

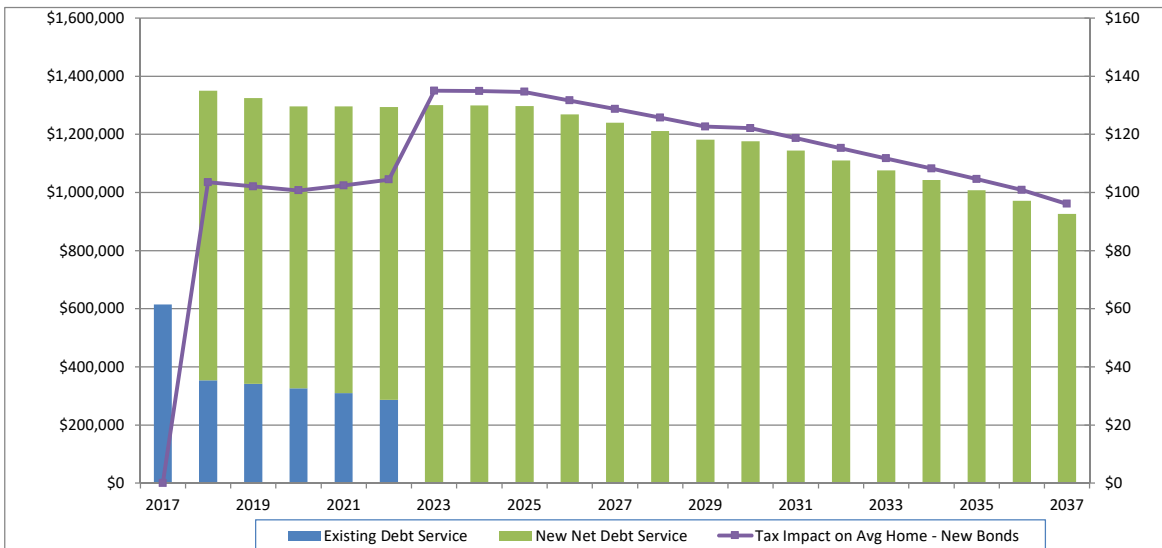


\$15,585,000
Freehold Borough Board of Education
Preliminary Analysis of Tax Impact - SUMMARY

20 Years - Conforming Maturity (Reduced State Aid for Debt Service)

| <u>Assumptions</u> | |
|---|---------------------|
| Par Amount of Bonds: | \$15,585,000 |
| Bond Term: | 20 Years |
| Bond Structure: | Conforming Maturity |
| Borrowing Rate: | 3.70% |
| 2016 Assessed Valuation: \$1,027,825,600 | |
| Assessed Valuation Growth: No Growth | |
| 2016 Average Home Assessed Valuation: \$247,265 | |
| State Aid for Debt Service: 56.86%* | |

| <u>Tax Impact Summary</u> | | | |
|---|------------------------------|--|---------------------------------------|
| <u>New Net Debt Tax Impact</u> | <u>Per \$100 of A.V.</u> | <u>For Every \$100,000 of A.V.</u> | <u>On \$247,265 Avg Home A.V.</u> |
| First Year Impact (FY2018): | \$0.042 | \$41.84 | \$103.46 |
| Average Annual Impact: | \$0.047 | \$46.58 | \$115.18 |
| Total Net Debt Service: | | \$9,575,457 | |
| Average Annual Net Debt Service: | | \$478,773 | |
| <u>Existing Debt Tax Impact</u> | | | |
| First Year Impact (FY2018): | \$0.034 | \$34.38 | \$85.01 |
| <u>Total Debt Tax Impact</u> | | | |
| First Year Impact (FY2018): | \$0.076 | \$76.22 | \$188.47 |
| Average Annual Impact: | \$0.057 | \$57.44 | \$134.64 |



* Debt Service Aid calculated at 56.86% (reduced from 66.89%) to reflect reduction in State Aid. Over the past few years, the State has reduced Debt Service Aid by 15% on all school districts. If such a reduction in aid ends and the school district receives full debt service aid, the average tax impact would be reduced by of \$26.78 on a home assessed at the Borough's average.



\$15,585,000
Freehold Borough Board of Education
Monmouth County, New Jersey
School Bonds, Series 2017

Conforming Maturity - 20 Years (Reduced State Aid for Debt Service)

Preliminary Analysis of Impact on Board of Education Budget

| Fiscal Year | Gross New Debt Service | | | Net New Debt Service | | Assessed Value | Impact on Budget | | | | | | |
|--------------|------------------------|--------------------|---------------------|----------------------|------------------|----------------|--------------------|-----------------------|----------------|-------------------|------------------|-------------------|----------------|
| | Ending 6/30 | Principal | Interest | Total D/S | State Aid | | Net D/S | Existing Debt Service | | | New Debt Service | | New + Existing |
| Total P+I | | | | | | Per \$100 A.V. | | Home at \$247,265 | Per \$100 A.V. | Home at \$247,265 | Per \$100 A.V. | Home at \$247,265 | |
| 2017 | | | | | | 1,027,825,600 | 614,847 | 0.060 | 147.91 | | | 0.060 | 147.91 |
| 2018 | 450,000 | 546,819 | 996,819 | (566,756) | 430,063 | 1,027,825,600 | 353,331 | 0.034 | 85.01 | 0.042 | 103.46 | 0.076 | 188.47 |
| 2019 | 450,000 | 533,319 | 983,319 | (559,081) | 424,238 | 1,027,825,600 | 341,150 | 0.033 | 82.07 | 0.041 | 102.07 | 0.074 | 184.14 |
| 2020 | 450,000 | 519,819 | 969,819 | (551,405) | 418,414 | 1,027,825,600 | 326,500 | 0.032 | 78.56 | 0.041 | 100.66 | 0.072 | 179.22 |
| 2021 | 480,000 | 506,319 | 986,319 | (560,786) | 425,532 | 1,027,825,600 | 309,800 | 0.030 | 74.53 | 0.041 | 102.37 | 0.072 | 176.90 |
| 2022 | 515,000 | 491,319 | 1,006,319 | (572,158) | 434,161 | 1,027,825,600 | 287,000 | 0.028 | 69.04 | 0.042 | 104.44 | 0.070 | 173.48 |
| 2023 | 825,000 | 475,225 | 1,300,225 | (739,262) | 560,963 | 1,027,825,600 | | | | 0.055 | 134.96 | 0.055 | 134.96 |
| 2024 | 850,000 | 449,444 | 1,299,444 | (738,818) | 560,626 | 1,027,825,600 | | | | 0.055 | 134.86 | 0.055 | 134.86 |
| 2025 | 875,000 | 421,819 | 1,296,819 | (737,326) | 559,493 | 1,027,825,600 | | | | 0.054 | 134.59 | 0.054 | 134.59 |
| 2026 | 875,000 | 393,381 | 1,268,381 | (721,157) | 547,224 | 1,027,825,600 | | | | 0.053 | 131.64 | 0.053 | 131.64 |
| 2027 | 875,000 | 364,944 | 1,239,944 | (704,989) | 534,955 | 1,027,825,600 | | | | 0.052 | 128.70 | 0.052 | 128.70 |
| 2028 | 875,000 | 336,506 | 1,211,506 | (688,820) | 522,686 | 1,027,825,600 | | | | 0.051 | 125.73 | 0.051 | 125.73 |
| 2029 | 875,000 | 306,975 | 1,181,975 | (672,030) | 509,945 | 1,027,825,600 | | | | 0.050 | 122.67 | 0.050 | 122.67 |
| 2030 | 900,000 | 276,350 | 1,176,350 | (668,831) | 507,519 | 1,027,825,600 | | | | 0.049 | 122.10 | 0.049 | 122.10 |
| 2031 | 900,000 | 243,725 | 1,143,725 | (650,282) | 493,443 | 1,027,825,600 | | | | 0.048 | 118.71 | 0.048 | 118.71 |
| 2032 | 900,000 | 209,975 | 1,109,975 | (631,093) | 478,882 | 1,027,825,600 | | | | 0.047 | 115.20 | 0.047 | 115.20 |
| 2033 | 900,000 | 176,225 | 1,076,225 | (611,904) | 464,321 | 1,027,825,600 | | | | 0.045 | 111.71 | 0.045 | 111.71 |
| 2034 | 900,000 | 142,475 | 1,042,475 | (592,715) | 449,760 | 1,027,825,600 | | | | 0.044 | 108.20 | 0.044 | 108.20 |
| 2035 | 900,000 | 107,600 | 1,007,600 | (572,886) | 434,714 | 1,027,825,600 | | | | 0.042 | 104.57 | 0.042 | 104.57 |
| 2036 | 900,000 | 71,600 | 971,600 | (552,418) | 419,182 | 1,027,825,600 | | | | 0.041 | 100.83 | 0.041 | 100.83 |
| 2037 | 890,000 | 35,600 | 925,600 | (526,264) | 399,336 | 1,027,825,600 | | | | 0.039 | 96.06 | 0.039 | 96.06 |
| TOTAL | \$15,585,000 | \$6,609,438 | \$22,194,438 | (12,618,980) | 9,575,457 | | \$2,232,629 | | | | | | |

| | |
|---|-----------------|
| New Issue Average Tax Impact: | |
| Per \$100 Assessed Value: | \$0.047 |
| For Every \$100,000 of Assessed Value: | \$46.58 |
| Home at \$247,265 (Average Assessment): | \$115.18 |

Assumptions:

Borrowing Rate: 3.700%
 State Aid for Debt Service: 56.86% *
 Assessed Value Growth Rate: 0.00%
 Amortization: 20 Years

Dates:

Dated: 6/15/17
 Delivery: 6/15/17
 First Interest: 12/15/17
 First Maturity: 6/15/18
 Last Maturity: 6/15/37

* Debt Service Aid calculated at 56.86% (reduced from 66.89%) to reflect reduction in State Aid. Over the past few years, the State has reduced Debt Service Aid by 15% on all school districts. If such a reduction in aid ends and the school district receives full debt service aid, the average tax impact would be reduced by of \$26.78 on a home assessed at the Borough's average.

Average Home Source: Borough Budget (2016)
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