City of Salem
Five Year Financial Forecast
FY 2014 - 2018

	% INC/DEC FY14 v FY15	% INC/DEC FY15-FY18	FY14 Recap	FY15 Mayors	FY16 PROJECTED	FY17 PROJECTED	FY18 PROJECTED
TOTAL: LEVY LIMIT (not included in total)	3.27%		80,587,733	83,202,427	85,894,548	88,660,092	91,500,957
REVENUES							
ACTUAL REAL ESTATE AND PERSONAL PROPERTY TAX LEVY	3.41%		76,981,209	81,082,884	83,109,956	85,187,705	87,317,398
TOTAL: LOCAL RECEIPTS	-4.01%		16,261,515	15,610,000	15,920,625	16,239,016	16,565,366
CHERRY SHEET REVENUE	2.66%	1.00%	28,104,329	28,851,672	29,140,189	29,431,591	29,725,907
SCHOOL BLDG ASSISTANCE	per SBA	per SBA	732,824	732,824	732,824	723,824	723,824
OTHER FINANCIAL SOURCES (OFS) - RECURRING							
OFS - RECURRING	3.36%	2.50%	1,054,995	1,090,452	1,116,713	1,143,631	1,171,222
OTHER FINANCIAL SOURCES (OFS) - NON-RECURRING							
OFS - NON RECURRING		0.00%	500,000	0	0	0	0
WATER ENTERPRISE FUND	-14.16%	varies	5,563,667	4,776,085	5,700,000	5,700,000	5,700,000
SEWER ENTERPRISE FUND	5.54%	varies	8,363,657	8,826,712	8,530,000	8,530,000	8,530,000
TRASH ENTERPRISE FUND	0.00%	varies	678,702	678,702	585,000	585,000	585,000
TOTAL ENTERPRISE FUND REVENUE	-2.22%	varies	14,606,026	14,281,499	14,815,000	14,815,000	14,815,000
TOTAL REVENUES	**2.47%**		**138,240,898**	**141,649,331**	**144,835,307**	**147,540,766**	**150,318,716**
EXPENDITURES							
TOTAL: GENERAL GOVERNMENT	11.50%	3.00%	4,802,367	5,354,857	5,258,837	5,416,602	5,579,100
TOTAL: PUBLIC SAFETY	6.70%	varies	18,966,567	19,170,700	20,097,130	21,068,919	22,088,305
TOTAL: PUBLIC WORKS & FACILITIES	4.30%	varies	3,609,902	3,765,086	3,912,320	4,066,333	4,227,447
TOTAL: HUMAN SERVICES	4.12%	3.00%	1,227,257	1,277,825	1,315,325	1,354,785	1,395,429
TOTAL: CULTURAL AND RECREATIONAL	3.55%		2,433,767	2,520,109	2,595,712	2,673,584	2,753,791
TOTAL: FIXED COSTS	-0.27%		25,726,903	25,656,457	27,184,878	28,808,946	30,534,790
TOTAL: DEBT SERVICE - LONG TERM	-3.20%	varies	4,387,820	4,247,491	4,926,909	4,926,909	4,926,909
TOTAL: DEBT SERVICE - SHORT TERM	-40.35%	varies	652,227	389,048	370,000	370,000	370,000
TOTAL: NORTHSHORE VOC ASSESSMENT	22.20%	5.00%	1,945,039	2,376,792	2,495,632	2,620,413	2,751,434
CITY EXPENDITURE TOTAL	**1.58%**	**3.00%**	**63,751,849**	**64,758,365**	**68,156,743**	**71,306,492**	**74,627,205**
SCHOOL EXPENDITURE TOTAL	**4.69%**	**4.00%**	**52,023,281**	**54,461,543**	**55,191,499**	**56,847,244**	**58,552,661**
TOTAL: WATER ENTERPRISE	1.71%	varies	4,846,863	4,929,788	2,301,290	2,335,495	2,370,726
TOTAL: SEWER ENTERPRISE	1.85%	varies	7,041,171	7,171,355	1,051,614	1,065,571	1,079,947
TOTAL: TRASH ENTERPRISE	-1.18%	3.00%	2,491,366	2,461,917	2,535,775	2,611,848	2,690,203
ENTERPRISE FUND EXPENDITURE TOTAL	**1.28%**		**14,379,400**	**14,563,060**	**5,888,678**	**6,012,914**	**6,140,876**
TOTAL - CITY, SCHOOL, AND ENTERPRISE	**2.79%**		**130,154,530**	**133,782,968**	**129,236,920**	**134,166,649**	**139,320,743**
TOTAL: OTHER EXPENDITURES	**9.97%**		**7,153,145**	**7,866,363**	**1,232,951**	**1,250,665**	**1,268,833**
TOTAL EXPENDITURES	**3.16%**		**137,307,675**	**141,649,331**	**130,469,872**	**135,417,314**	**140,589,576**
BUDGET GAP			**933,223**	**0**	**14,365,435**	**12,123,452**	**9,729,140**

Five Year Financial Forecast - Narrative
FY2014 through FY2018

Executive Summary

The five year financial forecast for the City of Salem is used as a budget tool that enables municipal officials to review operating needs, identify fiscal challenges and opportunities, and help develop long term budgeting policies as part of an overall strategic plan. The five year financial forecast is invaluable in identifying key areas that the City needs to focus on such as rising health insurance costs, retirement assessments, and collective bargaining agreements. It also helps the City plan for its capital budget, debt service management, and long term sustainability.

Financial forecasting is the process of projecting revenues and expenditures over a five to ten year period. Factors that affect forecasting are current and future economic conditions, collective bargaining agreements, future operating and capital scenarios, and other factors that affect future revenues and expenditures.

The five year financial forecast is also used as a communication tool for both the City Council and the public. A separate power point document helps the administration communicate the long term strategies, fiscal challenges, and overall financial health of the City of Salem.

The forecast is always evolving and is constantly updated as information becomes available. FY15 will begin the next phase of the Salem Power Plant, a new MBTA garage up and running, and several new major developments throughout the City, which will increase the tax base.

Revenues

<u>Tax Levy</u>: $81,082,884

The tax levy is the City's primary revenue source, comprising approximately 63% of the City's total general fund revenues. Residential property values pay 82% of the total property taxes, while commercial, industrial, and personal property values pay 18%. The City has a split tax rate of 1.65, which translates to a residential rate of $16.73/m. and commercial rate of $32.05/m. for FY2014.

The City realizes an automatic 2.5% increase to the tax levy under Proposition 2 ½, plus any increase due to "new growth" in the City. New growth includes new development, condominium conversions, and renovations/expansions to existing properties, to name a few. The City's Assessor has seen a dramatic drop in all of the above listed growth categories due to the poor economic climate. The City has typically averaged approximately $800,000 per year in new growth; however, it is recommended by the City's Assessor that the growth estimate to be used for FY2015 should be $600,000.

<u>Local Receipts</u>: $15,610,000

Local receipts are locally generated revenues other than real and personal property taxes. Examples include motor vehicle excise, investment income, hotel/motel tax, fees, rentals, and charges. The City has decreased its estimate for local receipts by -3.78% for FY2015 due to some anticipated decreases in charges for services, fines and forfeits, and parking fees related to the implemented parking study.

<u>Cherry Sheet Revenue (State Aid):</u> $28,851,672

Named for the cherry colored paper on which it was originally printed, the Cherry Sheet is the official notification by the Commissioner of Revenue to municipalities and regional school districts of estimated state aid to be paid and charges to be assessed over the next fiscal year. Cherry Sheets are usually issued each spring, following enactment by the Legislature of the state budget for the following year.

This year, the Legislature has increased the estimated state aid to the City of Salem by approximately $751,026 from the FY2014 amount. Decreases included Charter Tuition Reimbursement, and Veteran's Benefits. A chapter 70 appropriation has been increased from $20,879,459 in FY14 to $21,231,621 million in FY15, a 1.6% increase. Also, Unrestricted General Government Aid (UGGA) has been increased by $165,634 or 2.7% (from $5.9 million to $6.1 million).

It is difficult to gauge the amount that the Commonwealth will allocate to the 351 municipalities due to the volatile economy. Nevertheless, we need to assume a figure for purposes of completing the five-year financial forecast. Therefore, it is predicted that the State will increase the FY2015 appropriation by 1% each year through FY2018. We hope that this is a conservative estimate; however, it could be the opposite.

School Building Assistance: $732,824

The Massachusetts School Building Authority (MSBA) administers the school building assistance program that reimburses cities, towns, and regional school districts varying percentages of their school construction costs depending on the wealth of the community or district and the category of reimbursement. The City of Salem was lucky enough to receive 90% reimbursement for all its building projects.

In FY15, the amount of SBA reimbursement was reduced to $732,824, a reduction of over $1.8 million dollars from FY13. The amounts listed in the five year forecast reflect the funding schedule of the MSBA for FY2015 through FY2018.

Enterprise Fund Revenue: $14,281,499

An enterprise fund, authorized by MGL Chapter 44, Section 53F ½ is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any.

The City of Salem has three Enterprise Funds; water, sewer, and solid waste. The water and sewer enterprise funds, with estimated revenues of $4,776,085 and $8,826,712 respectively, provide for full cost recovery, including indirect costs that are appropriated in the general fund. Water and sewer enterprise fund revenues are estimated to have various increases over the next four fiscal years depending on the costs of assessments from the Salem Beverly Water Supply Board and the South Essex Sewer District, as well as the debt service from some of the major projects underway in the City, including the completion of the water meter project, the reconstruction of several water mains, rehabilitation of the Folly Hill storage tanks, South River Basin upgrades, Canal Street Upgrades Phase II and water meter replacements.

In FY 2013 the City Council voted to combine the water and sewer enterprise funds for FY 2014, as allowed by the Department of Revenue as outlined in Bulletin 2012-B (page 3/7). Historically, the Water Enterprise fund revenue was not been sufficient to cover expenses and we have had to appropriate free cash to cover the deficits. By combining the funds, the City can now use sewer revenue to help offset the water deficit. For FY15, we are also requesting a 4% increase on both water and sewer rates for FY 2015 to cover the deficit and to build up funds to cover anticipated water and sewer projects include the Canal Street project. This will also help offset the loss of over $700,000 in water revenue not being utilized by the power plant for FY15.

The water and sewer funds will remain in SEPARATE funds for accounting and budgeting purposes within the City. But they will be COMBINED for reporting purposes on the City's annual financial statements (CAFR) and when calculating Retained Earnings by the Department of Revenue.

For FY15, the administration is recommending a water rate increase of 4% and a sewer rate increase of 4% to cover the costs of debt service for the infrastructure repairs listed above. These rate increases are estimated to increase the average single family water/sewer bill by $54.08 per year. The City's overall average bill is estimated to be $1,353 per year, keeping Salem's annual combined water/sewer cost below the average of the comparable surrounding communities, such as Beverly, Danvers, Gloucester, and Marblehead.

The Solid Waste Enterprise fund, established in FY08, does not recoup all operating costs. However, the $678,702 estimated revenues will cover approximately 33% of the total cost of $2,461,917 in FY2015. The revenues from the Solid Waste Enterprise fund are projected to decrease for the next five years due to the renegotiated contract.

Other Financial Resources – Recurring: $1,090,452

The City has three "receipts reserve" accounts; Harbormaster, Witch House, and Golf Course. Receipts reserve accounts are accounts in which proceeds are earmarked by law and placed in separate accounts for appropriation for particular purposes. The City treats these accounts similar to Enterprise Funds, by which the fees charged cover the expenses of the particular program. It is estimated that the revenues generated will increase each year by 2.5% to keep up with rising costs of running each of the three departments. The City also has one "offset receipt" account for the Electrical department, used to pay the City Electricians for their work on fire systems of commercial properties. This account is expected to be level funded for the foreseeable future. The City has not budgeted any non-recurring "other financial resources" for FY2015 through FY2018.

Expenses

General Government: $5,354,857

Departments under General Government include all of the financial offices and overhead support functions, including Mayor, City Council, accounting, assessing, legal, treasury, collector, purchasing, city clerk, etc. In FY15, the administration has budgeted $236,000 in the Human Resources department, which will go towards funding collective bargaining agreements set to begin in FY15. Other notable items in FY15 include the proposed hiring of a Chief Information Officer, Public Arts Director, and a full time Latino Affairs Coordinator. Unlike previous years, health insurance only has increased by 1.9%.

The estimated expense increase for general government services for the City will be 3% for FY2015 through FY2018.

Public Safety: $19,170,700

Departments under Public Safety include police, fire, inspectional services, electrical, and harbormaster. The estimated expense increase for public safety for the City will be 5% for police and fire and 3% for inspectional services, electrical and harbormaster for FY2015 through FY2018. These increased are expected due to the historical costs of collective bargaining agreements for police and fire, including minimum staffing levels, as well as the rising costs of utilities for both electrical and harbormaster departments.

Public Works and Facilities: $3,765,086

Departments under Public Works and Facilities include public services, engineering, snow and ice removal, and parking department. Estimated expense increase for public services is expected to increase at 5% per year through FY2018. Engineering and parking expense increase are expected to increase by 3% per year through FY2017, and the snow and ice budget will be level funded through FY2018.

Human Services: $1,277,825

Departments under Human Services include the health department, council on aging, and veterans' services. Expenses in human services are projected to increase by 3% per year due to normal increases in salaries and expenses, although the increase of veterans returning from war may put additional pressures on the veterans' budget which is primarily driven by costs of veterans' benefits.

Cultural and Recreation: $2,520,109

Departments under Cultural and Recreation include library, park & recreation, golf course, witch house, Winter Island, and historical commission. Expenses in Culture and Recreation are projected to increase by 3% per year due to normal increases in salaries and expenses.

Fixed Costs: **$25,656,457**

Fixed costs are costs that are legally or contractually mandated such as health insurance, retirement assessment, Medicare, workers compensation, unemployment, and several other items. Fixed costs continue to be the biggest challenge in municipal budgets. Each fixed cost has its own projected increase over the five year forecast that reflects the average costs municipalities are seeing in each category. The projected increases for FY2015 through FY2018 for each fixed cost are as follows:

- Health Insurance: 3%
  - By entering the GIC, Salem will see an FY15 increase of 1.9%. Statewide, the average increase in municipal health insurance is 6%. To be conservative, the average increase for FY15-FY18 will be 3%.
- Retirement Assessment: 5.7%
  - Estimated increases needed to fully fund liability by 2030.
- Retirement Anticipation Stabilization Fund: 5%
  - This fund is for those employees who retire and are due sick/vacation buyback.
- Capital Improvement Fund: various
  - This fund is typically used for unexpected capital purchases/repairs.
- Medicare: 3%
  - Average increase in wages for City workers over the past several years.
- Municipal Insurance: 3%
  - Historical average of our increases since 2006.
- Worker's Compensation: 5%
  - We are fully insured and expect rates to increase at this level.
  - FY15 will share the cost with the school department.
- Unemployment: 3%
  - Reasonable estimate
- Non – Contributory Pension: -3%
  - Negative number due to the shrinking number of those retirees who are part of this group.

Fixed Costs – Debt Service: $4,636,539

Debt service is the repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue. The overall debt service for the City is scheduled to decrease for existing debt; however, as part of our capital planning, we try to maintain a 2% increase in the total cost of debt service so that we can actively manage the replacement of vehicles and machinery, maintenance on existing buildings and infrastructure, and construction of new facilities.

Assessment – North Shore Regional Vocational School District: $2,376,792

The assessment to the City of Salem from the now combined NSRVSD/Essex Agricultural School reflects the number of students attending the school and the associated costs. It is estimated that these assessments will increase 5% through FY2018. FY15 is a unique year, as the school will begin its first year of consolidated operation and our assessment reflects a 22% increase.

Education - Salem School District: $54,461,543
Salem Community Charter School: $890,257

The School Committee oversees the budget process for the schools, and it has a bottom line budget of $52,553,423 for FY2014 regular school, an increase of $1,908,120 that was approved in FY2015 ($54,461,543). Additional funds have been budgeted ($890,257) to fund the Salem Community Charter School that started in September of 2011.

For financial forecasting purposes, we expect that the cost of education will increase the general fund budget by 4% per year in both personnel and non-personnel expenses. The City's finance director and the School's business administrator continue to work on cost saving measures and shared services to ensure that the level of staff at the SPS will be adequate to provide quality education to its students.

Enterprise Fund Expenses: $14,563,060

Expenses in the enterprise fund represent personnel, expenses, contracted services, assessments, and debt service costs for the three enterprise funds of the City: water, sewer, and solid waste. Expenses in the funds are projected to rise from FY2015 to FY2018 as follows:

- Water Enterprise
  - Personnel: 3%
  - Expenses: 3%
  - Assessments: 3%

- Debt Service: per debt schedule (actual and projected)

- Sewer Enterprise
    - Personnel: 3%
    - Expenses: 3%
    - Assessments: 3%
    - Debt Service: per debt schedule (actual and projected)

- Solid Waste Enterprise
    - Personnel: 5% (new recycling coordinator)
    - Expenses: 3%
    - Contracted Services: 3%

Cherry Sheet Assessment: $6,366,389

Named for the cherry colored paper on which it was originally printed, the Cherry Sheet is the official notification by the Commissioner of Revenue to municipalities and regional school districts of estimated state aid to be paid and charges to be assessed over the next fiscal year. Cherry Sheets are usually issued each spring, following enactment by the Legislature of the state budget for the following year.

The categories of charges include mosquito control projects, RMV non-renewal surcharge, MBTA, and tuition assessment. This year's overall assessments have increased by 12.05% or $707,436 from last year's assessment of $5,658,953, the bulk of the increase includes a $400,000(+) increase to the Charter School Assessment.

It is projected that the Cherry Sheet assessment from the Commonwealth will increase 4% from FY2015 to FY2018.

Other Expenditures: $1,459,974

- Overlay: $600,000
    - Overlay is an account established annually to fund anticipated property tax abatements exemptions and uncollected taxes in that year. It is anticipated that overlay will vary in its increases due to the triennial certifications of values per the DOR and the increased values of properties throughout the City. Typically, a municipality will increase its overlay on certification years (our triennial will occur in FY2015) due to the adjustments typically made to conform to all Massachusetts General Laws for assessing property taxes.

- Snow and Ice Deficit $784,293
    - The winter season of FY2014 was a tough one, and therefore our deficit is at $784,293. It is anticipated that future years will have deficits. Therefore, the amount budgeted for FY15 though FY18 is $500,000.

- Cherry Sheet Offset: $75,681
    - Offset receipts are receipts from the Cherry Sheet that are to be used for a specific purpose (school lunch and public library). These obligations are expected to increase 3% for FY2015 to FY2018.

Conclusion

The City of Salem, like all municipalities throughout the Commonwealth, continue to struggle with rising fixed costs, a sluggish economy, and contractual obligations that make balancing budgets very challenging. In most cases, Proposition 2 ½, the law that regulates the increases a municipality can increase its property taxes, does not allow for property tax revenue to keep up with the costs of doing business.

The five year financial forecast is a tool that helps us best manage the challenges. It is a tool that uses reasonable estimates in both revenue and expenditure trends while considering the overall economic picture of the current times. The goal is to project revenues and expenditures up to five years into the future which will help the administration analyze where current trends are leading and estimate if money will be available for discretionary spending such as capital purchases, collective bargaining settlements, and new municipal program. It also will help identify those "budget buster" items that need reform from the local or state government.

The five year forecast, combined with the capital improvement program and FY2015 budget will continue to be the basis for all future financial planning for the City of Salem.

City of Salem, Massachusetts
Fiscal 2015
Long Term Debt Service By Month
15-May-14

Purpose	171	Original Principal		July	August	September	October	November	December	January	February	March	April	May	June	Total
1 Parking Garage	5908I	$1,100,000	Principal	0.00						75,000.00						75,000.00
	5948E		Interest	1,875.00						1,875.00						3,750.00
2 Witchcraft Elementary	5908F	$1,887,447	Principal	0.00						95,000.00						95,000.00
	5948F		Interest	2,375.00						2,375.00						4,750.00
3 Carlton School	5908(	$577,553	Principal	0.00						30,000.00						30,000.00
	5948G		Interest	750.00						750.00						1,500.00
General Obligation Bonds of 2005			Principal	0.00						200,000.00						200,000.00
Payable July 1 and January 1			Interest	5,000.00						5,000.00						10,000.00
4 MWPAT DW-05-12	610034 5916	$2,330,656	Principal	110,303.00						0.00						110,303.00
	610034 5936		Interest	16,213.03						15,110.00						31,323.03
MWPAT DW-05-12			Principal	110,303.00						0.00						110,303.00
Payable July 15 and January 15			Interest	16,213.03						15,110.00						31,323.03
5 High School	5908	$6,885,633	Principal				345,000.00						0.00			345,000.00
	5948H		Interest				96,721.88						89,821.88			186,543.76
6 Police Equipment	5910A	$658,864	Principal				80,000.00						0.00			80,000.00
	5930A		Interest				3,100.00						1,500.00			4,600.00
7 Ferry Boat Project	5918	$775,000	Principal				60,000.00						0.00			60,000.00
	5938		Interest				8,225.00						7,025.00			15,250.00
8 Water System Improvements	610034 5920	$3,250,503	Principal				165,000.00						0.00			165,000.00
	610034 5939		Interest				45,293.75						41,993.75			87,287.50
General Obligation Bonds of 2007			Principal				650,000.00						0.00			650,000.00
Payable October 15 and April 15			Interest				153,340.63						140,340.63			293,681.26
9 School Remodeling	5919A	$870,000	Principal			20,000.00						0.00				20,000.00
Refunding			Interest			300.00						0.00				300.00
10 School Renovations	5919E	$545,000	Principal			85,000.00						0.00				85,000.00
Refunding			Interest			2,550.00						1,275.00				3,825.00
11 Bates School	5919	$6,656,100	Principal			705,000.00						0.00				705,000.00
Refunding			Interest			75,702.50						65,127.50				140,830.00
12 Golf Course Clubhouse	5919D	$172,000	Principal			30,000.00						0.00				30,000.00
Refunding			Interest			1,185.00						735.00				1,920.00
General Obligation State Qualified Bonds of 2010			Principal			840,000.00						0.00				840,000.00
Payable September 1 and March 1			Interest			79,737.50						67,137.50				146,875.00
13 Water Systems Improvement		$1,964,000	Principal			100,000.00						0.00				100,000.00
			Interest			32,200.00						30,700.00				62,900.00
14 Water Meters		$3,000,000	Principal			200,000.00						0.00				200,000.00
			Interest			46,000.00						43,000.00				89,000.00
15 Water Main		$2,500,000	Principal			140,000.00						0.00				140,000.00
			Interest			40,200.00						38,100.00				78,300.00
16 Sewer Pump Station		$190,000	Principal			10,000.00						0.00				10,000.00
			Interest			2,900.00						2,750.00				5,650.00
17 South River Basin Upgrade		$1,500,000	Principal			85,000.00						0.00				85,000.00
			Interest			23,950.00						22,675.00				46,625.00
18 Golf Course Dept. Equip		$100,000	Principal			10,000.00						0.00				10,000.00
			Interest			1,300.00						1,150.00				2,450.00
19 Dump Truck		$65,000	Principal			10,000.00						0.00				10,000.00
			Interest			625.00						475.00				1,100.00
20 DPW Equipment		$65,000	Principal			10,000.00						0.00				10,000.00
			Interest			625.00						475.00				1,100.00
21 Engineering Infrastructure		$150,000	Principal			15,000.00						0.00				15,000.00
			Interest			1,950.00						1,725.00				3,675.00
22 Engineering Seawalls		$50,000	Principal			5,000.00						0.00				5,000.00
			Interest			650.00						575.00				1,225.00
23 Police Vehicles		$70,000	Principal			15,000.00						0.00				15,000.00
			Interest			375.00						150.00				525.00
24 Police Equipment		$50,000	Principal			10,000.00						0.00				10,000.00
			Interest			300.00						150.00				450.00
25 Police Radar		$25,000	Principal			5,000.00						0.00				5,000.00
			Interest			150.00						75.00				225.00
26 Police Range Repair		$40,000	Principal			5,000.00						0.00				5,000.00
			Interest			150.00						75.00				225.00
27 Fire Pumper Truck		$375,000	Principal			25,000.00						0.00				25,000.00
			Interest			5,750.00						5,375.00				11,125.00

Purpose	171	Original Principal		July	August	September	October	November	December	January	February	March	April	May	June	Total
28 Turnout Gear Equipment		$35,000	Principal			5,000.00						0.00				5,000.00
			Interest			150.00						75.00				225.00
29 Parking Equipment		$50,000	Principal			5,000.00						0.00				5,000.00
			Interest			650.00						575.00				1,225.00
30 Witch House		$50,000	Principal			5,000.00						0.00				5,000.00
			Interest			650.00						575.00				1,225.00
31 Departmental Equipment		$50,000	Principal			5,000.00						0.00				5,000.00
			Interest			650.00						575.00				1,225.00
32 Forest River Pool		$165,000	Principal			15,000.00						0.00				15,000.00
			Interest			1,950.00						1,725.00				3,675.00
33 Forest River Park		$50,000	Principal			5,000.00						0.00				5,000.00
			Interest			650.00						575.00				1,225.00
34 Willow Public Bathroom		$100,000	Principal			10,000.00						0.00				10,000.00
			Interest			1,300.00						1,150.00				2,450.00
35 Fire Alarm Receiver		$30,000	Principal			5,000.00						0.00				5,000.00
			Interest			250.00						175.00				425.00
36 Traffic Signal		$100,000	Principal			20,000.00						0.00				20,000.00
			Interest			600.00						300.00				900.00
37 School Fire Alarm Systems		$130,000	Principal			15,000.00						0.00				15,000.00
			Interest			1,550.00						1,325.00				2,875.00
38 School Buses		$135,000	Principal			15,000.00						0.00				15,000.00
			Interest			1,650.00						1,425.00				3,075.00
39 School Infrastructure		$75,000	Principal			5,000.00						0.00				5,000.00
			Interest			1,150.00						1,075.00				2,225.00
40 School Equipment		$35,000	Principal			5,000.00						0.00				5,000.00
			Interest			150.00						75.00				225.00
41 Parking Multi Space Meters		$50,000	Principal			10,000.00						0.00				10,000.00
			Interest			300.00						150.00				450.00
42 Parking Posts & Signage		$50,000	Principal			10,000.00						0.00				10,000.00
			Interest			300.00						150.00				450.00
43 Police Vehicles 2		$140,000	Principal			25,000.00						0.00				25,000.00
			Interest			750.00						375.00				1,125.00
44 Fire SCBA Compressor		$50,000	Principal			5,000.00						0.00				5,000.00
			Interest			650.00						575.00				1,225.00
45 Public Service Equip. & Vehicles		$295,000	Principal			30,000.00						0.00				30,000.00
			Interest			3,800.00						3,350.00				7,150.00
46 Public Service Garage Doors		$30,000	Principal			5,000.00						0.00				5,000.00
			Interest			250.00						175.00				425.00
47 Roads, Sidewalks & Crosswalks		$1,500,000	Principal			110,000.00						0.00				110,000.00
			Interest			22,300.00						20,650.00				42,950.00
48 Playground Equipment		$50,000	Principal			5,000.00						0.00				5,000.00
			Interest			650.00						575.00				1,225.00
49 Furlong Park Remodeling		$289,000	Principal			20,000.00						0.00				20,000.00
			Interest			4,200.00						3,900.00				8,100.00
50 Willows Gazebo Roof		$25,000	Principal			5,000.00						0.00				5,000.00
			Interest			150.00						75.00				225.00
51 Roads, Sidewalks & Crosswalks 2		$150,000	Principal			10,000.00						0.00				10,000.00
			Interest			2,300.00						2,150.00				4,450.00
52 Canal St. Improvement Design		$480,000	Principal			35,000.00						0.00				35,000.00
			Interest			7,150.00						6,625.00				13,775.00
53 Storage Tanks		$1,000,000	Principal			100,000.00						0.00				100,000.00
			Interest			13,000.00						11,500.00				24,500.00
54 School Ballfield Remodeling		$75,000	Principal			5,000.00						0.00				5,000.00
			Interest			1,050.00						975.00				2,025.00
55 School Field House Remodeling		$40,000	Principal			5,000.00						0.00				5,000.00
			Interest			450.00						375.00				825.00
General Obligation State Qualified Bonds of 2010			Principal			1,140,000.00						0.00				1,140,000.00
Payable September 1 and March 1			Interest			225,775.00						208,675.00				434,450.00
56 Water System Improvements		$1,412,402	Principal			55,000.00						0.00				55,000.00
			Interest			21,125.00						20,300.00				41,425.00
57 Sewer Pump Station Upgrade		$210,000	Principal			10,000.00						0.00				10,000.00
			Interest			3,118.75						2,968.75				6,087.50

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Purpose	171	Original Principal		July	August	September	October	November	December	January	February	March	April	May	June	Total
58 South River Basin Upgrade		$500,000	Principal			20,000.00						0.00				20,000.00
			Interest			7,456.25						7,156.25				14,612.50
59 South River Basin Upgrade 2		$350,000	Principal			15,000.00						0.00				15,000.00
			Interest			5,262.50						5,037.50				10,300.00
60 Forrester Street Drain Relief		$375,000	Principal			15,000.00						0.00				15,000.00
			Interest			5,612.50						5,387.50				11,000.00
61 Domain Controller & Exchange Services		$50,000	Principal			10,000.00						0.00				10,000.00
			Interest			600.00						450.00				1,050.00
62 Domain Controller & Exchange Services 2		$75,000	Principal			15,000.00						0.00				15,000.00
			Interest			900.00						675.00				1,575.00
63 City Hall Roof		$660,000	Principal			15,000.00						0.00				15,000.00
			Interest			10,562.50						10,337.50				20,900.00
64 City Hall Skylights		$150,000	Principal			5,000.00						0.00				5,000.00
			Interest			2,350.00						2,275.00				4,625.00
65 City Hall Windows		$340,000	Principal			5,000.00						0.00				5,000.00
			Interest			5,506.25						5,431.25				10,937.50
66 City Hall Masonry Repairs		$850,000	Principal			20,000.00						0.00				20,000.00
			Interest			13,671.88						13,371.88				27,043.76
67 Parking Study		$200,000	Principal			40,000.00						0.00				40,000.00
			Interest			2,400.00						1,800.00				4,200.00
68 Police Vehicle Replacement		$120,000	Principal			25,000.00						0.00				25,000.00
			Interest			1,500.00						1,125.00				2,625.00
69 Public Service Equipment		$65,000	Principal			10,000.00						0.00				10,000.00
			Interest			825.00						675.00				1,500.00
70 Roads, Sidewalks & Crosswalks		$800,000	Principal			45,000.00						0.00				45,000.00
			Interest			11,984.38						11,309.38				23,293.76
71 Collins Cove Seawall		$125,000	Principal			5,000.00						0.00				5,000.00
			Interest			1,859.38						1,784.38				3,643.76
72 Parks & Rec Equipment		$35,000	Principal			5,000.00						0.00				5,000.00
			Interest			450.00						375.00				825.00
73 School - Wheelchair Bus		$87,500	Principal			15,000.00						0.00				15,000.00
			Interest			1,050.00						825.00				1,875.00
74 School - Conventional Bus		$90,000	Principal			15,000.00						0.00				15,000.00
			Interest			1,125.00						900.00				2,025.00
75 Remediation		$1,400,000	Principal			30,000.00						0.00				30,000.00
			Interest			22,293.75						21,843.75				44,137.50
76 Collins School		$1,312,938	Principal			30,000.00						0.00				30,000.00
			Interest			20,931.25						20,481.25				41,412.50
77 Collins School 2		$5,326,916	Principal			110,000.00						0.00				110,000.00
			Interest			85,490.63						83,840.63				169,331.26
78 Saltonstall School		$1,188,000	Principal			25,000.00						0.00				25,000.00
			Interest			18,971.88						18,596.88				37,568.76
79 Saltonstall School 2		$2,468,244	Principal			50,000.00						0.00				50,000.00
			Interest			39,625.00						38,875.00				78,500.00
General Obligation State Qualified Bonds of 2012			Principal			590,000.00						0.00				590,000.00
Payable September 1 and March 1			Interest			284,671.90						275,821.90				560,493.80
80 Saltonstall Elementary School		$1,595,000	Principal						55,000.00						0.00	55,000.00
			Interest						30,268.75						29,168.75	59,437.50
81 Collins Middle School		$3,295,000	Principal						115,000.00						0.00	115,000.00
			Interest						62,531.25						60,231.25	122,762.50
82 School Building Repairs		$150,000	Principal						10,000.00						0.00	10,000.00
			Interest						2,753.13						2,553.13	5,306.26
83 School Department Equipment & Infrastructure		$100,000	Principal						10,000.00						0.00	10,000.00
			Interest						1,900.00						1,700.00	3,600.00
84 Police Equipment - Radio Replacement		$200,000	Principal						20,000.00						0.00	20,000.00
			Interest						3,800.00						3,400.00	7,200.00
85 Fire Equipment - Ladder Truck		$1,100,000	Principal						60,000.00						0.00	60,000.00
			Interest						20,168.75						18,968.75	39,137.50
86 Electric Department Equipment - Bucket Truck		$100,000	Principal						10,000.00						0.00	10,000.00
			Interest						1,900.00						1,700.00	3,600.00
87 Parks & Recreation Equipment		$140,000	Principal						5,000.00						0.00	5,000.00
			Interest						2,625.00						2,525.00	5,150.00

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Purpose	171	Original Principal		July	August	September	October	November	December	January	February	March	April	May	June	Total
88 Canal Street Utility Program		$3,900,000	Principal						135,000.00						0.00	135,000.00
			Interest						73,993.75						71,293.75	145,287.50
89 Bowditch School		$764,500	Principal						80,000.00						0.00	80,000.00
Refunding			Interest						14,417.50						12,817.50	27,235.00
90 Carlton School		$545,800	Principal						60,000.00						0.00	60,000.00
Refunding			Interest						10,291.00						9,091.00	19,382.00
91 Witchcraft School		$927,000	Principal						0.00						0.00	0.00
Refunding			Interest						17,218.13						17,218.13	34,436.26
92 Carlton School		$272,200	Principal						0.00						0.00	0.00
Refunding			Interest						5,054.00						5,054.00	10,108.00
93 Parking Garage Repairs		$345,500	Principal						0.00						0.00	0.00
Refunding			Interest						6,160.00						6,160.00	12,320.00
General Obligation State Qualified Bonds of 2013			Principal						560,000.00						0.00	560,000.00
Payable December 1 and June 1			Interest						253,081.26						241,881.26	494,962.52
Total			Principal	110,303.00	0.00	2,570,000.00	650,000.00	0.00	560,000.00	200,000.00	0.00	0.00	0.00	0.00	0.00	4,090,303.00
			Interest	21,213.03	0.00	590,184.40	153,340.63	0.00	253,081.26	20,110.00	0.00	551,634.40	140,340.63	0.00	241,881.26	1,971,785.61
Grand Total				131,516.03	0.00	3,160,184.40	803,340.63	0.00	813,081.26	220,110.00	0.00	551,634.40	140,340.63	0.00	241,881.26	6,062,088.61

Fiscal 2015
Short Term Debt Service By Month

Purpose	Amount Borrowed		July	August	September	October	November	December	January	February	March	April	May	June	Total
		Interest													
Total			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

Total Debt Service

			July	August	September	October	November	December	January	February	March	April	May	June	Total
Total		Principal	110,303.00	0.00	2,570,000.00	650,000.00	0.00	560,000.00	200,000.00	0.00	0.00	0.00	0.00	0.00	4,090,303.00
		Interest	21,213.03	0.00	590,184.40	153,340.63	0.00	253,081.26	20,110.00	0.00	551,634.40	140,340.63	0.00	241,881.26	1,971,785.61
Grand Total			131,516.03	0.00	3,160,184.40	803,340.63	0.00	813,081.26	220,110.00	0.00	551,634.40	140,340.63	0.00	241,881.26	6,062,088.61

Actual Debt Service

Date of Issue	CIP	Purpose	Type of Payment	2011	2012	2013	2014	2015
9/15/2000		Bates School non-called (O)	Principal	535,000.00	-	-	-	-
			Interest	12,305.00	-	-	-	-
9/15/2000		Golf Course Clubhouse non-called (I)	Principal	30,000.00	-	-	-	-
			Interest	690.00	-	-	-	-
9/15/2000		Swimming Pool non-called (I)	Principal	40,000.00	-	-	-	-
			Interest	920.00	-	-	-	-
8/1/2001		Adv Refund 91&92 by Purpose 1991 School (O)	Principal	505,000.00	-	-	-	-
			Interest	10,100.00	-	-	-	-
8/1/2001		Adv Refund 91&92 by Purpose 1992 School (O)	Principal	632,000.00	612,000.00	-	-	-
			Interest	37,120.00	12,240.00	-	-	-
8/1/2001		Adv Refund 91&92 by Purpose 1992 Police Station (I)	Principal	293,000.00	293,000.00	-	-	-
			Interest	17,580.00	5,860.00	-	-	-
1/15/2003		Bowditch Elementary School non-called (O)	Principal	775,000.00	805,000.00	840,000.00	75,000.00	-
			Interest	567,225.00	540,100.00	509,912.50	21,071.25	-
1/15/2003		Carlton Elementary School non-called (O)	Principal	415,000.00	435,000.00	455,000.00	50,000.00	-
			Interest	305,853.76	291,328.76	275,016.26	14,845.00	-
1/15/2003		Bates Elementary School (O)	Principal	85,000.00	85,000.00	90,000.00	-	-
			Interest	42,630.00	39,655.00	36,467.50	-	-
6/1/2003		Cur Ref of Jan 15 94 School (O)	Principal	475,000.00	465,000.00	460,000.00	-	-
			Interest	41,775.00	27,675.00	10,350.00	-	-
1/1/2005		School (Witchcraft Elementary) non-called (I)	Principal	95,000.00	95,000.00	95,000.00	95,000.00	95,000.00
			Interest	58,648.76	55,561.26	52,331.26	28,540.63	4,750.00
1/1/2005		Carlton School non-called (O)	Principal	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
			Interest	17,682.50	16,707.50	15,687.50	8,593.75	1,500.00
1/1/2005		Parking Garage Repairs non-called (I)	Principal	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00
			Interest	30,237.50	27,800.00	25,250.00	14,500.00	3,750.00
12/14/2006		MWPAT DW-15-12 (O)	Principal	101,822.00	103,880.00	105,978.00	108,119.00	110,303.00
			Interest	39,803.82	37,746.80	35,648.22	33,507.25	31,323.03
10/15/2007		High School (I)	Principal	345,000.00	345,000.00	345,000.00	345,000.00	345,000.00
			Interest	250,368.76	233,118.76	215,868.76	200,343.76	186,543.76
10/15/2007		Police Equipment (I)	Principal	85,000.00	80,000.00	80,000.00	80,000.00	80,000.00
			Interest	19,525.00	15,400.00	11,400.00	7,800.00	4,600.00
10/15/2007		Ferry Boat Project (I)	Principal	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
			Interest	26,350.00	23,350.00	20,350.00	17,650.00	15,250.00
10/15/2007		Water System Improvements (O)	Principal	165,000.00	165,000.00	165,000.00	165,000.00	165,000.00
			Interest	117,812.50	109,562.50	101,312.50	93,887.50	87,287.50
10/23/2009		High School (I)	Principal	**2,930,000.00**	-	-	-	-
			Interest	43,827.92	-	-	-	-
1/27/2010		Cur Ref of July 1 96 Middle East Elementary (O)	Principal	75,000.00	80,000.00	80,000.00	615,000.00	20,000.00
			Interest	38,704.72	33,750.00	32,150.00	15,975.00	300.00
1/27/2010		Cur Ref of July 1 96 School Ren (I)	Principal	100,000.00	100,000.00	90,000.00	85,000.00	85,000.00
			Interest	15,580.83	12,150.00	10,250.00	7,225.00	3,825.00
1/27/2010		Adv Ref of Sept. 15 2000 Bates School (O)	Principal	38,800.00	617,300.00	639,000.00	670,000.00	705,000.00
			Interest	230,328.55	203,858.00	191,295.00	168,155.00	140,830.00
1/27/2010		Adv Ref of Sept. 15 2000 Golf Course Clubhouse (I)	Principal	-	32,000.00	31,000.00	30,000.00	30,000.00
			Interest	5,614.50	4,810.00	4,180.00	3,120.00	1,920.00
1/27/2010		Adv Ref of Sept. 15 2000 Swimming Pool (I)	Principal	1,200.00	40,700.00	-	-	-
			Interest	905.14	407.00	-	-	-
10/15/2010	CIP 2009	Water Systems Improvement (O)	Principal	**36,000.00**	104,000.00	100,000.00	100,000.00	100,000.00
			Interest	57,690.89	71,960.00	68,900.00	65,900.00	62,900.00
10/15/2010	CIP 2009	Water Meters (O)	Principal	-	200,000.00	200,000.00	200,000.00	200,000.00
			Interest	55,392.02	107,000.00	101,000.00	95,000.00	89,000.00
10/15/2010	CIP 2009	Water Main (O)	Principal	-	140,000.00	140,000.00	140,000.00	140,000.00
			Interest	72,529.16	90,900.00	86,700.00	82,500.00	78,300.00
10/15/2010	CIP 2009	Sewer Pump Station (I)	Principal	-	15,000.00	15,000.00	10,000.00	10,000.00
			Interest	5,486.52	6,775.00	6,325.00	5,950.00	5,650.00
10/15/2010	CIP 2009	South River Basin Upgrade (I)	Principal	-	90,000.00	85,000.00	85,000.00	85,000.00
			Interest	42,746.76	54,350.00	51,725.00	49,175.00	46,625.00
10/15/2010	CIP 2009	Golf Course Dept. Equip (I)	Principal	-	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	2,818.05	3,350.00	3,050.00	2,750.00	2,450.00
10/15/2010	CIP 2009	Dump Truck (I)	Principal	-	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	1,784.51	2,000.00	1,700.00	1,400.00	1,100.00
10/15/2010	CIP 2009	DPW Equipment (I)	Principal	-	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	1,784.51	2,000.00	1,700.00	1,400.00	1,100.00
10/15/2010	CIP 2009	Engineering Infrastructure (I)	Principal	-	15,000.00	15,000.00	15,000.00	15,000.00
			Interest	4,227.08	5,025.00	4,575.00	4,125.00	3,675.00

Date of Issue	CIP	Purpose	Type of Payment	2011	2012	2013	2014	2015
10/15/2010	CIP 2009	Engineering Seawalls (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,409.03	1,675.00	1,525.00	1,375.00	1,225.00
10/15/2010	CIP 2009	Police Vehicles (I)	**Principal**	-	15,000.00	15,000.00	15,000.00	15,000.00
			Interest	1,840.41	1,875.00	1,425.00	975.00	525.00
10/15/2010	CIP 2009	Police Equipment (I)	**Principal**	-	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	1,314.59	1,350.00	1,050.00	750.00	450.00
10/15/2010	CIP 2009	Police Radar (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	657.29	675.00	525.00	375.00	225.00
10/15/2010	CIP 2009	Police Range Repair (I)	**Principal**	-	10,000.00	10,000.00	10,000.00	5,000.00
			Interest	1,051.66	1,050.00	750.00	450.00	225.00
10/15/2010		Fire Pumper Truck (I)	**Principal**	-	25,000.00	25,000.00	25,000.00	25,000.00
			Interest	10,803.82	13,375.00	12,625.00	11,875.00	11,125.00
10/15/2010		Turnout Gear Equipment (I)	**Principal**	-	10,000.00	10,000.00	5,000.00	5,000.00
			Interest	920.21	900.00	600.00	375.00	225.00
10/15/2010		Parking Equipment (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,409.03	1,675.00	1,525.00	1,375.00	1,225.00
10/15/2010		Witch House (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,409.03	1,675.00	1,525.00	1,375.00	1,225.00
10/15/2010		Departmental Equipment (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,409.03	1,675.00	1,525.00	1,375.00	1,225.00
10/15/2010		Forest River Pool (I)	**Principal**	-	20,000.00	20,000.00	20,000.00	15,000.00
			Interest	4,621.46	5,400.00	4,800.00	4,200.00	3,675.00
10/15/2010		Forest River Park (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,409.03	1,675.00	1,525.00	1,375.00	1,225.00
10/15/2010		Willow Public Bathroom (I)	**Principal**	-	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	2,818.05	3,350.00	3,050.00	2,750.00	2,450.00
10/15/2010		Fire Alarm Receiver (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	807.64	875.00	725.00	575.00	425.00
10/15/2010		Traffic Signal (I)	**Principal**	-	20,000.00	20,000.00	20,000.00	20,000.00
			Interest	2,629.16	2,700.00	2,100.00	1,500.00	900.00
10/15/2010		School Fire Alarm Systems (I)	**Principal**	-	15,000.00	15,000.00	15,000.00	15,000.00
			Interest	3,625.69	4,225.00	3,775.00	3,325.00	2,875.00
10/15/2010		School Buses (I)	**Principal**	-	15,000.00	15,000.00	15,000.00	15,000.00
			Interest	3,776.05	4,425.00	3,975.00	3,525.00	3,075.00
10/15/2010		School Infrastructure (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	2,160.77	2,675.00	2,525.00	2,375.00	2,225.00
10/15/2010		School Equipment (I)	**Principal**	-	10,000.00	10,000.00	5,000.00	5,000.00
			Interest	920.21	900.00	600.00	375.00	225.00
10/15/2010	CIP 2010	Parking Multi Space Meters (I)	**Principal**	-	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	1,314.59	1,350.00	1,050.00	750.00	450.00
10/15/2010	CIP 2010	Parking Posts & Signage (I)	**Principal**	-	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	1,314.59	1,350.00	1,050.00	750.00	450.00
10/15/2010	CIP 2010	Police Vehicles 2 (I)	**Principal**	-	30,000.00	30,000.00	30,000.00	25,000.00
			Interest	3,680.84	3,750.00	2,850.00	1,950.00	1,125.00
10/15/2010	CIP 2010	Fire SCBA Compressor (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,409.03	1,675.00	1,525.00	1,375.00	1,225.00
10/15/2010	CIP 2010	Public Service Equip. & Vehicles (I)	**Principal**	-	30,000.00	30,000.00	30,000.00	30,000.00
			Interest	8,303.82	9,850.00	8,950.00	8,050.00	7,150.00
10/15/2010	CIP 2010	Public Service Garage Doors (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	807.64	875.00	725.00	575.00	425.00
10/15/2010	CIP 2010	Roads, Sidewalks & Crosswalks (I)	**Principal**	-	110,000.00	110,000.00	110,000.00	110,000.00
			Interest	43,026.39	52,850.00	49,550.00	46,250.00	42,950.00
10/15/2010	CIP 2010	Playground Equipment (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,409.03	1,675.00	1,525.00	1,375.00	1,225.00
10/15/2010	CIP 2010	Furlong Park Remodeling (I)	**Principal**	-	24,000.00	25,000.00	20,000.00	20,000.00
			Interest	8,278.29	10,110.00	9,375.00	8,700.00	8,100.00
10/15/2010	CIP 2010	Willows Gazebo Roof (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	657.29	675.00	525.00	375.00	225.00
10/15/2010	CIP 2011	Roads, Sidewalks & Crosswalks 2 (I)	**Principal**	-	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	2,077.78	5,350.00	5,050.00	4,750.00	4,450.00
10/15/2010	CIP 2011	Canal St. Improvement Design (I)	**Principal**	-	35,000.00	35,000.00	35,000.00	35,000.00
			Interest	6,592.22	16,925.00	15,875.00	14,825.00	13,775.00
10/15/2010	CIP 2011	Storage Tanks (O)	**Principal**	-	100,000.00	100,000.00	100,000.00	100,000.00
			Interest	13,222.22	33,500.00	30,500.00	27,500.00	24,500.00
10/15/2010	CIP 2010	School Ballfield Remodeling (I)	**Principal**	-	10,000.00	5,000.00	5,000.00	5,000.00
			Interest	2,141.88	2,550.00	2,325.00	2,175.00	2,025.00
10/15/2010	CIP 2010	School Field House Remodeling (I)	**Principal**	-	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,108.33	1,275.00	1,125.00	975.00	825.00
9/27/2012	CIP 2009	Water System Improvements (OSQ)	**Principal**	-	-	**542.00**	52,402.00	55,000.00

Date of Issue	CIP	Purpose	Type of Payment	2011	2012	2013	2014	2015
			Interest	-	-	22,937.83	43,036.03	41,425.00
9/27/2012	CIP 2009	Sewer Pump Station Upgrade (ISQ)	**Principal**	-	-	-	10,000.00	10,000.00
			Interest	-	3,350.67	3,419.60	6,387.50	6,087.50
9/27/2012	CIP 2009	South River Basin Upgrade (ISQ)	**Principal**	-	-	-	20,000.00	20,000.00
			Interest	-	-	8,119.23	15,212.50	14,612.50
9/27/2012	CIP 2009	South River Basin Upgrade 2 (ISQ)	**Principal**	-	-	-	10,000.00	15,000.00
			Interest	-	-	4,630.69	10,675.00	10,300.00
9/27/2012	CIP 2009	Forrester Street Drain Relief (ISQ)	**Principal**	-	-	-	15,000.00	15,000.00
			Interest	-	-	4,994.31	11,450.00	11,000.00
9/27/2012	CIP 2012	Domain Controller & Exchange Services (ISQ)	**Principal**	-	-	-	10,000.00	10,000.00
			Interest	-	-	641.67	1,350.00	1,050.00
9/27/2012	CIP 2012	Domain Contoller & Exchange Services 2 (ISQ)	**Principal**	-	-	-	15,000.00	15,000.00
			Interest	-	-	962.50	2,025.00	1,575.00
9/27/2012	CIP 2012	City Hall Roof (ISQ)	**Principal**	-	-	-	15,000.00	15,000.00
			Interest	-	-	9,229.31	21,350.00	20,900.00
9/27/2012	CIP 2012	City Hall Skylights (ISQ)	**Principal**	-	-	-	5,000.00	5,000.00
			Interest	-	-	2,074.72	4,775.00	4,625.00
9/27/2012	CIP 2012	City Hall Windows (ISQ)	**Principal**	-	-	-	5,000.00	5,000.00
			Interest	-	-	4,775.07	11,087.50	10,937.50
9/27/2012	CIP 2012	City Hall Masonry Repairs (ISQ)	**Principal**	-	-	-	15,000.00	20,000.00
			Interest	-	-	11,889.55	27,568.76	27,043.76
9/27/2012	CIP 2012	Parking Study (ISQ)	**Principal**	-	-	-	40,000.00	40,000.00
			Interest	-	-	2,566.67	5,400.00	4,200.00
9/27/2012	CIP 2012	Police Vehicle Replacement (ISQ)	**Principal**	-	-	-	20,000.00	25,000.00
			Interest	-	-	1,540.00	3,300.00	2,625.00
9/27/2012	CIP 2012	Public Service Equipment (ISQ)	**Principal**	-	-	-	10,000.00	10,000.00
			Interest	-	-	834.17	1,800.00	1,500.00
9/27/2012	CIP 2012	Roads, Sidewalks & Crosswalks (ISQ)	**Principal**	-	-	-	40,000.00	45,000.00
			Interest	-	-	10,766.63	24,568.76	23,293.76
9/27/2012	CIP 2012	Collins Cove Seawall (ISQ)	**Principal**	-	-	-	5,000.00	5,000.00
			Interest	-	-	1,654.97	3,793.76	3,643.76
9/27/2012	CIP 2012	Parks & Rec. Equipment (ISQ)	**Principal**	-	-	-	5,000.00	5,000.00
			Interest	-	-	449.17	975.00	825.00
9/27/2012	CIP 2012	School- Wheelchair Bus (ISQ)	**Principal**	-	-	-	17,500.00	15,000.00
			Interest	-	-	1,122.92	2,362.50	1,875.00
9/27/2012	CIP 2012	Conventional Bus (ISQ)	**Principal**	-	-	-	15,000.00	15,000.00
			Interest	-	-	1,155.00	2,475.00	2,025.00
9/27/2012		Remediation (ISQ)	**Principal**	-	-	-	30,000.00	30,000.00
			Interest	-	-	23,611.87	45,037.50	44,137.50
9/27/2012		Collins School (ISQ)	**Principal**	-	-	-	27,938.00	30,000.00
			Interest	-	10,962.46	24,199.71	42,281.57	41,412.50
9/27/2012		Collins School 2 (ISQ)	**Principal**	-	-	-	106,916.00	110,000.00
			Interest	-	-	74,514.07	172,585.00	169,331.26
9/27/2012		Saltonstall School (ISQ)	**Principal**	-	-	-	23,000.00	25,000.00
			Interest	-	4,978.13	20,976.66	38,288.76	37,568.76
9/27/2012		Saltonstall School 2 (ISQ)	**Principal**	-	-	-	48,244.00	50,000.00
			Interest	-	-	34,520.52	79,973.66	78,500.00
12/19/2013		Saltonstall School (OSQ)	**Principal**	-	-	-	-	55,000.00
			Interest	-	-	-	27,241.88	59,437.50
12/19/2013		Collins Middle School (OSQ)	**Principal**	-	-	-	-	115,000.00
			Interest	-	-	-	56,278.13	122,762.50
12/19/2013		School Building Repairs (ISQ)	**Principal**	-	-	-	-	10,000.00
			Interest	-	-	-	2,477.81	5,306.26
12/19/2013		School Equipment (ISQ)	**Principal**	-	-	-	-	10,000.00
			Interest	-	-	-	1,710.00	3,600.00
12/19/2013		Police Equipment (ISQ)	**Principal**	-	-	-	-	20,000.00
			Interest	-	-	-	3,420.00	7,200.00
12/19/2013		Fire Equipment (ISQ)	**Principal**	-	-	-	-	60,000.00
			Interest	-	-	-	18,151.88	39,137.50
12/19/2013		Electric Dept Equipment (ISQ)	**Principal**	-	-	-	-	10,000.00
			Interest	-	-	-	1,710.00	3,600.00
12/19/2013		Parks & Rec (ISQ)	**Principal**	-	-	-	-	5,000.00
			Interest	-	-	-	2,362.50	5,150.00
12/19/2013		Canal Street Utility Program (ISQ)	**Principal**	-	-	-	-	135,000.00
			Interest	-	-	-	66,594.38	145,287.50
12/19/2013		Cur Ref of Jan 15 2003 Bowditch School (OSQ)	**Principal**	-	-	-	-	80,000.00
			Interest	-	-	-	12,975.75	27,235.00
12/19/2013		Cur Ref of Jan 15 2003 Carlton School (OSQ)	**Principal**	-	-	-	-	60,000.00
			Interest	-	-	-	9,261.90	19,382.00

Date of Issue	CIP	Purpose	Type of Payment	2011	2012	2013	2014	2015
12/19/2013		Adv Ref of Jan 1 2005 Witchcraft School (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	15,496.31	34,436.26
12/19/2013		Adv Ref of Jan 1 2005 Carlton School (OSQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	4,548.60	10,108.00
12/19/2013		Adv Ref of Jan 1 2005 Parking Garage Repairs (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	5,544.00	12,320.00
		Outstanding Principal		7,922,822.00	5,706,880.00	4,816,520.00	4,199,119.00	4,090,303.00
		Outstanding Interest		2,316,384.86	2,249,641.84	2,322,881.34	1,909,621.08	1,971,785.61
		Total Outstanding Bonds Debt Service		10,239,206.86	7,956,521.84	7,139,401.34	6,108,740.08	6,062,088.61
		State Aid:						
		Bates Elementary-Audited		(850,966.00)	(850,966.00)	(850,966.00)	(732,824.00)	(732,824.00)
		Bentley-Audited		(702,639.00)	-	-	-	-
		Carlton-Audited		(578,710.00)	(578,710.00)	(578,710.00)	-	-
		Bowditch Elementary-Audited		(1,104,663.00)	(1,104,663.00)	(1,104,663.00)	-	-
		Middle School West-Audited		(987,196.00)	(987,196.00)	-	-	-
		Salem High-Audited		(86,663.00)	-	-	-	-
		Total State Aid		(4,310,837.00)	(3,521,535.00)	(2,534,339.00)	(732,824.00)	(732,824.00)
		Net Outstanding Bonds Debt Service		5,928,369.86	4,434,986.84	4,605,062.34	5,375,916.08	5,329,264.61
		Net Tax-Supported Bonds Debt Service		5,181,741.42	2,951,801.87	3,124,094.27	3,800,794.30	3,776,581.08
		Net Self-Supporting Bonds Debt Service		746,628.44	1,483,184.97	1,480,968.07	1,575,121.78	1,552,683.53
		Net Total Bonds Debt Service		5,928,369.86	4,434,986.84	4,605,062.34	5,375,916.08	5,329,264.61
6/30/2004		**Section 108 Loan Payments**	**Principal**	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00
			Interest	7,806.75	6,168.75	4,462.50	2,705.50	908.25
10/21/2010		**SAANs**						
		$3,000,000 SAANs dated 10/21/2010 payable 10/21/2011	*Interest*	-	30,000.00	-	-	-
		$1,795,677 SAANs dated 10/21/2011 payable 10/19/2012	*Interest*	-	-	24,796.63	-	-
		$37,738 SAANs dated 6/20/2013 payable 12/20/2013	*Interest*	-	-	-	141.52	-
		Gross Total Debt		10,282,013.61	8,027,690.59	7,203,660.47	6,146,587.10	6,097,996.86

CIP Subtotals		2011	2012	2013	2014	2015
CIP 2009	**Principal**	36,000.00	639,000.00	630,542.00	732,402.00	735,000.00
	Interest	250,732.48	353,335.67	375,051.66	398,886.03	376,875.00
CIP 2010	**Principal**	-	249,000.00	245,000.00	240,000.00	235,000.00
	Interest	73,451.72	87,985.00	80,575.00	73,300.00	66,175.00
CIP 2011	**Principal**	-	145,000.00	145,000.00	145,000.00	145,000.00
	Interest	21,892.22	55,775.00	51,425.00	47,075.00	42,725.00
CIP 2012	**Principal**	-	-	-	217,500.00	230,000.00
	Interest	-	-	49,662.35	112,831.28	106,118.78

Projected Debt Service

2.50%	BAN Interest Rate
5.00%	GOB Interest Rate

Date of Authorization	Purpose	Type of Payment	2011	2012	2013	2014	2015
		Total Principal	-	-	-	-	-
		Total Interest	-	-	-	-	-
		Total BAN Interest	-	-	-	-	-
		Total Projected Net Debt	-	-	-	-	-
	PROJECTED ESSEX NORTH SHORE AGRICULTURAL & TECHNICAL SCHOOL DISTRICT DEBT SERVICE		-	879.83	27,586.96	150,160.58	290,344.20
		Actual Net Debt service	5,971,176.61	4,506,155.59	4,669,321.47	5,413,763.10	5,365,172.86
		Projected Net Debt	-	879.83	27,586.96	150,160.58	290,344.20
		Total Actual & Projected Net Debt	5,971,176.61	4,507,035.42	4,696,908.43	5,563,923.68	5,655,517.06

Date of Issue	CIP	Purpose	Type of Payment	2011	2012	2013	2014	2015
Proposed Debt Service								
2.50%	2014 BAN Interest Rate							
2.75%	2015 BAN Interest Rate							
3.00%	2016 BAN Interest Rate							
5.00%	GOB Interest Rate							
Date of Issue		**Purpose**	**Type of Payment**	**2011**	**2012**	**2013**	**2014**	**2015**
12/19/2014		Roads	**Principal**	-	-	-	-	-
		$3,000,000	Interest	-	-	-	-	-
		BANs Dec 2014 - Bonds Dec 2015 - 14 years - Level Debt	BAN Interest	-	-	-	-	-
12/19/2014		Roads	**Principal**	-	-	-	-	-
		$6,000,000	Interest	-	-	-	-	-
		BANs Dec 2014, roll Dec 2015 - Bonds Dec 2016 - 13 years - Level Debt	BAN Interest	-	-	-	-	-
12/18/2015		Roads	**Principal**	-	-	-	-	-
		$9,000,000	Interest	-	-	-	-	-
		BANs Dec 2015, roll Dec 2016 - Bonds Dec 2017 - 13 years - Level Debt	BAN Interest	-	-	-	-	-
			Total Principal	-	-	-	-	-
			Total Interest	-	-	-	-	-
			Total BAN Interest	-	-	-	-	-
			Total Proposed Debt	-	-	-	-	-
			Actual Net Debt service	5,971,176.61	4,506,155.59	4,669,321.47	5,413,763.10	5,365,172.86
			Projected Net Debt	-	879.83	27,586.96	150,160.58	290,344.20
			Proposed Net Debt	-	-	-	-	-
			Total Actual, Projected & Proposed Net Debt	5,971,176.61	4,507,035.42	4,696,908.43	5,563,923.68	5,655,517.06

Actual Debt Service

Date of Issue	CIP	Purpose	Type of Payment	2016	2017	2018	2019	2020
9/15/2000		Bates School non-called (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/15/2000		Golf Course Clubhouse non-called (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/15/2000		Swimming Pool non-called (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
8/1/2001		Adv Refund 91&92 by Purpose 1991 School (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
8/1/2001		Adv Refund 91&92 by Purpose 1992 School (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
8/1/2001		Adv Refund 91&92 by Purpose 1992 Police Station (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/15/2003		Bowditch Elementary School non-called (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/15/2003		Carlton Elementary School non-called (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/15/2003		Bates Elementary School (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
6/1/2003		Cur Ref of Jan 15 94 School (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/1/2005		School (Witchcraft Elementary) non-called (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/1/2005		Carlton School non-called (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/1/2005		Parking Garage Repairs non-called (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
12/14/2006		MWPAT DW-15-12 (O)	**Principal**	112,532.00	114,805.00	117,124.00	119,490.00	121,904.00
			Interest	29,094.68	26,821.31	24,502.02	22,135.88	19,721.94
10/15/2007		High School (I)	**Principal**	345,000.00	345,000.00	345,000.00	345,000.00	345,000.00
			Interest	173,175.01	159,806.26	146,006.26	132,206.26	118,406.26
10/15/2007		Police Equipment (I)	**Principal**	80,000.00	-	-	-	-
			Interest	1,500.00	-	-	-	-
10/15/2007		Ferry Boat Project (I)	**Principal**	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
			Interest	12,925.00	10,600.00	8,200.00	5,800.00	3,400.00
10/15/2007		Water System Improvements (O)	**Principal**	165,000.00	165,000.00	160,000.00	160,000.00	160,000.00
			Interest	80,893.75	74,500.00	68,000.00	61,600.00	55,200.00
10/23/2009		High School (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/27/2010		Cur Ref of July 1 96 Middle East Elementary (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/27/2010		Cur Ref of July 1 96 School Ren (I)	**Principal**	85,000.00	-	-	-	-
			Interest	1,275.00	-	-	-	-
1/27/2010		Adv Ref of Sept. 15 2000 Bates School (O)	**Principal**	735,000.00	766,000.00	795,000.00	830,000.00	860,000.00
			Interest	119,230.00	96,715.00	73,300.00	47,887.50	17,200.00
1/27/2010		Adv Ref of Sept. 15 2000 Golf Course Clubhouse (I)	**Principal**	30,000.00	19,000.00	-	-	-
			Interest	1,020.00	285.00	-	-	-
1/27/2010		Adv Ref of Sept. 15 2000 Swimming Pool (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2009	Water Systems Improvement (O)	**Principal**	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
			Interest	59,900.00	56,400.00	52,400.00	48,400.00	44,400.00
10/15/2010	CIP 2009	Water Meters (O)	**Principal**	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
			Interest	83,000.00	76,000.00	68,000.00	60,000.00	52,000.00
10/15/2010	CIP 2009	Water Main (O)	**Principal**	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00
			Interest	74,100.00	69,200.00	63,600.00	58,000.00	52,400.00
10/15/2010	CIP 2009	Sewer Pump Station (I)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	5,350.00	5,000.00	4,600.00	4,200.00	3,800.00
10/15/2010	CIP 2009	South River Basin Upgrade (I)	**Principal**	85,000.00	85,000.00	85,000.00	85,000.00	85,000.00
			Interest	44,075.00	41,100.00	37,700.00	34,300.00	30,900.00
10/15/2010	CIP 2009	Golf Course Dept. Equip (I)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	2,150.00	1,800.00	1,400.00	1,000.00	600.00
10/15/2010	CIP 2009	Dump Truck (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	2,500.00
			Interest	875.00	700.00	500.00	300.00	150.00
10/15/2010	CIP 2009	DPW Equipment (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	2,500.00
			Interest	875.00	700.00	500.00	300.00	150.00
10/15/2010	CIP 2009	Engineering Infrastructure (I)	**Principal**	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
			Interest	3,225.00	2,700.00	2,100.00	1,500.00	900.00

Date of Issue	CIP	Purpose	Type of Payment	2016	2017	2018	2019	2020
10/15/2010	CIP 2009	Engineering Seawalls (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,075.00	900.00	700.00	500.00	300.00
10/15/2010	CIP 2009	Police Vehicles (I)	**Principal**	10,000.00	-	-	-	-
			Interest	150.00	-	-	-	-
10/15/2010	CIP 2009	Police Equipment (I)	**Principal**	10,000.00	-	-	-	-
			Interest	150.00	-	-	-	-
10/15/2010	CIP 2009	Police Radar (I)	**Principal**	5,000.00	-	-	-	-
			Interest	75.00	-	-	-	-
10/15/2010	CIP 2009	Police Range Repair (I)	**Principal**	5,000.00	-	-	-	-
			Interest	75.00	-	-	-	-
10/15/2010		Fire Pumper Truck (I)	**Principal**	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
			Interest	10,375.00	9,500.00	8,500.00	7,500.00	6,500.00
10/15/2010		Turnout Gear Equipment (I)	**Principal**	5,000.00	-	-	-	-
			Interest	75.00	-	-	-	-
10/15/2010		Parking Equipment (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,075.00	900.00	700.00	500.00	300.00
10/15/2010		Witch House (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,075.00	900.00	700.00	500.00	300.00
10/15/2010		Departmental Equipment (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,075.00	900.00	700.00	500.00	300.00
10/15/2010		Forest River Pool (I)	**Principal**	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
			Interest	3,225.00	2,700.00	2,100.00	1,500.00	900.00
10/15/2010		Forest River Park (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,075.00	900.00	700.00	500.00	300.00
10/15/2010		Willow Public Bathroom (I)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	2,150.00	1,800.00	1,400.00	1,000.00	600.00
10/15/2010		Fire Alarm Receiver (I)	**Principal**	5,000.00	5,000.00	-	-	-
			Interest	275.00	100.00	-	-	-
10/15/2010		Traffic Signal (I)	**Principal**	20,000.00	-	-	-	-
			Interest	300.00	-	-	-	-
10/15/2010		School Fire Alarm Systems (I)	**Principal**	15,000.00	15,000.00	10,000.00	10,000.00	10,000.00
			Interest	2,425.00	1,900.00	1,400.00	1,000.00	600.00
10/15/2010		School Buses (I)	**Principal**	15,000.00	15,000.00	15,000.00	10,000.00	10,000.00
			Interest	2,625.00	2,100.00	1,500.00	1,000.00	600.00
10/15/2010		School Infrastructure (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	2,075.00	1,900.00	1,700.00	1,500.00	1,300.00
10/15/2010		School Equipment (I)	**Principal**	5,000.00	-	-	-	-
			Interest	75.00	-	-	-	-
10/15/2010	CIP 2010	Parking Multi Space Meters (I)	**Principal**	10,000.00	-	-	-	-
			Interest	150.00	-	-	-	-
10/15/2010	CIP 2010	Parking Posts & Signage (I)	**Principal**	10,000.00	-	-	-	-
			Interest	150.00	-	-	-	-
10/15/2010	CIP 2010	Police Vehicles 2 (I)	**Principal**	25,000.00	-	-	-	-
			Interest	375.00	-	-	-	-
10/15/2010	CIP 2010	Fire SCBA Compressor (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,075.00	900.00	700.00	500.00	300.00
10/15/2010	CIP 2010	Public Service Equip. & Vehicles (I)	**Principal**	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
			Interest	6,250.00	5,200.00	4,000.00	2,800.00	1,600.00
10/15/2010	CIP 2010	Public Service Garage Doors (I)	**Principal**	5,000.00	5,000.00	-	-	-
			Interest	275.00	100.00	-	-	-
10/15/2010	CIP 2010	Roads, Sidewalks & Crosswalks (I)	**Principal**	110,000.00	110,000.00	105,000.00	105,000.00	105,000.00
			Interest	39,650.00	35,800.00	31,500.00	27,300.00	23,100.00
10/15/2010	CIP 2010	Playground Equipment (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,075.00	900.00	700.00	500.00	300.00
10/15/2010	CIP 2010	Furlong Park Remodeling (I)	**Principal**	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
			Interest	7,500.00	6,800.00	6,000.00	5,200.00	4,400.00
10/15/2010	CIP 2010	Willows Gazebo Roof (I)	**Principal**	5,000.00	-	-	-	-
			Interest	75.00	-	-	-	-
10/15/2010	CIP 2011	Roads, Sidewalks & Crosswalks 2 (I)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	4,150.00	3,800.00	3,400.00	3,000.00	2,600.00
10/15/2010	CIP 2011	Canal St. Improvement Design (I)	**Principal**	35,000.00	35,000.00	30,000.00	30,000.00	30,000.00
			Interest	12,725.00	11,500.00	10,200.00	9,000.00	7,800.00
10/15/2010	CIP 2011	Storage Tanks (O)	**Principal**	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
			Interest	21,500.00	18,000.00	14,000.00	10,000.00	6,000.00
10/15/2010	CIP 2010	School Ballfield Remodeling (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,875.00	1,700.00	1,500.00	1,300.00	1,100.00
10/15/2010	CIP 2010	School Field House Remodeling (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	-
			Interest	675.00	500.00	300.00	100.00	-
9/27/2012	CIP 2009	Water System Improvements (OSQ)	**Principal**	55,000.00	55,000.00	60,000.00	60,000.00	60,000.00

FirstSouthwest

Date of Issue	CIP	Purpose	Type of Payment	2016	2017	2018	2019	2020
			Interest	39,775.00	38,125.00	36,400.00	34,600.00	32,800.00
9/27/2012	CIP 2009	Sewer Pump Station Upgrade (ISQ)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	5,787.50	5,487.50	5,187.50	4,887.50	4,587.50
9/27/2012	CIP 2009	South River Basin Upgrade (ISQ)	**Principal**	20,000.00	20,000.00	20,000.00	25,000.00	25,000.00
			Interest	14,012.50	13,412.50	12,812.50	12,137.50	11,387.50
9/27/2012	CIP 2009	South River Basin Upgrade 2 (ISQ)	**Principal**	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
			Interest	9,850.00	9,400.00	8,950.00	8,500.00	8,050.00
9/27/2012	CIP 2009	Forrester Street Drain Relief (ISQ)	**Principal**	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
			Interest	10,550.00	10,100.00	9,650.00	9,200.00	8,750.00
9/27/2012	CIP 2012	Domain Controller & Exchange Services (ISQ)	**Principal**	10,000.00	10,000.00	10,000.00	-	-
			Interest	750.00	450.00	150.00	-	-
9/27/2012	CIP 2012	Domain Contoller & Exchange Services 2 (ISQ)	**Principal**	15,000.00	15,000.00	15,000.00	-	-
			Interest	1,125.00	675.00	225.00	-	-
9/27/2012	CIP 2012	City Hall Roof (ISQ)	**Principal**	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
			Interest	20,450.00	20,000.00	19,550.00	19,100.00	18,650.00
9/27/2012	CIP 2012	City Hall Skylights (ISQ)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	4,475.00	4,325.00	4,175.00	4,025.00	3,875.00
9/27/2012	CIP 2012	City Hall Windows (ISQ)	**Principal**	5,000.00	5,000.00	10,000.00	10,000.00	10,000.00
			Interest	10,787.50	10,637.50	10,412.50	10,112.50	9,812.50
9/27/2012	CIP 2012	City Hall Masonry Repairs (ISQ)	**Principal**	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
			Interest	26,443.76	25,843.76	25,243.76	24,643.76	24,043.76
9/27/2012	CIP 2012	Parking Study (ISQ)	**Principal**	40,000.00	40,000.00	40,000.00	-	-
			Interest	3,000.00	1,800.00	600.00	-	-
9/27/2012	CIP 2012	Police Vehicle Replacement (ISQ)	**Principal**	25,000.00	25,000.00	25,000.00	-	-
			Interest	1,875.00	1,125.00	375.00	-	-
9/27/2012	CIP 2012	Public Service Equipment (ISQ)	**Principal**	15,000.00	15,000.00	15,000.00	-	-
			Interest	1,125.00	675.00	225.00	-	-
9/27/2012	CIP 2012	Roads, Sidewalks & Crosswalks (ISQ)	**Principal**	45,000.00	45,000.00	50,000.00	50,000.00	50,000.00
			Interest	21,943.76	20,593.76	19,168.76	17,668.76	16,168.76
9/27/2012	CIP 2012	Collins Cove Seawall (ISQ)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	3,493.76	3,343.76	3,193.76	3,043.76	2,893.76
9/27/2012	CIP 2012	Parks & Rec. Equipment (ISQ)	**Principal**	5,000.00	10,000.00	10,000.00	-	-
			Interest	675.00	450.00	150.00	-	-
9/27/2012	CIP 2012	School- Wheelchair Bus (ISQ)	**Principal**	15,000.00	20,000.00	20,000.00	-	-
			Interest	1,425.00	900.00	300.00	-	-
9/27/2012	CIP 2012	Conventional Bus (ISQ)	**Principal**	20,000.00	20,000.00	20,000.00	-	-
			Interest	1,500.00	900.00	300.00	-	-
9/27/2012		Remediation (ISQ)	**Principal**	30,000.00	35,000.00	35,000.00	35,000.00	35,000.00
			Interest	43,237.50	42,262.50	41,212.50	40,162.50	39,112.50
9/27/2012		Collins School (ISQ)	**Principal**	30,000.00	30,000.00	30,000.00	30,000.00	35,000.00
			Interest	40,512.50	39,612.50	38,712.50	37,812.50	36,837.50
9/27/2012		Collins School 2 (ISQ)	**Principal**	115,000.00	120,000.00	120,000.00	125,000.00	130,000.00
			Interest	165,956.26	162,431.26	158,831.26	155,156.26	151,331.26
9/27/2012		Saltonstall School (ISQ)	**Principal**	25,000.00	30,000.00	30,000.00	30,000.00	30,000.00
			Interest	36,818.76	35,993.76	35,093.76	34,193.76	33,293.76
9/27/2012		Saltonstall School 2 (ISQ)	**Principal**	55,000.00	55,000.00	55,000.00	60,000.00	60,000.00
			Interest	76,925.00	75,275.00	73,625.00	71,900.00	70,100.00
12/19/2013		Saltonstall School (OSQ)	**Principal**	55,000.00	60,000.00	60,000.00	65,000.00	65,000.00
			Interest	57,237.50	55,237.50	53,437.50	51,237.50	48,637.50
12/19/2013		Collins Middle School (OSQ)	**Principal**	120,000.00	120,000.00	125,000.00	130,000.00	135,000.00
			Interest	118,062.50	113,862.50	110,187.50	105,712.50	100,412.50
12/19/2013		School Building Repairs (ISQ)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	4,906.26	4,556.26	4,256.26	3,906.26	3,506.26
12/19/2013		School Equipment (ISQ)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	3,200.00	2,850.00	2,550.00	2,200.00	1,800.00
12/19/2013		Police Equipment (ISQ)	**Principal**	20,000.00	20,000.00	20,000.00	20,000.00	25,000.00
			Interest	6,400.00	5,700.00	5,100.00	4,400.00	3,500.00
12/19/2013		Fire Equipment (ISQ)	**Principal**	65,000.00	65,000.00	70,000.00	70,000.00	75,000.00
			Interest	36,637.50	34,362.50	32,337.50	29,887.50	26,987.50
12/19/2013		Electric Dept Equipment (ISQ)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	3,200.00	2,850.00	2,550.00	2,200.00	1,800.00
12/19/2013		Parks & Rec (ISQ)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	4,950.00	4,775.00	4,625.00	4,450.00	4,250.00
12/19/2013		Canal Street Utility Program (ISQ)	**Principal**	140,000.00	145,000.00	150,000.00	155,000.00	160,000.00
			Interest	139,787.50	134,812.50	130,387.50	125,037.50	118,737.50
12/19/2013		Cur Ref of Jan 15 2003 Bowditch School (OSQ)	**Principal**	80,000.00	84,500.00	90,000.00	95,000.00	90,000.00
			Interest	24,035.00	21,167.50	18,550.00	15,300.00	11,600.00
12/19/2013		Cur Ref of Jan 15 2003 Carlton School (OSQ)	**Principal**	60,800.00	60,000.00	65,000.00	60,000.00	60,000.00
			Interest	16,966.00	14,850.00	12,975.00	10,800.00	8,400.00

Date of Issue	CIP	Purpose	Type of Payment	2016	2017	2018	2019	2020
12/19/2013		Adv Ref of Jan 1 2005 Witchcraft School (ISQ)	**Principal**	92,000.00	95,000.00	95,000.00	95,000.00	95,000.00
			Interest	32,596.26	29,331.26	26,481.26	23,156.26	19,356.26
12/19/2013		Adv Ref of Jan 1 2005 Carlton School (OSQ)	**Principal**	31,700.00	30,500.00	30,000.00	30,000.00	30,000.00
			Interest	9,474.00	8,382.50	7,475.00	6,425.00	5,225.00
12/19/2013		Adv Ref of Jan 1 2005 Parking Garage Repairs (ISQ)	**Principal**	75,500.00	75,000.00	75,000.00	75,000.00	45,000.00
			Interest	10,810.00	8,175.00	5,925.00	3,300.00	900.00
		Outstanding Principal		4,122,532.00	3,909,805.00	3,932,124.00	3,839,490.00	3,856,904.00
		Outstanding Interest		1,830,344.76	1,696,758.89	1,564,589.60	1,428,485.96	1,285,234.52
		Total Outstanding Bonds Debt Service		5,952,876.76	5,606,563.89	5,496,713.60	5,267,975.96	5,142,138.52
		State Aid:						
		Bates Elementary-Audited		(732,824.00)	(732,824.00)	(732,824.00)	(732,824.00)	(732,824.00)
		Bentley-Audited		-	-	-	-	-
		Carlton-Audited		-	-	-	-	-
		Bowditch Elementary-Audited		-	-	-	-	-
		Middle School West-Audited		-	-	-	-	-
		Salem High-Audited		-	-	-	-	-
		Total State Aid		(732,824.00)	(732,824.00)	(732,824.00)	(732,824.00)	(732,824.00)
		Net Outstanding Bonds Debt Service		5,220,052.76	4,873,739.89	4,763,889.60	4,535,151.96	4,409,314.52
		Net Tax-Supported Bonds Debt Service		3,697,012.33	3,394,403.58	3,339,213.58	3,140,901.08	3,050,563.58
		Net Self-Supporting Bonds Debt Service		1,523,040.43	1,479,336.31	1,424,676.02	1,394,250.88	1,358,750.94
		Net Total Bonds Debt Service		5,220,052.76	4,873,739.89	4,763,889.60	4,535,151.96	4,409,314.52
6/30/2004		**Section 108 Loan Payments**	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/21/2010		**SAANs**						
		$3,000,000 SAANs dated 10/21/2010 payable 10/21/2011	*Interest*	-	-	-	-	-
		$1,795,677 SAANs dated 10/21/2011 payable 10/19/2012	*Interest*	-	-	-	-	-
		$37,738 SAANs dated 6/20/2013 payable 12/20/2013	*Interest*	-	-	-	-	-
		Gross Total Debt		5,952,876.76	5,606,563.89	5,496,713.60	5,267,975.96	5,142,138.52

CIP Subtotals		2016	2017	2018	2019	2020
CIP 2009	**Principal**	720,000.00	690,000.00	695,000.00	700,000.00	695,000.00
	Interest	355,050.00	331,025.00	304,500.00	277,825.00	251,175.00
CIP 2010	**Principal**	235,000.00	185,000.00	175,000.00	175,000.00	170,000.00
	Interest	59,125.00	51,900.00	44,700.00	37,700.00	30,800.00
CIP 2011	**Principal**	145,000.00	145,000.00	140,000.00	140,000.00	140,000.00
	Interest	38,375.00	33,300.00	27,600.00	22,000.00	16,400.00
CIP 2012	**Principal**	240,000.00	250,000.00	260,000.00	105,000.00	105,000.00
	Interest	99,068.78	91,718.78	84,068.78	78,593.78	75,443.78

Projected Debt Service

2.50%	BAN Interest Rate
5.00%	GOB Interest Rate

Date of Authorization	Purpose	Type of Payment	2016	2017	2018	2019	2020
		Total Principal	-	-	-	-	-
		Total Interest	-	-	-	-	-
		Total BAN Interest	-	-	-	-	-
		Total Projected Net Debt	-	-	-	-	-
	PROJECTED ESSEX NORTH SHORE AGRICULTURAL & TECHNICAL SCHOOL DISTRICT DEBT SERVICE		415,377.83	414,969.13	415,418.70	414,642.17	414,723.91
		Actual Net Debt service	5,220,052.76	4,873,739.89	4,763,889.60	4,535,151.96	4,409,314.52
		Projected Net Debt	415,377.83	414,969.13	415,418.70	414,642.17	414,723.91
		Total Actual & Projected Net Debt	5,635,430.59	5,288,709.02	5,179,308.30	4,949,794.13	4,824,038.43

Date of Issue	CIP	Purpose	Type of Payment	2016	2017	2018	2019	2020
Proposed Debt Service								
2.50%	2014 BAN Interest Rate							
2.75%	2015 BAN Interest Rate							
3.00%	2016 BAN Interest Rate							
5.00%	GOB Interest Rate							

Date of Issue	Purpose	Type of Payment	2016	2017	2018	2019	2020
12/19/2014	Roads	**Principal**	-	150,000.00	160,000.00	170,000.00	175,000.00
	$3,000,000	Interest	67,916.67	146,250.00	138,500.00	130,250.00	121,625.00
	BANs Dec 2014 - Bonds Dec 2015 - 14 years - Level Debt	BAN Interest	74,791.67	-	-	-	-
12/19/2014	Roads	**Principal**	-	-	335,000.00	355,000.00	370,000.00
	$6,000,000	Interest	-	137,500.00	291,625.00	274,375.00	256,250.00
	BANs Dec 2014, roll Dec 2015 - Bonds Dec 2016 - 13 years - Level Debt	BAN Interest	149,583.33	164,083.33	-	-	-
12/18/2015	Roads	**Principal**	-	-	-	505,000.00	530,000.00
	$9,000,000	Interest	-	-	207,500.00	437,375.00	411,500.00
	BANs Dec 2015, roll Dec 2016 - Bonds Dec 2017 - 13 years - Level Debt	BAN Interest	-	246,125.00	269,250.00	-	-
		Total Principal	-	150,000.00	495,000.00	1,030,000.00	1,075,000.00
		Total Interest	67,916.67	283,250.00	637,625.00	842,000.00	789,375.00
		Total BAN Interest	224,375.00	410,208.33	269,250.00	-	-
		Total Proposed Debt	292,291.67	843,458.33	1,401,875.00	1,872,000.00	1,864,375.00
		Actual Net Debt service	5,220,052.76	4,873,739.89	4,763,889.60	4,535,151.96	4,409,314.52
		Projected Net Debt	415,377.83	414,969.13	415,418.70	414,642.17	414,723.91
		Proposed Net Debt	292,291.67	843,458.33	1,401,875.00	1,872,000.00	1,864,375.00
		Total Actual, Projected & Proposed Net Debt	5,927,722.25	6,132,167.35	6,581,183.30	6,821,794.13	6,688,413.43

Actual Debt Service

Date of Issue	CIP	Purpose	Type of Payment	2021	2022	2023	2024	2025
9/15/2000		Bates School non-called (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/15/2000		Golf Course Clubhouse non-called (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/15/2000		Swimming Pool non-called (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
8/1/2001		Adv Refund 91&92 by Purpose 1991 School (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
8/1/2001		Adv Refund 91&92 by Purpose 1992 School (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
8/1/2001		Adv Refund 91&92 by Purpose 1992 Police Station (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/15/2003		Bowditch Elementary School non-called (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/15/2003		Carlton Elementary School non-called (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/15/2003		Bates Elementary School (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
6/1/2003		Cur Ref of Jan 15 94 School (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/1/2005		School (Witchcraft Elementary) non-called (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/1/2005		Carlton School non-called (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/1/2005		Parking Garage Repairs non-called (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
12/14/2006		MWPAT DW-15-12 (O)	**Principal**	124,367.00	126,880.00	129,443.00	132,058.00	134,726.00
			Interest	17,259.23	14,746.76	12,183.53	9,568.52	6,900.68
10/15/2007		High School (I)	**Principal**	345,000.00	345,000.00	345,000.00	345,000.00	345,000.00
			Interest	104,606.26	90,806.26	77,006.26	63,206.26	49,190.63
10/15/2007		Police Equipment (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2007		Ferry Boat Project (I)	**Principal**	55,000.00	-	-	-	-
			Interest	1,100.00	-	-	-	-
10/15/2007		Water System Improvements (O)	**Principal**	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00
			Interest	48,800.00	42,400.00	36,000.00	29,600.00	23,100.00
10/23/2009		High School (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/27/2010		Cur Ref of July 1 96 Middle East Elementary (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/27/2010		Cur Ref of July 1 96 School Ren (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/27/2010		Adv Ref of Sept. 15 2000 Bates School (O)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/27/2010		Adv Ref of Sept. 15 2000 Golf Course Clubhouse (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
1/27/2010		Adv Ref of Sept. 15 2000 Swimming Pool (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2009	Water Systems Improvement (O)	**Principal**	100,000.00	100,000.00	100,000.00	95,000.00	95,000.00
			Interest	40,400.00	36,400.00	32,400.00	28,500.00	24,700.00
10/15/2010	CIP 2009	Water Meters (O)	**Principal**	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
			Interest	44,000.00	36,000.00	28,000.00	20,000.00	12,000.00
10/15/2010	CIP 2009	Water Main (O)	**Principal**	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00
			Interest	46,800.00	41,200.00	35,600.00	30,000.00	24,400.00
10/15/2010	CIP 2009	Sewer Pump Station (I)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	3,400.00	3,000.00	2,600.00	2,200.00	1,800.00
10/15/2010	CIP 2009	South River Basin Upgrade (I)	**Principal**	80,000.00	75,000.00	75,000.00	75,000.00	75,000.00
			Interest	27,600.00	24,500.00	21,500.00	18,500.00	15,500.00
10/15/2010	CIP 2009	Golf Course Dept. Equip (I)	**Principal**	10,000.00				
			Interest	200.00	-	-	-	-
10/15/2010	CIP 2009	Dump Truck (I)	**Principal**	2,500.00	-	-	-	-
			Interest	50.00	-	-	-	-
10/15/2010	CIP 2009	DPW Equipment (I)	**Principal**	2,500.00	-	-	-	-
			Interest	50.00	-	-	-	-
10/15/2010	CIP 2009	Engineering Infrastructure (I)	**Principal**	15,000.00	-	-	-	-
			Interest	300.00	-	-	-	-

Date of Issue	CIP	Purpose	Type of Payment	2021	2022	2023	2024	2025
10/15/2010	CIP 2009	Engineering Seawalls (I)	**Principal**	5,000.00	-	-	-	-
			Interest	100.00	-	-		
10/15/2010	CIP 2009	Police Vehicles (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2009	Police Equipment (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2009	Police Radar (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2009	Police Range Repair (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010		Fire Pumper Truck (I)	**Principal**	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
			Interest	5,500.00	4,500.00	3,500.00	2,500.00	1,500.00
10/15/2010		Turnout Gear Equipment (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010		Parking Equipment (I)	**Principal**	5,000.00	-	-	-	-
			Interest	100.00	-	-	-	-
10/15/2010		Witch House (I)	**Principal**	5,000.00	-	-	-	-
			Interest	100.00	-	-	-	-
10/15/2010		Departmental Equipment (I)	**Principal**	5,000.00	-	-	-	-
			Interest	100.00	-	-	-	-
10/15/2010		Forest River Pool (I)	**Principal**	15,000.00	-	-	-	-
			Interest	300.00	-	-	-	-
10/15/2010		Forest River Park (I)	**Principal**	5,000.00	-	-	-	-
			Interest	100.00	-	-	-	-
10/15/2010		Willow Public Bathroom (I)	**Principal**	10,000.00	-	-	-	-
			Interest	200.00	-	-	-	-
10/15/2010		Fire Alarm Receiver (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010		Traffic Signal (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010		School Fire Alarm Systems (I)	**Principal**	10,000.00	-	-	-	-
			Interest	200.00	-	-	-	-
10/15/2010		School Buses (I)	**Principal**	10,000.00	-	-	-	-
			Interest	200.00	-	-	-	-
10/15/2010		School Infrastructure (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	1,100.00	900.00	700.00	500.00	300.00
10/15/2010		School Equipment (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2010	Parking Multi Space Meters (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2010	Parking Posts & Signage (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2010	Police Vehicles 2 (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2010	Fire SCBA Compressor (I)	**Principal**	5,000.00	-	-	-	-
			Interest	100.00	-	-	-	-
10/15/2010	CIP 2010	Public Service Equip. & Vehicles (I)	**Principal**	25,000.00	-	-	-	-
			Interest	500.00	-	-	-	-
10/15/2010	CIP 2010	Public Service Garage Doors (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2010	Roads, Sidewalks & Crosswalks (I)	**Principal**	105,000.00	105,000.00	105,000.00	105,000.00	105,000.00
			Interest	18,900.00	14,700.00	10,500.00	6,300.00	2,100.00
10/15/2010	CIP 2010	Playground Equipment (I)	**Principal**	5,000.00	-	-	-	-
			Interest	100.00	-	-	-	-
10/15/2010	CIP 2010	Furlong Park Remodeling (I)	**Principal**	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
			Interest	3,600.00	2,800.00	2,000.00	1,200.00	400.00
10/15/2010	CIP 2010	Willows Gazebo Roof (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/15/2010	CIP 2011	Roads, Sidewalks & Crosswalks 2 (I)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	2,200.00	1,800.00	1,400.00	1,000.00	600.00
10/15/2010	CIP 2011	Canal St. Improvement Design (I)	**Principal**	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
			Interest	6,600.00	5,400.00	4,200.00	3,000.00	1,800.00
10/15/2010	CIP 2011	Storage Tanks (O)	**Principal**	100,000.00	-	-	-	-
			Interest	2,000.00	-	-	-	-
10/15/2010	CIP 2010	School Ballfield Remodeling (I)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	900.00	700.00	500.00	300.00	100.00
10/15/2010	CIP 2010	School Field House Remodeling (I)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/27/2012	CIP 2009	Water System Improvements (OSQ)	**Principal**	65,000.00	65,000.00	70,000.00	70,000.00	75,000.00

Date of Issue	CIP	Purpose	Type of Payment	2021	2022	2023	2024	2025
			Interest	30,600.00	28,000.00	25,300.00	22,500.00	20,162.50
9/27/2012	CIP 2009	Sewer Pump Station Upgrade (ISQ)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	4,237.50	3,837.50	3,437.50	3,037.50	2,712.50
9/27/2012	CIP 2009	South River Basin Upgrade (ISQ)	**Principal**	25,000.00	25,000.00	25,000.00	25,000.00	30,000.00
			Interest	10,512.50	9,512.50	8,512.50	7,512.50	6,637.50
9/27/2012	CIP 2009	South River Basin Upgrade 2 (ISQ)	**Principal**	15,000.00	15,000.00	15,000.00	20,000.00	20,000.00
			Interest	7,525.00	6,925.00	6,325.00	5,625.00	4,975.00
9/27/2012	CIP 2009	Forrester Street Drain Relief (ISQ)	**Principal**	15,000.00	20,000.00	20,000.00	20,000.00	20,000.00
			Interest	8,225.00	7,525.00	6,725.00	5,925.00	5,275.00
9/27/2012	CIP 2012	Domain Controller & Exchange Services (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/27/2012	CIP 2012	Domain Contoller & Exchange Services 2 (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/27/2012	CIP 2012	City Hall Roof (ISQ)	**Principal**	15,000.00	15,000.00	20,000.00	20,000.00	20,000.00
			Interest	18,125.00	17,525.00	16,825.00	16,025.00	15,375.00
9/27/2012	CIP 2012	City Hall Skylights (ISQ)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	3,700.00	3,500.00	3,300.00	3,100.00	2,937.50
9/27/2012	CIP 2012	City Hall Windows (ISQ)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	9,462.50	9,062.50	8,662.50	8,262.50	7,937.50
9/27/2012	CIP 2012	City Hall Masonry Repairs (ISQ)	**Principal**	20,000.00	20,000.00	25,000.00	25,000.00	25,000.00
			Interest	23,343.76	22,543.76	21,643.76	20,643.76	19,831.26
9/27/2012	CIP 2012	Parking Study (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/27/2012	CIP 2012	Police Vehicle Replacement (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/27/2012	CIP 2012	Public Service Equipment (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/27/2012	CIP 2012	Roads, Sidewalks & Crosswalks (ISQ)	**Principal**	50,000.00	55,000.00	55,000.00	60,000.00	60,000.00
			Interest	14,418.76	12,318.76	10,118.76	7,818.76	5,868.76
9/27/2012	CIP 2012	Collins Cove Seawall (ISQ)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			Interest	2,718.76	2,518.76	2,318.76	2,118.76	1,956.26
9/27/2012	CIP 2012	Parks & Rec. Equipment (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/27/2012	CIP 2012	School- Wheelchair Bus (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/27/2012	CIP 2012	Conventional Bus (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
9/27/2012		Remediation (ISQ)	**Principal**	35,000.00	40,000.00	40,000.00	40,000.00	45,000.00
			Interest	37,887.50	36,387.50	34,787.50	33,187.50	31,825.00
9/27/2012		Collins School (ISQ)	**Principal**	35,000.00	35,000.00	40,000.00	40,000.00	40,000.00
			Interest	35,612.50	34,212.50	32,712.50	31,112.50	29,812.50
9/27/2012		Collins School 2 (ISQ)	**Principal**	135,000.00	140,000.00	145,000.00	150,000.00	155,000.00
			Interest	146,681.26	141,181.26	135,481.26	129,581.26	124,643.76
9/27/2012		Saltonstall School (ISQ)	**Principal**	30,000.00	35,000.00	35,000.00	35,000.00	35,000.00
			Interest	32,243.76	30,943.76	29,543.76	28,143.76	27,006.26
9/27/2012		Saltonstall School 2 (ISQ)	**Principal**	60,000.00	65,000.00	65,000.00	70,000.00	70,000.00
			Interest	68,000.00	65,500.00	62,900.00	60,200.00	57,925.00
12/19/2013		Saltonstall School (OSQ)	**Principal**	70,000.00	70,000.00	75,000.00	75,000.00	80,000.00
			Interest	45,937.50	43,137.50	40,237.50	37,237.50	34,487.50
12/19/2013		Collins Middle School (OSQ)	**Principal**	140,000.00	145,000.00	155,000.00	160,000.00	165,000.00
			Interest	94,912.50	89,212.50	83,212.50	76,912.50	71,134.38
12/19/2013		School Building Repairs (ISQ)	**Principal**	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			Interest	3,106.26	2,706.26	2,306.26	1,906.26	1,550.01
12/19/2013		School Equipment (ISQ)	**Principal**	10,000.00	15,000.00	15,000.00	-	-
			Interest	1,400.00	900.00	300.00	-	-
12/19/2013		Police Equipment (ISQ)	**Principal**	25,000.00	25,000.00	25,000.00	-	-
			Interest	2,500.00	1,500.00	500.00	-	-
12/19/2013		Fire Equipment (ISQ)	**Principal**	75,000.00	80,000.00	80,000.00	85,000.00	90,000.00
			Interest	23,987.50	20,887.50	17,687.50	14,387.50	11,281.25
12/19/2013		Electric Dept Equipment (ISQ)	**Principal**	10,000.00	15,000.00	15,000.00	-	-
			Interest	1,400.00	900.00	300.00	-	-
12/19/2013		Parks & Rec (ISQ)	**Principal**	5,000.00	5,000.00	5,000.00	5,000.00	10,000.00
			Interest	4,050.00	3,850.00	3,650.00	3,450.00	3,193.75
12/19/2013		Canal Street Utility Program (ISQ)	**Principal**	165,000.00	175,000.00	180,000.00	190,000.00	195,000.00
			Interest	112,237.50	105,437.50	98,337.50	90,937.50	84,090.63
12/19/2013		Cur Ref of Jan 15 2003 Bowditch School (OSQ)	**Principal**	80,000.00	85,000.00	80,000.00	-	-
			Interest	8,200.00	4,900.00	1,600.00	-	-
12/19/2013		Cur Ref of Jan 15 2003 Carlton School (OSQ)	**Principal**	60,000.00	60,000.00	60,000.00	-	-
			Interest	6,000.00	3,600.00	1,200.00	-	-

Date of Issue	CIP	Purpose	Type of Payment	2021	2022	2023	2024	2025
12/19/2013		Adv Ref of Jan 1 2005 Witchcraft School (ISQ)	**Principal**	95,000.00	95,000.00	90,000.00	90,000.00	85,000.00
			Interest	15,556.26	11,756.26	8,056.26	4,456.26	1,328.13
12/19/2013		Adv Ref of Jan 1 2005 Carlton School (OSQ)	**Principal**	25,000.00	25,000.00	25,000.00	25,000.00	20,000.00
			Interest	4,125.00	3,125.00	2,125.00	1,125.00	312.50
12/19/2013		Adv Ref of Jan 1 2005 Parking Garage Repairs (ISQ)	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
		Outstanding Principal		2,949,367.00	2,721,880.00	2,759,443.00	2,602,058.00	2,639,726.00
		Outstanding Interest		1,154,171.81	1,043,259.34	936,196.11	831,581.10	736,650.76
		Total Outstanding Bonds Debt Service		4,103,538.81	3,765,139.34	3,695,639.11	3,433,639.10	3,376,376.76
		State Aid:						
		Bates Elementary-Audited		-	-	-	-	-
		Bentley-Audited		-	-	-	-	-
		Carlton-Audited		-	-	-	-	-
		Bowditch Elementary-Audited		-	-	-	-	-
		Middle School West-Audited		-	-	-	-	-
		Salem High-Audited		-	-	-	-	-
		Total State Aid		-	-	-	-	-
		Net Outstanding Bonds Debt Service		4,103,538.81	3,765,139.34	3,695,639.11	3,433,639.10	3,376,376.76
		Net Tax-Supported Bonds Debt Service		2,780,837.58	2,591,737.58	2,549,337.58	2,319,537.58	2,283,762.58
		Net Self-Supporting Bonds Debt Service		1,322,701.23	1,173,401.76	1,146,301.53	1,114,101.52	1,092,614.18
		Net Total Bonds Debt Service		4,103,538.81	3,765,139.34	3,695,639.11	3,433,639.10	3,376,376.76
6/30/2004		**Section 108 Loan Payments**	**Principal**	-	-	-	-	-
			Interest	-	-	-	-	-
10/21/2010		**SAANs**						
		$3,000,000 SAANs dated 10/21/2010 payable 10/21/2011	*Interest*	-	-	-	-	-
		$1,795,677 SAANs dated 10/21/2011 payable 10/19/2012	*Interest*	-	-	-	-	-
		$37,738 SAANs dated 6/20/2013 payable 12/20/2013	*Interest*	-	-	-	-	-
		Gross Total Debt		4,103,538.81	3,765,139.34	3,695,639.11	3,433,639.10	3,376,376.76

CIP Subtotals		2021	2022	2023	2024	2025
CIP 2009	**Principal**	695,000.00	660,000.00	665,000.00	665,000.00	675,000.00
	Interest	224,000.00	196,900.00	170,400.00	143,800.00	118,162.50
CIP 2010	**Principal**	165,000.00	130,000.00	130,000.00	130,000.00	130,000.00
	Interest	24,100.00	18,200.00	13,000.00	7,800.00	2,600.00
CIP 2011	**Principal**	140,000.00	40,000.00	40,000.00	40,000.00	40,000.00
	Interest	10,800.00	7,200.00	5,600.00	4,000.00	2,400.00
CIP 2012	**Principal**	105,000.00	110,000.00	120,000.00	125,000.00	125,000.00
	Interest	71,768.78	67,468.78	62,868.78	57,968.78	53,906.28

Projected Debt Service

2.50%	BAN Interest Rate
5.00%	GOB Interest Rate

Date of Authorization	Purpose	Type of Payment	2021	2022	2023	2024	2025
		Total Principal	-	-	-	-	-
		Total Interest	-	-	-	-	-
		Total BAN Interest	-	-	-	-	-
		Total Projected Net Debt	-	-	-	-	-
	PROJECTED ESSEX NORTH SHORE AGRICULTURAL & TECHNICAL SCHOOL DISTRICT DEBT SERVICE		415,623.04	414,233.48	414,723.91	414,969.13	415,234.78
		Actual Net Debt service	4,103,538.81	3,765,139.34	3,695,639.11	3,433,639.10	3,376,376.76
		Projected Net Debt	415,623.04	414,233.48	414,723.91	414,969.13	415,234.78
		Total Actual & Projected Net Debt	4,519,161.85	4,179,372.82	4,110,363.02	3,848,608.23	3,791,611.54

Date of Issue	CIP	Purpose	Type of Payment	2021	2022	2023	2024	2025
Proposed Debt Service								
2.50%	2014 BAN Interest Rate							
2.75%	2015 BAN Interest Rate							
3.00%	2016 BAN Interest Rate							
5.00%	GOB Interest Rate							

Date of Issue	Purpose	Type of Payment	2021	2022	2023	2024	2025
12/19/2014	Roads	**Principal**	185,000.00	195,000.00	205,000.00	215,000.00	225,000.00
	$3,000,000	Interest	112,625.00	103,125.00	93,125.00	82,625.00	71,625.00
	BANs Dec 2014 - Bonds Dec 2015 - 14 years - Level Debt	BAN Interest	-	-	-	-	-
12/19/2014	Roads	**Principal**	390,000.00	410,000.00	430,000.00	455,000.00	475,000.00
	$6,000,000	Interest	237,250.00	217,250.00	196,250.00	174,125.00	150,875.00
	BANs Dec 2014, roll Dec 2015 - Bonds Dec 2016 - 13 years - Level Debt	BAN Interest	-	-	-	-	-
12/18/2015	Roads	**Principal**	555,000.00	585,000.00	615,000.00	650,000.00	680,000.00
	$9,000,000	Interest	384,375.00	355,875.00	325,875.00	294,250.00	261,000.00
	BANs Dec 2015, roll Dec 2016 - Bonds Dec 2017 - 13 years - Level Debt	BAN Interest	-	-	-	-	-
		Total Principal	1,130,000.00	1,190,000.00	1,250,000.00	1,320,000.00	1,380,000.00
		Total Interest	734,250.00	676,250.00	615,250.00	551,000.00	483,500.00
		Total BAN Interest	-	-	-	-	-
		Total Proposed Debt	1,864,250.00	1,866,250.00	1,865,250.00	1,871,000.00	1,863,500.00
		Actual Net Debt service	4,103,538.81	3,765,139.34	3,695,639.11	3,433,639.10	3,376,376.76
		Projected Net Debt	415,623.04	414,233.48	414,723.91	414,969.13	415,234.78
		Proposed Net Debt	1,864,250.00	1,866,250.00	1,865,250.00	1,871,000.00	1,863,500.00
		Total Actual, Projected & Proposed Net Debt	6,383,411.85	6,045,622.82	5,975,613.02	5,719,608.23	5,655,111.54

City of Salem – Financial Reserve Policy

Stabilization Fund

A stabilization fund is a fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of the city council is required to establish, amend the purpose of, or appropriate money from the stabilization fund.

The City has set a target level for the Stabilization fund of 5% of the City's current general fund operating budget (6.1M based on 2014 budget). The target funding date is projected to occur by fiscal year 2016. The stabilization fund shall be funded by appropriations from free cash, operating budget appropriations when available, and other one time non-recurring revenues that become available for appropriation per M.G.L.

1. Any draw down of the stabilization fund from the prior fiscal year should be allocated from the certified free cash if available.

2. Twenty percent of any free cash available after funding #1 above will be allocated from free cash to the stabilization fund, up to the proposed reserve balance of the stabilization fund (5% of operating budget).

The stabilization fund should only be used for the following circumstances:

1. When net State Aid (receipts less assessments) is reduced by an amount less than the average of the prior two years.

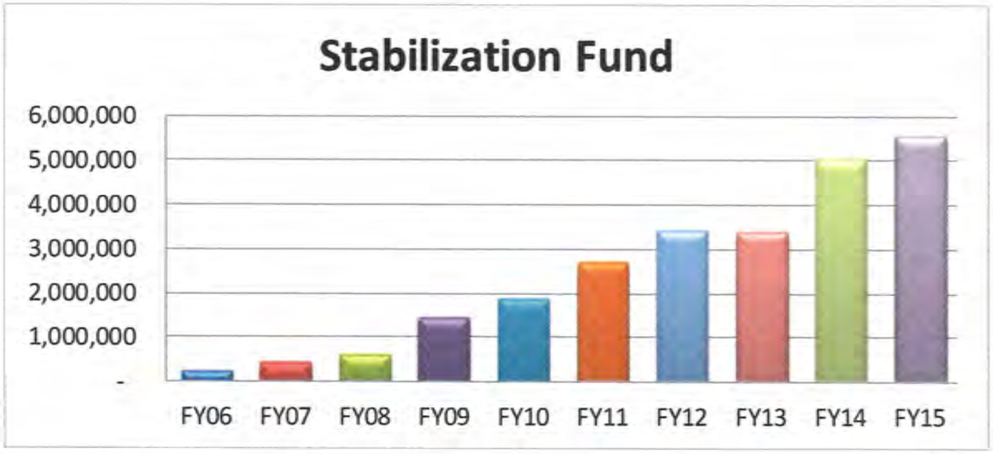
2. When Local Receipts projected are below a three per cent (3%) increase of the prior two year's actual receipts as reported on page three of the Tax Rate Recapitulation as certified by the Director of the Bureau of Accounts (excluding non-recurring receipts).

3. When there is a catastrophic or emergency event(s) that cannot be supported by current general fund appropriations.

In FY 2014 there was a transfer made from the general fund to the stabilization fund. The transfer was $1,099,742 which was 20% of the free cash certification. We also transferred $522,438.00 from free cash to the stabilization fund to replenish the money appropriated in FY 2013 for union contract settlements and to cover the end of year water enterprise fund deficit.

In FY 2014, any remaining balance will be transferred to the stabilization fund. Should factors changes between now and the time the actual tax rate is set, or once Free Cash has been certified, there could be transfers to the stabilization fund at that time. We anticipate 20% of the FY 2015 Free cash certification to be transferred to stabilization as per policy.

Stabilization Fund		
Fiscal Year	Revenue	
2006	277,759	
2007	487,980	
2008	648,947	
2009	1,489,907	
2010	1,913,913	
2011	2,736,777	
2012	3,453,722	
2013	3,438,799	
2014	5,100,000	Estimated
2015	5,600,000	Estimated



Retirement Stabilization Fund

The Retirement Stabilization Fund was created in FY 2008 to fund all appropriations for sick and vacation time earned by an employee as regulated by collective bargaining agreements or City of Salem policy for non-union and management employees. When budget season begins, the finance department will request each department to determine if there are any employees in their department who may be retiring. Departments (including Salem Public Schools) will submit list of employees and the anticipated amounts of each employee's retirement buyout.

In FY 2013 the Commonwealth of Massachusetts created Massachusetts General Law Chapter 40 Section 13D which authorizes the creation of a retirement stabilization account to fund future payment of accrued liabilities for compensated absences. A council order was submitted to the City Council on May 23, 2013 to adopt this legislation.

The Finance Department will calculate the cumulative amount of anticipated retirement dollars needed for the following year's budget and incorporate the amount into the Mayor's recommended budget submitted to Council. There is line item within the Budget Transfers Out to account for retirement anticipations. This line item will be reviewed and voted on by the City Council as it does with other budgets.

Once Council approves the budget, the funds are then booked into the Retirement Stabilization Fund as voted. Appropriations both into and from the Retirement Stabilization Fund require a 2/3 vote of the City Council.

1. The fund is limited to 10% of the prior year's tax levy.

2. All interest earned in the Retirement Stabilization Fund will stay with the Fund.

Any appropriations that are not used during the fiscal year will be carried over into the next fiscal year as a fund balance. All employees who are on the list will then be compensated at retirement for their accrued sick, vacation, and other benefits that they are entitled once approved by both Human Resources and the Department Head.

If an employee retires and was not budgeted for in the Retirement Stabilization Fund, the department head shall submit a request to the human resource department who will verify the buyback amounts and forward the request to the Finance Department. The Finance Director will consider the request and fund it from surplus Retirement Stabilization funds or other available funds. It is the policy of the City to build up an adequate reserve in the retirement anticipation fund to cover those retirements that were not anticipated.

In FY 2014 we budgeted $600,000 to be transferred from the General Fund to the Retirement Stabilization Fund to cover anticipated retirements with the City and School during the year. In FY 2015 we are once again budgeting $600,000 to be transfer to this fund.

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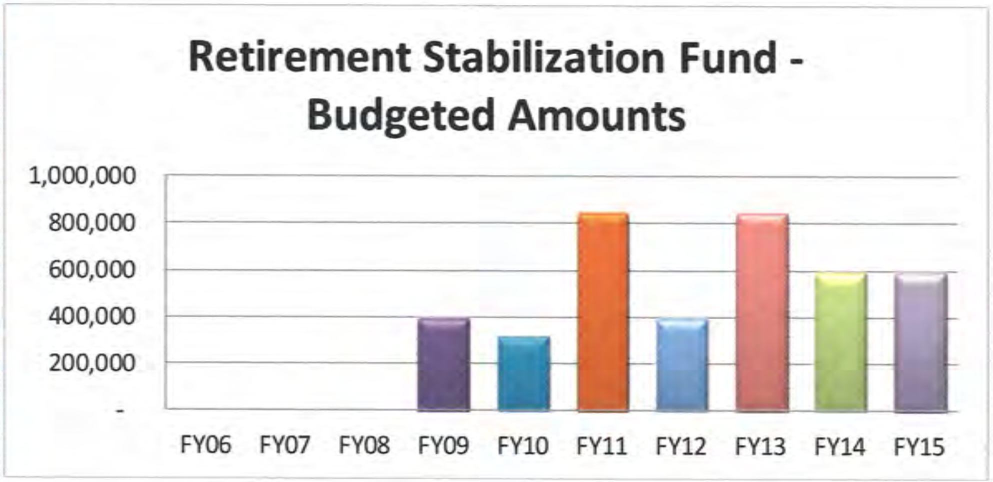
Retirement Stabilization Fund Budgeted Amounts		
Fiscal Year	Revenue	
2006		
2007		
2008		
2009	400,000	
2010	325,000	
2011	850,000	
2012	400,000	
2013	850,000	
2014	600,000	Per Recap
2015	600,000	Estimated



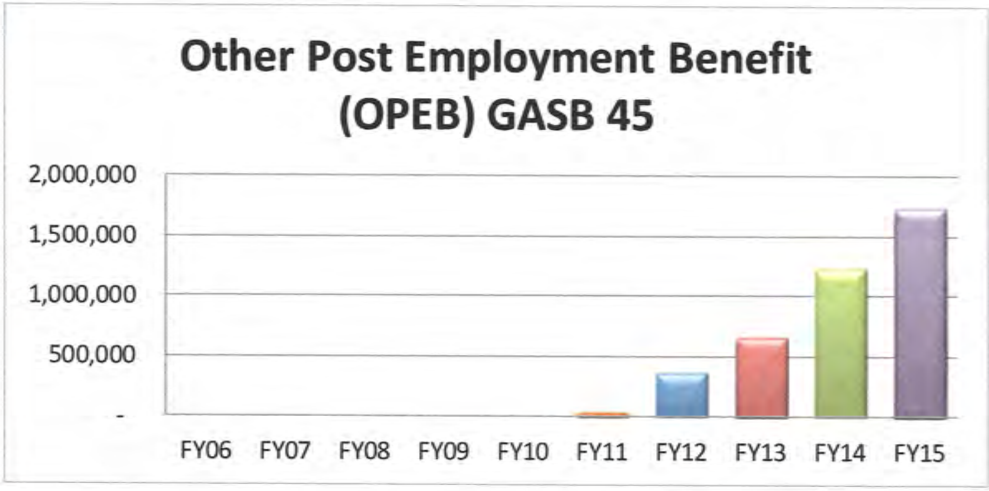
Other Post Employment Benefit (GASB 45)

The City is mandated by the Governmental Accounting Standards Board (GASB) to start accounting for Other Post Employment Benefit (OPEB) as outlined in statement 45. In FY 2011 the City Council voted to establish n OPEB Stabilization Fund. We anticipate funding this account through annual appropriation from certified free cash (10%) as we do for our Capital Project and our Stabilization fund.

Ten percent (10%) of any free cash certified will be allocated from free cash to the OPEB Reserve Fund for the future liability of current worker's post employment benefits (other than retirement pension). This includes the cost of health, life, and dental benefits. The amount to be funded for GASB 45 is to be determined by an actuarial study that is to be performed by an actuary that the City chooses (perhaps in conjunction with actuarial studies done by the Salem Contributory Retirement System).

In FY 2014 the City transferred $549,871 (10% of the FY 2013 certified free cash) to this fund. Any remaining balance in free cash at the end of the fiscal year *may* also be transferred to this fund at the discretion of the Finance Director and Mayor.IN FY 2015 we're estimating another transfer of 500K to OPEB.

Other Post Employment Benefit (OPEB) GASB 45		
Fiscal Year	Revenue	
2006		
2007		
2008		
2009		
2010		
2011	50,000	
2012	374,924	
2013	675,003	
2014	1,250,000	Estimated
2015	1,750,000	Estimated



Capital Project Fund – Short-Term Supplemental Miscellaneous & Unanticipated Funds

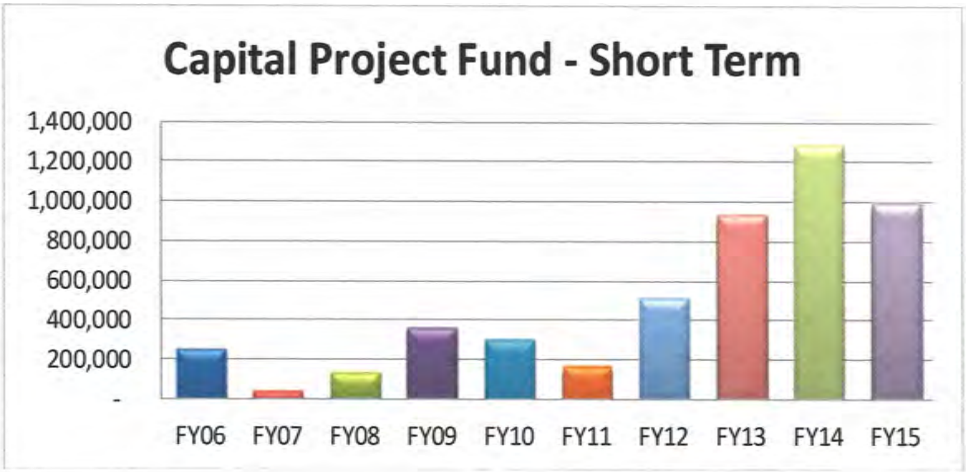
The City of Salem uses a capital project fund to supplement the short-term capital needs of the City.

1. Twenty percent of any free cash available after funding #1 above will be allocated from free cash to the Capital Improvement Program (CIP) Fund.

These funds are used during the fiscal year for to supplement the Capital Improvement Plan (Section 7) for unanticipated or emergency equipment or repairs as needed, or for those items that don't meet the CIP criteria (value > $25,000 and a life expectancy of 5 or more years).

In FY 2014, $1,099,742 (20%) of the free cash was allocated to the CIP fund. In FY 2015 we did not budget any money to be transferred from the General Fund to the Capital Projects Fund. Additional funds (20% of free cash) will be transferred once the Free Cash has been certified by the Department of Revenue (DOR). We estimate the FY 2015 beginning fund balance to be approximately $1M.

Capital Project Fund - Short Term		
Fiscal Year	Revenue	
2006	265,606	
2007	53,259	
2008	146,131	
2009	367,567	
2010	309,240	
2011	177,173	
2012	525,874	
2013	947,324	
2014	1,300,000	Estimated
2015	1,000,000	Estimated



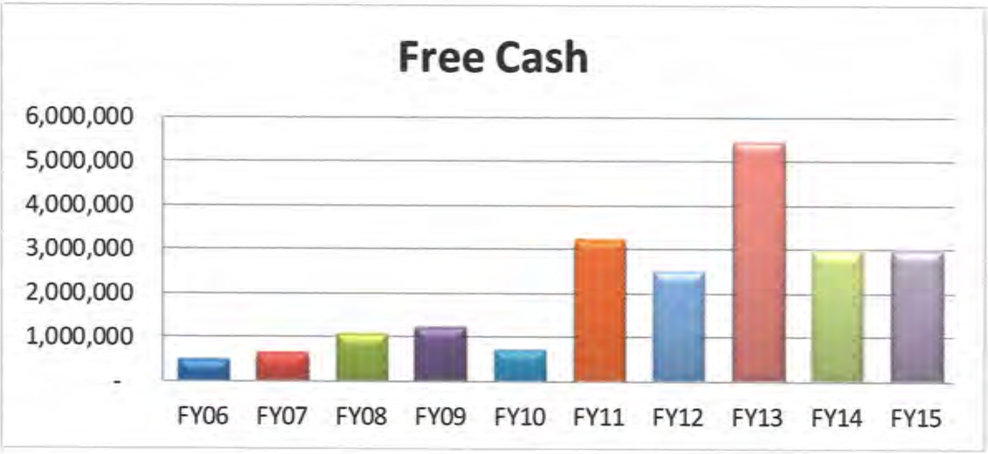
Free Cash

Free cash is the remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax rate recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Free cash is not available for appropriation until certified by the Massachusetts Director of Accounts. Free cash is the term used for a community's funds that are available for appropriation. Once free cash is certified, it is available for appropriation by City Council.

Free cash may be used for any lawful municipal purpose and provides communities with flexibility to fund additional appropriations after the tax rate has been set. Free cash balances do not necessarily carry forward to the next fiscal year (July 1st); the Director's certification expires on June 30th at the end of the fiscal year.

The City's policy is to use free cash for reserves, capital, and special uses in accordance with the policies set forth by the Mayor and Finance Director as stated above. Any free cash available after funding the above may be used to augment trust funds related to fringe benefits and un-funded liabilities related to employee benefits, including Health Insurance Trust Fund, Workers' Compensation Fund, Unemployment Fund, and any health benefits payable through Police and Fire operating budgets (111f settlements). Free Cash available may also be used to augment general fund appropriations for expenses that increased due to extraordinary and/or unforeseen events as detailed by the department head of the affected budget. In FY 2015 we expect to see approximately $3M available for free cash.

Free Cash Certified by DOR		
Fiscal Year	Revenue	
2006	538,372	
2007	691,149	
2008	1,114,950	
2009	1,261,200	
2010	750,607	
2011	3,249,238	
2012	2,525,829	
2013	5,498,710	
2014	3,000,000	Estimated
2015	3,000,000	Estimated



Retained Earnings – Enterprise Funds

Retained Earnings is the portion of Net Assets Unrestricted that is certified by the Department of Revenue as available for appropriation. Certification requires submission of a June 30 balance sheet accompanied by all information necessary to calculate free cash in the General Fund. Once certified, retained earnings may be appropriated through the following June 30 and no appropriation may be in excess of the certified amount.

Retained earnings may be appropriated to:

1. Fund direct costs of the enterprise for the current fiscal year;
2. Fund costs appropriated in the General Fund operating budget and allocated to the enterprise for the current fiscal year;
3. Reimburse the General or other fund for subsidized capital costs of the enterprise not already reimbursed for the two full, immediately prior, fiscal years.

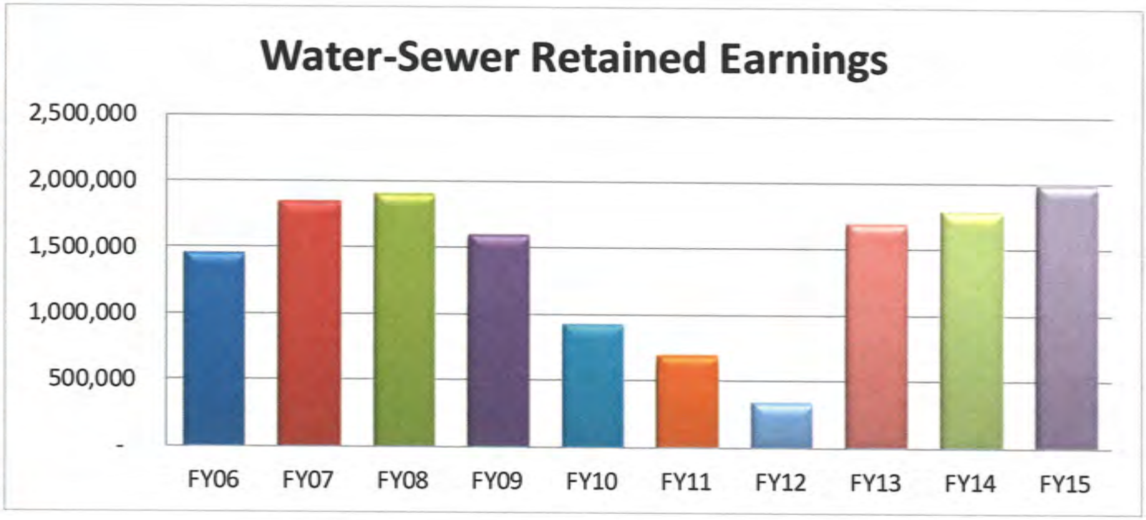
The City of Salem generally uses Water & Sewer retained earnings to fund capital improvements that may come up during the fiscal year as well as emergency repairs needed due to water or sewer main breaks or other related repairs. Some capital equipment may be funded during the year from these as well.

In FY 2013 the Mayor submitted a council order to request that the water and sewer enterprise funds be combined for FY 2014 as allowed by the Department of Revenue as outlined in Bulletin 2012-B (page 3/7). Over the past two years the Water Enterprise fund revenues have been insufficient to cover expenses and the City had to appropriate free cash to cover the deficits. Part of the problem was the one time use of retained earnings in FY 2012 to supplement the revenue. That funding was not used in FY 2013 and the rate increases were insufficient to cover expenses. In FY 2013 we had to raise $218,738 on the General Fund RECAP to cover the FY 2012 deficit. We also had to appropriate Free Cash to cover the June 30, 2013 deficit of $307,522.50. By combining the funds we can use sewer revenue to help offset the water deficit. We are also requesting a 5% increase on both water and sewer rates for FY 2014 to cover further deficits and to build up funds to pay for anticipated water and sewer capital projects including the Canal Street project.

The water and sewer funds will remain in separate funds for accounting and budgeting purposes within the City. But they will be combined for reporting purposes on the City's annual financial statements (CAFR), when calculating Retained Earnings by the Department of Revenue, and when filing the City's annual Tax Recapitulation (RECAP).

The following are the Sewer and Water COMBINED retained earnings as of June 30, 2013. In FY 2014 we received $380K from the South Essex Sewer District (SESD). This money was Salem's retained earnings being held by the SESD. We anticipate approximately $2M in retained earnings for FY 2015 Sewer and Water (combined).

Water-Sewer Retained Earnings Certified by DOR		
Fiscal Year	Revenue	
2006	1,474,520	
2007	1,854,176	
2008	1,912,684	
2009	1,613,402	
2010	940,553	
2011	701,214	
2012	347,312	
2013	1,704,682	
2014	1,800,000	Estimated
2015	2,000,000	Estimated



The Trash Enterprise fund is not a fully self-supporting fund and only has minimal retained earnings.

Trash Retained Earnings Certified by DOR		
Fiscal Year	Revenue	
2006	0	
2007	-11,054	
2008	-43,454	
2009	7,905	
2010	66,613	
2011	75,000	
2012	110,108	
2013	323,738	
2014	350,000	Estimated
2015	370,000	Estimated

City of Salem - Investment Policy

Section I - The investment of General Funds, Special Revenue Funds, Enterprise Funds, and Capital Projects Funds.

Scope

This section of the policy applies only to short term operating funds such as general funds, special revenue funds, enterprise funds, and capital project funds. Section 2 will deal with trust funds, bond proceeds, and any other funds with special circumstances such as stabilization funds. A separate Contributory Retirement Board, either local or county, is responsible for the investment of the pension funds.

Objectives

Massachusetts General Laws, Chapter 44, section 55B requires the municipal/district treasurer to invest all public funds except those required to be kept un-invested for purposes of immediate distribution. Modern banking systems enable the public treasurer to maintain even these funds in interest bearing form until the date a disbursement order clears through the banking system.

The state law further requires that invested funds are to be placed at the highest possible rate of interest reasonably available, taking account of safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with safety of principal while meeting the daily cash requirements for the operation of the entity's business.

- ***Safety*** of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital through the mitigation of credit risk and interest rate risk. The diversification and prudent selection of investment instruments and choice of depository shall mitigate these risks. Credit risk is the risk of loss due to the failure of the security issuer or backer. Interest rate risk is the risk that the market value of the security will fall due to changes in general interest rates.

- ***Liquidity*** is the next most important objective. The overall investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the treasurer shall carry out investment activities in a manner that provides for meeting unusual cash demands without the liquidation of investments that could result in forfeiture of accrued interest earnings, and loss of principal in some cases.

- *Yield* is the third, and last, objective. Investments shall be undertaken so as to achieve a fair market average rate of return, taking into account safety and liquidity constraints as well as all legal requirements.

Investment Instruments

The Treasurer may invest in the following instruments:

1. Massachusetts State pooled fund: Unlimited amounts (Pool is liquid)

   The Massachusetts Municipal Depository Trust (MMDT), an investment pool for state, local, county and other independent governmental authorities, is under the auspices of the Massachusetts State Treasurer and currently managed by Fidelity Investments. It invests in Bankers Acceptances, Commercial Paper of high quality, Bank Certificates of Deposit, Repurchase agreements (Repos), and U. S. Treasury Obligations. It has Federal Deposit Insurance Corporation (F.D.I.C.) pass-through insurance on the CD's and takes delivery on the Repos and Treasuries. Under Government Accounting Standards Board Regulation (GASB III), it is not considered an uncollateralized product.

2. U. S. Treasuries that will be held to maturity: Unlimited amounts (Up to one-year maturity from date of purchase)

3. U.S. Agency obligations that will be held to maturity. Unlimited amounts (Up to one-year maturity from date of purchase)

4. Bank accounts or Certificates of Deposit, hitherto termed CD's. (Up to one year) which are fully collateralized through a third party agreement: Unlimited amounts

5. Bank accounts and CD's (Up to one year) fully insured by F.D.I.C. and in some cases also Depository Insurance Fund of Massachusetts (D.I.F.M): $250,000 limit all bank accounts and CD's in one institution are considered in the aggregate to receive the $250,000 insurance coverage.

6. Unsecured bank deposits of any kind such as other checking, savings, money market, or Certificates of Deposit accounts at Banks that do not fit the above categories. These investments are subject to the following limitations: These investments will be limited to no more than 5% of an institution's assets and no more than 10% of a municipality's cash. Their credit worthiness will be tracked by Veribanc, Sheshunoff, or other bank credit worthiness reporting systems. They will be diversified as much as possible. CD's will be purchased for no more than three months and will be reviewed frequently.

7. Money Market Mutual Funds that are registered with the Securities and Exchange Commission that have received the highest possible rating from at least one nationally recognized statistical rating organization and as otherwise referenced in the

Massachusetts General Law 44 Section 55.

8. Risk Tolerance

Credit Risk is the risk that an issuer or other counterparty to an investment neither will nor fulfill its obligations. The City will manage credit risk several ways. There will be no limit to the amount of United States Treasury and United States Government Agency obligations, as they carry an AAA rating. In regards to other investments, the City will only purchase investment grade securities with a high concentration in securities rated A or better. The City may invest in the Massachusetts Municipal Depository Trust (MMDT) with no limit to the amount of funds placed in the fund.

Custodial Risk is the risk for deposits that in the event of the failure of a depository financial institution, a municipality will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a municipality will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City will review the financial institution's financial statements and the background of the Advisor. The intent of qualification is to limit the City's exposure to only those institutions with a proven financial strength, Capital adequacy of the firm, and the overall affirmative reputation in the municipal industry. Further all securities not held directly by the City, will be held in the City's name and tax identification number by a third party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized or not exist.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The City will manage interest rate risk by managing duration in the account.

Foreign Currency Risk is the risk that changes in foreign monetary exchange rates will adversely affect the fair value of an investment. The City will not invest in any instrument exposed to foreign currency risk.

Diversification

Diversification should be interpreted in two ways: in terms of maturity as well as instrument type and issuer. The diversification concept should include prohibition against over concentration of maturities as well as concentration in a specific institution. With the exception of U.S. Treasury obligations or investments fully collateralized by U.S. Treasuries or agencies, and State pools (MMDT), no more than 10% of the Town's investments shall be invested in a single financial institution.

Authorization

The Treasurer has authority to invest municipality/district funds, subject to the statutes of the Commonwealth cited above.

Ethics

The Treasurer (and any Assistant Treasurers) shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair or appear to impair ability to make impartial investment decisions. Said individuals shall disclose to the Chief Executive Officer any material financial interest in financial institutions that do business with the City. They shall also disclose any large personal financial investment positions or loans that could be related to the performance of the town's investments.

Relationship with Financial Institutions

Financial institutions should be selected first and foremost with regard to safety. Municipalities/Districts should subscribe to and use one or more of the recognized bank rating services, such as Veribanc or Sheshunoff. Brokers should be recognized, reputable dealers.

The Treasurer shall require any brokerage houses and broker/dealers, wishing to do business with the municipality, to supply the following information to the Treasurer:

- Audited financial statements
- Proof of National Association of Security Dealers certification
- A statement that the dealer has read the municipality's investment policy and will comply with it
- Proof of credit worthiness (minimum standards: at least five years in operation and a minimum capital of 10 million dollars)

Section II - The Investment of Trust Funds and Bond Proceeds

This section of the policy applies only to funds that could be invested long term, i.e. trust funds, stabilization funds and bond proceeds. For issues subject to arbitrage rebate, an arbitrage tracking system such as those available at banks and Mass Municipal Depository Trust (MMDT) will be used to track expenditures of and interest earned on borrowed funds. Alternative tracking systems should be approved by and used under the advice of Bond Counsel.

Arbitrage Regulations

Tax free debt may be issued by cities, towns, and districts, which means that they are able to borrow at rates well below market rates. At the same time, the federal government has issued regulations to prevent them from issuing debt with the goal of investing the borrowed funds at a higher rate of interest than that at which the money was borrowed, or committing arbitrage. If the federal regulations are not followed, there are fines and penalties, but even worse, the tax free status of the debt could be jeopardized. The following arbitrage regulations will be followed:

Unless debt is issued as a "small issuer," that is, an entity issuing less than $10 million of tax exempt debt in a calendar year, the proceeds shall be used within certain prescribed time frames, or be subject to fines and penalties as described above.

Following are the general rules and time frames for spending borrowed funds in order to avoid having to pay a rebate to the Federal government on investment income earned on the borrowed funds. All funds must be used according to the following schedules or sooner:

CONSTRUCTION DEBT	
First six months:	10%
First year:	45%
Eighteen months:	75%
Two years:	100%

CAPITAL EXPENDITURES DEBT OTHER THAN CONSTRUCTION PROJECTS	
First six months:	15%
First year:	60%
Eighteen months:	100%

ALL OTHER MUNICIPAL PURPOSE DEBT
First six months: 100%

Trust Funds

Trust Funds may be co-mingled and invested in any instruments allowed by the Legal List issued by the Banking Commissioner each July. Each trust fund must be accounted for separately.

Stabilization Funds

The Stabilization Fund shall not exceed ten per cent of the equalized valuation of the city or town, and any interest shall be added to and become a part of the fund. The treasurer may invest the proceeds in the following:

- National Banks
- Savings Banks
- Cooperative banks or trust companies organized under Massachusetts laws
- Securities legal for savings banks (i.e. those on the Legal List described above)
- Federal Savings and Loan Associations situated in the Commonwealth
- Massachusetts Municipal Depository Trust

Reporting Requirements

On a regular basis (quarterly, semi-annually, or annually), a report containing the following information will be prepared by the Treasurer and distributed to the Chief Executive Officer, Town Manager, and/or Finance Committee, as appropriate. The quarterly report will include the following information, as a minimum requirement:

- A listing of the individual accounts and individual securities held at the end of the reporting period.
- A listing of the short-term investment portfolio by security type and maturity to ensure compliance with the diversification and maturity guidelines established in the "Diversification" section of this Investment Policy.
- A summary of the income earned on a monthly basis and year to date basis shall be reported.
- The municipal treasurer shall include in the report a brief statement of general market and economic conditions and other factors that may affect the City's cash position.
- The report should demonstrate the degree of compliance with the tenets set forth in the Investment Policy.

City of Salem - Debt Policy

Bond Ratings – Upgraded

Standard & Poor's Rating Services

On December 10, 2013 the City of Salem received notification from Standard and Poor's that they City's bond rating was upgraded from A+ to AA based on their view of the City's improved financial management procedures and sound budgeting practices. The increased bond rating will help decrease the City's borrowing costs and send a positive message with regard to the City's approach to budgeting both operational and capital needs. S&P assigned the 'AA' long-term rating to the city's series 2013 general obligation municipal purpose loans. The outlook is stable.

The bond rating upgrade is a great acknowledgement of all of the City's work to improve the management of its finances. This is a confirmation that, despite the down economy, Salem is managing its resources as well as it can.

Reasons for the upgrade cited by Standard and Poor's include:

- Very strong economy, which participates in the strong Boston metropolitan statistical area (MSA);
- Strong budgetary flexibility, with 2013 available reserves in excess of 8% of general fund expenditures;
- Strong budgetary performance and stable and consistent revenue profile;
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Strong management practices and policies that we believe are embedded and sustainable;
- Adequate debt and contingent liabilities; and
- Strong institutional framework.

Moody's Investors Service

Rating Update: October 31, 2012

Moody's revises outlook on City of Salem's general obligation debt to stable from negative and affirms Aa3 underlying rating. Affirmation of the Aa3 rating reflects Salem's stable financial position with adequate reserve levels, sizeable coastal tax base, and managable debt position. Assignment of the stable outlook incorporates Moody's expectation that the City will continue to maintain a healthy financial position, amidst ongoing expenditure pressures.

Strengths:

- Sizeable, coastal tax base with health redevelopment potential
- Adequate reserve levels
- Conservative approach to budgeting revenues and managing expenditures
- City has begun to address long-term OPEB liability

Challenges:

- Moderate reliance on state aid
- Significant long-term liabilities for pension and OPEB
- Declining taxable values in the City

Capital Improvement Projects

When the city finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project. Total net debt service payments from general obligation debt will not exceed five (5) percent of total annual operating budget as listed on part 1a of the annual tax rate recapitulation as submitted to the Department of Revenue. Per the total amount to be raised on the FY14 Tax Rate Recapitulation Sheet - $143,248,497 this limit would be $7,162,424. The FY15 amount would be calculated on the actual amount to be raised on the FY15 RECAP sheet estimated at $147M or $7,350,000.

Debt will only be issued for capital that is valued greater than $25,000, and has a depreciable life of five (5) or more years. A cash flow statement will be required for each project funded with long term debt. Total general obligation debt will not exceed the limits provided in the state statues.

Whenever possible, the city will use special revenue funds, special assessments, or other self-supporting bonds, instead of general obligation bonds. The city will not use long-term debt for current operations unless otherwise allowed via special legislation.

The city will maintain good communications with bond rating agencies about its financial condition. The city will follow a policy of full disclosure on every financial report and bond prospectus.

General Information on Debt Authorization and Legal Limit

Notes and notes including refunding notes are generally authorized on behalf of the City by vote of two-thirds of all the members of the City Council with the approval of the Mayor. Provision is made for a referendum on the filing of a petition bearing the requisite number of signatures. Borrowings for certain purposes require state administrative approval. When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes Temporary loans in anticipation of certain state and county reimbursements are generally authorized by majority vote but provision is made for temporary loans in anticipation of current revenues and federal grants and for other purposes in certain circumstances without City Council authorization.

The general debt limit of the City consists of a normal debt limit and a double debt limit. The normal debt limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The City can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the double debt limit) with the approval of the State's Municipal Finance Oversight Board. Based on the City's equalized valuation (EQV) of $4,256,808,900, effective January 1, 2013, its normal debt limit is $212,840,445 and its double debt limit is $425,680,890.

There are many categories of general obligation debt which are exempt from and do not count against the general debt limit. Among others, these exempt categories include revenues anticipation notes and grant anticipation notes; emergency loans exempted by special laws, bonds for water (limited to 10 percent of equalized valuation), housing, urban renewal and economic development (subject to various debt limits) and electric, gas, community antenna television systems, and telecommunication systems (subject to separate limits. Revenue bonds and water pollution abatement revenue bonds are not subject to these debt limits. The general debt limit and the special debt limit for water bonds apply at the time debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful un-appropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. In any event, the period from an original borrowing to its final maturity cannot exceed one year.

Types of Obligations

General Obligations - Massachusetts cities and towns are authorized to issue general obligation indebtedness of the following types:

Serial Bonds and Notes.- These are generally required to be payable in equal or diminishing annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. Level debt service is permitted for bonds and notes issued for certain purposes including self supporting enterprise purposes, certain state aided school projects and for projects for which debt service has been exempted from property tax limitations. The maximum terms vary from one year to 40 years, depending on the purpose of the issue. Most of the purposes are capital projects. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum term measured from the date of the original bonds or notes. Serial bonds may be issued as "qualified bonds" with the approval the state Municipal Finance Oversight Board consisting of the Attorney General, the State Treasurer, the State Auditor, and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature in not less than 10 or more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service from state aid or other state payments. Administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Bond Anticipation Notes (BAN). These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed five years from their original dates of issuances, provided that (except for notes issued for certain school projects that have been approved for state school construction aid) for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. The maximum term of bonds issued to refund bond anticipation notes is measured from the date of the original issue of the notes, (except for certain school projects).

Revenue Anticipation Notes (RAN). These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue. (Such notes may be extended beyond fiscal year end in an amount not exceeding current receivables.)

Grant Anticipation Notes (GAN). These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. Generally they must mature within two years, but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds - Cities and towns may issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition to general obligation bonds and notes, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy.

City of Salem - Fraud Policy

The City of Salem is committed to protecting its revenue, property, information, and other assets from any attempt, either by members of the public, contractors, vendors, agents or its own employees, to gain by deceit, financial or other benefits at the expense of the taxpayers.

City Officials and employees must, at all times, comply with all applicable laws and regulations. The City will not condone the activities of officials or employees who achieve results through violation of the law or unethical business dealings. The City does not permit any activity that fails to stand the closest possible public scrutiny.

This policy sets out specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

Definitions

Occupational **fraud** is defined by the Association of Certified Fraud Examiners as the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets. There are three major categories of occupational fraud.

- **Asset Misappropriations** – Theft or misuse of an organization's assets.
    - Cash
        - Fraudulent Disbursements – Perpetrator causes organization to disburse funds through some trick or device (e.g. submitting false invoices/time card/sheets, expense reimbursement schemes, check tampering, etc.)
        - Skimming – Cash is stolen from an organization before it is recorded on the organization's books and records.
        - Cash Larceny – Cash is stolen from an organization after it has been recorded on the organization's books and records.
    - Inventory and all other assets
        - Misuse – Misuse of an organization's inventory or assets for personal use (e.g. City vehicles, computers, supplies, etc.)

        - Larceny – Inventory or other assets are stolen from an organization.

- **Corruption** – Wrongfully use influence in a business transaction in order to procure some benefit for themselves or another person, contrary to duty to employer or the rights of another.

    - Conflicts of Interest – An undisclosed economic or personal interest in a transaction that adversely affects the employer.
    - Bribery – The offering, giving, receiving, or soliciting of anything of value to influence an official act or business decision.
    - Illegal Gratuities – A party who benefits from an official act or a business decision gives a gift to a person who made the decision. An illegal gratuity does not require proof
    - Economic Extortion – An employee demands that a vendor/contractor/etc. pay to influence an official act or a business decision.

- **Fraudulent Statements** – Falsification of an organization's financial statements.

Other similar irregularities is defined as any activity involving questionable behavior or business dealings by members of the public, contractors, vendors, agents or government employees, that put government revenue, property, information and other assets at risk of waste or abuse.

Applicability

This policy applies to all Elected Officials and employees of the City of Salem as well as any business or individual doing business with the government.

General Policy and Responsibility

1. It is the government's intent to fully investigate any suspected acts of fraud or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, and length of service, or relationship with the government of any party who might be or becomes involved in or becomes/is the subject of such investigation.

2. Each Elected Official, Department Head, Commissioner and Manager is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations and other

irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

3. The Finance Director has the primary responsibility for the investigation of all activity defined in this policy.

4. The Finance Director will notify their Independent Auditing Firm and the Mayor of a reported allegation of fraudulent or irregular conduct upon the commencement of the investigation to the extent practical. Throughout the investigation the Mayor will be informed of pertinent investigative findings.

5. In all circumstance where there are reasonable grounds to indicate that a fraud may have occurred, the Finance Department and/or Independent Auditor, subject to the advice of Mayor and City Solicitor, will contact the office of the District Attorney and/or the Salem Police.

6. Upon conclusion of the investigation, the results will be reported to the Mayor and others as determined necessary.

7. The City Solicitor will pursue every reasonable effort, including court ordered restitution, to obtain recovery of the City's losses from the offender, or other appropriate source.

Procedures

1. All Employees

   Any employee who has knowledge of an occurrence of irregular conduct, or has reason to suspect that a fraud has occurred, shall immediately notify his/her supervisor. If the employee has reason to believe that their supervisor may be involved or does not feel comfortable reporting the occurrence to their supervisor, the employee shall immediately notify the OTA.

   Employees have a duty to cooperate during an investigation.

   Employees who knowingly make false allegations will be subject to discipline and possible termination of employment.

2. City Management/Elected Officials/Board Members

Upon notification from an employee of suspected fraud, or if management has reason to suspect that a fraud has occurred, they shall immediately notify the Finance Director.

3. Office of the Mayor

   Upon notification or discovery of a suspected fraud, the Finance Director and/or Independent Auditor will promptly investigate the suspected fraud. In all circumstances, where there are reasonable grounds to indicate that a fraud may have occurred, the Finance Director or Independent Auditor will inform the Mayor. Subject to the advice of the City Solicitor, the Finance Director or Independent Auditor will contact the Office of the District Attorney and/or the Salem Police.

4. Contacts/Protocols

   After an initial review and a determination that the suspected fraud warrants additional investigation, the Finance Director or Independent Auditor will notify the Mayor. The Finance Director or Independent Auditor will coordinate the investigation with the Mayor and appropriate law enforcement officials.

5. Security of Evidence

   Once a suspected fraud is reported, the Finance Director or Independent Auditor, in consultation with the City Solicitor, shall take immediate action to prevent the theft, alteration, or destruction of relevant records. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records. The records must be adequately secured until the Finance Director or Independent Auditor obtains the records to begin the audit investigation.

6. Personnel Actions

   If a suspicion of fraud is substantiated by the investigation, disciplinary action shall be taken by the Mayor, in consultation with the Personnel Director and the Finance Director or Independent Auditor.

7. Whistle-Blower Protection

Under Massachusetts General Law Chapter 149, paragraphs 148A, 185 and 187, no employer or person acting on behalf of an employer shall:

- Dismiss or threaten to dismiss an employee
- Discipline or suspend, or threaten to discipline or suspend, an employee
- Impose any penalty upon an employee; or
- Intimidate or coerce an employee

because the employee has acted in accordance with the requirements of this policy. The violation of this section will result in discipline up to an including dismissal in accordance with the applicable federal, state, and local administrative laws.

8. Media Issues

Any City employee or elected official contacted by the media with respected to an audit investigation shall refer the media to the Mayor's Office at 978-619-5600. The alleged fraud or audit investigation shall not be discussed with the media by any person other than the through the Mayor's Office.

If the Finance Director or Independent Auditor is contacted by the media regarding an alleged fraud or audit investigation, they will consult the Mayor, before responding to a media request.

Neither the Finance Director nor Independent Auditor will discuss the details of any ongoing fraud investigation with the media that may compromise the integrity of the investigation.

9. Documentation

At the conclusion of the investigation, the results will be reported to the Mayor and others as determined necessary. If the report concludes that the allegations are founded, the report will be forwarded to the Office of the District Attorney and/or the Salem Police.

10. Completion of the Investigation

Upon completion of the investigation, including all legal and personnel action, any records, documents and other evidentiary material will be returned by the Finance Director or Independent Auditor to the appropriate department.

11. Training

New employees are trained at the time of hiring about the City's Code of Conduct and Fraud Policy. This training explicitly covers expectations of all employees regarding:

(1) Their duty to communicate certain matters;

(2) A list of the types of matters, including actual or suspected fraud, to be communicated along with specific examples; and

(3) Information on how to communicate those matters.