



*Dale R. Folwell, CPA*

**Memorandum # 2019-03**

**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 26, 2018**

The 2018 deadline is approaching for filing annual secondary market disclosures to the Municipal Securities Rule Making Board (MSRB) for outstanding debt subject to the continuing disclosure requirements under Rule 15c2-12 of the Securities and Exchange Commission (SEC). There have been no changes to this filing process during this year; however, please be reminded that filing can only be done electronically through the Electronic Municipal Market Access (EMMA), an electronic filing medium of the MSRB. 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 issuers submitting continuing disclosures. The EMMA webpage is located at <https://emma.msrb.org>.

For units of government with a fiscal year end of June 30, please note that the annual filing is due January 31, 2019, **which is a Thursday. The January 31<sup>st</sup> date is a contractual date and cannot be extended.** Failure to file has the following consequences: 1) the MSRB must be notified timely of failure to file, 2) the failure to file must be reported in final official statements for the next five years, and 3) the failure to file is a breach of contract and as such is a violation that must be reported in your annual financial statement. This failure to file notification could potentially affect future bond sales and ratings. We encourage you to file your submission to EMMA soon after your audited financial statements are available for distribution. **There is no need to wait until January to file.** If there are names you would like to have added to our distribution list for continuing disclosure correspondence, please email [ContinuingDisclosure@nctreasurer.com](mailto:ContinuingDisclosure@nctreasurer.com) for assistance.

The information required to be filed for continuing disclosure is detailed in an agreement that is part of the official statement. It is important to review these requirements annually prior to making your filing. To assist in the filing process, sample filings have been prepared from the

Carolina County sample financial statements for its General Obligation bonds. Please view sample filings on our [Secondary Market Disclosure page](#).

For general obligation debt, the following information is required to be submitted. Sample disclosures are available on our website.

- Annual Requirements – Debt Information and Tax Information
- Form MB080G – Annual Debt Service Requirement and Debt Limitation  
To generate the MB080G, from <https://www.nctreasurer.com/slg/lfm/forms-instructions/Pages/Secondary-Market-disclosure.aspx> select “**NC Local Government Debt Schedules**” from the drop-down menu in the center of the page. The form can be generated by clicking the Annual Requirements MB080 link in column M. A password is NOT required to launch the spreadsheet.
- Compiled Combined Budget for the Current Fiscal Year (July 1, 2018 - June 30, 2019)

In addition to the above information, a copy of the unit’s audited financial statements which has been approved and accepted by the State and Local Government Finance Division (SLGFD) should be submitted to EMMA. **If you must submit UNAUDITED financial statements as a component of your annual submission, please note that once audited financial statements are available for distribution, they must be published on EMMA.** In most cases, this is within fifteen (15) days of the audited financial statements becoming available. Failure to file audited financial statements is a material event that must be disclosed in official statements for the following five (5) years.

If a unit has issued fixed or variable non-general obligation debt (such as revenue bonds, certificates of participation, limited obligation bonds or special obligation bonds) that is subject to continuing disclosure requirements, the unit should determine the specific bond’s 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 the MSRB). Keep in mind that the information on the State Treasurer’s website relates to disclosure requirements for general obligation issues only. Please refer to your official statement(s) for specific disclosure requirements.

**We are only requesting that two items be sent to us again this year:**

- **A copy of the email confirmation(s) sent from EMMA**
- **The material events certificate.**

To assure us that your unit is aware of the sixteen (16) events that require disclosure and that none of the events have occurred please use the material events certificate to notify the LGC. Please modify this as necessary, including indicating whether final or draft financials were filed in the last paragraph. The material events certificate is for Local Government Commission use only and is not required by the MSRB. We will only accept a version that has been **signed by the finance officer or other authorized person**. It may be scanned, emailed, or mailed. **Word files will not be accepted.** The SLGFD does not require a copy of the entire EMMA submission.

Please submit the copy of the confirmation email(s) and the properly signed material events certificate to [Continuing.Disclosure@nctreasurer.com](mailto:Continuing.Disclosure@nctreasurer.com). Once you submit the paperwork you will receive an automated response indicating that we received your email. Staff will then review what you submitted and send you a second email once the review is complete. If you would like for us to review your unit's disclosures prior to sending the required information to EMMA, please send a draft copy to us by Friday, January 11, 2019. For further information, please view our video on reporting requirements for debt holders that can be found on our website.

**Early filing is encouraged.** Filing well before January 31 will mitigate delays in submission that result from increased traffic to the EMMA site. Also please consider that SLGFD staff resources are limited and staff may not be immediately available to provide aid as the deadline approaches.

### **Summary of Important Points**

- Please notify [ContinuingDisclosure@nctreasurer.com](mailto:ContinuingDisclosure@nctreasurer.com), of any names you would like to be added to our email notification list for continuing disclosure correspondence.
- We will only need a **signed** copy of the material events certification and the email confirmation from EMMA this year. We **are not requiring** a copy of the entire EMMA submission.
- Please note that in the event that a draft of the financial statements must be submitted, a copy of the final audited financial statements should be filed on EMMA once available for distribution.
- You should receive acknowledgement that we received your email shortly after you send it. If you do not receive an automated confirmation, please resend your email. Staff will review what you submit and send you a second email once their review is complete. Again, the email address for submitting your documents is [Continuing.Disclosure@nctreasurer.com](mailto:Continuing.Disclosure@nctreasurer.com).
- Early filing is encouraged.

Should you have questions or need assistance, please contact Tony Blalock at (919) 814-4278 or via email at [tony.blalock@nctreasurer.com](mailto:tony.blalock@nctreasurer.com).

**LETTER ONLY REQUIRED IF YOU HAVE NOT REGISTERED  
WITH THE MSRB**

November 28, 2018

Municipal Securities Rulemaking Board  
Attention: Market Information Department  
1300 I Street NW, Suite 1000  
Washington, DC 20005

Dear Sir or Madam:

Please grant **County/City/Authority's authorized filer (MSRB ID: XXXXXID)** access on the EMMA system to make secondary market disclosure filings and notice of material events filings on behalf of the **(County/City/Authority)** for whom you are authorized to file debt issues). Attached, please find the required manual confirmation document. **(The confirmation document from the online registration must be sent with this letter to complete the registration process. For additional assistance and contact information, please see the following page.)**

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

Sincerely,

**City/County /Authority Manager or Administrator**

## Other Resources

MSRB Website: [www.msrb.org](http://www.msrb.org)

EMMA Website: [www.emma.msrb.org](http://www.emma.msrb.org)

## Contact Information

202-838-1330

[MSRBSupport@msrb.org](mailto:MSRBSupport@msrb.org)

Municipal Securities Rulemaking Board

1300 I Street NW, Suite 1000

Washington, DC 20005

Tel: 202-838-1500

Fax: 202-898-1500

**(NOT REQUIRED - USED ONLY AS TRANSMITTAL LETTER)**

***CAROLINA COUNTY  
DOGWOOD, NORTH CAROLINA***

November 28, 2018

From: Carolina County  
Dogwood, North Carolina  
Reporting for the fiscal year ended June 30, 2018

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

\$2,500,000 Community College Improvement Serial Bonds, dated September 1, 20XX  
\$7,370,000 School Facility Serial Bonds, dated July 1, 20XX  
\$2,340,000 Hospital Improvement Serial Bonds, dated May 1, 20XX  
\$3,365,000 Advance Refunding Bonds, dated February 1, 20XX  
\$2,350,000 Water Serial Bonds, Dated December 1, 120XX

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 15c2-12 of the Securities and Exchange Commission, consisting of the following items:

1. Comprehensive Annual Financial Report for year ended June 30, 2018.
2. Information required in the Undertaking, i.e. Combined Budget for the Current Fiscal Year, Debt Information and Tax Information.

Sincerely,

Finance Officer  
Carolina County  
Dogwood, North Carolina  
(919) 814-4299

## Carolina County, North Carolina

### Debt Information

#### LEGAL DEBT LIMIT

Please refer to page(s) 35-J-101 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2018.

#### OUTSTANDING GENERAL OBLIGATION DEBT

Please refer to page(s) 35-J-100 to 35-J-103 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2018.

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#### Latest Bonds Issued:

20XX-20XX \$3,365,000 School Facility Serial Bonds, Series 2018, 40 installments, interest at 3.75 percent

#### GENERAL OBLIGATION DEBT RATIOS

Please refer to the report “Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2018” 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

<u>Purpose</u>	<u>Date</u> <u>Approved</u>	<u>Balance</u> <u>Authorized</u> <u>and Unissued</u>
Streets Improvements	11/7/20XX	\$1,250,000

#### GENERAL OBLIGATION DEBT INFORMATION FOR UNDERLYING UNITS AS OF JUNE 30, 2018

Please refer to the report “Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2018” 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-98 to 35-J-103 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2018

## Tax Information

## GENERAL INFORMATION

Please refer to page 35-J-166 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2018.

## TAX COLLECTIONS

Please refer to page(s) 35-J-164 to 35-J-165 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2018.

## TEN LARGEST TAXPAYERS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Please refer to page(s) 35-J-167 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2018.



**CAROLINA COUNTY**  
**DOGWOOD, NORTH CAROLINA**

November 28, 2018

Mr. Tony Blalock  
State and Local Government Finance Division  
N.C. Department of State Treasurer  
3200 Atlantic Avenue  
Raleigh, North Carolina 27604-1337

Dear Mr. Blalock:

Rule 15c2-12(b) (5) (iii) requires an Issuer or Obligated Person(s) to provide notice of any of the following sixteen events 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) Tax-exempt issues
- 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
- 12) Tender offers
- 13) Bankruptcy, insolvency, receivership or similar proceeding of the obligated person
- 14) Consummation of a merger, consolidation, or acquisition involving an obligated person, or sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms
- 15) Appointment of a successor or additional trustee or the change of name of a trustee
- 16) Failure to file continuing annual information disclosure by deadline

I hereby certify that there have been no reported or unreported occurrences of the events listed above during the reporting period (fiscal year ended June 30, 2018) or subsequent thereto, through the filing date of this notice. **[If you reported any material events, please list here and provide a brief description.]** I am duly authorized by the Issuer and have sufficient information available to make this certification.

I filed **audited/draft [please indicate which]** financial information to comply with the deadline. I understand that if draft financials were filed, audited financial information should be published on EMMA when it is available for distribution.

Sincerely,  
**[Signature]**  
Finance Officer  
**Carolina County**  
**Dogwood, North Carolina**