

**SOLANCO SCHOOL DISTRICT**  
**SCHEDULE OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2009**

<u>JURISDICTION</u>	<u>GROSS DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO JURISDICTION</u>	<u>NET SHARE OF DEBT</u>
<b>DIRECT:</b>			
SOLANCO SCHOOL DISTRICT (A)	\$ 17,610,000	100.00%	\$ 17,610,000
<b>OVERLAPPING:</b>			
LANCASTER COUNTY (B)	231,591,789	5.5% (C)	<u>12,737,548</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT:</b>			<u>\$ 30,347,548</u>

NOTE: OVERLAPPING GOVERNMENTS ARE THOSE THAT COINCIDE, AT LEAST IN PART, WITH THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT. THIS SCHEDULE ESTIMATES THE PORTION OF THE OUTSTANDING DEBT OF THOSE OVERLAPPING GOVERNMENTS THAT IS BORNE BY THE RESIDENTS AND BUSINESSES OF THE SOLANCO SCHOOL DISTRICT. THIS PROCESS RECOGNIZES THAT, WHEN CONSIDERING THE GOVERNMENT'S ABILITY TO ISSUE AND REPAY LONG-TERM DEBT, THE ENTIRE DEBT BURDEN BORNE BY THE RESIDENTS AND BUSINESSES SHOULD BE TAKEN INTO ACCOUNT. HOWEVER, THIS DOES NOT IMPLY THAT EVERY TAXPAYER IS A RESIDENT, AND THEREFORE RESPONSIBLE FOR REPAYING THE DEBT, OF EACH OVERLAPPING GOVERNMENT.

(A) SOURCE: SCHOOL DISTRICT FINANCIAL RECORDS

(B) THE LANCASTER COUNTY GROSS OUTSTANDING DEBT BALANCE IS DETERMINED AS OF DECEMBER 31, 2008.

SOURCE: LANCASTER COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2008

(C) SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE OUTSTANDING LONG-TERM DEBT OF LANCASTER COUNTY IS

BASED ON THE SCHOOL DISTRICT'S ASSESSED VALUATION OF TAXABLE AND NONTAXABLE REAL ESTATE AS A PERCENTAGE OF THE ASSESSED VALUATION OF TAXABLE AND NONTAXABLE REAL ESTATE FOR LANCASTER COUNTY.

LANCASTER COUNTY TOTAL ASSESSED VALUE AT JULY 1, 2008 - \$33,526,409,100

SOLANCO SCHOOL DISTRICT TOTAL ASSESSED VALUE AT JULY 1, 2008 - \$1,859,021,400

SOURCE: 2008-2009 LANCASTER COUNTY TAX ASSESSMENT OFFICE TAX ROLLS BY SCHOOL DISTRICT AS OF JULY 1, 2008