

Computing Net Direct Debt

Step One

Enter the total outstanding General Obligation [GO] and Limited Tax [LT] Obligation debt (principal only) for the district as of the current date. If you have any bonds entitled, "Revenue Bonds" which have a pledge of tax moneys in the resolution or ordinance, include these bonds as well.

Total Gross General Obligation Debt		_____	
Total Limited Tax Obligation Debt		_____	
Total GO and LT Debt	\$	_____ -	(A)

Step Two

Enter the total outstanding GO and LT Obligation Bonds which are self-supporting (fully paid from moneys other than tax moneys). *Example:* Sewer or water bonds 100 percent paid from user charges.

Self-Supporting GO		_____	
Self-Supporting GO		_____	
Self-Supporting LT		_____	
Total	\$	_____ -	(B)

Step Three

Enter total reserve funds collected and dedicated¹ for the retirement of the GO and LT Obligation Bonds (bonds not included in Step Three, Total (B)). Be sure the funds are as of the current date.

Debt Retirement Funds _____ **(C)**

Step Four

Sum all self-supporting debt and dedicated retirement funds.

B + C = D \$ _____ - **(D)**

Step Five

Subtract total **(D)** from the Gross General Obligation Debt **(A)** to obtain Net Direct Debt².

Net Direct Debt = \$ _____ - **(A-D)**

¹Dedicated funds refer to those cash funds and sinking funds as are applicable to the payment of interest and principal on outstanding bonds. These funds must not be capable of being diverted or used for any purpose other than payment of interest and principal on the bonds.

²The overlapping debt report conservative convention calculates all partial and fully non self-supported debt as Net Property-Tax Supported debt.