

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



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North Carolina Capital Facilities Finance Agency Annual Report

June 30, 2022

North Carolina Department of State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604

North Carolina Capital Facilities Finance Agency

Annual Report

June 30, 2022

The North Carolina Capital Facilities Finance Agency (NCCFFA or Agency) was created in 1986 to provide the benefits of tax-exempt financing to nonprofit private institutions of higher education in the State of North Carolina. It was originally named the North Carolina Educational Facilities Finance Agency. The act that created the NCCFFA was amended in the 1998 session of the General Assembly (Session Law 1998-124) to broaden its powers to permit financing facilities of kindergarten, elementary and secondary nonprofit private schools. This act was then amended again in the 1999-2000 session of the General Assembly (Session Law 2000-179) to change to the present name and to allow the Agency to finance additional types of capital projects with public purposes. Since 2000, subsequent amendments by the General Assembly have authorized financings for various other nonprofit entities within specified parameters. A state legislative change enacted in 2009 authorized the Agency to issue Recovery Zone Facility Bonds in accordance with the enactment of the federal American Recovery and Reinvestment Act of 2009 for projects within locally declared recovery zones that promote economic development and increased employment. The legislative authority to issue Recovery Zone Facility Bonds expired on December 31, 2010.

The NCCFFA is governed by a Board of Directors composed of seven members. Two of the members are the State Treasurer and the State Auditor, each of whom serve ex-officio. The remaining members are residents of the state who do not hold public office and are appointed in the following manner:

- The General Assembly on the recommendation of the President Pro Tempore of the Senate appoints one director
- The General Assembly on the recommendation of the Speaker of the House appoints one director
- The Governor appoints three directors
- The Chairman and Vice Chairman of the Board of Directors are designated by the Governor

The NCCFFA is staffed by the State and Local Government Finance Division of the Department of State Treasurer. The operations of the NCCFFA are combined with and inseparable from those of the Department of State Treasurer and are subject to reviews and audit by the North Carolina State Auditor's Office.

The Local Government Commission is composed of a nine-member board of directors chaired by the State Treasurer. Since the early 1930s, the LGC has assisted counties and cities in the areas of debt and fiscal management. In addition to approving bonds of the NCCFFA, the LGC approves almost all North Carolina local government debt.

During the fiscal year ended June 30, 2022, the NCCFFA approved the issuance of approximately \$96.1 million in bonds for 2 institutions. A list of all the approvals is attached as Schedule A.

Since its creation in 1986, the NCCFFA has issued approximately \$9.58 billion in tax-exempt capital financings. As of June 30, 2022, approximately \$1.3 billion in these bonds were outstanding. Schedule B lists transactions corresponding to those outstanding bonds. There have been no defaults on any NCCFFA financings. Each issue is payable solely from revenues derived from each entity financed, is separately secured, and is separate and independent from all other series of bonds as to source of payment and security.

Schedule A

North Carolina Capital Facilities Finance Agency Transactions Approved for Fiscal Year 2021-22

| Issuer | Amount | Purpose | Issue Date |
|----------------------------|----------------------|-----------|-----------------|
| Campbell University | \$ 71,200,000 | Refunding | August 10, 2021 |
| Johnson & Wales University | \$ 24,900,000 | Refunding | May 12, 2022 |
| TOTAL | \$ 96,100,000 | | |

Schedule B

North Carolina Capital Facilities Finance Agency Status of All Approved Transactions

| Borrower | Original Issue | | Outstanding at June 30, 2022 |
|--|----------------|--------------------|---------------------------------|
| | Amount | Date | |
| Duke University-A | \$ 35,240,000 | July 17, 1992 | \$ 35,240,000 |
| N.C. Aquarium Society | \$ 26,745,000 | January 22, 2004 | \$ 7,205,000 |
| NC A&T University Foundation LLC | \$ 21,000,000 | August 10, 2004 | \$ 10,500,000 |
| Rocky Mount Preparatory School | \$ 6,500,000 | September 20, 2007 | \$ 3,300,000 |
| Metrolina Scholars' Academy | \$ 4,050,000 | December 15, 2009 | \$ 2,139,662 |
| Cape Fear Academy | \$ 8,335,000 | July 22, 2010 | \$ 4,049,167 |
| Greensboro Day School | \$ 6,015,000 | August 26, 2010 | \$ 1,795,000 |
| Republic Services, Inc. | \$ 85,000,000 | November 30, 2010 | \$ 70,000,000 |
| Elon University | \$ 54,595,000 | July 18, 2012 | \$ 47,510,000 |
| Republic Services, Inc. | \$ 25,000,000 | June 18, 2013 | \$ 25,000,000 |
| Johnson & Wales University | \$ 26,502,035 | March 11, 2014 | \$ 11,925,916 |
| The Raleigh School | \$ 2,750,000 | June 12, 2014 | \$ 1,478,996 |
| Elon University | \$ 100,310,000 | September 30, 2014 | \$ 61,430,000 |
| The Asheville School | \$ 7,185,000 | October 16, 2014 | \$ 3,010,000 |
| Carter G. Woodson Charter School | \$ 3,665,000 | April 23, 2015 | \$ 2,633,662 |
| Eastern Area Health Education Center, Inc. | \$ 4,500,000 | June 19, 2015 | \$ 2,857,732 |
| High Point University | \$ 80,630,000 | October 22, 2015 | \$ 58,412,000 |
| NC A&T Foundation | \$ 22,495,000 | November 17, 2015 | \$ 17,325,000 |
| Raleigh Charter | \$ 6,626,980 | December 17, 2015 | \$ 4,606,599 |
| Charlotte Preparatory | \$ 9,776,896 | November 20, 2015 | \$ 5,734,868 |
| Southern AHEC | \$ 16,600,000 | December 22, 2015 | \$ 11,108,449 |
| Endeavor Charter | \$ 7,681,669 | February 10, 2016 | \$ 5,537,469 |
| Wake Forest University | \$ 159,100,000 | July 3, 2016 | \$ 156,535,000 |
| Meredith College | \$ 8,125,000 | September 29, 2016 | \$ 7,290,000 |
| Duke University | \$ 328,605,000 | November 3, 2016 | \$ 328,605,000 |
| Fayetteville State University Student Housing | \$ 10,150,000 | February 15, 2017 | \$ 8,024,000 |
| Elon University | \$ 24,320,000 | April 26, 2017 | \$ 21,135,000 |
| YMCA of the Triangle Area | \$ 42,135,000 | May 1, 2017 | \$ 23,080,967 |
| NC State Student Aid Association (Wolfpack Club) | \$ 12,585,000 | October 24, 2017 | \$ 9,229,000 |

| Borrower | Original Issue | | Outstanding at June 30, 2022 |
|--|-------------------------|--------------------|---------------------------------|
| | Amount | Date | |
| Affiliates of ARC of North Carolina, Inc. | \$ 25,070,000 | November 30, 2017 | \$ 21,740,000 |
| Elon University | \$ 20,000,000 | March 27, 2018 | \$ 17,624,000 |
| Meredith | \$ 40,960,158 | March 29, 2018 | \$ 32,130,000 |
| Summit School | \$ 12,840,000 | May 10, 2018 | \$ 9,600,012 |
| Wake Forest University | \$ 97,970,000 | July 26, 2018 | \$ 97,970,000 |
| Sallie B. Howard School of Arts & Education Youth Enrichment Program of Wilson | \$ 8,200,000 | August 20, 2018 | \$ 7,582,000 |
| The NCCU Real Estate Foundation (Series 2003) | \$ 14,955,000 | September 10, 2019 | \$ 12,113,200 |
| Duke University (Tax Exempt Commercial Paper) | \$ 113,660,000 | November 18, 2020 | \$ - |
| High Point University | \$ 45,435,000 | March 18, 2021 | \$ 43,465,000 |
| Elon University | \$ 50,000,000 | May 6, 2021 | \$ 50,000,000 |
| Campbell University | \$ 71,200,000 | August 10, 2021 | \$ 64,460,000 |
| Johnson & Wales University | \$ 24,900,000 | May 12, 2022 | \$ 24,900,000 |
| TOTAL | \$ 1,671,412,738 | | \$ 1,328,282,699 |