

STATEMENT OF DISCLOSURES ON GENERAL OBLIGATION BONDS

The Board of Commissioners of the Town of Zebulon, North Carolina (the “Town”) introduced the following bond order of the Town at its June 3, 2024 meeting:

BOND ORDER AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION STREETS AND SIDEWALKS BONDS IN THE MAXIMUM AMOUNT OF \$20,000,000

Section 159-55.1 of the General Statutes of North Carolina requires the Town’s finance officer to file with the Clerk to the Board of Commissioners of the Town after the bond order is introduced and before the public hearing on the bond order, a statement of disclosures stating the following: (1) an estimate of the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, and a summary of the assumptions on which the estimate is based, (2) an estimate of the increase in property tax rate, if any, necessary to service the proposed debt, and (3) the amount of two-thirds bonds capacity the unit has available for the current fiscal year, if any.

To satisfy the requirements of Section 159-55.1 of the General Statutes of North Carolina with respect to the proposed bonds to be issued under the **BOND ORDER AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION STREETS AND SIDEWALKS BONDS IN THE MAXIMUM AMOUNT OF \$20,000,000** the following statements of disclosure are made:

(1) An estimate of the total amount of interest that will be paid on the proposed streets and sidewalks bonds over the expected term of the bonds, if issued, is \$11,222,400. The assumptions upon which the estimate is based are:

(i) that the bonds will be issued in six series in the aggregate principal amount of \$4,000,000 in Fiscal Year 2025, \$8,000,000 in Fiscal Year 2027, \$2,000,000 in Fiscal Year 2028, \$2,000,000 in Fiscal Year 2029, \$2,000,000 in Fiscal Year 2030 and \$2,000,000 in Fiscal Year 2031;

(ii) that each series of bonds expected to be issued will amortize in 20 equal annual principal installments beginning in the year after the assumed date of issuance of each such series of the bonds;

(iii) that interest on each series of the bonds will be paid in semiannual installments over the expected 20 year term of the bonds beginning six months after the date of issuance of the bonds and will bear interest at an interest rate of 5.344%.

The interest rate assumption above represents the highest interest rate charged for similar debt over the last 20 years as determined by the staff of the North Carolina Local Government Commission. The finance officer of the Town believes this to be a reasonable assumption of the interest rate based on the requirement in Section 159-61(d) of the General Statutes of North Carolina to use the highest interest rate charged for similar debt over the maximum bond issuance term to estimate the cumulative cost over the life of the bonds that will appear on the ballot question for approval of the streets and sidewalks bonds.

(2) The Town estimates an increase in the property tax rate necessary to service the proposed streets and sidewalks bonds of \$0.0423 per \$100 of assessed valuation in Fiscal Year 2026. A property tax rate increase of \$0.0423 per \$100 of assessed value is equivalent to \$42.30 of property tax liability increase for each one hundred thousand dollars (\$100,000) of property tax value annually. This estimate is based on financial modeling that the Town maintains related to its existing debt service obligations and proposed general obligation debt service which makes certain assumptions including, but not limited to, the Town's fiscal year 2025 estimated property tax levy, the growth of the Town's tax base equal to 3% annually anticipated existing budget resources available and amortization of the Town's existing debt obligations.

(3) The amount of two-thirds bonds capacity the Town has available for the current fiscal year (fiscal year ending June 30, 2024) is \$150,000.

The information contained herein is preliminary and is for general informational purposes only. There is no assurance that the assumptions on which this disclosure is based will occur, and the actual occurrence of certain of the assumptions is beyond the Town's control. Differences between the actual circumstances at the time the bonds are issued from the assumptions included in this disclosure could result in significant differences between the disclosures made herein and the actual occurrences. The validity of the bonds authorized by the bond order is not subject to challenge on the grounds that the actual occurrences when issued proved to be different than the disclosures set forth in this statement.

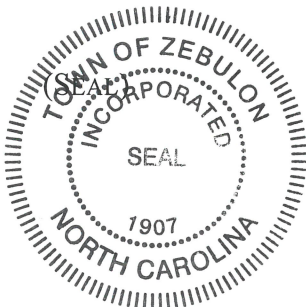
This statement will be filed with the North Carolina Local Government Commission, posted online on the Town's website and maintained by the Town Clerk.

June 4, 2024



Robert Fitts
Finance Director
Town of Zebulon, North Carolina

I, Lisa M. Markland, Town Clerk of the Town of Zebulon, North Carolina, hereby certify that the foregoing statement was filed with the Local Government Commission of North Carolina, filed in my office and posted online on the Town of Zebulon website on the ____ day of June, 2024.



Lisa M. Markland
Town Clerk
Town of Zebulon, North Carolina