



## NORTHERN LIGHTS HEALTH CENTER, NURSING HOME, #380

### **BUDGET OVERVIEW AND HIGHLIGHTS:**

\$477,155 in expenditures was budgeted in this fund to pay principal and interest payments for the Nursing Home Bond in Washburn in 2017. This was for the \$5.9 million General Obligation bond issued in 2008. The bond was issued at an average rate of 4% over 20 years, ending in 2027.

The above plan has changed dramatically in 2017 and for the future. Instead of Northern Lights making a payment of \$477,155, Bayfield County will be making a payment of \$408,000 in 2017. In 2018 Bayfield County will be making payments of \$445,268, with a principal and interest payment of \$398,596 June 1 and a second interest payment of \$46,671 on December 1.

Northern Lights and Bayfield County have adopted a modified repayment schedule. In 2018 Bayfield County will receive \$120,000 or \$10,000 per month. In 2019 this will increase to \$240,000 a year or \$20,000 a month starting the second half of 2019.

As part of the refinance process Bayfield County's Bond Rating was upgraded one step from AA3 to AA2. This is the third highest MOODY rating level and is very unusual for a small entity with few bond issuances. It speaks to the County's financial stability. The result is a savings of nearly \$550,000 over the current interest amounts paid for Northern Lights. The final average interest rate over the 10 year term was 1.69%.

Bayfield County will levy the full debt service amount in 2018. Attached is the schedule for this debt.



# Nursing Home Bonds

Budget Year 2018

Account	Account Description	2015 Actual Amount	2016 Actual Amount	2017 Adopted Budget	2017 Estimated Amount	2018 Department	2018 Administrator	2018 Admin/2017 Adopted
<b>Fund 380 - Northern Lights Bond Issuance</b>								
REVENUE								
Department <b>80 - Northern Lights Bond Issuance</b>								
48110	Interest Income	.33	1.66	172,155.00	86,078.00	46,671.00	46,671.00	27
49121	Proceeds from Long-Term Note	.00	.00	.00	322,000.00	398,263.00	398,263.00	
49151	Capital Lease	469,755.00	473,755.00	305,000.00	.00	.00	.00	
Department <b>80 - Northern Lights Bond Issuance Totals</b>		<b>\$469,755.33</b>	<b>\$473,756.66</b>	<b>\$477,155.00</b>	<b>\$408,078.00</b>	<b>\$444,934.00</b>	<b>\$444,934.00</b>	<b>93%</b>
REVENUE TOTALS		<b>\$469,755.33</b>	<b>\$473,756.66</b>	<b>\$477,155.00</b>	<b>\$408,078.00</b>	<b>\$444,934.00</b>	<b>\$444,934.00</b>	<b>93%</b>
EXPENSE								
Department <b>80 - Northern Lights Bond Issuance</b>								
State Account <b>58100 - Principal</b>								
50610	Principle Redemption	275,000.00	290,000.00	305,000.00	322,000.00	398,263.00	398,263.00	131
State Account <b>58100 - Principal Totals</b>		<b>\$275,000.00</b>	<b>\$290,000.00</b>	<b>\$305,000.00</b>	<b>\$322,000.00</b>	<b>\$398,263.00</b>	<b>\$398,263.00</b>	<b>131%</b>
State Account <b>58200 - Interest</b>								
50620	Interest	194,755.00	183,755.00	172,155.00	86,077.00	46,671.00	46,671.00	27
State Account <b>58200 - Interest Totals</b>		<b>\$194,755.00</b>	<b>\$183,755.00</b>	<b>\$172,155.00</b>	<b>\$86,077.00</b>	<b>\$46,671.00</b>	<b>\$46,671.00</b>	<b>27%</b>
Department <b>80 - Northern Lights Bond Issuance Totals</b>		<b>\$469,755.00</b>	<b>\$473,755.00</b>	<b>\$477,155.00</b>	<b>\$408,077.00</b>	<b>\$444,934.00</b>	<b>\$444,934.00</b>	<b>93%</b>
EXPENSE TOTALS		<b>\$469,755.00</b>	<b>\$473,755.00</b>	<b>\$477,155.00</b>	<b>\$408,077.00</b>	<b>\$444,934.00</b>	<b>\$444,934.00</b>	<b>93%</b>
Fund <b>380 - Northern Lights Bond Issuance Totals</b>								
REVENUE TOTALS		<b>\$469,755.33</b>	<b>\$473,756.66</b>	<b>\$477,155.00</b>	<b>\$408,078.00</b>	<b>\$444,934.00</b>	<b>\$444,934.00</b>	<b>93%</b>
EXPENSE TOTALS		<b>\$469,755.00</b>	<b>\$473,755.00</b>	<b>\$477,155.00</b>	<b>\$408,077.00</b>	<b>\$444,934.00</b>	<b>\$444,934.00</b>	<b>93%</b>
Fund <b>380 - Northern Lights Bond Issuance Totals</b>		<b>\$0.33</b>	<b>\$1.66</b>	<b>\$0.00</b>	<b>\$1.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>+++</b>
Net Grand Totals								
REVENUE GRAND TOTALS		<b>\$469,755.33</b>	<b>\$473,756.66</b>	<b>\$477,155.00</b>	<b>\$408,078.00</b>	<b>\$444,934.00</b>	<b>\$444,934.00</b>	<b>93%</b>
EXPENSE GRAND TOTALS		<b>\$469,755.00</b>	<b>\$473,755.00</b>	<b>\$477,155.00</b>	<b>\$408,077.00</b>	<b>\$444,934.00</b>	<b>\$444,934.00</b>	<b>93%</b>
Net Grand Totals		<b>\$0.33</b>	<b>\$1.66</b>	<b>\$0.00</b>	<b>\$1.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>+++</b>

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# 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
<b>Total</b>	<b>\$3,925,000.00</b>	<b>-</b>	<b>\$516,749.09</b>	<b>\$4,441,749.09</b>	<b>-</b>

## 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)	1.9657031%

## IRS Form 8038

Net Interest Cost	1.5765887%
Weighted Average Maturity	5.434 Years

