

The Town of Ronda and the Local Government Commission



BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA



On Oct. 6, 2026, the Local Government Commission (LGC or Commission) assumed control of the Town of Ronda's finances. The Commission and its staff have provided years of help and warnings, but Town officials did not take necessary steps to address Ronda's financial problems. Prior to this action, the Commission had assumed financial control of a unit only 13 times before in its 91-year history. This fact sheet answers common questions about what happens next and what the change means for Town services and residents.

What does it mean for the LGC to assume financial control?

The LGC will make the Town's financial decisions, including decisions about its budget and spending. Before Town officials or employees commit Town funds or make a payment, they must get direction from LGC-appointed staff. The Town may not automatically make routine payments or spend funds on previously approved expenses, even with available funds in the budget, without approval of the LGC-appointed staff.

Why did the LGC assume financial control of Ronda?

Ronda was facing an immediate cash shortage and the possibility that it would not be able to make payroll or pay other bills. The Town had also submitted audits late for five years in a row, repeatedly spent more than its approved budget and lost money in its water and sewer operations for three years. In FY 2025, water and sewer spending was about \$203,000 over budget—roughly 97% more than approved.

The LGC had worked with the Town for years, offering financial reviews, corrective action plans, training and other help. The problems continued, so the LGC took control of the Town's finances to oversee spending and help address the crisis. State law allows the LGC to take this step when a local government continues to violate state budget and fiscal control laws after notice and warning.

What happens to Town services and day-to-day operations?

Taking control of the Town's finances does not automatically stop Town services or put the LGC in charge of every Town function. The Town will continue its work while the LGC and Town officials review its finances and services. The Town's governing board maintains authority over non-fiscal matters. It must get LGC approval before starting a new service or amenity. The Town and LGC will also look at how to keep providing services residents need in a fiscally responsible way.



What role will Town officials have during the transition?

Town officials and employees will help the LGC understand the Town's finances and services. They will need to provide records and information and work with LGC staff on next steps. The Town's governing board will maintain its regular meeting schedule and is still permitted to make decisions outside the financial control assumed by the LGC.

What happens next, and how long will the LGC remain in control?

The LGC will review the Town's revenue, debts, contracts, financial affairs and services. The Town will also report on the cost and income of its services over the last five fiscal years. That report is generally due within 90 days after this review process begins.

There is no set end date for LGC control. The Town and LGC will review the Town's finances each year to determine if progress is being made towards financial rehabilitation. If the LGC finds the Town's finances stable for three years in a row, it must return control to the Town. If the Town remains financially unstable, the LGC may continue its oversight and look at options such as working with another local government, merging, or dissolving the Town.

Does this mean Ronda will be dissolved or stop being a town?

No. Taking control of a town's finances does not, by itself, dissolve the town.

Ronda officials have voted to begin the voluntary dissolution process, but that vote does not dissolve the Town. The voluntary dissolution process includes an impact statement, public hearings on a plan for handling the Town's property and debts and further action by the Town. Residents may also be able to petition for a referendum.

The LGC has a separate process for considering a merger or dissolution if a town remains financially unstable. That would require further steps under state law.



BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

For more information visit:
www.nctreasurer.gov