NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

JANET COWELL
TREASURER

T. VANCE HOLLOMAN
DEPUTY TREASURER

Memorandum 2010-21

To: **Finance Officers of North Carolina Local Governments and Public Authorities**

From: **Sharon Edmundson, Director, Fiscal Management Section**

Subject: **Continuing Disclosure Requirements of Rule 15c2-12**

Date: **November 19, 2009**

Most units that have issued debt subject to the continuing disclosure requirements of Rule 15c2-12 issued by the Securities and Exchange Commission (SEC) must make these disclosures annually by January 31, 2010. Local Government Commission (LGC) Memo No. 2010-7 dated August 17, 2009, explained that effective July 1, 2009 due to a rule change by the SEC, the Electronic Municipal Market Access (EMMA) of the Municipal Securities Rulemaking Board (MSRB) is the only official repository for continuing disclosure. **Please review LGC Memo No. 2010-7 and note that for the filing season ending January 31, 2010, all filing for continuing disclosure must be done electronically through the EMMA system. Documents must be in pdf format. Files submitted to EMMA after January 1, 2010, also must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function available in most standard software packages). Please see MRSB Notice 2008-47 for details.**

The information filed for continuing disclosure is detailed in an agreement that is part of the official statement of the issue. It is important to review these requirements annually prior to making your filing. This office has prepared sample disclosures from the illustrative financial statements for Carolina County to assist units in making these disclosures:

Exhibit # 3a and 3b - Annual Requirements – Debt Information and Tax Information
Exhibit # 4 - Form MB080G – Annual Debt Service Requirement and Debt Limitation now available on the Treasurer's website to be retrieved by each unit, and
Exhibit # 5 - Compiled Combined Budget for The Current Fiscal Year (July 1, 2009-June 30, 2010).

In addition to the above information, a copy of the unit's audited financial statements, which has been approved and accepted by the LGC, also should be submitted to EMMA.

If a unit has issued debt other than general obligation bonds (such as revenue bonds, certificates of participation or special obligation bonds) that is subject to continuing disclosure requirements, the unit should determine the specific annual disclosure requirements for this

325 NORTH SALISBURY STREET, RALEIGH, NORTH CAROLINA 27603-1385
Courier #56-20-45 Telephone (919) 807-2350 Fax (919) 807-2352
Physical Address: 4505 Fair Meadow Lane, Blue Ridge Plaza, Suite 102, Raleigh, NC 27607
Website: www.nctreasurer.com

debt. While the disclosures for general obligation issues are substantially standardized among issuers, requirements for other debt may vary from one issue to another (including the deadlines for submitting disclosures to EMMA). Please keep in mind that the information on the State Treasurer's website relates to disclosure requirements for general obligation issues.

EMMA is serving as an electronic central post office with the approval of the SEC. EMMA is completely web-based and free of charge to an issuer submitting continuing disclosure. The EMMA main webpage is located at http://emma.msrb.org for filing continuing disclosure through the EMMA system. To use the EMMA system and submit continuing disclosure, issuers must register a user account on the EMMA Dataport webpage. In the upper right-hand corner of the EMMA Dataport page, there is a link "Register to Submit Continuing Disclosures" that will lead users through the registration process. **After registering, you must be confirmed by the MSRB. Confirming may be done either electronically or manually by submitting a form to the MSRB. See Exhibit 1a and 1b for sample documents requesting confirmation from the MRSB.**

EMMA replaces the Nationally Recognized Municipal Securities Information Repositories (NRMSIRs); therefore the filings, such as annual disclosures and material events filing to the NRMSIRs should now be done through EMMA for the MRSB. Please submit a copy of the required information to the Local Government Commission at the same time it is submitted to EMMA. The copy submitted to the LGC does **not** need to include a copy of your unit's audited financial statements. Additionally, if you would like for us to review your unit's disclosures prior to your sending the required information to EMMA, please send a draft copy to us by January 7, 2010.

To assure our office that your unit is aware of the eleven events that require disclosure, that your unit is comfortable that none of the events have occurred, and that your unit has timely submitted the required disclosures to EMMA, please respond to this office using the sample letters contained in Exhibits #6 and #7. These certifications are for the Local Government Commission use only and are not required by the EMMA/MRSB.

Should you have questions or need assistance, please contact Yusador Gaye at (919) 807-2394 or via email at yusador.gaye@nctreasurer.com.

Exhibit 1a

County of Carolina
Raleigh, North Carolina

November 16, 2009

Municipal Securities Rulemaking Board
Attention: Market Information Department
1900 Duke Street
Alexandria, VA 22314

Dear Sir or Madam:

Please grant Yusador Gaye (MRSB ID: 001100ID) access on the EMMA system to make secondary market disclosure filings and notice of material events filings on behalf of the Carolina County, North Carolina, debt issues. Attached, please find the requirement manual conformation document. **(See Exhibit 1b, confirmation document from the online registration that must be sent along with this letter to complete the registration and Exhibit 1c for contact information.)**

Should you have any questions, please do not hesitate to contact us.

Sincerely

County Manager
Carolina County

325 NORTH SALISBURY STREET, RALEIGH, NORTH CAROLINA 27603-1385
Courier #56-20-45 Telephone (919) 807-2350 Fax (919) 807-2352
Physical Address: 4505 Fair Meadow Lane, Blue Ridge Plaza, Suite 102, Raleigh, NC 27607
Website: www.nctreasurer.com

Exhibit 1b

Confirmation Process (Manual)

- Confirmation document for manual submission

Continuing Disclosure Registration - Manual Confirmation Document

You will need this document, which includes your confirmation number, to complete the manual confirmation process. Please print this page and send it to the MSRB along with the documentation identified in one of the options below.

MSRB ID: D001FM
Confirmation Number: 0000-AAHL

For issuers and obligated persons:

Send this document along with a letter requesting confirmation, on your organization's letterhead, signed your organization's chief financial officer (or the person responsible for financial matters), to the address below.

or

Send this document along with a letter requesting confirmation and your organization's IRS Form 8038 to the address below. This option is not available to agents.

For users submitting disclosure documents as an agent on behalf of issuers or obligated persons:

Send this document along with a letter requesting confirmation AND a document signed by an issuer or obligated person designating you as an agent (e.g. continuing disclosure agreement) to the MSRB at the address below.

All correspondence should be addressed to:

MSRB
Attention: Market Information Department
1900 Duke Street
Alexandria, VA 22314

Print

Other Resources

MSRB Website: www.msrb.org
EMMA Website: www.emma.mrsb.org

Contact Information

MSRB Market Information Department
703-797-6668
emmaonline@msrb.org

Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, VA 22314
Tel: 703-797-6600
Fax: 703-797-6700

Exhibit 2

(NOT REQUIRED - USED ONLY AS TRANSMITTAL LETTER)

CAROLINA COUNTY
DOGWOOD, NORTH CAROLINA

December 18, 2009

From: Carolina County
Dogwood, North Carolina
Reporting for the fiscal year ended June 30, 2009

Information relates to the following securities issued by the issuer having the six digits CUSIP numbers XXXXXX and XXXXXX:

$7,370,000 School Facility Serial Bonds, dated July 1, 19XX
$3,365,000 Advance Refunding Bonds, dated February 1, 20XX
$2,500,000 Community College Improvement Serial Bonds, dated September 1, 19XX
$2,340,000 Hospital Improvement Serial Bonds, dated May 1, 19XX
$2,350,000 Water Serial Bonds, Dated December 1, 19XX

Number of pages of attached information: THREE

Enclosed herewith is information the County of Carolina has undertaken to provide to purchasers on the above referenced bonds in accordance with Rule 15c-2-12 of the Securities and Exchange Commission, consisting of the following items:

1. Comprehensive Annual Financial Report for year ended June 30, 2009.
2. Information required in the Undertaking, i.e. Combined Budget for the Current Fiscal Year, Debt Information and Tax Information.

Finance Officer
Carolina County
Dogwood, North Carolina
(919) 807-2394

Exhibit 3a

Carolina County, North Carolina

Debt Information

LEGAL DEBT LIMIT

Please refer to page(s) 35-J-78 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2009.

OUTSTANDING GENERAL OBLIGATION DEBT

Please refer to page(s) 35-J-75 to 35-J-80 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2009.

Latest Bonds Issued:

19XX-19XX $7,370,000 School Facility Serial Bonds, Series 1999, 6.91 years average maturity, interest at 6.50 percent

GENERAL OBLIGATION DEBT RATIOS

Please refer to the report "Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2009" filed with the MSRB by the North Carolina Department of State Treasurer, Division of State and Local Government Finance.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

See Schedule MB080G attached (does not include refunded bonds).

GENERAL OBLIGATION BONDS AUTHORIZED AND UNISSUED

Purpose	Date Approved	Balance Authorized and Unissued
Streets Improvements	**11/7/19XX**	**$1,250,000**

GENERAL OBLIGATION DEBT INFORMATION FOR UNDERLYING UNITS AS OF JUNE 30, 2009

Please refer to the report "Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2009" filed with the MSRB by the North Carolina Department of State Treasurer, Division of State and Local Government Finance.

OTHER LONG TERM COMMITMENTS

Please refer to page(s) 35-J-75 to 35-J-80 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2009.

Exhibit 3b

Carolina County, North Carolina

Tax Information

GENERAL INFORMATION

Please refer to page(s) 35-J-137
of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2009.

TAX COLLECTIONS

Please refer to page(s) 35-J-138 to 35-J-139 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2009.

TEN LARGEST TAXPAYERS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Please refer to page(s) 35-J-140 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2009.

MBO80G

Exhibit 4
As of Date 6/30/09
Run Date 7/21/09
Run Time 10:52:14

DEPARTMENT OF STATE TREASURER
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
ANNUAL REQUIREMENTS AND DEBIT LIMITATION

UNIT CAROLINA COUNTY

FISCAL YEAR	***UTILITIES*** PRINCIPAL	PRIN & INT	***OTHER*** PRINCIPAL	PRIN & INT	***TOTAL*** PRINCIPAL	PRIN & INT	SUBJECT T0 STATUTORY LIMITATION	TOTAL
2009	73,109	77,609	1,571,891	2,050,166	1,645,000	2,127,775	10,229,118	10,335,000
2010	32,773	34,147	1,532,227	1,936,959	1,565,000	1,971,106	8,657,227	8,690,000
2011	-	-	1,500,000	1,832,775	1,500,000	1,832,775	7,125,000	7,425,000
2012	-	-	1,475,000	1,737,188	1,475,000	1,737,188	5,625,000	5,625,000
2013	-	-	1,475,000	1,667,900	1,475,000	1,667,900	4,150,000	4,150,000
2014	-	-	1,075,000	1,199,100	1,075,000	1,199,100	2,675,000	2,675,000
2015	-	-	600,000	673,800	600,000	673,800	1,600,000	1,600,000
2016	-	-	375,000	420,675	375,000	420,675	1,000,000	1,000,000
2017	-	-	375,000	403,575	375,000	403,575	625,000	625,000
2018	-	-	250,000	261,475	250,000	261,475	250,000	250,000
TOTAL	105,882	111,756	10,229,118	12,183,612	10,335,000	12,295,369		
GR TOTAL	105,882	111,756	10,229,118	12,183,612	10,335,000	12,295,369		

Carolina County, North Carolina

Compiled Budget - Annually Budgeted Funds

For the Fiscal Year Ending June 30, 2010

	General Fund	Special Revenue Fund	Enterprise Fund
Estimated revenues:			
Ad valorem taxes	$ 66,554,756	$ 113,596	$ -
Local option sales taxes	16,694,688	-	-
Other taxes and licenses	491,138	228,800	-
Unrestricted intergovernmental	174,626	-	-
Restricted intergovernmental	14,971,931	-	-
Permits and fees	478,726	-	-
Sales and services	1,373,785	-	1,191,825
Investment earnings	1,813,222	66,942	125,012
Miscellaneous	139,541	-	11,880
Total estimated revenues	102,692,413	409,338	1,328,718
Appropriations:			
General government	7,516,826	670,995	-
Public safety	8,439,119	23,920	-
Transportation	1,366,294	-	-
Economic and physical development	1,580,390	-	-
Human services	23,888,186	-	-
Cultural and recreational	6,969,888	-	-
Education	49,701,619	-	-
Solid waste operations	-	-	127,518
Water and sewer operations	-	-	943,966
Capital outlay	-	-	152,000
Debt service:			
Principal retirement	941,799	-	299,144
Interest and fees	631,485	-	160,000
Total appropriations	101,035,607	694,915	1,682,628
Estimated revenues over (under) appropriations	1,656,806	(285,577)	(353,910)
Other financing sources (uses):			
Transfers from other funds:			
General Fund	-	251,000	230,000
Special Revenue Fund	263,846	-	-
Enterprise Fund	201,205	151,000	-
Capital Projects Fund	2,960,632	-	-
Transfers to other funds:			
General Fund	-	(263,846)	(201,205)
Special Revenue Fund	(251,000)	-	(151,000)
Capital Projects Fund	(2,147,160)	(469,433)	(238,482)
Enterprise Fund	(230,000)	-	-
Proceeds of capital leases	130,000	-	-
Sales of capital assets	17,000	-	-
Appropriated fund balance	712,283	45,702	6,777
Total other financing sources (uses)	1,656,806	(285,577)	(353,910)
Estimated revenues and other sources over appropriations and other uses	$ -	$ -	$ -

Compiled by the staff of Carolina County finance department.

NOTE: The compiled budget should most closely resemble the financial statements of the most recently audited fiscal year.

Exhibit 6

CAROLINA COUNTY
DOGWOOD, NORTH CAROLINA

January 31, 2009

Ms. Yusador Gaye
State and Local Government Finance Division
N.C. Department of State Treasurer
325 N. Salisbury Street
Raleigh, North Carolina 27603-1385

Dear Ms. Gaye:

Rule 15c2-12(b) (5) (iii) requires an Issuer or Obligated Person(s) to provide notice of any of the following eleven events, if material, with respect to the offered securities:

1) Principal and interest payment delinquencies
2) Non-payment related defaults
3) Unscheduled draws on debt service reserves reflecting financial difficulties
4) Unscheduled draws on credit enhancements reflecting financial difficulties
5) Substitution of credit or liquidity providers, or their failure to perform
6) Adverse tax opinions or events affecting the tax-exempt status of the security
7) Modifications to rights of security holders
8) Bond calls
9) Defeasances
10) Release, substitution, or sale of property securing repayments of the securities
11) Rating changes

I hereby certify that there have been no occurrences or no unreported occurrences of the events listed above that are of a material nature during the reporting period (fiscal year ended June 30, XXXX) or subsequent thereto, through the filing date of this notice. I am duly authorized by the Issuer and have sufficient information available to make this certification.

Finance Officer
Carolina County
Dogwood, North Carolina
(919) 807-2394

Exhibit 7

CAROLINA COUNTY
DOGWOOD, NORTH CAROLINA

Notice of Filing of Annual Information

January 31, 2009

Ms. Yusador Gaye
State and Local Government Finance Division
N.C. Department of State Treasurer
325 N. Salisbury Street
Raleigh, North Carolina 27603-1385

Dear Ms. Gaye:

As required by the Undertaking, the Issuer hereby certifies that the required annual financial information, as set forth in the final official statement(s), has been provided in a timely manner to each EMMA. I am duly authorized by the Issuer and have sufficient information available to make this certification.

Finance Officer
Carolina County
Dogwood, North Carolina
(919) 807-2394