Debt Service

MANDATED SERVICE: G.S. 159-36, 159-25(a) (5)

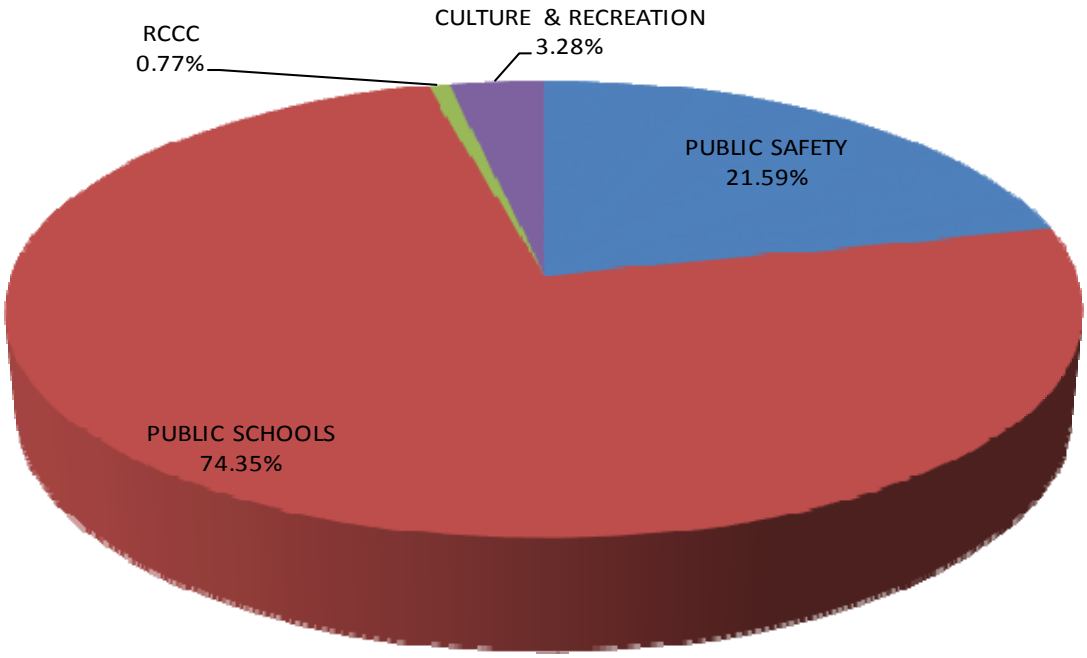
PROGRAM DESCRIPTION

The debt service cost center is maintained to track the annual principal and interest requirements of General Obligation Bonds (GO), Certificates of Participation (COPS), Limited Obligations Bonds (LOBS) and Lease Financing Agreements.

The County has the following principal and interest debt outstanding at June 30, 2015:

	PRINCIPAL	INTEREST	TOTAL
DEBT CATEGORY			
School Bonds - GO Bonds	$ 70,509,760	$ 17,164,610	$ 87,674,370
Rowan Cabarrus Com College GO Bonds	2,245,240	647,377	2,892,617
Schools - COPS/LOBS	157,627,750	34,742,226	192,369,976
Arena and Events Center - COPS/LOBS	6,757,250	1,244,466	8,001,716
Sheriff Admin Building - COPS	21,405,000	3,242,378	24,647,378
Housing Unit -COPS	47,505,000	9,045,638	56,550,638
Wallace Park Property - Lease Financing	2,822,800	1,547,200	4,370,000
911 Equipment - Lease Financing	132,994	3,629	136,623
TOTAL	**$ 309,005,794**	**$ 67,637,524**	**$ 376,643,318**

TOTAL DEBT DUE BY CATEGORY



Debt Service

CAPITAL LEASES, COPS AND LOBS, AND GENERAL OBLIGATION BONDS - PRINCIPAL AND INTEREST

	ISSUE DATE	RATE	PRINCIPAL INTEREST	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Capital Leases									
Wallace Property	12-18-08	4.00	Principal	$ 77,088	$ 80,172	$ 83,378	$ 86,714	$ 90,182	$ 93,789
			Interest	112,912	109,828	106,622	103,286	99,818	96,211
911 Equipment	7-1-11	3.00	Principal	132,994	-	-	-	-	-
			Interest	3,629	-	-	-	-	-
			Principal	**$ 210,082**	**$ 80,172**	**$ 83,378**	**$ 86,714**	**$ 90,182**	**$ 93,789**
Capital Leases Total			**Interest**	**$ 116,541**	**$ 109,828**	**$ 106,622**	**$ 103,286**	**$ 99,818**	**$ 96,211**
			Grand Total	**$ 326,623**	**$ 190,000**	**$ 190,000**	**$ 190,000**	**$ 190,000**	**$ 190,000**
COPS/LOBS - Schools									
COPS - Schools 2008A issue	1-25-08	3.25-5.00	Principal	$ 2,345,000	$ 2,345,000	$ 2,345,000	$ 2,345,000	$ -	$ -
			Interest	400,525	316,575	216,913	117,250	-	-
COPS - Schools 2008B issue	1-25-08	3.00-5.00	Principal	1,490,000	1,470,000	1,440,000	1,415,000	-	-
			Interest	231,325	172,600	121,150	70,750	-	-
COPS - Schools 2009 issue	7-16-09	3.00-5.00	Principal	4,735,000	4,735,000	4,730,000	4,730,000	-	-
			Interest	921,100	687,050	472,300	236,000	-	-
COPS - Schools 2010A issue	9-22-10	2.00-5.00	Principal	1,890,000	1,885,000	1,860,000	1,830,000	1,805,000	1,780,000
			Interest	474,950	380,450	305,050	230,650	157,450	85,250
COPS - Schools 2011A issue	4-14-11	0.00-0.07	Principal	1,330,000	1,330,000	1,330,000	1,330,000	1,330,000	1,330,000
			Interest	776,125	776,125	776,125	776,125	776,125	776,125
LOBS - Schools 2011B issue	8-31-11	2.00-5.00	Principal	324,625	317,275	314,825	312,375	309,925	307,475
			Interest	97,792	88,053	72,495	57,979	43,402	29,621
LOBS - Schools 2011C issue	8-31-11	2.00-5.00	Principal	2,005,000	2,000,000	1,990,000	1,985,000	1,975,000	1,970,000
			Interest	885,650	785,400	688,500	589,000	489,750	391,000
LOBS 2015B Refunding - Schools COPS 2008A issue	3-26-15	2.49	Principal	285,000	290,000	295,000	305,000	2,655,000	2,605,000
			Interest	583,034	575,937	568,716	561,371	553,776	487,667
LOBS 2015D Refunding - Schools COPS 2009 issue	3-26-15	2.52	Principal	1,050,000	750,000	770,000	790,000	5,540,000	5,445,000
			Interest	1,047,874	1,345,302	1,326,402	1,306,998	1,287,090	1,147,482
			Principal	**$ 15,454,625**	**$ 15,122,275**	**$ 15,074,825**	**$ 15,042,375**	**$ 13,614,925**	**$ 13,437,475**
COPS/LOBS - Schools Total			**Interest**	**$ 5,418,375**	**$ 5,127,492**	**$ 4,547,651**	**$ 3,946,123**	**$ 3,307,593**	**$ 2,917,145**
			Subtotal	**$ 20,873,000**	**$ 20,249,767**	**$ 19,622,476**	**$ 18,988,498**	**$ 16,922,518**	**$ 16,354,620**

Debt Service

CAPITAL LEASES, COPS AND LOBS, AND GENERAL OBLIGATION BONDS - PRINCIPAL AND INTEREST

	ISSUE DATE	RATE	PRINCIPAL INTEREST	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
COPS/LOBS - Other									
COPS -	2-22-07	4.00 -	Principal	$ 1,680,000	$ 1,680,000	$ -	$ -	$ -	$ -
Sheriff Adm Building 2007		5.625	Interest	156,238	73,700	-	-	-	-
COPS -	12-1-08	4.00-	Principal	3,095,000	3,095,000	3,095,000	-	-	-
Housing Unit 2008C		5.25	Interest	433,300	309,500	154,750	-	-	-
LOBS -	8-31-11	2.00 -	Principal	1,000,375	977,725	970,175	962,625	955,075	947,525
Arena 2011B Issue		5.00	Interest	301,358	271,347	223,405	178,671	133,748	91,280
LOBS 2015A Refunding -	3-26-15	2.38	Principal	280,000	220,000	1,905,000	1,875,000	1,840,000	1,815,000
Sheriff Adm Bldg. COPS 2007			Interest	363,857	422,807	417,570	372,232	327,607	283,815
LOCBS 2015C Refunding -	3-26-15	2.51	Principal	530,000	545,000	555,000	3,665,000	3,605,000	3,545,000
Housing Unit COPS 2008C			Interest	959,322	946,019	932,340	918,409	826,418	735,931
COPS/LOBS - Other Total			**Principal**	**$ 6,585,375**	**$ 6,517,725**	**$ 6,525,175**	**$ 6,502,625**	**$ 6,400,075**	**$ 6,307,525**
			Interest	**$ 2,214,075**	**$ 2,023,373**	**$ 1,728,065**	**$ 1,469,312**	**$ 1,287,773**	**$ 1,111,026**
			Subtotal	**$ 8,799,450**	**$ 8,541,098**	**$ 8,253,240**	**$ 7,971,937**	**$ 7,687,848**	**$ 7,418,551**
COPS/LOBS - Total			**Principal**	**$ 22,040,000**	**$ 21,640,000**	**$ 21,600,000**	**$ 21,545,000**	**$ 20,015,000**	**$ 19,745,000**
			Interest	**$ 7,632,450**	**$ 7,150,865**	**$ 6,275,716**	**$ 5,415,435**	**$ 4,595,366**	**$ 4,028,171**
			Grand Total	**$ 29,672,450**	**$ 28,790,865**	**$ 27,875,716**	**$ 26,960,435**	**$ 24,610,366**	**$ 23,773,171**
GO Bond Debt - Schools									
Refunding -	3-15-04	3.00 -	Principal	$ 3,330,000	$ 3,310,000	$ 2,095,000	$ -	$ -	$ -
Schools 2004		5.00	Interest	436,750	270,250	104,750	-	-	-
Public Impv -	9-1-06	4.00 -	Principal	1,870,833	-	-	-	-	-
Schools 2006		5.00	Interest	93,542	-	-	-	-	-
Refunding -	5-15-13	1.50 -	Principal	2,205,000	3,925,677	4,972,292	6,171,073	6,214,458	6,170,104
Schools 2013		5.00	Interest	2,433,588	2,400,513	2,243,486	2,128,059	1,819,505	1,581,900
GO Bond Debt - Schools Total			**Principal**	**$ 7,405,833**	**$ 7,235,677**	**$ 7,067,292**	**$ 6,171,073**	**$ 6,214,458**	**$ 6,170,104**
			Interest	**$ 2,963,880**	**$ 2,670,763**	**$ 2,348,236**	**$ 2,128,059**	**$ 1,819,505**	**$ 1,581,900**
			Subtotal	**$ 10,369,713**	**$ 9,906,440**	**$ 9,415,528**	**$ 8,299,132**	**$ 8,033,963**	**$ 7,752,004**

Debt Service

CAPITAL LEASES, COPS AND LOBS, AND GENERAL OBLIGATION BONDS - PRINCIPAL AND INTEREST

	ISSUE DATE	RATE	PRINCIPAL INTEREST	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GO Bond Debt - RCCC									
Public Impv -	9-1-06	4.00 -	Principal	$ 129,167	$ -	$ -	$ -	$ -	$ -
RCCC 2006		5.00	Interest	6,458	-	-	-	-	-
Ref. 2013 - Public Impv -	5-15-13	1.50 -	Principal	-	124,323	122,708	208,927	210,542	209,896
RCCC 2006		5.00	Interest	87,825	87,825	82,852	80,729	70,283	62,200
			Principal	**$ 129,167**	**$ 124,323**	**$ 122,708**	**$ 208,927**	**$ 210,542**	**$ 209,896**
GO Bond Debt - RCCC Total			**Interest**	**$ 94,283**	**$ 87,825**	**$ 82,852**	**$ 80,729**	**$ 70,283**	**$ 62,200**
			Subtotal	**$ 223,450**	**$ 212,148**	**$ 205,560**	**$ 289,656**	**$ 280,825**	**$ 272,096**
			Principal	**$ 7,535,000**	**$ 7,360,000**	**$ 7,190,000**	**$ 6,380,000**	**$ 6,425,000**	**$ 6,380,000**
GO Bond Debt - Total			**Interest**	**$ 3,058,163**	**$ 2,758,588**	**$ 2,431,088**	**$ 2,208,788**	**$ 1,889,788**	**$ 1,644,100**
			Grand Total	**$ 10,593,163**	**$ 10,118,588**	**$ 9,621,088**	**$ 8,588,788**	**$ 8,314,788**	**$ 8,024,100**
Annual Debt Service									
Bank Service Charges				$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Principal - Total				29,785,082	29,080,172	28,873,378	28,011,714	26,530,182	26,218,789
Interest - Total				10,807,154	10,019,281	8,813,426	7,727,509	6,584,972	5,768,482
GRAND TOTAL				**$ 40,642,236**	**$ 39,149,453**	**$ 37,736,804**	**$ 35,789,223**	**$ 33,165,154**	**$ 32,037,271**

Debt Service

LONG-TERM OBLIGATIONS

1. General Obligation Indebtedness

General obligation bonds are issued to provide funding for the construction of capital facilities used for general government activities. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are provided by appropriation in the year in which they become due.

General Obligation Bonds (2004) consists of the construction of Concord Middle School, Winecoff Elementary School, Irvin Elementary School, and Harrisburg Elementary School along with various renovations and additions.

General Obligation Bonds (2005 and 2006) consist of the construction of Hickory Ridge High School, W. R. Odell Elementary School, Charles E. Boger Elementary School, Carl A. Furr Elementary School, Building 3000 at Rowan Cabarrus Community College, along with various renovations and additions.

General Obligation Advance Refunding Bonds (2013) refunded a portion of the 2005 and 2005 General Obligation Bonds.

The County's general obligation bonds payable at June 30, 2015 are comprised of the following individual issues:

Serviced by the County's General Fund:

$32,855,000 (2004) Advance Refunding Bonds due on August 1 and February 1 in installments through February 1, 2018; interest at 3.0 to 5.0 percent	$ 8,735,000
$48,000,000 (2006) Public Improvement Series Bonds due on March 1 and September 1 in installments through March 1, 2016; interest at 4.0 to 5.0 percent	2,000,000
$62,360,000 (2013) Advance Refunding Bonds due on March 1 and September 1 in installments through March 1, 2027; interest at 1.5 to 5.0 percent	62,020,000
	$ 72,755,000

Debt Service

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2015, for the County's general obligation bonds are as follows:

Year Ending, June 30	Principal	Interest
2016	$7,535,000	$3,058,163
2017	7,360,000	2,758,588
2018	7,190,000	2,431,088
2019	6,380,000	2,208,788
2020	6,425,000	1,889,788
2021	6,380,000	1,644,100
2022	6,410,000	1,325,100
2023	6,450,000	1,004,600
2024	6,475,000	682,100
2025	6,105,000	455,475
To maturity	6,045,000	354,197
Total	$72,755,000	$17,811,987

2. Certificates of Participation / Limited Obligation Bonds

On February 22, 2007 the Cabarrus County Development Corporation issued $33,595,000 in Certificates of Participation (COPS) Installment contracts to finance the construction of a sheriff administration facility. These 20-year COPS have interest rates ranging from 4.0% to 5.625%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $3,108,681 to $1,744,094. Total principal and interest over a 20-year period will be $49,537,033. A portion of the COPS were refunded on March 26, 2015, leaving a balance of principal and interest of $3,589,938 at June 30, 2015.

On January 25, 2008, the Cabarrus County Development Corporation issued $46,920,000 (2008A) Certificates of Participation (COPS) Installment contracts to finance the construction of Cox Mill High School and Engineering and Architect fees for A.T. Allen Elementary School, Hickory Ridge Middle School, Patriots Elementary School and a wing addition at A.L. Brown High School. These 20 year COPS have interest rates ranging from 3.25% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $4,400,704 to $2,447,594. Total principal and interest over a 20-year period will be $69,546,128. A portion of the COPS were refunded on March 26, 2015, leaving a balance of principal and interest of $10,431,263 at June 30, 2015.

On January 25, 2008, the Cabarrus County Development Corporation issued $18,745,000 (2008B) Certificates of Participation (COPS) Installment contracts to refund the 1999 Installment Payment Revenue Bonds issued for the construction of JM Robinson High School. These 11 year COPS have interest rates ranging from 3.00% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $2,263,225 to $1,485,750. Total principal and interest over an 11-year period will be $20,864,956.

On December 1, 2008, The Cabarrus County Development Corporation issued $58,810,000 (2008C) Certificates of Participation (COPS) Installment contracts to provide funds to (a) pay the costs of construction of a residential tower to house County inmates and related improvements and (b) pay certain expenses incurred in connection with the execution and delivery of the 2008C Certificates. These 20 year COPS have interest rates ranging from 4.00% to 5.25%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $5,941,494 to $3,244,500. Total principal and interest over a 20 year period will be $92,349,717. A

portion of the COPS were refunded on March 26, 2015, leaving a balance of principal and interest of $10,182,550 at June 30, 2015.

On July 16, 2009, The Cabarrus County Development Corporation issued $85,170,000 (2009) Certificates of Participation (COPS) Installment contracts to provide fund (a) to pay a portion of the costs of (i) acquiring real property, (ii) constructing Patriots Elementary School, A.T. Allen Elementary School, Hickory Ridge Middle School, Harold E. Winkler Middle School, a wing addition and renovation at A.L. Brown High School and equipping the Facilities, and (iv) a portion of the interest to accrue under the Contract during the construction periods for the foregoing and thereafter, through January 1, 2012 and (b) pay certain expenses incurred in the connection and delivery of the 2009 Certificates. These 20 year COPS have interest rates ranging from 3.0% to 5.0%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $8,702,669 to $4,966,500. Total principal and interest over a 20 year period will be $129,871,859. A portion of the COPS were refunded on March 26, 2015, leaving a balance of principal and interest of $21,246,450 at June 30, 2015.

On September 22, 2010 the Cabarrus County Development Corporation issued $18,920,000 (2010A) Certificates of Participation (COPS) contracts to refund the 2001 COPS issued for the construction of Cox Mill Elementary School, Harris Road Middle School, C.C. Griffin Middle School and equipping of two middle schools and one elementary school. These 11 year COPS have interest rates ranging from 2.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $2,809,100 to $1,865,250. Total principal and interest over an 11-year period will be $23,666,150.

On April 14, 2011 the Cabarrus County Development Corporation issued $14,635,000 (2011A) certificates of Participation (COPS) contracts to fund the rehabilitating, repairing and equipping of approximately eighteen Cabarrus County and six Kannapolis City school facilities. These 15 year COPS are financed under 2 bullets using Qualified School Construction Bonds. The first bullet in the amount of, $7,200,000, will mature in 2023, with an interest rate of 5.10% and the second bullet for $7,435,000 will mature in 2026 with an interest rate of 5.50%. The Federal subsidy rate on the deal was a 5.43%. The second bullet will have a net interest cost to the County of .07% while the County will have no interest cost in the first bullet. The principal on this debt is deferred for five years with the first principal payment due on April 1, 2016. The principal payments will be held in an interest bearing sinking fund until the bullet payments are due. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $748,098 to $2,106,125. Total principal and interest over a 15-year period will be $25,147,248 less the federal subsidy of $10,434,369, with the net cost to the County of $14,712,880. In fiscal year 2013 the Federal Government began reducing the subsidy payment by approximately 7.6% for a Federal sequestration.

On August 31, 2011 the Cabarrus County Development Corporation issued $11,735,000 (2011B) Limited Obligation Bonds (LOBS) contracts to refund $11,970,000 of the 2002 COPS issued for the construction and equipping of the Cabarrus County Schools Administration Building, five school gymnasiums, and the County owned Cabarrus Arena & Events Center. These 11 year LOBS have interest rates ranging from 2.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $532,200 to $1,861,200. Total principal and interest over an 11-year period will be $14,988,756.

On August 31, 2011 the Cabarrus County Development Corporation issued $21,780,000 (2011C) Limited Obligation Bonds (LOBS) contracts to refund $22,425,000 of the 2003 COPS issued for the cost of acquiring real property, construction and equipping of Bethel Elementary School, Pitts Road Elementary, Kannapolis Middle School, expansion of two existing elementary school facilities and various real and personal property improvements. These 13 year LOBS have interest rates ranging from 2.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $1,074,475 to $3,059,475. Total principal and interest over a 13-year period will be $29,779,084.

Debt Service

On March 26, 2015 the Cabarrus County Development Corporation issued $18,045,000 (2015A) Limited Obligation Bonds (LOBS) contracts to refund $16,795,000 of the 2007 COPS issued for the construction of a sheriff administration facility. These 12 year LOBS have an interest rate of 2.38%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $642,807 to $2,322,571. Total principal and interest over a 12 year period will be $21,057,440.

On March 26, 2015 the Cabarrus County Development Corporation issued $23,460,000 (2015B) Limited Obligation Bonds (LOBS) contracts to refund $21,105,000 of the 2008A COPS issued to finance the construction of Cox Mill High School and Engineering and Architect fees for A.T. Allen Elementary School, Hickory Ridge Middle School, Patriots Elementary School and a wing addition at A.L. Brown High School. These 13 year LOBS have an interest rate of 2.49%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $863,716 to $3,208,776. Total principal and interest over a 13 year period will be $28,404,338.

On March 26, 2015 the Cabarrus County Development Corporation issued $38,295,000 (2015C) Limited Obligation Bonds (LOBS) contracts to refund $34,025,000 of the 2008C COPS issued to fund the cost of construction of a residential tower to house County inmates and related improvements. These 14 year LOBS have an interest rate of 2.51%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $1,487,340 to $4,583,409. Total principal and interest over a 14 year period will be $46,368,088.

On March 26, 2015 the Cabarrus County Development Corporation issued $54,435,000 (2015D) Limited Obligation Bonds (LOBS) contracts to refund $47,300,000 of the 2009 COPS issued a) to pay a portion of the costs of (i) acquiring real property, (ii) constructing Patriots Elementary School, A.T. Allen Elementary School, Hickory Ridge Middle School, Harold E. Winkler Middle School, a wing addition and renovation at A.L. Brown High School and equipping the Facilities. These 14 year LOBS have an interest rate of 2.52%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately $2,095,302 to $6,827,090. Total principal and interest over a 14 year period will be $66,336,892.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2015, for the County's Certificates of Participation / Limited Obligation Bonds are as follows:

Year Ending, June 30	Principal	Interest
2016	$22,040,000	$7,632,450
2017	21,640,000	7,150,865
2018	21,600,000	6,275,716
2019	21,545,000	5,415,435
2020	20,015,000	4,595,366
2021	19,745,000	4,028,171
2022	17,710,000	3,448,416
2023	16,220,000	2,963,126
2024	15,975,000	2,176,009
2025	13,765,000	1,762,062
To maturity	43,040,000	2,827,092
Total	$233,295,000	$48,274,708

3. Capital Leases

The County has entered into various agreements which qualify as capital leases under the provisions of Financial Accounting Standards Board Statement No. 13 "Accounting for Leases" and subsequent amendments.

On December 18, 2008, the County entered into a lease agreement as lessee for financing the acquisition of land for the Rob Wallace Park with a down payment of $190,000. Annual payments of $190,000 will be made for 30 years with an effective interest rate of 4.00%. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the date of inception.

On July 1, 2011 the County entered into a lease agreement as lessee for financing the acquisition of 911 Equipment. Payments consist of $136,623 annually with an effective rate of 3.00%. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the date of inception.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2014, for the County's capital leases are as follows:

Year Ending, June 30	Principal	Interest
2016	$210,082	$116,541
2017	80,172	109,828
2018	83,378	106,622
2019	86,714	103,286
2020	90,182	99,818
2021	93,789	96,211
2022	97,541	92,459
2023	101,442	88,558
2024	105,500	84,500
2025	109,720	80,280
Next 5 Years	618,052	331,948
To maturity	1,279,222	240,778
Total	$2,955,794	$1,550,829

4. Advance Refundings

On May 15, 2013, Cabarrus County issued $62,360,000 of General Obligation, Series 2013 advance refunding bonds to provide resources to purchase U.S. Government securities that were placed into an irrevocable trust for the purpose of making all future debt service payments on the callable Series 2005 and the callable Series 2006 General Obligation bonds. The refunded debt consists of a portion ($31,500,000) of the County's Series 2005 General Obligation Bonds dated March 1, 2005 and maturing March 1, 2016 through March 1, 2025 and a portion ($34,200,000) of the County's Series 2006 General Obligation Bonds dated September 1, 2006 and maturing March 1, 2027. The refunding debt was issued at a net interest cost of 2.148626%. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Governmental activities column of the statement of net position. The amount of defeased debt that remains outstanding as of June 30, 2015 is $65,700,000. This refunding was undertaken to reduce total debt service payments over the following 14 years by $6,205,125 and resulted in a present value cash flow savings of $5,522,531.

Debt Service

On March 26, 2015, Cabarrus County issued $134,235,000 of Limited Obligation Bonds, Series 2015 advance refunding bonds to provide resources to purchase U.S. Government securities that were placed into an irrevocable trust for the purpose of making all future debt service payments on the callable Series 2007, 2008A, 2008C and 2009 Certificates of Participation. The refunded debt consists of a portion ($16,795,000) of the County's Series 2007 Certificates of Participation dated February 22, 2007, and maturing February 1, 2018 through February 1, 2027, a portion ($21,105,000) of the County's Series 2008A Certificates of Participation dated January 25, 2008 and maturing June 1, 2021, 2023, 2025, and 2028, a portion ($34,025,000) of the County's Series 2008C Certificates of Participation dated December 1, 2008 and maturing June 1, 2019 through June 1, 2029, and a portion ($47,300,000) of the County's Series 2009 Certificates of Participation dated July 16, 2009 and maturing January 1, 2020 through January 1, 2029. The refunding debt was issued at a net interest cost of 2.496059%. As a result, the refunded Limited Obligation Bonds are considered to be defeased and the liability has been removed from the Governmental activities column of the statement of net position. The amount of defeased debt that remains outstanding as of June 30, 2015 is $119,225,000. This refunding was undertaken to reduce total debt service payments over the following 14 years by $8,946,701 and resulted in a present value cash flow savings of $7,655,952.

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term principal obligations for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
General Obligation Bonds	$80,395,000	$-	$7,640,000	$72,755,000
Certificates of Participation/ Limited Obligation Bonds	237,035,000	134,235,000	137,975,000	233,295,000
Capital Leases	3,156,437	-	200,643	2,955,794
Total Governmental Activities	$320,586,437	$134,235,000	$145,815,643	$309,005,794

LEGAL DEBT MARGIN

June 30, 2015

North Carolina General Statute 159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred fro water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Total assessed valuation at March 31, 2015		$19,302,890,183
Legal debt margin:		
Debt limit 8% of total assessed value		1,544,231,215
Debt applicable to debt limitation:		
Total bonded debt	72,755,000	
Total Certificates of Participation/ Limited Obligation Bonds	233,295,000	
Total capital leases (governmental fund types)	2,955,794	
Total debt applicable to limitations		309,005,794
Legal debt margin		$1,235,225,421

Source: Cabarrus County Finance and Tax Assessor Departments