

**DAUPHIN HIGHLANDS GOLF COURSE FUND
(AN ENTERPRISE FUND OF DAUPHIN
COUNTY GENERAL AUTHORITY)**

FINANCIAL REPORT

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
Dauphin County General Authority
Harrisburg, Pennsylvania

Opinions

We have audited the accompanying financial statements of Dauphin Highlands Golf Course, an enterprise fund 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 financial statements as listed in the Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Dauphin Highlands Golf Course, as of December 31, 2024, and the respective changes in financial position and cash flows 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 the 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Dauphin Highlands Golf Course Fund and do not purport to, and do not, present fairly the financial position of the Authority as of December 31, 2024, the changes in its financial position or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible 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.

Responsibilities of Management for the Financial Statements (Continued)

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 cursive script, reading "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
April 16, 2025

**DAUPHIN COUNTY GENERAL AUTHORITY
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**STATEMENT OF NET POSITION
December 31, 2024**

Assets	
Current assets	
Cash and cash equivalents	\$ 768,762
Inventory	92,896
Prepaid expenses	3,203
Total current assets	<u>864,861</u>
Noncurrent assets	
Capital assets not being depreciated	2,088,666
Capital assets (net of accumulated depreciation and amortization of \$9,673,710)	2,126,961
Amounts restricted for long-term debt requirements:	
Cash and cash equivalents	34,666
Total noncurrent assets	<u>4,250,293</u>
Total assets	<u><u>\$ 5,115,154</u></u>
Liabilities	
Current Liabilities	
Accounts payable	\$ 1,310
Accrued expenses	88,249
Unearned revenue	142,420
Current portion of due to Dauphin County General Authority Administrative Fund	149,182
Current portion of bonds payable	293,428
Total current liabilities	<u>674,589</u>
Noncurrent liabilities	
Due to Dauphin County General Authority Administrative Fund, net of current portion	7,121,113
Bonds payable, net of current portion	6,460,421
Total noncurrent liabilities	<u>13,581,534</u>
Total liabilities	<u><u>14,256,123</u></u>
Net Position	
Net investment in capital assets	(4,680,937)
Unrestricted	(4,460,032)
Total net position	<u>(9,140,969)</u>
Total liabilities and net position	<u><u>\$ 5,115,154</u></u>

See Notes to Financial Statements.

**DAUPHIN COUNTY GENERAL AUTHORITY
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**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
NET POSITION
Year Ended December 31, 2024**

Operating Revenues	
Green fees	\$ 1,363,255
Golf cart rental	282,851
Driving range fees	111,945
Food and beverage services	377,028
Pro shop	167,385
Miscellaneous income	63,826
Total operating revenues	<u>2,366,290</u>
Operating Expenditures	
Administration costs	218,209
Grounds maintenance	663,642
Food and beverage services	200,154
Management fee	148,750
Pro shop	473,933
Driving range	11,360
Carts	2,120
Depreciation	547,152
Total operating expenditures	<u>2,265,320</u>
Operating income	100,970
Non-operating Revenue (expenditures)	
Grant revenue - County of Dauphin	137,533
Interest expense	(241,791)
Total non-operating revenue (expenditures)	<u>(104,258)</u>
Net change in net position	(3,288)
Net Position:	
January 1, 2024	(9,137,681)
December 31, 2024	<u>\$ (9,140,969)</u>

See Notes to Financial Statements.

**DAUPHIN COUNTY GENERAL AUTHORITY
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STATEMENT OF CASH FLOWS

Year Ended December 31, 2024

Cash Flows from Operating Activities	
Cash received from users	\$ 2,354,366
Cash paid to suppliers	(1,695,982)
Net cash provided by operating activities	658,384
Cash Flows From Capital and Related Financing Activities	
Principal payments on bonds payable	(1,458,949)
Change in amount due to Dauphin County General Authority	1,008,921
Grant proceeds	137,533
Purchase of property and equipment	(344,251)
Interest paid	(245,799)
Net cash used in capital and related financing activities	(902,545)
Net change in cash and cash equivalents	(244,161)
Cash and Cash Equivalents:	
January 1, 2024 (restated)	1,047,589
December 31, 2024	<u>\$ 803,428</u>
Reconciliation of Operating Income (Loss) Used in Operating Activities	
Operating income	\$ 100,970
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	547,152
Increase (decrease) in:	
Accounts receivable	840
Inventory	(2,963)
Due to Dauphin County General Authority Administrative Fund	62,746
Prepaid expenses	21,380
Accounts payable	(10,331)
Accrued expenses	(48,646)
Unearned revenue	(12,764)
Total adjustments	<u>557,414</u>
Net cash provided by operating activities	\$ 658,384

See Notes to Financial Statements.

**DAUPHIN COUNTY GENERAL AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Reporting Entity

Dauphin Highlands Golf Course (Dauphin Highlands) is an 18-hole public golf course owned by the Dauphin County General Authority (Authority) and operated by Dauphin Highlands Golf Management, LLC (DHGM), which is owned by Troon. Dauphin Highlands is an Enterprise Fund of the Authority, which is a component unit of the County of Dauphin, Pennsylvania (County). Construction of the course was completed and operation of the course began on September 1, 1995.

The Authority has agreed to pay the County 90.0% of revenues earned at Dauphin Highlands, net of operating expenses and debt service. Such amounts will only be paid after Dauphin Highlands has achieved positive fund equity. The Authority will retain the remaining 10.0% of the net revenues for its general operations and other purposes.

Basis of Presentation

The Dauphin Highlands financial statements have been presented as a stand-alone enterprise fund, even though Dauphin Highlands is legally a part of, and is accounted for and maintained as a fund, of the Dauphin County General Authority.

Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Enterprise Funds are accounted for on an economic resources measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activities are included on their balance sheets. Operating statements of these funds present increases (revenues) and decreases (expenses) in net position.

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NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Basis of accounting determines how revenues and expenses are recognized and reported in the financial statements. Dauphin Highlands utilizes the accrual basis of accounting, in which revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Dauphin Highlands distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with Dauphin Highlands' principal ongoing operations. The principal operating revenues of Dauphin Highlands are greens fees, rentals, and food services. Operating expenses for Dauphin Highlands include expenses necessary to maintain the golf course and the related facilities. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Proprietary Fund Type

Dauphin Highlands is an Enterprise Fund of the Authority. Enterprise Funds are used to account for activities that are financed and operated in a manner similar to private business, with the intent that the cost (including depreciation and other non-cash expenses) of providing goods or services on a continuing basis be financed or recovered, primarily through user charges.

Cash and Cash Equivalents

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

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses on the balance sheet.

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 of the golf course and also represents items for sale. Inventory is expensed when items are used or sold.

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NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are recorded at cost. 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. 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.

Depreciation and amortization were calculated on the straight-line method using the following useful lives for the year ended December 31, 2024:

	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

Unearned Revenue

Unearned revenue 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, Dauphin Highlands sells annual memberships. 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.

Restricted Assets

Certain proceeds of revenue bonds and resources required to be set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable trust indentures or other agreements.

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NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduces this category.

Restricted Net Position - This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of Dauphin Highlands that is not restricted for any project or other purpose.

Risk Management

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

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.

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.

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NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

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.

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
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NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments

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	\$ 768,762
Cash and cash equivalents - restricted	34,666
	<u>\$ 803,428</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)	31,648	31,648	Bank of New York
Uninsured, collateralized in accordance with Act 72	517,362	503,850	
	<u>\$ 799,010</u>	<u>\$ 785,498</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.

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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:			
Dreyfus Treasury Securities	AAAm	0.14	\$ 3,018
			<u>\$ 3,018</u>

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.

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NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

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.

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NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

Changes in capital assets for the year ended 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	1,136,594	-	-	1,136,594
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	11,456,420	344,250	-	11,800,670
Less accumulated depreciation				
Land improvements	(5,888,363)	(339,283)	-	(6,227,646)
Buildings	(1,066,836)	(37,886)	-	(1,104,722)
Building improvements	(499,727)	(20,785)	-	(520,512)
Golf course equipment	(1,631,379)	(148,317)	-	(1,779,696)
Other equipment	(40,253)	(880)	-	(41,133)
Total accumulated depreciation	(9,126,558)	(547,151)	-	(9,673,709)
Total capital assets being depreciated, net	2,329,862	(202,901)	-	2,126,961
Total capital assets - net	\$ 4,418,528	\$ (202,901)	\$ -	\$ 4,215,627

Depreciation expense includes interest costs capitalized during the construction period at Dauphin Highlands.

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NOTES TO FINANCIAL STATEMENTS

Note 4. Due to Dauphin County General Authority Administrative Fund

Working capital for Dauphin Highlands was previously provided by the Authority Administrative Fund. At December 31, 2024, the Administrative Fund has 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 2024. \$149,182 of the \$1,002,381 is included in the current portion of due to Dauphin County General Authority Administrative Fund on the Dauphin Highlands balance sheet as of December 31, 2024.

Note 5. Debt

Direct placement long-term liability activity for Dauphin Highlands for the year ended December 31, 2024, was as follows:

	January 1, 2024	Increases	Decreases	December 31, 2024	Current Portion
Revenue Bonds (2020)	\$ 925,542	\$ -	\$ (117,041)	\$ 808,501	\$ 121,700
Revenue Bonds (2022)	7,287,256	-	(1,341,908)	5,945,348	171,728
	<u>\$ 8,212,798</u>	<u>\$ -</u>	<u>\$ (1,458,949)</u>	<u>\$ 6,753,849</u>	<u>\$ 293,428</u>

Bonds Payable

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 Dauphin Highlands. 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 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 and pay issuance costs. 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).

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NOTES TO FINANCIAL STATEMENTS

Note 5. Debt (Continued)

Bonds Payable (Continued)

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>

In April 2022, Dauphin Highlands 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 lessor 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 2022 Series 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.

**DAUPHIN COUNTY GENERAL AUTHORITY
DAUPHIN HIGHLANDS GOLF COURSE
(AN ENTERPRISE FUND OF DAUPHIN COUNTY GENERAL AUTHORITY)**

NOTES TO FINANCIAL STATEMENTS

Note 5. Debt (Continued)

Bonds Payable (Continued)

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, which have resulted in cash flow difficulties.

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.

Note 6. Subsequent Event

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