

SOLANCO SCHOOL DISTRICT
COMPUTATION OF NONELECTORAL DEBT MARGIN (A)
JUNE 30, 2009

FORMULA FOR DEBT:	FOR THE FISCAL YEAR ENDED JUNE 30 -		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
TOTAL GENERAL FUND REVENUES	\$ 42,337,781	\$ 42,099,679	\$ 39,343,291
LESS REQUIRED DEDUCTIONS INCLUDED IN THE ABOVE REVENUES			
A. RENTAL AND SINKING FUND REIMBURSEMENT	737,547	817,165	734,786
B. REFUNDS FROM PRIOR YEAR EXPENDITURES	33,349	28,777	-
C. PROCEEDS FROM SALE OF CAPITAL ASSETS & NON-RECURRING REVENUES	<u>15,814</u>	<u>17,219</u>	<u>9,668</u>
NET REVENUE	<u>\$ 41,551,071</u>	<u>\$ 41,236,518</u>	<u>\$ 38,598,837</u>
TOTAL NET REVENUES FOR THREE YEARS		<u>121,386,426</u>	
BORROWING BASE: AVERAGE NET REVENUES FOR THREE YEAR PERIOD		40,462,142 (A)	
DEBT LIMIT PERCENTAGE		<u>225%</u>	
LEGAL DEBT LIMIT		91,039,820	
LESS: CURRENT OUTSTANDING APPLICABLE DEBT		<u>17,610,000</u>	
TOTAL DEBT MARGIN		<u>\$ 73,429,820</u>	

NOTE: THE LOCAL GOVERNMENT DEBT ACT (ACT 52 OF 1978, RE-ENACTING AND AMENDING ACT 185 OF 1972) DESCRIBES DEBT LIMITS FOR ALL LOCAL GOVERNMENTS IN PENNSYLVANIA. THE "DEBT ACT" IS ADMINISTERED BY THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS.

(A) THE BORROWING BASE REPRESENTS THE ANNUAL AVERAGE OF TOTAL REVENUES FOR THE THREE PRECEDING FISCAL YEARS, LESS ANNUAL RENTAL AND SINKING FUND REIMBURSEMENTS, GRANTS AND GIFTS DESIGNATED FOR A SPECIFIC CAPITAL PROJECT AND NONRECURRING RECEIPTS. NONRECURRING RECEIPTS INCLUDE PROCEEDS FROM THE SALE OF CAPITAL ASSETS, INSURANCE RECOVERIES, REFUNDS OF PRIOR YEAR EXPENDITURES AND OTHER ITEMS NOT CONSIDERED INCOME UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS.