

Attachment A:
Consent Agenda



LGC Staff Analysis For: ASHEVILLE, CITY OF

PAR Amount Not to Exceed: \$40,000,000

Financing Type: Limited Obligation Bonds - Bond Anticipation Notes

Purpose and Type: General Government, Multiple Projects

Project Description: Proceeds will be used for various projects, including the following: municipal building repairs, facility maintenance, fire apparatus, bridge rehab, Western North Carolina Nature Center upgrades, parks facility upgrades, street improvements/resurfacing, street pole replacement, transportation improvements, parking garage maintenance, and transit buses.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 06/2025; LOB; \$34,025,000

FPICs: Yes - See Attachment

UAL Contract: N/A

Debt Management: 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 for the City's proper, efficient, and economic operation and to the general health and welfare of its inhabitants.

Proposed amount is adequate and not excessive: Costs are either known or estimated; projects defined

Feasibility: Debt service will be paid from the general fund.

Tax Increase Anticipated: No

Rate Increase Anticipated: N/A

Additional Information (as applicable): N/A

Public Hearing: 5/12/2026

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: PNC Bank, N.A.

Interest Rate: 79% Daily SOFR + .28; 3.14% as of 5/5/2026

Term: 3 years

Payment: Monthly interest until take-out

Structure and Term: 3-year term-out

Final Maturity: 6/14/2032

Other: N/A

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	DEC Associates		
Underwriter/Senior			
Lender/Purchaser/Bank	PNC Bank, N.A.	Bank's Counsel	Womble Bond Dickinson (US) LLP
Underwriter's Counsel			
Bond Counsel	Parker Poe Adams & Bernstein LLP		
Purchaser's Counsel	Womble Bond Dickinson		
Trustee	Truist Bank		
Trustee's Counsel	Chapman & Cutler		

Amount Not to Exceed: \$40,000,000

Sources	Amount
Loan Proceeds	\$40,000,000
Total	\$40,000,000

Uses	Amount
Construction Costs	\$38,250,000
Legal and Other Fees	\$1,750,000
Total	\$40,000,000



LGC Staff Analysis For: **CAPE FEAR PUBLIC UTILITY AUTHORITY**

PAR Amount Not to Exceed: \$13,785,950

Financing Type: Revolving Loan

Purpose and Type: Water/Sewer, Water

Project Description: 48” Parallel Raw Water Main (WIF-1990). The project includes installation of a new redundant pipeline consisting of approximately 15,370 linear feet of 54-inch water main and 100 linear feet of 48-inch water main extending from Pender County to the CPPUA meter vault in New Hanover County to serve the Lower Cape Fear Water and Sewer Authority customers downstream of a 3 MG raw water storage tank. This project is in coordination and cooperation with the Lower Cape Fear Water and Sewer Authority.

Statutory Reference: G.S. 159G-40 and 159-52

Last Request to Borrow: 11/2025; SRF; \$22,361,131

FPICs: No

UAL Contract: N/A

Debt Management: 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 existing 48-inch pipeline was constructed in phases from the mid-1980s through the early 1990s and has experienced three significant failures since being placed into operation. The two most recent failures in 2016 and 2021 resulted in over \$2 million in total cost for the bypass system and repairs.

Proposed amount is adequate and not excessive: The Town received a Design-Build Lump Sum Agreement on February 10, 2026. The proposals include labor, materials, equipment, and supervision to perform all such work on the project.

Feasibility: 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. The average monthly water and sewer bill is anticipated to be \$89.32 for 4,000 gallons at the end of the construction project. This is based on plans to increase water and sewer rates by an average of 11.86% beyond current rates by the end of the project construction in FY 2028.

Tax Increase Anticipated: N/A

Rate Increase Anticipated: Yes

Additional Information (as applicable): N/A

Public Hearing: N/A

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: State of North Carolina

Interest Rate: Not to exceed 4% (stated interest rate of 1.38%)

Term: 20 years

Payment: annual principal; semi-annual interest

Structure and Term: level principal; declining interest

Final Maturity: N/A

Other: This project is in coordination and cooperation with the Lower Cape Fear Water and Sewer Authority.

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor			
Underwriter/Senior			
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$13,785,950

Sources	Amount
SRF Loan WIF-1990 Repayable loan	\$13,785,950
Total	\$13,785,950

Uses	Amount
Construction Project Fund	\$11,910,845
Contingency	\$1,875,105
Total	\$13,785,950



LGC Staff Analysis For: CENTENNIAL AUTHORITY

PAR Amount Not to Exceed: \$109,000,000

Financing Type: Revenue Bonds

Purpose and Type: Sports/Entertainment, Parks & Recreation

Project Description: Proceeds of the bond sale will be used to take out and make permanent financing for the 2024 Bond Anticipation Note. The BAN provided funds to pay the cost of acquiring, constructing and equipping various improvements to the Authority's sport and entertainment arena complex and ancillary facilities and to pay costs connected with the issuance of the 2026 bonds.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 11/2024; REVBAN;
\$100,000,000

FPICs: No

UAL Contract: N/A

Debt Management: 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 or expedient to make this financing permanent with a fixed interest rate.

Proposed amount is adequate and not excessive: Amount is known and defined based on the drawn amount.

Feasibility: Debt service will be paid from certain hotel/motel occupancy tax revenues and prepared food and beverage tax revenues levied by Wake County and allocated pursuant to an Interlocal Agreement between Wake County and the City of Raleigh.

Tax Increase Anticipated: No

Rate Increase Anticipated: No

Additional Information (as applicable): N/A

Public Hearing: N/A

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: N/A – Public Sale

Interest Rate: Estimated 4.42%; NTE 5.42%

Term: 25 years

Payment: Annual principal, semi-annual interest

Structure and Term: Level debt service

Final Maturity: NTE 6/30/2052

Other: This will be a public sale to be held on June 24, 2026.

Marketability:

Moody's: Aa

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: Expected rating; established rating will be obtained in the week of June 8.

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	DEC Associates, Inc.		
Underwriter/Senior	PNC Capital Markets LLC	Co-Manager	Wells Fargo Securities
Lender/Purchaser/Bank		Authority's Counsel	Fox Rothschild LLP
Underwriter's Counsel	McGuireWoods, LLP		
Bond Counsel	Womble Bond Dickinson, (US), LLP		
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company		
Trustee's Counsel			

Amount Not to Exceed: \$109,000,000

Sources	Amount
Estimated Bond Par Amount	\$101,290,000
Estimated Premium	\$7,173,448
Total	\$108,463,448

Uses	Amount
Project Fund – BAN Take Out	\$107,558,288
Cost of Issuance	\$500,000
Underwriter's Discount	\$405,160
Total	\$108,463,448



LGC Staff Analysis For: **CENTENNIAL AUTHORITY**

PAR Amount Not to Exceed: \$200,000,000

Financing Type: Revenue Bonds - Bond Anticipation Notes

Purpose and Type: Sports/Entertainment, Public Facilities

Project Description: Proceeds will be used for continued improvements to the Lenovo Center, meant to modernize and enhance the public structure. The next phases of construction will increase the building's footprint and add amenities meant to create an arena with broad appeal for sports and entertainment.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 11/2024; REV BAN;
\$100,000,000

FPICs: No

UAL Contract: N/A

Debt Management: 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 project is necessary to provide expansion and modernization updates to the Arena to support sports and entertainment opportunities for residents of Wake County and surrounding communities.

Proposed amount is adequate and not excessive: Bond Anticipation Notes not to exceed \$200,000,000 and along with other available funds with the Authority, this will be adequate and not excessive for the purpose of paying the costs associated with this project and related financing costs. The Authority has an established budget with a not to exceed amount of \$200,000,000 for phase 2.

Feasibility: Funding is through the hotel/motel occupancy tax revenues and prepared food and beverage tax revenues levied by Wake County and allocated for use by the Authority pursuant to an Interlocal agreement between Wake County and the City of Raleigh.

Tax Increase Anticipated: No

Rate Increase Anticipated: No

Additional Information (as applicable): N/A

Public Hearing: N/A

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: PNC Bank, N.A.

Interest Rate: 79% Daily SOFR + .27; 3.13% as of 5/5/2026

Term: 3 years

Payment: Monthly interest payments until take out

Structure and Term: 3-year term-out

Final Maturity: 7/14/2029

Other: N/A

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	DEC Associates, Inc.		
Underwriter/Senior			
Lender/Purchaser/Bank	PNC Bank, N.A.	Bank's Counsel	Parker Poe Adams & Bernstein
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: \$200,000,000

Sources	Amount
Bond Anticipation Note	\$200,000,000
Total	\$200,000,000

Uses	Amount
Project and Financing Costs	\$200,000,000
Total	\$200,000,000



**LGC Staff Analysis For: NORTH CAROLINA MEDICAL CARE COMMISSION:
COASTAL AFFORDABLE SENIOR HOUSING FOUNDATION HOLDCO I LLC**

Amount Not to Exceed: \$45,000,000

Financing Type: Conduit Revenue Bonds

Purpose and Type: Senior Living

Project Description: Licensed Beds: 176 Assisted Living Units; 24 Memory Care Units

The proceeds of the bonds will be used to (a) finance the cost of acquiring three assisted living and memory care facilities located in North Carolina, consisting of The Landings of Swansboro (Onslow County), Edenton House (Chowan County), and Williamston House (Martin County), (b) fund a debt service reserve fund for the Bonds, (c) fund an operating reserve fund, and (d) pay certain expenses incurred in connection with the issuance of the Bonds.

Statutory Reference: G.S. 131A

Last Request to Borrow: N/A

Debt Management: 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 North Carolina Medical Care Commission (NCMCC) has previously approved the project.

Proposed amount is adequate and not excessive: The proposed projects include a variety of routine capital expenditures; costs are defined.

Feasibility: A financial feasibility study completed by CliftonLarsonAllen LLP shows estimated debt service coverage of at least 1.13X through 2030.

TEFRA Hearing Date: 5/29/2026

Terms

Interest Rate: Interest: NTE 9%; Estimated All-in TIC: 7.47%

Term: 30 Years

Payment: Annual

Structure and Term: Overall level debt service

Final Maturity: 7/1/2056

Other: The NCMCC will issue the bonds and loan the proceeds to Coastal Affordable Senior Housing Foundation Holdco, LLC, a North Carolina limited liability company (Borrower) whose sole member is Coastal Affordable Senior Housing Foundation, Inc. The Borrower is solely responsible for repayment of the bonds, and neither the NCMCC nor the state of North Carolina is responsible for payment.

Marketability

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: Private Placement

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor			
Underwriter/Senior	Herbert J. Sims & Co., Inc.		
Underwriter's Counsel	Butler Snow LLP		
Bond Counsel	Parker Poe Adams & Bernstein LLP		
Borrower's Counsel	McGuireWoods LLP		
Trustee	U.S. Bank Trust Company, NA		
Trustee's Counsel			
Feasibility Consultant	CliftonLarsonAllen LLP		

Amount Not to Exceed: \$45,000,000

Sources	Amount
Series 2026A Bonds (Senior Tax-Exempt)	\$ 30,290,000
Series 2026B-1 Bonds (Subordinate Tax-Exempt)	\$ 5,725,000
Series 2026B-2 Bonds (Subordinate Taxable)	\$ 1,775,000
Total	\$ 37,790,000

Uses	Amount
Portfolio Purchase Price	\$ 32,133,000
Real Estate Costs	\$ 100,000
Debt Service Reserve Fund	\$ 2,260,312
Operating Reserve Fund	\$ 682,284
Capitalized Interest	\$ 232,089
Cost of Issuance	\$ 1,850,000
Underwriter's Discount	\$ 530,075
Additional Proceeds	\$ 2,240
Total	\$ 37,790,000



LGC Staff Analysis For: **CUMBERLAND COUNTY**

PAR Amount Not to Exceed: \$5,500,000

Financing Type: Installment Financing Contract

Purpose and Type: Sports/Entertainment

Project Description: The County is planning to finance the acquisition and installation of certain equipment, fixtures, and related improvements at the Crown Expo Center and Crown Coliseum.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 02/2021; LOB; \$25,000,000

FPICs: Yes - Not Material

UAL Contract: N/A

Debt Management: 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 or improve aging and obsolete equipment and fixtures at the Crown Expo Center and Crown Coliseum. These upgrades are essential to maintain safe operations, enhance facility performance, and support continued public use.

Proposed amount is adequate and not excessive: Bids are in hand. Costs are known and defined.

Feasibility: Debt service will be paid from occupancy and prepared food tax revenues, which the County's projections show will be sufficient to cover both operating costs and debt service.

Tax Increase Anticipated: No

Rate Increase Anticipated: N/A

Public Hearing: 4/27/2026

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: PNC Bank

Interest Rate: 3.58%

Term: 10 years

Payment: Annual Principal; Semi-annual Interest

Structure and Term: Level Principal

Final Maturity: Not to extend beyond 6/30/2036

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	DEC Associates Inc.		
Underwriter/Senior			
Lender/Purchaser/Bank	PNC Bank		
Bank's Counsel	Womble Bond Dickinson (US) LLP		
Bond Counsel	McGuireWoods LLP		
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$5,500,000

Sources	Amount
Loan Proceeds	\$ 5,500,000
County Cash	\$ 514,456
Total	\$ 6,014,456

Uses	Amount
Projects	\$ 5,885,206
Cost of Issuance	\$ 129,250
Total	\$ 6,014,456



LGC Staff Analysis For: DARE COUNTY

PAR Amount Not to Exceed: \$56,500,000

Financing Type: Limited Obligation Bonds

Purpose and Type: Beach Renourishment, Beach Renourishment

Project Description: Proceeds will be used for beach nourishment projects in Avon, Buxton, and Nags Head. Series 2026A includes the Avon and Buxton projects, and Series 2026B consists of the Nags Head project.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 07/2025; LOB; \$23,370,000

FPICs: Yes - Not Material

UAL Contract: N/A

Debt Management: 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 maintain engineered beach topography due to erosion and storm events.

Proposed amount is adequate and not excessive: Bids in hand. Costs are known and defined.

Feasibility: Debt service will be paid from the Beach Nourishment Fund.

Tax Increase Anticipated: No

Rate Increase Anticipated: N/A

Additional Information (as applicable): N/A

Public Hearing: 5/4/2026

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: Regional Capital Advantage, Inc.

Interest Rate: Series 2026A – 3.62%; Series 2026B – 3.41%

Term: 5 years

Payment: Annual principal and semi-annual interest payments

Structure and Term: Level principal

Final Maturity: 6/1/2031

Other: N/A

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	DEC Associates, Inc.		
Underwriter/Senior			
Lender/Purchaser/Bank	Regions Capital Advantage, Inc.		
Underwriter's Counsel			
Bond Counsel	Parker Poe Adams & Bernstein		
Purchaser's Counsel	McGuireWoods LLP		
Trustee	The Bank of New York Mellon Trust Company, N.A.		
Trustee's Counsel			

Amount Not to Exceed: \$56,500,000

Sources	Amount
Bond Proceeds: Par Amount	\$55,095,000
Total	\$55,095,000

Uses	Amount
Nags Head Project	\$13,065,620
Buxton Project	\$36,172,380
Avon Project	\$5,715,750
Cost of Issuance	\$141,250
Total	\$55,095,000



LGC Staff Analysis For: **ELON UNIVERSITY**

Amount Not to Exceed: \$109,009,600

Financing Type: Conduit Revenue Bonds

Purpose and Type: Education, University

Project Description: The proposed refinancing is to amend, convert, or refinance the existing bank placements and extend the maturities of the following series: (1) Series 2012: Global Neighborhood, (2) Series 2014B: Refinancing of prior debt which financed Colonnades and Greek Housing, (3) Series 2017A: PARC II, Tennis Center, Housing, and (4) Series 2018: Elon Elementary.

Statutory Reference: G.S. 159D – Article 2

Last Request to Borrow: 06/2023; CON REV;
\$37,265,000

Debt Management: 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 Agency finds the refinancing necessary or expedient to lengthen the maturity, allowing the University to spread out the debt-service payments and therefore, decreasing the payment amounts. This will align the University's debt portfolio to the updated maturity policy adopted by the NCCFFA.

Proposed amount is adequate and not excessive: The proposed principal amounts remain unchanged; what shifts is the annual payment structure. Extending the number of payments allows the University to reduce near-term debt service and create a more level overall debt service. This aligns with the useful life of the projects originally financed.

Feasibility: Audited financial information and projections reflect that the University is financially responsible and capable of fulfilling its obligations related to the proposed refinancing.

TEFRA Hearing Date: 4/24/2026

Terms

Lender/Purchaser/Bank: Truist/Wells Fargo/Bank of America/First Horizon Bank

Interest Rate: Series 2012 - 3.90%; Series 2014B - 3.48% as of 5/11/26 (80% SOFR + 0.60); Series 2017A - 3.74% as of 5/11/26 (79% SOFR + 0.90%); Series 2018 - 3.85%. These are indicative rates; actual initial rates will not exceed 5.5%.

Term: Series 2012 – 40 years; Series 2014B – 40 years; Series 2017A – 39 years; Series 2018 – 38 years

Payment: Annual principal and interest

Structure and Term: N/A – only extending the maturities

Final Maturity: Series 2012 – 1/1/2052; Series 2014B – 1/1/2054; Series 2017A, Series 2018 – 1/1/2056

Other: N/A

Marketability

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: N/A

Financing Team

Role	Name	Additional Party Role (Optional)	Additional Party Name (Optional)
Financial Advisor	Echo Financial Products LLP		
Underwriter/Senior			
Underwriter's Counsel			
Bond Counsel	Womble Bond Dickinson (US) LLP		
Trustee	Truist		
Trustee's Counsel			
Borrower's Counsel	Fox Rothschild LLP		
Lender/Purchaser/Bank	Truist (2012)	Bank's Counsel	Moore & Van Allen
Lender/Purchaser/Bank	Wells Fargo (2014B)	Bank's Counsel	Kutak Rock
Lender/Purchaser/Bank	Bank of America (2017)	Bank's Counsel	Chapman and Cutler LLP
Lender/Purchaser/Bank	First Horizon Bank (2018)	Bank's Counsel	Williams Mullen

Amount Not to Exceed: \$109,009,600

Series	Original Par	Current Par Outstanding
2012	\$54,595,000	\$34,860,000
2014B	\$60,325,000	\$41,580,000
2017A	\$24,320,000	\$17,650,000
2018	\$20,000,000	\$14,088,000
Total	\$159,240,000.00	\$108,178,000



LGC Staff Analysis For: **INLIVIAN-JOYFIELD AT WOODWARD**

Amount Not to Exceed: \$16,500,000

Financing Type: Conduit Revenue Bonds

Purpose and Type: Housing

Project Description: The bond proceeds will be loaned to Woodward Venture LP, a North Carolina limited partnership, or an affiliated or related entity (the "Borrower"), and used to finance a portion of the cost of the acquisition, construction and equipping of a 141-unit low- and moderate-income multifamily housing development to be known as Joyfield at Woodward and located at 921 Woodward Avenue, Charlotte, North Carolina. The Project will be developed using low-income housing tax credits (LIHTC) and will include 89 one-bedroom units, 41 two-bedroom units, and 11 three-bedroom units targeting lower-income households earning 30%, 60%, and 70% of Area Median Income (AMI).

Statutory Reference: G.S. 159-153

Last Request to Borrow: 11/2025; CONREV;
\$68,000,000

Debt Management: 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 Authority finds the financing is necessary or expedient to further the Authority's purpose of promoting low- and moderate-income housing in the City of Charlotte, North Carolina.

Proposed amount is adequate and not excessive: The developer provided a Market Study and a pro-forma which supports the valuations. The issuer found that the debt to be incurred in connection with the project is adequate but not excessive. In addition, the Rental Investment section of the NCHFA reviewed this information and found it to be reasonable.

Feasibility: The developer provided a 15-year cash flow projection showing debt service coverage for the bonds ranging from 1.17X to 1.42X.

TEFRA Hearing Date: 4/21/2026

Terms

Lender/Purchaser/Bank: Bank of America, N.A., during construction; Cedar Rapids Bank and Trust Company during the permanent phase

Interest Rate: Construction phase - variable rate of SOFR (with floor of 0.75%) + 2.35%; Permanent phase - variable rate of 30-Day Avg SOFR + 1.25% to be fixed via a SWAP agreement; NTE 12%

Term: 18 years after a 36-month construction period (with an optional 6-month extension) with a 40-year amortization

Payment: Permanent Loan: First 5-years interest only, then annual principal and interest; Interest-only payments during construction period

Structure and Term: Level debt service

Final Maturity: NTE 12/31/2048

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Authority's Counsel	The Banks Law Firm, P.A.	Tax Credit Investor	Bank of America, N.A.
Borrower	Woodward Venture LP	Tax Credit Investor's Counsel	Holland & Knight LLP
Borrower's Counsel	Klein Hornig LLP		
Bond Counsel	McGuire Woods LLP		
Initial Bondholder	Bank of America, N.A.		
Initial Bondholder's Counsel	Tiber Hudson LLC		
Permanent Lender	Cedar Rapids Bank and Trust Company		
Permanent Lender's Counsel	Winthrop & Weinstine, P.A.		

Amount Not to Exceed: \$16,500,000

Sources	Amount
Loan	\$16,778,383
Federal Low Income Housing Tax Credit Equity	\$17,920,919
Deferred Development Fee	\$1,296,072
Charlotte Housing Trust Fund	\$4,450,000
Total	\$40,445,374

Uses	Amount
Acquisition Related	\$1,168,276
Construction Costs	\$30,654,208
Escrow and Reserves	\$973,748
Development Fee	\$3,243,000
Financing Fees	\$3,170,811
Construction Interest Reserve	\$1,220,846
Operating Deficit Reserve	\$14,485
Total	\$40,445,374



LGC Staff Analysis For: JOHNSTON COUNTY

PAR Amount Not to Exceed: \$8,960,000

Financing Type: Revolving Loan

Purpose and Type: Water/Sewer, Sewer

Project Description: Neuse River WWPS Replacement – Contract 1 (SRF-W-0015). The project includes relocation/demolition of the Neuse River Wastewater Pump Station (NRWWPS) to include installation of 1,500 GPM triplex submersible pump station [three (3) 750 GPM pumps], 175kW emergency diesel generator, ATS, SCADA, magnetic flow meter, odor control system, and approximately 130 linear feet of 16-inch gravity sewer, 295 linear feet of temporary 12-inch force main, 500 linear feet of 12-inch force main, and 155 linear feet of 14-inch force main; removal and replacement of pavement, roadways, driveways and curbs, and sedimentation and erosion-control devices; and electrical, valves, vaults, yard piping, and associated appurtenances.

Statutory Reference: G.S. 159G-40 and 159-52

Last Request to Borrow: 05/2026; LOB; \$134,500,000; and GO; \$12,250,000

FPICs: Yes - Not Material

UAL Contract: N/A

Debt Management: 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 project will greatly increase the resilience and reliability of the system and allow the County to accept new flow from the Town of Four Oaks.

Proposed amount is adequate and not excessive: The project was bid per North Carolina G.S. 143-132. The project was re-bid on August 28, 2025. Three (3) bids were received. The contract was awarded to the lowest, responsive, responsible bidder.

Feasibility: 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. The average monthly water and sewer bill is currently \$117.28 for 4,500 gallons.

Tax Increase Anticipated: No

Rate Increase Anticipated: Yes

Additional Information (as applicable): The County plans to increase water rates by 11% and sewer rates by 12% during the construction period ending in FY 2027.

Terms

Lender/Purchaser/Bank: State of North Carolina

Interest Rate: Not to exceed 4%

Term: 20 years

Payment: Annual principal; semi-annual interest

Structure and Term: Level principal; declining interest

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor			
Underwriter/Senior			
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$8,960,000

Sources	Amount
SRF- Repayable Loan SRF-W-0015	\$8,960,000
Total	\$8,960,000

Uses	Amount
Construction – Replacement of the Neuse River WWTP	\$5,500,000
Construction – 9,000 linear feet of 12-inch force main	\$1,800,000
Construction – Contingency	\$730,000
Engineering – Design, permitting, surveying	\$690,000
Administration – Easement and land acquisition	\$240,000
Total	\$8,960,000



LGC Staff Analysis For: **JUNALUSKA SANITARY DISTRICT**

PAR Amount Not to Exceed: \$4,495,104

Financing Type: Revolving Loan

Purpose and Type: Water/Sewer, Water

Project Description: HCC/Oak Park Low Pressure Waterline Rehabilitation (SRF-D-2059)

Installation and/or replacement of approximately 5,575 linear feet of 2-inch water main, including hydrants, valves, vaults, service reconnections, and associated appurtenances. Construction and installation of a gravity pressure tank and booster pump station, including site/road grading, fencing, and associated appurtenances.

Statutory Reference: G.S. 159G-40 and 159-52

Last Request to Borrow: 04/2024; IP; \$750,000

FPICs: Yes - Not Material

UAL Contract: N/A

Debt Management: 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: There are approximately 248 connections on 3-inch and 2-inch water line, causing low pressure and low flow. Additionally, there are more connections than allowed per regulation 15A 18C .0902. The project will update the system to meet NC DEQ regulations for a 6-inch line. Currently, the Junaluska Sanitary District has self-imposed a moratorium on new taps in the Oak Park project area. Project funding includes \$5,000,000 of principal forgiveness loan not included in the amount indicated for LGC approval.

Proposed amount is adequate and not excessive: The District received three (3) bids on April 30, 2026. The contract was awarded to the lowest responsive, responsible bidder.

Feasibility: 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. The average monthly water and sewer bill is currently \$73.43 for 3,000 gallons.

Tax Increase Anticipated: N/A

Rate Increase Anticipated: No

Additional Information (as applicable): The District will pay off a loan before the payments for this project loan become due.

Public Hearing: N/A

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: State of North Carolina

Interest Rate: Not to exceed 4% (0% stated interest)

Term: 20 years

Payment: Annual principal

Structure and Term: Level principal

Final Maturity: N/A

Other: \$5,000,000 principal forgiveness loan funding is included with the repayable loan. The principal forgiveness funds are not included in the amount presented to the Commission for approval.

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor			
Underwriter/Senior			
Lender/Purchaser/Bank	State of North Carolina		
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$4,495,104

Sources	Amount
State Revolving Fund – Repayable Loan	\$4,495,104
State Revolving Fund – Principal Forgiveness	\$5,000,000
Total	\$9,495,104

Uses	Amount
Construction Costs	\$7,595,164
Engineering Costs	\$717,940
Administration Costs	\$1,182,000
Total	\$9,495,104



LGC Staff Analysis For: **MOORE COUNTY AIRPORT AUTHORITY**

PAR Amount Not to Exceed: \$5,500,000

Financing Type: Installment Financing Contract

Purpose and Type: Economic Development, Airport

Project Description: Proceeds will be used to provide funds, together with other available funds, to pay the costs of constructing and installing two new corporate aircraft hangars to be leased by the Authority to commercial tenants for aircraft storage.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 12/2021; IFC; \$4,250,000

FPICs: No

UAL Contract: N/A

Debt Management: 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: This transaction will provide additional hangar and related office space for the benefit of the Airport in an efficient and cost-effective manner.

Proposed amount is adequate and not excessive: Bids were received; costs are known and defined.

Feasibility: Debt service will be paid with operating revenues from the lessees.

Tax Increase Anticipated: N/A

Rate Increase Anticipated: N/A

Additional Information (as applicable): N/A

Public Hearing: 8/13/2025

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: Truist Bank

Interest Rate: 5.98% (Taxable rate)

Term: 20 years

Payment: Annual principal and interest

Structure and Term: Level debt service

Final Maturity: 6/30/2046

Other: N/A

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor		Special Counsel	Womble Bond Dickinson (US) LLP
Underwriter/Senior			
Lender/Purchaser/Bank	Truist Bank	Lender's Counsel	Pope Flynn LLC
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$5,500,000

Sources	Amount
Loan Proceeds	\$5,000,000
Available Cash	\$500,000
Total	\$5,500,000

Uses	Amount
Construction Cost	\$5,400,00
Engineering/Architect Fees	\$75,000
Special Counsel Fees	\$10,000
Administrative Cost	\$15,000
Total	\$5,500,000



LGC Staff Analysis For: MORRISVILLE, TOWN OF

PAR Amount Not to Exceed: \$12,000,000

Financing Type: Limited Obligation Bonds

Purpose and Type: General Government, Public Facilities

Project Description: The proceeds will be used to finance the renovation, improvement, and equipping of a new public works facility that was purchased in August 2025 and the acquisition of an existing building and certain renovations and improvements to be used for governmental purposes.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 08/2025; LOB; \$10,200,000

FPICs: Yes - Not Material

UAL Contract: N/A

Debt Management: 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: To assist the growth of the Town's public works division and accommodate more space.

Proposed amount is adequate and not excessive: GMP bids in hand April 2026. Costs are defined and known.

Feasibility: Debt service will be paid from the General Fund.

Tax Increase Anticipated: No

Rate Increase Anticipated: N/A

Additional Information (as applicable): N/A

Public Hearing: 5/12/2026

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: TD Bank

Interest Rate: 4.02%

Term: 15 Years

Payment: Annual principal and interest

Structure and Term: Level principal

Final Maturity: 2/1/2041

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	Davenport & Company LLC		
Underwriter/Senior			
Lender/Purchaser/Bank	TD Bank		
Underwriter's Counsel			
Bond Counsel	Womble Bond Dickinson LLP		
Purchaser's Counsel	Pope Flynn LLC		
Trustee	Truist Bank		
Trustee's Counsel			

Amount Not to Exceed: \$12,000,000

Sources	Amount
Loan	\$12,000,000
Total	\$12,000,000

Uses	Amount
Chamber Building Purchase	\$1,710,000
Public Works Facility	\$10,000,000
Administrative/Cost of Insurance Costs	\$290,000
Total	\$12,000,000



LGC Staff Analysis For: **North Carolina Housing Finance Agency (NCHFA): Yadkin Trail Housing Partners, LP**

Amount Not to Exceed: \$4,000,000

Financing Type: Conduit Revenue Bonds

Purpose and Type: Housing

Project Description: Multifamily Housing Revenue Bonds (Yadkin Housing Partners, LP), Series 2026

The bond proceeds will be used to provide funds to (a) finance the acquisition, renovation, construction, equipping, and furnishing of an existing multifamily residential housing development with a total of 48 units located in Raeford, Hoke County, North Carolina, known as Yadkin Trail Homes and (b) pay certain fees and expenses incurred in connection with the issuance and sale of the Bonds. Yadkin Housing Partners, LP (the "Borrower"), is a North Carolina limited partnership.

The Project is subject to a Land Use Restriction Agreement (LURA) and is eligible for low-income housing tax credits (LIHTC).

Statutory Reference: G.S. 122A

Last Request to Borrow: 2/2026; REV; \$25,000,000

Debt Management: 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 NCHFA has found that the project is necessary to provide safe, sanitary, affordable housing opportunities for low- to moderate-income residents. The project is subject to tax requirements with LIHTC use restrictions of 60% of the area median income.

Proposed amount is adequate and not excessive: The developer has provided appraisals, construction rehabilitation cost estimates, Phase I environmental studies, and market studies for the project which support the valuations thereof. The NCHFA Rental Investment Section has reviewed the above and the adequacy and cost of the proposed renovations and found it to be reasonable.

Feasibility: The developer has provided 20-year cash-flow pro forma projections that show debt service coverage to begin at 1.15X and end at 1.56X.

TEFRA Hearing Date: 4/29/2026

Terms

Interest Rate: Not to exceed 6%

Structure and Term: Not to exceed 48-month maturity

Final Maturity: 7/01/2030

Other: N/A

Marketability

Moody's: Aa1

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: The bonds are expected to be sold to KeyBanc Capital Markets Inc. for public offering to investors at an interest rate to be determined at the time of sale based on market conditions.

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	Caine Mitter & Associates Inc.		
Underwriter/Senior	KeyBanc Capital Markets Inc.		
Underwriter's Counsel	Tiber Hudson LLC		
Bond Counsel	Womble Bond Dickinson (US) LLP		
Equity Bridge Lender	Bridgewater Bank	Equity Bridge Lender's Counsel	Fabyanske Westra Hart & Thomson, P.A.
Trustee	Bank of New York Mellon Trust Company, N.A.		
Trustee's Counsel	Paparone Law PLLC		
Developer/Borrower	Vitus Group, LLC		
Developer's Counsel	Berman Indictor LLP		

Amount Not to Exceed: \$4,000,000

Sources	Amount
Bond Proceeds	\$ 4,000,000
Mortgage Loan	\$ 7,340,000
Federal Tax Credit Equity	\$ 4,632,683
Sponsor Note	\$ 1,000,000
Income from Operations	\$ 363,217
GP Contribution	\$ 100
Deferred Developer Fee	\$ 744,549
Total	\$ 18,080,549

Uses	Amount
Acquisition Costs	\$ 5,715,114
Construction Costs	\$ 5,079,487
Soft Construction Costs and Third Parties	\$ 754,461
Mortgage Loan Closing and Finance Costs	\$ 412,753
Costs of Issuance	\$ 332,421
Project Reserves and Escrows	\$ 858,717
Developer Fee	\$ 927,596
Payment of Bond Principal	\$ 4,000,000
Total	\$ 18,080,549



LGC Staff Analysis For: North Carolina Housing Finance Agency (NCHFA): Pamlico Grove Apartments, LLC

Amount Not to Exceed: \$4,000,000

Financing Type: Conduit Revenue Bonds

Purpose and Type: Housing

Project Description: Multifamily Housing Revenue Bonds (Pamlico Grove Apartments), Series 2026
The bond proceeds will be used to provide funds to (a) finance the acquisition, construction, equipping, and furnishing of a 48-unit multifamily residential housing development located in Pamlico County, North Carolina, and (b) pay certain fees and expenses incurred in connection with the issuance and sale of the bonds. Pamlico Grove Apartments, LLC, a North Carolina limited liability company, or an affiliate thereof (the "Borrower").

The Agency will enter into a Funding Loan Agreement with First Citizens Bank & Trust Company to obtain a Funding Loan and issue the Agency's Multifamily Housing Revenue Note (Pamlico Grove Apartments), Series 2026. The Agency will loan the proceeds to the Borrower to finance the Project, secured by the Borrower's note and related security instruments, and will assign its rights in the Borrower Loan documents (other than certain Unassigned Rights) to the Fiscal Agent as security for the Funding Loan. The Funding Note will be sold by the Agency and the Local Government Commission to the Funding Lender as provided in the Funding Loan Agreement.

Statutory Reference: G.S. 122A

Last Request to Borrow: 02/2026; REV; \$25,000,000

Debt Management: 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 NCHFA has found that the project is necessary to provide safe, sanitary, affordable housing opportunities for low- to moderate-income residents. The project is subject to tax requirements with LIHTC use restrictions of 60% of the area median income.

Proposed amount is adequate and not excessive: The developer has provided appraisals, construction rehabilitation cost estimates, Phase I environmental studies, and market studies for the project which support the valuations thereof. The NCHFA Rental Investment Section has reviewed the above and the adequacy and cost of the proposed renovations and found it to be reasonable.

Feasibility: The developer has provided 20-year cash-flow pro forma projections that show debt service coverage to begin at 1.76X and end at 1.24X.

TEFRA Hearing Date: 4/29/2026

Terms

Funding Lender: First-Citizens Bank & Trust Company

Interest Rate: Not to exceed 6%

Term: Not to exceed 48 months

Payment: See Other

Structure and Term: See Other

Other: The bonds will be redeemed after the project is placed in service, using proceeds from a permanent loan to be provided by Centrant Community Bank, along with a loan from Pamlico County that will cover a portion of the project costs.

Marketability

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	Caine Mitter & Associates Inc.		
Funding Lender	First-Citizens Bank & Trust Company		
Funding Lender Counsel	Kutak Rock LLP		
Bond Counsel	Womble Bond Dickinson (US) LLP		
Permanent Lender	Centrant Community Capital		

Amount Not to Exceed: \$4,000,000

Sources	Amount
Bond Proceeds	\$ 4,000,000
Mortgage Loan	\$ 992,206
Federal Tax Credit Equity	\$ 4,718,328
County Loan	\$ 7,088,212
Total	\$ 16,798,746

Uses	Amount
Payment of Bond Principal	\$ 4,000,000
Acquisition & Land Costs	\$ 9,762,666
Construction Costs	\$ 1,174,005
Costs of Issuance	\$ 326,075
Project Reserves	\$ 218,000
Developer Fee	\$ 1,104,000
Other Cost	\$ 214,000
Total	\$ 16,798,746



LGC Staff Analysis For: **ORANGE COUNTY**

PAR Amount Not to Exceed: \$32,000,000

Financing Type: Limited Obligation Bonds

Purpose and Type: General Government, Multiple Projects

Project Description: Bond proceeds will be used to finance the acquisition, construction, equipping, and improvement of certain County facilities. The projects include County vehicles, various County projects, Durham Tech Academic Building, Orange Grove Fire District projects, Sports Complex, Solid Waste projects, and the purchase of land for a Crisis Diversion Center. Additionally, the proceeds will be used to pay certain costs incurred in connection with the issuance of the 2026A Bonds.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 06/2025; LOB; \$67,360,000

FPICs: Yes - Not Material

UAL Contract: N/A

Debt Management: 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 or expedient to support ongoing County operations and to address community needs.

Proposed amount is adequate and not excessive: GMP and bids have been received for at least 70% of the projects; costs are known and defined.

Feasibility: Debt service will be paid from the General Fund for most projects and from an Enterprise Fund related to a particular asset – vehicles/solid waste as examples.

Tax Increase Anticipated: Yes, planned-see below

Rate Increase Anticipated: N/A

Additional Information (as applicable): The County is proceeding to implement a series of planned, board-approved tax increases to cover current and expected debt service.

Public Hearing: 5/5/2026

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: N/A

Interest Rate: Estimated 3.82%; NTE 5%

Term: 20 years

Payment: Annual Principal, semi-annual interest

Structure and Term: Level principal for most items; level debt service on short-term enterprise assets.

Final Maturity: 4/1/2047

Other: This is a public sale scheduled for June 10, 2026.

Marketability:

Moody's: Aa1

S&P: AA+

Fitch: AA+

Kroll: N/A

Other: Shown ratings are expected; established ratings will be obtained in the week of May 25.

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	Davenport & Company LLC		
Underwriter/Senior	Robert W. Baird & Co.	Co-Manager	Hilltop Securities, Inc.
Lender/Purchaser/Bank			
Underwriter's Counsel	McGuireWoods LLP		
Bond Counsel	Sanford Holshouser PLLC		
Purchaser's Counsel			
Trustee	BNY Mellon		
Trustee's Counsel	Chapman & Cutler LLP		

Amount Not to Exceed: \$32,000,000

Sources	Amount
Estimated Bond Par Amount	\$27,415,000
Estimated Bond Premium	\$2,787,456
Total	\$30,202,456

Uses	Amount
Project Fund	\$29,565,781
Cost of Issuance	\$500,000
Underwriter's Discount	\$132,688
Rounding/Additional Proceeds	\$3,987
Total	\$30,202,456



LGC Staff Analysis For: **ROBESON COUNTY**

PAR Amount Not to Exceed: \$58,000,000

Financing Type: Limited Obligation Bonds

Purpose and Type: General Government, Building

Project Description: Bond proceeds will be used to acquire, construct, and equip a new health department building and to pay issuance costs related to the 2026 Bond.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 12/2025; LOB; \$13,800,000

FPICs: Yes - Not Material

UAL Contract: N/A

Debt Management: 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 or expedient to provide the County with a dedicated health department facility capable of delivering comprehensive public health services and improving access to health care.

Proposed amount is adequate and not excessive: Guaranteed Maximum Price (GMP) received; costs are known and defined.

Feasibility: Debt service will be paid from the General Fund.

Tax Increase Anticipated: No

Rate Increase Anticipated: N/A

Additional Information (as applicable): N/A

Public Hearing: 11/17/2025

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: Public Sale

Interest Rate: Estimated All in TIC 4.01%, NTE 5%

Term: 20 years

Payment: Annual principal and semi-annual interest

Structure and Term: Level principal

Final Maturity: NTE 6/30/2046

Other: Public sale on June 17, 2026

Marketability:

Moody's: A1

S&P: A+

Fitch: N/A

Kroll: N/A

Other: Ratings shown are expected; final ratings will be received the week of May 25, 2026.

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	First Tryon Advisors		
Underwriter/Senior	PNC Capital Markets LLC	Co-Manager	Fifth Third Securities, Inc.
Lender/Purchaser/Bank			
Underwriter's Counsel	Chapman & Cutler		
Bond Counsel	Womble Bond Dickinson		
Purchaser's Counsel			
Trustee	US Bank		
Trustee's Counsel			

Amount Not to Exceed: \$58,000,000

Sources	Amount
Estimated Bond Proceed Par Amount	\$52,065,000
Estimated Premium	\$4,627,093
Total	\$56,692,093

Uses	Amount
Project Cost	\$56,178,309
Cost of Issuance	\$312,500
Underwriter's Discount	\$198,675
Additional Proceeds	\$2,609
Total	\$56,692,093



LGC Staff Analysis For: **WAKE COUNTY HOUSING AUTHORITY - BENNETT APARTMENTS NORTH**

Amount Not to Exceed: \$30,752,000

Financing Type: Conduit Revenue Bonds

Purpose and Type: Housing

Project Description: The bond proceeds will be loaned to Bennett North Apartments, LLC, a Virginia limited liability company, or an affiliated or related entity (the “Borrower”) and used to finance a portion of the cost of the acquisition, construction and equipping of a 171-unit multifamily residential rental facility to be known as Bennett Apartments North and located at 7100 Fayetteville Road, Garner, NC. Bennett Apartments North will be constructed using low-income housing tax credits (LIHTC) and will include 36 one-bedroom units, 77 two-bedroom units, and 57 three-bedroom units, targeting lower-income households earning 60% of Area Median Income (AMI), as well as one market-rate two-bedroom unit.

Statutory Reference: G.S. 159-153

Last Request to Borrow: 08/2024; CONREV;
\$14,923,000, \$4,864,000, \$3,779,000, \$5,514,000

Debt Management: 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 Authority finds that the project is necessary and expedient to further the Authority’s purpose of promoting low- and moderate-income housing in and around Wake County.

Proposed amount is adequate and not excessive: The developer provided a Market Study and proforma which supports the valuations in acquiring and construction of the Development. The issuer found that the debt to be incurred in connection with the project is adequate but not excessive. In addition, the Rental Investment section of the NCHFA reviewed this information and found it to be reasonable.

Feasibility: The developer provided a 20-year cash flow projection that shows debt service coverage for the bonds will be 1.15X – 1.43X.

TEFRA Hearing Date: 12/18/2025

TERMS

Lender/Purchaser/Bank: Federal Home Loan Mortgage Corporation

Interest Rate: Construction - Fixed rate estimated at 3.00%; Permanent - Fixed rate estimated at 176 bps plus the current ten (10) year U.S. Treasury. NTE 12%.

Term: Construction Phase - 30 months, plus two possible 6-month extensions. Permanent phase – Approximately 16 years from permanent loan conversion, with 40-year amortization

Payment: Construction: interest only; **Permanent:** monthly principal and interest beginning after stabilization of the Development.

Structure and Term: Level debt service

Final Maturity: NTE 12/31/2046.

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Underwriter/Senior	Wells Fargo Securities, LLC	Permanent Lender	Federal Home Loan Mortgage Corporation
Underwriter's Counsel	Tiber Hudson LLC	Freddie Mac Seller/Service	Wells Fargo Bank, National Association
Trustee/Fiscal Agent	Wilmington Trust, N.A.	Freddie Mac Seller/Service's and Permanent Lender's Counsel	Katten Muchin Rosenman LLP
Bond Counsel	McGuireWoods LLP	Tax Credit Investor	Wells Fargo Bank, National Association
Authority's Counsel	The Charleston Group	Tax Credit Investor's Counsel	Sidley Austin LLP
Borrower's Counsel	Nelson Mullins Riley & Scarborough LLP		

Amount Not to Exceed: \$30,752,000

Source	Amount
Loan	\$30,752,000
Federal LIHTC Equity	\$16,988,676
Deferred Developer Fee	\$943,920
Owner Investment	\$2,500,000
Sponsor Loan	\$6,490,608
Total	\$57,675,204

Uses	Amount
Construction Costs	\$38,554,918
Architect Fees	\$1,010,000
Land Cost	\$4,400,000
Construction Fees	\$6,802,147
Furnishings and Equipment	\$549,866
Developer Fee	\$3,933,000
Miscellaneous Fees	\$844,758
Reserve Fees	\$1,085,553
Engineering Costs	\$494,962
Total	\$57,675,204



LGC Staff Analysis For: WILMINGTON HOUSING AUTHORITY – HOUSTON MOORE

Amount Not to Exceed: \$32,950,000

Financing Type: Conduit Revenue Bonds

Purpose and Type: Housing

Project Description: The proceeds of the Multifamily Note will be loaned to Houston Moore Apartments LP, a North Carolina limited partnership, or an affiliated or related entity (the “Borrower”) and used to finance a portion of the redevelopment of Houston Moore Apartments located at 1601 S. 13th Street, Wilmington, NC. The Project will consist of 200 units and will be financed using low-income housing tax credits (LIHTC) and will include 20 one-bedroom units, 81 two-bedroom units, 75 three-bedroom units and 24 four-bedroom units targeting lower-income households earning 30, 50, 70, and 80% of Area Median Income (AMI).

Statutory Reference: G.S. 159-153

Last Request to Borrow: 08/2025; CONREV;
\$28,000,000

Debt Management: 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: Wilmington Housing Authority finds that the project is necessary to continue providing an adequate supply of affordable housing for the residents of the City of Wilmington.

Proposed amount is adequate and not excessive: The developer provided a Market Study and a pro-forma which support the valuations. The issuer found that the debt to be incurred in connection with the project is adequate but not excessive. In addition, the Rental Investment section of the NCHFA reviewed this information and found it to be reasonable.

Feasibility: The developer provided a 15-year cash flow projection showing debt service coverage for the bonds ranging from 1.21X to 1.52X.

TEFRA Hearing Date: 5/5/2026

Terms

Lender/Purchaser/Bank: Truist Bank during construction; Federal Home Loan Mortgage Corporation during the permanent phase

Interest Rate: Construction phase – One-month Term SOFR + spread of 2.65%*0.79 tax factor. Permanent phase - fixed rate set at 10-year UST + 186 bps (with floor of 3.90%). NTE 12%.

Term: 15 years after a 36-month construction period (with option for 6-month extension) with a 40-year amortization.

Payment: Annual principal and interest permanent loan; 36-month interest only payments during construction.

Structure and Term: Level debt service

Final Maturity: NTE 12/31/2045.

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Authority's Counsel	The Banks Law Firm, P.A.	Freddie Mac's Servicer	Grandbridge Real Estate Capital LLC
Borrower	Houston Moore Apartments LP	Freddie Mac's/Servicer's Counsel	Barnes & Thornburg LLP
Borrower's Counsel	Winthrop & Weinstine P.A.		
Bond Counsel	McGuire Woods LLP		
Fiscal Agent	Truist Bank		
Initial Funding Lender	Truist Bank		
Initial Funding Lender's Counsel	Holland & Knight LLP		
Permanent Lender	Federal Home Loan Mortgage Corporation		

Amount Not to Exceed: \$32,950,000

Sources	Amount
First Mortgage	\$39,080,000
Low Income Housing Tax Credit Equity 1st Installment	\$5,467,974
GP Capital Contribution	\$100
Low Income Housing Tax Credit Equity 2nd Installment	\$5,467,974
Low Income Housing Tax Credit Equity 3rd Installment	\$16,185,202
Low Income Housing Tax Credit Equity 4th Installment	\$217,719
Deferred Developer Fee	\$2,171,049
Total	\$68,590,018

Uses	Amount
Acquisition	\$200,000
Construction Costs	\$51,564,029
Soft Costs	\$2,313,500
Construction/Equity Loan Costs & Reserves	\$5,849,399
Permanent Loan Costs	\$113,550
Closing Costs	\$177,700
Escrows and Reserves	\$2,024,308
Developer Fee	\$4,500,000
Tax Credit Fees	\$942,532
Bond Costs	\$905,000
Total	\$68,590,018



Miscellaneous Action Item

The following unit needs approval of the loan awarded by the NC Department of Environmental Quality (DEQ). This project is necessary to determine the construction material of service lines identified as unknown within specified service areas to further comply with the inventory requirements of the Federal Lead and Copper Rule Revision and the anticipated requirements of the proposed Lead and Copper Rule Improvements.

The Units must first inspect and inventory waters lines. Loan amount is set by DEQ with 0% interest on the repayable portion of the loan. Approval is specified by G.S. 159G-40 with the following findings.
LGC Findings for DEQ Loans to Local Governments (G.S. 159-52):

- 1) That the proposed loan is necessary or expedient.
- 2) That the amount proposed is adequate and not excessive for the proposed purpose of the loan.
- 3) That the unit's debt management procedures and policies are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law.
- 4) That the increase in taxes, if any, necessary to service the proposed debt will not be excessive.
- 5) That the interest rate for the proposed loan will be a reasonable rate.

City of Asheville

Repayable Loan: \$799,586

Project No. SRF-D-LSL-0082



Miscellaneous Action Item

Unit: NORTH CAROLINA CENTRAL UNIVERSITY (NCCU)

Description: The North Carolina Capital Facilities Finance Agency issued Series 2003A Student Housing Facilities Revenue Bonds on behalf of the NCCU Real Estate Foundation, Inc. (the “Foundation”) to finance the construction of a student housing facility on campus known as Eagle Landing in 2019. The Agency and LGC approved the conversion of the 2003A Bonds to a fixed interest rate through maturity and their private placement with STI Institutional Government, Inc., now Truist Bank.

The Foundation and Truist Bank have been discussing the terms of the 2003A Bonds, specifically the “Replacement Fund,” which are currently required to be held by the trustee. Both parties agreed and want the Replacement Fund to be held by Truist Bank, as the owner of the 2003A Bond, at an amount mutually agreeable and sufficient for the adequate repair and maintenance of Eagle Landing. The University, on behalf of the Foundation, is requesting approval to amend the Replacement Fund provisions in the Supplemental Indenture for the 2003A Bonds.



Miscellaneous Non-Action Item

Unit: GREENVILLE UTILITES COMMISSION

Description: Greenville Utilities Commission executed a refunding of the currently callable Greenville Utilities Commission Combine Enterprise System Revenue Bonds, Series 2016. The proceeds of the Series 2016 Bonds were used to finance the acquisition/installation of an Enterprise Resource Planning System, a new operations center, and additional downtown facilities to support employee and office needs.

Greenville Utilities Commission issued a Combined Enterprise System Revenue Refunding Bond, Series 2026, through a public sale on May 6, 2026, in a principal amount not to exceed \$45,000,000. The proceeds from the Series 2026 Bonds were used to prepay and refund the outstanding Series 2016 Bonds that were eligible for optional redemption on May 28 for years 2027 through 2035, as well as to cover certain costs associated with the issuance. The Series 2016 Bonds maturing on May 28 for years 2036 through 2046 will remain outstanding as their refunding would not result in a net present value savings.

The net present value savings are \$1,711,669.06 with a refunded percentage savings of 7.54%.



Miscellaneous Non-Action Item

Unit: WAKE FOREST UNIVERSITY

Description: Wake Forest University received approval for its financing on April 1, 2026, at the Agency and LGC meetings. The bond sale occurred on April 14, 2026, with the University selecting a 10-year bullet structure. The sale achieved Net Present Value (NPV) savings of \$7,988,100.44, with percentage savings of 6.54% of refunded bonds and 7.35% of refunding bonds.



Miscellaneous Non-Action Item

Unit: WILMINGTON, CITY OF

Description:

The City issued \$12,620,000 in Storm Water Fee Revenue Refunding Bonds, Series 2026, to refinance the 2015A Bonds. The proceeds will be used to: (a) refinance the City's \$19,425,000 Storm Water Fee Revenue and Revenue Refunding Bonds, Series 2015A, maturing on and after June 1, 2027; and (b) pay the costs related to the issuance of the 2026 Bonds.

The public sale occurred on May 6, 2026, with net present value savings of \$476,219 (3.77%).

Attachment B:
Individual Discussion Item -
Carbarrus County



LGC Staff Analysis For: CABARRUS COUNTY

PAR Amount Not to Exceed: \$200,000,000

Financing Type: Limited Obligation Bonds

Purpose and Type: Education, School (K-12)

Project Description: The bond proceeds will be used to finance the acquisition, construction, and equipping of: (i) a new high school facility to replace the existing Northwest Cabarrus High School and (ii) a new elementary school to be located on the northwest side of the County.

Statutory Reference: G.S. 160A-20

Last Request to Borrow: 11/2024; LOB;
\$151,000,000

FPICs: No

UAL Contract: N/A

Debt Management: N/A

Proposed contract or bond issue is necessary or expedient: Constructing new schools to address enrollment exceeding current capacity. Data provided by the County shows that Northwest Cabarrus High School enrollment increased by 52 students and the elementary schools' enrollment collectively increased by 245 students; total increased enrollment is 297 students.

Proposed amount is adequate and not excessive: The High School Project is under a Guaranteed Maximum Price, and the Elementary School is under a Preliminary Guaranteed Maximum Price.

Feasibility: Within the General Fund, a portion is committed to and called the Community Investment Fund, which is a portion of fund balance budgeted by the governing board to pay for the debt.

Tax Increase Anticipated: No

Rate Increase Anticipated: N/A

Public Hearing: 4/20/2026

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms:

Interest Rate: Estimated All in TIC – 4.087%; Not to Exceed 5.25%

Term: 25 years

Payment: Annual Principal; Semi-Annual Interest

Structure and Term: 2 years interest-only, then 23 years level principal

Final Maturity: 12/30/2051

Marketability: Expected Ratings

Moody's: Aa1

S&P: AA+

Fitch: AA+

Kroll: N/A

Other: A public sale is scheduled for June 25, 2026

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	DEC Associates Inc		
Underwriter/Senior	BofA Securities, Inc	Co-Manager	PNC Capital Markets LLC
Lender/Purchaser/Bank			
Underwriter's Counsel	McGuireWoods LLP		
Bond Counsel	Womble Bond Dickison (US) LLP		
Purchaser's Counsel			
Trustee	Regions Bank		
Trustee's Counsel	Kozlarek Root Law LLC		

Amount Not to Exceed: \$200,000,000

Source	Amount
Par Amount	\$ 179,610,000
Estimated Premium	\$ 17,787,505
Total	\$ 197,397,505

Uses	Amount
Northwest High School	\$ 133,637,282
Northwest Elementary School	\$ 62,532,000
Cost of Issuance	\$ 325,000
Underwriter's Discount	\$ 898,050
Additional Proceeds	\$ 5,173
Total	\$ 197,397,505

**PUBLIC COMMENTS REGARDING THE CABARRUS COUNTY
AGENDA ITEM FOR THE JUNE 9, 2026 LGC MEETING**

SUMMARY

The following pages contain two (2) public comments related to the Cabarrus County meeting agenda item received through the [Public Participation online form](#). These comments are being provided pursuant to the [Policy on Public Participation in LGC Meetings](#) (Policy).

Note that the Policy adopted by the Commission on April 4, 2023 requires that: “Written comments received no later than seven (7) business days before the meeting at which the subject item will be considered will be included in the agenda packets sent to the Commission members and to the unit of local government which is the subject of the comments. Comments received after this deadline but prior to 11:59 p.m. the day preceding the scheduled meeting shall be distributed by email to all members of the Commission and to the unit of local government which is the subject of the comments.”

Please note with respect to the public comments included here:

- the comments may or may not relate to the statutory findings required to be made by the LGC for approval of the item.

PUBLIC COMMENTS SUBMITTED REGARDING CABARRUS COUNTY FINANCING MATTER

JUNE 9, 2026 LGC MEETING

#	User Name	Date Submitted	Comments
1.	Alex Browning	3/17/2026	<p>To the Members of the North Carolina Local Government Commission: My name is Alex Browning. I am a taxpayer and resident of Cabarrus County, living directly across the street from the site at 11151 Sudbury Road that Cabarrus County Schools has purchased for a proposed 940-seat elementary school. I am writing to respectfully request that the Commission carefully scrutinize the financing application for this project before granting approval, based on serious concerns about whether the stated budget is realistic and complete.</p> <p>I am not opposed to a new school. Northwest Cabarrus County genuinely needs one. My concern is that the \$50.6 million figure presented to the public and to the County Commissioners may not reflect the true cost of this project, and that approving financing based on an incomplete budget would ultimately harm Cabarrus County taxpayers.</p> <p>At the recent school board meeting at which this project was discussed, district representatives acknowledged two significant site challenges that I believe are not adequately reflected in the stated budget:</p> <p>First, Sudbury Road — the only road serving this site — must be completely rebuilt to accommodate the traffic load of a school this size. This is not a minor improvement. It is a full road reconstruction project that will require its own substantial budget, permitting, and timeline.</p> <p>Second, the site contains a stream and wetlands at the bottom of a ravine, and district representatives acknowledged that infrastructure must be installed to protect the water at the bottom of the ravine during and after construction. Wetland and stream impacts of this nature typically require permits from both the NC Department of Environmental Quality and the US Army Corps of Engineers, adding cost, complexity, and potential delay.</p> <p>Furthermore, the site is going to require a large amount of clearing, grading, and probably a retention wall. The costs of site improvement seem like they will be difficult to keep within budget and the timeline of opening the school.</p> <p>I am asking the Commission to require Cabarrus County Schools to provide a fully itemized budget that includes road reconstruction, wetland and stream mitigation, water and sewer infrastructure, and all site preparation costs — before financing is approved. The LGC's mandate is to confirm that the amount borrowed is adequate and reasonable for the proposed project. A budget that omits these known, material costs cannot meet that standard.</p>

#	User Name	Date Submitted	Comments
			<p>I respectfully ask the Commission to request complete documentation before voting on this application.</p> <p>Respectfully submitted, Alex Browning</p>
2.	Rose Mantel	4/14/2026	<p>As a resident and taxpayer in Cabarrus County and a homeowner on Sudbury Rd, I urge the Local Government Commission to carefully scrutinize the financing application for the proposed Northwest Area Elementary School at 11151 Sudbury Road before granting approval.</p> <p>The LGC's mandate is to confirm that the budget is adequate and realistic for the proposed project. I do not believe the current \$50.6 million figure meets that standard. At the March 17, 2026 community presentation, district staff acknowledged that Sudbury Road must be completely rebuilt to serve the school, and that infrastructure must be installed to protect a stream and wetlands on the property. Neither cost appears to be included in the stated budget. The land purchase price of \$1.6 million was never publicly disclosed. The Traffic Impact Analysis is not yet complete, meaning road improvement costs are still unknown and by far one of the most glaring issues in this project.</p> <p>I respectfully ask the Commission to require Cabarrus County Schools to submit a fully itemized budget — including road reconstruction, environmental mitigation, and all site infrastructure — before financing is approved.</p>

Attachment C:

UAL Units - Lucama, Northampton County



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

BACKGROUND

Under [G.S. 159-148\(a\)](#), local governments must receive approval from the Local Government Commission (LGC) before entering into some contracts and financing arrangements. For units on the most recently published Unit Assistance List (UAL), the threshold at which LGC approval is required is lower than for other units. For these units, LGC approval is required for any contract, agreement, memorandum of understanding, or other transaction having the force and effect of a contract relating to the lease, acquisition, or construction of capital assets that:

- Extends for three or more years from the contract date, including periods that may be added to the original term through the exercise of options to renew or extend.

[For Non-UAL units, this threshold is five or more years under [G.S. 159-148\(a\)\(1\)](#).]

- Obligates the unit to \$50,000 or more, including for the purchase, lease, or lease with option to purchase for motor vehicles.

[For non-UAL units, this threshold is the lesser of \$500,000 or 0.1% of the assessed value of property subject to taxation; motor vehicle financing is not required to receive LGC approval; see [G.S. 159-148\(a\)\(3\)](#) and [G.S. 159-148\(b\)](#).]

LGC CONSIDERATION

LGC staff conduct an enhanced review of each UAL unit's fiscal and debt management practices to ensure that these units are making sound financial decisions. UAL units seeking LGC approval are not placed on the Consent Agenda but are presented separately to the Commission, allowing discussion and voting on each UAL financing decision. In addition, representatives of UAL units are requested to be available at the meeting when their application is considered to answer any questions from LGC members.

Under [G.S. 159-151\(b\)](#), the LGC shall approve an application if the Commission makes six required findings, including that the unit's debt management procedures and policies are good or that reasonable assurances have been given that its debt will be managed in strict compliance with law. However, the statute also allows the LGC to approve a financing even if it does not make all of the required findings but it concludes that (i) the proposed project is necessary and expedient, (ii) the proposed undertaking cannot be economically financed by a bond issue, and (iii) the contract will not require an excessive tax increase. This provision allows the LGC to approve requests from UAL units for financing contracts for critical needs.



LGC Staff Analysis For: LUCAMA, TOWN OF

PAR Amount Not to Exceed: \$967,500

Financing Type: Revolving Loan

Purpose and Type: Water/Sewer, Sewer

Project Description: Sewer Line Replacement & Pump Station Rehabilitation (CS370602-01). The project includes cleaning/CCTV of approximately 12,364 linear feet of 8-inch through 12-inch gravity sewers; rehabilitation of approximately 5,595 linear feet of 8-inch, 133 linear feet of 10-inch, 222 linear feet of 12-inch gravity sewer, and 8 manholes; replacement of approximately 6,059 linear feet of 8-inch, 133 linear feet of 10-inch, 222 linear feet of 12-inch gravity sewers, and 66 manholes; approximately 42 point repairs; replacement of approximately 88 sanitary service connections; rehabilitation of Pump Station No. 3 to include replacement of the existing pump station with 105 GPM duplex pumps, valve vault, electrical and pump control system, and installation of 40 KW standby generator; removal and replacement of pavement, roadways, driveways and curb, and sedimentation and erosion control devices, electrical valves, vaults, and associated appurtenances.

Statutory Reference: G.S. 159G-40 and 159-52

Last Request to Borrow: 01/2020; SRF; \$301,697

FPICs: Yes - See Attachment

UAL Contract: N/A

Debt Management: 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: Lucama’s wastewater collection system includes collection lines that have been active for more than 40 years. Original wastewater collection lines include vitrified clay piping (impacted by inadequate slope, offset joints, and failures caused by root intrusion and improper service connections) and brick manholes resulting in high levels of inflow and infiltration.

Proposed amount is adequate and not excessive: An initial bid opening was held where an insufficient number of bids was received to open bids per North Carolina G.S. 143-132. The project was re-bid November 25, 2025. One (1) bid was received. The contract was awarded to the lowest responsive, responsible bidder.

Feasibility: 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. The average monthly water and sewer bill is anticipated to be \$94.90 for approximately 3,000 gallons at the end of the construction project. This is based on plans to increase water and sewer rates by 5% beyond current rates during that timeframe. Project funding includes \$500,000 of principal forgiveness loan not included in the amount indicated for LGC approval.

Tax Increase Anticipated: No

Rate Increase Anticipated: Yes

Additional Information (as applicable): N/A

Public Hearing: N/A

TEFRA Hearing: N/A

Interest Rate Assumptions (*GO Bonds Only*): N/A

Terms

Lender/Purchaser/Bank: State of North Carolina

Interest Rate: Not to exceed 4%

Term: 20 years

Payment: Annual principal

Structure and Term: Level principal; declining interest

Final Maturity: N/A

Other: \$500,000 principal forgiveness loan funding is included with the repayable loan. The principal forgiveness funds are not included in the amount presented to the LGC for approval.

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Other: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor			
Underwriter/Senior			
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$967,500

Sources	Amount
SRF Repayable Loan	\$967,500
SRF Principal Forgiveness	\$500,000
Local Contribution	\$29,350
Total	\$1,496,850

Uses	Amount
Construction	\$1,000,835
Engineering (Design, Administration, and Observation)	\$269,000
Construction Contingency	\$53,665
Loan Fee	\$29,350
Eng Rev Prep and Environment Doc Prep	\$30,000
Legal, Surveying, Permitting, Misc Eng Services	\$14,500
Grant Administration	\$95,000
Eng Reimbursables and Other	\$4,500
Total	\$1,496,850

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

Town of Lucama

The Town of Lucama has been included on the Unit Assistance List (UAL) since 2019 due to delayed audits, internal control weaknesses, and instances of statutory noncompliance. Earlier audits, including the FY2019 audit, identified significant deficiencies in financial reporting, including insufficient documentation to support balances and material misstatements, resulting in a qualified audit opinion.

Since that time, the Town has taken a series of corrective actions to address these issues. Most notably, the Town has submitted all previously delinquent audits for fiscal years 2021 through 2024 and has submitted the 2025 audit on time. Financial records have been brought current, including bank reconciliations and required reporting submissions. The Town has also engaged third party accountants and implemented improved processes for maintaining accounting records and preparing for the annual audit. Improvements in internal controls and compliance are reflected in recent audits.

With financial reporting now current, the Town has implemented rate adjustments and begun planning for capital improvements to address system needs and support long-term operations. The Town has submitted its proposed FY2027 budget to LGC staff, and the proposed budget includes projected debt service for both the water project approved in May and this proposed sewer project.

The Town of Lucama has addressed the primary factors that led to its placement on the UAL, including audit delays, internal control weaknesses, and compliance issues. Based on the Town's recent progress and current financial posture, LGC staff does not foresee any issues with the Town's ability to service this debt.



LGC Staff Analysis For: **NORTHAMPTON COUNTY**

PAR Amount Not to Exceed: \$2,700,000

Financing Type: Lease Financing Agreement

Purpose and Type: General Government, School (K-12)

Project Description: The Northampton County Board of Education, in conjunction with the County, has undertaken the construction of a 63-acre campus for a new high school that will house up to 400 students and will be the County’s only public high school. Two Needs-Based Public School Capital Fund Grants totaling \$61,938,156 have provided a significant portion of the project’s funding. To provide approximately \$5.9 million in remaining funding needed to complete the project (with the result that the County will not need to appropriate those funds for the high school project), the County and School Board are undertaking a New Market Tax Credit (NMTC) transaction.

To facilitate the transaction, the School Board will convey to the County fee simple title to the property on which the high school project is being constructed, and the County will ground lease the property to NHCS QALICB, Inc., a North Carolina nonprofit corporation created to support the Board of Education and the County, for a 75-year term. Under the authority of NC General Statute 115C-530(a), the School Board will then lease the property and the high school project from NHCS QALICB, Inc., for 20 years with two possible five-year extensions. Consistent with prior NMTC transactions undertaken in other North Carolina counties, ownership of the school is expected to revert to the County following the expiration of the seven-year tax credit compliance period.

Statutory Reference: G.S. 115C-530

Last Request to Borrow: 10/2025; RBAN; \$6,418,000

FPICs: Yes - See Attachment

UAL Contract: N/A

Debt Management: 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 or expedient to complete the new high school project.

Proposed amount is adequate and not excessive: GMP received, costs are known and defined.

Feasibility: Lease payments will be appropriated to the Board of Education from the County’s General Fund.

Tax Increase Anticipated: No

Rate Increase Anticipated: N/A

Public Hearing: N/A

TEFRA Hearing: N/A

Interest Rate Assumptions (GO Bonds Only): N/A

Terms

Lender/Purchaser/Bank: N/A

Interest Rate: N/A

Term: 20 years

Payment: Quarterly lease payments

Structure and Term: Level lease payments

Final Maturity: N/A

Marketability:

Moody's: N/A

S&P: N/A

Fitch: N/A

Kroll: N/A

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor		NMTC Counsel	McGuireWoods LLP
Underwriter/Senior		Tax Credit Investor	Regions Bank
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

Amount Not to Exceed: \$2,700,000

Sources	Amount
Need Based Grant Funding	\$61,938,156
NMTC Funding	\$5,942,000
Sales Tax Refund	\$241,000
Total	\$68,121,156

Uses	Amount
Hard Construction Costs	\$61,461,255
Design Costs, IT, Other Construction Costs	\$5,069,749
Other Costs to Complete - Landscaping, parking, bleachers, etc.	\$1,590,152
Total	\$68,121,156

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

Northampton County

Northampton County remains on the Unit Assistance List (UAL) due to persistent internal control weaknesses and statutory compliance issues, rather than liquidity or debt concerns. The county has faced audit delays, reconciliation backlogs, and budget oversight gaps since 2015, most recently driven by staff turnover. Despite these operational hurdles, the county's foundational financial health is strong; it concluded fiscal year 2025 with a robust \$28.9 million General Fund Balance Available (FBA), representing an FBA of 58.93% of expenditures.

The primary challenge continues to be the county's internal control environment, which triggered Financial Performance Indicators of Concern (FPICs). The fiscal year 2025 audit revealed material weaknesses, including late financial reporting, credit card and preaudit control gaps, departmental spending that exceeded appropriations, and deficit balances.

Operational momentum shifted with the hiring of an experienced Finance Officer in March 2025. The county has caught up on its backlogged audits marking a significant operational turning point.

Furthermore, the county's latest corrective action plan shows marked improvement over prior years. Instead of repeating vague goals, the new plan details specific conditions, assigns responsible personnel, and institutes concrete review steps. The LGC Coach Team is actively monitoring this transition by evaluating six-month and nine-month budget-to-actual reports, as well as reviewing the county's drafted fiscal year 2027 budget. If the county maintains this disciplined focus on timely reconciliations, pre-approved budget amendments, and strict preaudit compliance, it is well-positioned to eliminate repeat findings.

Attachment D:

FPIC Unit: Greensboro

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

###



LGC Staff Analysis For: GREENSBORO, CITY OF

PAR Amount Not to Exceed: \$220,000,000

Financing Type: Revenue Bonds

Purpose and Type: Water/Sewer, Water

Purpose and Type: Water/Sewer, Sewer

Project Description: Taxable Combined Enterprise System Revenue Bonds, Series 2026A (the “2026A Bonds”) and Combined Enterprise System Bonds, Series 2026B (the “2026B Bonds”) - Water and Wastewater Projects

The Revenue Bonds will provide for various water and wastewater projects including but not limited to the Townsend WTP Major Electrical, the TZO Incinerator, the Greensboro-Randolph Megasite Phases 3, 4, and 5, the Mitchell Emerging Contaminants Treatment Improvements, Huffine Hicone Water Line, Lees Chapel Water Line, Bush Creek Outfall, Jessup Grove Water Booster Station, TZO Primary Clarifier Improvements, Big Alamance Outfall Design, Townsend Lab Expansion/Upgrades, TZO Genset Replacements, Liberty Road List Station and Force Main, Southeast Feeder Main, Camp Burton Water and Sewer, Advanced Metering Infrastructure (AMI) Meter Replacement, and TZO Influent Pump Station.

Statutory Reference: G.S. 159 Article 5

Last Request to Borrow: 03/2026; LOB; \$29,800,000

FPICs: Yes - See Attachment

UAL Contract: N/A

Debt Management: 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 2026A Bonds are being issued as permanent long-term financing for the Taxable Combined Enterprise System Revenue Bond Anticipation Note, Series 2024A (the “2024A Note”) projects. The 2024A Note will be fully retired by the 2026A Bonds. The 2026B Bonds are being issued as permanent long-term financing for the Combined Enterprise System Revenue Bond Anticipation Note, Series 2024B (the “2024B Note”) projects. The 2024B Note will be fully retired by the 2026B Bonds. The new money portion of the 2026B Bonds will be used to fund various water and wastewater projects (the “2026 Project”) until a new BAN(s) can be put into place.

Proposed amount is adequate and not excessive: Amount is adequate to redeem the 2024A Note and the 2024B Note, to pay or reimburse the costs of the 2026 Project, and to pay the fees and expenses incurred in connection with the sale and issuance of the bonds.

Feasibility: The City has projections prepared by Raftelis Financial Consultants for the period 2026-2031. Current projections demonstrate total debt service coverages of 2.22X in FY 2026 and of at least 2.12X through 2031.

Tax Increase Anticipated: N/A

Rate Increase Anticipated: Yes

Additional Information (as applicable): Inside-City and Outside-City water rates are projected to increase 11.25% in FY 2027, 11.50% per year in FY 2028 - 2029, and 9% per year in FY 2030 - 2031. Outside-City water customers are assessed a rate differential of approximately 2.5 times the Inside-City rates. Inside-City and Outside-City sewer rates are projected to increase 8.25% in FY 2027, 8.50% per year in FY 2028 - 2029, and 5.5%

per year in FY 2030 - 2031. Outside-City sewer customers are assessed a rate differential of approximately 2.5 times the Inside-City rates.

Terms

Interest Rate: Not to Exceed 5.5% (all in TIC)

Term: 30 years

Payment: Semi-annual interest payments payable each June 1 and December 1, commencing December 1, 2026 / annual principal

Structure and Term: Level debt service

Other: 2026A Bonds not to exceed June 1, 2035; 2026B Bonds not to exceed December 31, 2056

Marketability:

Moody's: Aa1

S&P: AAA

Fitch: N/A

Kroll: N/A

Other: Public offering; Current ratings – New ratings due by May 29, 2026

Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	Davenport & Company LLC		
Underwriter/Senior	PNC Capital Markets LLC	Co-Manager	Ramirez & Co. Inc
Lender/Purchaser/Bank			
Underwriter's Counsel	Robinson, Bradshaw & Hinson, PA		
Bond Counsel	Womble Bond Dickinson (US) LLP	Co-Bond Counsel	McKenzie & Associates PC
Trustee	U.S. Bank Trust Company, NA		
Trustee's Counsel	Holland & Knight LLP		

Amount Not to Exceed: \$220,000,000

Sources	Amount
Par Amount – Taxable Series 2026A	\$19,445,000
Par Amount – Tax-Exempt Series 2026B	\$169,930,000
Premium – Tax-Exempt Series 2026B	\$11,126,710
Total	\$200,501,710

Uses	Amount
Taxable Series 2026A – BAN Principal Outstanding (as of 4/30/26)	\$19,336,990
Taxable Series 2026A – Cost of Issuance	\$51,340
Taxable Series 2026A – Underwriters Discount	\$54,125
Taxable Series 2026A – Additional Proceeds	\$2,545
Tax-Exempt Series 2026B – BAN Principal Outstanding (as of 4/30/26)	\$116,213,887
Tax-Exempt Series 2026B – Estimated BAN Draws/Project Funding	\$63,786,113
Tax-Exempt Series 2026B – Cost of Issuance	\$448,660
Tax-Exempt Series 2026B – Underwriters Discount	\$606,198
Tax-Exempt Series 2026B – Additional Proceeds	\$1,852
Total	\$200,501,710

Indicator	Explanation of Indicator	Threshold	Unit Data
Fund Balance Available as Percentage of Expenditures	Percentage of expenditures.	25%	22.91%
<p><u>LGC Summary:</u> The City acknowledged that its FY 2025 available fund balance percentage of 22.91% was below the LGC's 25% benchmark. The City stated that available fund balance dollars have increased since FY 2023, but that General Fund expenditure growth, including a 5.7% increase in FY 2025, reduced the fund balance percentage. The City stated that the 25% goal may be achieved by 2030 if expenditures grow modestly and additional annual dedicated support is provided.</p>			
Appropriated fund balance (FB) in the General Fund used for operations	If the General Fund has more expenditures than revenues because of operational issues and fund balance was appropriated to cover the loss, the continuation of this practice could result in the deterioration of the unit's fund balance available.	Positive change in fund balance.	Negative change in fund balance of \$13 million.
<p><u>LGC Summary:</u> The City stated that part of the excess expenditures related to one-time American Rescue Plan program support of approximately \$3.2 million, for which the associated revenue had been recognized in a prior year. The City also stated that another capital-type expenditure was approximately \$4.4 million in increased Fire Department charges to begin accumulating funds for the purchase of 12 fire trucks. The City further stated that lease and subscription-based IT charges, capital charges for financing solid waste carts, and other expenditures contributed to the overage.</p>			

Indicator	Explanation of Indicator	Threshold	Unit Data
Material weaknesses (MW), significant deficiencies (SD), and/or statutory violations (SV)	Certain internal controls designed to prevent significant financial statement irregularities and improve operation efficiency are ineffective.	None reported.	MW, SD and SV reported concerning: <ul style="list-style-type: none"> • Restatement of PY balances • Revenue recognition in multiple funds • Reporting of expenditures related to federal awards • Actual expenditures exceeded appropriations at the legal level of budgetary control
<p><u>LGC Summary:</u> The City concurred with the two material weaknesses and one significant deficiency reported in the FY 2025 audit. For the prior-year restatement finding, the City stated that the items involved beginning-balance restatements, timing differences, or classification issues rather than misuse of funds, and that corrective actions would include earlier year-end close procedures, additional review, procedural checklists, cross-training, staff training, and continued efforts to fill vacancies. For the revenue-recognition finding, the City stated that staff would receive additional revenue-recognition training, management review would increase, and grant terms and documentation would receive additional review. For the federal reporting significant deficiency, the City stated that two quarterly reports were filed late, no questioned costs were identified, the reports were accepted by the Department of Labor, and corrective actions include backup program staff and additional Finance discussions with program staff about federal reporting requirements. The FY 2025 audit Note III.A disclosed budgetary information, including that actual expenditures exceeded appropriations at the legal level of budgetary control in the Employee Risk Retention Fund. The audit note attributed the over-expenditure to rising claim costs and stated that management was implementing procedures to improve monitoring expenditures, increase participant rates and the City’s annual contributions, and add additional funding sources as necessary.</p>			

LGC staff reviewed the response of the City and found it to be acceptable.



January 21, 2026

Ms. Kendra Boyle
Director, Fiscal Management Section
Department of State Treasurer
State and Local Government Finance Division
3200 Atlantic Avenue
Raleigh, North Carolina 27604

Dear Ms. Boyle,

City of Greensboro management and City Council appreciates the oversight and guidance given by the Local Government Commission (LGC) pertaining to the City's financial condition.

The City completed the annual independent audit of its FY 2024 – 2025 financial statements on December 15, 2025 and received an “unmodified” audit opinion. The auditor reported the results of the City's audit to the Audit Committee on December 18, 2025 with that report available on the City's website under Audit Committee meetings at [eSCRIBE Agenda Package](#). The complete audited Comprehensive Annual Financial Report may be viewed at [2025 Annual Comprehensive Report](#). The full City Council was provided detail information and adopted a written response on January 20, 2026.

Following a Request for Proposal process, the City selected a new independent auditor, Mauldin & Jenkins beginning in FY 2025, after an extended period with the previous auditor. It was represented to us that it is not uncommon for several items to be noted and communicated in the year of auditor transition. This is mainly due to differences in auditor approaches and assessment of amounts that are considered to be material to the financial statement presentation in order to comply with accounting standards.

As a result, three (3) different categories of items were reported and communicated to the Audit Committee:

- 1) Audit Findings
- 2) Compliance with Local Government Commission Financial Indicators
- 3) Management Letter Comments

City management has thoroughly assessed each of the items noted, provided additional context, as deemed necessary for clarity to City Council, and developed a plan for corrective action.

AUDIT FINDINGS

City Comments: All of the findings under 2025-001 pertain to recalculating the beginning balances for certain FY 2024 – 2025 accounts or funds. This represents a

restatement or change in the timing of when the City recognized revenues and/or expenditures and was not a misappropriation or misuse of funds.

2025-001 Restatement of Prior Year Balances – Material Weakness

Context/Cause: During our audit for the year ended June 30, 2025, material misstatements in the opening balances of the City were identified and thus audit adjustments were required as follows:

- An overstatement in the calculation of compensated absences due to the inclusion of pension-related liabilities. Therefore, a restatement to the beginning net position of the City's business type activities and governmental activities is required in the amount of \$1,742,046; \$1,530,307 increase for the governmental activities and \$211,739 increase for the business type activities to remove the pension-related liabilities liability within compensated absences.

City Comments: The Governmental Accounting Standards Board (GASB) issued a new accounting standard which required the City to restate the balances noted above in FY 2025, as part of its implementation. Prior to FY 2025, accounting guidance for compensated absences was not clear.

- An error in amortizing bond premiums resulted in a restatement to beginning net position in the amount of \$4,932,797; \$8,680,546 decreases for Water Resource fund and Business-Type Activities and \$3,747,749 increase for Governmental activities to record the accumulated amortization according to the effective interest rate method.

City Comments: When analyzing whether the City's selected method to account for bond interest achieved similar results to the method prescribed by GASB, the City determined that it had used an incorrect number of years in the calculation period for one Water and Sewer bond issuance, causing lower interest expense to be recognized cumulatively for the enterprise debt. To be consistent, governmental debt was also reviewed and adjusted, accordingly. For context, prior to the adjustment, total beginning net assets of the Water Resources Fund exceeded \$689 million and governmental net assets exceeded \$398 million.

- An error of a Subscription-based asset that should have been capitalized in the previous year. Therefore, a restatement to the beginning net position for the Coliseum fund and business type activities is required in the amount of \$132,489.

City Comments: During the normal closing and review process, City staff detected that an IT-related software subscription used by the Coliseum had been fully expensed and was not included in the City's assets/liabilities for periodic expensing over future years, and was corrected. For context, prior to the adjustment, total beginning net assets of the Coliseum Fund exceeded \$110 million.

- An error of an asset in construction in progress that should have been capitalized in the previous year. Therefore, a restatement to the beginning net position for the Water Resource fund and business type activities is required in the amount of \$38,771 for related depreciation expense.

City Comments: Assets in the Water Resources fund were recorded at the correct amounts, however, they were classified as Construction in Progress and not as

Equipment and/or Building, as examples, which prevented annual depreciation expense from beginning when the items were placed in service.

- An error in recording the opioid settlement revenue in the Opioid Settlement fund that should have been recognized in the previous year. Therefore, a restatement in the Opioid Settlement fund is required in the amount of \$1,776,807 and a restatement in the Governmental Activities in the amount of \$4,591,040.

City Comments: In the prior year (FY 2024) the City completed its audited financial statements before final guidance was available on how to account for opioid settlement funds received by the City. In order to comply with accounting rules, the City was required to restate the balances noted above in FY 2025, following receipt of the new guidance.

- An error in the classification of the Equipment Services Capital Project fund being reported as an Internal Service fund instead of a Capital Project fund when created. Therefore, a restatement of the beginning net position/fund balance of \$1,513,878 to remove it from the Internal Service fund to Other Governmental funds.

City Comments: During the normal closing and review process, City staff detected that a different type of fund should have been used at inception of the project because general revenues are the funding source for the associated debt, instead of revenues from the Equipment Service operation itself. No correction in project amounts or in recorded financial activity were needed, just the corresponding changes due to changes in the reporting format.

- An understatement of accounts receivables in the Redevelopment Commission Fund, a discretely presented component unit, to recognize revenue from prior-year loans. Therefore, a restatement to the beginning net position in the amount of \$220,678.

City Comments: During the normal closing and review process, City staff corrected certain accounting treatment for receivables from other entities to coincide with underlying support documents and with past payment trends, to properly report amounts expected to be returned to the Redevelopment Commission upon sale and development of properties.

CITY'S CORRECTIVE ACTION PLAN FOR FINDING 2025-001: Whenever an adjustment to the beginning net assets in financial statements occurs for a correction of an error, regardless of the dollar amount, the communication is required to be called a "Material Weakness" because the prior year's financial statements had already been issued to readers.

For two of the items noted above, the restatements occurred due to implementation of a new accounting standard or resulted from new available technical guidance and no further action is needed.

For the restatements due to correction of detected errors, management has implemented various steps to help prevent the errors from occurring in future. The Finance Department will begin the year-end accounting and reporting process earlier to allow

enough time for thorough analysis, accurate accounting and reporting and for sufficient internal review by multiple parties. Procedural checklists will be fully developed and more cross-training on existing financial report-writing tools will be provided to further ensure accuracy. Staff will regularly attend seminars to ensure familiarity with the more than 100 GASB technical accounting standards along with federal and state regulations. The City will also continue to strive to fill financial position vacancies to aid in work performance.

AUDIT FINDINGS - CONTINUED

2025-002 Revenue Recognition – Material Weakness

Context/Cause: During our audit for the year ended June 30, 2025, an audit adjustment in the amount of \$11,000,000 was required to correct the revenue and deferred inflows in the State and Federal Grants special revenue fund. The City had overstated the current period deferred revenues for grant award and therefore did not meet applicable revenue recognition criteria as stipulated by GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

City Comments and CORRECTIVE ACTION PLAN FOR FINDING 2025-002: The amount of the state-funded award recorded by City staff was accurate, however, revenue would have been recognized in the wrong time period, in FY 2026 when the funds were expended, instead of accurately in FY 2025. Additional training on the accounting standards pertaining to revenue recognition will be provided to staff as well as increased management review to ensure proper accounting and reporting treatment for grant revenue. Special attention will also be given to reviewing particular grant agreement terms and conditions and documentation thereof for full understanding of the funding.

AUDIT FINDINGS - CONTINUED

2025-003 Significant Deficiency over Reporting

Information on the Federal Program: Community Project Funding/Congressionally Directed Spending, Assistance Listing Number 17.289, U.S. Department of Labor.

Criteria: The recipients are required to submit quarterly performance reports by the 15th day of the following month after the quarter end.

Condition: We noted two (2) out of the three (3) quarters tested were not submitted timely required by the Department of Labor. One was submitted on the 18th and one was submitted on the 30th.

Context/Cause: The recipients are required to submit quarterly performance reports by the 15th day of the following month after the quarter end. This is an oversight with respect to the reporting requirement of this grant program.

City Comments and CORRECTIVE ACTION PLAN FOR FINDING 2025-003: In the Compliance section of the City's audited financial statements, the auditor concluded that the City complied, in all material respects, with certain compliance requirements that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025. No questioned costs or return of federal funds were noted. However, as part of assessing and testing the City's internal controls, it was reported

that the certain Workforce Development reports were not filed timely. It was noted by the auditor that the Department of Labor accepted the reports in question. The Workforce Development Department experienced turnover in program service level staffing this year along with periods of staff vacancies. Backup program staff are now in place in case of primary staff absences. Finance staff will also conduct additional discussions with program staff about federal reporting requirements to help acclimate new staff working with grant funding.

COMPLIANCE WITH LOCAL GOVERNMENT COMMISSION FINANCIAL INDICATORS

The City did not meet the LGC's 25% fund balance indicator in FY 2025, as suggested for municipalities, per the following results:

FY 2023 22.54%
FY 2024 23.29%
FY 2025 22.91%

City Comments: Available fund balance dollars have grown \$2.5 million - \$3.5 million per year since 2023, (from \$92 million to \$98.3 million overall) however, General Fund expenditures (the basis for the calculation) have also grown and increased 5.7% in FY 2025. Staff believes that the 25% fund balance goal may be achieved by 2030, if expenditures assume modest growth and additional annual dedicated support is provided. It is recommended that City Council re-affirm the fund balance plan, which was adopted in May 2022, which contains the following key components:

- 1) Adopted new fund balance goal that matches LGC 25% minimum threshold*
- 2) Review reports to measure annual progress over the next five to seven years, the estimated time period to achieve goal*
- 3) Utilize a variety of financial strategies to improve the City's General Fund/ Debt Service Fund fund balance performance by approximately \$900,000 to approximately \$2,700,000 annually, including assignment of additional dedicated revenues, permanent reductions in operating expenditures and, if necessary, adjustment to the General Fund property tax rate*
- 4) Appropriations of General Fund fund balance may be made "mid-year" for the following purposes:*
 - Immediate health and safety measures needed for Greensboro residents*
 - Unforeseen emergencies*
 - Opportunities for efficiencies or other circumstances as recommended by the Finance Director (i.e. a requirement that the City incur expenditures prior to reimbursement from a state or federal grant)*
- 5) Maintain "super" majority vote for appropriation of General Fund fund balance (7 of 9 votes needed)*

6) *Continue to support City-wide strategic priorities that promote economic growth in Greensboro, furthering “natural” fund balance growth over the long term with increased sales taxes and property values;*

7) *Review the status of the fund balance plan annually;*

Additional dedicated fund balance support will be recommended during the City’s FY 2026 – 2027 annual budget process to help meet the fund balance goal within the targeted timeframe, along with continued conservative budgeting practices.

Another benchmark that the LGC tracks is the actual amount of appropriated fund balance used annually for operations when there are more expenditures than revenues, noting if the practice continues, operational results may not be sustainable.

City Comments: The City did appropriate an amount of fund balance in the FY 2025 budget, which is typical, and used \$13,028,406. Part of the excess expenditures included one-time American Rescue Plan program support (\$3.2 million), whereby the associated revenue had been recognized in a previous year. Another capital-type expenditure included increased charges to the Fire Department (\$1.4 million) to start accumulating a separate fund for the purchase of 12 fire trucks. Lease and subscription-based IT charges, as well as capital charges for financing of solid waste carts, among other expenditures, also contributed to the overage. City staff is committed to securing adequate revenue sources to balance its budgets and to maintain expenditure control for the organization.

The LGC also requires adopted written responses to AUDIT FINDINGS that are considered to be Material Weaknesses and/or Significant Deficiencies, which are included in the attached resolution for Council consideration.

MANAGEMENT LETTER COMMENTS

City Comments: The independent auditor also provided two comments for management consideration, for allocating certain interest income and also to streamline the financial closeout and report preparation process. Management has instituted additional steps in checklist form to ensure that all interest earned on City investments for the month of June is allocated in the correct period. Auditor recommendations have been included in the City’s corrective action plans, where feasible, for the closeout and reporting process. The suggested best practices have also been consulted.

Please find attached the City Council resolution addressing these matters, adopted on January 20, 2026.

Again thank you for your continued assistance and recommendations.

Sincerely,

A handwritten signature in cursive script that reads "Marlene Druga".

Marlene Druga
Director, Financial and Administrative Services

A handwritten signature in cursive script that reads "Nathaniel Davis".

Nathaniel "Trey" Davis
City Manager

Cc: Mr. Larry Davis, Assistant City Manager

ITEM # 2026 - 55
RESOLUTION # 020-26
BOOK & PAGE # _____

AGENDA ITEM # I.2

COUNCIL SIGNATURE

RESOLUTION PROVIDING RESPONSE TO FINANCIAL INDICATORS AND CERTAIN FINDINGS RELATING TO 2024 – 2025 ANNUAL INDEPENDENT AUDIT AS REQUIRED BY LOCAL GOVERNMENT COMMISSION

WHEREAS, on December 18, 2025, the City’s external independent auditor, Mauldin & Jenkins, notified the City’s Audit Committee of items requiring a formal written response by a majority of the City Council;

WHEREAS, the City’s ending FY 2024 - 2025 fund balance of 22.91% did not meet the minimum threshold of 25% as established by the LGC and was deemed to be a Financial Performance Indicator of Concern;

WHEREAS, the City believes its fund balance levels are sound and provide sufficient working capital following an assessment of risk associated with revenue and expenditure volatility and vulnerability to extreme events;

WHEREAS, to provide further flexibility as well as resilience in emergencies, the City Council agrees that working toward a 25% fund balance goal is a prudent financial decision for the City of Greensboro;

WHEREAS, on May 3, 2022, City Council adopted a fund balance improvement plan and City Council desires to re-affirm the provisions of the adopted plan;

WHEREAS, Greensboro City Council commits to the following actions to increase fund balance levels in a multi-year plan:

- 1) Adopted new fund balance goal that matches LGC 25% minimum threshold
- 2) Review reports to measure annual progress over the next five to seven years, (by 2030) the estimated time period to achieve goal
- 3) Utilize a variety of financial strategies to improve the City’s General Fund/ Debt Service Fund fund balance performance by approximately \$900,000 to approximately \$2,700,000 annually, including assignment of additional dedicated revenues, permanent reductions in operating expenditures and, if necessary, adjustment to the General Fund property tax rate
- 4) Appropriations of General Fund fund balance may be made “mid-year” for the following purposes:
 - Immediate health and safety measures needed for Greensboro residents
 - Unforeseen emergencies
 - Opportunities for efficiencies or other circumstances as recommended by the Finance Director (i.e. a requirement that the City incur expenditures prior to reimbursement from a state or federal grant)

- 5) Maintain “super” majority vote for appropriation of General Fund fund balance (7 of 9 votes needed)
- 6) Continue to support City-wide strategic priorities that promote economic growth in Greensboro, furthering “natural” fund balance growth over the long term with increased sales taxes and property values;
- 7) Review the status of the fund balance plan annually;

WHEREAS, the ending fund balance of the General Fund in FY 2024 – 2025 was reduced by \$13,028,406 resulting in use of appropriated fund balance;

WHEREAS, the shortfall was related primarily to timing of receipt and expenditure of one-time American Rescue Plan-enabled funds received in a prior year and accumulation of funds for purchase of fire trucks and for debt service on other capital-related items;

WHEREAS, City staff is committed to securing adequate revenue sources to balance its budgets and to maintain an appropriate level of expenditures control for the organization;

WHEREAS, City Council was provided with full detail of certain auditor findings that were categorized as either a material weakness or a significant deficiency;

WHEREAS, certain restatements of prior year net asset balances occurred due to implementation of new accounting rules or for correction of errors;

WHEREAS, for restatements due to correction of errors, management has implemented various steps to help prevent the errors from occurring in future, including that the Finance Department will begin the year-end accounting and reporting process earlier to allow enough time for thorough analysis, accurate accounting and reporting and for sufficient internal review by multiple parties;

WHEREAS, procedural checklists will be fully developed and more cross-training on existing financial report-writing tools will be provided to further ensure accuracy;

WHEREAS, staff will also regularly attend seminars to ensure familiarity with the more than 100 technical accounting standards along with federal and state regulations;

WHEREAS, the City will strive to continue to fill financial position vacancies to aid in work performance;

WHEREAS, the City did not meet applicable revenue recognition criteria for a state award which caused the revenue to be recorded in the wrong fiscal year, until corrected;

WHEREAS, additional training on the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, will be provided to staff as well as increased management review to ensure proper accounting and reporting treatment for grant revenue occurs;

WHEREAS, special attention will also be given to reviewing particular grant agreement terms and conditions and documentation thereof for full understanding;

WHEREAS, regarding the audit of compliance with regulations, two required monthly program reports were not filed timely for a federal award, even though the Department of Labor accepted the reports;

WHEREAS, the City's Workforce Development Department experienced turnover in program service level staffing this year along with periods of staff vacancies and backup program staff are now in place in case of primary staff absences;

WHEREAS, Finance staff will also conduct additional discussion with program staff about federal reporting requirements to help acclimate new staff working with grant funding;

WHEREAS, the independent auditor also provided two comments for management consideration for allocating interest income and to streamline the financial closeout process and report preparation process;

WHEREAS, City management has instituted additional steps in checklist form to ensure that all interest earned on City investments for June is allocated in the correct period and recommendations have been included in the City's corrective action plans, where feasible, for the closeout and reporting process;

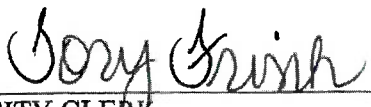
WHEREAS, City Council has reviewed and approves of management's corrective action plans relating to the FY 2024 – 2025 independent audit; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the City Council adopts a resolution responding to financial indicators and other auditor findings in the FY 2024 – 2025 independent financial audit, as required by the Local Government Commission.

THE FOREGOING RESOLUTION WAS ADOPTED
BY THE CITY COUNCIL OF THE CITY OF
GREENSBORO ON THE 20th DAY
OF JANUARY 2026.

APPROVED AS TO FORM



CITY CLERK



CITY ATTORNEY

Attachment E:
Refundings for Savings Overview



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

DENISE H. CANADA
DIVISION DIRECTOR

On July 1, 2025, the LGC passed a resolution allowing local governments to sell refunding bonds subject to certain conditions without having to receive advance permission from the Local Government Commission.

Giving local governments this authority allows them to act more quickly when market conditions are favorable, reducing overall interest costs to the taxpayers. These items are always reported to the Local Government Commission at its next meeting.

The following table summarizes the transactions that have taken place since this resolution was passed in July 2025.

Unit	LGC Meeting Date	NPV \$ Savings	NPV % Savings
Chatham County	Oct-25	\$1,531,856.47	5.50%
King	Nov-25	\$163,655.06	1.40%*
Sampson County	Dec-25	\$1,724,866.38	6.93%
Monroe	Jan-26	\$484,363.85	4.30%
Duplin County	Feb-26	\$1,120,997.53	5.28%
Davidson County	Apr-26	\$1,114,872.38	4.29%
Cabarrus County	May-26	\$1,717,595.00	4.66%
Winston Salem	May-26	\$3,983,707.00	5.22%
Greenville Utilities	Jun-26	\$1,711,669.00	7.54%
Wilmington	Jun-26	\$476,219.00	3.77%

* Bank refinancing

Attachment F:

Resolution Approving Applications of the North
Carolina Capital Facilities Finance Agency
Resolution for the Issuance of Refunding Bonds
and Notes



RESOLUTION APPROVING APPLICATIONS OF THE NORTH CAROLINA CAPITAL FACILITIES FINANCE AGENCY FOR THE ISSUANCE OF REFUNDING BONDS AND NOTES IF THE REFUNDING ISSUE MEETS CERTAIN CRITERIA AND AUTHORIZING THE PUBLIC OR PRIVATE SALE OF SUCH REFUNDING BONDS AND NOTES

WHEREAS, the Private Capital Facilities Finance Act, Chapter 159D, Article 2 of the General Statutes of North Carolina (the "Act") provides that the North Carolina Capital Facilities Finance Agency (the "Agency") may issue its bonds or notes on behalf of participating institutions for projects (as all such terms are defined in the Act);

WHEREAS, G.S. § 159D-45(a) provides that no bonds or notes may be issued under the Act unless the issue is approved by the Local Government Commission (the "Commission") following the filing of an application by the Agency with the Secretary of the Commission for Commission approval of the issue, which application shall include any information and documents concerning the proposed financing and the prospective borrower as required by the Secretary of the Commission;

WHEREAS, G.S. § 159D-45(b) provides that the Commission shall approve the application if, upon the information and evidence it receives (including consideration of those matters required by G.S. § 159D-40 of the Act described below), it finds that the proposed financing will effectuate the purposes of the Act;

WHEREAS, G.S. § 159D-45(b) of the Act provides that the sale of bonds or notes may be sold in such manner, either at public or private sale, and for such price as the Commission determines to be for the best interests of the Agency and to effectuate best the purposes of the Act, as long as the sale is approved by the Agency;

WHEREAS, from time to time the Agency has the opportunity to issue refunding bonds and notes under the Act in refunding transactions that produce debt service savings to the Agency and the participating institution as a result of market conditions at the time of the sale and issuance of the refunding bonds or notes; frequently time is of the essence in obtaining access to financial markets for the sale of such refunding bonds or notes; and the Commission has determined to facilitate timely market access to the financial markets by approving applications for the issuance of refunding bonds or notes under the Act under certain conditions;

WHEREAS, G.S. § 159D-52 authorizes the issuance by the Agency of refunding bonds and notes;

WHEREAS, the Commission has determined to authorize the sale of the Agency's refunding bonds and notes that meet the requirements of this resolution; and

NOW, THEREFORE, BE IT RESOLVED by the Local Government Commission that:

Section 1. The Commission hereby approves the issuance of refunding bonds and notes of the Agency pursuant to applications that may be filed with the Commission by the Agency for the issuance of

refunding bonds and notes under the Act if (i) the refunding produces net debt service savings to the Agency, (ii) the refunding debt does not have a final maturity later than the final maturity date of the debt to be refunded, (iii) the refunding transaction produces approximately level annual debt service savings over its duration and (iv) the additional requirements set forth in Section 2 are satisfied. An application so filed shall include a financial analysis prepared by or on behalf of the Agency and the participating institution setting forth the debt service on the bonds or notes to be refunded and the expected debt service on the refunding bonds or notes, which analysis must demonstrate that the requirements of (i), (ii) and (iii) are met.

Section 2. G.S. § 159D-45(b) provides that the Commission shall approve the issuance of bonds or notes if, upon the information and evidence it receives, it finds the proposed financing will effectuate the purposes of the Act. The Commission does hereby determine that the criteria and requirements set forth in G.S. § 159D-40 are the proper criteria and requirements necessary for the Commission's finding that any refunding transaction effectuates the purposes of the Act. For issuances of refunding bonds and notes for which Section 1 of this resolution applies, the Commission hereby determines that, if the Commission made the determinations set forth in G.S. § 159D-40 when the Agency bonds or notes to be refunded were issued, such determinations shall be considered made pursuant to this resolution unless the Secretary of the Commission in his/her review of the application, determines that any of such original determinations are no longer applicable and require revisiting. If the Secretary of the Commission determines that the original determinations need not be revisited, the refunding bonds and notes of the Agency are hereby approved provided that the terms of such refunding bonds and notes comply with Section 1 of this resolution.

Section 3. Bond and note issues approved by the Commission pursuant to this resolution may be sold at public or private sale as requested by the Agency in the application for approval.

Section 4. The Secretary of the Commission or any Deputy Secretary is hereby authorized to execute and deliver a Bond Purchase Agreement or similar instrument with one or more financial institutions regarding the sale of any bonds covered by this resolution containing such terms as shall be satisfactory to him or her. The Secretary of the Commission or any Deputy Secretary is hereby authorized to approve the forms of other documents relating to the bonds or notes and to execute and deliver such other documents on behalf of the Commission.

Section 5. The Secretary of the Commission or any Deputy Secretary is authorized to approve, on behalf of the Commission, a sale date of such refunding bonds or notes after considering the effect of the proposed financing upon any scheduled or proposed sale of tax-exempt obligations of the State or any of its agencies or departments or by any unit of local government in the State.

Section 6. This resolution shall apply only to refunding bonds and notes of the Agency for which the bonds or notes being refunded thereby were previously issued by the Agency and approved by the Commission.

Section 7. This resolution shall be effective immediately upon its adoption and applies to applications for the issuance of refunding bonds and notes of the Agency filed with the Commission on or after the effective date hereof.

* * * * *

I, Denise Canada, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the “**RESOLUTION APPROVING APPLICATIONS OF THE NORTH CAROLINA CAPITAL FACILITIES FINANCE AGENCY FOR THE ISSUANCE OF REFUNDING BONDS AND NOTES IF THE REFUNDING ISSUE MEETS CERTAIN CRITERIA AND AUTHORIZING THE PUBLIC OR PRIVATE SALE OF SUCH REFUNDING BONDS AND NOTES**” adopted by the North Carolina Local Government Commission at its meeting held on June 9, 2026.

WITNESS my hand this 9th day of June, 2026.

Denise Canada, Secretary
North Carolina Local Government Commission

Attachment G:

Resolution Approving Applications of the North
Carolina Medical Care Commission Resolution for
the Issuance of Refunding Bonds and Notes



RESOLUTION APPROVING APPLICATIONS OF THE NORTH CAROLINA MEDICAL CARE COMMISSION FOR THE ISSUANCE OF REFUNDING BONDS AND NOTES IF THE REFUNDING ISSUE MEETS CERTAIN CRITERIA AND AUTHORIZING THE PUBLIC OR PRIVATE SALE OF SUCH REFUNDING BONDS AND NOTES

WHEREAS, the Health Care Facilities Finance Act, Chapter 131A, Article 1 of the General Statutes of North Carolina (the "Act") provides that the North Carolina Medical Care Commission (the "MCC") may issue its bonds or notes for its corporate purposes including providing funds to pay all or any part of the cost of health care facilities (as all such terms are defined in the Act);

WHEREAS, G.S. § 131A-11 provides that no bonds or notes may be issued under the Act unless the issue is approved by the Local Government Commission (the "Commission") following the filing of an application by the MCC with the Secretary of the Commission for Commission approval of the issue, which application shall include any information and documents concerning the proposed financing and the prospective borrower as required by the Secretary of the Commission;

WHEREAS, G.S. § 131A-11 provides that the Commission shall approve the application if, upon the information and evidence it receives (including consideration of those matters required by G.S. § 131A-5 of the Act described below), it finds and determines that the proposed financing will effectuate the purposes of the Act;

WHEREAS, G.S. § 131A-11 of the Act provides that the sale of bonds or notes may be sold in such manner, either at public or private sale, and for such price as the Commission determines to be for the best interests of the MCC and to effectuate best the purposes of the Act, as long as the sale is approved by the MCC;

WHEREAS, from time to time the MCC has the opportunity to issue refunding bonds and notes under the Act in refunding transactions that produce debt service savings to the MCC and the applicable borrower as a result of market conditions at the time of the sale and issuance of the refunding bonds or notes; frequently time is of the essence in obtaining access to financial markets for the sale of such refunding bonds or notes; and the Commission has determined to facilitate timely market access to the financial markets by approving applications for the issuance of refunding bonds or notes under the Act under certain conditions;

WHEREAS, G.S. § 131A-18 authorizes the issuance by the MCC of refunding bonds and notes;

WHEREAS, the Commission has determined to authorize the sale of the MCC's refunding bonds and notes that meet the requirements of this resolution; and

NOW, THEREFORE, BE IT RESOLVED by the Local Government Commission that:

Section 1. The Commission hereby approves the issuance of refunding bonds and notes of the MCC pursuant to applications that may be filed with the Commission by the MCC for the issuance of refunding bonds and notes under the Act if (i) the refunding produces net debt service savings to the MCC, (ii) the refunding debt does not have a final maturity later than the final maturity date of the debt to be refunded, (iii) the refunding transaction produces approximately level annual debt service savings over its duration and (iv) the additional requirements set forth in Section 2 are satisfied. An application so filed shall include a financial analysis prepared by or on behalf of the MCC and the related borrower setting forth the debt service on the bonds or notes to be refunded and the expected debt service on the refunding bonds or notes, which analysis must demonstrate that the requirements of (i), (ii) and (iii) are met.

Section 2. G.S. § 131A-11 provides that the Commission shall approve the issuance of bonds or notes if, upon the information and evidence it receives, it finds the proposed financing will effectuate the purposes of the Act. The Commission does hereby determine that the criteria and requirements set forth in G.S. § 131A-5 are the proper criteria and requirements necessary for the Commission's finding that any refunding transaction effectuates the purposes of the Act. For issuances of refunding bonds and notes for which Section 1 of this resolution applies, the Commission hereby determines that, if the Commission made the determinations set forth in G.S. § 131A-5 when the MCC bonds to be refunded were issued, such determinations shall be considered made pursuant to this resolution unless the Secretary of the Commission in his/her review of the application, determines that any of such original determinations are no longer applicable and require revisiting. If the Secretary of the Commission determines that the original determinations need not be revisited, the refunding bonds and notes of the MCC are hereby approved provided that the terms of such refunding bonds and notes comply with Section 1 of this resolution.

Section 3. Bond and note issues approved by the Commission pursuant to this resolution may be sold at public or private sale as requested by the MCC in the application for approval.

Section 4. The Secretary of the Commission or any Deputy Secretary is hereby authorized to execute and deliver a Bond Purchase Agreement or similar instrument with one or more financial institutions regarding the sale of any bonds covered by this resolution containing such terms as shall be satisfactory to him or her. The Secretary of the Commission or any Deputy Secretary is hereby authorized to approve the forms of other documents relating to the bonds or notes and to execute and deliver such other documents on behalf of the Commission.

Section 5. The Secretary of the Commission or any Deputy Secretary is authorized to approve, on behalf of the Commission a sale date of such refunding bonds or notes after considering the effect of the proposed financing upon any scheduled or proposed sale of tax-exempt obligations of the State or any of its agencies or departments or by any unit of local government in the State.

Section 6. This resolution shall apply only to refunding bonds and notes of the MCC for which the bonds or notes being refunded thereby were previously issued by the MCC and approved by the Commission.

Section 7. This resolution shall be effective immediately upon its adoption and applies to applications for the issuance of refunding bonds and notes of the MCC filed with the Commission on or after the effective date hereof.

* * * * *

I, Denise Canada, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the “**RESOLUTION APPROVING APPLICATIONS OF THE NORTH CAROLINA MEDICAL CARE COMMISSION FOR THE ISSUANCE OF REFUNDING BONDS AND NOTES IF THE REFUNDING ISSUE MEETS CERTAIN CRITERIA AND AUTHORIZING THE PUBLIC OR PRIVATE SALE OF SUCH REFUNDING BONDS AND NOTES**” adopted by the North Carolina Local Government Commission at its meeting held on June 9, 2026.

WITNESS my hand this 9th day of June, 2026.

Denise Canada, Secretary of the North Carolina
Local Government Commission