

## **STATEMENT OF DISCLOSURES ON GENERAL OBLIGATION BONDS**

The Board of Commissioners of the Town of Holden Beach, North Carolina (the "*Town*") introduced the following bond order of the Town at its July 15, 2025 meeting:

### **BOND ORDER AUTHORIZING THE ISSUANCE OF \$7,300,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF THE TOWN OF HOLDEN BEACH, 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 AUTHORIZING THE ISSUANCE OF \$7,300,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF THE TOWN OF HOLDEN BEACH, 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 \$4,286,345. The assumptions upon which the estimate is based are that:

(i) the bonds will be issued in one series in the aggregate principal amount of \$7,300,000 in Fiscal Year 2026;

(ii) the bonds will amortize in 20 equal annual principal installments beginning in the year after the assumed date of issuance of such 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 5.5921%, 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 Town 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.

The interest rate assumption used above assumes that the Town issues the bonds on a federally taxable interest rate basis. The Town would make the decision at the time the bonds, if approved, are issued as to whether to issue them on a federally taxable or tax-exempt basis based on the best expectation of how the pier may be used during the term that the bonds would be outstanding. The Town is using the taxable interest rate at this time to be conservative in its assumptions. One of the safe harbor rates for federally tax-exempt bonds that the North Carolina Local Government Commission has determined for purposes of its approval process is 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.

(2) The Town estimates an increase in the property tax rate necessary to service the proposed bonds of \$0.0316 per \$100 of assessed valuation. A property tax rate increase of \$0.0316 per \$100 of assessed value is equivalent to \$31.60 of property tax liability increase for each one hundred thousand dollars (\$100,000) of property tax value annually.

The estimate for the increase in property tax rate is based on a number of assumptions, including:

(i) the bonds will amortize as set forth in Section (1) above;

(ii) the Town's property tax base does not change such that the property tax revenue generated by \$0.01 per \$100 of assessed valuation is approximately \$245,000;

(iii) the amount generated from such property tax rate increase is sufficient to pay total estimated debt service on the bonds in the first full year that principal and interest is due and is not adjusted as total debt service payments on the bonds decrease annually over the term of the bonds;

(iv) the Town does not apply any additional or alternative revenue sources towards the repayment of the debt service on the bonds, including, but not limited to, non-property tax revenues, federal and state grants or fund balance; and

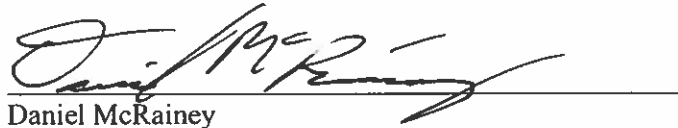
(v) the Town does not identify other budgetary savings to apply to debt service on the bonds from the amortization of existing debt or other items in the Town's annual budget.

(3) The amount of two-thirds bonds capacity the Town 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 statement of disclosure is based will occur, and the actual occurrence of certain of the assumptions is beyond the Town'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 Town's website, and maintained by the Town Clerk of the Town.

July 22, 2025

A handwritten signature in dark ink, appearing to read "Daniel McRainey", is written over a horizontal line.

Daniel McRainey  
Finance Director  
Town of Holden Beach, North Carolina

STATE OF NORTH CAROLINA )

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SS:

COUNTY OF BRUNSWICK )

I, *Heather Finnell*, Town Clerk of the Town of Holden Beach, North Carolina, hereby certify that the foregoing statement of disclosure was filed with the Local Government Commission of North Carolina, filed in my office, and posted online on the Town of Holden Beach website on the 23 day of July, 2025.



*Heather Finnell*

Town Clerk

Town of Holden Beach, North Carolina