

TOWN OF MORRISVILLE, NORTH CAROLINA

STATEMENT OF DISCLOSURES IN CONNECTION WITH A GENERAL OBLIGATION BOND AUTHORIZATION PURSUANT TO THE LOCAL GOVERNMENT BOND ACT, AS AMENDED

I, Cacie Langley, Deputy Finance Director of the Town of Morrisville, North Carolina (the "Town"), having been designated by the Town Council of the Town (the "Town Council") to make and file with the Town Clerk a statement of disclosures in connection with the introduction of a bond order for the issuance of bonds pursuant to The Local Government Bond Act, as amended, DO HEREBY CERTIFY as follows:

1. The Bond Order. On July 9, 2024, the Town Council introduced a bond order authorizing the issuance by the Town of not exceeding \$1,710,000 Streets, Sidewalk and Connectivity Bonds (the "Bonds"), for the purpose of providing funds, together with any other available funds, for various transportation related improvements inside and outside the corporate limits of the Town, including, without limitation, street, road, mobility, sidewalk and streetscape improvements, bridges, bicycle lanes, curbs and drains, traffic controls, greenways, bus and train station and shelter improvements, and the acquisition of any related land, rights of way and equipment.

2. Estimated Interest. If the Bonds are duly authorized and issued, I have estimated that the total amount of interest to be paid by the Town over the expected term of the Bonds to be \$935,667.60. *Such estimate is based on a number of assumptions regarding certain future events and circumstances, including the following:*

(a) The Bonds will be issued in the aggregate principal amount of \$1,710,000.

(b) The Bonds will amortize in twenty (20) equal installments of principal payable annually, the first principal payment which will come due on the first anniversary date of issuance of the Bonds.

(c) The Bonds will bear interest at a rate of 5.344% per annum, payable semiannually. Such interest rate was determined by the North Carolina Local Government Commission to be the highest charged for similar tax-exempt debt over the past twenty (20) years and will be used for the purpose of determining the estimated cumulative interest cost for the Bonds for authorization of the Bonds. Such rate assumes that interest on the Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes.

The total estimated amount of interest on the Bonds over the expected term of the Bonds is preliminary and for general informational purposes only. The Town makes no assurances that the assumptions upon which such estimate is based will occur, and the occurrence of certain of such assumptions is beyond the control of the Town. Differences between the actual circumstances at the time the Bonds are issued and the assumptions set forth above could result in significant differences between the total amount of estimated interest and the total amount of actual interest to be paid on the Bonds if and when issued.

3. Property Tax Rate Increase. Sufficient general fund revenues are projected to be available to pay the principal of and interest on the Bonds, and no property tax rate increase is expected to be needed to pay the principal of and interest on the Bonds.

4. “Two-thirds” Capacity. At present, the Town has the capacity to issue \$1,710,000 of general obligation bonds without a referendum on account of a net reduction in its general obligation bond indebtedness for the fiscal year ended June 30, 2024. Such capacity is being utilized for purposes of issuing the Bonds.

Pursuant to N.C.G.S. 159-55.1(b), the validity of the Bonds is not subject to challenge on the grounds that the actual interest to be paid on the Bonds when issued or the actual property tax increase required to provide funds to pay principal and interest on the Bonds are different than the estimated amounts set forth above.

Signed this 9th day of July, 2024.



Deputy Finance Director

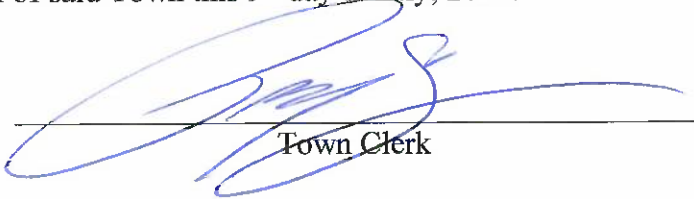
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I, Patricia Spillane, Town Clerk of the Town of Morrisville, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of a statement of disclosures which was filed with me at a meeting of the Town Council of said Town held on July 9, 2024, in connection with the introduction of an order authorizing general obligation bonds of said Town, and that said statement is open to public inspection in my office.

WITNESS my hand and official seal of said Town this 9th day of July, 2024.

[SEAL]





Town Clerk

TO THE PUBLISHER OF THE NEWS AND OBSERVER:

Please publish the following once in The News and Observer on Friday, July 12, 2024:

**ORDER AUTHORIZING
\$1,710,000 STREETS, SIDEWALK AND CONNECTIVITY IMPROVEMENT
BONDS**

BE IT ORDERED by the Town Council of the Town of Morrisville, North Carolina:

1. That pursuant to the Local Government Bond Act, as amended, the Town of Morrisville, North Carolina is hereby authorized to contract a debt, in addition to any and all other debt which said Town may now or hereafter have power and authority to contract, and in evidence thereof to issue Streets, Sidewalk and Connectivity Improvement Bonds in an aggregate principal amount not exceeding \$1,710,000 for the purpose of providing funds, together with any other available funds, for various transportation related improvements inside and outside the corporate limits of said Town, including, without limitation, street, road, mobility, sidewalk and streetscape improvements, bridges, bicycle lanes, curbs and drains, traffic controls, greenways, bus and train station and shelter improvements, and the acquisition of any related land, rights of way and equipment.

2. That taxes shall be levied in an amount sufficient to pay the principal of and the interest on said bonds.

3. That a sworn statement of debt of said Town has been filed with the Town Clerk and is open to public inspection.

4. That this order shall take effect 30 days after its publication following adoption, unless it is petitioned to a vote of the people within 30 days after the date of its publication as introduced as provided in G.S. 159-60, in which event it will take effect when approved by the voters of said Town at a referendum as provided in said Act.

5. That this order is adopted pursuant to the provisions of G.S. 159-49, which authorizes the issuance of bonds without a vote of the people for the purposes specified therein in an amount not exceeding two-thirds of the amount by which the outstanding indebtedness of said Town has been reduced in the preceding fiscal year.

The foregoing order has been introduced and a sworn statement of debt has been filed under the Local Government Bond Act showing the appraised value of the Town of Morrisville, North Carolina to be \$6,713,735,702 and the net debt thereof, including the proposed bonds, to be \$55,900,000. The Interim Finance Director of the Town has filed a statement estimating that the total amount of interest that will be paid on the proposed bonds over the expected term of the bonds, if issued, is \$935,667.60. Taxes are authorized to be levied to pay the principal of and interest on the bonds if they are issued. The Interim Finance Director of the Town has filed a statement estimating that

no property tax increase will be required to provide sufficient funds to pay principal and interest on the proposed bonds. These estimates are preliminary, are for general informational purposes only, and may differ from the actual interest paid on such bonds or the property tax increases required to provide sufficient funds to pay the principal of and interest on the bonds. Such statement includes certain assumptions upon which the estimates are based, and there is no assurance that the circumstances included in such assumptions will occur. The validity of the proposed bonds is not subject to challenge on the grounds that the actual interest cost on the bonds when issued is or the actual property tax increase required to provide funds to pay principal and interest on the bonds is different than the estimated amounts set forth above.

Anyone who wishes to be heard on the questions of the validity of the bond order and the advisability of issuing the bonds may appear at a public hearing or an adjournment thereof to be held at 6:00 p.m. on July 23, 2024, in the Council Chamber at the Town Hall located at 100 Town Hall Drive in Morrisville, North Carolina.

Patricia Spillane
Town Clerk of the
Town of Morrisville, North Carolina