

Attachment A:  
Consent Agenda





## LGC Staff Analysis For: **AQUA NORTH CAROLINA (WIF-2045)**

**PAR Amount Not to Exceed:** \$2,342,800

**Financing Type:** Revolving Loan

**Purpose and Type:** Water/Sewer, Water

**Project Description:** Brookwood Wells PFOS/PFOA Removal - This project will add filtration systems at each of four sites with the goal of achieving non-detect levels of PFOS and PFOA. This project will be completed in a single phase, with the construction at four existing well sites happening simultaneously. The project location (of all four existing well sites) is in Cumberland County, North Carolina, near the City of Fayetteville. All four sites are within the Brookwood Community Master Water System (PWSID 03-26-127).

**Statutory Reference:** G.S. 159G-40 and 159-153

**Last Request to Borrow:** 7/2024; REV; \$2,275,048

**FPICs:** N/A

**UAL Contract:** N/A

**Debt Management:** N/A

**Proposed contract or bond issue is necessary or expedient:** Through PFAS sampling efforts, Aqua has determined that four of their Brookwood Community Water System (PWSID NC-03-26-127) wells have elevated levels of PFOS and PFOA above the EPA proposed National Primary Drinking Water Regulation of 4 parts per trillion (ppt) for PFOS and 4 ppt for PFOA.

**Proposed amount is adequate and not excessive:** Aqua North Carolina received three (3) bids January 29, 2025. The contract was awarded to the lowest, responsive, responsible bidder.

**Feasibility:** The projection of net revenues prepared by the company indicates that future revenues will be adequate to cover the cost of operations and debt service. The average monthly water bill for the project customers is currently \$43.42 for 5,000 gallons.

**Tax Increase Anticipated:** N/A

**Rate Increase Anticipated:** Yes

**Additional Information (as applicable):** The Brookwood Community water system is within the Brookwood Community (BWC) Water Rate Entity, with a total of 14,332 residential water connections (as of 10/31/23). The impact of the project cost is \$0.71 per month on the average bill. The projected monthly water bill after the project for 5,000 gallons is expected to be \$44.13.

**Public Hearing:** N/A

**TEFRA Hearing:** N/A

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

### Terms

**Lender/Purchaser/Bank:** State of North Carolina – DEQ/DWI

**Interest Rate:** NTE 4% (stated interest 1.76%)  
**Term:** 20 years  
**Payment:** Annual principal / semi-annual interest  
**Structure and Term:** Level principal; declining interest  
**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			
Underwriter/Senior			
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

**Amount Not to Exceed:** \$2,342,800

Sources	Amount
SRF Loan (WIF-2045)	\$2,342,800
<b>Total</b>	<b>\$2,342,800</b>

Uses	Amount
Construction Costs	\$1,980,000
Engineering Costs	\$274,300
Administration Costs	\$88,500
<b>Total</b>	<b>\$2,342,800</b>



## LGC Staff Analysis For: **Aqua North Carolina (WIF-2046)**

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**PAR Amount Not to Exceed:** \$1,031,875

**Financing Type:** Revolving Loan

**Purpose and Type:** Water/Sewer, Water

**Project Description:** Wyntree & Willow Hill Well Improvements Project - This project will make improvements at both water systems with the goal of achieving non-detect levels of PFOS and PFOA. This project will be completed in a single phase, with the construction at the two sites happening simultaneously. The project location of the Wyntree site (PWSID NC 40-92-034) is in Wake County, North Carolina, near the Town of Apex. The location of the Willow Hill site (PWSID NC 03-32-119) is in Durham County, North Carolina, near the City of Durham.

**Statutory Reference:** G.S. 159G-40 and 159-153

**Last Request to Borrow:** 7/2024; REV; \$2,275,048

**FPICs:** N/A

**UAL Contract:** N/A

**Debt Management:** N/A

**Proposed contract or bond issue is necessary or expedient:** Through PFAS sampling efforts, Aqua has determined that their Wyntree Water System (PWSID NC-40-92-034) well, and one of their Willow Hill Water System (PWSID NC 03-32-119) wells, have elevated levels of PFOS and PFOA above the EPA proposed National Primary Drinking Water Regulation of 4 parts per trillion (ppt) for PFOS and 4 ppt for PFOA.

**Proposed amount is adequate and not excessive:** Aqua North Carolina received three (3) bids on January 29, 2025, for each of the four (4) wells included in this project for a total of twelve (12) bids. In each case the contract was awarded to the lowest, responsive, responsible bidder for a total of four (4) contract awards.

**Feasibility:** The projection of net revenues prepared by the company indicates that future revenues will be adequate to cover the cost of operations and debt service. The average monthly water bill for the project customers is currently \$43.42 for 5,000 gallons.

**Tax Increase Anticipated:** N/A

**Rate Increase Anticipated:** Yes

**Additional Information (as applicable):** The Wyntree and Willow Hill water systems are within the Aqua North Carolina (ANC) Water Rate Entity, with a total of 66,327 residential water connections (as of 10/31/23). The impact of the project cost is \$0.13 per month on the average bill. The projected monthly water bill after the project for 5,000 gallons is expected to be \$44.55.

**Public Hearing:** N/A

**TEFRA Hearing:** N/A

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

**Terms**

**Lender/Purchaser/Bank:** State of North Carolina – DEQ/DWI

**Interest Rate:** NTE 4% (stated interest 1.76%)

**Term:** 20 years

**Payment:** Annual principal / semi-annual interest

**Structure and Term:** Level principal; declining interest

**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			
Underwriter/Senior			
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

**Amount Not to Exceed:** \$1,031,875

Sources	Amount
SRF Loan (WIF-2046)	\$1,031,875
<b>Total</b>	<b>\$1,031,875</b>

Uses	Amount
Construction Costs	\$825,000
Engineering Costs	\$118,375
Administration Costs	\$88,500
<b>Total</b>	<b>\$1,031,875</b>



## LGC Staff Analysis For: **BRUNSWICK COUNTY**

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

**Financing Type:** Limited Obligation Bonds

**Financing Type:** Limited Obligation Bonds - Refunding

**Purpose and Type:** General Government, Building

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

**Project Description:** Proceeds will be used to (1) finance the acquisition, construction, renovation, equipping, and improvements of a new Health & Human Services (HHS)/Emergency Operations Center, and (2) refinance the County's existing 2015A Limited Obligation Bonds, which originally funded an addition to North Brunswick High School as well as the construction of a gymnasium/multipurpose building at Waccamaw School.

**Statutory Reference:** G.S. 160A-20

**Last Request to Borrow:** 02/2025; SRF; \$29,783,014

**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 new Health & Human Services building is essential to the County's proper, efficient, and economic operations and to the general health and welfare of the County's inhabitants.

**Proposed amount is adequate and not excessive:** GMP in hand. 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:** 6/1/2026

**TEFRA Hearing:** N/A

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

### Terms

**Lender/Purchaser/Bank:** N/A

**Interest Rate:** Estimated All-in TIC: 3.87% for HHS building and 3.21% for refunding; NTE 5%

**Term:** 20 years for HHS building; 6 years for refunding

**Payment:** Annual principal; semi-annual interest

**Structure and Term:** Level principal

**Final Maturity:** 6/1/2046 for HHS building; No later than 6/1/2032 for refunding

**Other:** N/A

## Marketability

**Moody's:** Aa1 **S&P:** AA+ **Fitch:** N/A **Kroll:** N/A

**Other:** Anticipated ratings shown. Receive new credit ratings on July 1, 2026.

## Financing Team

Role	Name	Additional Party Role	Additional Party Name
<b>Municipal Advisor</b>	Davenport & Company LLC		
<b>Underwriter/Senior</b>	R.W. Baird & Co. Inc.		
<b>Lender/Purchaser/Bank</b>			
<b>Underwriter's Counsel</b>	Pope Flynn, LLC		
<b>Bond Counsel</b>	Parker Poe Adams & Bernstein LLP		
<b>Purchaser's Counsel</b>			
<b>Trustee</b>	U.S. Bank, N.A.		
<b>Trustee's Counsel</b>	Chapman & Cutler LLP		

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

Sources	Amount
Par Amount: HHS building	\$35,530,000
Par Amount: 2015A refunding	\$4,470,000
Net Premium	\$3,712,213
<b>Total</b>	<b>\$43,712,213</b>

Uses	Amount
Project Fund: HHS building	\$38,281,971
Cash Deposit: Refunding	\$4,740,000
Cost of Issuance	\$500,000
Underwriter's Discount	\$187,369
Rounding Amount	\$2,873
<b>Total</b>	<b>\$43,712,213</b>



## LGC Staff Analysis For: **CALABASH, TOWN OF**

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

**Financing Type:** Installment Financing Contract

**Purpose and Type:** General Government, Land

**Project Description:** Installment Financing Contract will provide funds for the Town to acquire property and facilities located on the property to relocate the Town Hall.

**Statutory Reference:** G.S. 160A-20

**Last Request to Borrow:** None – Calabash is currently debt free.

**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 purchase is essential to the Town’s proper, efficient, and economic operation and to the general health and welfare of its inhabitants and to carry out public functions the Town is authorized by law to perform. The current Town Hall is no longer adequate to accommodate personnel and to meet community needs.

**Proposed amount is adequate and not excessive:** The Appraiser provided a restricted appraisal on 6/19/2026, indicating the preliminary market value of the property. Based on that letter, the property purchase price is adequate and not excessive. The lower appraised value is determined to be \$3,120,000, and the high appraised value is determined to be \$3,380,000. The final appraisal report is in process and will be received by July 2, 2026.

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

**Tax Increase Anticipated:** Yes

**Rate Increase Anticipated:** N/A

**Additional Information (as applicable):** Estimated tax rate increase of \$0.028

**Public Hearing:** 6/9/2026

**TEFRA Hearing:** N/A

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

### Terms

**Lender/Purchaser/Bank:** Webster Public Finance Corporation

**Interest Rate:** 4.58%

**Term:** 20 years

**Payment:** Level principal

**Structure and Term:** Annual principal and interest

**Final Maturity:** 07/01/2046

## 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	Webster Bank		
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

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

Sources	Amount
Loan	\$2,000,000
Available Cash	\$1,100,000
<b>Total</b>	<b>\$3,100,000</b>

Uses	Amount
Property and Building Purchase	\$3,095,000
Legal/Fiscal Costs	\$5,000
<b>Total</b>	<b>\$3,100,000</b>



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

**PAR Amount Not to Exceed:** \$230,000,000

**Financing Type:** Revenue Bonds

**Purpose and Type:** Water/Sewer, Sewer

**Project Description:** Southside Water Reclamation Facility (SSWRF) Replacement - The project will replace the existing facility (12 MGD) with new infrastructure, modernize the treatment technology in use, and expand the SSWRF's treatment capacity (up to 20 MGD) to meet future demand as the Authority's customer base continues to grow. The replacement project will include treatment upgrades that will decrease ammonia, nitrogen, and other contaminants in treated effluent from the plant. In addition to fully replacing aging infrastructure across the plant, the project will add a Biological Nutrient Removal (BNR) treatment facility at SSWRF.

**Statutory Reference:** G.S. 159 Article 5

**Last Request to Borrow:** 6/2026; REV; \$13,785,950

**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 proceeds of the Bonds will be used to finance the costs of extensions, additions, and capital improvements to, or renewal and replacement of capital assets of, or purchasing and installing new equipment for, the Authority's Water and Sewer System, including but not limited to certain of the capital costs of the upgrade and replacement of Southside Wastewater Treatment Plant.

**Proposed amount is adequate and not excessive:** Full project cost has been established through multiple GMP amendments. Final amount approved on May 13, 2026.

**Feasibility:** The Authority has provided projections for the period 2027-2032. Current projections demonstrate total debt service coverages of 2.07X in FY2027 and of at least 1.71X through 2032.

Effective retail sewer rates are projected to increase 0.6% in FY 2027, 11.50% in FY 2028, 12.5% in FY 2029, 6.2% in FY 2030, 8.5% in FY 2031, and 0.6% in FY 2032.

**Tax Increase Anticipated:** N/A

**Rate Increase Anticipated:** Yes

**Additional Information (as applicable):** Site work for the project began in Fall 2025, and the project is anticipated to be completed by Fall 2031. The project is currently anticipated to begin operation in three phases: Phase 1- December 2030; Phase 2-January 2031; Phase 3-October 2031.

Approval is requested of the issuance of NTE \$230,000,000 Revenue Bonds for a future date. Additional details of the Revenue Bonds will be finalized closer to the time of issuance (anticipated in Spring/Summer 2028). The SRF funding will be utilized for all expenditures prior to the issuance of the Revenue Bonds.

## Terms

**Lender/Purchaser/Bank:** To Be Determined

**Interest Rate:** NTE 5.5%

**Term:** 30 years

**Payment:** Anticipated - semi-annual interest payments / annual principal

**Structure and Term:** Anticipated level debt service – structured in conjunction with DEQ/DWI SRF and SRP loans

**Final Maturity:** 30 years after issue

## Marketability

**Moody's:** Aa1 **S&P:** AA+ **Fitch:** N/A **Kroll:** N/A

## Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	Davenport and Company LLC		
Underwriter/Senior	TBD		
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel	Parker Poe and Bernstein LLP		
Purchaser's Counsel			
Trustee	US Bank		
Trustee's Counsel			

**Amount Not to Exceed:** \$230,000,000

Sources	Amount
Revenue Bond	\$204,233,321
SRF Loan Increase (CS370923-15) (on July 2026 agenda)	\$141,134,131
SRP Loan (SRP-W-0248) Loan (SRP-W-0248) (on July 2026 agenda)	\$3,000,000
SRF Loan Increase (CS370923-15) (approved November 2025 for design and sitework)	\$22,361,131
SRF Loan (CS370923-15) (approved July 2025 for Long Lead Pipe and Equipment)	\$26,305,499
CFPUA Capital Reserve	\$3,796,015
<b>Total</b>	<b>\$400,830,097</b>

**Note:** The Authority plans to utilize Capital Reserves for the project and will decide on the exact amount to be used later prior to the issuance of the revenue bonds.

Uses	Amount
Design	\$14,100,397
GMP #1	\$11,423,554
GMP #2	\$22,361,131
Lump Sum GMP #3	\$324,149,000
Optional Capacity Alternative	\$18,000,000
SRF Loan Administrative Fee	\$3,796,015
HDR (Owners Rep) Fee	\$3,500,000
Testing	\$3,500,000
<b>Total</b>	<b>\$400,830,097</b>

**Note:** This outlines the project Sources and Uses and does not include the Cost of Issuance, Capitalized Interest to be determined closer to the actual sale date of the Revenue Bonds.



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

**PAR Amount Not to Exceed:** \$144,134,131 (\$141,134,131 and \$3,000,000)

**Financing Type:** Revolving Loan

**Purpose and Type:** Water/Sewer, Sewer

**Project Description:** Southside Water Reclamation Facility (SSWRF) Replacement (CS370923-15 Loan Increase - \$141,134,131 and SRP-W-0248 Loan - \$3,000,000) - The project will replace the existing facility (12 MGD) with new infrastructure, modernize the treatment technology in use, and expand the SSWRF's treatment capacity (up to 20 MGD) to meet future demand as the Authority's customer base continues to grow. The replacement project will include treatment upgrades that will decrease ammonia, nitrogen, and other contaminants in treated effluent from the plant. In addition to fully replacing aging infrastructure across the plant, the project will add a Biological Nutrient Removal (BNR) treatment facility at SSWRF.

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

**Last Request to Borrow:** 6/2026; REV; \$13,785,950

**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 proceeds of the loans will be used to finance the costs of extensions, additions, and capital improvements to, or renewal and replacement of capital assets of, or purchasing and installing new equipment for, the Authority's Water and Sewer System, including but not limited to certain of the capital costs of the upgrade and replacement of Southside Wastewater Treatment Plant.

**Proposed amount is adequate and not excessive:** Full project cost has been established through multiple GMP amendments. Final amount approved on May 13, 2026.

**Feasibility:** The Authority has provided projections for the period 2027-2032. Current projections demonstrate total debt service coverages of 2.07X in FY2027 and of at least 1.71X through 2032.

Effective retail sewer rates are projected to increase 0.6% in FY 2027, 11.50% in FY 2028, 12.5% in FY 2029, 6.2% in FY 2030, 8.5% in FY 2031, and 0.6% in FY 2032.

**Tax Increase Anticipated:** N/A

**Rate Increase Anticipated:** Yes

**Additional Information (as applicable):** Site work for the project began in Fall 2025, and the project is anticipated to be completed by Fall 2031. The project is currently anticipated to begin operation in three phases: Phase 1- December 2030; Phase 2-January 2031; Phase 3-October 2031.

Approval is requested to close / draw from remaining SRF loan (CS370923-15) authorization of \$141,134,131. The LGC previously approved a \$26,305,499 draw (July 2025) and a \$22,361,131 draw (November 2025). The total SRF loan, after approval of the July 2026 application, will be \$189,800,761. A second SRP (SRP-W-0248) loan is included with this request in the amount of \$3,000,000.

**Terms**

**Lender/Purchaser/Bank:** State of North Carolina – DEQ/DWI

**Interest Rate:** NTE 4.0% (1.76% stated interest)

**Term:** 20 years

**Payment:** Semi-annual interest payments / annual principal

**Structure and Term:** Level principal / declining interest

**Marketability**

**Moody's:** Aa1 **S&P:** AA+ **Fitch:** N/A **Kroll:** N/A

**Financing Team**

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	Davenport and Company, LLC		
Underwriter/Senior			
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

**Amount Not to Exceed:** \$144,134,131 (\$141,134,131 and \$3,000,000)

Sources	Amount
DEQ/DWI State Reserve Fund (SRF) Loan Increase (CS370923-15)	\$141,134,131
DEQ/DWI State Reserve Program (SRP) Loan (SRP-W-0248)	\$3,000,000
Revenue Bond (on July 2026 agenda)	\$204,233,321
SRF Loan Increase (CS370923-15) (approved November 2025 for design and sitework)	\$22,361,131
SRF Loan (CS370923-15) (approved July 2025 for Long Lead Pipe and Equipment)	\$26,305,499
CFPUA Capital Reserve	\$3,796,015
<b>Total</b>	<b>\$400,830,097</b>

**Note:** The Authority plans to utilize Capital Reserves for the project and will make a determination on the exact amount to be used at a later date prior to the issuance of the revenue bonds.

Uses	Amount
Design	\$14,100,397
GMP #1	\$11,423,554
GMP #2	\$22,361,131
Lump Sum GMP #3	\$324,149,000
Optional Capacity Alternative	\$18,000,000
SRF Loan Administrative Fee	\$3,796,015
HDR (Owners Rep) Fee	\$3,500,000
Testing	\$3,500,000
<b>Total</b>	<b>\$400,830,097</b>

**Note:** This outlines the project Sources and Uses and does not include the Cost of Issuance, Capitalized Interest to be determined closer to the actual sale date of the Revenue Bonds.



## LGC Staff Analysis For: **DURHAM COUNTY**

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**PAR Amount Not to Exceed:** \$240,000,000

**Financing Type:** General Obligation Bonds - Refunding

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

**Purpose and Type:** General Government, Community College

**Purpose and Type:** General Government, Museum

**Project Description:** Draw Program Takeout and Economic Refunding

**Statutory Reference:** G.S. 159-72

**Last Request to Borrow:** 5/2024; LOB; \$71,295,000

**FPICs:** Yes - Not Material

**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:** Yes, necessary to achieve savings and fix variable rate debt to long term debt.

**Proposed amount is adequate and not excessive:** Adequate to redeem bonds (Series 2014 and 2016 bonds, currently callable) to achieve debt service savings (\$49,535,000 principal to be refunded) and to refund short term bonds (\$185,000,000).

**Tax Increase Anticipated:** No

**Rate Increase Anticipated:** No

**Public Hearing:** 4/27/2026

**Interest Rate Assumptions (GO.Bonds.Only):** The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).

### Terms

**Underwriter:** BofA Securities Inc., Sr. Manager

**Interest Rate:** TBD

**Term:** 20 years level principal for bonds to refund variable rate short term bonds; Eight years for the economic refunding

**Structure and Term:** Level principal for the long-term bonds and level savings for the economic refunding

**Final Maturity:** 10/1/2046

**Other:** Negotiated public sale; Savings on refunding, \$1,301,825 or 2.63% NPV

### Marketability

**Moody's:** Aaa **S&P:** AAA **Fitch:** N/A **Kroll:** N/A

## Financing Team

Role	Name	Additional Party Role	Additional Party Name
<b>Municipal Advisor</b>	DEC Associates, Inc.		
<b>Underwriters/Senior</b>	BofA Securities, Inc. (Sr.)	PNC Capital Markets	Hilltop Securities
<b>Underwriter's Counsel</b>	Chapman & Cutler LLP		
<b>Bond Counsel</b>	Parker Poe Adams & Bernstein LLP		

## Amount Not to Exceed: \$240,000,000

Sources	Amount
Bond Proceeds and Premium	\$236,523,260
<b>Total</b>	<b>\$236,523,260</b>

Uses	Amount
Short Term Bond Payoff	\$185,000,000
Redemption of 2014 Bonds	\$6,690,000
Redemption of 2016 Bonds	\$42,845,000
Interest on Refunded Bonds (2014 and 2016)	\$637,180
Underwriters' Discount	\$851,080
Cost of Issuance	\$500,000
<b>Total</b>	<b>\$236,523,260</b>



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## LGC Staff Analysis For: **GRANITE QUARRY, TOWN OF**

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**PAR Amount Not to Exceed:** \$1,500,000

**Financing Type:** Installment Financing Contract

**Purpose and Type:** General Government, Parks & Recreation, Building

**Project Description:** The proceeds will be used for the construction, infrastructure upgrades, and site development for the planned Granite Civic Park and Town Hall renovation projects.

**Statutory Reference:** G.S. 160A-20

**Last Request to Borrow:** 6/2020; IFC; \$350,000

**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 cost of the improvements exceeds currently available funds, and financing will distribute expenses over multiple fiscal years to avoid an immediate burden on taxpayers.

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

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

**Tax Increase Anticipated:** No

**Rate Increase Anticipated:** N/A

**Public Hearing:** 6/8/2026

**TEFRA Hearing:** N/A

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

### Terms

**Lender/Purchaser/Bank:** F&M Bank

**Interest Rate:** Fixed 5.7%

**Term:** 15 years

**Payment:** Annual

**Structure and Term:** Level debt service

**Final Maturity:** Not to exceed 180 months after closing

## 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	F&M Bank		
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

## Amount Not to Exceed: \$1,500,000

Sources	Amount
Bank Loan Proceeds	\$ 1,500,000
PARTF Grant	\$ 500,000
Combined Private/Public Grant Contributions	\$ 374,000
Town Contribution	\$ 913,743
Other Donations/Contributions	\$ 3,000
<b>Total</b>	<b>\$ 3,290,743</b>

Uses	Amount
Construction Cost	\$ 2,736,434
Engineer/Architect Fees	\$ 531,230
Land/Right of Way	\$ 2,573
Other Legal/Fiscal Cost	\$ 3,606
Administrative Cost	\$ 16,900
<b>Total</b>	<b>\$ 3,290,743</b>



## LGC Staff Analysis For: **HENDERSONVILLE, CITY OF**

**PAR Amount Not to Exceed:** \$10,000,000

**Financing Type:** General Obligation Bonds

**Purpose and Type:** General Government, Transportation

**Project Description:** The bond proceeds will be used to pay the cost of acquiring, constructing, reconstructing, widening, extending, paving, resurfacing, grading, and improving streets and sidewalks, including without limitation, curbs, gutters, drains, bridges, overpasses, crossings, lighting, traffic controls, signals and markers, bicycle lanes, and landscape, streetscape and pedestrian improvements, and the acquisition of land, right-of-way and easements in land required.

**Statutory Reference:** G.S. 159 Article 4

**Last Request to Borrow:** 12/2025; SRF; \$2,943,934

**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:** Proceeds from voter authorized bonds are necessary for needed improvements to the City’s streets and sidewalks.

**Proposed amount is adequate and not excessive:** The project’s costs are based on the City of Hendersonville’s in-house engineering department.

**Tax Increase Anticipated:** No

**Rate Increase Anticipated:** No

**Additional Information (as applicable):** While a \$0.02 tax increase was included in the ballot language, based on current projections for growth in assessed value, the City does not anticipate needing to increase the tax rate to pay for this debt.

**Public Hearing:** 12/4/2025

**TEFRA Hearing:** N/A

**Interest Rate Assumptions (GO.Bonds.Only):** The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).

### Terms

**Other:** The bonds are expected to have a final maturity of no more than twenty years, and the underwriter will be selected through a competitive sale process.

Referendum approved % (of number of votes): 66.92% to 33.08% (1,910 to 944).

## Marketability

**Moody's:** Aa3 **S&P:** AA+

**Other:** There is no current outstanding general obligation debt. The unit has an issuer credit rating of Aa3 from Moody's and an implied general obligation credit rating of AA+ from S&P.

## Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	First Tryon Advisors		
Underwriter/Senior			
Lender/Purchaser/Bank			
Underwriter's Counsel			
Bond Counsel	Parker Poe Adams & Bernstein LLP		
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

## Amount Not to Exceed: \$10,000,000

Sources	Amount
Bond Proceeds	\$10,000,000
Available Cash	\$4,500,000
<b>Total</b>	<b>\$14,500,000</b>

Uses	Amount
Resurfacing	\$8,200,000
ADA Curb Ramps	\$2,420,000
Complete Streets	\$3,705,000
Bond Counsel Legal Fees	\$60,000
Other Fees	\$115,000
<b>Total</b>	<b>\$14,500,000</b>



## LGC Staff Analysis For: **LENOIR COUNTY**

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**PAR Amount Not to Exceed:** \$2,360,000

**Financing Type:** Installment Financing Contract - REDLG

**Purpose and Type:** Economic Development, Building

**Project Description:** Proceeds of the REDLG loan from the Tri-County Electric Membership Corporation will partially fund the construction of a shell commercial building. The building will be used by businesses located in or relocating to the County.

**Statutory Reference:** G.S. 160A-20

**Last Request to Borrow:** 09/2024; SRF; \$200,000

**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:** Financing is necessary or expedient as the County is currently out of inventory regarding commercial and industrial spaces used to attract medium to large employers.

**Proposed amount is adequate and not excessive:** Design-builder estimates procured 5/18/2026.

**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:** 1/5/2026

**TEFRA Hearing:** N/A

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

### Terms

**Lender/Purchaser/Bank:** Tri-County Electric Membership Corporation

**Interest Rate:** No Interest

**Term:** 7 Years

**Payment:** Annual principal

**Structure and Term:** Level principal

**Final Maturity:** 07/01/2035

### 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: \$2,360,000

Sources	Amount
Loan Proceeds	\$2,360,000
Cash	\$1,290,000
<b>Total</b>	<b>\$3,650,000</b>

Uses	Amount
Construction Costs	\$3,474,900
Engineering/Architect Fees	\$75,100
Contingency	\$100,000
<b>Total</b>	<b>\$3,650,000</b>



## LGC Staff Analysis For: **NC CAPITAL FACILITIES FINANCE AGENCY: LIBERTY PREPARATORY CHRISTIAN ACADEMY, INC.**

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**Amount Not to Exceed:** \$10,500,000

**Financing Type:** Conduit Revenue Bonds

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

**Project Description:** The proposed financing will be used to refinance the school's current taxable loan and provide funds for construction of a cafeteria/multi-purpose room, new classrooms to replace modular classrooms, and a STEM and chemistry lab.

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

**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 two series of bonds issued will be used to move from a taxable loan to tax-exempt bonds and provide needed enhancements to the school.

**Proposed amount is adequate and not excessive:** This financing allows the school to change from a taxable loan with an interest rate of 5.49% to tax-exempt bonds with an initial interest rate of 4.17% for both the Series 2026A and Series 2026B.

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

**TEFRA Hearing Date:** 6/26/2026

### Terms

**Lender/Purchaser/Bank:** United Community Public Finance, Inc.

**Interest Rate:** Initially 4.17% for the Series 2026A and Series 2026B. Accrued on a 30/360 basis\*

**Term:** Series 2026A – 24 months interest only, then 20 Years principal and interest; Series 2026B – 5 Years

**Payment:** Monthly principal and interest

**Structure and Term:** Series 2026A – 24 month interest only followed by monthly principal and interest payments; Series 2026B – 5 year interest only with annual principal reductions of \$600,000

**Final Maturity:** Series 2026A – 6/1/2048; Series 2026B – 07/01/2031

**Other:** \*Interest on the Series 2026A bonds will have an initial interest rate of 4.17% and will reset at 79% of 1 month term SOFR plus 1.75% after years 7, 12, and 17.

Draw down advances may be funded during the first 24 months, any advances drawn and paid may not be drawn again.

## Marketability

Moody's: N/A S&P: N/A Fitch: N/A Kroll: N/A

Other:

## Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor			
Underwriter/Senior			
Lender/Purchaser/Bank	United Community Public Finance, Inc.		
Underwriter's Counsel			
Bond Counsel	Pope Flynn, LLC		
Purchaser's Counsel	Hawkins Delafield & Wood LLP		
Trustee			
Trustee's Counsel			

**Amount Not to Exceed:** \$10,500,000

Sources	Amount
Series 2026A Bond Proceeds	\$7,500,000
Series 2026B Bond Proceeds	\$3,000,000
Borrower Equity	\$1,226,321
<b>Total</b>	<b>\$11,726,321</b>

Uses	Amount
Refund Existing UCBI Debt	\$3,962,000
Construction Costs	\$5,212,179
Skybridge	\$353,565
Architecture	\$717,245
Modular Building	\$1,212,226
Modular Building Erection	\$96,106
Cost of Issuance	\$173,000
<b>Total</b>	<b>\$11,726,321</b>



## LGC Staff Analysis For: **NORTH CAROLINA MEDICAL CARE COMMISSION: CAROLINA VILLAGE, INC.**

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**Amount Not to Exceed:** \$50,000,000

**Financing Type:** Conduit Revenue Bonds

**Purpose and Type:** Senior Living

**Project Description:** Location: Hendersonville, NC (Henderson County)

Licensed Beds: 370 Independent Living Units; 60 Assisted Living Units; 58 Skilled Nursing Beds

The proceeds of the Bonds will be used to provide funds to (1) finance or reimburse routine capital expenditures and pre-development costs of the 2026 Project, (2) refund all or a portion of the Series 2017A Bonds, (3) pay interest on the portion of the Bonds financing the 2026 Project, (4) fund a debt service reserve fund, if required, and (5) pay costs of issuing the Bonds.

The 2026 Project includes (1) improvements to the Carolina Village sewer system, and (2) pre-construction and development expenses for a planned expansion that includes a new 60-unit independent living apartment building.

**Statutory Reference:** G.S. 131A

**Last Request to Borrow:** 12/2017; REV; \$45,000,000

**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 North Carolina Medical Care Commission (NCMCC) has previously approved the project.

**Proposed amount is adequate and not excessive:** The proposed projects include multiple routine capital expenditures, costs are defined.

**Feasibility:** Projections indicate an estimated debt service coverage ratio of 2.68x for 2026 with coverage remaining at or above 2.68x through 2030. The Unit has an average of 251 days of cash on hand.

**TEFRA Hearing Date:** 6/29/2026

### Terms

**Interest Rate:** Not to Exceed: 7%; Estimated All in TIC: 6.72%

**Term:** 35 years

**Structure and Term:** Overall Level Debt Service

**Final Maturity:** 4/1/2061

**Other:** The NCMCC will issue the bonds and loan the proceeds to Carolina Village, Inc. (Borrower). The Borrower is solely responsible for repayment of the bonds, and not the NCMCC, nor the state of NC.

## Marketability

Moody's: N/A S&P: N/A Fitch: N/A Kroll: N/A

Other: A sale is scheduled for July 16, 2026, not to conflict with other bond sales.

## Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor			
Underwriter/Senior	B.C. Ziegler and Company		
Lender/Purchaser/Bank			
Underwriter's Counsel	Womble Bond Dickinson (US) LLP		
Bond Counsel	Robinson, Bradshaw & Hinson, P.A.		
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A.		
Trustee's Counsel	Holland & Knight LLP		
Borrower's Counsel	Prince, Massagee, & Alexander, PLLC		
Auditor	Forvis Mazars, LLP		

## Amount Not to Exceed: \$50,000,000

Sources	Amount
Bond Par Amount	\$ 47,965,000
Equity (COI>2%)	\$ 164,313
<b>Total</b>	<b>\$ 48,129,313</b>

Uses	Amount
Project Fund	\$ 15,000,000
Refunding	\$ 26,391,300
Capitalized Interest	\$ 1,332,457
Debt Service Reserve Fund	\$ 4,392,920
Costs of Issuance	\$ 1,009,519
Additional Proceeds	\$ 3,117
<b>Total</b>	<b>\$ 48,129,313</b>



## LGC Staff Analysis For: **ORANGE COUNTY**

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**PAR Amount Not to Exceed:** \$27,000,000

**Financing Type:** Limited Obligation Bonds

**Purpose and Type:** General Government, County Building

**Project Description:** Proceeds will be used for a Crisis Diversion Center focusing on urgent care for behavioral health to individuals 4 years old or older as well as facility-based crisis services for up to two weeks.

**Statutory Reference:** G.S. 160A-20

**Last Request to Borrow:** 6/2026; LOB; \$32,000,000

**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:** Project is necessary to support ongoing healthcare expansion in the County.

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

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

**Tax Increase Anticipated:** Yes, see additional information

**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 3.98%; NTE 5%

**Term:** 20 years

**Payment:** Semi-annual principal and interest

**Structure and Term:** Level principal

**Final Maturity:** 4/1/2047

**Other:** This is a public sale scheduled for July 22, 2026.

### Marketability

**Moody's:** Aa1 **S&P:** AA+ **Fitch:** N/A **Kroll:** N/A

## Financing Team

Role	Name	Additional Party Role	Additional Party Name
Municipal Advisor	Davenport & Company LLC		
Underwriter/Senior	Truist Securities	Co - Manager	Ramirez & Co.
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: \$27,000,000

Sources	Amount
Estimated Bond Proceeds Par Amount	\$24,230,000
Estimated Net Premium	\$2,244,342
<b>Total</b>	<b>\$26,474,342</b>

Uses	Amount
Project Fund	\$25,841,542
Cost of Issuance	\$500,000
Underwriter's Discount	\$132,690
Additional proceeds	\$110
<b>Total</b>	<b>\$26,474,342</b>



## Miscellaneous Action Item

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**Unit:** DURHAM COUNTY

**Description:** DRAW PROGRAM – Short Term General Obligation Bonds

Durham County requests approval to issue short-term bonds under authorizations previously approved by the Commission in October 2022. Under the new program, the County will draw funds as advances under each bond authorization (Schools, Community College, Museum) in the amounts and at the times as needed to pay the costs of projects being financed and as contracts are completed. Durham County has used this type of G.O. short-term bond program previously for voter-approved bond authorizations. The last such program was approved in 2023 (\$185,000,000). The current proposal for \$185,000,000 is as follows:

\$170,000,000 for Schools (K-12)

\$ 12,000,000 for Community College (Durham Tech)

\$ 3,000,000 for Museums (Museum of Life and Science)

The short-term bonds shall bear interest at a variable rate, calculated at 79% of Daily SOFR, plus a tax-exempt spread of 24 basis points (0.24%), subject to adjustment as provided in the County's Bond Resolution, with a maximum interest rate of 18.0% and a floor of 0.0% on an actual/360 day basis. Interest will be payable on the first business day of each month.

The full funding date is July 29, 2029, and the final maturity date is July 29, 2032.

**Financing Team:**

Bond Counsel: Parker Poe Adams & Bernstein LLP

Municipal Advisor: DEC Associates, Inc.

Lender: PNC Bank, National Association

Bank Counsel: Chapman & Cutler LLP

**Other:**

The County agrees to provide LGC staff with notification of each new advance from the bond authorizations and submit written confirmation to staff within four business days of each advance request.

Attachment B:

FPIC Units: Eden, Stanly County





## 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**

<b>Indicator</b>	<b>Description</b>	<b>Threshold</b>	
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	
<b>Municipalities: General Fund Expenditures</b>	<b>Median FBA as a % of Expenditures (without Powell Bill)</b>	<b>Minimum FBA as a % of Expenditures</b>	<b>Months of FBA Using Annualized Expenditures</b>
\$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
<b>Counties: General Fund Expenditures</b>	<b>Median FBA as a % of Expenditures</b>	<b>Minimum FBA as a % of Expenditures</b>	<b>Months of FBA Using Annualized Expenditures</b>
\$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**

<b>Indicator</b>	<b>Description</b>	<b>Threshold</b>
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"> <li>• Indicates that current liabilities are greater than unrestricted cash and investments plus accounts receivable.</li> <li>• Could indicate that the fund may have difficulty meeting expenses. If this pattern continues, the fund may not be financially sustainable.</li> </ul>	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**

<b>Indicator</b>	<b>Description</b>	<b>Threshold</b>
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)**

<b>Indicator</b>	<b>Description</b>	<b>Threshold</b>
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: **EDEN, CITY OF**

---

**PAR Amount Not to Exceed:** \$4,142,035

**Financing Type:** Installment Financing Contract

**Purpose and Type:** Water/Sewer, Water

**Purpose and Type:** Water/Sewer, Sewer

**Project Description:** The proceeds will be used for the Water and Sewer Advanced Metering Infrastructure Project (AMI), which will replace the current automated meter reading system, including water meters, dials, and transmitters.

**Statutory Reference:** G.S. 160A-20

**Last Request to Borrow:** 05/2025; SRF; \$9,002,409

**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 as the project serves a public purpose for the citizens.

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

**Feasibility:** Debt service will be paid through Water and Sewer Fund revenues.

**Tax Increase Anticipated:** No

**Rate Increase Anticipated:** Yes

**Additional Information (as applicable):** The City plans to implement a flat \$0.50 increase to all flat rates, as well as the per-1,000-gallon consumption rate for inside City customers, effective 7/1/26. This adjustment is unrelated to the AMI project. When the first debt payment comes due in 2027/28, there will be no additional rate increase.

**Public Hearing:** 5/19/2026

**TEFRA Hearing:** N/A

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

### Terms

**Lender/Purchaser/Bank:** Carter Bank & Trust

**Interest Rate:** 4.29%

**Term:** 15 years

**Payment:** Annual principal and interest

**Structure and Term:** Level debt service

**Final Maturity:** 5/27/2041

**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			
Underwriter/Senior			
Lender/Purchaser/Bank	Carter Bank & Trust		
Underwriter's Counsel			
Bond Counsel			
Purchaser's Counsel			
Trustee			
Trustee's Counsel			

**Amount Not to Exceed:** \$4,142,035

Sources	Amount
Loan Proceeds	\$4,142,035
Capital Reserve	\$700,000
Water & Sewer Fund Balance	\$484,265
<b>Total</b>	<b>\$5,326,300</b>

Uses	Amount
Construction Cost	\$4,842,035
Contingency	\$484,265
<b>Total</b>	<b>\$5,326,300</b>

**Eden: Financial Performance Indicators of Concern (FPIC)**

Indicator	Explanation of Indicator	Threshold	Unit Data
Water and Sewer Fund self-sufficiency.	Water and Sewer Fund transfers-in for the support of operations.	Transfers-in less than 3% of total of operating and non-operating expenses.	11%
<p><u>LGC Summary:</u> The City stated that it used American Rescue Plan Act funds in FY2024-2025 to cover qualified employee salary expenditures. The City selected the Revenue Replacement Expenditure Category for the ARPA funds and stated that these expenditures qualified under the American Rescue Plan Act. The City also stated that it no longer has ARPA funds to transfer.</p>			
Water and sewer capital asset condition ratio.	Estimated remaining life expressed as percentage.	Equal to or greater than 50% remaining life.	48.87%
<p><u>LGC Summary:</u> The City has extensive system renovations currently underway and expect this indicator to improve upon their completion.</p>			

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





## City of Eden

P.O. Box 70  
Eden, NC 27289-0070  
(336) 623-2110  
Fax (336) 623-4041



February 17, 2026

The Local Government Fiscal Performance  
Indicators of Concern Team  
North Carolina Department of State Treasurer  
State and Local Government Finance Division  
3200 Atlantic Avenue  
Raleigh, NC 27604

Dear Local Government Fiscal Performance Indicators of Concern Team:

I am writing to provide you with a response to the Fiscal Performance Indicators of Concern that were reported from the City of Eden's 24-25 Audited Financial Statements.

1. Per LGC- For the Water Sewer Fund – “It appears the Water Sewer Fund has transfers in for the support of operations that are greater than 3% of the total of operating and non-operating expenses”.

The City of Eden used American Rescue Plan Act Funds to cover the following qualified expenditures in fiscal year 2024-2025: Employee Salaries. The City of Eden selected the Revenue Replacement Expenditure Category for the ARPA funds, and these expenditures do qualify to meet the requirements of the American Rescue Plan Act. We no longer have ARPA funds to transfer.

2. Per LGC – For the Water Sewer Fund – “It appears the Water Sewer Fund has a capital assets condition ratio less than or equal to 50.00%.


The City of Eden's Water Sewer Fund capital assets condition ratio is 48.87%, which is below the minimum of 50.00%. The City of Eden is currently going through extensive renovations, and the anticipation is this metric will improve once the work is completed.

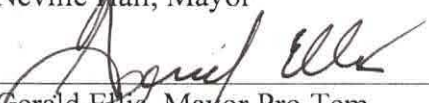
Please let me know if you need further information regarding the City of Eden's responses to the Financial Performance Indicators of Concern.

Sincerely,

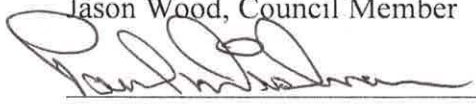
  
Jon Mendenhall, City Manager

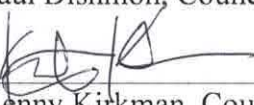
  
Tammie McMichael, Director of Finance & Personnel

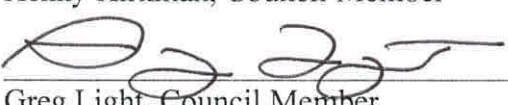
  
Neville Hall, Mayor

  
Gerald Ellis, Mayor Pro Tem

  
Jason Wood, Council Member

  
Paul Dishmon, Council Member

  
Kenny Kirkman, Council Member

  
Greg Light, Council Member

  
Bruce Nooe, Council Member

  
Mike Lemons, Council Member



## LGC Staff Analysis For: **STANLY COUNTY**

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**PAR Amount Not to Exceed:** \$22,522,000

**Financing Type:** USDA Revenue Bonds-Interim Financing

**Purpose and Type:** Water/Sewer, Sewer

**Project Description:** West Stanly WWTP Enhancement Project - The capital improvements will include upgrading the McCoy's Creek pump station, installing a new force main from McCoy's Creek to the West Stanly WWTP, installing a 1 MGD equalization basin at the West Stanly WWTP, relocating the headworks, renovating the laboratory building, installing a new access road, and replacing a portion of the treated water outfall.

**Statutory Reference:** G.S. 159 Article 5

**Last Request to Borrow:** 6/2025; IFC; \$8,500,000

**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 West Stanly WWTP receives wastewater from four municipalities: the City of Locust, the Town of Oakboro, the Town of Red Cross, and the Town of Stanfield. Population and flow projections for these municipalities indicate the current 1.2-MGD capacity of the West Stanly WWTP is not sufficient to meet future wastewater service demands. Therefore, the West Stanly WWTP must be expanded such that its permitted capacity is increased from 1.2 MGD to 2.5 MGD, via several Phase II improvements.

**Proposed amount is adequate and not excessive:** The County received bids for contract 1 February 19, 2026, per North Carolina G.S. 143-132. Two (2) bids were received and opened. The County received bids for contract 2 February 5, 2026, per North Carolina G.S. 143-132. Seven (7) bids were received and opened. Bids for both contracts exceeded the available funding and the project scope was revised to accommodate funding. The contracts were awarded to the lowest, responsive, responsible bidders for each contract.

**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 WWTP plant serves only municipal customers with bulk treatment at a rate of \$6.20 per 1,000 gallons. The average revenue from the towns for wastewater treatment is \$121,000 per month. Additional revenue is generated for this project via System Development Fees.

**Tax Increase Anticipated:** N/A

**Rate Increase Anticipated:** Yes

**Additional Information (as applicable):** A 4% increase is recommended for FY 26-27, and a 4% or 5% rate increase is anticipated for FY 27-28.

**Public Hearing:** N/A

**TEFRA Hearing:** N/A

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

**Terms**

**Lender/Purchaser/Bank:** PNC Bank, National Association

**Interest Rate:** 4.10%

**Term:** 25 months

**Payment:** Principal due at maturity – August 22, 2028

**Structure and Term:** Interest paid annually

**Final Maturity:** August 22, 2028

**Other:** The Note shall be executed and delivered with the expectation that the principal balance shall be repaid by permanent financing from the United States Department of Agriculture, Rural Development (“USDA-RD”) at the earlier of substantial completion of construction or the Maturity Date of the Credit Facility.

**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	PNC Bank, National Association		
Underwriter’s Counsel			
Bond Counsel	Parker Poe Adams & Bernstein LLP		
Purchaser’s Counsel	Chapman and Cutler LLP		
Trustee			
Trustee’s Counsel			

**Amount Not to Exceed:** \$22,522,000

Sources	Amount
Interim Financing Bank Loan/USDA (Loan) Rev Bond	\$22,522,000
ARPA Grant Funds	\$6,250,000
Stanly Water and Sewer Authority Contribution	\$25,000
Stanly County Cash Contribution	\$8,000
<b>Total</b>	<b>\$28,805,000</b>

Uses	Amount
Construction Cost	\$21,684,778
Engineering Fees	\$2,511,900
Land and Rights-of-way	\$435,440
Bond Counsel and Legal Fees	\$60,000
Equipment	\$232,000
Administrative	\$25,000
Capitalized Interest	\$1,687,404
Contingency	\$2,168,478
<b>Total</b>	<b>\$28,805,000</b>

**Stanly County: Financial Performance Indicators of Concern (FPIC)**

Indicator	Explanation of Indicator	Threshold	Unit Data
Water and Sewer Fund cash flow.	Operating net income (loss) excluding depreciation and including debt service principal and interest.	Greater than zero.	\$ (22,944)
<p><u>LGC Summary:</u> The County water and sewer operations resulted in a operating net loss. The County stated that the fund responsible for this loss is the West Stanly WWTP Operating Fund. It stated that, even though revenues increased over the prior year, there were major repairs done at the pump station and treatment plant, along with an increase in debt service. Management has already been in discussion about rate increases for the next fiscal year to ensure charges for services are aligned to be at a level where this fund and all water and sewer funds can individually cover operating expenses with operating revenues.</p>			
Water and sewer capital asset condition ratio.	Estimated remaining life expressed as percentage.	Equal to or greater that 50% remaining life.	43.46%
<p><u>LGC Summary:</u> The County stated that its system of sewer treatment plants and water distribution networks has expanded over the past several years, but the infrastructure continues to require on-going maintenance and repair. The County stated that Stanly County requested, management recommended, and the Board approved a 5% increase to help ensure sufficient funds are available for future debt service, on-going maintenance and repairs and the Board's desired capital improvements.</p>			
Significant deficiencies identified.	Certain weaknesses in a unit's financial reporting warrant attention but are less significant than a material weakness.	None reported.	Significant deficiencies reported concerning: <ul style="list-style-type: none"> <li>• PPA for GF A/R</li> <li>• Budget violations</li> </ul>
<p><u>LGC Summary:</u> Accounts receivable amounts were incorrectly recorded leading to a prior period adjustment in the General Fund decreasing fund balance by \$309,866. The auditor also noted budget violations in the County's Water and Sewer Utility Funds: \$3,739 in the Piney Point Water District and \$400,861 in the Utility Fund. The County responded to the budget violations by describing its plan to monitor Utility Fund budgets more closely.</p>			

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





January 5, 2026

NC Department of State Treasurer  
State and Local Government Finance Division  
3200 Atlantic Avenue  
Raleigh, NC 27604

Response to Finding No. 2025-001 Correction of an error in previously issued financial statements:

An adjustment was made to correct the accounts receivable balance in the General Fund that decreased fund balance by \$309,866.

The County will make it a practice going forward to make sure subsidiary accounts receivable ledgers agree to the balance sheet.

Response to Finding No. 2025-002 Budget Violations:

The Piney Point Water District Fund expenditures exceeded the budget by \$3,739. Additionally, the Stanly County Utility Fund expenditures exceeded the budget by \$400,861.

The County received a large amount of Utility invoices in July and August that were for services received prior to June 30<sup>th</sup>. Staff will monitor the Utility Fund budgets more closely going forward to better project the expenditures at year-end to provide more accuracy in preparing the last budget amendments for the year.

Response to Financial Performance Indicators of Concern in the Data Input Worksheet:

Water and sewer capital assets condition ratio calculated to be .43 in the Data Input Worksheet. This ratio formula calculates the remaining useful life of water and sewer assets. A remaining useful asset value less than .50 may signal the need to replace the assets in the near future.

The County's system of sewer treatment plants and water distribution networks have expanded over the past several years, but key infrastructure like tanks and pump stations continue to age and require on-going maintenance and repair. The aging infrastructure is very expensive to renovate or replace so it is important to establish rates at a level to provide sufficient resources for on-going maintenance and repair. Deferring the maintenance of our system will lead to costly obligations in the future. Stanly County Utilities requested, management recommended

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Finance Department

1000 N. First Street, Suite 10B, Albemarle, NC 28001

and the Board approved a 5% increase to help ensure sufficient funds are available for future debt service, on-going maintenance and repairs and the Board's desired capital improvements.


Operating Net Income (loss) excluding depreciation, including debt service principal and interest calculated to be (\$22,944). A negative balance indicates that the rates are not covering operating expenses and debt service payments.

The fund that was by majority responsible for putting this indicator in the negative is the West Stanly WWTP Operating Fund. Even though revenues did increase over the prior year, there were major repairs done at the pump station and the treatment plant, along with an increase in debt service. Management has already been in discussion about rate increases for the next fiscal year to ensure charges for services are aligned to be at a level that this fund and all our water and sewer funds can individually maintain a positive indicator.

Sincerely,

  
Paul M. Barbee, Commissioner

  
Brandon L. King, Commissioner


  
Patty M. Crump, Commissioner

  
T. Scott Efirid, Commissioner

  
D. Trent Hatley, Commissioner

  
Willie D. Lawhon, Jr.  
Commissioner

  
Billy D. Mills, Commissioner

  
Andrew M. Lucas  
County Manager

  
Toby R. Hinson, Finance Director