

City of Midland, Michigan

	Fiscal Year			
	1999	2000	2001	2002
Debt limit	\$ 206,454,375	\$ 214,483,350	\$ 216,153,000	\$ 223,989,670
Total net debt applicable to limit	<u>7,536,000</u>	<u>6,524,000</u>	<u>13,587,000</u>	<u>12,857,968</u>
Legal debt margin	<u>\$ 198,918,375</u>	<u>\$ 207,959,350</u>	<u>\$ 202,566,000</u>	<u>\$ 211,131,702</u>
Total net debt applicable to the limit as a percentage of debt limit	3.65%	3.04%	6.29%	5.74%

Legal Debt Margin Calculation for Fiscal Year 2008

Debt Limit:

2007 State equalized valuation	\$ 2,814,224,200
Debt limit (10% of State equalized valuation) (1)	<u>x 10.00%</u>

Total debt limit 281,422,420

Debt Applicable to Debt Limit:

Total bonded debt	\$ 21,673,882
Less deductions allowed by law - Revenue bonds	<u>2,310,000</u>

Total amount of debt applicable to debt limit 19,363,882

Legal debt margin **\$ 262,058,538**

Limitations on Borrowing

(1) 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, and drainage or refuse disposal projects necessary to protect the public health by abating pollution

**Legal Debt Margin
Year Ended June 30**

Fiscal Year					
2003	2004	2005	2006	2007	2008
\$ 255,657,280	\$ 238,933,850	\$ 242,518,860	\$ 281,171,210	\$ 283,591,260	\$ 281,422,420
<u>13,688,377</u>	<u>12,514,532</u>	<u>17,600,438</u>	<u>22,604,063</u>	<u>20,727,714</u>	<u>19,363,882</u>
<u>\$ 241,968,903</u>	<u>\$ 226,419,318</u>	<u>\$ 224,918,422</u>	<u>\$ 258,567,147</u>	<u>\$ 262,863,546</u>	<u>\$ 262,058,538</u>
5.35%	5.24%	7.26%	8.04%	7.31%	6.88%