NC Capital Facilities

Finance Agency

Debt Approvals
(Attachment A)

§ 159D-40. Criteria and requirements.

(a) In undertaking any project pursuant to this Article, the agency shall be guided by and shall observe the following criteria and requirements listed below. The determination of the agency as to its compliance with these criteria and requirements is conclusive.

(1) No project shall be sold or leased nor any loan made to any participating institution that is not financially responsible and capable of fulfilling its obligations, including its obligations under an agreement of sale or lease or a loan agreement to make purchase price payments, to pay rent, to make loan repayments, to operate, repair and maintain at its own expense the project and to discharge any other responsibilities imposed under the agreement of sale or lease or loan agreement.

(2) Adequate provision shall be made for the payment of the principal of and the interest on the bonds and any necessary reserves for payment and for the operation, repair and maintenance of the project at the expense of the participating institution.

(3) The public facilities, including utilities, and public services necessary for the project will be made available.

(4) The projects shall be operated to serve and benefit the public and there shall be no discrimination against any person based on race, creed, color, or national origin.

(b) In making these determinations, the agency may consider the participating institution's experience and ratio of current assets to current liabilities; the participating institution's net worth, earnings trends, and coverage of fixed charges; the nature of the project involved; and any additional security for payment of the bonds and performance of the participating institution's obligations under the agreement of sale or lease or loan agreement, such as credit enhancement, insurance, guaranties, or property pledged to secure the payment and performance. (1985 (Reg. Sess., 1986), c. 794, s. 6; 1998-124, s. 6; 2000-179, s. 2.)

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

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
Total	**$11,726,321**

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
Total	**$11,726,321**