

DAUPHIN COUNTY GENERAL AUTHORITY

FINANCIAL REPORT

DECEMBER 31, 2024

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1 - 3
<hr/>	
Financial Statements	
Statement of Net Position - Proprietary Funds	4 - 5
Statement of Revenue, Expenses, and Changes in Net Position - Proprietary Funds	6
Statement of Cash Flows - Proprietary Funds	7 - 8
Notes to Financial Statements	9 - 30
<hr/>	

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Dauphin County General Authority
Harrisburg, Pennsylvania

Opinions

We have audited the financial statements of the business type activities, each major fund and the aggregate remaining fund information of the Dauphin County General Authority (Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Dauphin County General Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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


In performing an audit in accordance with GAAS, 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 Authority'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 Authority'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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

A handwritten signature in black ink, reading "Boyer & Ritten". The signature is written in a cursive style with a large, sweeping initial 'B' and a long, trailing flourish at the end.

Camp Hill, Pennsylvania
April 16, 2025

DAUPHIN COUNTY GENERAL AUTHORITY

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2024

	Business-type Activities - Enterprise Funds				Business-type	
	Riverfront	Dauphin	Magisterial	Total	Activities -	Total
	Office	Highlands	District	Enterprise	Internal	Business-type
	Center	Golf Course	Justice	Funds	Service	Business-type
	Fund	Fund	Fund		Fund	Activities
Assets						
Current assets						
Cash and cash equivalents	\$ -	\$ 768,762	\$ -	\$ 768,762	\$ 2,036,656	\$ 2,805,418
Accounts receivable	27,338	-	-	27,338	-	27,338
Internal receivables	-	-	-	-	303,507	-
Inventory	-	92,896	-	92,896	-	92,896
Current portion of lease receivable	4,038,745	-	-	4,038,745	-	4,038,745
Current portion of financed purchase receivable with primary government	-	-	240,171	240,171	-	240,171
Prepaid expenses	175,000	3,203	-	178,203	-	178,203
Accrued interest receivable	4,633	-	-	4,633	-	4,633
Total current assets	4,245,716	864,861	240,171	5,350,748	2,340,163	7,387,404
Internal receivables	-	-	-	-	7,819,044	-
Lease receivable, net of current portion	50,810,998	-	-	50,810,998	-	50,810,998
Financed purchase receivable with primary government, net of current portion	-	-	4,008,253	4,008,253	-	4,008,253
Capital assets not being depreciated	-	2,088,666	-	2,088,666	-	2,088,666
Capital assets (net of accumulated depreciation and amortization of \$50,970,985)	10,047,430	2,126,961	-	12,174,391	-	12,174,391
Amounts restricted for long-term debt requirements:						
Cash and cash equivalents	5,796,337	34,666	-	5,831,003	-	5,831,003
Total assets	70,900,481	5,115,154	4,248,424	80,264,059	10,159,207	82,300,715
Deferred Outflows of Resources						
Deferred charge on refunding	5,652	-	-	5,652	-	5,652
Total Assets and Deferred Outflows of Resources	\$ 70,906,133	\$ 5,115,154	\$ 4,248,424	\$ 80,269,711	\$ 10,159,207	\$ 82,306,367

See Notes to Financial Statement

(Continued)

DAUPHIN COUNTY GENERAL AUTHORITY

STATEMENT OF NET POSITION - PROPRIETARY FUNDS (Continued)

December 31, 2024

	Business-type Activities - Enterprise Funds				Business-type Activities -	
	Riverfront Office Center Fund	Dauphin Highlands Golf Course Fund	Magisterial District Justice Fund	Total Enterprise Funds	Internal Service Fund	Total Business-type Activities
Liabilities						
Current Liabilities						
Internal payables	\$ 154,325	\$ 149,182	\$ -	\$ 303,507	\$ -	\$ -
Accounts payable	263,687	1,310	-	264,997	27,223	292,220
Accrued expenses	1,038,497	88,249	-	1,126,746	-	1,126,746
Unearned revenue	536,242	142,420	-	678,662	-	678,662
Current portion of long-term debt	1,490,000	293,428	240,171	2,023,599	-	2,023,599
Total current liabilities	3,482,751	674,589	240,171	4,397,511	27,223	4,121,227
Long-term Liabilities						
Internal payables, net of current portion	697,931	7,121,113	-	7,819,044	-	-
Long-term debt, net of current portion	24,786,019	6,460,421	4,008,253	35,254,693	-	35,254,693
Total liabilities	28,966,701	14,256,123	4,248,424	47,471,248	27,223	39,375,920
Deferred Inflows of Resources						
Deferred charge on refunding	499,782	-	-	499,782	-	499,782
Lease related	46,232,099	-	-	46,232,099	-	46,232,099
Total deferred inflows of resources	46,731,881	-	-	46,731,881	-	46,731,881
Net Position						
Net investment in capital assets	(16,244,567)	(4,680,937)	-	(20,925,504)	-	(20,925,504)
Restricted:						
Fund operations	11,452,118	-	-	11,452,118	-	11,452,118
Unrestricted	-	(4,460,032)	-	(4,460,032)	10,131,984	5,671,952
Total Net Position	(4,792,449)	(9,140,969)	-	(13,933,418)	10,131,984	(3,801,434)
Total liabilities and net position	\$ 70,906,133	\$ 5,115,154	\$ 4,248,424	\$ 80,269,711	\$ 10,159,207	\$ 82,306,367

See Notes to Financial Statements.

DAUPHIN COUNTY GENERAL AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - PROPRIETARY FUNDS
Year Ended December 31, 2024**

	Business-type Activities - Enterprise Funds				Business-type Activities -	
	Riverfront Office Center Fund	Dauphin Highlands Golf Course Fund	Magisterial District Justice Fund	Total Enterprise Funds	Internal Service Fund	Total Business-Type Activities
Operating Revenues						
Administrative fees	\$ -	\$ -	\$ -	\$ -	\$ 435,523	\$ 435,523
Golf fees	-	1,758,051	-	1,758,051	-	1,758,051
Auxiliary golf course revenues	-	608,239	-	608,239	-	608,239
Total operating revenues	-	2,366,290	-	2,366,290	435,523	2,801,813
Operating Expenditures						
Administration costs	552,013	338,128	-	890,141	255,727	1,145,868
Operating Expenditures	2,549,618	1,380,040	-	3,929,658	-	3,929,658
Depreciation and amortization	1,960,323	547,152	-	2,507,475	-	2,507,475
Total operating expenditures	5,061,954	2,265,320	-	7,327,274	255,727	7,583,001
(Deficiency) excess of revenue (under) over expenditures	(5,061,954)	100,970	-	(4,960,984)	179,796	(4,781,188)
Non-operating Revenues (Expenses)						
Grant revenue	-	137,533	-	137,533	-	137,533
Net lease rental income	461,552	-	-	461,552	-	461,552
Lease principal revenue	4,228,467	-	-	4,228,467	-	4,228,467
Lease interest revenue	2,232,790	-	-	2,232,790	-	2,232,790
Income from financed purchase	-	-	132,205	132,205	-	132,205
Interest income - investments	219,116	-	-	219,116	107,316	326,432
Amortization of deferred charge on refunding	136,787	-	-	136,787	-	136,787
Accretion	(577,597)	-	-	(577,597)	-	(577,597)
Interest expense	(562,542)	(241,791)	(132,205)	(936,538)	-	(936,538)
Total non-operating revenue	6,138,573	(104,258)	-	6,034,315	107,316	6,141,631
Net change in net position	1,076,619	(3,288)	-	1,073,331	287,112	1,360,443
Net Position:						
January 1, 2024	(5,869,068)	(9,137,681)	-	(15,006,749)	9,844,872	(5,161,877)
December 31, 2024	\$ (4,792,449)	\$ (9,140,969)	\$ -	\$ (13,933,418)	\$ 10,131,984	\$ (3,801,434)

See Notes to Financial Statements.

DAUPHIN COUNTY GENERAL AUTHORITY

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds				Business-type	
	Riverfront	Dauphin	Magisterial	Total	Activities -	Total
	Office	Highlands	District	Enterprise	Internal	Business-Type
	Center	Golf Course	Justice	Funds	Service	Business-Type
	Fund	Fund	Fund		Fund	Activities
Cash Flows from Operating Activities						
Cash received from users	\$ -	\$ 2,354,366	\$ -	\$ 2,354,366	\$ 548,413	\$ 2,902,779
Cash paid to suppliers	(3,185,143)	(1,695,982)	-	(4,881,125)	(244,795)	(5,125,920)
Net cash (used in) provided by operating activities	(3,185,143)	658,384	-	(2,526,759)	303,618	(2,223,141)
Cash Flows from Investing Activities						
Sale of investment securities	-	-	-	-	-	-
Interest received	222,995	-	-	222,995	107,316	330,311
Net cash provided by investing activities	222,995	-	-	222,995	107,316	330,311
Cash Flows From Capital and Related						
Financing Activities						
Principal payments on bonds payable	(3,347,300)	(1,458,949)	-	(4,806,249)	-	(4,806,249)
Change in internal receivables and payables	-	1,008,921	-	1,008,921	(1,008,921)	-
Lease receipts	487,165	-	-	487,165	-	487,165
Lease principal receipts	3,871,148	-	-	3,871,148	-	3,871,148
Lease interest receipts	2,232,790	-	-	2,232,790	-	2,232,790
Purchase of property and equipment	(1,047,519)	(344,251)	-	(1,391,770)	-	(1,391,770)
Grant proceeds	-	137,533	-	137,533	-	137,533
Interest paid	(629,797)	(245,799)	-	(875,596)	-	(875,596)
Net cash provided by (used in) capital and related financing activities	1,566,487	(902,545)	-	663,942	(1,008,921)	(344,979)
Cash flows From Noncapital Financing Activities						
Financed purchase receipts	-	-	386,775	386,775	-	386,775
Principal payments on note payable	-	-	(254,570)	(254,570)	-	(254,570)
Interest paid	-	-	(132,205)	(132,205)	-	(132,205)
Net cash used in noncapital financing activities	-	-	-	-	-	-
Net change in cash and cash equivalents	(1,395,661)	(244,161)	-	(1,639,822)	(597,987)	(2,237,809)
Cash and Cash Equivalents:						
January 1, 2024 (restated)	7,191,998	1,047,589	-	8,239,587	2,634,643	10,874,230
December 31, 2024	\$ 5,796,337	\$ 803,428	\$ -	\$ 6,599,765	\$ 2,036,656	\$ 8,636,421

(Continued)

DAUPHIN COUNTY GENERAL AUTHORITY

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)

Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds				Business-type	
	Riverfront	Dauphin	Magisterial	Total	Activities -	Total
	Office	Highlands	District	Enterprise	Internal	Business-Type
	Center	Golf Course	Justice	Funds	Service	Activities
	Fund	Fund	Fund		Fund	
Reconciliation of Operating Income (Loss) Used in						
Operating Activities						
Operating (loss) income	\$ (5,061,954)	\$ 100,970	\$ -	\$ (4,960,984)	\$ 179,796	\$ (4,781,188)
Adjustments to reconcile operating income (loss) to net						
cash provided by (used in) operating activities						
Depreciation	1,960,323	547,152	-	2,507,475	-	2,507,475
(Decrease) increase in:						
Accounts receivable	(10,803)	840	-	(9,963)	-	(9,963)
Inventory	-	(2,963)	-	(2,963)	-	(2,963)
Internal payables	(175,636)	62,746	-	(112,890)	112,890	-
Prepaid expenses	-	21,380	-	21,380	-	21,380
Accounts payable	132,760	(10,331)	-	122,429	10,932	133,361
Accrued expenses	(29,833)	(48,646)	-	(78,479)	-	(78,479)
Unearned revenue	-	(12,764)	-	(12,764)	-	(12,764)
Total adjustments	1,876,811	557,414	-	2,434,225	123,822	2,558,047
Net cash provided by (used in) operating activities	\$ (3,185,143)	\$ 658,384	\$ -	\$ (2,526,759)	\$ 303,618	\$ (2,223,141)

See Notes to Financial Statements

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Dauphin County General Authority (Authority), a component unit of the County of Dauphin (County), Pennsylvania, was incorporated on March 7, 1984, by the County. The Authority was created for the purpose of acquiring, financing, holding, constructing, improving, maintaining and operating, owning, and leasing, either in the capacity of lessor or lessee, projects of the kind and character contemplated by law for a general purpose authority, as authorized and permitted by, and also as limited by, provisions of the Pennsylvania Municipality Authorities Act, the Act of May 2, 1945, P.L. 382, as amended. Accordingly, the Authority is not subject to income taxes. The Authority is a special purpose government engaged in business-type activities.

A summary of the Authority's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

Reporting Entity

The Authority has adopted the provisions of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards, for the criteria used to evaluate organizations, activities, and functions that should be included in the Authority's financial statements. The basic criteria used is the exercise of "oversight responsibility" over such organization, activities, and functions.

The Authority has not identified any entities which should be subject to evaluation for inclusion in the Authority's reporting entity. Because the Authority was initially created for the delivery of services to the County, the Authority has been evaluated under the aforementioned criteria for inclusion in the reporting entity of the County. The County includes the Authority in its financial statements as a component unit, since the Authority meets the criteria satisfying inclusion in the County's financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are included on their statement of net position.

The financial statements are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Authority reports the following major proprietary funds:

The *Riverfront Office Center Fund* accounts for the leasing operations of the Riverfront Office Center. The Authority issued Office and Parking Revenue Bonds, Series of 1998, to fund the acquisition of office and parking facilities at 1101 South Front Street, Harrisburg, Pennsylvania, known as Riverfront Office Center. The facilities are leased to various governmental organizations.

The *Dauphin Highlands Golf Course Fund* accounts for the operations of Dauphin Highlands Golf Course. The County guarantees the full payment of the principal and interest on the 2020 and 2022 loans, in the event that the Authority fails to pay the amount of principal and interest due. The Authority has agreed to pay to the County 90.0% of the revenues net of operating expenses and debt service earned by the Authority in connection with the golf course. Such amounts will only be paid after the Dauphin Highlands Golf Course Fund has achieved positive fund equity. The Authority will retain the remaining 10.0% of the net revenue for its general operations and other purposes.

The *Magisterial District Justice Fund* accounts for the leasing operation of the Magisterial District Justice Offices. The Authority issued a Dauphin County Guaranteed Lease Revenue Note, Series of 2017, to fund the acquisition and capital projects associated with the County's Magisterial District Justice Offices. The Authority subsequently leased the facilities to the County.

Additionally, the Authority reports the following fund type:

The *Internal Service Fund* accounts for the administrative responsibilities associated with the various enterprise activities of the Authority.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Conduit Debt Issues

The Authority participates in various Bond issues for which it has limited liability. Acting solely in an agency capacity, the Authority serves as a financing conduit, bringing the ultimate borrower and the ultimate lender together for which it receives an administrative fee. Although the Authority is a party to the Trust indenture with the trustee, the agreements are structured such that there is no recourse against the Authority in the case of default. As such, the corresponding debt is not reflected on the Authority's statement of net position but is summarized in Note 8.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair value. The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses on the statement of net position.

Inventory

Inventory is valued at the lower of cost or market. Cost is determined on the first-in, first-out method. Inventory consists of consumable supplies used for operations and maintenance and also represents items for sale. Inventory is expensed when the items are used or sold.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are recorded at cost. The Authority provides for depreciation and amortization over the estimated useful lives of the assets (including the right-to - use leased equipment) using the straight - line method. Upon sale or retirement, the cost and related accumulated depreciation or amortization of such assets are removed from the accounts and any resulting gain or loss is credited or charged to income for the period. Expenditures for maintenance and repairs are charged to income as incurred. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Depreciation and amortization were calculated on the straight-line method using the following useful lives:

	Estimated Useful Life
Land improvements	7-30 years
Buildings	30 years
Building improvements	15 years
Right-to-use leased equipment	3-5 years
Golf course equipment	5-7 years
Other equipment	7-10 years

Leases

As discussed further in Note 5, the Authority is a lessor for non-cancellable leases and recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow or 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 or resources is recognized as revenue over the life of the lease term.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Leases (Continued)

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

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of variable payments from the lessee, increasing on an annual basis.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Unearned Revenue

Unearned revenue, presented in the Dauphin Highlands Golf Course Fund, consists of unredeemed gift certificates and unearned membership revenue. Revenue is recognized from gift cards the earlier of when they are redeemed by the customer or two years (estimated expiration date). Additionally, the Authority sells annual memberships for the golf course. Revenue is recognized evenly each month between the period of April through October based upon the date the membership was sold. Unearned membership revenue consists of those memberships sold from September through December that will not be utilized until the subsequent golf season.

Unearned revenue, presented in the Riverfront Office Center Fund, consists of prepaid rent revenue. Revenue is recognized when the tenants utilize the property during the period to which the pre-payment relates.

Restricted Assets

Restricted assets represent cash, cash equivalents, and investments maintained in accordance with bond resolutions, loan agreements, grant awards, and other resolutions and formal actions of the Authority or by agreement for the purpose of funding certain debt service payments, depreciation, and contingency activities.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position

Net position is classified in the following three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent proceeds at the end of the reporting period, the portion of the debt attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt is included in the same net position component (restricted or unrestricted) as the unspent amount. Restricted consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all net position which is not restricted for any project or other purpose.

For the time period that revenue bonds are outstanding and the trust indenture is in effect in each fund, the net position of the fund is presented as restricted for fund operations.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities except revenues explicitly deemed nonoperating consistent with Governmental Accounting Standards Board (GASB) standards. For the Authority, these revenues are administrative fees, charges for services, and miscellaneous revenues. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Authority.

Total Business-Type Activities

The column captioned “Total Business-type Activities” is the combined “Total Enterprise Funds” and “Business-type Activities” - Internal Service Fund” after internal receivables, payables, and transfers have been eliminated.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which, based on our review, may be applicable to the Authority's reporting requirements.

Following are descriptions of significant pronouncements that were considered or initially selected during the year ended December 31, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, will be effective for the Authority beginning with its year ended December 31, 2024 (fiscal years beginning after June 15, 2023). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

GASB Statement No. 101, *Compensated Absences*, will be effective for the Authority beginning with its year ended December 31, 2024 (fiscal years beginning after December 15, 2023). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years:

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the Authority beginning with its year ending December 31, 2025 (fiscal year beginning after June 15, 2024). This Statement establishes financial reporting requirements to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the Authority beginning with its year ending December 31, 2026 (fiscal years beginning after June 15, 2025). This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement addresses requirements relating to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information and budgetary comparison information.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the Authority beginning with its year ending December 31, 2026 (fiscal years beginning after June 15, 2025). This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets, subscription assets, intangible right-to-use assets, and intangible assets should be disclosed separately by major class of underlying asset within the note disclosures. This Statement also requires additional disclosures for capital assets held for sale.

The effects of implementation of these standards have not yet been determined.

Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through April 16, 2025, the date the financial statements were available to be issued.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments

Cash and investments are held by trustees, pursuant to provisions of various Trust Indentures, except for the Administrative Fund cash account, and the Dauphin Highlands Golf Course cash account.

The Municipality Authorities Act (Act) provides for investment of governmental funds into certain authorized investment types, including US. Treasury bills, other short-term U.S. government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The Act allows pooling of governmental funds for investment purposes. The Act does not prescribe regulations relating to demand deposits.

The Authority follows the Municipality Authorities Act. The Authority does not have a separate formal deposit and investment policy. There were no deposit or investment transactions during the year that were in violation of the state statutes.

The cash and cash equivalents balance as of December 31, 2024, comprised of the following:

	Amount
Cash and cash equivalents	\$ 2,805,418
Cash and cash equivalents - restricted	5,831,003
	<u>\$ 8,636,421</u>

Deposits: Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. A summary of the Authority's deposits at December 31, 2024, is shown below:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	\$ 250,000	\$ 250,000	Fulton Bank
Insured (FDIC)	31,649	31,649	Bank of New York
Uninsured, collateralized in accordance with Act 72	7,024,272	7,027,290	
	<u>\$ 7,305,921</u>	<u>\$ 7,308,939</u>	

Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledgers of the assets.

The carrying amounts of cash and cash equivalents as presented in the Statements of Net Position include petty cash of \$1,400.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments

At December 31, 2024, the Authority had the following investments:

Investment Type	Credit Rating	Weighted Avg. Maturity in Years	Carrying Value
Restricted:			
Federated Hermes Government Obligations	AAAm	0.08	\$ 1,326,082
Dreyfus Treasury Securities	AAAm	0.14	3,018
			<u>\$ 1,329,100</u>

The Federated Hermes Government Obligations invests primarily in short-term US Treasury and government securities, and repurchase agreements collateralized by US Treasury and government agency securities. The Dreyfus Treasury Securities invest in US Treasury securities and cash. The fund is a government money market fund.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Presently, the investments currently held by the Authority are reported as Level 1 investments.

Weighted Average Maturity

The weighted-average maturity (WAM) method expresses investment time horizons-the time when investments become due and payable-in years or months, weighted to reflect the dollar size of individual investments within an investment type. In this illustration, WAMs are computed for each investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

Interest Rate Risk

The Authority 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. All investments have an average maturity of less than one year.

Concentration Credit Risk

The Authority places no limit on the amounts invested in any one issuer.

Custodial Credit Risk

Custodial credit risk is the risk that the counterparty to an investment transaction will fail and the government will not recover the value of the investment or collateral securities that are in possession of an outside party. The Authority's investments in money market funds are not exposed to custodial credit risk because they are not evidenced by securities in book entry or paper form.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 3. Interfund Balances

The composition of interfund balances at December 31, 2024, is as follows:

Fund	Interfund Receivables	Interfund Payables
Riverfront Office Center Fund	\$ -	\$ 852,256
Dauphin Highlands Golf Course Fund	-	7,270,295
Internal Service Fund	8,122,551	-
	<u>\$ 8,122,551</u>	<u>\$ 8,122,551</u>

Working capital for Dauphin Highlands was provided by the Authority Administrative Fund. At December 31, 2024, the Administrative Fund had advanced \$5,092,914 to Dauphin Highlands. In addition to this amount, during 2024, the Authority's Administrative Fund advanced \$1,175,000 to assist in the prepayment of outstanding debt for the Dauphin Highlands.

In addition to the above, \$1,002,381 is also owed to the Authority Administrative Fund for the various expenses including equipment purchases and buying out a golf cart contract that were paid on behalf of Dauphin Highlands during 2023. \$149,182 of the \$1,002,381 is in the current portion of due to Dauphin County General Authority Administrative Fund on the Dauphin Highlands statement of net position as of December 31, 2024.

In 2017, the Authority Administrative Fund provided a loan of \$1,474,493 to the Riverfront Office Center Fund to aid in the repurchase of \$9,660,000 of the Office and Parking Revenue Bonds, Series C of 1998. The Riverfront Office Center Fund is working on repaying the remaining \$847,930 balance to the Administration Fund at \$150,000 a year. It is expected that the balance will be repaid in this manner from operating activities and not from any future sale of the Riverfront Office Center. Amounts expected to be paid in the upcoming year are included in the current portion of due to Dauphin County General Authority Administrative Fund on the Riverfront Office Center statement of net position as of December 31, 2024. In addition, \$4,326 is owed to the Authority Administrative Fund for the various expenses that were paid on behalf of the Riverfront Office Center during 2024.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 4. **Financed Purchase Receivable**

The Authority's Magisterial District Justice Fund leasing operation consists of leasing offices to the County under a financed purchase arrangement. This lease agreement was financed through the issuance of a Dauphin County Guaranteed Lease Revenue Note, Series of 2017. The term of the lease agreement is 20 years and expires in 2038.

The financed purchase receivable for the Magisterial District Justice Fund consists of the following at December 31, 2024:

	Amount
Total minimum lease payments to be received	\$ 5,568,161
Less: unearned income	1,319,737
	<u>\$ 4,248,424</u>
 Current portion	 \$ 240,171
Noncurrent portion	4,008,253
	<u>\$ 4,248,424</u>

Following is a schedule of minimum lease payments for the Magisterial District Justice Fund's financed purchase arrangement:

Years	Amount
2025	\$ 365,267
2026	386,775
2027	386,775
2028	453,765
2029	447,960
2030-2034	2,146,349
2035-2038	1,381,270
	<u>\$ 5,568,161</u>

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 5. Leases

Riverfront Office Center Fund (Lessor)

In 2015, the Authority entered into a noncancelable lease with the Pennsylvania Department of General Services for office space of the Riverfront Office Center. The lease is for a term of 15 years, with a renewal option of five years. The Authority receives monthly rental payments that incorporate base rent (\$19,326 at lease inception) that is fixed for the term of the lease and additional rent that is adjusted on an annual basis based on changes in the consumer price index (CPI), capped at 5.0% (\$14,016, based upon 0.4% CPI at lease inception).

In 2016, the Authority entered into a noncancelable lease with the Pennsylvania Department of General Services for office space of the Riverfront Office Center. The lease is for a term of 15 years, with a lessee renewal option of five years. The Authority receives monthly rental payments that incorporate base rent (\$272,262 at lease inception) that is fixed for the term of the lease and additional rent that is adjusted on an annual basis based on changes in the consumer price index, capped at 5.0% (\$194,621, based upon 0.5% CPI at lease inception).

The Authority recognized \$4,690,019 in lease revenue and \$2,232,790 of interest revenue during 2024 related to this lease.

The following represents the Authority's receivable for lease payments and deferred inflows of resources associated that will be recognized as revenue over the term of the lease at December 31, 2024.

Lease Term	Lease Receivable	Deferred Inflow of Resources
01/01/2015 - 12/01/2034	\$ 3,386,578	\$ 2,809,469
01/01/2016 - 12/01/2035	51,463,165	43,422,630
	<u>\$ 54,849,743</u>	<u>\$ 46,232,099</u>

The expected future payments to be received under the terms of the leases at December 31, 2024, are as follows:

Years	Principal	Interest	Total
2025	\$ 4,038,745	\$ 2,078,059	\$ 6,116,804
2026	4,213,088	1,916,630	6,129,718
2027	4,394,454	1,748,242	6,142,695
2028	4,583,124	1,572,613	6,155,737
2029	4,779,389	1,389,453	6,168,843
2030-2035	32,840,944	4,036,911	36,877,855
	<u>\$ 54,849,743</u>	<u>\$ 12,741,909</u>	<u>\$ 67,591,652</u>

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 6. Capital Assets

Changes in capital assets of the business-type activities at December 31, 2024, consist of the following:

	January 1, 2024 (Restated)	Additions	Deletions	December 31, 2024
Capital assets, not being depreciated				
Land	\$ 2,015,951	\$ -	\$ -	\$ 2,015,951
Construction in progress	72,715	-	-	72,715
Total capital assets not being depreciated	2,088,666	-	-	2,088,666
Capital assets being depreciated				
Land improvements	7,224,801	22,999	-	7,247,800
Buildings	51,433,780	1,047,520	-	52,481,300
Building improvements	643,853	4,039	-	647,892
Golf course equipment	2,392,802	317,212	-	2,710,014
Other equipment	58,370	-	-	58,370
Total capital assets being depreciated	61,753,606	1,391,770	-	63,145,376
Less accumulated depreciation				
Land improvements	5,888,363	339,283	-	6,227,646
Buildings	40,403,788	1,998,209	-	42,401,997
Building improvements	499,727	20,785	-	520,512
Golf course equipment	1,631,379	148,318	-	1,779,697
Other equipment	40,253	880	-	41,133
Total accumulated depreciation	48,463,510	2,507,475	-	50,970,985
Total capital assets being depreciated, net	13,290,096	(1,115,705)	-	12,174,391
Total capital assets - net	\$ 15,378,762	\$ (1,115,705)	\$ -	14,263,057

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-term Debt

Long-term debt outstanding at December 31, 2024, is as follows:

	Amount
Office and Parking Revenue Bonds (Riverfront Office Center):	
Series C of 1998 - Capital Appreciation Bonds	\$ 8,331,019
Series of 2020	17,945,000
Dauphin County Guaranteed Lease Revenue Note (Magisterial District Justice Fund):	
Series of 2017	4,248,424
Dauphin County Guaranteed Lease Revenue Bonds (Dauphin Highlands):	
Series of 2020	808,501
Series of 2022	5,945,348
	<u>\$ 37,278,292</u>

Current portion of long-term debt versus long-term portion is as follows:

	Amount
Current portion of long-term debt	\$ 2,023,599
Long-term debt, net of current position	35,254,693
	<u>\$ 37,278,292</u>

Long-term liability activity for the Authority's business-type activities for the year ended December 31, 2024, is as follows:

	January 1, 2024	Increases	Decreases	December 31, 2024	Current Portion
Bonds payable	\$ 8,453,422	\$ 577,597	\$ (700,000)	\$ 8,331,019	\$ -
Direct placement					
Bonds payable	28,805,098	-	(4,106,249)	24,698,849	1,783,428
Notes payable	4,502,994	-	(254,570)	4,248,424	240,171
Total Direct Placement	33,308,092	-	(4,360,819)	28,947,273	2,023,599
Total Bonds and Notes	<u>\$ 41,761,514</u>	<u>\$ 577,597</u>	<u>\$ (5,060,819)</u>	<u>\$ 37,278,292</u>	<u>\$ 2,023,599</u>

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-term Debt (Continued)

Each of the Authority's financing programs is described on the following pages. The Authority has complied with the significant covenants contained in its debt agreements for the year ended December 31, 2024.

Office and Parking Revenue Bonds - Series A, B, and C of 1998, Series of 2019, and Series of 2020 (Riverfront Office Center)

On June 30, 1998, the Authority issued Office and Parking Revenue Bonds, Series A, B, and C in the principal amounts of \$38,950,000, \$1,120,000, and \$5,235,436, respectively. The bond proceeds were used to acquire certain real estate and parking facilities in the City of Harrisburg, known as the Riverfront Office Center, and to fund a debt service reserve. The bonds were issued without a municipal bond guaranty insurance policy.

The 1998 bonds, as issued, consisted of Current Interest and Capital Appreciation Bonds. The Series A and B are Current Interest Bonds and the Series C are Capital Appreciation Bonds. During the year ended December 31, 2015, the Authority refunded Series A of 1998 Bonds and partially refunded Series C of 1998 Bonds with the issuance of Office and Parking Revenue Bonds, Series of 2015 (Series of 2015 Bonds). The proceeds from the issuance of the Series of 2015 Bonds totaled \$32,000,000. The Series of 2015 Bonds were issued without a municipal bond guaranty insurance policy. Principal was paid annually on January 1 and interest is paid biannually on July 1 and January 1. This issue was currently refunded by the Series of 2020 Bonds.

During 2020, the Authority issued the Series of 2020 Bonds in the principal amount of \$23,475,000. The Series 2020 Bonds were issued without a municipal bond guaranty insurance policy. The proceeds of the bonds were used to currently refund the Series of 2015 Bonds in full.

Series C of 1998

During the year ended December 31, 2015, the Authority partially currently refunded the Series C of 1998 Bonds in the amount of \$15,500,000 with the Series of 2015 Bond proceeds. The refunding was for a portion of Series C of 1998 Bonds set to mature in 2028. During the year ended December 31, 2017, the Authority repurchased a portion of the Series C of 1998, totaling \$9,660,000. During the year ended December 31, 2019, the Authority repurchased a portion of the Series C of 1998, totaling \$2,195,000. The remaining Series C of 1998 Capital Appreciation Bonds, which have an effective yield of 7.0%, bear no stated interest, and have stated initial principal values as follows:

Maturity Dates	Stated Values At Issuance	Maturity Values	Discount	Accreted Value
July 1, 2026	\$ 265,047	\$ 1,450,000	\$ 142,187	\$ 1,307,813
January 1, 2027	256,074	1,820,000	233,979	1,586,021
July 1, 2027	247,411	1,820,000	287,614	1,532,386
January 1, 2028	3,310,677	4,800,000	895,201	3,904,799
	<u>\$ 4,079,209</u>	<u>\$ 9,890,000</u>	<u>\$ 1,558,981</u>	<u>\$ 8,331,019</u>

If there is an event of default, the Trustee may, at the written request of Registered Owners, declare the outstanding amounts become due immediately.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Series of 2019

On June 7, 2019, the Authority issued a Federally Taxable Office and Parking Revenue Bond, Series of 2019, in the principal amount not to exceed \$4,000,000. The Series of 2019 Bond was structured as a draw down loan with proceeds to be used to retire portions of the Series C of 1998 debt as well as costs of issuance. In 2019, \$1,458,000 was drawn to retire a portion of the Series C of 1998 debt.

The interest rate on Series of 2019 Bonds is fixed at 4.7% for the first five years and then it is variable. Per the bond agreement, after the first five years, the interest rates will change monthly and be calculated based on SOFR plus 2.0%, not to exceed 6.0%. The collateral for the Bond is secured by the revenues from the Riverfront Office Complex as outlined in the Series 2015 Indenture.

The Series of 2019 Bonds mature as follows, assuming a fixed rate of 4.7% through December 31, 2024, and 6.0% thereafter.

In March 2024, the Authority paid \$1,141,000 to pay in full the Series of 2019 Bonds.

Series of 2020

On May 28, 2020, the Authority issued a Federally Taxable Office and Parking Revenue Bond, Series of 2020, in the principal amount of \$23,475,000. The Series of 2020 Bond refinanced the Series of 2015 Bonds. As such, all proceeds from the Series 2020 were applied to currently refund the Series 2015 bonds.

The interest rate on Series of 2020 Bonds is fixed at 2.9% for 10 years. At that time, interest will be variable at calculated monthly at 80.0% of SOFR plus 2.5%, not to exceed 6.0%, through the date of maturity. The collateral for the Bond is secured by the revenues from the Riverfront Office Complex as outlined in the Series 2020 Indenture.

The Series of 2020 Bonds mature as follows, assuming a fixed rate of 2.9% through January 1, 2031, and 6.0% thereafter.

Years	Interest Rate	Principal	Interest	Total
2025	2.90%	\$ 1,490,000	\$ 516,916	\$ 2,006,916
2026	2.90%	1,525,000	472,887	1,997,887
2027	2.90%	1,575,000	427,684	2,002,684
2028	2.90%	1,615,000	382,094	1,997,094
2029	2.90%	1,665,000	333,233	1,998,233
2030-2034	2.90%-6.00%	9,095,000	1,406,076	10,501,076
2035	6.00%	980,000	14,526	20,503,890
		<u>\$ 17,945,000</u>	<u>\$ 3,553,416</u>	<u>\$ 41,007,780</u>

If there is an event of default, the Bank may declare the outstanding amounts to become due immediately.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Dauphin County Guaranteed Lease Revenue Note - Series of 2017 (Magisterial District Justice Fund)

On December 28, 2017, the Authority issued a Tax-Exempt County Guaranteed Lease Revenue Note, Series of 2017 (2017 Note), in the principal amount of \$5,917,000. The 2017 Note proceeds were used to finance the purchase, acquisition, and construction of a new magisterial district justice office and courtroom to be located in the Township of Swatara, Dauphin County, Pennsylvania. In addition, a portion of the proceeds were used to refund the County and the Dauphin County Industrial Development Authority's (IDA) debt of other magisterial district justice projects previously undertaken by the County and IDA. Upon refunding these projects, the deeds for the properties were passed to the Authority. Pursuant to the direct financing lease between the Authority and the County, the County is responsible for making the annual debt service payments.

The 2017 Notes bear interest and mature as follows:

Years	Interest Rate	Principal	Interest	Total
2025	3.00%	\$ 261,679	\$ 125,096	\$ 386,775
2026	3.00%	269,638	117,137	386,775
2027	3.00%	277,840	108,935	386,775
2028	5.00%	286,290	167,475	453,765
2029	5.00%	294,998	152,962	447,960
2030-2034	5.00%	1,615,165	531,185	2,146,350
2035-2038	5.00%	1,242,814	116,946	1,359,760
		<u>\$ 4,248,424</u>	<u>\$ 1,319,736</u>	<u>\$ 5,568,160</u>

If there is an event of default, the Bank may declare the outstanding amounts to become due immediately.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Dauphin County Guaranteed Revenue Bonds - Series A and B of 2016, Series 2020, and Series 2022 (Dauphin Highlands)

The Authority's 1993 Series Capital Appreciation Bonds were advance refunded in 2005. As a result, the liability for those bonds has been removed from the Authority. During the year ended December 31, 2023, the 1993 Series Capital Appreciation Bonds were paid in full.

On February 10, 2016, the Authority issued Taxable County Guaranteed Revenue Refunding Bond, Series A of 2016 (Series A of 2016) and Tax-Exempt County Guaranteed Revenue Refunding Bond, Series B of 2016 (Series B of 2016), in the principal amounts of \$8,479,511 and \$1,708,775, respectively. The Series A and B of 2016 Bonds were issued without a municipal bond guaranty insurance policy. The net proceeds of Series A of 2016 Bonds were used to currently refund the Series A of 2011 Bonds. The net proceeds of Series B of 2016 Bonds were used to currently refund the Series B of 2011 Bonds. As a result, the liability for Series A and B of 2011 Bonds has been removed from Dauphin Highlands. During the year ended December 31, 2019, the Series B of 2016 Bonds were paid in full. During the year ended December 31, 2022, the Series A of 2016 Bonds were currently refunded through the issuance of Guaranteed Revenue Bonds, Series of 2022 (Series of 2022 Bonds).

On January 15, 2020, the Authority issued County Guaranteed Revenue Bonds, Series of 2020, in the amount of \$1,250,000. The bonds were issued in order to fund the replacement of the in-ground irrigation system at the Dauphin Highlands Golf Course and pay the costs of issuing the Bonds.

Principal maturities occur annually on June 1, 2021, through 2030. The interest rate on Series of 2020 Bonds is variable. Per the bond agreements, the interest rates will change monthly and be calculated based on 79.0% of SOFR plus 1.5%. In no event will the interest rate exceed the lesser of 5.5% or the maximum rate allowed by law. The interest rate on these bonds as of December 31, 2024, was 5.5%. The County has pledged its full faith, credit, and taxing power to guarantee the debt service payments related to both principal and interest due on the Series of 2020 Bonds.

Using the interest rate in effect at December 31, 2024, the Series of 2020 Bonds mature as follows:

Years	Principal	Interest	Total
2025	\$ 121,700	\$ 41,148	\$ 162,848
2026	126,700	34,317	161,017
2027	131,900	27,206	159,106
2028	137,200	19,806	157,006
2029	142,800	12,106	154,906
2030	148,201	4,089	152,290
	<u>\$ 808,501</u>	<u>\$ 138,672</u>	<u>\$ 947,173</u>

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Dauphin County Guaranteed Revenue Bonds - Series A and B of 2016, Series 2020, and Series 2022 (Dauphin Highlands) (Continued)

In April 2022, the Authority issued Series of 2022 Bonds in the principal amount of \$7,542,000. The Series of 2022 Bonds were issued to currently refund the Series A of 2016 Bonds. Principal maturities occur monthly on June 1, 2022, through 2052. The interest rate on Series of 2022 Bonds is fixed at 2.85% through April 25, 2029, and will then change annually and be equal to the Prime Rate. In no event will the interest rate exceed the lesser of 5.0% or the maximum rate allowed by law. During the year ended December 31, 2024, the Authority prepaid \$1,175,000 on the Series of 2022 Bonds. Due to this prepayment, the Series 2022 Bonds are expected to be paid off earlier than the original maturity of 2052. The County has pledged its full faith, credit, and taxing power to guarantee the debt service payments related to both principal and interest due on the Series of 2022 Bonds.

Using the maximum rate of 5.0% after April 25, 2029, the Series of 2022 Bonds mature as follows:

Years	Principal	Interest	Total
2025	\$ 171,728	\$ 200,698	\$ 372,426
2026	176,687	195,740	372,427
2027	181,788	190,638	372,426
2028	187,038	185,389	372,427
2029	197,250	269,979	467,229
2030-2034	1,084,699	1,421,234	2,505,933
2034-2039	1,244,147	1,130,916	2,375,063
2040-2044	1,427,086	797,917	2,225,003
2045-2048	1,274,925	365,899	1,640,824
	<u>\$ 5,945,348</u>	<u>\$ 4,758,410</u>	<u>\$ 10,703,758</u>

If the Authority fails to generate sufficient revenues to pay debt service on the Series of 2020 or Series of 2022, or ceases revenue generating operations, or if other monies set aside for such purposes are insufficient, the County will be required to pay principal and interest on such bonds when due pursuant to the County Bond Guaranty Agreement among the County, the Authority, and the Trustee for the bonds. In accordance with the County Bond Guaranty Agreement, if such payments are made by the County, the Authority is required to reimburse the County from any monies available for that purpose under the Trust Indenture. Dauphin Highlands has incurred substantial accumulated losses and has a negative net position (see Note 11).

If there is an event of default, the Trustee may declare the outstanding amounts become due immediately. In addition, upon default, the Trustee shall have the right to take possession of the facility.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Conduit Debt Issues

As discussed in Note 1, the following conduit debt issues were outstanding at December 31, 2024:

	Amount
University of Pittsburgh Medical Center	\$ 80,570,000
University of Pittsburgh Medical Center	75,515,000
Harrisburg University	98,640,000
Harrisburg University	47,415,000
	<u>\$ 302,140,000</u>

Note 9. Administrative Fees

Provisions of the financing documents of the bond issues require administrative fees to be paid to the Authority. For the year ended December 31, 2024, \$395,523 was paid by the Riverfront Office Center and \$40,000 was paid by the Dauphin Highlands Golf Course.

Note 10. Related Party Transactions

The Authority is a component unit of the County. The Authority has entered into certain lease financing arrangements with the County. Lease payments from the County to the Authority for the year ended December 31, 2024, were \$386,775.

DAUPHIN COUNTY GENERAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 11. Net Position

The following funds of the Authority had negative net position as of December 31, 2024:

	Amount
Riverfront Office Center	\$ 4,792,449
Dauphin Highlands Golf Course	9,140,969
	<u>\$ 13,933,418</u>

The Authority's Administrative Fund has provided funds for working capital and capital advances, for the needs of the Dauphin Highlands Golf Course, as discussed in Note 3. Overall, the Authority has a positive increase to net position for the year ended December 31, 2024.

Revenue, receipts, and property of each fund are pledged as collateral on the bonds and are not cross collateralized.

Note 12. Litigation

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Significant losses are covered by commercial insurance. There were no reductions in insurance coverages in 2024. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The Authority may be involved in lawsuits arising in the normal course of business. Management of the Authority believes insurance coverages are adequate to cover any potential claims against the Authority.

Note 13. Subsequent Event

In March 2025, the Authority prepaid \$150,000 on the Dauphin Highlands Series 2022 Bonds.