

## MGL Chapter 44, Section 10: Debt Limits

Begins with a calculation of **Equalized Valuation (EQV)** : An estimate of the full and fair cash value of all property in the Town as of a certain taxable date. EQVs have historically been used as a variable in determining Debt Limits for Towns.

FY22 EQUALIZED VALUE in ORLEANS: \$4,865,120,300  
5.00% of EQV Debt Limit per MA Gen Law: \$ 243,256,015

### Borrowing Capacity

A further calculation beyond the 5.00% of Equalized Value is used to arrive at the remaining borrowing capacity of a community (Orleans FY22 figures shown):

5.00% of Equalized Value:	\$243,256,015
Gross Long Term Debt	\$47,215,000
Gross Short Term BAN Debt	\$14,973,445
Gross SRF Sewer Construction Loan	\$40,599,363
Gross Authorized/Unissued Debt	<u>+\$56,337,459</u>
Gross Debt total:	\$159,125,267
LESS: Self supporting debt and debt issued outside of the Debt Limit:	- <u>\$ 32,351,373</u>
Net Debt subject to Debt Limit:	\$126,777,894

FY22 Orleans Permanent/Long Term Debt as percentage of EQV:  
 $\$47,215,000 / \$4,865,120,300 = .97\%$

FY22 Net Long Term, Short Term, SRF, Authorized/Unissued Debt  
as percentage EQV:  $\$126,777,894 / \$4,865,120,300 = 2.61\%$

Remaining borrowing capacity within the debt limit:  
 $\$243,256,015 - \$126,777,894 = \$116,478,121$