



NORTHERN LIGHTS HEALTH SERVICES #380

BUDGET OVERVIEW AND HIGHLIGHTS:

\$442,643 in expenditures is budgeted in 2023 from this fund to pay principal and interest payments for the Northern Lights Services Bond in Washburn refinanced in 2017. This replaced the \$5.9 million General Obligation bond issued in 2008. \$438,858 will be levied for this expenditure as some residual interest earnings will cover the differences.

The issuance terms have changed dramatically since 2008 and for the future. Bayfield County is making a payment of \$444,493 in 2022. This is broken down by \$400,000 in principal and \$42,643 in interest.

Northern Lights Services and Bayfield County have adopted a modified repayment schedule that will extend the payment term by approximately 25 years.

In 2022 Bayfield County will receive \$240,000 or \$20,000 per month from Northern Lights.

As part of the refinance process in 2017 Bayfield County's Bond Rating was upgraded from AA3 to AA2. This is the third highest MOODY rating level and is unusual for a small entity with few bond issuances. It speaks to Bayfield County's financial stability. The result is a savings of nearly \$550,000 in interest, over the previous interest amounts paid. The final average interest rate over the 10-year term was 1.69%. **Payoff of this bond will occur in 2027.** Annual payments for Northern Lights will continue until paid off.

In 2023 Bayfield County is planning to levy the full debt service amount less several thousand dollars of accrued interest sitting in the account for this bond. Attached is the current schedule for this debt.

EXHIBIT B

Debt Service Schedule

Bayfield County, WI

\$3,925,000 General Obligation Refunding Bonds, Series 2017A
Current Refunding of Series 2007A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/14/2017	-	-	-	-	-
06/01/2018	325,000.00	3.000%	73,596.59	398,596.59	-
12/01/2018	-	-	46,671.25	46,671.25	-
12/31/2018	-	-	-	-	445,267.84
06/01/2019	355,000.00	3.000%	46,671.25	401,671.25	-
12/01/2019	-	-	41,346.25	41,346.25	-
12/31/2019	-	-	-	-	443,017.50
06/01/2020	365,000.00	3.000%	41,346.25	406,346.25	-
12/01/2020	-	-	35,871.25	35,871.25	-
12/31/2020	-	-	-	-	442,217.50
06/01/2021	380,000.00	3.000%	35,871.25	415,871.25	-
12/01/2021	-	-	30,171.25	30,171.25	-
12/31/2021	-	-	-	-	446,042.50
06/01/2022	390,000.00	3.000%	30,171.25	420,171.25	-
12/01/2022	-	-	24,321.25	24,321.25	-
12/31/2022	-	-	-	-	444,492.50
06/01/2023	400,000.00	3.000%	24,321.25	424,321.25	-
12/01/2023	-	-	18,321.25	18,321.25	-
12/31/2023	-	-	-	-	442,642.50
06/01/2024	415,000.00	3.000%	18,321.25	433,321.25	-
12/01/2024	-	-	12,096.25	12,096.25	-
12/31/2024	-	-	-	-	445,417.50
06/01/2025	425,000.00	1.750%	12,096.25	437,096.25	-
12/01/2025	-	-	8,377.50	8,377.50	-
12/31/2025	-	-	-	-	445,473.75
06/01/2026	430,000.00	1.850%	8,377.50	438,377.50	-
12/01/2026	-	-	4,400.00	4,400.00	-
12/31/2026	-	-	-	-	442,777.50
06/01/2027	440,000.00	2.000%	4,400.00	444,400.00	-
12/31/2027	-	-	-	-	444,400.00
Total	\$3,925,000.00	-	\$516,749.09	\$4,441,749.09	-

Yield Statistics

Bond Year Dollars	\$21,452.01
Average Life	5.465 Years
Average Coupon	2.4088605%
Net Interest Cost (NIC)	1.7289498%
True Interest Cost (TIC)	1.6935758%
Bond Yield for Arbitrage Purposes	1.5949792%
All Inclusive Cost (AIC)	1.9640748%
IRS Form 8038	
Net Interest Cost	1.5765887%
Weighted Average Maturity	5.434 Years