

**STATEMENT OF DISCLOSURES ON
GENERAL OBLIGATION BONDS**

The City Council of the City of Kannapolis, North Carolina (the “City”) introduced the following bond order (the “Bond Order”) of the City at its June 22, 2026 meeting:

**BOND ORDER AUTHORIZING THE ISSUANCE OF \$40,000,000 GENERAL OBLIGATION
PARKS AND RECREATION BONDS OF THE CITY OF KANNAPOLIS, NORTH CAROLINA**

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, 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 \$22,444,800. The estimate is based upon the following assumptions:

(i) the bonds will be issued in one or more series in the aggregate principal amount of \$40,000,000;

(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) 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%, which 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 City believes this to be a reasonable assumption of the interest rate because the assumption conforms with a “safe harbor” rate that the North Carolina Local Government Commission has determined for purposes of its approval process.

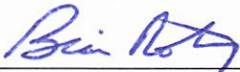
(2) The City estimates an increase in the property tax rate necessary to service the proposed bonds of \$0.046 per \$100 of assessed valuation, which is equivalent to \$46.00 of property tax for each one hundred thousand dollars (\$100,000) of property tax annually. The estimated increase in the property tax rate is based on what the City believes to be conservative assumptions, including, but not limited to, the interest rate set forth above and no growth in the City’s property tax base.

(3) The amount of two-thirds bonds capacity the City has available for the current fiscal year (Fiscal Year ending June 30, 2026) is \$0.00.

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 City’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 City’s website and maintained by the City Clerk of the City.

June 30, 2026

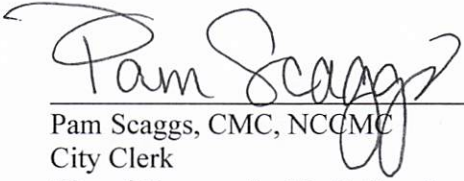


Brian Roberts
Finance Director
City of Kannapolis, North Carolina

STATE OF NORTH CAROLINA)
) SS:
CITY OF KANNAPOLIS)

I, PAM SCAGGS, City Clerk of the City of Kannapolis, North Carolina, **HEREBY CERTIFY THAT** the foregoing statement was filed in my office on the 30 day of June, 2026.





Pam Scaggs, CMC, NCCMC
City Clerk
City of Kannapolis, North Carolina

STATE OF NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

*State and Local Government Finance Division
and the Local Government Commission
3200 Atlantic Avenue, Longleaf Building, Raleigh, North Carolina 27604*

STATEMENT OF DEBT
For Kannapolis, North Carolina (Debt Outstanding as of 6/1/2026)

To be filed with the application. The debt described below should not include debt incurred or to be incurred in anticipation of the collection of taxes or other revenues or in anticipation of the sale of bonds other than funding or refunding bonds. The debt described below should not include revenue bonds or special obligation bonds.

A. Gross Debt

1. Outstanding debt evidenced by bonds:

<u>Purpose</u>	<u>Amount</u>
GO Bonds	\$ -
	<u>\$ -</u>

2. The proposed financing, and bonds authorized by orders introduced but not yet adopted:

<u>Date Introduced</u>	<u>Purpose</u>	<u>Amount</u>
5/1/2026	Parks & Recreation Projects	\$ 40,000,000 (Not To Exceed)
		<u>\$ 40,000,000.00</u>

3. Unissued bonds authorized by adopted orders:

<u>Date Introduced</u>	<u>Purpose</u>	<u>Amount</u>
		<u>\$ -</u>

4. Outstanding debt not evidenced by bonds (lease-purchase agreements):

<u>Date Incurred</u>	<u>Purpose</u>	<u>Amount</u>
		<u>\$ -</u>

Total Gross Debt (Sum of 1, 2, 3 and 4) \$ 40,000,000.00

B. Deductions

1. Funding and refunding bonds authorized by orders introduced but not yet adopted.	\$ -
2. Funding and refunding bonds authorized but not issued.	\$ -
3. Amount held in sinking funds or otherwise for the payment of gross debt other than debt incurred for water, gas, electric light or power purposes or sanitary sewer purposes (to the extent deductible under Section 159-55[b] of the Local Government Bond Act), or two or more of these purposes.	\$ -
4. Bonded debt included in gross debt and incurred or to be incurred for water, gas or electric light or power purposes, or any two or more of these purposes.	\$ -
5. Bonded debt included in gross debt and incurred or to be incurred for sanitary sewer system purposes (to the extent deductible under Section 159-55[b] of The Local Government Bond Act).	\$ -
6. Uncollected special assessments levied for local improvements for which gross debt (that is not otherwise deducted) was or is to be incurred, to the extent it will be applied, when collected, to the payment of such gross debt.	\$ -
7. Estimate of special assessments to be levied for local improvements for which any part of gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the special assessments when collected, will be applied to the payment of any part of gross debt.	\$ -
Total Deductions (Sum of 1 through 7)	<u>\$ -</u>

C. **Net Debt** being the difference between Total Gross Debt (A) and Total Deductions (B). \$ 40,000,000.00

D. **Assessed Value** of property subject to taxation being the value from which the assessed value was last fixed for taxation as revealed by the County tax records and certified by the County Tax Supervisor. \$ 8,169,448,641.00

E. **Percentage that Net Debt** bears to the assessed value of property subject to taxation (C ÷ D). 0.49%

F. **Estimated Total Amount of Interest** that will be paid on the bonds over the expected term of the bonds. \$ 22,444,800.00

I certify the above is correct to the best of my knowledge.	Finance Officer's Signature <i>Brian J. Kotecki</i>	Date 5-28-2026
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