through the spring and summer months. The good news is that the Golden Isles tourism industry continues to outperform national industry standards. Staff is hopeful that events like the 2023 RSM golf classic and the fall and winter holidays will bring more tourists through our commercial service airport. Additionally, GCAC has partnered with GDOT and received a Small Community Air Service grant to promote commercial service at Georgia's airports. Some of that campaign will promote the Brunswick Golden Isles Airport at no cost to GCAC.




The Commission's financial net position for the year decreased by -1.02%, impacted by increases in operating expenses and a reduction in capital contributions. The Airports ended fiscal year 2023 with a change of net position totaling \$(545,718) as compared to \$148,978 in 2022. The Commission additionally saw an increase in capital contributions. The change in contributions totaled \$994,273 primarily due to reimbursement for construction costs in the AIP grant program.





Changes affecting the Statement of Revenues, Expenses and Changes in Net Position for 2023 are as follows:





Rental revenues increased by 5% or \$147,498 due to scheduled rate adjustments to land leases, various concession revenues from agreements based on a percentage of business, new leases, and lease extension assignments.


 Lease revenues increased by 4.66% or \$27,330 due to a new lease executed for a building that reverted to the Commission from the former FBO facility and regular scheduled rate adjustments for other facilities.


 Stipends for Security decreased by (1.55%) or (\$949) from \$61,065 to \$60,116 which is affected by flight schedules and hours worked by law enforcement officers in the Brunswick Golden Isles Terminal. The costs are partially eligible for reimbursement through a three-year grant issued by TSA.


 Other Fees decreased by (0.78%) or (\$1,256), from \$161,992 to \$160,736, due to changes in miscellaneous revenues, which included terminal advertising and contract services.

 Cost of Services increased by 35.32% or \$267,558 due to increased security and safety expenses, maintenance expenses (chiller rentals) and inflation.

 Total costs for General Administrative accounts show an increase of 13.57% or \$340,946 from \$2,512,209 to \$2,853,155 in 2023. Most of the change is attributed to increased personnel and benefit costs.

 Depreciation expenses increased by 1.91% or \$76,380 from \$4,008,857 to \$4,085,237 due to the completion of capital projects adding assets with long life spans as compared to in the previous year with fewer new additions and shorter life spans.

 Passenger Facility Charges (PFC) are received for each ticket sold by the airlines from the Brunswick Golden Isles Airport. PFC rates are currently \$4.50 per passenger effective November 1, 2003. The Commission receives \$4.39 from each transaction. The remainder is retained by the airlines as compensation for administrative costs. These revenues are used to offset the cost of capital projects undertaken by the Commission for the improvement of the Brunswick Golden Isles Airport. This fiscal year, the Commission experienced a decrease of (11.35%) or (\$15,805) as compared to last year in PFC collections. The decrease is attributed reduction of flights and passengers at the Brunswick Golden Isles Airport.

 Capital contributions received in the form of grants from the federal, state and local governments increased \$994,273 from \$2,066,565 to \$3,060,838 in 2023. The typical federal grant provides 90% of the funding necessary to complete an eligible project. The typical state grant matches the federal grant with the state contributing an additional 5%. The Commission recognized capital contributions related to construction totaling \$3,060,838: from Federal grants of \$ 2,964,054 and state grants of \$96,784). The local airport portion of the projects totaled \$225,817 totaling \$3,286,655 for the fiscal year.

SUMMARY OF MAJOR PROJECTS FOR FY2023

The major infrastructure projects the Commission engaged in for FY 2023 were:

Major Projects for 2023			
Project Name	Grant No	Airport	Total Project Expenses as of June 30, 2023
Compass Calibration Pad Construction Part 1	3130018-47	BQK	\$ 3,238,001
Airfield Pavement Rehabililtation	3130018-049	BQK	\$ 1,525,724
Safety Land Area Purchase	N/A	SSI	\$ 260,029
AWOS Installation	AP-66	SSI	\$ 129,045
Skylane Development and Safety Imp Env Asses	AP-67	SSI	\$ 77,528
Skylane Development Design	N/A	SSI	\$ 70,231
Skylane Development CATEX	N/A	SSI	\$ 28,700
			<u>\$ 5,329,258</u>

This fiscal year's projects, which were funded by federal and state grants and local matching contributions, included: final completion of the construction compass calibration pad and airfield pavement rehabilitation at the Brunswick Golden Isles airport, AWOS installation, and the environmental assessment for the Skylane development and safety projects at St. Simons Island Airport to determine future projects for the airport.

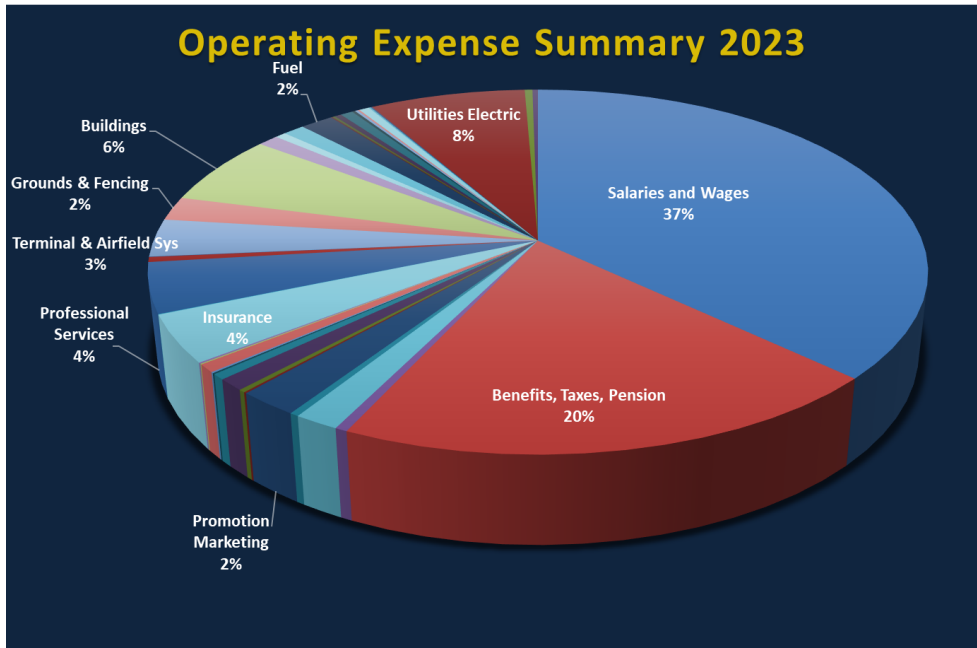
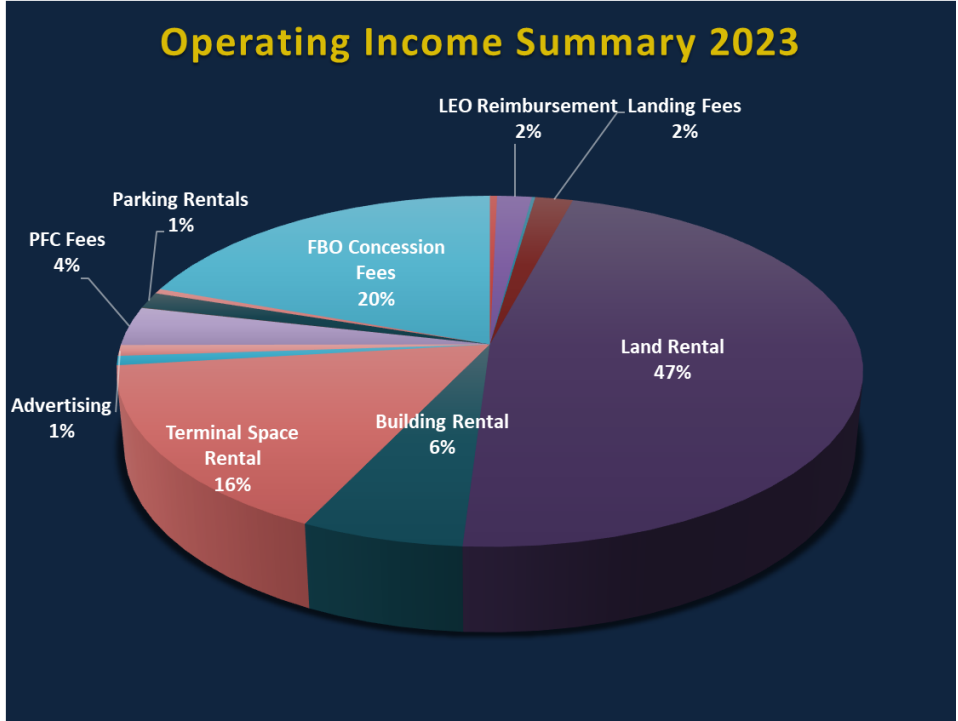


Compass Calibration Pad Project, BQK

The following table summarizes the changes in net position for the fiscal years ended June 30, 2022, and 2023.

		ASSETS		
		2023	2022	\$ Change
CURRENT ASSETS				
Cash and Cash Equivalents		\$ 5,157,801	\$ 6,356,939	\$ (1,199,138)
Receivables, Net		2,171,928	202,325	1,969,603
Lease Receivable		476,530	451,201	
Prepaid Expenses		2,056	1,493	563
Total Current Assets		<u>7,808,315</u>	<u>7,011,958</u>	<u>796,357</u>
NONCURRENT ASSETS				
Lease Receivable, non-current		8,516,751	8,573,273	56,522
Capital Assets				
Capital Assets - Nondepreciable		14,170,635	11,995,608	2,175,027
Capital Assets - Depreciable, Net		32,378,522	35,802,413	(3,423,891)
Total Capital Assets		<u>46,549,157</u>	<u>47,798,021</u>	<u>(1,248,864)</u>
Total Assets		<u>62,874,223</u>	<u>63,383,252</u>	<u>(509,029)</u>
DEFERRED OUTFLOW OF RESOURCES				
Related to Pensions		202,389	444,781	(242,392)
Related to OPEB		12,706	7,262	5,444
		<u>215,095</u>	<u>452,043</u>	<u>(236,948)</u>
		LIABILITIES		
CURRENT LIABILITIES				
Accounts Payable		57,443	234,898	(177,455)
Accrued Liabilities		65,782	56,933	8,849
Property Deposits		22,098	13,286	8,812
Due to Other Funds		40,000	40,000	0
Notes Payable		0	0	0
Unearned Rental Income - Current		25,500	25,500	0
Unearned Grant Income		0	0	0
Compensated absences		152,890	93,484	59,406
Subscription Liability		4,731	0	
Total OPEB Liability		4,654	0	
Total Current Liabilities		<u>373,098</u>	<u>464,101</u>	<u>(91,003)</u>
NONCURRENT LIABILITIES				
Advances		4,172	4,172	0
Notes Payable		0	0	0
Unearned Rental Income - Long-Term		66,760	92,260	(25,500)
Compensated absences		101,926	62,322	39,604
Net Pension Liability		774,245	814,544	(40,299)
Net Subscription Liability		20,414	0	20,414
Total OPEB Liability		131,847	79,215	52,632
Total Noncurrent Liabilities		<u>1,099,364</u>	<u>1,052,513</u>	<u>46,851</u>
Total Liabilities		<u>1,472,462</u>	<u>1,516,614</u>	<u>(44,152)</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pensions		0	0	0
Related to OPEB		61,613	40,145	21,468
Related to Leases		8,711,691	8,889,266	
Total deferred inflows of resources		<u>8,773,304</u>	<u>8,929,411</u>	<u>(156,107)</u>
		NET POSITION		
Investment in Capital Assets		46,524,012	47,798,021	(1,274,009)
Restricted for Other Purposes		0	0	0
Restricted for Other Projects		0	0	0
Unrestricted		6,319,543	5,591,249	728,294
Total Net Position		<u>\$ 52,843,552</u>	<u>\$ 53,389,270</u>	<u>\$ (545,718)</u>

The following charts illustrate the major revenue and expense sources and percentages for the year ending June 30, 2023.



Note:
Labels for some accounts have been removed from the charts if their portion was immaterial, or less than 1%.

BUDGET ANALYSIS

Over the course of the year, staff made concerted efforts to minimize operating expenses to offset projected reduced revenues due to the reduction in aviation activities.

Total projected operating revenues were \$3,921,597. Earned collection revenues for the year were more than budgeted at \$4,368,068, due to scheduled rate adjustments, new and amended leases, receivables from FBO Concession tenants and rental car concessions tenants which are based on a percentage of business earnings.

Projected operating expenses totaled \$3,778,319 and total expenses were \$7,633,513 which includes capital asset depreciation. Expenses without asset depreciation and interest expense totaled \$3,882,254, which were less than budgeted estimates mainly due to a conservative effort to defer spending in this uncertain economic climate.

The table below illustrates the details encompassing the revenue and expense accounts, their expected budget numbers, and the actuals for FY 2023.

	<u>Jul '22 - Jun 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4000 · Non-Operating Income	352,598.85	63,947.00	288,651.85	551.39%
4200 · Operating Income	3,401,972.99	3,857,650.00	-455,677.01	88.19%
4223 · Lease Revenue (GASB87)	613,496.00			
Total Income	<u>4,368,067.84</u>	<u>3,921,597.00</u>	<u>446,470.84</u>	<u>111.39%</u>
Gross Profit	4,368,067.84	3,921,597.00	446,470.84	111.39%
Expense				
5000 · Personnel Expenses	2,208,827.11	2,030,808.00	178,019.11	108.77%
6000 · Administrative Expenses	648,103.26	786,729.00	-138,625.74	82.38%
7000 · Maintenance Expenses	678,325.41	594,307.00	84,018.41	114.14%
7115 · Safety/Ops	19,329.84	27,100.00	-7,770.16	71.33%
7116 · ARFF Training and Supplies/Agen	3,368.49	7,000.00	-3,631.51	48.12%
7515 · Security Expenses	3,202.53	1,000.00	2,202.53	320.25%
8000 · Utilities	321,097.62	331,375.00	-10,277.38	96.9%
Total Expense	<u>3,882,254.26</u>	<u>3,778,319.00</u>	<u>103,935.26</u>	<u>102.75%</u>
Net Ordinary Income	485,813.58	143,278.00	342,535.58	339.07%
Other Income/Expense				
Other Income				
4002 · Stipends & Grants	3,060,838.60			
9999.1 · Gain/(Loss) Lease Term	<u>-2,754.00</u>			
Total Other Income	3,058,084.60			
Other Expense				
9101 · Depreciation Expense - GCAC FA	504,614.52			
9102 · Depreciation Expense - Grant FA	3,580,621.88			
9103 · Amortization Expense - GASB96	<u>4,378.00</u>			
Total Other Expense	<u>4,089,614.40</u>			
Net Other Income	-1,031,529.80			
Net Income	<u>-545,716.22</u>	<u>143,278.00</u>	<u>-688,994.22</u>	<u>-380.88%</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The Commission's net investment in capital assets as of June 30, 2023, was \$46,524,012.

The Commission classifies capital assets in two major divisions: non-depreciable assets (construction in progress and land) and depreciable assets (buildings, equipment, etc.). Currently, the Commission is working toward completing several federally and/or state-assisted projects which will roll forward to fiscal year 2023/2024 on June 30, 2023.

- 1) Skylane Development and Safety Improvement Environmental Assessment
- 2) Skylane Development and Safety Improvement Design
- 3) North MRO Taxilane Environmental and Design
- 4) ARFF Station Design

The Commission reviews the progress of Capital projects on a regular basis and is anticipating the financial completion of the above projects in the following budget year.

DEBT ADMINISTRATION

The Commission had no debt as of June 30, 2023.

UNEARNED RENTAL INCOME

The Commission has one agreement with a lessee allowing rental credits for defined leasehold improvements. The agreement with Gulfstream Aerospace allows the lessee to make improvements to their leasehold for rental credits equal to such improvements. The value assessed for the improvement determines the allowable rental credit available to the lessee. The Commission recognizes these leasehold improvements as fixed assets and allows rental credits equal to such. The lessee is limited to \$25,500 in rental credits per year. Rental credits for Gulfstream improvements each year are in excess of these limits can be deferred to offset future rents due from the lessee. Non-current liabilities reflect \$92,260.02 for rental credits earned during prior years, but which will not offset rental payments due until years ending after June 30, 2023.

SINGLE AUDIT

The Commission met the threshold as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). These audits report the Commission's compliance or noncompliance with laws, regulations, contracts, and grants applicable to major federal programs, through which, the Commission received grant revenues. The auditor's report on compliance did not identify any material weaknesses.

POTENTIAL FUTURE IMPACTS

Passenger traffic is an essential financial contributor to the Airport Commission's overall financial strength. Passenger enplanements are significantly affected by the cost of airline tickets, and the national, regional, and local economies. Ticket prices are influenced by the financial health of the airline industry, the cost of fuel, and the stability of the overall economy.

This year, aviation activity returned to pre-pandemic levels, but was reduced as a result of losing one flight a day. Activity may shift again in the near future due to inflation and the continued pilot shortage.

Under current economic conditions, it is likely that passenger traffic will remain steady. This year, there was a temporary influx of federal funds in response to the financial impact of the COVID-19 pandemic that assisted in maintaining a stable financial position in the form of Bipartisan Infrastructure Law (BIL) funds. The Commission also expects that revenues driven from passenger traffic, such as concessions, passenger facility charges, ground transportation, transportation network companies (TNC), and the café will experience incrementally slow but steady increases because of increased passenger traffic.

Fixed leases and Maintenance Repair and Overhaul (MRO) companies have continued to expand services and facilities at the Brunswick Golden Isles Airport and represent a significant contribution to the Commission's operating revenues and financial position.

General aviation has maintained its strong presence in our community and is expected to continue and future plans for expansion.

The Commission is marketing new leases for the coming year. Forty-three current short-term agreements will expire during the year. Staff expects all these agreements will be renewed.

Seven long-term agreements will expire and are expected to be replaced with new leases or lease extensions. Three agreements are anticipated to enact an upcoming option during the fiscal year.

Marketing initiatives for additional airline service will continue for Brunswick Golden Isles Airport. Plans for meeting and hosting airline representatives for next year are in progress. Coordination with GDOT and their state marketing initiatives associated with the Small Community Air Service grant will continue for the coming year.

Scheduled rate adjustments for leases are expected to increase with market conditions.

As a result of the above projections, revenues are projected to slowly increase as the economy improves, and expenses will remain consistent with previously projected budget amounts.

Recently, a 2022 Special Purpose Local Option Sales Tax (SPLOST) initiative was passed and several construction projects at the airport will benefit from the 1% sales tax, including the design and construction of an ARFF Fire Station, expansion of the North

Taxiway/Taxilane at BQK, and safety and pavement improvements at SSI. However, the Commission will need to continue to seek nontraditional funding sources to support a robust capital improvement plan and continue to maintain facilities and equipment as planned in the capital replacement schedules.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Robert J. Brown", with a long horizontal flourish extending to the right.

By the MANAGEMENT of the GLYNN COUNTY AIRPORT COMMISSION

This summary is provided for interested parties to obtain a general overview of the Commission's finances and activities. If you have any questions about this report or need additional information, please contact the Executive Director, Glynn County Airport Commission, 295 Aviation Parkway, Suite 205, Brunswick, Georgia, 31525.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 5,157,801
Receivables, net	2,171,928
Lease receivable	476,530
Prepaid expenses	2,056
Total current assets	<u>7,808,315</u>

NONCURRENT ASSETS

Lease receivable, non-current	<u>8,516,751</u>
Capital assets	
Nondepreciable	14,170,635
Depreciable, net	32,378,522
Total capital assets	<u>46,549,157</u>
Total noncurrent assets	<u>55,065,908</u>
Total assets	<u>62,874,223</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to pensions	202,389
Related to OPEB	12,706
Total deferred outflows of resources	<u>215,095</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	57,443
Accrued liabilities	65,782
Property deposits	22,098
Due to other funds	40,000
Unearned income - current	25,500
Compensated absences	152,890
Subscription liability	4,731
Total OPEB liability	<u>4,654</u>
Total current liabilities	<u>373,098</u>

NONCURRENT LIABILITIES

Advances	4,172
Unearned income - long-term	66,760
Compensated absences	101,926
Subscription liability	20,414
Net pension liability	774,245
Total OPEB liability	<u>131,847</u>
Total noncurrent liabilities	<u>1,099,364</u>
Total liabilities	<u>1,472,462</u>

DEFERRED INFLOWS OF RESOURCES

Related to OPEB	61,613
Lease related	<u>8,711,691</u>
Total deferred inflows of resources	<u>8,773,304</u>

NET POSITION

Investment in capital assets	46,524,012
Unrestricted	<u>6,319,540</u>
Total net position	<u><u>\$ 52,843,552</u></u>

The notes to the financial statements are an integral part of this statement.

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OPERATING REVENUES

Rental revenue	\$ 3,115,623
Lease revenue	613,496
Stipends for security	60,116
Other fees	160,736
Total operating revenue	<u>3,949,971</u>

OPERATING EXPENSES

Cost of services	1,025,156
General and administrative	2,853,155
Depreciation expense	4,049,840
Amortization expense	39,775
Total operating expenses	<u>7,967,926</u>

Operating loss	<u>(4,017,955)</u>
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NONOPERATING REVENUES (EXPENSES)

Passenger facility charge	123,430
Interest income	291,913
Interest expense	(3,944)
Total nonoperating revenues	<u>411,399</u>

CAPITAL CONTRIBUTIONS AND GRANTS

	<u>3,060,838</u>
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Change in net position	(545,718)
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Net position - beginning	<u>53,389,270</u>
Net position - ending	<u>\$ 52,843,552</u>

The notes to the financial statements are an integral part of this statement.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 3,773,249
Payments to suppliers	(1,847,502)
Payments to employees	(1,825,564)
Net cash provided by operating activities	<u>100,183</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Passenger facility charges	123,430
Principal paid on SBITAs	(5,500)
Acquisition and construction of capital assets	(2,810,106)
Capital grants	1,104,886
Interest paid	(3,944)
Net cash used by capital and related financing activities	<u>(1,591,234)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>291,913</u>
Net cash provided by investing activities	<u>291,913</u>
Net decrease in cash and cash equivalents	(1,199,138)
Cash and cash equivalents, beginning of year	<u>6,356,939</u>
Cash and cash equivalents, end of year	<u>\$ 5,157,801</u>

**RECONCILIATION OF OPERATING LOSS
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating loss	\$ (4,017,955)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities	
Depreciation	4,049,840
Amortization	39,775
Increase in receivables	(13,651)
Decrease in leases	31,193
Increase in prepaid expenses	(563)
Decrease in deferred outflows	236,948
Decrease in accounts payable	(177,455)
Increase in accrued liabilities	8,849
Increase in property deposits	8,812
Increase in compensated absences	99,010
Decrease in net pension liability	(40,299)
Increase in total OPEB liability	57,286
Decrease in deferred inflows	(156,107)
Decrease in unearned revenue/income	(25,500)
Net cash provided by operating activities	<u>\$ 100,183</u>

The notes to the financial statements are an integral part of this statement.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County has implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

The most significant of the Commission's accounting policies are described below.

Reporting Entity

The Glynn County Airport Commission (the "Commission"), an enterprise fund of Glynn County, Georgia, was created as an agency of Glynn County on December 18, 1980, by adoption of the "Airport Ordinance" by the Board of Commissions of Glynn County. On July 23, 1987, the Glynn County Board of Commissioners voted to place the Airport Commission under the supervision of the Brunswick and Glynn County Development Authority (a constitutional authority created by an act of the Georgia General Assembly), effective on that date. On January 19, 1989, the Glynn County Board of Commissioners resolved to amend the Ordinance to evidence the fact that the Commission (which shall be deemed an agency of Glynn County) had been placed under the supervision of the Brunswick and Glynn County Development Authority.

The Commission's financial information is included within Glynn County, Georgia's financial statements as an enterprise fund.

Basis Presentation

The Commission uses one fund to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The fund presented in this report is a Proprietary Fund Type – Enterprise Fund. Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included in the statement of net position. Net position is segregated into net investment in capital assets, restricted and unrestricted net position components. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net position. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The statement of cash flows provides information about how the Commission finances and meets the cash flow needs of its activities.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Commission.

For purposes of the statement of cash flows, the Commission considers all highly liquid investments (including restricted assets) with an original maturity date of three months or less, and customer deposits to be cash equivalents.

Investments are stated at fair value.

Customer Accounts Receivable

Accounts receivable are reported net of any allowance for bad debts. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lease Receivable

The Glynn County Airport Commission is a lessor for noncancellable leases of buildings and land parcels at both the Brunswick Golden Isles and St. Simons Island Airports. These subleases vary in terms of length, rate structure, and can include independent private capital investment provisions. Each sublease is evaluated according to the following principles.

At the commencement of a lease, the Glynn County Airport Commission measures the lease receivable at the present value of payments expected to be received during the lease term and/or options, as applicable. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Glynn County Airport Commission determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Glynn County Airport Commission uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and other optional extensions tenants requested for financing. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Glynn County Airport Commission monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if modifications, amendments, transfers or other certain changes occur that are expected to significantly affect the amount of the lease receivable.

Restricted Assets

The Commission's policy is to first apply restricted resources when an expense is incurred for which both restricted and unrestricted net position are available.

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets

Facilities of the Commission include the Brunswick Golden Isles Airport located near Brunswick, Georgia and the St. Simons Island Airport located on St. Simons Island, Georgia.

Capital assets are carried at cost. Donated capital assets are recorded at their estimated acquisition values at the date received. Capital assets are capitalized if their cost exceeds \$1,000 and useful lives are expected to exceed one year. These assets are depreciated over the estimated useful life using the straight-line method as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	10 to 25
Buildings	12 to 25
Machinery and equipment	5 to 10
Office equipment and furniture	3 to 6
Motor vehicles	3
Airfields, roads and grounds	6 to 20

Major outlays for capital assets and improvements are capitalized as projects are constructed. Additional information can be found in Note 4.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission has two items that qualify for reporting in this category. The items relate to the Commission’s Pension and OPEB Plans and are reported in the Statement of Net Position. These relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has two items that qualify for reporting in this category. These items relate to the deferred amounts in the City’s OPEB Plan and lease payments and are reported in the Statement of Net Position.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subscription-Based Information Technology Arrangements

Subscription-based technology arrangements (SBITAs) are contracts that convey control of the right to use a vendor's software, alone or in combination with a tangible capital asset, as specified in the contract for a period in an exchange or exchange-like transaction. At the commencement of a SBITA's, the Commission initially measures the subscription based information technology arrangement liability at the present value of payments expected to be made during the arrangement term. Subsequently, the arrangement liability is reduced by the principal portion of the payments made. The subscription based information technology right-to-use asset is measured as the initial amount of the arrangement liability and is amortized on a straight-line method over its useful life.

The Commission uses the interest rate noted in the arrangement as the discount rate. If the interest rate is not provided, the Commission uses its estimated incremental borrowing rate as the discount rate. Term length of the arrangement includes the noncancellable period stated in the arrangement. The Commission monitors changes made to the arrangement that may require a re-measurement of the related asset and liability.

SBITA's are reported separately in capital assets and long term liabilities. Additional information can be found in Notes 4 and 6.

Intangible Asset and Amortization

The Commission is amortizing its Brunswick Airport Master Plan over 20 years using the straight line method. The Brunswick Airport Master Plan is included in depreciable capital assets on the Statement of Net Position. Additional information can be found in Note 4.

Compensated Absences

It is the Commission's policy to permit employees to accumulate earned but unused personal time off (PTO). Employees of the Commission may carry over a maximum of 500 hours of PTO to the next year. Amounts in excess of the 500 hours will roll into personal catastrophic leave up to a maximum of 2,080 hours. Catastrophic leave hours in excess of 2,080 shall be forfeited and placed into an excess leave bank until termination. Additional information can be found in Note 6.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Glynn County Pension Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Additional information can be found in Note 7.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Additional information can be found in Note 8.

Net Position Classification

Net position is classified and displayed in three components within the Statement of Net Position. These three classifications are as follows:

Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

Capital Contributions

Capital contributions consist of capital grants or contributions typically from other governments.

Operating and Non-Operating Revenues and Expenses

Operating revenues and expenses in the financial statements are those that result from providing services and producing and delivering goods and/or services. Also included are all revenues and expenses not related to capital and related financing, non-capital financing, or investing activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS

Credit Risk

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

As June 30, 2023, the Commission had no investments.

Interest Rate Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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 required 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. As of June 30, 2023, all the Commission's funds which were uninsured were collateralized as required by the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c) and as defined by GASB pronouncements.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government 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.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3 - RECEIVABLES

Receivables consisted of the following at June 30, 2023:

Receivables	
Accounts	\$ 75,576
Intergovernmental receivable	2,096,352
Gross receivables	<u>2,171,928</u>
Less allowance for uncollectibles	-
Net total receivables	<u><u>\$ 2,171,928</u></u>

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Nondepreciable capital assets					
Land	\$ 10,408,759	\$ 260,029	\$ -	\$ -	\$ 10,668,788
Construction in progress	1,586,849	1,796,512	-	118,486	3,501,847
Total nondepreciable capital assets	<u>11,995,608</u>	<u>2,056,541</u>	<u>-</u>	<u>118,486</u>	<u>14,170,635</u>
Depreciable capital assets					
Land improvements	17,920,550	-	-	-	17,920,550
Buildings	13,946,569	569,409	-	-	14,515,978
Machinery and equipment	1,240,357	122,401	-	-	1,362,758
Office equipment and furniture	579,820	38,868	-	-	618,688
Right-to-use SBITAs*	30,645	-	-	-	30,645
Moters vehicle	1,295,524	-	-	-	1,295,524
Airfields, roads and grounds	69,657,059	22,887	-	(118,486)	69,561,460
Master plan noise study	1,339,764	-	-	-	1,339,764
Total depreciable capital assets	<u>106,010,288</u>	<u>753,565</u>	<u>-</u>	<u>(118,486)</u>	<u>106,645,367</u>
Accumulated depreciation					
Land improvements	(17,576,904)	(108,432)	-	-	(17,685,336)
Buildings	(10,189,643)	(471,819)	-	-	(10,661,462)
Machinery and equipment	(917,974)	(66,940)	-	-	(984,914)
Office equipment and furniture	(527,336)	(22,612)	-	-	(549,948)
Right-to-use SBITAs*	-	(4,378)	-	-	(4,378)
Motor vehicles	(1,234,538)	(25,372)	-	-	(1,259,910)
Airfields, roads, and grounds	(38,942,678)	(3,354,665)	-	-	(42,297,343)
Master plan noise study	(788,157)	(35,397)	-	-	(823,554)
Total accumulated depreciation	<u>(70,177,230)</u>	<u>(4,089,615)</u>	<u>-</u>	<u>-</u>	<u>(74,266,845)</u>
Depreciable capital assets, net	<u>35,833,058</u>	<u>(3,336,050)</u>	<u>-</u>	<u>(118,486)</u>	<u>32,378,522</u>
Capital assets, net	<u>\$ 47,828,666</u>	<u>\$ (1,279,509)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,549,157</u>

*Subscription-Based Information Technology Arrangements (SBITAs) beginning balances have been adjusted for the implementation of GASB 96.

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5 – LEASES

The Commission has entered into various lease agreements as lessee for the use of land, hangars and other Commission owned assets.

All leases were tracked through an internal online software. Leases that were entered into the software had an agreement that conveyed the right to use the asset, whether it be a building or land. Leases that qualified were at least over a 12-month period.

The total lease receivable totaled \$8,993,281 for the year ended June 30, 2023. The leases range from 1 year to 55 years with annual payments of approximately \$5,000 to \$75,000. Deferred inflow of resources as of June 30, 2023 was \$8,711,691 The Commission recognized \$613,496 in lease revenue and \$279,416 in interest revenue during the current fiscal year related to these leases.

The future principal and interest lease receivable payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 476,530	\$ 268,542	\$ 745,072
2025	485,860	253,836	739,696
2026	433,525	239,301	672,826
2027	401,042	226,878	627,920
2028	412,668	214,452	627,120
2029-2033	1,862,137	890,571	2,752,708
2034-2038	1,628,867	631,391	2,260,258
2039-2043	1,120,909	412,246	1,533,155
2044-2048	601,011	282,068	883,079
2049-2053	311,899	211,673	523,572
2054-2058	196,821	178,179	375,000
2059-2063	229,317	145,684	375,001
2064-2068	267,176	107,824	375,000
2069-2073	311,286	63,714	375,000
2074-2076	254,233	14,517	268,750
	<u>\$ 8,993,281</u>	<u>\$ 4,140,876</u>	<u>\$ 13,134,157</u>

GLYNN COUNTY AIRPORT COMMISSION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6 – LONG-TERM LIABILITIES

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Reduction	Balance June 30, 2023	Current Portion
Compensated absences	\$ 155,806	\$178,698	\$ (79,688)	\$ 254,816	\$ 152,890
Subscription liability*	30,645	-	(5,500)	25,145	4,731
	<u>\$ 186,451</u>	<u>\$178,698</u>	<u>\$ (85,188)</u>	<u>\$ 279,961</u>	<u>\$ 157,621</u>

* Subscription-Based Information Technology Arrangements (SBITA's beginning balances have been adjusted for implementation of GASB 96.

Subscription-Based Information Technology Arrangements

On August 17, 2020 the Commission entered into a 84 month subscription for the use of lease management software. An initial subscription liability was recorded in the amount of \$30,645. As of June 30, 2023, the value of the subscription liability is \$25,145. The Commission is required to make annual fixed payments of \$5,500. The subscription has an interest rate of 3.06%. The value of the right to use asset as of June 30, 2023 is \$30,645 with accumulated amortization of \$4,378. The future principal and interest payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 4,731	\$ 769	\$ 5,500
2025	4,875	625	5,500
2026	5,024	476	5,500
2027	5,178	322	5,500
2028	5,337	163	5,500
	<u>\$ 25,145</u>	<u>\$ 2,355</u>	<u>\$ 27,500</u>

GLYNN COUNTY AIRPORT COMMISSION
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NOTE 7 - PENSION PLAN

General Information about the Pension Plan

Plan Description. The Glynn County Pension Plan (the “Plan”) is a single employer defined benefit pension plan administered by Marshwinds Advisory Company and Synovus Trust Company, jointly. The Plan provides retirement and death benefits to Plan members and beneficiaries. Benefit provisions and contributions are established and may be amended by the Glynn County Board of Commissioners (Board). Management of the Plan is vested in the Pension Committee (Committee) consisting of ten persons to serve as the Plan Administrator and to manage the operation of the Plan. The Committee is appointed by the Board by a majority vote. The Committee is comprised of the County Administrator, Finance Director and Personnel Director as permanent members; three Commissioners of the Board in which one will be designated to serve as Chairman of the Committee and four non-management employees from specific employee groups. The accounting and financial reporting functions are done by the County finance department. The County’s general fund bears most of the Plan’s administrative costs. The Plan’s audited financial statement is included in the County’s Annual Comprehensive Financial Report as a Pension Trust Fund and does not issue a stand-alone financial report.

Benefits Provided. The Plan provides retirement benefits for its members. Retirement benefits for general plan members are calculated as two percent (2%) of average monthly compensation multiplied by the number of years of service. Average monthly compensation is the quotient of the total compensation of a participant during the sixty (60) consecutive calendar month period of service of highest compensation. In no event shall a participant’s pension calculation exceed 60% of a participant’s average monthly compensation and shall not be less than \$20 per month. Benefit increases are provided on an ad hoc basis.

Contributions. The Board is required to make contributions to fund the benefits required under the Plan. Contributions are actuarially determined by an independent actuary. The actuarially determined amount is recommended by an independent actuary. The actuarially determined contribution amount is the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, the County’s average contribution rate was 10.36 percent of annual covered payroll. Contributions to the Plan from the Commission were \$127,412 for the year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Commission reported a liability of \$774,245 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The Commission’s proportion of the net pension liability was based on contributions to the Plan during the fiscal year ended June 30, 2023. At June 30, 2023, the Commission’s proportion was 3.48202%, which was an increase of 0.13111% from its proportionate share measured as of June 30, 2022.

GLYNN COUNTY AIRPORT COMMISSION
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 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLAN

For the year ended June 30, 2023, the Commission recognized pension expense of \$310,427. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 100,638	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	101,751	-
	\$ 202,389	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:			
2024		\$	71,822
2025			45,086
2026			128,883
2027			(43,402)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	1.5%-4.75%
Investment rate of return	7.50%

Mortality rates were based on the RP-2000 Combined Mortality Table set forward two years for both males and females.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of the last actuarial experience study, for the five year period ending December 31, 2018.

GLYNN COUNTY AIRPORT COMMISSION
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 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - PENSION PLAN

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	65.00%	8.50%
Preferred stocks	5.00%	6.00%
Corporate bonds	20.00%	5.00%
Government bonds	8.00%	3.50%
Cash	2.00%	1.00%
	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportional Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Commission's Net Pension Liability	<u>\$ 1,327,994</u>	<u>\$ 774,245</u>	<u>\$ 305,968</u>

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLAN

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Glynn County, Georgia Annual Comprehensive Financial report which is publicly available at <https://www.glynncounty.org/>

NOTE 8 – OPEB PLAN

General Information about the OPEB Plan

Plan Description. The County's defined benefit OPEB plan, Glynn County Employee Benefit Plan (OPEB Plan), provides medical benefits to its retirees and spouses and/or dependents. The plan covers both general and uniform employees. Membership in the OPEB Plan by the County retirees is voluntary. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. The Plan provides members, upon eligible retirement, with healthcare insurance benefits. The benefits provided are not guaranteed and are subject to change at any time. In addition, the benefit provisions are subject to annual appropriation of funds by the County's Board of Commissioners. The OPEB Plan does not provide for automatic or ad hoc postretirement benefit increases; however, the benefit provisions provided by the OPEB Plan may be amended, established or terminated at any time by a vote of the Board of Commissioners. The OPEB Plan document specifies the types and levels of OPEB

Plan benefits as well as member contribution requirements. The County provides administration of the OPEB Plan, including setting funding policies, and reports the OPEB Plan as part of its County Health Insurance Internal Service Fund. The OPEB Plan does not issue a stand-alone financial report.

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023, the Commission reported a liability of \$136,501 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2023, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2022. At June 30, 2023, the Commission's proportion was 2.61181%.

Changes of assumptions reflect a change in the discount rate from 4.09 percent in 2022 to 4.13 percent in 2023.

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8 – OPEB PLAN

As a result of its requirement to contribute to the OPEB Plan, the Commission recognized expense of \$3,274 for the year ended June 30, 2023. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to the OPEB Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 49,772
Changes of assumptions	12,706	11,841
	\$ 12,706	\$ 61,613

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30			
2024		\$	(11,595)
2025			(11,595)
2026			(7,988)
2027			(8,224)
2028			(8,287)
Thereafter			(1,218)

Actuarial Assumptions. The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	2.5 percent, average, including inflation
Discount rate	4.13 percent
Healthcare cost trend rates	7.0 percent for 2024, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2029 and beyond

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index.

Mortality rates are based on the SO Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8 – OPEB PLAN

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2014 to December 31, 2018.

Sensitivity of the Commission’s Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Commission, as well as what the Commission’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current discount rate:

	1% Decrease (3.13%)	Current discount rate (4.13%)	1% Increase (5.13%)
Commission's total OPEB liability	\$ 146,894	\$ 136,501	\$ 126,745

Sensitivity of the Commission’s Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the Commission’s proportionate share of the total OPEB liability, as well as what the Commission’s proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Commission's total OPEB liability	\$ 121,197	\$ 136,501	\$ 154,598

NOTE 9 - UNEARNED RENTAL CREDITS

The Commission has entered into agreements with lessees where the cost of certain improvements made to the Commission’s assets will be reimbursed through rental income credits. At year end, the total unearned rental income credits reported were \$92,260.

NOTE 10 - MAJOR CUSTOMERS

The Commission has one major customer which accounted for 23% of operating revenue in fiscal year 2023. There is no reason to believe that the relationship with this customer will dissolve.

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to: torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission carries commercial insurance for these risks of losses as well as other risks of loss such as workers' compensation insurance and general property and liability insurance.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year of the three prior years.

The Commission is lessor to air industry related tenants and to a U.S. government tenant. These tenants are considered to be major customers to the Commission. Dramatic changes in the demand for public or private air travel and the decisions of the lessees to continue their leasing arrangements could have a direct effect on the Commission's future prosperity.

REQUIRED SUPPLEMENTARY INFORMATION

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commission's proportion of the net pension liability	3.482020%	3.350910%	2.889460%	1.656670%	2.698340%	2.498150%	1.139990%	1.070000%
Commission's proportionate share of the net pension liability	\$ 774,245	\$ 814,544	\$ 20,339	\$ 315,095	\$ 117,810	\$ 206,693	\$ 68,272	\$ 108,365
Commission's covered payroll	\$ 1,229,346	\$ 1,145,557	\$ 1,050,759	\$ 639,097	\$ 1,002,523	\$ 888,997	\$ 889,940	\$ 701,243
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	62.98%	71.10%	1.94%	49.30%	11.75%	23.25%	7.67%	15.45%
Plan fiduciary net position as a percentage of the total pension liability	84.40%	81.99%	99.47%	85.10%	96.02%	91.85%	94.10%	89.72%

Notes to the Schedule:

Note: Schedule is intended to show information for the last 10 years. Additional years will be displayed as they become available.

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION CONTRIBUTIONS
 FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 127,412	\$ 120,216	\$ 115,501	\$ 66,990	\$ 106,003	\$ 97,783	\$ 81,723	\$ 62,950
Contributions in relation to the actuarially determined contribution	<u>127,412</u>	<u>120,216</u>	<u>115,501</u>	<u>66,990</u>	<u>106,003</u>	<u>97,783</u>	<u>81,723</u>	<u>62,950</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,229,346	\$ 1,145,557	\$ 1,050,759	\$ 639,097	\$ 1,002,523	\$ 888,997	\$ 889,940	\$ 701,243
Contributions as a percentage of covered payroll	10.36%	10.49%	10.99%	10.48%	10.57%	11.00%	9.18%	8.98%

Notes to Schedule

Note: Schedule is intended to show information for the last 10 years. Additional years will be displayed as they become available.

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
 FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commission's proportion of the total OPEB liability	2.611810%	1.534800%	2.243320%	1.031870%	1.998360%	2.227540%
Commission's proportionate share of the total OPEB liability	\$ 136,501	\$ 79,215	\$ 150,031	\$ 69,045	\$ 121,886	\$ 130,975
Commission's covered payroll	\$ 1,112,431	\$ 682,700	\$ 863,935	\$ 394,311	\$ 650,261	\$ 696,957
Commission's proportionate share of the total OPEB liability as a percentage of its covered payroll	12.27%	11.60%	17.37%	17.51%	18.74%	18.79%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Schedule:

The Commission is not accumulating assets in a trust fund that meets the criteria in GASB codification P52.101 to pay related benefits for the OPEB plan.

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF OPEB CONTRIBUTIONS
 FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 4,654	\$ 4,105	\$ 9,319	\$ 3,961	\$ 10,556	\$ 11,766
Contributions in relation to the contractually required contribution	4,654	4,105	9,319	3,961	10,556	11,766
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered payroll	\$ 1,112,431	\$ 682,700	\$ 863,935	\$ 394,311	\$ 650,261	\$ 696,957
Contributions as a percentage of covered payroll	0.42%	0.60%	1.08%	1.00%	1.62%	1.69%

Notes to Schedule

Note: Schedule is intended to show information for the last 10 years. Additional years will be displayed as they become available.

COMPLIANCE SECTION

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 SCHEDULE OF PASSENGER FACILITY CHARGES (PFC) FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Quarter 1 Jul-Sept	Quarter 2 Oct-Dec	Quarter 3 Jan-Mar	Quarter 4 Apr-Jun	FY - 2023 Total	Cumulative as of June 30, 2023
Revenues						
PFC revenue	\$ 22,417	\$ 34,557	\$ 15,944	\$ 40,620	\$ 113,538	\$ 934,517
Interest	-	-	-	-	-	-
Total revenues	22,417	34,557	15,944	40,620	113,538	934,517
Expenditures						
04-001 Perimeter fence improvements	-	-	-	-	-	33,409
04-002 Runway rehabilitation design and construction	22,417	34,557	15,944	40,620	113,538	901,108
04-003 Taxiway rehabilitation design and construction	-	-	-	-	-	-
04-004 Wildlife hazard management plan	-	-	-	-	-	-
04-005 Master plan	-	-	-	-	-	-
Impose Only Present weather AWOS	-	-	-	-	-	-
04-007 ARFF facility eval replacement design	-	-	-	-	-	-
Impose Only ARFF facility eval replacement construction	-	-	-	-	-	-
04-009 Passenger terminal security improvements design	-	-	-	-	-	-
Impose Only Passenger terminal security improvements construction	-	-	-	-	-	-
04-011 PFC application advisory services reimbursement	-	-	-	-	-	-
05-002 Passenger boarding bridge replacement	-	-	-	-	-	-
05-003 AWOS installation (172)	-	-	-	-	-	-
05-004 PFC administration	-	-	-	-	-	-
Total expenditures	22,417	34,557	15,944	40,620	113,538	934,517
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes to schedule

1. The Commission follows the cash basis of accounting in preparing this schedule.
2. The Commission has expended the future PFC funds that will be received for the approved applications as of June 30, 2023.

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Passed through to Sub recipients</u>	<u>Federal Program Expenditures</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Federal Aviation Administration				
Airport Improvement Program				
Passenger terminal parking	20.106	03-13-0018-42	\$ -	\$ 22,889
Compass calibration pad	20.106	03-13-0018-44	-	1,499,139
Airfield pavement	20.106	03-13-0018-049	-	1,026,411
Airfield pavement	20.106	03-13-0018-050	-	345,840
Pass-through, State of Georgia				
Department of Transportation				
Skylane safety	20.106	AP023-9052-67	-	69,775
			<u>-</u>	<u>2,964,054</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Law Enforcement Officer Reimbursement Program				
	97.090	HSTS02-16-H-SLR715	-	60,116
			<u>\$ -</u>	<u>\$ 3,024,170</u>

GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 -BASIS OF PRESENTATION

The information in this schedule is presented in accordance with requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule. The Commission's records should be consulted to determine amounts expended from non-federal sources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 - INDIRECT COST RATES

The Commission has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



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

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

To the Board of Commissioners
Glynn County Airport Commission
Brunswick, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Glynn County Airport Commission (the "Commission") which comprise the statement of net position as of June 30, 2023 and the related statements of revenues, expenses and changes in net position and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Nichols, Cauley + Associates, LLC

Dublin, Georgia
January 31, 2024



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE PASSENGER FACILITY CHARGE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF PASSENGER FACILITY CHARGE REVENUE AND DISBURSEMENTS

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

To the Board of Commissioners
Glynn County Airport Commission
Brunswick, Georgia

Report on Compliance for the Passenger Facility Charge Program

Opinion on Passenger Facility Charge Program

We have audited Glynn County Airport Commission's (the Commission) compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies (Guide), issued by the Federal Aviation Administration that could have a direct and material effect on the Commission's passenger facility charge program for the year ended June 30, 2023.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2023.

Basis for Opinion on Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Richels, Cauley + Associates, LLC

Dublin, Georgia
January 31, 2024



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

To the Board of Commissioners
Glynn County Airport Commission
Brunswick, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Glynn County Airport Commission's (the Commission) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2023. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in

internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Nichols, Cauley + Associates, LLC

Dublin, Georgia
January 31, 2024

GLYNN COUNTY AIRPORT COMMISSION
 (AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	unmodified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	<u> X </u> no	
Significant deficiencies identified?	_____ yes	<u> X </u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no	

Federal Awards

Internal control over major federal programs:			
Material weaknesses identified?	_____ yes	<u> X </u> no	
Significant deficiencies identified?	_____ yes	<u> X </u> none reported	
Type of auditor's report issued on compliance for major federal programs:	unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	<u> X </u> no	

Identification of major programs:

CFDA Number	Name of Federal Programs
20.106	U.S. Department of Transportation; Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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GLYNN COUNTY AIRPORT COMMISSION
(AN ENTERPRISE FUND OF GLYNN COUNTY, GEORGIA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Passenger Facility Charges

Type of report issued on PFC financial statements.	unmodified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	<u> X </u> no	
Significant deficiencies identified?	_____ yes	<u> X </u> none reported	
Audit findings required to be reported for the Passenger Facility Charges program?	_____ yes	<u> X </u> no	

SECTION II – FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III – FEDERAL AWARDS FINDINGS

None Reported.