

STATEMENT OF DISCLOSURES ON GENERAL OBLIGATION BONDS

During its November 17, 2023 meeting and in connection with the proposed authorization of general obligation beach improvement bonds (the “Proposed Bonds”), the Village Council of the Village of Bald Head Island, North Carolina (the “Village”) introduced a bond order (the “Bond Order”) with the following title:

“BOND ORDER AUTHORIZING THE ISSUANCE OF \$4,500,000 BEACH IMPROVEMENT BONDS OF THE VILLAGE OF BALD HEAD ISLAND”

Section 159-55.1 of the General Statutes of North Carolina requires the Village’s finance officer to file with the Village Clerk after the Bond Order is introduced and before the public hearing, a statement of disclosures stating the following: (1) an estimate of the total amount of interest that will be paid on the Proposed Bonds over the expected term of the Proposed Bonds, if issued, and a summary of the assumptions on which the estimate is based, (2) an estimate of the increase in property tax rate, if any, necessary to service the Proposed Bonds, and (3) the amount of two-thirds bonds capacity the unit has available for the current fiscal year, if any.

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 Proposed Bonds, if issued, is \$845,000. The assumptions upon which the estimate is based are:
 - a. that the Proposed Bonds will be issued in a single series in the aggregate principal amount of \$4,500,000 during Fiscal Year 2025;
 - b. that the Proposed Bonds will amortize over a 7-year period with level annual principal and interest payments approximately equal to \$ 765,000 (also known as level debt service);
 - c. that the interest on the Proposed Bonds will be paid in semiannual installments over the expected 7-year term of the Proposed Bonds and the Proposed Bonds will bear interest at an interest rate of 4.50% per annum.
2. Based on the assumptions set forth in Section 1, the Village estimates that existing projected revenues are expected to be sufficient to pay debt service on the Proposed Bonds and no property tax increase would be necessary. However, a property tax increase of \$0.0550 per \$100 of assessed valuation for the entire Village, as well as an increase in the property tax rate within the Village’s Integrated Shoreline Municipal Service District A of \$0.0183 per 100 of assessed valuation and an increase in the property tax rate within the Village’s Integrated Shoreline Municipal Service District B of \$0.0183 per \$100 of assessed valuation, will be required to provide sufficient funds to pay the principal and interest on the proposed bonds assuming that, in addition

to the proposed bonds, the Village issues \$13,500,000 of general obligation bonds pursuant to a referendum conducted simultaneously with this proposed referendum and \$2,200,000 of general obligation bonds previously authorized by the Village's May 2018 general obligation bond referendum.

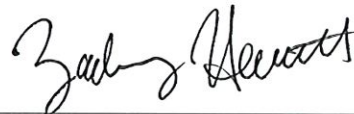
3. The amount of two-thirds bonds capacity the Village has available for the current fiscal year is \$1,463,907.

The foregoing information is intended to satisfy the requirements of section 159-55.1 of the General Statutes of North Carolina. This information will also be used for the notices required as part of the bond authorization process.

The Village also wants to make voters aware that it is applying for a federal grant to reduce the amount of the proposed bonds it would need to issue. If the Village receives this federal grant and only issues \$13,500,000 of such proposed bonds in Fiscal Year 2025 at an assumed interest rate of 4.50% and amortizes such proposed bonds over a 7-year period with annual debt service of \$1,265,000 in Fiscal Year 2026 and level debt service payments for the remaining term (Fiscal Year 2027 through and including Fiscal Year 2032), the Village estimates that existing projected revenues are expected to be sufficient to pay debt service on such proposed bonds and no property tax increase would be necessary.

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 Village's control. Differences between the actual circumstances at the time the Proposed 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 Proposed Bonds 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 Local Government Commission of North Carolina and the Village Clerk, posted online on the County's website and maintained by the Village Clerk.

November 20, 2023




Zachary Hewett
Finance Director for the Village of Bald Head
Island, North Carolina

STATE OF NORTH CAROLINA)
) ss.:
COUNTY OF BRUNSWICK)

I, Darcy Sperry, Village Clerk of the Village of Bald Head Island, DO HEREBY CERTIFY that the foregoing statement was filed with the Local Government Commission of North Carolina, filed in my office and posted online on the Village of Bald Head Island website on the 20 day of November, 2023, after the introduction of the Bond Order referred to in the foregoing statement and before the public hearing thereon.





Darcy Sperry
Village Clerk
Village of Bald Head Island, North Carolina