

STATEMENT OF DISCLOSURES ON GENERAL OBLIGATION BONDS

The Board of Commissioners of the County of Union, North Carolina (the "County") introduced the following bond order of the County at its June 17, 2024 meeting:

BOND ORDER AUTHORIZING THE ISSUANCE OF \$39,425,000 GENERAL OBLIGATION SCHOOL BONDS OF THE COUNTY OF UNION, NORTH CAROLINA

Section 159-55.1 of the General Statutes of North Carolina requires the County's finance officer to file with the Clerk to the Board of Commissioners of the County 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 \$39,425,000 GENERAL OBLIGATION SCHOOL BONDS OF THE COUNTY OF UNION, NORTH CAROLINA** the following statements of disclosure are made:

(1) An estimate of the total amount of interest that will be paid on the proposed bonds over the expected term of the bonds, if issued, is \$22,122,156. The assumptions upon which the estimate is based are:

(i) that the bonds will be issued on a tax-exempt basis in a single series in the aggregate principal amount of \$39,425,000 in Fiscal Year 2025;

(ii) that the bonds will amortize in 20 equal annual principal installments beginning in the year after the assumed date of issuance of the bonds;

(iii) that interest on the bonds will be paid in semiannual installments over the expected 20 year term 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 assumption conforms with a "safe harbor" rate that the North Carolina Local Government Commission has determined for purposes of its approval process and the finance officer of the County 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 transportation bonds.

(2) The County estimates an increase in the property tax rate necessary to service the proposed bonds of \$0.008 per \$100 of assessed valuation in Fiscal Year 2026. A property tax rate increase of \$0.008 per \$100 of assessed value is equivalent to \$8.00 of property tax liability increase for each one hundred thousand dollars (\$100,000) of property tax value annually. This estimate for the increase in property tax rate necessary to pay debt service on all of the proposed bonds is based on financial modeling that the County maintains related to its existing debt service obligations and proposed general obligation debt service to determine what may be necessary for the County to generate enough revenues

that, together with the other revenues that the County estimates will be available, to pay the debt service on the proposed bonds. The financial model is based on numerous assumptions and is continuously being refined. Among the many assumptions in the financial model are the amortization of the County's existing and future debt obligations, the amount of revenue currently generated by the property tax, the growth of the County's tax base equal to 3% annually, and other revenues available to pay debt service and other budgetary trends.

(3) The amount of two-thirds bonds capacity the County has available for the current fiscal year (Fiscal Year ending June 30, 2025) is \$18,830,000.

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 County'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 County's website and maintained by the Clerk to the Board of Commissioners of the County.

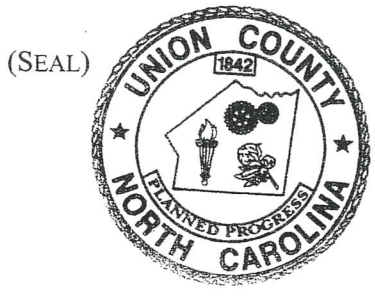
July 2, 2024

Beverly Liles

Beverly Liles
Finance Director
County of Union, North Carolina

STATE OF NORTH CAROLINA)
)
COUNTY OF UNION) SS:

I, *Lynn West*, Clerk to the Board of Commissioners of the County of Union, North Carolina, hereby certifies that the foregoing statement was filed with the Local Government Commission of North Carolina, filed in my office and posted online on the County of Union website on the 2nd day of July, 2024.



Lynn West

Clerk to the Board of Commissioners
County of Union, North Carolina