



TONY E. BASSIL

CONTROLLER OF NORTHAMPTON COUNTY
NORTHAMPTON COUNTY COURTHOUSE
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Solicitor

August 13, 2021

Ms. Lori Vargo Heffner
and the Members of the Northampton County Council
Northampton County Government Center
Easton, PA 18042

Dear Council Members:

In conjunction with Section 402 (3) of the County of Northampton Home Rule Charter, I have prepared and hereby certify a statement of bonded indebtedness of Northampton County for the period ending December 31, 2020 with projections to December 31, 2021.

The following is a summary of bonded and note debt transactions and installment purchases for the calendar year 2020 and a projection of transactions for 2021. The accompanying schedules detail these transactions.

	2020 Actual		2021 Anticipated	
	Debt Service	Installment Purchase	Debt Service	Installment Purchase
Interest Paid by County	3,040,676	256,737	3,069,643	196,722
Principal Paid by County	7,910,000	1,970,333	7,880,000	2,148,947
Total Interest and Principal	<u>10,950,676</u>	<u>2,227,070</u>	<u>10,949,643</u>	<u>2,345,669</u>
Principal Balance				
December 31	<u>99,715,000</u>	<u>7,119,592</u>	<u>91,835,000</u>	<u>4,970,645</u>
Unamortized Bond Premium	9,570,577		8,411,469	
Unamortized Bond Discount	<u>(279,803)</u>		<u>(245,960)</u>	
Total Liability	<u>116,125,366</u>		<u>104,971,154</u>	

Very truly yours,

Tony E. Bassil
County Controller

Paul L. Albert, CIA
Lead Auditor

COUNTY OF NORTHAMPTON, PENNSYLVANIA
Long-Term Debt

Schedule of Current and Long-Term Bonded Debt Liability
For the year ended December 31, 2020 with Projections to December 31, 2021

SCHEDULE OF PRINCIPAL PAYMENTS

	<u>2012 G.O. Bonds - Ser. A</u>		<u>2013 G.O. Bonds</u>		<u>2019 G.O. Bonds - Ser. A</u>		<u>2019 G.O. Bonds - Ser. B</u>		<u>2019 G.O. Bonds - Ser. C</u>		Total
	Date Paid/Due	Amount	Date Paid/Due	Amount	Date Paid/Due	Amount	Date Paid/Due	Amount	Date Paid/Due	Amount	
Original Obligation		9,385,000		19,640,000		23,035,000		4,870,000		66,830,000	123,760,000
Balance 12/31/19		2,820,000		10,095,000		23,030,000		4,850,000		66,830,000	107,625,000
Less 2020 Payments	10/1/20	(2,820,000)	08/15/20	(2,375,000)	10/01/20	(5,000)	11/15/20	(400,000)	10/01/20	(2,310,000)	(7,910,000)
Balance 12/31/20		0		7,720,000		23,025,000		4,450,000		64,520,000	99,715,000
Less 2021 Payments Due			08/15/21	(2,450,000)	10/01/21	(5,000)	11/15/21	(410,000)	10/01/21	(5,015,000)	(7,880,000)
Projected Balance 12/31/21		<u>0</u>		<u>5,270,000</u>		<u>23,020,000</u>		<u>4,040,000</u>		<u>59,505,000</u>	<u>91,835,000</u>

SCHEDULE OF INTEREST PAYMENTS

	<u>2012 G.O. Bonds - Ser. A</u>		<u>2013 G.O. Bonds</u>		<u>2019 G.O. Bonds - Ser. A</u>		<u>2019 G.O. Bonds - Ser. B</u>		<u>2019 G.O. Bonds - Ser. C</u>		Total
	Date Paid/Due	Amount	Date Paid/Due	Amount	Date Paid/Due	Amount	Date Paid/Due	Amount	Date Paid/Due	Amount	
Regular Payment	04/01/20	40,819.50	02/15/20	225,656.25	04/01/20	506,825.00	05/15/20	92,125.00	04/01/20	539,339.68	1,404,765.43
Regular Payment	10/01/20	40,819.50	08/15/20	225,656.25	10/01/20	506,825.00	11/15/20	92,125.00	10/01/20	770,485.25	1,635,911.00
Calendar Year 2020		<u>81,639.00</u>		<u>451,312.50</u>		<u>1,013,650.00</u>		<u>184,250.00</u>		<u>1,309,824.93</u>	<u>3,040,676.43</u>
Regular Payment			02/15/21	193,000.00	04/01/21	506,775.00	05/15/21	86,125.00	04/01/21	748,921.40	1,534,821.40
Regular Payment			08/15/21	193,000.00	10/01/21	506,775.00	11/15/21	86,125.00	10/01/21	748,921.40	1,534,821.40
Projected Calendar Year 2021		<u>0.00</u>		<u>386,000.00</u>		<u>1,013,550.00</u>		<u>172,250.00</u>		<u>1,497,842.80</u>	<u>3,069,642.80</u>

Refer to notes on following pages.

COUNTY OF NORTHAMPTON, PENNSYLVANIA
 Long-Term Debt
 Schedule of Current and Long-Term Installment Purchases
 For the year ended December 31, 2020 with Projections to December 31, 2021

SCHEDULE OF PRINCIPAL PAYMENTS

	<u>Date Paid/Due</u>	<u>Amount</u>	<u>Totals</u>
Original Obligation			<u>19,534,814</u>
Balance 12/31/19			9,089,925
Less 2020 Payments:	6/1/2020	(949,163)	
	12/1/2020	<u>(1,021,170)</u>	
Total 2020 Payments			<u>(1,970,333)</u>
Balance 12/31/20			7,119,592
Less Projected 2021 Payments:	6/1/2021	(1,036,386)	
	12/1/2021	<u>(1,112,561)</u>	
Total Projected 2021 Payments			<u>(2,148,947)</u>
Projected Obligation 12/31/21			<u><u>4,970,645</u></u>

SCHEDULE OF INTEREST PAYMENTS

	<u>Date Paid/Due</u>	<u>Amount</u>	<u>Totals</u>
	6/1/2020	135,439.89	
	12/1/2020	<u>121,297.36</u>	
Calendar Year 2020			<u>256,737.25</u>
	6/1/2021	106,081.92	
	12/1/2021	<u>90,639.78</u>	
Projected Calendar Year 2021			<u><u>196,721.70</u></u>

Refer to notes on following pages.

COUNTY OF NORTHAMPTON, PENNSYLVANIA

Long-Term Debt

Notes to Schedule of Current and Long-Term Bonded and Note Debt Liability
For the year ended December 31, 2020 with Projections to December 31, 2021

1. General Obligation (G.O.) Bonds are backed by "...the Good Faith, Credit and Taxing Power of the County of Northampton."
2. In the Basic Financial Statements audited by RKL LLP, compensated absence benefits totaling \$8,652,859, net OPEB liability of \$23,527,826 and accrued self-insurance claims of \$3,995,014 are included. As these liabilities are neither bonded indebtedness nor installment contracts, they are not included in this Statement.
3. GESA Financing – On June 21, 2011, the County and McClure Company (a subsidiary of PPL Energy Service Mid-Atlantic, LLC) entered into a guaranteed energy services agreement (GESA) for the purposes of installing energy saving equipment and providing other services designed to save energy for the County's property and buildings. On October 27, 2011, the County and McClure Company entered into an amended installment purchase agreement which includes installing energy saving equipment at the Gracedale Nursing Home. The total financed project cost was \$19,534,814. The lending agreement included a fixed interest rate of 2.98% for 12 years.
4. General Obligation Bonds, 2013 – On August 15, 2013, the County issued General Obligation Bonds, in the amount of \$19,640,000. Interest rates vary from 1.0% to 5.0%. The proceeds of the bond were used to: (i) currently refund the County's General Obligation Bonds, Series of 2006 (ii) provide funds for various capital projects of the County; and (iii) pay the costs and expenses of issuing the Bonds.
5. General Obligation Bonds, Series A of 2019 – On February 13, 2019, the County issued General Obligation Bonds in the amount of \$23,035,000. Interest rates vary from 1.90% to 2.37%. The funds were used to finance the purchase the Human Services Building and for the construction of the Forensic Center.
6. General Obligation Bonds, Series B of 2019 – On August 19, 2019, the County issued General Obligation Bonds in the amount of \$4,870,000. Interest rates vary from 1.33% to 2.20%. The funds were used to finance the current refunding of the County's General Obligation Bonds, Series 2009.
7. General Obligation Bonds, Series C of 2019 (Taxable) – On November 25, 2019, the County issued General Obligation Bonds in the amount of \$66,830,000. Interest rates vary from 1.867% to 2.691%. The funds were used to finance the current refunding of the County's General Obligation Bonds, Series B of 2012.
8. The Audited Financial Statements include in note form issuance of additional Component Unit Debt known as Conduit Debt Obligations. These are bonds issued under the name of the Northampton County General Purpose Authority on behalf of Lafayette College, Lehigh University, Moravian College, Career Institute of Technology, St. Luke's Hospital, Lehigh Valley Health Network and the Greater Lehigh Valley YMCA for the purpose of tax-exempt financing for capital projects at those institutions. The bonds are not secured by or payable from revenues or assets of the Authority. Neither the faith and credit nor taxing power of Northampton County is pledged to the payment of the principal of and interest on the bonds, nor is the County or Authority, in any manner, obligated to make any appropriations for payments on these bonds. Therefore, they are not included in this Statement. The total outstanding balance of these bonds as of December 31, 2020 is \$1,083,208,977.
9. The Audited Financial Statements include unamortized bond premium of \$9,570,577 and unamortized bond discount of \$279,803.

COUNTY OF NORTHAMPTON, PENNSYLVANIA

Long-Term Debt

Notes to Schedule of Current and Long-Term Bonded and Note Debt Liability
For the year ended December 31, 2020 with Projections to December 31, 2021

10. 2020 funding sources for the issues were as follows:

General Obligation Bonds	- General Fund	\$8,886,376	
	- Gracedale	1,053,267	
	- Human Services Building	590,817	
	- Juvenile Detention Center	286,283	
	- Domestic Relations	<u>133,934</u>	
Total Bonded debt payments			\$10,950,677
Installment Purchases	- Gracedale	\$1,464,410	
	- General Fund	<u>762,660</u>	
Total Installment Purchase payments			<u>2,227,070</u>
Total payments			<u>\$13,177,747</u>

