



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

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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

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.