

**COUNTY OF WAKE, NORTH CAROLINA**  
**STATEMENT OF TOTAL ESTIMATED INTEREST PURSUANT TO THE**  
**LOCAL GOVERNMENT BOND ACT, AS AMENDED**

I, W. Patrick Flanary, Chief Financial Officer of the County of Wake, North Carolina (the "County"), having been designated by the Board of Commissioners for the County (the "Board") to make and file with the Clerk to the Board a statement of total estimated interest pursuant to The Local Government Bond Act, as amended, DO HEREBY CERTIFY as follows:

1. On June 21, 2022, the Board introduced bond orders authorizing the issuance by the County of \$530,700,000 School Bonds and \$353,200,000 Community College Bonds (collectively, the "Bonds").

2. If the Bonds are duly authorized and issued, I have estimated that the total amount of interest to be paid by the County over the expected term of the Bonds to be \$360,500,000. *Such estimate is based on a number of assumptions regarding certain future events and circumstances, including the following:*

(a) The County will incur bond anticipation notes to provide construction financing of the projects being financed. The bond anticipation notes will be refinanced by Bonds to be issued in the aggregate principal amount of \$883,900,000 in several issues over a multi-year time period.

(b) Each issue of the Bonds will mature or be payable in nineteen (19) equal installments of principal payable annually, the first principal payment which will come due approximately one year after the date of issuance of the Bonds.

(c) The bond anticipation notes will bear interest at a variable interest rate that will average approximately 2.00%, payable monthly.

(d) The Bonds will bear interest at an average interest rate of 4.00% per annum, payable semiannually. An average interest rate is used because Bonds maturing in different years will bear interest at different interest rates. Such interest rate is higher than the current market rate for similar type debt instruments as determined by the County finance department, however a higher than current market rate is used as a more conservative estimate because interest rates may rise before the Bonds are issued. Prevailing interest rates at the time the Bonds are sold will vary based upon a variety of economic conditions.

(e) The Bonds will be sold to investors at a price that approximates the principal amounts payable on each annual maturity of the Bonds. Sales of Bonds at a premium or discount would affect the interest rate payable on the Bonds (and therefore the aggregate interest cost), however such price adjustments would be reflected in the amount of proceeds received by the County on the sale of the Bonds.

(f) There will not be any change from the current perceived credit quality of the County. Changes in the County's perceived credit quality would have an effect on the interest rates the County is able to achieve upon sale of the Bonds.

(g) There will not be any change from the current prevailing market demand for municipal bonds in general, and bonds issued by or on behalf of North Carolina local

government entities. A change in demand in general for obligations such as the Bonds would have an effect on the interest rate on the Bonds at the time of sale.

(h) The current federal and State tax treatment arising from ownership of the Bonds, receipt of payments of principal and interest thereon and the ownership or disposition thereof will continue in their present forms. Changes in income tax rates or other State or federal tax treatment arising from ownership on the Bonds could have an effect on the interest rate on the Bonds at the time of sale.

(i) The Bonds will be subject to redemption at the option of the County following approximately ten (10) years. Changes to the optional redemption or other redemption features of the Bonds could have an effect on the interest rate thereon.

(j) The Bonds will bear interest at fixed rates determined at the time of sale until their respective maturity dates. The County may determine to issue all or a portion of the bonds at a variable rate of interest.

(k) Neither the County nor any purchaser of the Bonds will obtain any credit enhancement (such as a policy of municipal bond insurance) to assure payment of principal of and interest on the Bonds. The arrangement of such an instrument would have an effect on the interest rate on the Bonds.

The total estimated amount of interest on the bond anticipation notes and the Bonds over the expected term of the Bonds is preliminary and for general purposes only. The County 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 County. Differences between the actual circumstances at the time the bond anticipation notes or 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. Pursuant to N.C.G.S. 159-55(d), 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 is different than the total amount of estimated interest on the bond anticipation notes and Bonds set forth above.

Signed this 21<sup>st</sup> day of June, 2022.



Chief Financial Officer

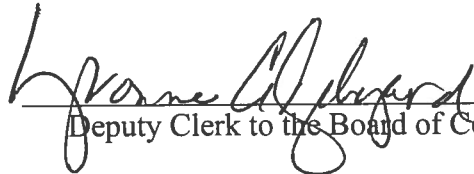
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I, Yvonne C. Gilyard, Deputy Clerk to the Board of Commissioners for the County of Wake, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of a statement of total estimated interest which was filed with the Clerk to the Board of Commissioners at a meeting of said Board held on June 21, 2022, after the introduction and before the public hearing on orders authorizing bonds of said County, and that said statement is open to public inspection in my office.

WITNESS my hand and official seal of said County this 21<sup>st</sup> day of June, 2022.

[SEAL]



  
Deputy Clerk to the Board of Commissioners