

Why do we issue Debt/borrow funds?:

Towns must sometimes acquire a facility or piece of equipment that is so expensive it is preferable or necessary to pay for it over several years. State laws regulate the purposes for which towns may borrow, and how long such loans may last

Types of Debt borrowing:

Short Term (usually one to four years)

Long Term (five years or longer)

Debt Service:

The yearly payments of Principal and Interest on the borrowed sum

Interest Rates:

Are determined at the time the borrowing occurs

They remain fixed for the life of the loan period

Equalized Valuation (EQV) :

An estimate of the full and fair cash value of all property in the Town as of a certain taxable date. EQVs have historically been used as a variable in determining Debt Limits for Towns.

FY22 EQUALIZED VALUE in ORLEANS:	\$4,865,120,300
5.00% of EQV Debt Limit per MA Gen Law:	\$ 243,256,015
FY22 Orleans Outstanding Long Term Debt:	\$ 47,215,000
As percentage of Equalized Value:	.97%