

**Dauphin County General Authority,  
Dauphin Highlands Golf Course Fund**

(An Enterprise Fund of Dauphin  
County General Authority)

Financial Statements

Year Ended December 31, 2023  
with Independent Auditor's Report

**MaherDuessel**

A horizontal bar is positioned below the company name. The left portion of the bar is black, and the right portion is blue, matching the color of the 'D' in the company name.

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

YEAR ENDED DECEMBER 31, 2023

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## **Independent Auditor's Report**

**Members of the Board  
Dauphin County General Authority**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Dauphin County Golf Course Fund, an enterprise fund of Dauphin County General Authority (Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dauphin County Golf Course Fund, as of December 31, 2023, and the 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 Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

As discussed in Note 1, the financial statements 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, 2023, 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 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, 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.

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 a part of the basic financial

statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Maher Duessel*

Harrisburg, Pennsylvania  
April 17, 2024

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

BALANCE SHEET

DECEMBER 31, 2023

| <b>Assets</b>                                                                      |                                 |
|------------------------------------------------------------------------------------|---------------------------------|
| <hr/>                                                                              |                                 |
| Current assets:                                                                    |                                 |
| Cash and cash equivalents                                                          | \$ 915,247                      |
| Accounts receivable                                                                | 840                             |
| Inventory                                                                          | 89,933                          |
| Prepaid expenses                                                                   | 121,739                         |
| Total current assets                                                               | <hr/> 1,127,759                 |
| Noncurrent assets:                                                                 |                                 |
| Capital assets, not being depreciated                                              | 2,088,666                       |
| Capital assets, net of accumulated depreciation<br>and amortization of \$9,126,559 | 2,329,862                       |
| Amounts restricted for long-term debt<br>requirements:                             |                                 |
| Cash and cash equivalents                                                          | <hr/> 35,186                    |
| Total noncurrent assets                                                            | <hr/> 4,453,714                 |
| <b>Total Assets</b>                                                                | <hr/> <b>\$ 5,581,473</b> <hr/> |

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**Liabilities and Net Position**

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**Liabilities:**

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## Current liabilities:

|                                                                                |                |
|--------------------------------------------------------------------------------|----------------|
| Accounts payable                                                               | \$ 11,641      |
| Accrued expenses                                                               | 140,903        |
| Unearned revenue                                                               | 155,184        |
| Current portion of bonds payable                                               | 283,808        |
| Current portion of due to Dauphin County General Authority Administrative Fund | 123,300        |
| Total current liabilities                                                      | <u>714,836</u> |

## Noncurrent liabilities:

|                                                             |                   |
|-------------------------------------------------------------|-------------------|
| Due to Dauphin County General Authority Administrative Fund | 6,075,328         |
| Bonds payable, net of current portion                       | <u>7,928,990</u>  |
| Total noncurrent liabilities                                | <u>14,004,318</u> |
| Total Liabilities                                           | <u>14,719,154</u> |

**Net Position:**

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|                                           |                            |
|-------------------------------------------|----------------------------|
| Net investment in capital assets          | (4,927,544)                |
| Unrestricted                              | <u>(4,210,137)</u>         |
| Total Net Position                        | <u>(9,137,681)</u>         |
| <b>Total Liabilities and Net Position</b> | <u><u>\$ 5,581,473</u></u> |

The accompanying notes are an integral part of these financial statements.

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION

YEAR ENDED DECEMBER 31, 2023

**Operating Revenues:**

|                            |              |
|----------------------------|--------------|
| Greens fees                | \$ 1,411,013 |
| Golf cart rental           | 292,412      |
| Driving range fees         | 125,038      |
| Food and beverage services | 418,034      |
| Pro shop                   | 192,828      |
| Miscellaneous income       | 46,877       |
|                            | <hr/>        |
| Total operating revenues   | 2,486,202    |

**Operating Expenses:**

|                               |           |
|-------------------------------|-----------|
| Administration                | 279,068   |
| Grounds maintenance           | 643,648   |
| Food and beverage services    | 188,460   |
| Management fee                | 107,447   |
| Pro shop                      | 579,107   |
| Driving range                 | 13,601    |
| Carts                         | 10,032    |
| Depreciation and amortization | 459,052   |
|                               | <hr/>     |
| Total operating expenses      | 2,280,415 |

**Operating Gain**

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205,787

**Non-operating Revenues (Expenses):**

|                                         |           |
|-----------------------------------------|-----------|
| Grant income - County of Dauphin        | 130,344   |
| Gain on sale of asset                   | 65,700    |
| Interest expense                        | (262,909) |
|                                         | <hr/>     |
| Total non-operating revenues (expenses) | (66,865)  |

**Change in Net Position**

138,922

**Net Position:**

|                   |                             |
|-------------------|-----------------------------|
| Beginning of year | <hr/> (9,276,603)           |
| End of year       | <hr/> <u>\$ (9,137,681)</u> |

The accompanying notes are an integral part of these financial statements.

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

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

**Cash Flows From Operating Activities:**

|                                                     |                    |
|-----------------------------------------------------|--------------------|
| Receipts from users                                 | \$ 2,511,990       |
| Payments to suppliers                               | <u>(1,806,490)</u> |
| Net cash provided by (used in) operating activities | <u>705,500</u>     |

**Cash Flows From Capital and Related Financing Activities:**

|                                                                            |                  |
|----------------------------------------------------------------------------|------------------|
| Principal payments on bonds payable                                        | (274,634)        |
| Grant proceeds - County of Dauphin                                         | 130,344          |
| Lease payments                                                             | (10,420)         |
| Acquisition of capital assets                                              | (727,023)        |
| Due to Dauphin County increase for capital purchases                       | 772,459          |
| Proceeds from sale of capital assets                                       | 65,700           |
| Interest paid                                                              | <u>(262,909)</u> |
| Net cash provided by (used in)<br>capital and related financing activities | <u>(306,483)</u> |

**Net Increase in Cash and Cash Equivalents** 399,017

**Cash and Cash Equivalents:**

|                   |                          |
|-------------------|--------------------------|
| Beginning of year | <u>551,416</u>           |
| End of year       | <u><u>\$ 950,433</u></u> |

(Continued)

The accompanying notes are an integral part of these financial statements.

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

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023  
(Continued)

**Reconciliation of Operating Gain to Net Cash Provided  
by Operating Activities:**

|                                                                                                 |                          |
|-------------------------------------------------------------------------------------------------|--------------------------|
| Operating gain                                                                                  | \$ 205,787               |
| Adjustments to reconcile operating gain to net cash provided by (used in) operating activities: |                          |
| Depreciation and amortization                                                                   | 459,052                  |
| Changes in assets and liabilities:                                                              |                          |
| Accounts receivable                                                                             | 22,994                   |
| Inventory                                                                                       | (29,524)                 |
| Prepaid expenses                                                                                | 22,827                   |
| Due to Dauphin County General Authority Administrative Fund                                     | 23,486                   |
| Accounts payable                                                                                | (16,971)                 |
| Accrued expenses                                                                                | 15,055                   |
| Unearned revenue                                                                                | 2,794                    |
| Total adjustments                                                                               | <u>499,713</u>           |
| Net cash provided by (used in) operating activities                                             | <u><u>\$ 705,500</u></u> |

(Concluded)

The accompanying notes are an integral part of these financial statements.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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**1. Nature of Entity and Summary of Significant Accounting Policies**

***A. 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% 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% of the net revenues for its general operations and other purposes.

***B. Basis of Presentation***

The financial statements have been prepared assuming that Dauphin Highlands will continue as a going concern. For the year ended December 31, 2023, the Dauphin Highlands generated an Operating Gain of \$205,787 and a positive net cash flow from operations of \$705,500. The management company and the Authority will continue to strive toward increasing operating revenue while keeping operating expenses contained.

During the year ended December 31, 2013, the Authority entered into a contract with a management company to try to maximize the course's revenue while minimizing the overall expenses. The management company will continue to strive toward increasing revenue while keeping expenses contained.

***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 noncash expenses) of providing goods or services on a continuing basis be financed or recovered, primarily through user charges.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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***Basis of Accounting***

Basis of accounting refers to when 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 nonoperating 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.

***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.

***C. 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.

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**DAUPHIN COUNTY GENERAL AUTHORITY,  
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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***D. Prepaid Expenses***

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

***E. 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.

***F. 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, 2023:

|                               | Estimated<br>Useful Lives |
|-------------------------------|---------------------------|
| Land improvements             | 7-30 years                |
| Buildings                     | 30 years                  |
| Building improvements         | 15 years                  |
| Right-to-use leased equipment | 3 to 5 years              |
| Golf course equipment         | 5-7 years                 |
| Other equipment               | 7 years                   |

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**DAUPHIN COUNTY GENERAL AUTHORITY,  
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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***G. 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.

***H. Restricted Assets***

Certain proceeds of revenue bonds, as well as certain resources 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.

***I. 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.

**DAUPHIN COUNTY GENERAL AUTHORITY,  
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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***J. 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 2023. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

***K. 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.

***L. Pending Pronouncements***

GASB has issued statements that will become effective in future years including 100 (Accounting Changes and Error Corrections), 101 (Compensated Absences), and 102 (Certain Risk Disclosures). Management has not yet determined the impact of these statements on the financial statements.

**2. Deposits**

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. 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 statutes allow pooling of governmental funds for investment purposes.

The deposit policy of Dauphin Highlands adheres to state statutes and prudent business practice. Dauphin Highlands maintains funds in demand deposits. There were no deposit transactions during the year that were in violation of either state statutes or the policy of the Authority.

**DAUPHIN COUNTY GENERAL AUTHORITY,  
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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*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. As of December 31, 2023, the bank and the book balances are \$949,095 and \$950,433, respectively. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was collateralized under Act 72 of the 1971 session of the Pennsylvania General Assembly for the protection of public depositors.

**DAUPHIN COUNTY GENERAL AUTHORITY,  
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(AN ENTERPRISE FUND OF DAUPHIN COUNTY GENERAL AUTHORITY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

**3. Capital Assets**

Changes in capital assets for the year ended December 31, 2023 consist of the following:

|                                                               | Beginning<br>Balance | Increases  | Decreases | Ending<br>Balance |
|---------------------------------------------------------------|----------------------|------------|-----------|-------------------|
| Capital assets, not<br>being depreciated:                     |                      |            |           |                   |
| Land                                                          | \$ 2,015,951         | \$ -       | \$ -      | \$ 2,015,951      |
| Construction in progress                                      | 72,715               | -          | -         | 72,715            |
| Total capital assets, not<br>being depreciated                | 2,088,666            | -          | -         | 2,088,666         |
| Capital assets, being<br>depreciated and amortized:           |                      |            |           |                   |
| Land improvements                                             | 7,181,601            | 43,200     | -         | 7,224,801         |
| Buildings                                                     | 1,136,594            | -          | -         | 1,136,594         |
| Building improvements                                         | 610,930              | 32,924     | -         | 643,854           |
| Golf course equipment                                         | 1,989,479            | 639,106    | (246,285) | 2,382,300         |
| Right-to-use leased equipment                                 | 35,157               | -          | (35,157)  | -                 |
| Other equipment                                               | 58,370               | 10,502     | -         | 68,872            |
| Total capital assets, being<br>depreciated and amortized      | 11,012,131           | 725,732    | (281,442) | 11,456,421        |
| Less accumulated depreciation<br>and amortization for:        |                      |            |           |                   |
| Land improvements                                             | (5,553,063)          | (335,300)  | -         | (5,888,363)       |
| Buildings                                                     | (1,028,950)          | (37,886)   | -         | (1,066,836)       |
| Building improvements                                         | (480,232)            | (19,495)   | -         | (499,727)         |
| Golf course equipment                                         | (1,822,593)          | (55,072)   | 246,285   | (1,631,380)       |
| Right-to-use leased equipment                                 | (24,738)             | (10,419)   | 35,157    | -                 |
| Other equipment                                               | (39,373)             | (880)      | -         | (40,253)          |
| Total accumulated depreciation<br>and amortization            | (8,948,949)          | (459,052)  | 281,442   | (9,126,559)       |
| Total capital assets, being<br>depreciated and amortized, net | 2,063,182            | 266,680    | -         | 2,329,862         |
| Capital assets, net                                           | \$ 4,151,848         | \$ 266,680 | \$ -      | \$ 4,418,528      |

Depreciation and amortization expense of \$459,052 includes \$27,365 for the amortization of interest costs capitalized during the construction period at Dauphin Highlands.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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**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, 2023, the Administrative Fund has advanced \$5,339,733 to Dauphin Highlands. During the year ended December 31, 2023, Dauphin Highlands did not make any repayments to the Authority Administrative Fund for previous working capital advances. No interest is currently being accrued on this advanced balance.

In addition to the above, \$858,895 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. \$123,300 of the \$858,895 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, 2023.

**5. Debt**

Direct placement long-term liability activity for Dauphin Highlands for the year ended December 31, 2023 was as follows:

|                      | Beginning<br>Balance | Additions   | Reductions          | Ending<br>Balance   | Current<br>Portion |
|----------------------|----------------------|-------------|---------------------|---------------------|--------------------|
| Revenue Bonds (2020) | \$ 1,037,952         | \$ -        | \$ (112,410)        | \$ 925,542          | \$ 116,900         |
| Revenue Bonds (2022) | 7,449,480            | -           | (162,224)           | 7,287,256           | 166,908            |
|                      | <u>\$ 8,487,432</u>  | <u>\$ -</u> | <u>\$ (274,634)</u> | <u>\$ 8,212,798</u> | <u>\$ 283,808</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.

**DAUPHIN COUNTY GENERAL AUTHORITY,  
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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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 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).

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 repair 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% of SOFR plus 1.50%. In no event will the interest rate exceed the lesser of 5.50% or the maximum rate allowed by law. The interest rate on these bonds as of December 31, 2023 was 5.50%. 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.

**DAUPHIN COUNTY GENERAL AUTHORITY,  
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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Using the interest rate in effect at December 31, 2023, the Series of 2020 Bonds mature as follows:

| Years     | Principal<br>Amount | Interest          | Total               |
|-----------|---------------------|-------------------|---------------------|
| 2024      | \$ 116,900          | \$ 47,710         | \$ 164,610          |
| 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             |
| 2029-2030 | 291,142             | 16,195            | 307,337             |
| Total     | <u>\$ 925,542</u>   | <u>\$ 186,382</u> | <u>\$ 1,111,924</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 5.00% or the maximum rate allowed by law. 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 FUND**  
(AN ENTERPRISE FUND OF DAUPHIN COUNTY GENERAL AUTHORITY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Using the maximum rate of 5% after April 25, 2029, the Series of 2022 Bonds mature as follows:

| Years     | Principal<br>Amount | Interest            | Total                |
|-----------|---------------------|---------------------|----------------------|
| 2024      | \$ 166,908          | \$ 205,518          | \$ 372,426           |
| 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              |
| 2029-2033 | 1,052,949           | 1,428,927           | 2,481,876            |
| 2034-2038 | 1,210,481           | 1,192,208           | 2,402,689            |
| 2039-2043 | 1,388,459           | 868,219             | 2,256,678            |
| 2044-2048 | 1,592,667           | 496,590             | 2,089,257            |
| 2049-2052 | 1,158,551           | 97,924              | 1,256,475            |
| Total     | <u>\$ 7,287,256</u> | <u>\$ 5,061,851</u> | <u>\$ 12,349,107</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.