



Exhibit 2

January 8, 2015

From: Town of Knightdale
Knightdale, North Carolina
Reporting for the fiscal year ended June 30, 2014

Information relates to the following securities issued by the issuer having the six digits CUSIP numbers 49906U:

\$3,800,000 Public Improvement Bonds, dated December 1, 2002

Number of pages of attached information: Four

Enclosed herewith is information the Town of Knightdale has undertaken to provide to purchasers on the above referenced bonds in accordance with Rule 15c-2-12 of the Securities and Exchange Commission, consisting of the following items:

1. Comprehensive Annual Financial Report for year ended June 30, 2014.
2. Information required in the Undertaking, i.e. Combined Budget for the Current Fiscal Year, Debt Information, and Tax Information.

James C. Overton

James C. Overton
Finance Officer
Town of Knightdale
Knightdale, North Carolina
(919) 217-2210

Town of Knightdale, North Carolina

Debt Information

LEGAL DEBT LIMIT

Please refer to page(s) 127 of the Town of Knightdale, North Carolina Audit Report / CAFR dated June 30, 2014.

OUTSTANDING GENERAL OBLIGATION DEBT

Please refer to page(s) 128 -129 of the Town of Knightdale, North Carolina Audit Report / CAFR dated June 30, 2014.

Latest Bonds Issued:

2013-2014	\$3,000,000 General Obligation Parks and Recreational Facility Bonds, 15 installments of \$200,000, interest at 1.97 percent payable to SunTrust Bank Private sale on July 19, 2013. Outstanding Balance \$3,000,000.
2002-2003	\$3,800,000 General Obligation Public Improvement Bonds, Series 2002, 10.5 years average maturity, 4.017% net interest cost.
11/15/2011	\$2,119,000 General Obligation Refunding Bond, Series 2011, 6.0444 years average maturity, 2.27% net interest cost. 2011 Bonds used to refund General Obligation Public Improvement Bonds, Series 2002, Outstanding Balance \$1,660,000.

GENERAL OBLIGATION DEBT RATIOS

Please refer to the report “Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2014” filed with the MSRB by the North Carolina Department of State Treasurer, Division of State and Local Government Finance.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

See Schedule MB080G attached (does not include refunded bonds).

GENERAL OBLIGATION BONDS AUTHORIZED AND UNISSUED

<u>Purpose</u>	<u>Date</u> <u>Approved</u>	<u>Balance</u> <u>Authorized</u> <u>and Unissued</u>
None		

Town of Knightdale, North Carolina

GENERAL OBLIGATION DEBT INFORMATION FOR OVERLAPPING UNIT AS OF JUNE 30, 2014

Please refer to page(s) 130 of the Town of Knightdale, North Carolina Audit Report / CAFR dated June 30, 2014.

Please refer to the report “Analysis of Debt of North Carolina Counties, Municipalities and Districts at June 30, 2014” filed with the MSRB by the North Carolina Department of State Treasurer, Division of State and Local Government Finance.

OTHER LONG TERM COMMITMENTS

Please refer to page(s) 69 to 83 of the Town of Knightdale, North Carolina Audit Report / CAFR dated June 30, 2014.

Tax Information

GENERAL INFORMATION

Please refer to page(s) 122 to 126 of the Town of Knightdale, North Carolina Audit Report / CAFR dated June 30, 2014.

TAX COLLECTIONS

Please refer to page(s) 125 of the Town of Knightdale, North Carolina Audit Report / CAFR dated June 30, 2014.

TEN LARGEST TAXPAYERS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Please refer to page(s) 126 of the Town of Knightdale, North Carolina Audit Report / CAFR dated June 30, 2014.

SIGNIFICANT VIOLATIONS OF FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

Please refer to page 64 of the Town of Knightdale, North Carolina Audit Report / CAFR dated June 30, 2014. Secondary markets disclosures for the fiscal year ended June 30, 2010, were filed on February 24, 2011, after the deadline of January 31, 2011.

SALE OF \$3,000,000 GENERAL OBLIGATION PARKS AND RECREATIONAL FACILITY BONDS

Please refer to page 79 of the Town of Knightdale, North Carolina Audit Report / CAFR dated June 30, 2013. On September 11, 2012, the Local Government Commission approved a bond referendum for \$3,000,000 in Parks and Recreation Facility Bonds. The Referendum was approved by the citizens of Knightdale on November 6, 2012. The Town of Knightdale issued \$3,000,000 of general obligations bonds on July 19, 2013 in a private sale to SunTrust Bank. The bonds are payable in 15 annual installments of \$200,000 plus interest at 1.97% per annum beginning on July 19, 2014 through July 19, 2028.

DEPARTMENT OF STATE TREASURER
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
ANNUAL REQUIREMENTS AND DEBIT LIMITATION

Exhibit 4

UNIT	TOWN OF KNIGHTDALE						SUBJECT TO		
	UTILITIES		OTHER		TOTAL		STATUTORY		
	FISCAL YEAR	PRINCIPAL	PRIN & INT	PRINCIPAL	PRIN & INT	PRINCIPAL	PRIN & INT	LIMITATION	TOTAL
General Obligation:									
2014	173,578.92	207,057.84	58,421.08	69,663.56	232,000.00	276,721.40	3,495,263.36	4,922,000.00	
2015	172,368.40	201,634.08	257,631.60	326,647.92	430,000.00	528,282.00	3,436,842.28	4,690,000.00	
2016	170,157.87	195,210.49	256,842.13	320,610.21	427,000.00	515,820.70	3,179,210.68	4,260,000.00	
2017	164,210.50	185,100.24	255,789.50	314,327.26	420,000.00	499,427.50	2,922,368.55	3,833,000.00	
2018	153,999.98	170,943.74	255,000.02	308,331.36	409,000.00	479,275.10	2,666,579.05	3,413,000.00	
2019	151,789.45	165,237.41	254,210.55	302,353.39	406,000.00	467,590.80	2,411,579.03	3,004,000.00	
2020	149,578.93	159,581.27	253,421.07	296,393.33	403,000.00	455,974.60	2,157,368.48	2,598,000.00	
2021	146,631.56	153,238.46	252,368.44	290,188.04	399,000.00	443,426.50	1,903,947.41	2,195,000.00	
2022	144,421.03	147,699.39	251,578.97	284,269.81	396,000.00	431,969.20	1,651,578.97	1,796,000.00	
2023	-	-	200,000.00	227,580.00	200,000.00	227,580.00	1,400,000.00	1,400,000.00	
2024	-	-	200,000.00	223,640.00	200,000.00	223,640.00	1,200,000.00	1,200,000.00	
2025	-	-	200,000.00	219,700.00	200,000.00	219,700.00	1,000,000.00	1,000,000.00	
2026	-	-	200,000.00	215,760.00	200,000.00	215,760.00	800,000.00	800,000.00	
2027	-	-	200,000.00	211,820.00	200,000.00	211,820.00	600,000.00	600,000.00	
2028	-	-	200,000.00	207,880.00	200,000.00	207,880.00	400,000.00	400,000.00	
2029	-	-	200,000.00	203,940.00	200,000.00	203,940.00	200,000.00	200,000.00	
TOTAL	1,426,736.64	1,585,702.92	3,495,263.36	4,023,104.88	4,922,000.00	5,608,807.80			
GRAND TOTAL									
TOTAL	1,426,736.64	1,585,702.92	3,495,263.36	4,023,104.88	4,922,000.00	5,608,807.80			
Non-General Obligation:									
2014	178,434.37	202,410.43	803,426.52	1,084,735.65	981,860.89	1,287,146.08	9,586,807.10	10,147,629.63	
2015	186,809.77	202,410.43	809,382.97	1,063,595.07	996,192.74	1,266,005.50	8,783,380.58	9,165,768.74	
2016	195,578.39	202,410.43	815,553.16	1,042,454.50	1,011,131.55	1,244,864.93	7,973,997.61	8,169,576.00	
2017			743,517.48	943,894.13	743,517.48	943,894.13	7,158,444.45	7,158,444.45	
2018			746,572.39	922,753.55	746,572.39	922,753.55	6,414,926.97	6,414,926.97	
2019			749,587.44	901,612.98	749,587.44	901,612.98	5,668,354.58	5,668,354.58	
2020			752,671.84	880,472.40	752,671.84	880,472.40	4,918,767.14	4,918,767.14	
2021			755,750.47	859,331.82	755,750.47	859,331.82	4,166,095.30	4,166,095.30	
2022			476,903.32	556,041.25	476,903.32	556,041.25	3,410,344.83	3,410,344.83	
2023			480,205.43	548,274.58	480,205.43	548,274.58	2,933,441.51	2,933,441.51	
2024			483,583.48	540,507.91	483,583.48	540,507.91	2,453,236.08	2,453,236.08	
2025			486,999.14	532,741.25	486,999.14	532,741.25	1,969,652.60	1,969,652.60	
2026			490,573.55	524,974.58	490,573.55	524,974.58	1,482,653.46	1,482,653.46	
2027			494,190.08	517,207.91	494,190.08	517,207.91	992,079.91	992,079.91	
2028			497,889.83	509,441.30	497,889.83	509,441.30	497,889.83	497,889.83	
TOTAL	560,822.53	607,231.29	9,586,807.10	11,428,038.88	10,147,629.63	12,035,270.17			
GRAND TOTAL									
TOTAL	560,822.53	607,231.29	9,586,807.10	11,428,038.88	10,147,629.63	12,035,270.17			

Bond Ledger

LoGics	Issuer Name: Town of Knightdale	Run Date: 05/27/2014
Unit Code	Description: PARK & REC FACILITY, SERIES 2013	Issue Amount: 3,000,000.00 Issue/Refund Date: 7/19/2013
207	Parent Name: Wake County	Orig Issue Amt: 3,000,000.00 Original Issue Date: 7/19/2013
Parent Unit Code 91	Refunded By:	Denomination 3,000,000.00 Capital Appreciation
Issue Number: 011999	Refunds:	Bonds Issue Date:
Security GO		First Payment Date: 7/1/2014
Comments:	Maturity Date: 7/1/2028	First Call Date: 7/19/2013
Payable STI INSTITUTIONAL & GOVERNMENT INC.		

CABS	COPS	USDA	SEC	REFUNDED	REFUNDING	TAXABLE	VAR INT RATE	DEFEASED	BANS
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	CODE	AMOUNT	PERCENT	DESCRIPTION					
	34	3,000,000.00	100.0000%	Parks & Recreation					
Date of Payment	Interest Rates	Old Balance	Sinking Fund Payment	Prepayment	Principal Payment	Interest Payment	Accreted Interest	Balance Transfer	Total Payment
7/1/2014	1.9700%	3,000,000.00	0.00	0.00	200,000.00	59,100.00	0.00	0.00	259,100.00
7/1/2015	1.9700%	2,800,000.00	0.00	0.00	200,000.00	55,160.00	0.00	0.00	255,160.00
7/1/2016	1.9700%	2,600,000.00	0.00	0.00	200,000.00	51,220.00	0.00	0.00	251,220.00
7/1/2017	1.9700%	2,400,000.00	0.00	0.00	200,000.00	47,280.00	0.00	0.00	247,280.00
7/1/2018	1.9700%	2,200,000.00	0.00	0.00	200,000.00	43,340.00	0.00	0.00	243,340.00
7/1/2019	1.9700%	2,000,000.00	0.00	0.00	200,000.00	39,400.00	0.00	0.00	239,400.00
7/1/2020	1.9700%	1,800,000.00	0.00	0.00	200,000.00	35,460.00	0.00	0.00	235,460.00
7/1/2021	1.9700%	1,600,000.00	0.00	0.00	200,000.00	31,520.00	0.00	0.00	231,520.00
7/1/2022	1.9700%	1,400,000.00	0.00	0.00	200,000.00	27,580.00	0.00	0.00	227,580.00
7/1/2023	1.9700%	1,200,000.00	0.00	0.00	200,000.00	23,640.00	0.00	0.00	223,640.00
7/1/2024	1.9700%	1,000,000.00	0.00	0.00	200,000.00	19,700.00	0.00	0.00	219,700.00
7/1/2025	1.9700%	800,000.00	0.00	0.00	200,000.00	15,760.00	0.00	0.00	215,760.00
7/1/2026	1.9700%	600,000.00	0.00	0.00	200,000.00	11,820.00	0.00	0.00	211,820.00
7/1/2027	1.9700%	400,000.00	0.00	0.00	200,000.00	7,880.00	0.00	0.00	207,880.00
7/1/2028	1.9700%	200,000.00	0.00	0.00	200,000.00	3,940.00	0.00	0.00	203,940.00
	Totals		0.00	0.00	3,000,000.00	472,800.00	0.00	0.00	3,472,800.00

Town of Knightdale, North Carolina
Compiled Budget - Annually Budgeted Funds
For the Fiscal Year Ending June 30, 2015

Exhibit 5

	General Fund	Storm Water Special Revenue Fund	Water & Sewer Enterprise Fund	Capital Reserve Fund
Estimated revenues:				
Ad valorem taxes	\$ 6,039,511	\$ -	\$ -	\$ -
Local option sales taxes	2,162,245	-	-	-
Other taxes and licenses	157,877	-	-	95,754
Unrestricted intergovernmental	642,823	-	-	-
Restricted intergovernmental	480,749	-	388,188	-
Permits and fees	120,744	-	-	4,000
Sales and services				
Water and sewer	-	-	1,066,000	-
Storm water fees	-	271,872	-	-
Sanitation	639,840	-	-	-
Recreation	608,900	-	-	5,000
Investment earnings	14,000	128	-	3,559
Miscellaneous	58,100	-	-	-
Total estimated revenues	10,924,789	272,000	1,454,188	108,313
Appropriations:				
General government	1,891,929	-	-	-
Public safety	3,843,523	-	-	-
Transportation	1,564,906	-	-	-
Economic and physical development	937,937	-	-	-
Cultural and recreational	1,466,076	-	-	-
Solid waste operations	703,260	-	-	-
Water and Sewer Operations	-	-	10,000	-
Storm Water Operations	-	392,000	-	-
Transfers to City of Raleigh	-	-	1,066,000	-
Developer reimbursements	-	-	-	-
Debt service:				
Principal retirement	1,164,466	-	344,543	-
Interest and fees	299,505	-	43,645	-
Total appropriations	11,871,602	392,000	1,464,188	-
Estimated revenues over (under) appropriations	(946,813)	(120,000)	(10,000)	108,313
Other financing sources (uses):				
Transfers from other funds:				
General Fund	-	-	-	274,287
Capital Reserve Fund	587,000	-	-	-
Transfers to other funds:				
General Fund	-	-	-	(587,000)
Capital Reserve Fund	(274,287)	-	-	-
Capital Projects Fund	-	-	-	-
Street Improvements Fund	-	-	-	-
Proceeds of long-term debt	200,000	-	-	-
Appropriated fund balance	434,100	120,000	10,000	204,400
Total other financing sources (uses)	946,813	120,000	10,000	(108,313)
Estimated revenues and other sources over appropriations and other uses	\$ -	\$ -	\$ -	\$ -

Compiled by the staff of Town of Knightdale Finance Department.

NOTE: The compiled budget should most closely resemble the financial statements of the most recently audited fiscal year.

NOTE: The Town of Knightdale merged its water and sewer operations with the City of Raleigh effective May 1, 2006. Water and sewer service is now fully provided by the City of Raleigh. The water and sewer revenues shown represent development fees collected and transferred to the City of Raleigh or reimbursement payments to developers for infrastructure improvements constructed by the developer per legal agreements.



Exhibit 6

January 8, 2015

Ms. Preeti Nayak
State and Local Government Finance Division
N.C. Department of State Treasurer
325 N. Salisbury Street
Raleigh, North Carolina 27603-1385

Dear Ms. Nayak:

Rule 15c2-12(b) (5) (iii) requires an Issuer or Obligated Person(s) to provide notice of any of the following sixteen events with respect to the offered securities:

- 1) Principal and interest payment delinquencies
- 2) Non-payment related defaults
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties
- 5) Substitution of credit or liquidity providers, or their failure to perform
- 6) Tax-exempt issues
- 7) Modifications to rights of security holders
- 8) Bond calls
- 9) Defeasances
- 10) Release, substitution, or sale of property securing repayments of the securities
- 11) Rating changes
- 12) Tender offers
- 13) Bankruptcy, insolvency, receivership or similar proceeding of the obligated person
- 14) Consummation of a merger, consolidation, or acquisition involving an obligated person, or Sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms
- 15) Appointment of a successor or additional trustee or the change of name of a trustee
- 16) Failure to file continuing annual information disclosure by deadline

I hereby certify that there have been no occurrences or no unreported occurrences of the events listed above during the reporting period (fiscal year ended June 30, 2014) or subsequent thereto, through the filing date of this notice, except as noted below:

Item 6: Tax-Exempt issues

The Town of Knightdale issued \$3,000,000 of general obligation parks and recreation facility bonds on July 19, 2013 in a private sale to SunTrust Bank. The bonds are payable in 15 annual installments of \$200,000 plus interest at 1.97% per annum beginning on July 19, 2014 through July 19, 2028

Item 16: Failure to file continuing annual information disclosure by deadline

The annual disclosures for fiscal year 2009 were not filed as the Town's Finance Director resigned in September, 2009 and was not replaced until after the January 31, 2010 deadline had passed.

The annual disclosures for fiscal year 2010 were filed on February 24, 2011, after the deadline of January 31, 2011.

I am duly authorized by the Issuer and have sufficient information available to make this certification.

I did not file draft financial information to comply with the deadline. I understand that if draft financials were filed, audited financial information should be published on EMMA when it is available for distribution.

James C. Overton

James C. Overton
Finance Officer
Town of Knightdale
Knightdale, North Carolina
(919) 217-2210



Exhibit 7

Notice of Filing of Annual Information

January 8, 2014

Ms. Preeta Nayak
State and Local Government Finance Division
N.C. Department of State Treasurer
325 N. Salisbury Street
Raleigh, North Carolina 27603-1385

Dear Ms. Nayak:

As required by the Undertaking, the Issuer hereby certifies that the required annual financial information, as set forth in the final official statement(s), has been provided in a timely manner to the Municipal Securities Rulemaking Board (MSRB). I am duly authorized by the Issuer and have sufficient information available to make this certification.

James C. Overton

James C. Overton
Finance Officer
Town of Knightdale
Knightdale, North Carolina
(919) 217-2210