



James P. Stith II
City Auditor

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11/24/2015

Hon. Thomas Williams, Mayor
City of Norwood

Dear Mayor Williams;

In follow up to our previous discussions on year end finances I would like to express concern about the end of 2015. So far, cash flow is down for November which makes the ability to payout several upcoming obligations come into question. Those items of concern are, payments to the C-9 Trust, Police and Fire Pension, Employee Longevity Pay, Police Buybacks and Police Training Allowance payments.

We will continue to work with the Police and Fire Pension fund and hope they will understand the late payment, we have also spoken with a member of the C-9 Trust about the outlook of the payment schedule. I am concerned that, if cash flow does not improve in December, the City may have difficulty paying the Employee Longevity Pay, Police Buybacks and Police Training Allowance payments. Our intention is to make as many of these payments as possible before the end of 2015 but some or all of these payments may have to be delayed until the first quarter of 2016.

January 2016 is a three payroll month and we are projecting a negative carryover due to the items discussed above. The large bond payment due in March 2016 will make the first half of the year difficult but we project improvement of our financial position as time progresses. Please notify those department heads you see fit to deliver such information to the employees which may be affected by this situation.

If you have any questions, please do not hesitate to call me to discuss this matter further.

Sincerely,

Jim Stith, Auditor

"Gem of The Highlands"