Gaston County

Gaston County
Board of Commissioners
www.gastongov.com

Financial and Management Services - Finance

Board Action

File #: 26-314

Commissioner Hovis - Financial and Management Services - Finance - To Appropriate Debt Service Fund Balance for Internal Revenue Service Arbitrage Rebate Payment Related to the FY2023 Vehicle Financing ***($98,267.37)***

STAFF CONTACT

Kyle Sutherland - Finance - 704-866-3130

BUDGET IMPACT

Debt Service Fund: Increase fund balance appropriation by $98,267.37. Increase expense by $98,267.37.

BACKGROUND

On June 21, 2023, Gaston County entered into an installment financing agreement with Bank of America for the purchase of county vehicles and equipment. The financing proceeds were deposited into an interest-bearing account with NC Capital Management Trust (NCCMT). As of January 2026, all purchases authorized under this financing had been completed. During the investment period of the financing, the interest earnings totaled $408,631.56. The interest earnings were appropriated in FY2026 to use towards debt payments.

Federal tax regulations limit the amount of investment earnings that may be retained on the proceeds of tax-advantaged financings before those proceeds are spent on their intended purpose. Because the financing proceeds earned investment income at a rate that exceeded the allowable federal arbitrage limits, Gaston County is required to rebate the excess earnings to the Internal Revenue Service. Based on the required arbitrage calculation for this financing, the rebate payment due to the Internal Revenue Service is $98,267.37.

POLICY IMPACT

N/A

ATTACHMENTS

Budget Change Request (BCR); Equip. Fin. Agmt. $8MM.report (Final Installment)

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	*DATE*	*M1*	*M2*	*JBailey*	*CBrown*	*CCloninger*	*AFraley*	*BHovis*	*TKeigher*	*SShehan*	*Vote*
2026-240	**07/28/2026**	**TK**	**SS**	**A**	**A**	**A**	**A**	**A**	**A**	**A**	**U**

DISTRIBUTION:

Laserfiche Users

A=AYE, N=NAY, AB=ABSENT, ABS=ABSTAIN, U=UNANIMOUS

GASTON COUNTY
BUDGET CHANGE REQUEST (BCR)

TO: Matthew Rhoten, County Manager

FROM:

FIN	Finance
Dept. Code	Department Name
Kyle Sutherland	7/13/26
Department Director	Date

REQUEST TYPE:

- ☐ Line-Item Transfer Within Department & Fund
- ☐ Project Transfer Within Department & Fund
- ☐ Line-Item Transfer Between Departments
- ☐ Line-Item Transfer Between Funds*
- ☑ Additional Appropriation of Funds*

*Requires resolution by the Board of Commissioners

ACCOUNT DESCRIPTION As it appears in Munis Ex. Employee Training	**ACCOUNT NUMBER** Fund-Dept-Div-SubDiv-Prog-SubProg-Future-Obj-Proj XXXX-XXX-XXX-XXXXX-XXXXXX-XXXXXXX-XXXX-XX-XXXXXX-XXXXX Ex. 1000-BGT-000-00000-000000-0000000-0000-01-520011-	**AMOUNT**** Ex. ($5,000.00) Ex. $5,000.00
Fund Balance Appropriated	3000-NDP-000-00000-FBApro-0000000-0000-99-490000-	$ (98,267.37)
Arbitrage Payments FY23 VehFin	3000-000-000-00000-000000-0000000-0000-01-550202-P2303	$ 98,267.37
		$ -

** Decreases in expenditures and increases in revenue accounts require brackets. Increases in expenditures and decreases in revenue do not require brackets. Please note that transfers between funds require inter-fund transfer accounts.

JUSTIFICATION FOR REQUEST:

Fund Balance Appropriation to cover arbitrage rebate payment for FY23 Vehicle Financing due to our interest earnings exceeding the allowable arbitrage limits. Arbitrage Rebate payment to be made to the Internal Revenue Service.

July 7, 2026

Mr. Kyle Sutherland
Finance Director
Gaston County
PO Box 1578
Gastonia, NC 28053-1578

Re: Arbitrage Rebate Calculation for the $8,180,820.71 County of Gaston, North Carolina, Equipment Financing Agreement, Dated: June 21, 2023

Dear Kyle,

Enclosed is the arbitrage rebate compliance report for the above-referenced tax-exempt issue. As of June 21, 2026, the final evaluation date, a **$98,267.37** arbitrage rebate payment is due to the Internal Revenue Service for the above referenced 2023 Agreement. This payment must be sent to the IRS no later than 60 days from the evaluation date. Please have an authorized representative sign the enclosed Form 8038-T and mail the signed 8038-T along with the payment to the IRS no later than **August 20, 2026**. The IRS mailing address is shown on our Arbitrage Rebate Payment Information page.

Once the Form has been signed, please send Bingham a photocopy of the check and signed 8038-T for our records and proof of compliance. Per the Tax Certificate page 16, the arbitrage rebate compliance report for the 2023 Agreement should be kept on file as proof of compliance for at least six years after the final principal payment on the issue.

No further reviews would be required for the 2023 Agreement since the issue fully matured as of June 21, 2026.

Thank you, and if you have any questions, please do not hesitate to call me at (804) 864-9567.

Sincerely,

Patrick Bainter

Patrick Bainter
Vice President, Arbitrage Rebate Services

PB:st
Enclosures

BINGHAM / ARBITRAGE REBATE SERVICES

$8,180,821
County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

Final Installment
Arbitrage Rebate Compliance Report
Evaluation Date: June 21, 2026

BINGHAM / ARBITRAGE REBATE SERVICES

July 7, 2026

Mr. Kyle Sutherland
Finance Director
Gaston County
PO Box 1578
Gastonia, NC 28053-1578

RE:

$8,180,820.71
County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

Dear Kyle,

Bingham Arbitrage Rebate Services, Inc. ("Bingham") has completed the requested arbitrage compliance review with respect to the above-referenced tax-exempt issue.

This evaluation covers the period of time from June 21, 2023 to June 21, 2026, the delivery date of the 2023 Agreement through the final maturity date. The yield on the bond issue and the amount to be rebated are as follows (and as set forth on the attached schedules, respectively):

ARBITRAGE REBATE SUMMARY:

PROJECT	**BOND YIELD**	**AMOUNT TO BE REBATED**
County of Gaston, North Carolina Equipment Financing Agreement	**3.8685301%**	
Arbitrage Rebate Calculation, Ending June 21, 2026		**$ 98,267.37**
Total Arbitrage Rebate Payment Due:		**$ 98,267.37**

The County of Gaston, North Carolina (the "County") DOES OWE an arbitrage payment to the Internal Revenue Service as of the final computation period, ending June 21, 2026, with regards to the above referenced tax-exempt obligation. This report will serve as the final Arbitrage Rebate Compliance Certificate for the 2023 Agreement. Please keep this report on file as proof of compliance for at least six years after the final principal payment on the issue.

PURPOSE OF THE AGREEMENT

The Equipment Financing Agreement, dated as of June 21, 2023 and entered into between the County of Gaston, North Carolina and Banc of America Public Capital Corporation (the "2023 Agreement") was issued for the purpose of providing funds, together with other available monies, to: a) finance the Project; and b) pay the costs incurred in connection with the issuance of the 2023 Agreement [Tax Certificate page 2].

MANNER OF CALCULATION

The calculations were made in accordance with our understanding of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Regulations. "Regulations" means the applicable Treasury Regulations promulgated under Section 148 of the Code in proposed, temporary, or final form and as amended, including Treasury Regulations Sections 1.148-1 through 1.148-11. Proposed regulations are "applicable" only if, in the event they are adopted in final form, such regulations would apply to the Bonds.

We used the information provided to Bingham by the County of Gaston, North Carolina (the "County"), Banc of America Public Capital Corporation (the "Lender"), North Carolina Capital Management Trust ("NCCMT"), and Robinson, Bradshaw, & Hinson P.A. ("Bond Counsel"), to prepare the calculations contained herein without auditing or verifying such information.

BOND YIELD CALCULATION

Simply described, the computation method used by Bingham is as follows:

(1) The exact yield on a fixed-yield issue is calculated using a "30/360" day model with semi-annual compounding. "Yield" is that rate of interest which, when used to discount all conditionally payable payments of principal, interest, and fees of qualified guarantees on the Bonds, at the same discount rate, produces a present value equal to the initial aggregate issue price of the 2023 Agreement.

(2) None of the 2023 Agreement: (i) was subject to optional redemption within five years after the closing date, (ii) was issued at an issue price that exceeds it stated redemption price at maturity by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date, or (iii) beared interest at increasing interest rates [U.S. Treasury Regulations Section 1.148-4(b)(3)(i)&(ii)].

(3) Bingham has verified that the County has not purchased any bond insurance or entered into any other financial guaranty that could be included in the 2023 Agreement bond yield calculation as a qualified guarantee [U.S. Treasury Regulations Section 1.148-4(f)].

(4) Bingham has verified that the County has not entered into a swap or other hedge contract that could be included in the 2023 Agreement bond yield calculation as a qualified hedge [U.S. Treasury Regulations Section 1.148-4(h)(1)].

Given the factors stated above, Bingham has verified the yield on the 2023 Agreement to be 3.8685301%. The 2023 Agreement matured on June 21, 2026.

ARBITRAGE REBATE CALCULATION

(5) All of the money on deposit and any accrued interest income earned on the date of evaluation, or final installment date, are treated as receipts on that date.

(6) All receipts and payments occurring on or prior to the date of evaluation, as well as the calculated receipts on that date are future valued to the date of evaluation using the yield on the bonds for that period. The future value is calculated using a "30/360" day model with semi-annual compounding, taking the dates of receipts and payments from the statements provided by the County and NCCMT.

(7) The future value of the receipts is subtracted from the future value of the payments. The resulting balance is the amount to be rebated.

(8) The fund that required the arbitrage rebate calculation was the Project Fund. This fund was invested with the NCCMT. All proceeds of the 2023 Agreement were fully expended as of February 5, 2026.

(9) The 2023 Agreement was eligible for the Six-Month and Eighteen Month Spending Exceptions [Tax Certificate pages 16 – 17]. However, the County did not meet the spend-down requirements for either of these spending exceptions. Therefore, the proceeds of the 2023 Agreement were subject to the arbitrage rebate requirements from the date of issuance.

(10) A spending exception applies when required semi-annual spend down percentages are met. If one of the spend-down percentages is missed, then that portion of the issue no longer qualifies for exemption and will require the arbitrage rebate calculation. These exceptions are as follows:

SIX MONTH SPENDING EXCEPTION	
Within Six Months of Closing	100%
EIGHTEEN MONTH SPENDING EXCEPTION	
Within Six Months of Closing	15%
Within Twelve Months of Closing	60%
Within Eighteen Months of Closing	100%
TWO-YEAR SPENDING EXCEPTION	
Within Six Months of Closing	10%
Within Twelve Months of Closing	45%
Within Eighteen Months of Closing	75%
Within Twenty-Four Months of Closing	100%

(11) In order to be eligible for the Two-Year Spending Exception, an issue must be a construction issue of governmental bonds, 501(c)(3) bonds, or private activity bonds for a governmentally owned facility [U.S. Treasury Regulations Section 1.148-7(f)(1)]. In addition, at least 75% of the available construction proceeds must be used for construction expenditures within the meaning of Section 148(f)(4)(C) of the Internal Revenue Code. The 2023 Agreement was not eligible for the Two-Year Spending Exception since the proceeds were used to purchase vehicles.

(12) Receipts derived from the sale of the 2023 Agreement may have been used to reimburse the County for expenditures made prior to the closing date since the proceeds were not used to reimburse for expenditures which were a) capital expenditures, b) occurred not earlier than 60 days before the date the County adopted a resolution and declared its official intent to issue obligations to finance such expenditures, and c) were reimbursed no later than the later of (i) 18 months after the original expenditure, or (ii) 18 months after the project was placed into service [U.S. Treasury Regulations Sections 1.148-6(d)(1)(iii) & 1.150-2 and Tax Certificate page 7].

OTHER BOND RELATED MATTERS

(13) The debt service payments for the 2023 Agreement were made from the County's General Fund [Tax Certificate page 9]. The sinking fund portion of the County's General Fund did not require the arbitrage rebate calculation since it was a qualified bona fide debt service fund. A bona fide debt service fund is used primarily to achieve a proper matching of revenues with debt service payments within each bond year and is depleting properly each bond year [Internal Revenue Code Section 148(f)(4)(A)(ii) and U.S. Treasury Regulations Section 1.148-1(b)].

(14) Other than the fund mentioned above, there were no pledged funds reasonably expected to be used directly or indirectly to pay principal of or interest on the 2023 Agreement or which were pledged as security for the 2023 Agreement that would have required the arbitrage rebate calculation. In addition, there was no agreement in place, which required the County to maintain a particular level or Reserve for the direct or indirect benefit of the Lender [Tax Certificate page 9].

(15) On the last day of each bond year during which there are amounts allocated to gross proceeds of an issue that are subject to the rebate requirement, and on the final maturity date, an annual computation credit is allocated to the arbitrage rebate calculation [U.S. Treasury Regulations Sections 1.148-3(d)(1)(iv) & 1.148-3(d)(4)]. For each bond year ending after January 1, 2007, the Internal Revenue Service provides an inflation adjustment to the annual computation credit due to the cost of living, which is based on the consumer price index. Three computation credits were applied to the 2023 Agreement arbitrage rebate calculation.

(16) The evaluation date for arbitrage rebate purposes was June 21st, the anniversary date for the 2023 Agreement [Tax Certificate page 11]. The final evaluation date was June 21, 2026, the final maturity date for the 2023 Agreement. As of this report, an arbitrage rebate payment in the amount of **$98,267.37** is due to the Internal Revenue Service no later than 60 days from the first installment evaluation date, or by August 20, 2026 [U.S. Treasury Regulations Section 1.148-3(g)]. This represents 100% of the liability.

(17) As part of an active records retention policy, the IRS does require the arbitrage rebate reports to be kept on file as proof of compliance. The arbitrage compliance report for the 2023 Agreement should be kept on file for at least six years after the final principal payment on the issue [Tax Certificate page 16].

EXCESS INVESTMENT YIELD CALCULATION (YIELD REDUCTION)

(18) The U.S. Treasury Regulations require that any capital project investment held beyond the three-year temporary period must be yield restricted to the bond yield, plus .125%. Any amount earned over the limit must be paid to the Internal Revenue Service in the form of a "yield reduction payment." Such payment is similar to an arbitrage rebate payment and is paid in the same manner and with the same frequency as arbitrage rebate; within 60 days of the fifth bond year [U.S. Treasury Regulations Section 1.148-5(c)(1) & (2)].

(19) The three-year temporary period ended for this 2023 Agreement on June 21, 2026, which was also the final maturity date for the 2023 Agreement [U.S. Treasury Regulations Section 1.148-2(e)(2)]. Following this date, the composite yield on any outstanding Project Fund investments should not exceed the bond yield by more than .125% [U.S. Treasury Regulations Section 1.148-2(d)(2)(i)].

(20) If the yield on the outstanding investments does exceed the bond yield plus .125%, a yield reduction payment can be made to satisfy the arbitrage rebate requirements. Yield reduction payments, if a factor, are made at the same time as an arbitrage rebate payment.

(21) Since the expiration of the three-year temporary period and the final maturity date of the 2023 Agreement were the same, the excess investment yield calculation was not required for the 2023 Agreement. As stated above, all proceeds of the 2023 Agreement were fully expended as of February 5, 2026.

SUMMARY

The scope of our engagement was limited to preparing the attached schedules for the specified period without verifying that the investments were purchased, sold, or otherwise disposed of at market price nor that any payments were made to any party other than the United States of America to reduce the yield on any investment.

Please be advised we believe that the method we use in making the calculations is consistent with the provisions of Section 148 of the Code and the Regulations. We are providing our professional opinion that the calculations comply with these provisions. However, we are not attorneys, and we are not providing a legal opinion that the interest on the referenced issue of bonds is now or was ever excludable from gross income of the recipients thereof for purposes of federal income taxation.

In preparing this Arbitrage Rebate Calculation, Bingham is not acting as a municipal advisor or fiduciary to any municipal entity or obligated person. Nothing herein is intended to be, and nothing herein should be construed as, advice or a recommendation within the meaning of Section 15B of the Securities Exchange Act of 1934.

If you have any questions or comments, please feel free to contact me at (804) 864-9567. It is a pleasure to work with the County of Gaston, North Carolina, and we look forward to working with you again on future arbitrage compliance reports. Thank you for choosing Bingham.

Very Truly Yours,

BINGHAM ARBITRAGE
REBATE SERVICES, INC.

Patrick Bainter

Patrick Bainter
Vice President, Arbitrage Rebate Services

PB:st
Attachments

ARBITRAGE REBATE PAYMENT INFORMATION

July 7, 2026

BOND ISSUE

$8,180,820.71
Gaston County, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

EVALUATION DATE	June 21, 2026
TOTAL REBATE LIABILITY	$ 98,267.37
LATE INTEREST	$ 0.00
REBATE PAYMENT (100%)	**$ 98,267.37**
DUE DATE	**August 20, 2026**
CHECKS PAYABLE TO	UNITED STATES TREASURY
MAIL TO	INTERNAL REVENUE SERVICE CENTER OGDEN, UTAH 84201-0027
OR	
PRIVATE DELIVERY SERVICE	Internal Revenue Submission Processing Center 1973 Rulon White Blvd. Ogden, Utah 84201

INCLUDE FORM 8038-T WITH PAYMENT.

*** If the arbitrage rebate payment is not paid when due, additional late interest would accrue. The interest for late payment is calculated at the Quarterly Applicable Federal Interest Rate beginning at the due date (60 days from evaluation date).**

BINGHAM

$8,180,820.71
County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

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BINGHAM

SUMMARY PAGE

BINGHAM

$8,180,820.71
County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

Summary of Calculations

Final Evaluation Date: **(June 21, 2023 to June 21, 2026)**	**June 21, 2026**
Bond Yield:	**3.8685301%**

Arbitrage Rebate Calculation

Fund	***Arbitrage Rebate Liability***
Computation Credits	**($6,607.67)**
Project Fund	**$104,875.04**
Total Arbitrage Rebate Liability (100%):	**$98,267.37**
Total Arbitrage Rebate Payment Due:	**$98,267.37**

SOURCES & USES

$8,180,820.71
County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

Sources & Uses

Total Source of Funds:		
2023 EFA Par Amount	$	8,180,820.71
Original Issue Premium/Discount	$	-
Total	**$**	**8,180,820.71**

Total Use of Funds:		
Project Fund	$	8,180,820.71
Total	**$**	**8,180,820.71**

VERIFICATION OF
BOND YIELD

BINGHAM

$8,180,820.71
County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

Bond Yield Calculation

Date	Principal	Coupon	Yield	Price	Dollar Price	Interest	Total Principal & Interest	Present Value	Cumulative PV
09/21/2023	646,394.54	3.85%	3.85%	100.000	646,394.54	78,740.44	725,134.98	718,222.09	718,222.09
12/21/2023	652,616.09	3.85%	3.85%	100.000	652,616.09	72,518.89	725,134.98	711,375.10	1,429,597.19
03/21/2024	658,897.52	3.85%	3.85%	100.000	658,897.52	66,237.46	725,134.98	704,593.39	2,134,190.57
06/21/2024	665,239.42	3.85%	3.85%	100.000	665,239.42	59,895.56	725,134.98	697,876.32	2,832,066.90
09/21/2024	671,642.35	3.85%	3.85%	100.000	671,642.35	53,492.63	725,134.98	691,223.29	3,523,290.19
12/21/2024	678,106.91	3.85%	3.85%	100.000	678,106.91	47,028.07	725,134.98	684,633.69	4,207,923.88
03/21/2025	684,633.69	3.85%	3.85%	100.000	684,633.69	40,501.29	725,134.98	678,106.91	4,886,030.79
06/21/2025	691,223.29	3.85%	3.85%	100.000	691,223.29	33,911.69	725,134.98	671,642.35	5,557,673.14
09/21/2025	697,876.32	3.85%	3.85%	100.000	697,876.32	27,258.66	725,134.98	665,239.42	6,222,912.56
12/21/2025	704,593.39	3.85%	3.85%	100.000	704,593.39	20,541.59	725,134.98	658,897.52	6,881,810.08
03/21/2026	711,375.10	3.85%	3.85%	100.000	711,375.10	13,759.88	725,134.98	652,616.09	7,534,426.17
06/21/2026	718,222.09	3.85%	3.85%	100.000	718,222.09	6,912.89	725,134.98	646,394.54	8,180,820.71
Totals	$ 8,180,820.71				$ 8,180,820.71	$ 520,799.05	$ 8,701,619.76	$ 8,180,820.71	

Dated Date:	06/21/2023
Delivery Date:	06/21/2023
Bond Yield:	**3.8685301%**

Amount of Issue:	$ 8,180,820.71
Accrued Interest:	-
Reoffering Premium or Discount:	-
(Insurance Premium):	
Total:	$ 8,180,820.71

$8,180,820.71

County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/21/2023	-	-	-	-
9/21/2023	646,394.54	3.850%	78,740.40	725,134.94
12/21/2023	652,616.09	3.850%	72,518.85	725,134.94
3/21/2024	658,897.52	3.850%	66,237.42	725,134.94
6/21/2024	665,239.42	3.850%	59,895.53	725,134.95
9/21/2024	671,642.35	3.850%	53,492.60	725,134.95
12/21/2024	678,106.91	3.850%	47,028.05	725,134.96
3/21/2025	684,633.69	3.850%	40,501.27	725,134.96
6/21/2025	691,223.29	3.850%	33,911.67	725,134.96
9/21/2025	697,876.32	3.850%	27,258.64	725,134.96
12/21/2025	704,593.39	3.850%	20,541.58	725,134.97
3/21/2026	711,375.10	3.850%	13,759.87	725,134.97
6/21/2026	718,222.09	3.850%	6,912.89	725,134.98
Total	8,180,820.71	-	520,798.77	8,701,619.48

YIELD STATISTICS

Bond Year Dollars	$13,527.24
Average Life	1.654 Years
Average Coupon	3.8499999%
Net Interest Cost (NIC)	3.8499999%
True Interest Cost (TIC)	3.8685280%
Bond Yield for Arbitrage Purposes	3.8685280%
All Inclusive Cost (AIC)	3.8685280%

IRS FORM 8038

Net Interest Cost	3.8499999%
Weighted Average Maturity	1.654 Years

$8,180,820.71

County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

BOND BALANCE REPORT

Date	Principal	Coupon	Interest	Total P+I	Bond Balance
6/21/2023	-	-	-	-	8,180,820.71
9/21/2023	646,394.54	3.850%	78,740.40	725,134.94	7,534,426.17
12/21/2023	652,616.09	3.850%	72,518.85	725,134.94	6,881,810.08
3/21/2024	658,897.52	3.850%	66,237.42	725,134.94	6,222,912.56
6/21/2024	665,239.42	3.850%	59,895.53	725,134.95	5,557,673.14
9/21/2024	671,642.35	3.850%	53,492.60	725,134.95	4,886,030.79
12/21/2024	678,106.91	3.850%	47,028.05	725,134.96	4,207,923.88
3/21/2025	684,633.69	3.850%	40,501.27	725,134.96	3,523,290.19
6/21/2025	691,223.29	3.850%	33,911.67	725,134.96	2,832,066.90
9/21/2025	697,876.32	3.850%	27,258.64	725,134.96	2,134,190.58
12/21/2025	704,593.39	3.850%	20,541.58	725,134.97	1,429,597.19
3/21/2026	711,375.10	3.850%	13,759.87	725,134.97	718,222.09
6/21/2026	718,222.09	3.850%	6,912.89	725,134.98	-
Total	8,180,820.71	-	520,798.77	8,701,619.48	-

$8,180,820.71

County of Gaston, North Carolina

Equipment Financing Agreement

Dated: June 21, 2023

PRICING SUMMARY

Maturity	Type	of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
9/21/2023	Serial	Coupon	3.850%	3.813%	646,394.54	100.000%	646,394.54
12/21/2023	Serial	Coupon	3.850%	3.850%	652,616.09	100.000%	652,616.09
3/21/2024	Serial	Coupon	3.850%	3.844%	658,897.52	100.000%	658,897.52
6/21/2024	Serial	Coupon	3.850%	3.850%	665,239.42	100.000%	665,239.42
9/21/2024	Serial	Coupon	3.850%	3.846%	671,642.35	100.000%	671,642.35
12/21/2024	Serial	Coupon	3.850%	3.850%	678,106.91	100.000%	678,106.91
3/21/2025	Serial	Coupon	3.850%	3.847%	684,633.69	100.000%	684,633.69
6/21/2025	Serial	Coupon	3.850%	3.850%	691,223.29	100.000%	691,223.29
9/21/2025	Serial	Coupon	3.850%	3.848%	697,876.32	100.000%	697,876.32
12/21/2025	Serial	Coupon	3.850%	3.850%	704,593.39	100.000%	704,593.39
3/21/2026	Serial	Coupon	3.850%	3.848%	711,375.10	100.000%	711,375.10
6/21/2026	Serial	Coupon	3.850%	3.850%	718,222.09	100.000%	718,222.09
Total	-	-	-	-	8,180,820.71	-	8,180,820.71

BID INFORMATION

Par Amount of Bonds	$8,180,820.71
Gross Production	$8,180,820.71
Bid (100.000%)	8,180,820.71
Total Purchase Price	$8,180,820.71
Bond Year Dollars	$13,527.24
Average Life	1.654 Years
Average Coupon	3.8499999%
Net Interest Cost (NIC)	3.8499999%
True Interest Cost (TIC)	3.8685280%

$8,180,820.71

County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

PROOF OF BOND YIELD @ 3.8685280%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
6/21/2023	-	1.0000000x	-	-
9/21/2023	725,134.94	0.9904668x	718,222.05	718,222.05
12/21/2023	725,134.94	0.9810244x	711,375.07	1,429,597.12
3/21/2024	725,134.94	0.9716721x	704,593.36	2,134,190.48
6/21/2024	725,134.95	0.9624089x	697,876.31	2,832,066.79
9/21/2024	725,134.95	0.9532340x	691,223.28	3,523,290.07
12/21/2024	725,134.96	0.9441466x	684,633.69	4,207,923.76
3/21/2025	725,134.96	0.9351458x	678,106.91	4,886,030.68
6/21/2025	725,134.96	0.9262308x	671,642.36	5,557,673.04
9/21/2025	725,134.96	0.9174008x	665,239.43	6,222,912.46
12/21/2025	725,134.97	0.9086550x	658,897.55	6,881,810.01
3/21/2026	725,134.97	0.8999926x	652,616.12	7,534,426.13
6/21/2026	725,134.98	0.8914128x	646,394.58	8,180,820.71
Total	8,701,619.48	-	8,180,820.71	-

DERIVATION OF TARGET AMOUNT

Par Amount of Bonds.. $8,180,820.71

Original Issue Proceeds.. $8,180,820.71

$8,180,820.71

County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

DERIVATION OF FORM 8038 YIELD STATISTICS

Maturity	Issuance Value	Price	Issuance PRICE	Exponent	Bond Years
6/21/2023	-	-	-	-	-
9/21/2023	646,394.54	100.000%	646,394.54	0.2500000x	161,598.64
12/21/2023	652,616.09	100.000%	652,616.09	0.5000000x	326,308.05
3/21/2024	658,897.52	100.000%	658,897.52	0.7500000x	494,173.14
6/21/2024	665,239.42	100.000%	665,239.42	1.0000000x	665,239.42
9/21/2024	671,642.35	100.000%	671,642.35	1.2500000x	839,552.94
12/21/2024	678,106.91	100.000%	678,106.91	1.5000000x	1,017,160.37
3/21/2025	684,633.69	100.000%	684,633.69	1.7500000x	1,198,108.96
6/21/2025	691,223.29	100.000%	691,223.29	2.0000000x	1,382,446.58
9/21/2025	697,876.32	100.000%	697,876.32	2.2500000x	1,570,221.72
12/21/2025	704,593.39	100.000%	704,593.39	2.5000000x	1,761,483.48
3/21/2026	711,375.10	100.000%	711,375.10	2.7500000x	1,956,281.53
6/21/2026	718,222.09	100.000%	718,222.09	3.0000000x	2,154,666.27
Total	8,180,820.71	-	8,180,820.71	-	13,527,241.07

IRS FORM 8038

Weighted Average Maturity = Bond Years/Issue Price	1.654 Years
Total Interest from Debt Service	520,798.77
Total Interest	520,798.77
NIC = Interest / (Issue Price * Average Maturity)	3.8499999%
Bond Yield for Arbitrage Purposes	3.8685280%

FINAL INSTALLMENT
ARBITRAGE REBATE CALCULATION
Evaluation Date: June 21, 2026

BINGHAM

$8,180,820.71
County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

Computation Credits

Evaluation Date:	06/21/2026	Bond Yield:	3.8685301%
Computation Period	Date	Computation Credits (i)	Future Value of Computation Credits @ Evaluation Date
Computation Credit, Bond Year One (ii)	06/21/2024	(2,070.00)	(2,234.86)
Computation Credit, Bond Year Two (ii)	06/21/2025	(2,120.00)	(2,202.81)
Computation Credit, Final (ii)	06/21/2026	(2,170.00)	(2,170.00)
			-
Totals		(6,360.00)	(6,607.67)
		Surplus at Evaluation Date	**($6,607.67)**

(i) Annual computation credit [U.S. Treasury Regulations Section 1.148-3(d)(1)(iv)].
(ii) Computation credit inflation adjustment [U.S. Treasury Regulations Section 1.148-3(d)(4)].

$8,180,820.71
County of Gaston, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

Evaluation Date:		06/21/2026	Bond Yield:	3.8685301%
Date	Project Fund Investments	Project Fund Income	Future Value of Investments @ Evaluation Date	Future Value of Income @ Evaluation Date
06/22/2023	8,180,820.71		9,176,389.26	-
06/30/2023	10,119.38	10,119.38	11,341.20	11,341.20
07/31/2023	35,158.31	35,158.31	39,277.74	39,277.74
08/31/2023	36,567.27	36,567.27	40,721.55	40,721.55
09/29/2023	35,627.41	35,627.41	39,552.65	39,552.65
10/31/2023	37,008.24	37,008.24	40,950.27	40,950.27
11/30/2023	36,033.81	36,033.81	39,744.94	39,744.94
12/12/2023	(5,328,903.26)		(5,870,226.06)	-
12/29/2023	22,024.29	22,024.29	24,217.71	24,217.71
01/31/2024	13,653.94	13,653.94	14,964.30	14,964.30
02/29/2024	12,804.98	12,804.98	13,989.12	13,989.12
03/28/2024	13,748.62	13,748.62	14,975.33	14,975.33
04/10/2024	(227,845.05)		(247,857.60)	-
04/30/2024	12,658.01	12,658.01	13,740.53	13,740.53
05/31/2024	12,824.94	12,824.94	13,877.36	13,877.36
06/28/2024	12,447.17	12,447.17	13,428.51	13,428.51
07/03/2024	(160,375.40)		(172,927.42)	-
07/31/2024	12,268.35	12,268.35	13,190.59	13,190.59
08/30/2024	12,268.02	12,268.02	13,148.19	13,148.19
09/30/2024	11,577.66	11,577.66	12,368.74	12,368.74
10/31/2024	11,295.32	11,295.32	12,028.64	12,028.64
11/29/2024	10,570.27	10,570.27	11,221.83	11,221.83
12/05/2024	(471,019.00)		(499,733.64)	-
12/31/2024	9,118.59	9,118.59	9,648.78	9,648.78
01/31/2025	8,567.13	8,567.13	9,036.35	9,036.35
02/28/2025	7,725.44	7,725.44	8,122.59	8,122.59
03/21/2025	(1,556,817.99)		(1,633,196.09)	-
03/31/2025	6,523.73	6,523.73	6,837.23	6,837.23
04/30/2025	2,834.02	2,834.02	2,960.74	2,960.74
05/30/2025	2,922.78	2,922.78	3,043.74	3,043.74
06/30/2025	2,839.84	2,839.84	2,947.94	2,947.94
07/31/2025	2,958.92	2,958.92	3,061.76	3,061.76
08/29/2025	2,970.36	2,970.36	3,064.12	3,064.12
09/30/2025	2,845.56	2,845.56	2,925.72	2,925.72
10/31/2025	2,871.57	2,871.57	2,943.05	2,943.05
11/28/2025	2,687.42	2,687.42	2,746.12	2,746.12
12/31/2025	2,670.69	2,670.69	2,719.74	2,719.74
01/06/2026	(434,810.00)		(442,513.34)	-
01/30/2026	(407,242.05)	1,349.41	(413,399.65)	1,369.81
01/30/2026	40.09	40.09	40.70	40.70
02/05/2026	(40.09)	0.01	(40.67)	0.01
			-	-
Totals	$0.00	$407,581.55	$339,332.55	$444,207.59

Less Future Value of Investments	$339,332.55
Surplus at Evaluation Date	**$104,875.04**

FINAL INSTALLMENT
INVESTMENT YIELD CALCULATION
Evaluation Date: June 21, 2026

BINGHAM

$8,180,820.71
Gaston County, North Carolina
Equipment Financing Agreement
Dated: June 21, 2023

Estimated Investment Yield Calculation

Dated Date:	06/22/2023					
Delivery Date:	06/22/2023			Estimated Investment Yield:		5.0795334%
Date	Project Fund Investments	Project Fund Income	Total Cash Flow Activity	PV Factor	Days	Present Value
06/22/2023	8,180,820.71		(8,180,820.71)	1.0000000	-	(8,180,820.71)
06/30/2023	10,119.38	10,119.38	-	0.9988859	8	-
07/31/2023	35,158.31	35,158.31	-	0.9945806	39	-
08/31/2023	36,567.27	36,567.27	-	0.9904319	69	-
09/29/2023	35,627.41	35,627.41	-	0.9865753	97	-
10/31/2023	37,008.24	37,008.24	-	0.9821862	129	-
11/30/2023	36,033.81	36,033.81	-	0.9782255	158	-
12/12/2023	(5,328,903.26)		5,328,903.26	0.9765912	170	5,204,160.00
12/29/2023	22,024.29	22,024.29	-	0.9742807	187	-
01/31/2024	13,653.94	13,653.94	-	0.9699463	219	-
02/29/2024	12,804.98	12,804.98	-	0.9661695	247	-
03/28/2024	13,748.62	13,748.62	-	0.9622733	276	-
04/10/2024	(227,845.05)		227,845.05	0.9606657	288	218,882.92
04/30/2024	12,658.01	12,658.01	-	0.9579923	308	-
05/31/2024	12,824.94	12,824.94	-	0.9538633	339	-
06/28/2024	12,447.17	12,447.17	-	0.9502815	366	-
07/03/2024	(160,375.40)		160,375.40	0.9496197	371	152,295.64
07/31/2024	12,268.35	12,268.35	-	0.9459220	399	-
08/30/2024	12,268.02	12,268.02	-	0.9421075	428	-
09/30/2024	11,577.66	11,577.66	-	0.9381777	458	-
10/31/2024	11,295.32	11,295.32	-	0.9341340	489	-
11/29/2024	10,570.27	10,570.27	-	0.9304967	517	-
12/05/2024	(471,019.00)		471,019.00	0.9297191	523	437,915.35
12/31/2024	9,118.59	9,118.59	-	0.9263570	549	-
01/31/2025	8,567.13	8,567.13	-	0.9224929	579	-
02/28/2025	7,725.44	7,725.44	-	0.9190289	606	-
03/21/2025	(1,556,817.99)		1,556,817.99	0.9160884	629	1,426,182.87
03/31/2025	6,523.73	6,523.73	-	0.9148128	639	-
04/30/2025	2,834.02	2,834.02	-	0.9111238	668	-
05/30/2025	2,922.78	2,922.78	-	0.9073231	698	-
06/30/2025	2,839.84	2,839.84	-	0.9035384	728	-
07/31/2025	2,958.92	2,958.92	-	0.8996440	759	-
08/29/2025	2,970.36	2,970.36	-	0.8961410	787	-
09/30/2025	2,845.56	2,845.56	-	0.8922785	818	-
10/31/2025	2,871.57	2,871.57	-	0.8884327	849	-
11/28/2025	2,687.42	2,687.42	-	0.8850966	876	-
12/31/2025	2,670.69	2,670.69	-	0.8810362	909	-
01/06/2026	(434,810.00)		434,810.00	0.8804226	914	382,816.56
01/30/2026	(407,242.05)	1,349.41	408,591.46	0.8774833	938	358,532.20
01/30/2026	40.09	40.09	-	0.8774833	938	-
02/05/2026	(40.09)	0.01	40.10	0.8768722	943	35.16
Totals	$0.00	$ 407,581.55				$0.00