

Attachment A:
Consent Agenda



LGC Staff Analysis For:	DUNN, CITY OF
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PAR Amount Not To Exceed	\$ 3,500,000		
Financing Type	Limited Obligation Bonds		
Purpose and Type	Water/Sewer	Land	
Purpose and Type			
Project Description	<p>The City of Dunn paid \$5,000,000 cash for seven parcels of land (1-7) on January 13, 2026; parcel 8 was previously and separately purchased for \$250,000. The City is requesting partial reimbursement for the purchase of parcels 1, 2, 3, and 8 at approximately \$3,250,000. The parcels are adjacent to the City's existing Water Treatment Plant and the Cape Fear River and will be used to expand the City's Water Treatment Plant sometime in the future (6 - 10 years). The property purchase will expand the footprint available to improve efficiency of the City's existing plant and permitted water withdrawal capacity through use of new technology and processes. The City plans to sell the remaining parcels (4, 5, 6, and 7) at a future date to be determined, using the proceeds to reimburse the water and sewer fund and to support debt service obligations.</p>		
Statutory Reference	G.S. 160A-20 Last Request to Borrow 4/2025; IFC_USDA; \$8,626,000		
FPICs	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - Not Material <input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	<p>The proposed financing is necessary or expedient to expand the City's Water Treatment Plant in the future and is critical to the future growth and economic development opportunities for the region.</p>	Proposed Amount is Adequate and Not Excessive	<p>Land appraisal dated October 9, 2025 was submitted. Appraised value for parcels 1, 2, 3, and 8 is \$1,897,977. The location of the parcels of land are adjacent to the current water treatment plant, and a necessity for expansion in the future.</p>
Feasibility	<p>Debt service will be paid from the water/sewer fund. The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.</p>		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A	Additional Information (as applicable): The City anticipates a 10% rate increase effective 7/01/2026 (FY2027). The average monthly cost for water/sewer is \$128.53 per 5,000 gallons.	
Rate Increase Anticipated	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A		
Public Hearing	<input type="checkbox"/> N/A OR Date 1/13/2026	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	DUNN, CITY OF
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Terms	Lender/Purchaser/Bank	JPMorgan Chase Bank, N.A.	Marketability Moody's N/A S&P N/A Fitch N/A	
	Interest Rate	Estimated fixed rate of 4.03%		
	Term	15 Years		
	Payment	Annual principal & semi-annual interest		
	Structure and Term	Level Debt Service		
	Final Maturity	05/01/2041		
Other:	<p>The proposed private placement limited obligation bond is preferable to a general obligation bond issue for the same purposes.</p> <p>The interest rate will be locked in within 45 days of closing. The current interest rate with JPMorgan Chase Bank, N.A. is 4%.</p>			

Financing Team			
Municipal Advisor	Davenport & Company LLC	Purchaser's Counsel	McGuire Woods, LLP
Underwriter/Senior			
Lender/Purchaser/Bank	JPMorgan Chase Bank, N.A.		
Underwriter's Counsel			
Bond Counsel	Womble Bond Dickinson (US) LLP		
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A.		
Trustee's Counsel			

Amount Not to Exceed: \$ 3,500,000	
Sources:	Amount:
1 Loan Proceeds	\$ 3,360,000
2	
3	
4	
Total	\$ 3,360,000
Uses:	Amount:
1 Property Purchase	\$ 3,250,000
2 Issuance Cost	\$ 110,000
3	
4	
Total	\$ 3,360,000

General Fund Debt and Debt Ratios			
Amount	\$ 3,500,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued		Before	
Existing Debt Excluding Enterprise Funds		After	
Estimated Census		Debt Ratio: Debt to Assessed Valuation	
Tax Rate		Before	
Assessed Valuation		After	



LGC Staff Analysis For:		NCCFFA: ENDEAVOR CHARTER SCHOOL, INC.	
Amount Not To Exceed	\$ 15,250,000	Financing Type Conduit Revenue Bonds	
Purpose and Type	Education School (K-12)		
Project Description	<p>The proposed refunding is to issue an Educational Facilities Revenue Refunding Bond (Endeavor Charter School Foundation, Inc.), Series 2026 to (1) refund the Public Finance Authority's Educational Facilities Revenue Bonds (Endeavor Charter School Foundation, Inc.), Series 2016 and 2020 and (2) pay costs of issuance.</p> <p>The 2016 and 2020 Series were originally issued in the aggregate principal amount of \$7,681,669 and \$11,500,000, respectively.</p>		
Statutory Reference	G.S. 159D- Article 2	Last Request to Borrow	02/2016; CONREV; \$7,681,669
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward.		
Proposed Bond Issue or Contract is Necessary or Expedient	The Agency finds the refunding necessary or expedient to further the Agency's objective in providing assistance to qualified institutions enabling them to construct and renovate facilities for educational purposes.		
Proposed Amount is Adequate and Not Excessive	Refunding amount is par plus borrower equity.		
Feasibility	The debt service coverage ratio ranges from 2.18X to 3.17X for FY2026 - FY2030		
TEFRA Hearing Date	2/20/2026		
Terms	Lender/Purchaser/Bank	Landroval Municipal Finance, Inc.	
	Interest Rate	All-in synthetic fixed rate via swap: mid-market swap rate + mid-market spread + applicable spread All-in synthetic fixed rate: 4.22% for 21 years (3.16% + 0.21% + 0.85%)	
	Term	30 year amortization; put option at 21 years	
	Payment	Monthly principal and interest	
	Structure and Term	Level debt service	
	Final Maturity	Not to Exceed 12/31/2056	
Other:			



LGC Staff Analysis For:	NCCFFA: ENDEAVOR CHARTER SCHOOL, INC.
Marketability Moody's N/A	
S&P N/A	
Fitch N/A	

Financing Team			
Municipal Advisor	First Tryon Advisors, LLC		
Underwriter/Senior			
Underwriter's Counsel			
Bond Counsel	Parker Poe Adams & Bernstein, LLP		
Lender/Purchaser/Bank	Landroval Municipal Finance, Inc.		
Trustee			
Trustee's Counsel			
Borrower's Counsel	McGuireWoods, LLP		
Bank's Counsel	Miles & Stockbridge		

Amount Not to Exceed: \$ 15,250,000	
Sources:	Amount:
1 Par amount	\$ 15,250,000
2 Borrower equity	\$ 123,000
3	
4	
5	
6	
7	
8	
9	
10	
Total	\$ 15,373,000
Uses:	Amount:
1 Series 2020 refunding	\$ 10,915,719
2 Series 2016 refunding	\$ 4,081,851
3 Cost of issuance	\$ 375,000
4 Rounding amount	\$ 430
5	
6	
7	
8	
9	
10	
Total	\$ 15,373,000



LGC Staff Analysis For:	GREENSBORO, CITY OF
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PAR Amount Not To Exceed	\$ 29,800,000		
Financing Type	Limited Obligation Bonds		
Purpose and Type	General Government	Multiple Projects	
Purpose and Type			
Project Description	<p>The proceeds will be used to finance:</p> <p>(1) Series 2026A (taxable) - the costs of various improvements to the City's coliseum complex; NTE \$21,000,000</p> <p>(2) Series 2026B (tax-exempt) - the costs of various improvements to the City's fleet servicing garage, including site remediation work; NTE \$8,800,000</p> <p>(3) Fees and expenses incurred in connection with the sale and issuance of the Bonds</p> <p>See amounts in Sources & Uses section.</p>		
Statutory Reference	G.S. 160A-20 Last Request to Borrow 03/2025; LOB; \$23,000,000		
FPICs	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes - Not Material <input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	Necessary to (1) provide improvements and retrofitting of the First Horizon Coliseum for sporting and other events, including 2027 ACC Basketball Tournament, and (2) address contaminated, hazardous and unsuitable soils that were encountered during construction of the equipment services garage.	Proposed Amount is Adequate and Not Excessive	Majority of bids are in hand and the remainder of costs are firm estimates with contingency.
Feasibility	Debt service on the Series 2026A Bonds is expected to be paid from occupancy taxes. Debt service on the 2026B Bonds is expected to be paid from the Debt Service Fund (General Fund).		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A	Additional Information (as applicable):	
Rate Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A		
Public Hearing	<input type="checkbox"/> N/A OR Date 1/20/2026	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	GREENSBORO, CITY OF
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Terms	Lender/Purchaser/Bank		Marketability Moody's: Aa2 for 2026A taxable and Aa1 for 2026B tax-exempt
	Interest Rate	See "Other"	
	Term	20 years	
	Payment	Annual principal; semi-annual interest	
	Structure and Term	2026A - level debt service; 2026B - level principal	
	Final Maturity	See "Other"	
Moody's	N/A		
S&P	AA+		
Fitch	N/A		
Other:	Negotiated public sales scheduled for March 12, 2026. Interest Rate: Estimated All-In TIC (True Interest Cost) 2026A - 5.60% NTE(Not to exceed) 6.30%; 2026B - 3.90% NTE(Not to exceed) 4.70% Final Maturity: 2026A - 4/1/2046; 2026B - 10/1/2045		

Financing Team			
Municipal Advisor	First Tryon Advisors, LLC		
Underwriter/Senior	Wells Fargo Securities		
Lender/Purchaser/Bank			
Underwriter's Counsel	Robinson, Bradshaw & Hinson, P.A.		
Bond Counsel	Womble Bond Dickinson (US) LLP	Co-Counsel	McKenzie & Associates
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A.		
Trustee's Counsel			

Amount Not to Exceed: \$ 29,800,000	
Sources:	Amount:
1 Par Amount: Series 2025A - Coliseum	\$ 20,410,000
2 Par Amount: Series 2026B - Garage	\$ 8,175,000
3 Net Premium	\$ 664,943
4	
Total	\$ 29,249,943
Uses:	Amount:
1 Project Fund: Series 2026A - Coliseum	\$ 20,000,000
2 Project Fund: Series 2026B - Garage	\$ 8,675,000
3 Cost of Issuance/Underwriter's Discount	\$ 572,902
4 Additional Proceeds	\$ 2,041
Total	\$ 29,249,943

General Fund Debt and Debt Ratios			
Amount	\$ 29,800,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 42,820,000	Before	\$ 1,781
Existing Debt Excluding Enterprise Funds	\$ 504,531,000	After	\$ 1,878
Estimated Census	307,372	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	0.6275	Before	1.36
Assessed Valuation	\$ 40,103,700,000	After	1.44



LGC Staff Analysis For:	HILLSBOROUGH, TOWN OF
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PAR Amount Not To Exceed	\$ 8,500,000		
Financing Type	Revenue Bonds		
Purpose and Type	Water/Sewer	Building	
Purpose and Type			
Project Description	Proceeds will be used to renovate and expand the Adron F. Thompson building to include a new welding shop, stock room for inventory, additional office space, storage and restrooms.		
Statutory Reference	G.S. 159 Article 5 Last Request to Borrow 06/2025; IP; \$3,535,000		
FPICs	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes - Not Material	<input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	Necessary to accommodate future growth and address existing deficiencies which will allow the Town staff to complete work orders efficiently and maintain the Town's infrastructure, as opposed to repairing equipment affected by the elements.	Proposed Amount is Adequate and Not Excessive	The project was bid January 29, 2026 per North Carolina G.S. 143-132. Nine (9) bids were received and the contract was awarded to the lowest bidder.
Feasibility	The Town provided projections in consultation with Raftelis Financial Consultants for the period of 2026-2031. Current projections demonstrate a total indebtedness coverage ranging from 1.10X in FY2026 to 1.47X in FY2031.		
Tax Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	Additional Information (as applicable): Forecast rate increases in water and sewer base rates equal 7.5% in FY2027 - FY2031.	
Rate Increase Anticipated	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A		
Public Hearing	<input checked="" type="checkbox"/> N/A OR Date	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	HILLSBOROUGH, TOWN OF
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Terms	Lender/Purchaser/Bank	Webster Bank, N.A.	Marketability Moody's N/A S&P N/A Fitch N/A	
	Interest Rate	4.38%		
	Term	20 years		
	Payment	Annual principal and interest		
	Structure and Term	Level debt service		
	Final Maturity	04/01/2046		
Other:	Direct Bank Loan Combined Utility Systems Revenue Bond			

Financing Team			
Municipal Advisor	Davenport & Company LLC		
Underwriter/Senior			
Lender/Purchaser/Bank	Webster Bank, N.A.	Bank's Counsel	Gilmore & Bell, P.C.
Underwriter's Counsel			
Bond Counsel	Sanford Holshouser PLLC		
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 8,500,000	
Sources:	Amount:
1 Bond Proceeds	\$ 8,500,000
2	
3	
4	
Total	\$ 8,500,000
Uses:	Amount:
1 Project Fund	\$ 8,307,500
2 Cost of Issuance	\$ 185,000
3 Bank Fees	\$ 7,500
4	
Total	\$ 8,500,000

General Fund Debt and Debt Ratios			
Amount	\$ 8,500,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued		Before	
Existing Debt Excluding Enterprise Funds		After	
Estimated Census		Debt Ratio: Debt to Assessed Valuation	
Tax Rate		Before	
Assessed Valuation		After	



LGC Staff Analysis For:	HOLLY SPRINGS, TOWN OF
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PAR Amount Not To Exceed	\$ 135,000,000		
Financing Type	Revenue Bonds		
Purpose and Type	Water/Sewer	Sewer	
Purpose and Type			
Purpose and Type			
Purpose and Type			
Project Description	<p>Redemption of the 2025 Note and Utley Creek Water Reclamation Facility Upgrade</p> <p>The Town previously issued its Enterprise Systems Revenue Bond Anticipation Note, Series 2025, in the aggregate principal amount of \$21,404,750, to finance the costs of (i) the construction, equipping, and furnishing of a Laboratory and Operators building, and (ii) site preparation and grading for treatment infrastructure improvements at the Utley Creek Water Reclamation Facility site. The remaining proceeds are for rehabilitation of existing components and construction of new infrastructure at the Utley Creek Water Reclamation Facility site to increase treatment capacity from 6 million gallons per day ("MGD") to 8 MGD.</p>		
Statutory Reference	G.S. 159 Article 5 Last Request to Borrow 9/2025; REV BAN; \$22,000,000		
FPICs	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes - Not Material	<input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	Necessary to (1) redeem the 2025 Note; (2) finance the costs of extensions, additions, and capital improvements for rehabilitation of existing components and construction of new infrastructure at the Utley Creek Water Reclamation Facility site to increase treatment capacity from 6 MGD to 8 MGD; and (3) pay the costs of issuing the 2026 Bonds	Proposed Amount is Adequate and Not Excessive	Phase 1 Bid and re-bid 6/10/25 and 7/24/2025. Construction began October 2025 and is scheduled for completion March 2027. Phase 2 Bids received 12/18/2025. Construction scheduled for April 2026 to October 2029.
Feasibility	The Town has projections prepared by NewGen Strategies and Solutions for the period 2026-2031. Current projections demonstrate total debt service coverages of 3.53X in FY2026 and of at least 1.40X through 2031.		
Tax Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	Additional Information (as applicable): The forecast rate adjustments for water and sewer equal 15% in FY26, 12% in FY27 and FY28, 9.0% in FY29, FY30, and FY31.	
Rate Increase Anticipated	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A		
Public Hearing	<input checked="" type="checkbox"/> N/A OR Date	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	HOLLY SPRINGS, TOWN OF
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Terms	Lender/Purchaser/Bank		Marketability	Public offering Moody's and S&P ratings due week of March 16, 2026.
	Interest Rate	Not to exceed 5.5%		
	Term			
	Payment	semi-annual interest payments / annual principal		
	Structure and Term	level debt service		
	Final Maturity	2056 (30 years)		
			Moody's	Aa2
			S&P	N/A
			Fitch	N/A
Other:	Interest will be deferred for two years and capitalized with level P&I for 28 years			

Financing Team			
Municipal Advisor	DEC Associates Inc	Feasibility Consultant	NewGen Strategies & Solutions
Underwriter/Senior	PNC Capital Markets	Co-Manager	B of A Securities, Inc.
Lender/Purchaser/Bank			
Underwriter's Counsel	Womble Bond Dickinson (US) LLP		
Bond Counsel	Parker Poe Adams & Bernstein, LLP		
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A		
Trustee's Counsel			

Amount Not to Exceed: \$ 135,000,000	
Sources:	Amount:
1 Par Amount	\$ 122,305,000
2 Premium	\$ 11,205,958
3	
4	
Total	\$ 133,510,958
Uses:	Amount:
1 Project Fund	\$ 120,000,000
2 Reserve/Capitalized Interest Fund	\$ 12,621,197
3 Cost of Issuance and Underwriter's Discount	\$ 889,220
4 Additional Proceeds	\$ 541
Total	\$ 133,510,958

General Fund Debt and Debt Ratios			
Amount	\$ 135,000,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued		Before	
Existing Debt Excluding Enterprise Funds		After	
Estimated Census		Debt Ratio: Debt to Assessed Valuation	
Tax Rate		Before	
Assessed Valuation		After	



LGC Staff Analysis For:	JACKSON, COUNTY OF
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PAR Amount Not To Exceed	\$ 27,000,000		
Financing Type	Installment Financing Contract		
Purpose and Type	General Government	County Building	
Purpose and Type	General Government	School (K-12)	
Purpose and Type			
Purpose and Type			
Purpose and Type			
Project Description	The proceeds will be used to construct a new County Administration Building, renovate Fairview School, and complete Smokey Mountain High School athletic track improvements.		
Statutory Reference	G.S. 160A-20 Last Request to Borrow 6/2022; GO; \$22,000,000		
FPICs	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes - Not Material	<input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	Proposed contract is necessary or expedient to relieve overcrowding in county facilities and to provide improved educational spaces that better serve the County's citizens.	Proposed Amount is Adequate and Not Excessive	Construction bids received in December 2025 and January 2026. Costs are known and defined.
Feasibility	Debt service will be paid from the general fund.		
Tax Increase Anticipated	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A	Additional Information (as applicable): A tax increase of \$0.13 was included in the FY26 budget.	
Rate Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A		
Public Hearing	<input type="checkbox"/> N/A OR Date 2/3/2026	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	JACKSON, COUNTY OF
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Terms	Lender/Purchaser/Bank	Truist Commercial Equity, Inc.	Marketability Moody's N/A S&P N/A Fitch N/A	
	Interest Rate	3.78%		
	Term	15 Years		
	Payment	Semi-Annual Principal & Interest		
	Structure and Term	Level Principal		
	Final Maturity	4/1/2041		
Other:	The proposed installment financing is preferable to a bond issue for the same purposes.			

Financing Team			
Municipal Advisor		Borrower's Counsel	Parker Poe Adams & Bernstein, LLP
Underwriter/Senior		Bank's Counsel	Pope Flynn LLC
Lender/Purchaser/Bank	Truist Commercial Equity, Inc.		
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 27,000,000	
Sources:	Amount:
1 Loan Proceeds	\$ 27,000,000
2	
3	
4	
Total	\$ 27,000,000
Uses:	Amount:
1 Construction Costs Administration Building	\$ 18,725,000
2 Construction Costs Fairview School	\$ 4,000,000
3 Construction Costs Smokey Mountain High School athletic track improvements	\$ 2,346,273
4 Architecture/Engineering Fees/Contingency	\$ 1,928,727
Total	\$ 27,000,000

General Fund Debt and Debt Ratios			
Amount	\$ 27,000,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 0	Before	\$ 706
Existing Debt Excluding Enterprise Funds	\$ 31,965,333	After	\$ 1,302
Estimated Census	45,281	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	0.31	Before	0.17%
Assessed Valuation	\$ 18,276,208,726	After	0.32%



LGC Staff Analysis For:	KERNERSVILLE, TOWN OF
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PAR Amount Not To Exceed	\$ 13,696,000		
Financing Type	Installment Financing Contract		
Purpose and Type	General Government	Multiple Projects	
Purpose and Type			
Purpose and Type			
Purpose and Type			
Project Description	Proceeds will be used for general improvements including: (1) Fencing at the Ivey Redmon Soccer Fields, (2) Infrastructure, community pool, and bathhouse at Pope Park, (3) Renovations to the upstairs carriage house at the botanical garden facility, (4) Installation of ballroom dividers at the botanical garden welcome center area, (5) Roof replacement at the old library, (6) Fencing at the public services yard, (7) Renovations to the police locker rooms and restrooms at the town hall.		
Statutory Reference	G.S. 160A-20	Last Request to Borrow	10/2024; IFC; \$535,000
FPICs	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes - Not Material	<input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	Necessary to replace and/or improve aging facilities, buildings, and infrastructure so they remain in good condition for citizen's use.	Proposed Amount is Adequate and Not Excessive	Bids are in hand. Costs are known and defined.
Feasibility	Debt service will be paid from the general fund.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A	Additional Information (as applicable):	
Rate Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A		
Public Hearing	<input type="checkbox"/> N/A OR Date 1/28/2026	TEFRA Hearing	<input type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	KERNERSVILLE, TOWN OF
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Terms	Lender/Purchaser/Bank	Webster Bank, N.A.	Marketability Moody's N/A S&P N/A Fitch N/A	
	Interest Rate	Not to Exceed 3.84%		
	Term	10 years		
	Payment	Semi-annual principal and interest		
	Structure and Term	Level principal		
	Final Maturity	12/01/2035		
Other:	Installment Financing Contract is more timely and feasible than Limited Obligation Bond and G.O. Bond structure.			

Financing Team			
Municipal Advisor			
Underwriter/Senior			
Lender/Purchaser/Bank	Webster Bank, N.A.		
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 13,696,000	
Sources:	Amount:
1 Loan	\$ 13,696,000
2 Available Cash	\$ 52,250
3	
4	
Total	\$ 13,748,250
Uses:	Amount:
1 Construction Cost	\$ 12,630,168
2 Architect/Legal Fees	\$ 459,435
3 Contingency	\$ 38,118
4 Construction Allowance	\$ 620,529
Total	\$ 13,748,250

General Fund Debt and Debt Ratios			
Amount	\$ 13,696,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 0	Before	\$ 1,079
Existing Debt Excluding Enterprise Funds	\$ 31,037,013	After	\$ 1,555
Estimated Census	28,760	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	0.5090	Before	0.60
Assessed Valuation	\$ 5,173,391,284	After	0.86



LGC Staff Analysis For:	NORTH WILKESBORO, TOWN OF
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Terms	Lender/Purchaser/Bank	State of North Carolina	Marketability	
	Interest Rate	Not to exceed 4% (0.0% stated interest)		
	Term	20 years		
	Payment	annual principal; semi-annual interest		
	Structure and Term	level principal; declining interest		
	Final Maturity			
Moody's		N/A		
S&P		N/A		
Fitch		N/A		
Other:	<p>Contract A will be a joint project for the Towns of Wilkesboro and North Wilkesboro to construct a new raw water intake building with wet wells, interior and exterior piping, a SCADA system, emergency generators, five vertical turbine pumps, and three half cylinder passive intake screen. Contract B will be solely a Town of North Wilkesboro project to include construction of approximately 15,000 linear feet of 20-inch raw water line, pedestrian bridge, valves, restorations and all related appurtenances.</p>			

Financing Team			
Municipal Advisor			
Underwriter/Senior			
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 6,735,310	
Sources:	Amount:
1 SRF Loan – North Wilkesboro, Contract B (WIF-1976)	\$ 6,735,310
2 ARPA Grant - North Wilkesboro, Contract B (SRP-D-ARP-0285)	\$ 15,000,000
3 SRF Loan – Wilkesboro, Contract A (SRF-D-2073)	\$ 8,478,347
4 VUR Grant – Wilkesboro, Contract A (VUR-D-0005)	\$ 1,491,896
Total	\$ 31,705,553
Uses:	Amount:
1 Contract A - Wilkesboro and North Wilkesboro	\$ 16,518,780
2 Contract B - North Wilkesboro	\$ 9,204,257
3 Engineering - Planning and Design/Construction Phase	\$ 2,755,000
4 Contingency, Funding Administration, and Other	\$ 3,227,516
Total	\$ 31,705,553

General Fund Debt and Debt Ratios			
Amount	\$ 6,735,310	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued		Before	
Existing Debt Excluding Enterprise Funds		After	
Estimated Census		Debt Ratio: Debt to Assessed Valuation	
Tax Rate		Before	
Assessed Valuation		After	



LGC Staff Analysis For:	WAYNE COUNTY
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PAR Amount Not To Exceed	\$ 9,000,000		
Financing Type	Installment Financing Contract		
Purpose and Type	General Government	School (K-12)	
Purpose and Type			
Purpose and Type			
Purpose and Type			
Project Description	Loan proceeds will be used to pay a portion of the costs of acquiring, constructing and equipping a new middle school, to be known as Rosewood Middle School and to complete upgrades/expansions to the Rosewood Elementary School consisting of a new 5th grade wing.		
Statutory Reference	G.S. 160A-20 Last Request to Borrow 5/2023; IP; \$38,392,000		
FPICs	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes - Not Material <input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	The proposed financing is necessary for the repair and replacement of aging infrastructure of the Middle School and a new wing for the 5th grade at the Elementary School. This project will allow the 5th grade to remain in the Elementary School and subsequently allow more capacity in the middle school.	Proposed Amount is Adequate and Not Excessive	Middle School project received a final GMP and the Elementary School is based on engineering guidance. The majority of costs are known and defined.
Feasibility	The debt service will be paid from the General Fund.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A	Additional Information (as applicable):	
Rate Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A		
Public Hearing	<input type="checkbox"/> N/A OR Date 2/3/2026	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	WAYNE COUNTY
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Terms	Lender/Purchaser/Bank	Truist Commercial Equity, Inc.	Marketability
	Interest Rate	4.30%	
	Term	20 years	
	Payment	Annual principal and interest	
	Structure and Term	Level principal	
	Final Maturity	NTE 4/1/2046	
Other:	Loan payment will begin on April 1, 2027		

Financing Team			
Municipal Advisor	Davenport & Company LLC		
Underwriter/Senior			
Lender/Purchaser/Bank	Truist Commercial Equity, Inc.	Bank's Counsel	Hawkins Delafield & Wood LLP
Underwriter's Counsel			
Bond Counsel	Womble Bond Dickinson (US) LLP		
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 9,000,000	
Sources:	Amount:
1 Truist Bank Loan	\$ 9,000,000
2 State Directed Grant	\$ 20,000,000
3 SCIF Grants - \$5,325,000 and \$4,100,000	\$ 9,425,000
4 2020 and 2022 remaining IFA Proceeds and Additional County Cash	\$ 5,272,048
Total	\$ 43,697,048
Uses:	Amount:
1 Construction Cost - Middle and Elementary School	\$ 40,158,830
2 Design - Architect and Engineer	\$ 2,781,760
3 Contingency/Soft Costs	\$ 616,458
4 Cost of Issuance/Bank Fees	\$ 140,000
Total	\$ 43,697,048

General Fund Debt and Debt Ratios			
Amount	\$ 9,000,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 0	Before	\$ 1,115
Existing Debt Excluding Enterprise Funds	\$ 133,107,436	After	\$ 1,190
Estimated Census	119,395	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	0.6259	Before	0.98%
Assessed Valuation	\$ 13,616,160,135	After	1.04%



Unit	Miscellaneous Action Item
High Point, City of	<p>The City of High Point requests a three-year extension per G.S. 159-64** of the following bonds authorized by voters at a referendum on November 5, 2019:</p> <p>\$22,000,000 General Obligation Streets and Sidewalk Bonds, of which \$12,000,000 of such bonds remain unissued.</p> <p>The City of High Point requests a 3-year extension of the remaining General Obligation Streets and Sidewalk authorization due to delays in the project timing. The City intends to move forward with the projects and General Obligation Bond funding, but the timetable has shifted due to the need to take over the road from NCDOT, design/engineering complexities that required multiple iterations of proposed plans, as well as a significant amount of required right-of-way acquisitions that have expanded the time frame of the project.</p> <p>Staff recommends approval of the extension request.</p> <p>** G.S. 159-64 authorizes LGC approval if one or more of 3 scenarios exists:</p> <p>If the LGC finds and determines:</p> <ol style="list-style-type: none">1) that governmental approvals relative to the purpose to be financed in whole or in part with the proceeds of the bonds cannot be obtained within seven years after the bond order has taken effect, or2) that funds to be applied together with the proceeds of the bonds to finance the purpose for which the bonds are to be issued will not be available within seven years after the bond order has taken effect, or3) that the proposed extension is necessary for other reasons that are not within the direct control of the issuing unit other than any order of any court.

Attachment B:
FPIC Unit - Wilkesboro



REQUESTS FOR LGC APPROVAL OF DEBT BY UNITS WITH MATERIAL FINANCIAL PERFORMANCE INDICATORS OF CONCERN (FPICS)

BACKGROUND

In 2020, Local Government Commission (LGC) staff changed the North Carolina Administrative Code to define “Financial Performance Indicators” as a tool to identify fiscal management concerns in units of local government subject to LGC oversight. As defined in [20 NCAC 03 .0502](#):

- **"Financial Performance Indicators"** are values derived from information included in the audited financial statements that assist the Secretary in improving the comparability of reporting a unit's financial condition and financial performance. These criteria include adequacy of a government unit's fund balance; liquidity or the ability to meet short-term obligations; solvency or the ability to meet long-term obligations; debt service coverage; leverage; and such other indicators of financial condition and financial performance as the Secretary may establish.
- **"Financial Performance Indicators of Concern"** are Financial Performance Indicators with values which may indicate inadequate financial conditions or fiscal management concerns.

Under [20 NCAC 03 .0508](#), if a unit’s auditor identifies Financial Performance Indicators of Concern, the unit’s governing body must develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters" signed by a majority of the governing body and submitted to the Secretary within 60 days of the presentation of the audit. The response must provide a plan to address each Financial Performance Indicator of Concern.

Additional information on FPICs, references to applicable statutes and administrative code, guidance for units, and other related resources are available on the Department of State Treasurer’s [website](#).

LGC CONSIDERATION

When a unit with one or more FPICs requests debt approval from the LGC:

- Staff thoroughly review FPIC responses submitted by the unit.
- If staff deem the FPIC **“material,”** the debt request is presented as a separate agenda item so that staff concerns may be presented and LGC member questions addressed.
- Units with material FPICs are requested to have representatives available at the meeting to answer questions.

FINANCIAL PERFORMANCE INDICATORS GUIDE

The following tables summarize the Financial Performance Indicators and specify the threshold a unit must meet to avoid an FPIC.

Table 1: General Fund Financial Performance Indicators

Indicator	Description	Threshold
Fund Balance Available (FBA) as a percentage of expenditures	Fund balance available for appropriation is an important reserve for local governments to provide cash flow for emergencies, unforeseen expenditures, and periods of declining revenues.	See below

Municipalities: General Fund Expenditures	Median FBA as a % of Expenditures (without Powell Bill)	Minimum FBA as a % of Expenditures	Months of FBA Using Annualized Expenditures
\$0 - \$100,000	260%	100%	12.00
\$100,001 - \$999,999	132%	71%	8.52
\$1M - \$9.99M	63%	34%	4.08
\$10M+	46%	25%	3.00

Counties: General Fund Expenditures	Median FBA as a % of Expenditures	Minimum FBA as a % of Expenditures	Months of FBA Using Annualized Expenditures
\$0 - \$100M	39%	20%	2.40
\$100M+	32%	16%	1.92

Appropriated fund balance	Fund balance appropriated to cover operating losses may signal ongoing financial issues; if the pattern continues, it can lead to a decline in the unit's available reserves.	Positive change in fund balance
Total fund balance	A deficit means that the unit's revenues and other receipts are inadequate to support its operations.	Positive fund balance

[This section intentionally blank.]

Table 2: Water/Sewer Financial Performance Indicators

Indicator	Description	Threshold
Capital assets condition ratio	The capital assets condition ratio formula calculates the remaining useful life; a value less than 0.50 may signal the need to replace the assets in the near future.	Remaining useful life of assets greater than or equal to 0.50
Operating Net Income, excluding depreciation, including debt service principal and interest	A negative amount indicates that rates are not covering operating expenses and debt service payments.	Greater than zero
Quick Ratio	<p>The “quick ratio” is calculated as current assets divided by current liabilities and provides a measure of financial liquidity in the Water/Sewer fund. A quick ratio of less than 1:</p> <ul style="list-style-type: none">• Indicates that current liabilities are greater than unrestricted cash and investments plus accounts receivable.• Could indicate that the fund may have difficulty meeting expenses. If this pattern continues, the fund may not be financially sustainable.	Equal to or greater than 1
Transfers-in to support operations	The rate structure of the Water/Sewer Fund should support the operating expenses of the fund without operating subsidies or transfers from other funds.	Transfers-in of less than 3%
Unrestricted cash to total expenses ratio	This indicator calculates how many months of expenses a unit can cover based on its unrestricted cash at year-end; the calculation includes debt principal and interest but not depreciation. The typical billing cycle is one month (8.33% of a year); unrestricted cash equaling two months of expenses (16.66%) is typically sufficient to handle unusual expenses. The 16% threshold is the minimum necessary to keep the fund from experiencing cash flow problems.	Greater than 16%

Table 3: Other Performance Indicators

Indicator	Description	Threshold
Date audited financial statements were submitted to the LGC	As stewards of the public’s resources, the governing body is responsible for ensuring that the annual financial audit is available timely to the public.	December 31 for units with June 30 fiscal year ends
Amount of budgeted ad valorem tax (including motor vehicles) uncollected	Uncollected ad valorem taxes totaling more than 3% of the budgeted amount could be an indicator of negative economic events, inaccurate budgeting, and/or issues with the collection process.	Less than 3% of budgeted ad valorem taxes
Expected change in property value at next revaluation	A decrease in property value could result in lost tax revenue.	No estimated decrease
Budget violations at the adopted ordinance level	Expenditures that exceed the legal budget ordinance may indicate that the unit's purchase order system, contract approval process, and/or payment process is not in compliance with G.S. Chapter 159.	No over-expenditures
Material weaknesses, significant deficiencies, statutory violations, and/or items identified to be addressed in the FPIC response	20 NCAC 03 .0508 requires a response from the unit addressing each significant deficiency, material weakness, and other audit finding presented to the governing body as well as a plan to address each Financial Performance Indicator of Concern.	None
A finance officer or interim finance officer was appointed for the entire fiscal year	G.S. 159-24 requires each local government and public authority to have a finance officer at all times.	Yes
The finance officer or interim finance officer was bonded in an amount required by statute	G.S. 159-29 requires that a finance officer give a true accounting and faithful performance bond in an amount not less than the greater of (1) \$50,000 or (2) an amount equal to 10% of the unit's annually budgeted funds, up to \$1,000,000.	Yes

[This section intentionally blank.]

Table 3: Other Performance Indicators (cont'd)

Indicator	Description	Threshold
The unit had late debt service payments and/or did not comply with bond covenants	Debt issued by a unit has established payment schedules and varying covenants or restrictions; failure to make timely payments or to comply with covenants may have negative financial implications and may indicate financial or internal control issues.	No
Any other issues that affect the unit's fiscal health or internal controls that were communicated to the unit during the audit presentation	The auditor may have reported issues to the governing board that were not required to be disclosed in the financial statements or that did not rise to the level of significant deficiencies or material weaknesses. The unit's FPIC response should explain these issues.	No other issues

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REQUESTS FOR LGC APPROVAL OF CERTAIN FINANCINGS BY UNITS ON THE UNIT ASSISTANCE LIST (UAL)

Town of Wilkesboro

The Town of Wilkesboro has appeared on the Unit Assistance List in multiple prior years due to low General Fund reserves, recurring budget ordinance violations, and past liquidity challenges in the Water and Sewer Fund.

In FY 2025, the Town's General Fund balance available declined to 3.44% of expenditures, down from 9.23% in FY 2024 and well below both the statewide 34% benchmark and the Town's 20–40% fund balance policy. The Town did not appropriate fund balance in its FY 2026 budget as part of its effort to stabilize reserves.

The Town attributes the FY 2025 decline primarily to revenue timing. A county-wide property revaluation effective in FY 2026 is projected to increase property tax revenue by roughly \$1 million at a 99% collection rate, with the ultimate impact dependent on the tax rate adopted for FY 2027. The Town also anticipates selling three parcels within the next one to two years, which would materially improve fund balance if completed.

The Water and Sewer Fund shows operational improvement in FY 2025, with positive operating income and a quick ratio of 1.53, above the 1.0 benchmark. The unrestricted cash ratio increased to 8.11%, though it remains below the 16% benchmark. A utility rate increase effective October 1, 2024, is expected to further strengthen recurring revenues and liquidity.

The Town's recent audit history includes budget ordinance violations and a self-reported statutory investment violation, both of which have since been addressed. The Town reports enhanced internal review procedures, improved budget ordinance controls, and closer monitoring of statutory requirements.

LGC staff acknowledge improvements in enterprise fund liquidity, more conservative budgeting practices, and projected revenue growth from revaluation. However, General Fund reserves remain significantly below recommended levels and the Town's own policy, necessitating continued monitoring. Sustained reserve growth, successful execution of planned revenue enhancements, and ongoing statutory compliance will be essential for continued progress.



LGC Staff Analysis For:	WILKESBORO, TOWN OF
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Terms	Lender/Purchaser/Bank	State of North Carolina	Marketability			
	Interest Rate	Not to exceed 4% (1.90% stated interest)				
	Term	20 years			Moody's	N/A
	Payment	annual principal; semi-annual interest			S&P	N/A
	Structure and Term	level principal; declining interest			Fitch	N/A
	Final Maturity					
Other:	Contract A will be a joint project for the Towns of Wilkesboro and North Wilkesboro to construct a new raw water intake building with wet wells, interior and exterior piping, a SCADA system, emergency generators, five vertical turbine pumps, and three half cylinder passive intake screen. Contract B will be solely a Town of North Wilkesboro project to include construction of approximately 15,000 linear feet of 20-inch raw water line, pedestrian bridge, valves, restorations and all related appurtenances.					

Financing Team			
Municipal Advisor			
Underwriter/Senior			
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$ 8,478,347	
Sources:	Amount:
1 SRF Loan – Wilkesboro, Contract A (SRF-D-2073)	\$ 8,478,347
2 VUR Grant – Wilkesboro, Contract A (VUR-D-0005)	\$ 1,491,896
3 ARPA Grant - North Wilkesboro, Contract B (SRP-D-ARP-0285)	\$ 15,000,000
4 SRF Loan – North Wilkesboro, Contract B (WIF-1976)	\$ 6,735,310
Total	\$ 31,705,553
Uses:	Amount:
1 Contract A - Wilkesboro and North Wilkesboro	\$ 16,518,780
2 Contract B - North Wilkesboro	\$ 9,204,257
3 Engineering - Planning and Design/Construction Phase	\$ 2,755,000
4 Contingency, Funding Administration, and Other	\$ 3,227,516
Total	\$ 31,705,553

General Fund Debt and Debt Ratios			
Amount	\$ 8,478,347	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued		Before	
Existing Debt Excluding Enterprise Funds		After	
Estimated Census		Debt Ratio: Debt to Assessed Valuation	
Tax Rate		Before	
Assessed Valuation		After	



TOWN OF WILKESBORO

"Where the Mountains Begin"

P.O. Box 1056 • 203 West Main Street
Wilkesboro, North Carolina 28697
www.wilkesboronc.org

Phone (336) 838•3951 • Fax (336) 838•7616

Town of Wilkesboro Response to Financial Performance Indicators of Concern

January 31, 2026

1. Fund Balance Available as a Percentage of Expenditures

- The Town's fund balance available for appropriation decreased from 9.23 percent in FY 2024 to 3.44 percent in FY2025. The following factors contributed to this decrease:
 - i. Actual revenues recognized were less than budgeted revenues.
 - 1. Unrestricted intergovernmental revenues were \$233,623 less than budget due to sales and use tax refunds. For budgetary purposes it is considered an inflow of resources, but it is accounted for as a reimbursement under generally accepted accounting principles ("GAAP"). The Town has adjusted its budget process to exclude this source of funds going forward.
 - 2. Restricted intergovernmental revenues were \$228,547 less than budget due to decreased reimbursement and a reclass of how proceeds from the Tourism Development Authority are posted, and the impact of Hurricane Helene.
 - 3. Sales and service revenues were \$122,072 less than budget due to rental income which has underperformed for the past two years. The Town has revised its revenue projection for FY 2026 to more accurately reflect historic revenue.
 - ii. Timing differences caused an increase in receivables at year-end.
 - 1. Accounts receivable and amounts due from other governments increased \$268,669. All amounts are fully collectible.

2. Non-major governmental funds required expenditures to be incurred prior to receipt of grant revenues. This timing difference required the General Fund to temporarily loan these funds \$157,246 (“Due from other funds”).

- The Town’s total expenditures in the General Fund only decreased approximately 1 percent (\$88,659) and the Town did not overspend its budget except as discussed below. The Town did not appropriate any amount of fund balance in the FY 2025 or FY 2026 budgets.
- Wilkes County has completed a county-wide revaluation for the 2025 tax year (FY 2026). As a result, property tax revenue is estimated to increase approximately \$1 million based on a 99 percent collection rate.
- The Town has three parcels of land that are planned to be sold in the next 1-2 years which will have a significant impact to fund balance.
- The Town’s fund balance policy for the General Fund is to maintain fund balance available for appropriation to a range of 20 to 40 percent of total expenditures.

2. Unrestricted Cash

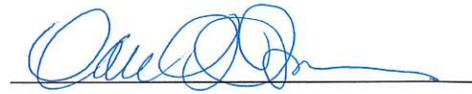
- The Town’s unrestricted cash as a percentage of expenses increased from 2.80 percent in FY 2024 to 8.11 percent in FY 2025. This increase is primarily due to a rate increase that took effect in October, 2024. As a result, cash received from customers increased \$785,230 as reported in the Statement of Cashflows.

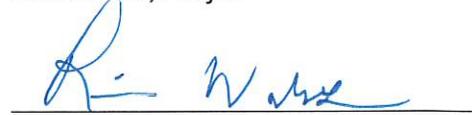
3. Budget Violations at the Adopted Ordinance Level

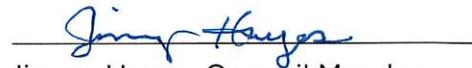
- The budget violation at the adopted ordinance level occurred in the General Fund within the Public Safety function, and in the Water and Sewer Fund. The violations were due to new vehicle leases with the Enterprise Fleet Management program. This program was approved by Town Council. The violations were non-cash related (capital outlay) and were offset by the lease proceeds thereby having zero effect on the “bottom-line”. Moving forward, the Town will adopt budget amendments when new leases are executed.


Ken Noland, Town Manager


Halee Ratcliff, Finance Director


Dale Isom, Mayor


Ronnie Walsh, Mayor Pro-Tem


Jimmy Hayes, Council Member


Andrew Soots, Council Member


Doug Setzer, Council Member