

LIMITATION OF INDEBTEDNESS
Worksheet Instructions

RCW 39.36.020 provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the district. All government fund types and all types of debt of these funds are considered in these limitations

3/8% (0.00375)	Without a vote of the people
2 1/2% (0.025)	With a vote of the people, 3/5 assent of those who voted
5% (0.05)	With a vote of the people, providing the indebtedness in excess of 2 1/2% is for capital outlay only, 3/5 assent of those who voted

RCW 39.36.040 provides: "All orders, authorizations, allowances, contracts, payments or liabilities to pay, made or attempted to be made in violation of this chapter, shall be absolutely void and shall never be the foundation of a claim against the taxing district."

School districts are limited to an indebtedness of 3/8 of 1% (0.00375) of the taxable property within the boundaries of the district without a vote of the people. Indebtedness of up to 2 1/2% (0.025) total (2 1/8 additional) may be incurred with the assent of three-fifths of the voters at an election. Finally, school districts may become indebted to a total of 5% (2 1/2% additional) with the assent of three-fifths of the voters at an election, if the additional indebtedness is limited to capital outlay. The least restrictive, then, is the limitation without a vote, then with a vote, and the most restrictive is with a vote and limited to capital outlay.

Per RCW 39.36.030, if a district experiences a decline in taxable property values within its boundaries such that the above limitations would be exceeded, it is not allowed to issue new debt until such time as its outstanding indebtedness falls below the new limits. Refinancing measures are not considered "new debt" for the purposes of RCW 39.36.030.

The first section of the Debt Limit Calculation Worksheet (lines 1, 2 and 3) displays the calculation for the limitations that are listed above. The next portion (lines 4 through 12) displays the steps that are needed to calculate the amount of debt margin available to the district. This amount is the legal debt limit, less any outstanding indebtedness plus uncollected taxes.

Instructions for Debt Limit Calculation

The references below are to the line numbers on the Debt Limit Calculation Worksheet, a sample of which follows.

1. The total value of the taxable property in the district is the total assessed valuation of the taxable property in the district, before exclusions for the elderly, disabled, etc., and with the timber tax roll at 100%.
2. The debt limit percentages (outlined above) are the column headings for each type of debt.
3. The legal debt limit for each type of debt that may be incurred is arrived at by multiplying the total assessed valuation of the district by each of the applicable percentages.
- 4a. These are Matured Bonds Payable and Matured Bond Interest Payable amounts as reported for the Debt Service Fund. The debt assignment goes to the most restrictive, capital voted, if applicable.
- 4b. The government funds' outstanding current debt is arrived at by adding all current total liabilities plus deferred revenue accounts for the General Fund, Capital Projects Fund, and Transportation Vehicle Fund.
- 4c. Total Outstanding Current Debt is the sum of the rows preceding, for each of the three types of debt, and sums across for the total debt.
- 5a. Cash and securities for the Debt Service Fund are entered in the areas provided. Cash with Fiscal Agent in a crossover refunding reported in the Debt Service Fund is to be excluded.
- 5b. Cash, securities, and receivables for the government accounts enumerated in 4b, above, are entered as detailed.
- 5c. Total Cash, Securities, and Receivables are the total of the preceding lines in this section for each type of debt, and then summed across for total debt.
- 5d. The application of cash, securities, and receivables is limited to the amount of current debt which could be paid from such assets. The limitation is the smaller of current debt or available assets.
6. Net outstanding current debt is the total outstanding current debt, less the amount of current assets available for debt service (minimum of zero).
- 7a. Long-term bonds payable are entered in the column which classifies the type of obligation issued. For the purpose of any constitutional or statutory debt limitation according to RCW 39.53.100, new bonds issued in a crossover refunding are excluded from the computation of outstanding indebtedness until the crossover date. On the crossover date, the old bonds are removed from the General Long-Term Debt Account Group and the new bonds are included in item 7a (General Ledger 690 Bonds Payable Long-Term).

- 7b. Long-term contracts payable, accrued vacation and sick leave accounts are entered in the "without vote" column.
- 7c. Total long-term debt is the total of the preceding lines in this section for each type of debt, and summed across for the total debt.
- 8a. The total fund balance of the Debt Service Fund is entered in the respective columns.
- 8b. Net cash, securities and receivables that have not been applied to current debt is entered into the respective columns. If line 6 is not zero, this line is zero.
- 8c. Any amounts reported as Restricted for Debt Service in the other governmental funds (identified in 4b, above) are recorded here.
- 9. Net outstanding long-term debt is the result of subtracting resource available for debt service (8d) from the total long-term debt (7c). This amount can be a negative amount if fund restrictions for debt service exceed the amount of long-term debt obligations of the respective funds.
- 10. Net outstanding debt is the total of net current debt plus net long-term debt.
- 11. Uncollected taxes are, by statute, available for debt limit calculations.
- 12. Debt margin available is the legal debt limit for each type of debt, less the net outstanding debt of each type, plus the uncollected taxes of governmental funds.

DEBT LIMIT CALCULATION WORKSHEET**1. ASSESSED VALUATION**

- a. Assessed Valuation, Taxable Property
- b. Timber Tax Roll at 100%
- c. TOTAL ASSESSED VALUATION (1a+1b)

	(District Name)	(CCDDD)
	0	
	0	
	0	

2. DEBT LIMIT PERCENTAGES

WITHOUT VOTE	WITH VOTE	CAPITAL VOTED	TOTAL LIMIT
0.3750%	2.1250%	2.5000%	5.0000%

3. LEGAL DEBT LIMIT (1c x 2)

0.00	0.00	0.00	0.00
------	------	------	------

4. OUTSTANDING CURRENT DEBT

- a. 675 Matured Bonds Payable
- 680 Bond Service Fees Payable
- 685 Matured Bond Interest Payable
- b. 606 Revenue Anticipation Notes Payable
- 630 Due to Other Governmental Units
- 635 Deferred Compensation Payable
- 637 Est. Unemployment Benefits Payable
- 638 Est. Other Employee Benefits Payable
- 639 Est. Industrial Insur. Benefits Payable
- 650 Deposits
- 686 Arbitrage Rebate Payable
- 750 Deferred Revenue
- c. TOTAL OUTSTANDING CURRENT DEBT

0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00	0.00	0.00	0.00

5. CASH, SECURITIES, RECEIVABLES

- a. 240 Cash on Deposit, County Treasurer
- 250 Cash with Fiscal Agent less Cash with Fiscal Agent in a Crossover Refunding until the crossover date.
- 450 Investments
- b. 200 Imprest Cash
- 230 Cash on Hand
- 240 Cash on deposit, County Treasurer
- 330 Due From other Governmental Units
- 340 Accounts Receivable
- 350 Interfund Loans Receivable
- 360 Accrued Interest Receivable
- 450 Investments
- 455 Investments, Deferred Compensation
- 459 Self Insurance Deposits
- c. TOTAL CASH, SECURITIES, RECEIVABLES

	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00			0.00
0.00	0.00	0.00	0.00

- d. APPLIED TO CURRENT DEBT (Smaller: 4c, 5c)

0.00	0.00	0.00	0.00
------	------	------	------

6. NET OUTSTANDING CURRENT DEBT (4c-5d)

0.00	0.00	0.00	0.00
------	------	------	------

7. LONG TERM DEBT

- a. 690 Bonds Payable, Long-Term less
new bonds in a crossover refunding
until the crossover date
- b. 603 Contracts Payable, Long Term
- 607 Vacation Leave Payable
- 608 Sick Leave Payable

0.00	0.00	0.00	0.00
0.00			0.00
0.00			0.00
			0.00

- c. TOTAL LONG-TERM DEBT

0.00	0.00	0.00	0.00
------	------	------	------

DEBT LIMIT CALCULATION

8. CASH, SECURITIES, RECEIVABLES

- a. 830 Restricted for Debt Service (DSF)
- b. Net Cash, Securities, Receivables (5c-5d)
- c. 830 Restricted for Debt Service (Other Funds)

	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00			0.00

- d. SMALLER of two amounts, a, b, or c

0.00	0.00	0.00	0.00
------	------	------	------

9. NET OUTSTANDING LONG-TERM DEBT

Long-Term Debt less Net Cash (7c-8d)

0.00	0.00	0.00	0.00
------	------	------	------

10

. NET OUTSTANDING DEBT

Short-Term plus Long-Term (6+9)

0.00	0.00	0.00	0.00
------	------	------	------

11

. UNCOLLECTED TAXES

310 TAXES RECEIVABLE

--	--	--	--

12

. DEBT MARGIN AVAILABLE

Debt Limit - O/S Debt + Taxes (3-10+11)

0.00	0.00	0.00	0.00
------	------	------	------

SUMMARY FOR REPORTING PURPOSES

ASSESSED VALUATION

0.00

DEBT LIMIT PERCENTAGES

WITHOUT VOTE	WITH VOTE	CAPITAL VOTED	TOTAL LIMIT
0.3750%	2.1250%	2.5000%	5.0000%

LEGAL DEBT LIMIT

0.00	0.00	0.00	0.00
------	------	------	------

NET OUTSTANDING DEBT

0.00	0.00	0.00	0.00
------	------	------	------

UNCOLLECTED TAXES

0.00	0.00	0.00	0.00
------	------	------	------

DEBT MARGIN AVAILABLE

0.00	0.00	0.00	0.00
------	------	------	------