

City of Midland, Michigan

Statistical Information Computation of Legal Debt Margin Year Ended June 30, 2004

Taxable Valuation - December 31, 2003: \$2,389,338,500

	Actual Direct Debt	Statutory Percentage of Taxable Valuation	Statutory Limit	Legal Debt Margin
General Obligation Debt	\$ 12,514,532	10	\$ 239,384,160	\$ 226,869,628
Special Assessment Debt	-	12	287,260,992	287,260,992

Limitations on Borrowing

Act 279, Public Acts of Michigan, 1909, as amended, and provisions of the City Charter state that net bonded indebtedness of the City shall not exceed 10 percent of the City's assessed valuation.

Bonds which are not required to be included in this computation of net indebtedness, according to said Act 279, are:

- A. Special Assessment Bonds
- B. Mortgage Bonds
- C. Motor Vehicle Highway Fund Bonds
- D. Revenue Bonds
- E. Bonds issued, or contracts or assessment obligation, incurred to comply with an order of the Water Resources Commission or a court of competent jurisdiction
- F. Other obligations incurred for water supply, sewage, drainage or refuse disposal projects necessary to protect the public health by abating pollution.