



RICHARD J. SZULBORSKI

CONTROLLER OF NORTHAMPTON COUNTY
NORTHAMPTON COUNTY COURTHOUSE
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ROBERT A. NITCHKEY, JR., ESQ.
Solicitor

June 12, 2023

Mr. Kerry L. Myers
and The Northampton County Commissioners
Northampton County Government Center
Easton, PA 18042

Dear Commissioners:

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, 2021 with projections to December 31, 2022.

The following is a summary of bonded and note debt transactions and installment purchases for the calendar year 2022, and a projection of transactions for 2023. The accompanying schedules detail these transactions.

	2022 Actual			2023 Anticipated		
	Debt Service	Installment Purchase	Leases	Debt Service	Installment Purchase	Leases
Interest Paid by County	2,830,401	252,804	139,456	2,569,150	220,865	55,082
Principal Paid by County	8,560,000	2,576,445	897,998	8,820,000	3,063,143	1,082,493
Total Interest and Principal	<u>11,390,401</u>	<u>2,829,249</u>	<u>1,037,454</u>	<u>11,389,150</u>	<u>3,284,008</u>	<u>1,137,575</u>
Principal Balance						
December 31	<u>83,275,000</u>	<u>10,355,020</u>	<u>5,697,493</u>	<u>74,455,000</u>	<u>7,291,877</u>	<u>4,615,000</u>
Unamortized Bond Premium	7,252,365			6,093,255		
Unamortized Bond Discount	<u>(212,115)</u>			<u>(178,273)</u>		
Total Liability	<u>106,367,763</u>			<u>92,276,859</u>		

Very truly yours,

Richard J. Szulborski
County Controller

Ghada Gerges
Auditor II

COUNTY OF NORTHAMPTON, PENNSYLVANIA

Long-Term Debt

Schedule of Current and Long-Term Bonded Debt Liability
For the year ended December 31, 2022 with Projections to December 31, 2023

SCHEDULE OF PRINCIPAL PAYMENTS

	<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	
Original Obligation		19,640,000		23,035,000		4,870,000		66,830,000	114,375,000
Balance 12/31/21		5,270,000		23,020,000		4,040,000		59,505,000	91,835,000
Less 2022 Payments	08/15/22	(2,570,000)	10/01/22	(5,000)	11/15/22	(430,000)	10/01/22	(5,555,000)	(8,560,000)
Balance 12/31/22		2,700,000		23,015,000		3,610,000		53,950,000	83,275,000
Less 2023 Payments Due	08/15/23	(2,700,000)	10/01/23	(5,000)	11/15/23	(450,000)	10/01/23	(5,665,000)	(8,820,000)
Projected Balance 12/31/23		<u>0</u>		<u>23,010,000</u>		<u>3,160,000</u>		<u>48,285,000</u>	<u>74,455,000</u>

SCHEDULE OF INTEREST PAYMENTS

	<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	
Regular Payment	02/15/22	131,750.00	04/01/22	506,725.00	05/15/22	75,875.00	04/01/22	700,852.63	1,415,202.63
Regular Payment	08/15/22	131,750.00	10/01/22	506,725.00	11/15/22	75,875.00	10/01/22	700,852.63	1,415,202.63
Calendar Year 2022		<u>263,500.00</u>		<u>1,013,450.00</u>		<u>151,750.00</u>		<u>1,401,705.26</u>	<u>2,830,405.26</u>
Regular Payment	02/15/23	67,500.00	04/01/23	506,675.00	05/15/23	65,125.00	04/01/23	645,274.85	1,284,574.85
Regular Payment	08/15/23	67,500.00	10/01/23	506,675.00	11/15/23	65,125.00	10/01/23	645,274.85	1,284,574.85
Projected Calendar Year 2023		<u>135,000.00</u>		<u>1,013,350.00</u>		<u>130,250.00</u>		<u>1,290,549.70</u>	<u>2,569,149.70</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, 2022 with Projections to December 31, 2023

SCHEDULE OF PRINCIPAL PAYMENTS

	Date <u>Paid/Due</u>	<u>Amount</u>	<u>Totals</u>
Original Obligation			<u>19,534,814</u>
Balance 12/31/21			11,361,358
Add: 2022 Addition			0.00
Less 2022 Payments:	6/1/2022	(1,129,138)	
	12/1/2022	<u>(1,447,307)</u>	
Total 2021 Payments			<u>(2,576,445)</u>
Balance 12/31/22			8,784,913
Less Projected 2023 Payments:	6/1/2023	(1,227,726)	
	12/1/2023	<u>(1,835,417)</u>	
Total Projected 2023 Payments			<u>(3,063,143)</u>
Projected Obligation 12/31/23			<u>5,721,770</u>

SCHEDULE OF INTEREST PAYMENTS

	Date <u>Paid/Due</u>	<u>Amount</u>	<u>Totals</u>
	6/1/2022	74,063	
	12/1/2022	<u>178,741</u>	
Calendar Year 2022			<u>252,804</u>
	4/1/2023	40,745	
	6/1/2023	39,214	
	12/1/2023	<u>140,906</u>	
Projected Calendar Year 2023			<u>220,865</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, 2022 with Projections to December 31, 2023

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 Maher Deussel, compensated absence benefits totaling \$8,030,321, net OPEB liability of \$37,222,550 and accrued self-insurance claims of \$3,890,781 are included. As these liabilities are neither bonded indebtedness nor installment contracts, they are not included in this Statement.
3. ASTRO 25 System upgrade (EMS Capital Lease) – On March 21, 2022, the County entered into a contract with Motorola Solutions, Inc. to bring the County's ASTRO 25 system up to a current release and to include post warranty services. This will enhance the resilience of the existing simulcast cell that services the City of Bethlehem. The project will be financed as a Capital lease purchase agreement between the County and Motorola Solutions, Inc. The total financed project cost is \$1,570,105 with a 7 year lease term at an interest rate of 2.595%
4. 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. On December 10, 2021, the County entered into a contract with Johnson Controls for energy performance facility improvements. The project will be financed as a lease purchase agreement between the County and Pinnacle Public Finance. The total financed project cost is \$6,390,715 with a 20 year lease term at an interest rate of 1.95%
5. 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.
6. 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.
7. 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.
8. 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.
9. 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

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, 2022 with Projections to December 31, 2023

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, 2022 is \$1,055,109,955.

10. The Audited Financial Statements include unamortized bond premium of \$7,252,365 and unamortized bond discount of \$212,115.

11. The County is a lessee for several non-cancellable leases of space; the West Easton Treatment Center used by the jail, Magisterial District offices and Area Agency on Aging senior centers. At the commencement of a lease, the Count initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

12. 2022 funding sources for the issues were as follows:

General Obligation Bonds	- General Fund	\$9,128,090	
	- Gracedale	1,129,155	
	- Human Services	590,701	
	- Juvenile Detention Center	285,057	
	- Domestic Relations	<u>257,398</u>	
Total Bonded debt payments			\$11,390,401
Installment Purchases	- Gracedale	\$1,715,455	
	- General Fund	1,044,845	
	- Juvenile Detention Center	<u>68,949</u>	
Total Installment Purchase payments			2,829,249
Lease Payable	- Court Administration	\$509,277	
	- General Fund	\$433,826	
	- Human Services	<u>94,351</u>	
Total Lease payments			<u>1,037,454</u>
Total payments			<u><u>\$15,257,104</u></u>

COUNTY OF NORTHAMPTON, PENNSYLVANIA

Long-Term Debt
Total Debt Obligation By Year
 CYE 12/31/ 2022

Year	2011 Installment Purchase		2021 GESA Capital Lease		2022 EMS Capital Lease		2013 Issue		2019 Issue Series A		2019 Issue Series B		2019 Issue Series C		Real Estate Leases		Total Debt Obligation
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$2,631,806	\$60,135	\$2,700,000	\$135,000	\$5,000	\$1,013,350	\$450,000	\$130,250	\$5,665,000	\$1,290,550	\$223,903	\$119,986	\$207,435	\$40,745	\$1,082,493	\$55,082	\$15,810,734
2024					\$4,530,000	\$1,013,250	\$470,000	\$107,750	\$6,435,000	\$1,173,737	\$237,199	\$115,620	\$212,818	\$35,362	\$1,128,810	\$44,757	\$15,504,302
2025					\$4,755,000	\$786,750	\$495,000	\$84,250	\$6,570,000	\$1,037,830	\$250,988	\$110,994	\$218,341	\$29,839	\$1,178,111	\$34,093	\$15,551,196
2026					\$4,995,000	\$549,000	\$520,000	\$59,500	\$6,720,000	\$890,071	\$265,288	\$106,100	\$224,007	\$24,173	\$1,104,923	\$23,736	\$15,481,798
2027					\$5,195,000	\$349,200	\$550,000	\$33,500	\$6,875,000	\$733,562	\$310,493	\$100,927	\$229,820	\$18,360	\$562,053	\$14,104	\$14,972,019
2028					\$3,535,000	\$141,400	\$555,000	\$22,500	\$7,050,000	\$565,743	\$327,368	\$94,872	\$235,784	\$12,396	\$373,477	\$6,057	\$12,919,597
2029							\$570,000	\$11,400	\$7,225,000	\$386,603	\$344,861	\$88,488	\$241,902	\$6,277	\$201,000	\$1,046	\$9,076,578
2030									\$7,410,000	\$199,403	\$362,990	\$81,764		\$66,627	\$36	\$8,120,820	
2031											\$381,780	\$74,685				\$456,465	
2032											\$311,106	\$67,241				\$378,347	
2033											\$326,814	\$61,174				\$387,988	
2034											\$343,076	\$54,801				\$397,877	
2035											\$359,911	\$48,111				\$408,022	
2036											\$377,336	\$41,093				\$418,429	
2037											\$395,370	\$33,735				\$429,105	
2038											\$414,032	\$26,025				\$440,057	
2039											\$433,341	\$17,952				\$451,293	
2040											\$453,318	\$9,501				\$462,819	
2041											\$33,935	\$662				\$34,597	
2042											\$0	\$0				\$0	