

**HIGH POINT REGIONAL HIGH SCHOOL DISTRICT
SUSSEX COUNTY, NEW JERSEY**

**PROPOSED \$13,056,877 HIGH SCHOOL RENOVATIONS PROJECT
(State Aid Share: 33.0173% (\$4,311,032) / Local Share: 66.9827% (\$8,745,845))**

JANUARY 26, 2010 SPECIAL SCHOOL DISTRICT ELECTION

PROPERTY TAX PROJECTIONS CHART

High Point Regional High School District will be presenting a \$13,056,877 high school renovations project to the School District voters for their consideration at a January 26, 2010 special School District election.

The State of New Jersey has awarded 33.0173% in State Aid to the School District for the project, to be paid by the State to the School District in the form of annual State Debt Service Aid on all School District project debt. Thus, under this form of State Aid, the State will pay 33.0173% of the annual debt service on the project debt (which aggregates to \$4,311,032, plus interest), and the School District property taxpayers will pay 66.9827% of the annual debt service (which aggregates to \$8,745,845, plus interest).

The School District will also be paying off a large portion of its existing debt in School Fiscal Year 2009-10, thus enabling it to undertake and finance the project while still providing the School District property taxpayers with a net property tax reduction in the Debt Service portion of the annual School District budget commencing in School Fiscal Year 2010-11.

The following chart sets forth projections for property tax reductions relating to the debt retirement and property tax impacts relating to the proposed project debt, and their combined net effect, which results in a net tax reduction.

School District Municipality (2)	Per \$100,000 of Assessed Property Value (1)		
	Property Tax Reduction From Debt Retirement (3)	Property Tax Increase From Proposed Project Debt (4)	Net Property Tax Reduction (5)
Branchville	-\$23.75	+\$22.30	-\$1.45
Frankford	-\$18.76	+\$17.62	-\$1.15
Lafayette	-\$17.17	+\$16.12	-\$1.05
Sussex	-\$31.14	+\$29.24	-\$1.90
Wantage	-\$19.87	+\$18.66	-\$1.21

(1) Cited property tax numbers (a) are based on each School District municipality's 2009 aggregate Assessed Property Values and (b) are computed per \$100,000 of Assessed Property Value.

(2) Allocations of Property Tax Reduction From Debt Retirement, and Property Tax Increase From Proposed Project Debt, across the School District constituent municipalities are based on the actual School Fiscal Year 2009-10 budget sharing percentages of the constituent municipalities as follows: Branchville - 6.0015419%; Frankford - 29.2631909%; Lafayette - 13.3151444%; Sussex - 4.0583223%; Wantage - 47.3618005%. Such budget sharing percentages are subject to recalculation annually, based upon annual changes in the respective equalized property values and high school enrollment distributions of the constituent municipalities.

(3) In School Fiscal Year 2009-10 (the current year), the School District will be paying off its 1989 and 1991 School Bonds, and its 2000 Lease Purchase Financing. The combined final payment for these debts in such year is \$1,028,687.50. Of such amount, the State is paying \$416,863 via annual State Debt Service Aid, and the remaining \$611,824.50 is being paid by the School District property taxpayers. The cited Property Tax Reduction resulting from these School District debt retirements will commence in School Fiscal Year 2010-11 (the first year after such debts are paid off).

(4) The projected Property Tax Increase From Proposed Project Debt commences in School Fiscal Year 2010-11 (the same year the Property Tax Savings From Debt Retirement commences), and is reflective of the School District property taxpayer share of the debt, net of State Aid. The relevant assumptions on the proposed project debt are as follows: Principal Amount: \$13,056,877; Issuance Date: March 25, 2010; Term: 25 years; Interest Rate: 4.35%; Amortization Structure: level annual debt service; Interest Payment Dates: March 15 and September 15, commencing September 15, 2010; Principal Payment Date: September 15, commencing September 15, 2010 and ending September 15, 2034; Annual State Debt Service Aid: \$283,159 (33.0173% of \$857,607 gross annual debt service on \$13,056,877 School Bonds); Net Annual Debt Service (Net of State Aid): \$574,448 (\$857,607 gross debt service minus \$283,159 State Debt Service Aid).

(5) Net Property Tax Reduction is reflective of the combined impact of the Property Tax Reduction From Debt Retirement and Property Tax Increase From Proposed Project.