



COUNTY OF LINCOLN, NORTH CAROLINA

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MEDIA RELEASE

February 7, 2012

From: George Wood, County Manager *George Wood*
Re: Results of Bond Refinancing Issue on February 7, 2012

Lincoln County refinanced \$17,200,000 of its 2005 Series General Obligation Bonds today. The sale of these refinancing bonds was very successful. The total savings to the County over the 12 year life of the bonds is \$1,683,729. The net present value of those savings is \$1,507,141.

The immediate impact on the County's budget will be a decrease in debt service payments in FY 2013 of \$137,856. The savings in each of the other 11 years is in that general area as well.

For this bond issue, the County received a AA3 rating from Moody's; a AA- from Standard and Poor's; and a AA from Fitch. Those ratings remained unchanged from the last bond issue.

The average coupon rate on the refinanced bonds was 4.518%. The average coupon rate on the new bonds dropped to 3.126%. In addition, the County received a premium of 10.06% over the coupon rate from the successful bidder, Morgan Keegan & Co., Inc.

The County has been refinancing its existing debt over the last three years as more favorable interest rates have made it financially feasible to do so. Including today's sale, this has resulted in savings to our taxpayers of \$4,870,730 over the life of these four refinancing bond issues.

County Manager George Wood stated: "We are delighted with the results of this bond refinancing. We had anticipated savings of about \$1,200,000 as we planned this refinancing, so the favorable bids today exceeded our expectations by a wide margin. We had thirteen bidders participating in this process. I want to particularly thank former Finance Director Leon Harmon and our financial advisors, First Tryon Advisors, for their excellent work on this issuance."