

Manheim Township School District

Debt Profile & Capital Project Financing Review

June 8, 2017



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RBC Capital Markets



Gross Debt

Manheim Township School District Gross Debt Service Outstanding As of July 1, 2017

As of Fiscal Year Ending June 30	(1) Series of 2010 G.O. Bonds	(2) Series of 2012 G.O. Bonds	(3) Series of 2013 G.O. Bonds	(4) Series of 2014 G.O. Bonds	(5) Series of 2014A FRN	(6) 2011 Swap	(7) Series of 2015 G.O. Bonds	(8) Series of 2016 G.O. Note	(9) Series of 2017 G.O. Note	Total
2018	395,764	517,435	821,500	315,963	5,817,575	1,963,523	2,315,900	265,760	143,432	12,556,852
2019	435,514	516,973	819,600	335,893	5,906,700	1,748,910	2,308,638	264,550	211,673	12,548,449
2020	964,139	516,648	822,100	1,080,455	6,094,850	1,525,842	822,150	263,340	331,558	12,421,081
2021	992,609	515,348	818,850	1,329,285	7,071,275	1,293,714		267,130	208,696	12,496,906
2022	1,023,859	513,048		1,334,445	8,080,050	1,020,114		265,810	278,581	12,515,906
2023	1,062,934	515,093		1,325,690	8,365,875	702,423		264,490	311,864	12,548,368
2024	1,504,781	516,543		1,333,140	8,284,113	370,841		263,170	314,345	12,586,932
2025	8,140,781	517,280		1,331,578	1,007,500	40,265		266,850	1,516,711	12,820,965
2026		517,280		1,329,458				3,565,420	7,436,483	12,848,641
2027		516,620		1,329,425				5,871,390		7,717,435
2028		515,490		1,331,200						1,846,690
2029		513,665								513,665
2030		516,015								516,015
2031		516,910								516,910
2032		512,340								512,340
2033		516,500								516,500
Total	14,520,380	8,253,185	3,282,050	12,376,530	50,627,938	8,665,632	5,446,688	11,557,910	10,753,341	125,483,653

Associated Project **Landis Run, Bucher** **Landis Run, miscellaneous** **2001 Capital Project** **Bucher, miscellaneous** **High School** **High School** **Bucher** **Landis Run, Bucher** **Landis Run, Bucher**

(1) Partially refunded by 2016 & 2017 Note, callable 8/1/18, average remaining coupon 3.30%.

(2) Callable 8/1/17, average coupon 2.65%.

(3) Non-callable, average coupon 2.91%.

(4) Call date required 12/1/18, average coupon 3.24%.

(5) 2014A FRN at budget rate of 0.75%, callable 11/1/17, mandatory tender 5/1/18.

(6) Swap payments per new confirm.

(7) Non-callable, average coupon 2.83%.

(8) Fulton Bank loan, fixed at 2.20%.

(9) TD Bank loan, fixed at 2.29%.

Net Debt

Manheim Township School District Net Debt Service Outstanding As of July 1, 2017

As of Fiscal Year Ending June 30	Series of 2010 G.O. Bonds	Series of 2012 G.O. Bonds	Series of 2013 G.O. Bonds	Series of 2014 G.O. Bonds	Series of 2014A FRN	2011 Swap	Series of 2015 G.O. Bonds	Series of 2016 G.O. Note	Series of 2017 G.O. Note	Total
2018	354,865	480,179	768,087	286,720	5,356,239	1,963,523	2,107,351	238,296	128,610	11,683,871
2019	390,508	479,750	766,310	304,806	5,438,297	1,748,910	2,100,743	237,211	189,798	11,656,332
2020	864,504	479,448	768,648	980,459	5,611,526	1,525,842	748,115	236,126	297,295	11,511,963
2021	890,032	478,242	765,609	1,206,260	6,510,521	1,293,714	0	239,525	187,129	11,571,031
2022	918,053	476,108	0	1,210,942	7,439,299	1,020,114	0	238,341	249,792	11,552,649
2023	953,090	478,005	0	1,202,997	7,702,458	702,423	0	237,158	279,635	11,555,767
2024	1,349,277	479,351	0	1,209,758	7,627,180	370,841	0	235,974	281,860	11,554,240
2025	7,299,510	480,035	0	1,208,340	927,605	40,265	0	239,274	1,359,974	11,555,002
2026	0	480,035	0	1,206,416	0	0	0	3,196,968	6,667,994	11,551,414
2027	0	479,423	0	1,206,387	0	0	0	5,264,639	0	6,950,448
2028	0	478,374	0	1,207,997	0	0	0	0	0	1,686,371
2029	0	476,681	0	0	0	0	0	0	0	476,681
2030	0	478,861	0	0	0	0	0	0	0	478,861
2031	0	479,692	0	0	0	0	0	0	0	479,692
2032	0	475,451	0	0	0	0	0	0	0	475,451
2033	0	479,311	0	0	0	0	0	0	0	479,311
Total	13,019,839	7,658,947	3,068,654	11,231,081	46,613,125	8,665,632	4,956,208	10,363,512	9,642,087	115,219,085

2016-17 MVAR	39.67%	39.67%	39.67%	39.67%	39.67%	39.67%	39.67%	39.67%	39.67%
Reimb %	26.05%	18.15%	16.39%	23.33%	19.99%	0.00%	22.70%	26.05%	26.05%
State Effort	10.33%	7.20%	6.50%	9.26%	7.93%	0.00%	9.01%	10.33%	10.33%
Local Effort	89.67%	92.80%	93.50%	90.74%	92.07%	100.00%	90.99%	89.67%	89.67%

**Manheim Township School District
Gross Principal Outstanding
As of July 1, 2017**

As of Fiscal Year Ending June 30	(1) Series of 2010 G.O. Bonds	(2) Series of 2012 G.O. Bonds	(3) Series of 2013 G.O. Bonds	(4) Series of 2014 G.O. Bonds	(5) Series of 2014A FRN	(7) Series of 2015 G.O. Bonds	(8) Series of 2016 G.O. Note	(9) Series of 2017 G.O. Note	Total
2018	10,000	350,000	730,000	5,000	5,450,000	2,185,000	55,000	5,000	8,790,000
2019	50,000	355,000	750,000	25,000	5,580,000	2,245,000	55,000	5,000	9,065,000
2020	580,000	360,000	775,000	770,000	5,810,000	810,000	55,000	125,000	9,285,000
2021	625,000	365,000	795,000	1,035,000	6,830,000		60,000	5,000	9,715,000
2022	675,000	370,000		1,065,000	7,890,000		60,000	75,000	10,135,000
2023	735,000	380,000		1,085,000	8,235,000		60,000	110,000	10,605,000
2024	1,200,000	390,000		1,125,000	8,215,000		60,000	115,000	11,105,000
2025	7,875,000	400,000		1,160,000	1,000,000		65,000	1,320,000	11,820,000
2026		410,000		1,195,000			3,365,000	7,270,000	12,240,000
2027		420,000		1,235,000			5,745,000		7,400,000
2028		430,000		1,280,000					1,710,000
2029		440,000							440,000
2030		455,000							455,000
2031		470,000							470,000
2032		480,000							480,000
2033		500,000							500,000
Total	11,750,000	6,575,000	3,050,000	9,980,000	49,010,000	5,240,000	9,580,000	9,030,000	104,215,000

Associated Project	Landis Run, Bucher	Landis Run, miscellaneous	2001 Capital Project	Bucher, miscellaneous	High School	Bucher	Landis Run, Bucher	Landis Run, Bucher
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Refunding Recap

Series of 2010 Bonds



RBC Capital Markets

FINAL Refunding Summary – 2010 Bonds – 2017 TD Bank Loan, fixed at 2.29%

Summary of Refunding Results

Par Amount of Refunded Bonds	\$8,545,000
Par Amount of Refunding Bonds	\$9,030,000
Arbitrage Yield	2.290%
Present Value Savings (\$)	698,659
Present Value Savings (%)	8.176%
Unrefunded Par Amount (\$)	11,750,000
Call Date (2010 Bonds):	08/01/2018

Sources and Uses of Funds

Sources:	
Bond Par Amount	\$9,030,000
Total Sources	\$9,030,000
Uses:	
Refunding Escrow Deposits	\$8,931,038
Estimated Costs of Issuance	93,995
Additional Proceeds	4,967
Total Uses	\$9,030,000

Cash Flow Savings

Date	Prior D/S	Refunding D/S	Savings	PV Savings
06/30/2018	333,769	143,432	190,336	188,944
06/30/2019	333,769	211,673	122,096	118,242
06/30/2020	333,769	331,558	2,211	2,766
06/30/2021	333,769	208,696	125,073	115,732
06/30/2022	333,769	278,581	55,188	50,291
06/30/2023	333,769	311,864	21,905	19,916
06/30/2024	333,769	314,345	19,424	17,348
06/30/2025	1,618,769	1,516,711	102,058	86,362
06/30/2026	7,550,400	7,436,483	113,917	94,091
Total	\$11,505,550	\$10,753,341	\$752,209	\$693,692

Savings Summary

PV of savings from cash flow	\$693,692
Additional Proceeds	4,967
Net PV Savings	\$698,659

FINAL Refunding Summary – 2010 Bonds – 2016 Fulton Bank Loan, fixed at 2.20%

As reviewed at Board meeting on December 15, 2016

Summary of Refunding Results

Par Amount of Refunded Bonds	\$9,040,000
Par Amount of Refunding Bonds	\$9,725,000
Arbitrage Yield	2.200%
Present Value Savings (\$)	877,490
Present Value Savings (%)	9.707%
Unrefunded Par Amount (\$)	20,300,000
Call Date (2010 Bonds):	08/01/2018

Sources and Uses of Funds

Sources:	
Bond Par Amount	\$9,725,000
Total Sources	\$9,725,000
Uses:	
Refunding Escrow Deposits	\$9,620,100
Estimated Costs of Issuance	102,175
Additional Proceeds	2,725
Total Uses	\$9,725,000

Cash Flow Savings

Date	Prior D/S	Refunding D/S	Savings	PV Savings
06/30/2017	\$180,800	\$169,367	\$11,433	\$11,405
06/30/2018	361,600	265,760	95,840	94,342
06/30/2019	361,600	264,550	97,050	93,462
06/30/2020	361,600	263,340	98,260	92,575
06/30/2021	361,600	267,130	94,470	87,114
06/30/2022	361,600	265,810	95,790	86,415
06/30/2023	361,600	264,490	97,110	85,706
06/30/2024	361,600	263,170	98,430	84,987
06/30/2025	361,600	266,850	94,750	80,072
06/30/2026	3,661,600	3,565,420	96,180	79,517
06/30/2027	5,969,600	5,871,390	98,210	79,168
Total	\$12,704,800	\$11,727,277	\$977,523	\$874,765

Savings Summary

PV of savings from cash flow	\$874,765
Additional Proceeds	2,725
Net PV Savings	\$877,490

Project Financing Update



RBC Capital Markets

Scenario 1B: \$70,000,000 Project, 7-year Millage Phase-In, Wraparound Debt **As Reviewed at 3/16/17** Board Meeting

09-Feb-17	1	2	3	4	5	6	7	8	9	10	11
Fiscal Year Ending	Total Net Outstanding D/S	Series of 2019 \$35,000,000	Series of 2020 \$35,000,000	Less: Interest Earnings/ SD Reserves	Total Net Debt	Value of 1 Mill	Total Mills Required	New Equivalent Mills	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit)
2017	11,959,746	0	0		11,959,746	3,150,000	3.80	0.000	3.86	12,158,000	198,254
2018	11,854,538	0	0		11,854,538	3,150,000	3.76	0.112	3.97	12,510,800	656,262
2019	11,765,811	0	0		11,765,811	3,150,000	3.74	0.112	4.08	12,863,600	1,097,789
2020	11,513,946	1,585,665	0		13,099,611	3,150,000	4.16	0.112	4.20	13,216,400	116,789
2021	11,683,179	1,416,771	1,529,780	1,060,530	13,569,200	3,150,000	4.31	0.112	4.31	13,569,200	0
2022	11,602,134	1,496,771	1,529,652	706,557	13,922,000	3,150,000	4.42	0.112	4.42	13,922,000	0
2023	11,575,408	1,524,539	1,529,513	351,510	14,277,950	3,150,000	4.53	0.113	4.53	14,277,950	0
2024	11,571,657	1,526,250	1,529,363		14,627,270	3,150,000	4.64	0.113	4.65	14,633,900	6,630
2025	11,646,513	1,452,559	1,529,203		14,628,274	3,150,000	4.64	0.000	4.65	14,633,900	5,625
2026	11,653,559	1,446,015	1,529,031		14,628,605	3,150,000	4.64	0.000	4.65	14,633,900	5,295
2027	6,950,448	6,149,539	1,528,847		14,628,833	3,150,000	4.64	0.000	4.65	14,633,900	5,066
2028	1,686,371	11,412,331	1,528,655		14,627,357	3,150,000	4.64	0.000	4.65	14,633,900	6,543
2029	476,681	12,622,693	1,528,454		14,627,827	3,150,000	4.64	0.000	4.65	14,633,900	6,073
2030	478,861	8,024,940	6,128,247		14,632,048	3,150,000	4.65	0.000	4.65	14,633,900	1,851
2031	479,692	0	14,148,916		14,628,608	3,150,000	4.64	0.000	4.65	14,633,900	5,292
2032	475,451	0	14,153,810		14,629,261	3,150,000	4.64	0.000	4.65	14,633,900	4,639
2033	479,311	0	4,335,090		4,814,401	3,150,000	1.53	0.000	4.65	14,633,900	9,819,498
Total	127,853,306	48,658,073	52,528,559	2,118,597	226,921,340			0.786			

(1) Annual Net Debt Service for Series of 2009A, 2010, 2012, 2013, 2014, 2014A FRN, 2011 Swap, and 2015 Bonds.

(2) Proposed Series 2019, \$35,000,000 dated March 1, 2019. Avg. Coupon 4.08% (current rates + 1% contingency). Local Effort 100%

(3) Proposed Series 2020, \$35,000,000 dated March 1, 2020. Avg. Coupon 4.36% (current rates + 1% contingency). Local Effort 100%

(6) FY2016-17 collect mill is worth \$3,150,000 and it remains constant (per the administration February 2017).

(9) Assumes District currently funded to approximately \$12,158,000 (FY 2016-2017) for annual NET debt service.

(11) Annual surpluses could be used for capital project costs to reduce final borrowing amount or to phase in mills.

Scenario 1B: Taxpayer Impact *As Reviewed at 3/16/17 Board Meeting*

Manheim Township School District Taxpayer Impact Study - 7 Year Phase-In - Wraparound *For Illustration Purposes Only*

		1	2	3	4	5	6	7
		Annual Tax Impact by Assessed Value						
Fiscal Year Ending	Millage Increase	\$100,000	\$150,000	\$163,500	\$200,000	\$250,000		
06/30/2017	0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
06/30/2018	0.112	\$11.20	\$16.80	\$18.31	\$22.40	\$28.00		
06/30/2019	0.112	\$22.40	\$33.60	\$36.62	\$44.80	\$56.00		
06/30/2020	0.112	\$33.60	\$50.40	\$54.94	\$67.20	\$84.00		
06/30/2021	0.112	\$44.80	\$67.20	\$73.25	\$89.60	\$112.00		
06/30/2022	0.112	\$56.00	\$84.00	\$91.56	\$112.00	\$140.00		
06/30/2023	0.113	\$67.30	\$100.95	\$110.04	\$134.60	\$168.25		
06/30/2024	0.113	\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
06/30/2025		\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
06/30/2026		\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
06/30/2027		\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
06/30/2028		\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
06/30/2029		\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
06/30/2030		\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
06/30/2031		\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
06/30/2032		\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
06/30/2033		\$78.60	\$117.90	\$128.51	\$157.20	\$196.50		
TOTAL	0.786	\$1,021.30	\$1,531.95	\$1,669.83	\$2,042.60	\$2,553.25		

\$62,000,000 Project, 7-year Millage Phase-In, Wraparound Debt

08-Jun-17	1	2	3	4	5	6	7	8	9	10	11
Fiscal Year Ending	Total Net Outstanding D/S	Series of 2019 \$31,000,000	Series of 2020 \$31,000,000	Less: Interest Earnings/ SD Reserves	Total Net Debt	Value of 1 Mill	Total Mills Required	New Equivalent Mills	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit)
2018	11,683,871	0	0		11,683,871	3,150,000	3.71	0.070	3.93	12,378,500	694,629
2019	11,656,332	0	0		11,656,332	3,250,000	3.59	0.070	4.00	12,998,968	1,342,636
2020	11,511,963	1,311,375	0		12,823,338	3,250,000	3.95	0.070	4.07	13,226,468	403,130
2021	11,571,031	1,254,899	1,346,568	718,530	13,453,968	3,250,000	4.14	0.070	4.14	13,453,968	0
2022	11,552,649	1,269,766	1,346,435	487,382	13,681,468	3,250,000	4.21	0.070	4.21	13,681,468	0
2023	11,555,767	1,269,194	1,346,292	262,285	13,908,968	3,250,000	4.28	0.070	4.28	13,908,968	0
2024	11,554,240	1,268,586	1,346,140		14,168,966	3,250,000	4.36	0.080	4.36	14,168,968	2
2025	11,555,002	1,267,940	1,345,979		14,168,921	3,250,000	4.36	0.000	4.36	14,168,968	47
2026	11,551,414	1,272,248	1,345,806		14,169,467	3,250,000	4.36	0.000	4.36	14,168,968	-499
2027	6,950,448	5,876,338	1,345,624		14,172,409	3,250,000	4.36	0.000	4.36	14,168,968	-3,441
2028	1,686,371	11,140,398	1,345,434		14,172,203	3,250,000	4.36	0.000	4.36	14,168,968	-3,235
2029	476,681	12,350,619	1,345,235		14,172,535	3,250,000	4.36	0.000	4.36	14,168,968	-3,566
2030	478,861	4,638,235	9,055,029		14,172,125	3,250,000	4.36	0.000	4.36	14,168,968	-3,157
2031	479,692	0	13,693,684		14,173,376	3,250,000	4.36	0.000	4.36	14,168,968	-4,408
2032	475,451	0	11,024,640		11,500,091	3,250,000	3.54	0.000	4.36	14,168,968	2,668,877
2033	479,311	0	0		479,311	3,250,000	0.15	0.000	4.36	14,168,968	13,689,657
Total	115,219,085	42,919,598	45,886,864	1,468,197	202,557,350			0.500			

(1) Annual Net Debt Service for Series of 2009A, 2010, 2012, 2013, 2014, 2014A FRN, 2011 Swap, and 2015 Bonds.

(2) Proposed Series 2019, \$31,000,000 dated March 1, 2019. Avg. Coupon 4.05% (current rates + 1% contingency). Local Effort 100%

(3) Proposed Series 2020, \$31,000,000 dated March 1, 2020. Avg. Coupon 4.33% (current rates + 1% contingency). Local Effort 100%

(6) FY2017-18 collect mill is worth \$3,150,000 and rises in FY2018-19 to \$3,250,000 due to projected assessment grown in District.

(9) Assumes District currently funded to approximately \$12,158,000 (FY 2016-2017) for annual NET debt service.

(11) Annual surpluses could be used for capital project costs to reduce final borrowing amount or to phase in mills.

\$62,000,000 Project: Taxpayer Impact

Manheim Township School District Taxpayer Impact Study - 7 Year Phase-In - Wraparound *For Illustration Purposes Only*

		Annual Tax Impact by Assessed Value				
1	2	3	4	5	6	7
Fiscal Year Ending	Millage Increase	\$100,000	\$150,000	\$164,200	\$200,000	\$250,000
06/30/2017	0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
06/30/2018	0.070	\$7.00	\$10.50	\$11.49	\$14.00	\$17.50
06/30/2019	0.070	\$14.00	\$21.00	\$22.99	\$28.00	\$35.00
06/30/2020	0.070	\$21.00	\$31.50	\$34.48	\$42.00	\$52.50
06/30/2021	0.070	\$28.00	\$42.00	\$45.98	\$56.00	\$70.00
06/30/2022	0.070	\$35.00	\$52.50	\$57.47	\$70.00	\$87.50
06/30/2023	0.070	\$42.00	\$63.00	\$68.96	\$84.00	\$105.00
06/30/2024	0.080	\$50.00	\$75.00	\$82.10	\$100.00	\$125.00
06/30/2025		\$50.00	\$75.00	\$82.10	\$100.00	\$125.00
06/30/2026		\$50.00	\$75.00	\$82.10	\$100.00	\$125.00
06/30/2027		\$50.00	\$75.00	\$82.10	\$100.00	\$125.00
06/30/2028		\$50.00	\$75.00	\$82.10	\$100.00	\$125.00
06/30/2029		\$50.00	\$75.00	\$82.10	\$100.00	\$125.00
06/30/2030		\$50.00	\$75.00	\$82.10	\$100.00	\$125.00
06/30/2031		\$50.00	\$75.00	\$82.10	\$100.00	\$125.00
06/30/2032		\$50.00	\$75.00	\$82.10	\$100.00	\$125.00
TOTAL	0.500	\$597.00	\$895.50	\$980.27	\$1,194.00	\$1,492.50

Wraparound vs. Level Debt Discussion & Statistics



RBC Capital Markets

Summary of Options – As Reviewed at 3/16/17 Board Meeting

	Option 1A	Option 1B	Option 2A	Option 2B	Option 3A	Option 3B
Term	13 Years	13 Years	13 Years	13 Years	20 Years	20 Years
Structure	Wraparound	Wraparound	Level	Level	Level	Level
Total Cost*	\$97,526,787	\$101,236,134	\$84,435,888	\$94,019,763	\$99,236,669	\$106,443,399
PV Cost**	\$72,892,601	\$76,601,948	\$66,098,112	\$75,681,987	\$71,685,081	\$78,891,881
Total Millage	0.786	0.786	2.007	2.007	1.555	1.555
Annual Millage	0.197	0.112	0.502	0.287	0.389	0.222
Phase-In	4 Years	7 Years	4 Years	7 Years	4 Years	7 Years

* Total cost calculated as total debt service plus District reserves less annual surplus (columns 2+3+4-11)

** PV cost calculated using PV at 3% for debt service plus District reserves less annual surplus

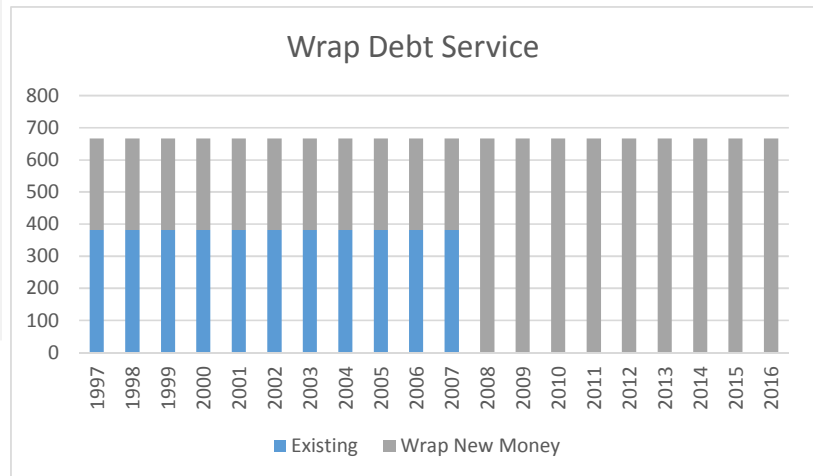
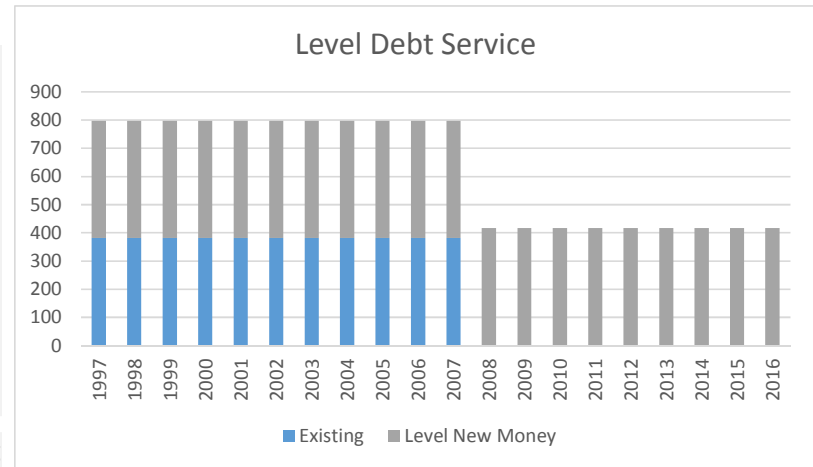
Level and Wrap Debt Structures

Level Debt Service

- Structured much like a home mortgage, level-debt service financing achieves equal annual debt service payments over the life of the obligation.
- In the early years of the financing, when interest payments on the outstanding principal are at their highest level, principal payments are at their lowest.
- As interest payments decrease over the life of the issue, principal payments increase, which result in equal debt service payments each year.
- When an Issuer has several outstanding bond issues, all structured as level debt, the resulting overall debt service is not level and is more burdensome in the earlier years.

Wrap Debt Service (incorporates existing debt into structure)

- An alternative to the level debt service structure is the wrap-around debt issuance which essentially wraps the amortized principal and interest payments around the current outstanding debt service.
- This allows the Issuer to minimize debt service payments in the years immediately following the issuance of new debt at a time when an Issuer's existing debt service payments may be at its highest levels.
- The benefits of utilizing this approach are that the debt service in the immediate future is lower and the Issuer's overall debt service payments are level.
- The wrap-around structure increases principal payments in the later maturities which will increase total debt service due over the life of the issue.



Statistics for Wraparound and Level Debt Financing Structures

- **Study 1: Sampling of PA School Districts**

- 141 schools reviewed with outstanding debt generally incurred in last 7 years
- 491 Financings completed and on file at DCED (Department of Community and Economic Development)
- 375 Financings used wraparound debt (76%), 116 used level debt (24%)

- **Study 2: Lancaster County School Districts**

- 15 schools used in study (Solanco has no debt outstanding)
- 82 Financings completed and on file at DCED
- 61 Financings used wraparound debt (75%), 21 used level debt (25%)

- **Study 3: Manheim Township School District**

- Currently 8 Financings outstanding
- 6 Financings used wraparound debt (75%), 2 used level debt (25%)
- Since 2001, \$126,000,000 of new project debt financings
 - 4 Financings utilized wraparound debt totaling \$86,000,000 (Landis Run and HS Projects)
 - 4 Financings utilized level debt totaling \$40,000,000

25-Year Level Debt Example: Manheim Township

OFFICIAL STATEMENT

New Issue

Rating: S&P "AA"

In the opinion of Bond Counsel, under existing statutes, regulations and judicial decisions, interest on the Bonds is excluded from gross income for purposes of federal income taxation and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. This opinion of Bond Counsel is subject to the continuing compliance by the Township with its covenants to comply with requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder.

Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the Bonds are exempt from personal property taxes in the Commonwealth of Pennsylvania and the interest on the Bonds is exempt from the Commonwealth's Personal Income Tax and the Commonwealth's Corporate Net Income Tax.

The Bonds are "qualified tax exempt obligations" for purposes and effect contemplated by Section 265 of the Internal Revenue Code of 1986, as amended (relating to expenses and interest relating to tax-exempt income of certain financial institutions).

For further information concerning federal and state tax matters relating to the Bonds, see "Tax Exemption and Other Tax Matters" herein.

\$ 19,155,000
MANHEIM TOWNSHIP
Lancaster County, Pennsylvania
General Obligation Bonds, Series of 2009

Dated: Date of Delivery

Interest Payable: June 1 and December 1

Due: December 1, as shown on the inside front cover

First Interest Payment: June 1, 2010

Denominations: Integral multiples of \$5,000

Form: Book- Entry Only

Legal Investment for Fiduciaries in Pennsylvania: The 2009 Bonds (hereinafter defined) are legal investment for fiduciaries in the Commonwealth of Pennsylvania under the Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508 as amended and supplemented.

Payable: The General Obligation Bonds, Series of 2009 (the "Bonds" or "2009 Bonds") in the aggregate principal amount of \$19,155,000 are being issued by Manheim Township, Lancaster County, Pennsylvania (the "Township") pursuant to the Pennsylvania Local Government Unit Debt Act and under an Ordinance enacted by the Township Commissioners (the "Ordinance"). The Bonds will be dated the date of delivery and will bear interest from the dated date payable semiannually on June 1 and December 1 of each year, commencing June 1, 2010, at the interest rates set forth on the inside cover. The Bonds will be issued as fully registered bonds without coupons, and, when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial ownership interests in the Bonds will be recorded in book-entry-only form in denominations of \$5,000, or any integral multiple thereof. Principal of and interest on the Bonds are payable directly to CEDE & CO. for redistribution to DTC Participants and in turn to Beneficial Owners as described herein. Purchasers will not receive physical delivery of certificates representing their ownership interests in the Bonds purchased. For so long as any purchaser is the Beneficial Owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Bonds. See "Book-Entry-Only System" herein.

Redemption: The Bonds are subject to redemption prior to their stated maturity dates as provided herein.

Purpose: Proceeds of the Bonds will be used to (1) finance capital projects of the Township including, without limitation, the land acquisition, and design and construction of improvements, relating to water system, parks and recreation and public library facilities; and (2) pay the costs of issuing the Bonds.

Security: In the Ordinance, the Township covenants with the holders of the Bonds that it will include the amount of the debt service to be paid on the Bonds for each fiscal year in which such sums are payable in its budget for that fiscal year, will appropriate such amounts to the payment of such debt service and will duly and punctually pay or cause to be paid the principal of every Bond and the interest thereon at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Township has pledged its full faith, credit and taxing power. As provided in the Pennsylvania Local Government Unit Debt Act, the foregoing covenant shall be specifically enforceable.

The Bonds are offered for delivery when, as and if issued by the Township and received by the Underwriter and subject to the approving legal opinion of Hartman Underhill & Brubaker LLP, Lancaster, Pennsylvania, Bond Counsel. It is expected that the Bonds will be available for delivery, through the facilities of DTC, on or about July 30, 2009.



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\$ 19,155,000
MANHEIM TOWNSHIP
Lancaster County, Pennsylvania
General Obligation Bonds - Series of 2009

Payment Date	Principal	Coupon	Interest	Debt Service	Fiscal Year Ended June 30	Fiscal Debt Service
June 1, 2010			\$ 651,838.50	\$ 651,838.50		
December 1, 2010	\$ 95,000	2.000%	389,803.76	484,803.76	2010	\$ 1,136,642.26
June 1, 2011			388,853.76	388,853.76		
December 1, 2011	545,000	2.500	388,853.76	933,853.76	2011	1,322,707.52
June 1, 2012			382,041.26	382,041.26		
December 1, 2012	560,000	4.000	382,041.26	942,041.26	2012	1,324,082.52
June 1, 2013			370,841.26	370,841.26		
December 1, 2013	585,000	3.000	370,841.26	955,841.26	2013	1,326,682.52
June 1, 2014			362,066.26	362,066.26		
December 1, 2014	600,000	5.000	362,066.26	962,066.26	2014	1,324,132.50
June 1, 2015			347,066.26	347,066.26		
December 1, 2015	635,000	2.500	347,066.26	982,066.26	2015	1,329,132.50
June 1, 2016			339,128.76	339,128.76		
December 1, 2016	650,000	5.000	339,128.76	989,128.76	2016	1,328,257.52
June 1, 2017			322,878.76	322,878.76		
December 1, 2017	675,000	3.000	322,878.76	997,878.76	2017	1,320,757.52
June 1, 2018			312,753.76	312,753.76		
December 1, 2018	700,000	3.200	312,753.76	1,012,753.76	2018	1,325,507.52
June 1, 2019			301,553.76	301,553.76		
December 1, 2019	725,000	3.400	301,553.76	1,026,553.76	2019	1,328,107.52
June 1, 2020			289,228.76	289,228.76		
December 1, 2020	745,000	3.500	289,228.76	1,034,228.76	2020	1,323,457.52
June 1, 2021			276,191.26	276,191.26		
December 1, 2021	775,000	3.700	276,191.26	1,051,191.26	2021	1,327,382.52
June 1, 2022			261,853.76	261,853.76		
December 1, 2022	800,000	3.850	261,853.76	1,061,853.76	2022	1,323,707.52
June 1, 2023			246,453.76	246,453.76		
December 1, 2023	835,000	4.000	246,453.76	1,081,453.76	2023	1,327,907.52
June 1, 2024			229,753.76	229,753.76		
December 1, 2024	870,000	4.000	229,753.76	1,099,753.76	2024	1,329,507.52
June 1, 2025			212,353.76	212,353.76		
December 1, 2025	900,000	4.100	212,353.76	1,112,353.76	2025	1,324,707.52
June 1, 2026			193,903.76	193,903.76		
December 1, 2026	935,000	4.200	193,903.76	1,128,903.76	2026	1,322,807.52
June 1, 2027			174,268.76	174,268.76		
December 1, 2027	975,000	4.300	174,268.76	1,149,268.76	2027	1,323,537.52
June 1, 2028			153,306.26	153,306.26		
December 1, 2028	1,020,000	4.375	153,306.26	1,173,306.26	2028	1,326,612.52
June 1, 2029			130,993.75	130,993.75		
December 1, 2029	1,065,000	4.500	130,993.75	1,195,993.75	2029	1,326,987.50
June 1, 2030			107,031.25	107,031.25		
December 1, 2030	810,000	4.700	107,031.25	917,031.25	2030	1,024,062.50
June 1, 2031			87,996.25	87,996.25		
December 1, 2031	850,000	4.700	87,996.25	937,996.25	2031	1,025,992.50
June 1, 2032			68,021.25	68,021.25		
December 1, 2032	890,000	4.850	68,021.25	958,021.25	2032	1,026,042.50
June 1, 2033			46,438.75	46,438.75		
December 1, 2033	935,000	4.850	46,438.75	981,438.75	2033	1,027,877.50
June 1, 2034			23,765.00	23,765.00		
December 1, 2034	<u>980,000</u>	4.850	<u>23,765.00</u>	<u>1,003,765.00</u>	2034	<u>1,027,530.00</u>
Total	\$ 19,155,000		\$ 12,299,130.12	\$ 31,454,130.12		\$ 31,454,130.12

The date of this Official Statement is July 15, 2009.

Act 1 Index – Millage Impact Summary

Manheim Township School District
5-Year Summary of Potential Act 1 Millage Impact at Index
For Illustration Purposes Only

1	2	3	4	5	
Fiscal Year Ending	Assumed Act 1 Index	Allowable Real Estate Millage Increase	Real Estate Millage Rate	Allowable Real Estate \$ Increase	
06/30/2017			19.0509		
06/30/2018	Proposed Increase	1.90%	0.3620	19.4129	1,140,196
06/30/2019	Assumed Index	2.50%	0.4853	19.8982	1,577,295
06/30/2020	Assumed Index	2.50%	0.4975	20.3956	1,616,728
06/30/2021	Assumed Index	2.50%	0.5099	20.9055	1,657,146
06/30/2022	Assumed Index	2.50%	0.5226	21.4282	1,698,575

Notes

- * Per the District Administration, assumes 1 Collected Mill = \$3,250,000 beginning FY 2018-19
- * Does not include any applicable PDE exceptions
- * Historical Act 1 index for District below:

Historical Act 1 Index for MTSD

Fiscal Year	Allowable Act 1 Index	
2017-18	2.50%	<i>(proposed tax increase is 1.9%)</i>
2016-17	2.40%	<i>(actual tax increase was 2.2%)</i>
2015-16	1.90%	<i>(actual tax increase was 0%)</i>
2014-15	2.10%	
2013-14	1.70%	
2012-13	1.70%	<i>(actual increase was 3.96% - used exceptions)</i>
2011-12	1.40%	
2010-11	2.90%	
2009-10	4.10%	
2008-09	4.40%	
2007-08	3.40%	
2006-07	3.90%	<i>(actual tax increase was 4.50% - first year of Act 1)</i>

PSERS Contributions for MTSD

Fiscal Year	% of Tax Increase Dedicated to PSERS
2017-18	56.20%
2016-17	77.33%
2015-16	0.00%
2014-15	76.14%
2013-14	78.09%
2012-13	26.43%
2011-12	5.53%
2010-11	19.24%