



Dale R. Folwell, CPA

Memorandum # 2020 - 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 27, 2019

The 2019 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 <http://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, 2020, **which is a Friday. The January 31st 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 statements.** 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 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 [Continuing 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 Requirements and Debt Limitation
To generate the MB080G, open the "[Bond Link Information](#)" spreadsheet and click on "Annual Requirements MB080" link in column M for your unit. A password is NOT required to launch the spreadsheet.
- Compiled Combined Budget for the Current Fiscal Year (July 1, 2019 - June 30, 2020)

In addition to the above information, a copy of the unit's audited financial statements, which have 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 must be done 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 eighteen (18) 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 ContinuingDisclosure@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 10, 2020. 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, 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 if 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 ContinuingDisclosure@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.

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

November 27, 2019

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

EMMA Website: www.emma.msrb.org

Contact Information

202-838-1330

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 27, 2019

From: Carolina County
Dogwood, North Carolina
Reporting for the fiscal year ended June 30, 2019

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, 20XX

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, 2019.
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, 2019.

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, 2019.

Latest Bonds Issued:

20XX-20XX \$3,365,000 School Facility Serial Bonds, Series 2019, 40 installments, interest at 2.75 percent

GENERAL OBLIGATION DEBT RATIOS

Please refer to the report "Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2019" 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, 2019

Please refer to the report "Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2019" 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, 2019

Tax Information

GENERAL INFORMATION

Please refer to page 35-J-166 of the Carolina County, North Carolina Audit Report/CAFR dated June 30, 2019.

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, 2019.

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, 2019.