



Town of Amherst

Financial Trend Monitoring Report

October 2013

Financial Indicator Analysis

FY2004 - FY2013

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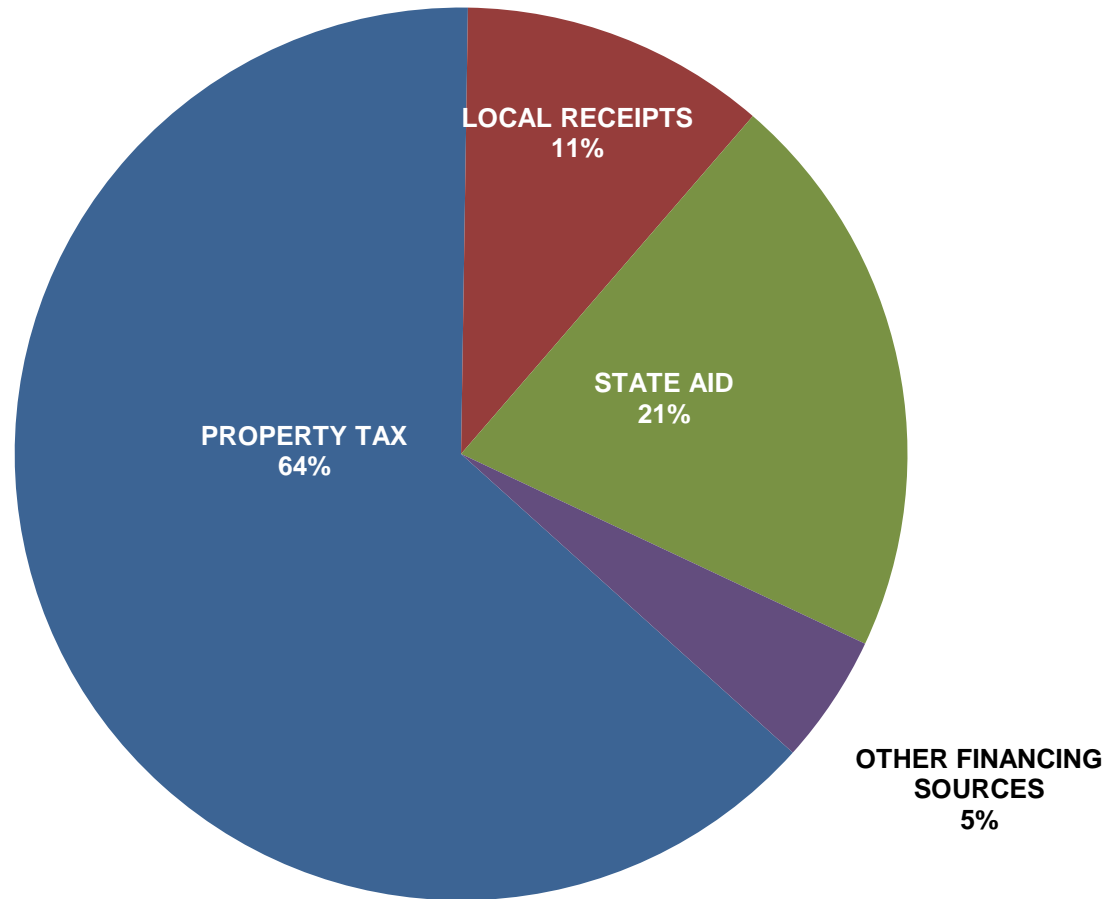
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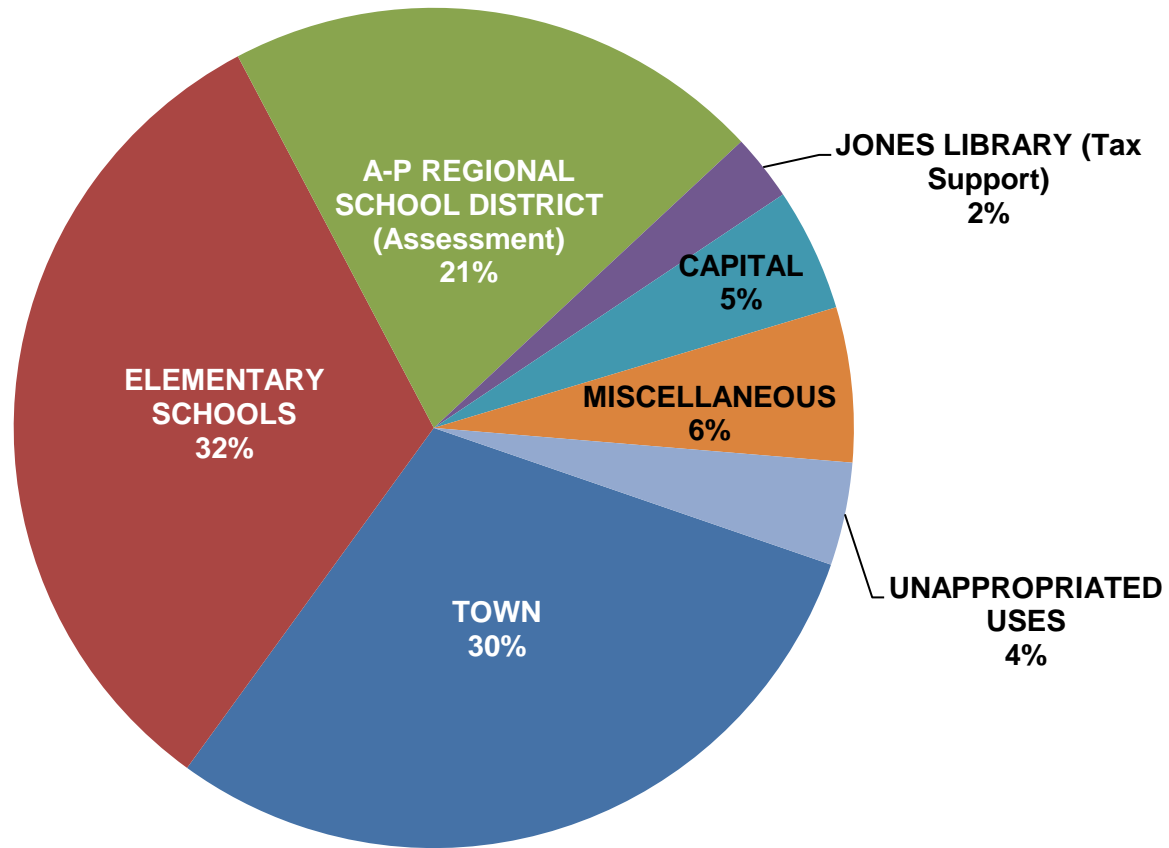
Note

This report was initially prepared in 2007 at the request of the Amherst Finance Director by three graduate students at the Center for Public Policy & Administration at the University of Massachusetts Amherst. Town staff have refined and expanded the template since then. The International City Management Association's (ICMA) Financial Trend Monitoring System served as the template for this analysis.

**Baseline Sources of
General Fund Revenues
FY14**

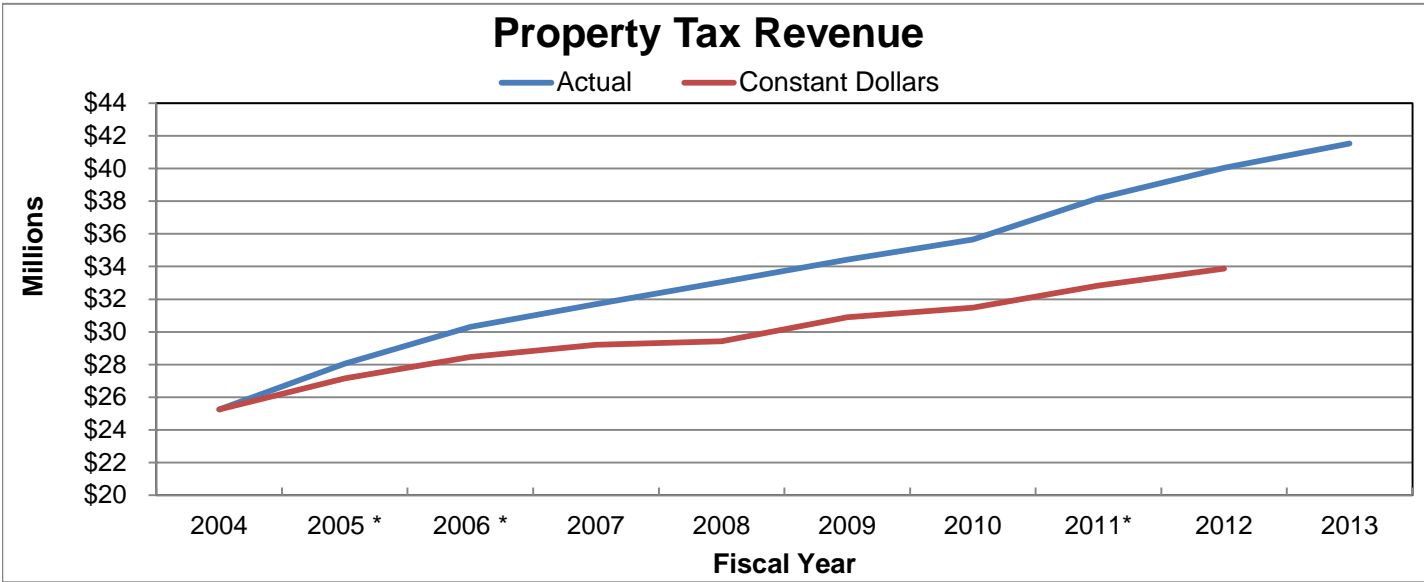


Current General Fund Expenditures FY14



3 - Property Tax Revenue

A decline in property tax revenues (measured in constant dollars) is considered a warning indicator.



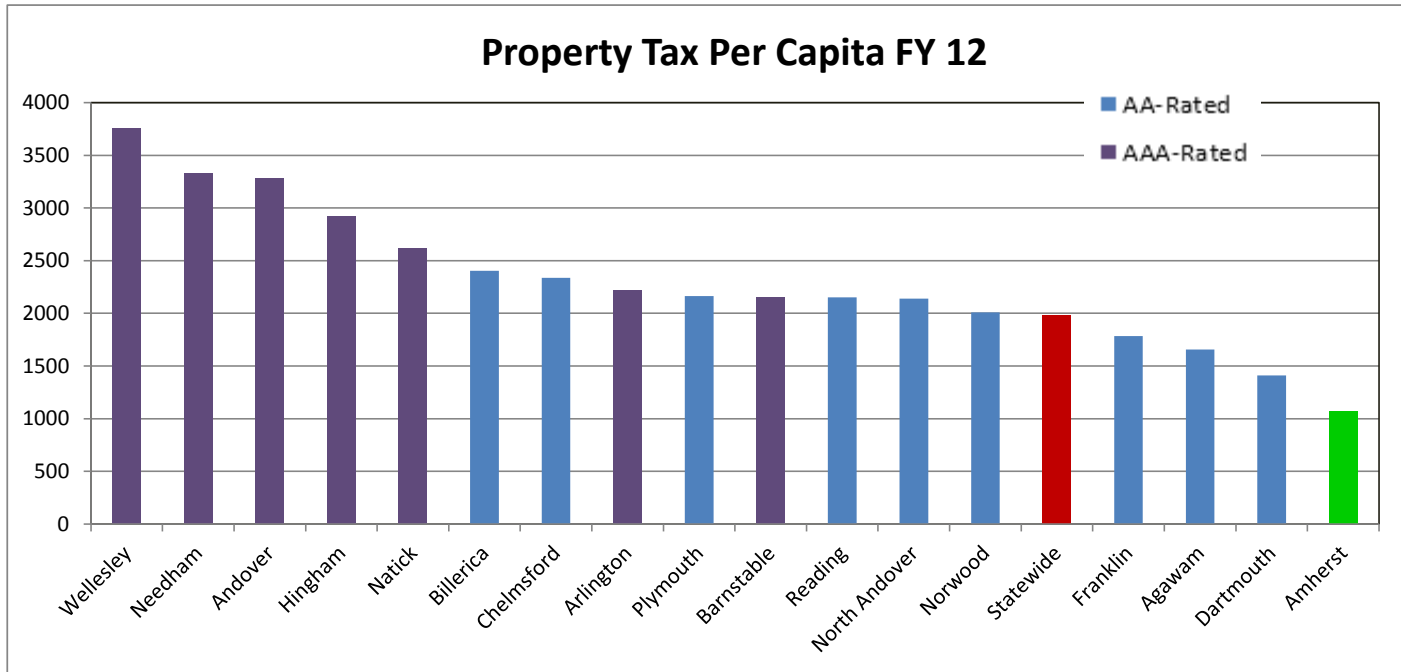
Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

The Property Tax is the Town's primary revenue source for both operating and capital spending. Annual increases are limited by Proposition 2 1/2. The substantial increase in property tax revenue in FY 05 and FY 06 is due to the override in 2004 and the increase in FY11 to the override in 2010. The analysis shows that the only significant increases in constant dollars from year to year occurred when the community passed an override.

Formula	Property Tax Revenues (Constant Dollars)									
Fiscal Year	2004	2005 *	2006 *	2007	2008	2009	2010	2011*	2012	2013
Residential Property Tax Levy	\$ 22,750,342	\$ 25,641,716	\$ 27,597,486	\$ 28,983,904	\$ 30,228,150	\$ 31,654,521	\$ 32,517,975	\$ 34,807,241	\$ 36,250,802	\$ 37,517,255
Commercial Property Tax Levy	\$ 2,287,047	\$ 2,270,532	\$ 2,225,570	\$ 2,311,801	\$ 2,287,655	\$ 2,335,621	\$ 2,615,297	\$ 2,724,022	\$ 2,887,813	\$ 3,030,827
Industrial Property Tax Levy	\$ 70,117	\$ 74,666	\$ 73,806	\$ 75,446	\$ 77,082	\$ 72,198	\$ 77,355	\$ 78,569	\$ 89,955	\$ 92,917
Personal Property Tax Levy	\$ 747,955	\$ 615,689	\$ 639,122	\$ 708,900	\$ 802,271	\$ 809,087	\$ 848,380	\$ 922,478	\$ 1,115,462	\$ 1,158,726
Property Tax Total	\$ 25,855,461	\$ 28,602,603	\$ 30,535,984	\$ 32,080,051	\$ 33,395,158	\$ 34,871,427	\$ 36,059,007	\$ 38,532,310	\$ 40,344,032	\$ 41,799,725
Less - Excluded Debt	\$ 598,717	\$ 555,553	\$ 220,641	\$ 382,217	\$ 340,425	\$ 441,321	\$ 400,837	\$ 352,466	\$ 305,688	\$ 259,374
Net Property Tax Revenue	\$ 25,256,744	\$ 28,047,050	\$ 30,315,343	\$ 31,697,834	\$ 33,054,733	\$ 34,430,106	\$ 35,658,170	\$ 38,179,844	\$ 40,038,344	\$ 41,540,351
CPI - U, Base Period = 1982-1984	209.5	216.4	223.1	227.4	235.4	233.5	237.3	243.6	247.6	
CPI - U, Adjustment for constant dollars (2004 dollars)	100%	97%	94%	92%	89%	90%	88%	86%	85%	
Property Tax Revenue (constant dollars)	\$ 25,256,744	\$ 27,152,759	\$ 28,467,344	\$ 29,202,710	\$ 29,417,870	\$ 30,891,251	\$ 31,480,770	\$ 32,835,293	\$ 33,877,355	\$ -
Percent Change - Property Tax Revenue (constant dollars)	100.0%	7.5%	4.8%	2.6%	0.7%	5.0%	1.9%	4.3%	3.2%	

* A \$2,000,000 override was approved by voters in March 2004 that was added to the tax levy over a 2-year period in FY 05 and FY 06. The \$1,680,000 override approved in March 2010 increases property tax bills beginning in FY 11 (July 2010 - June 2011).

3.1 - Property Tax Per Capita FY12



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

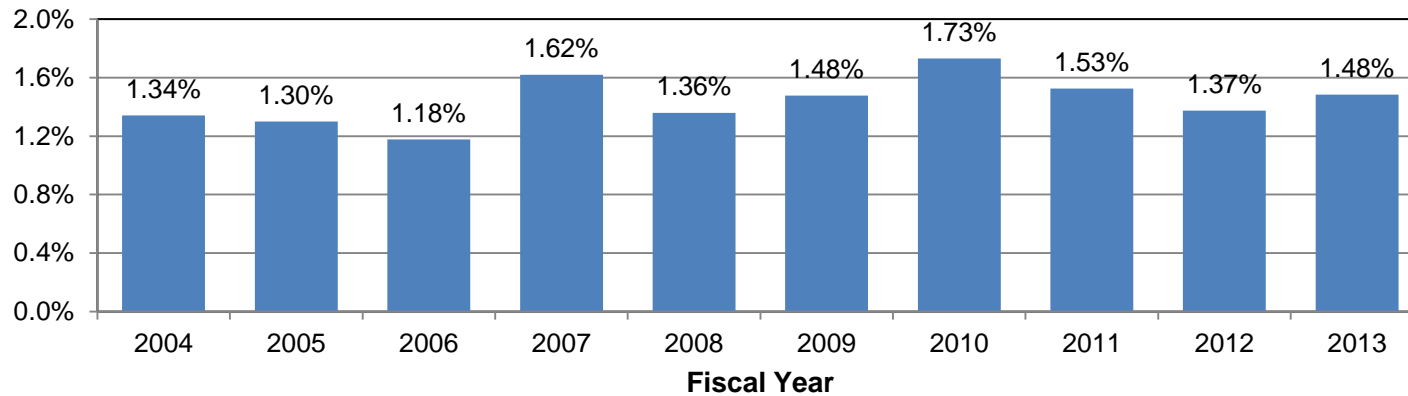
Amherst's per capita tax burden is lower than our peer communities and than the statewide average.

Municipality	Sum of Property Tax Per Capita	Municipality	Sum of Property Tax Per Capita
Wellesley	\$ 3,753.77	Barnstable	\$ 2,153.55
Needham	\$ 3,331.94	Reading	\$ 2,152.21
Andover	\$ 3,279.24	North Andover	\$ 2,138.35
Hingham	\$ 2,918.27	Norwood	\$ 2,009.99
Natick	\$ 2,619.38	Statewide	\$ 1,981.82
Billerica	\$ 2,402.83	Franklin	\$ 1,783.25
Chelmsford	\$ 2,336.13	Agawam	\$ 1,657.41
Arlington	\$ 2,217.40	Dartmouth	\$ 1,410.53
Plymouth	\$ 2,163.22	Amherst	\$ 1,066.77

4 - Uncollected Property Taxes

Uncollected property taxes (as a percent of the property tax levy) of 5-8 percent is considered a warning indicator by the Bond rating organizations.

Uncollected Taxes as a Percentage of Net Property Tax Levy



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

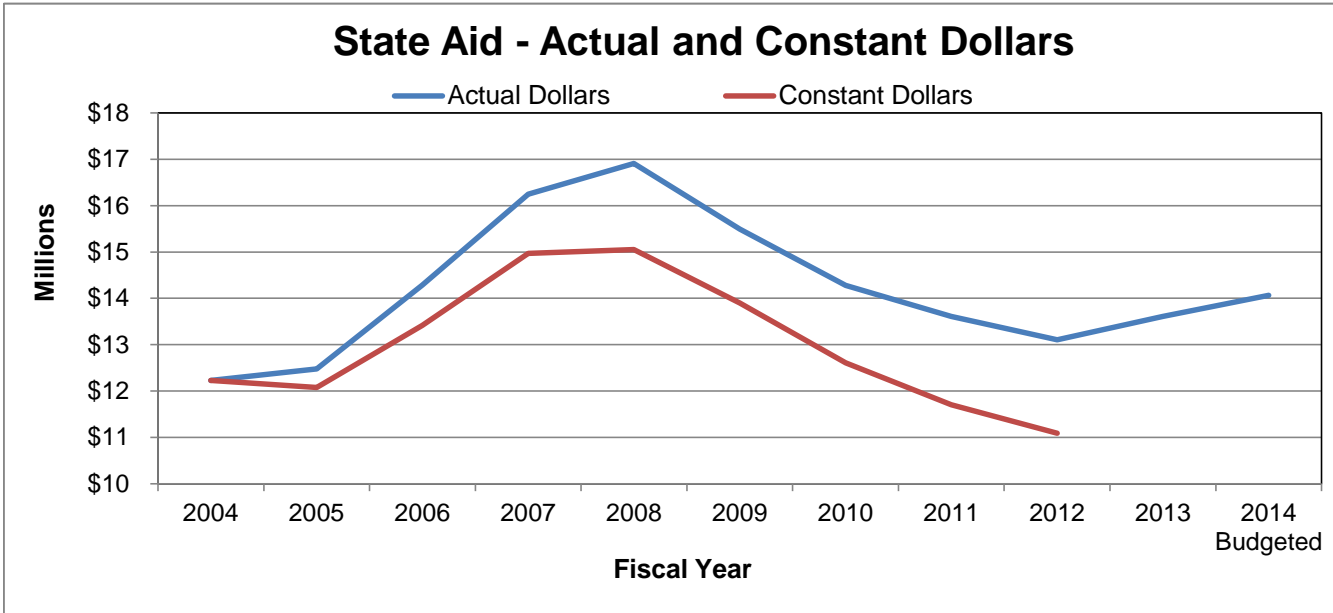
An increase in uncollected property taxes may indicate an inability by property owners to pay their taxes due to economic conditions. Additionally, as uncollected property taxes rise, liquidity decreases, resulting in less cash on hand for the Town to invest. Bond rating organizations generally consider uncollected taxes in excess of 5% as a warning trend. Amherst has maintained a strong position on this indicator, regardless of economic conditions.

Formula	Uncollected Taxes as a Percentage of Net Property Tax Levy									
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Residential Property Tax Levy	\$ 22,750,342	\$ 25,641,716	\$ 27,597,486	\$ 28,983,904	\$ 30,228,150	\$ 31,654,521	\$ 32,517,975	\$ 34,807,241	\$ 36,250,802	\$ 37,517,255
Commercial Property Tax Levy	\$ 2,287,047	\$ 2,270,532	\$ 2,225,570	\$ 2,311,801	\$ 2,287,655	\$ 2,335,621	\$ 2,615,297	\$ 2,724,022	\$ 2,887,813	\$ 3,030,827
Industrial Property Tax Levy	\$ 70,117	\$ 74,666	\$ 73,806	\$ 75,446	\$ 77,082	\$ 72,198	\$ 77,355	\$ 78,569	\$ 89,955	\$ 92,917
Personal Property Tax Levy	\$ 747,955	\$ 615,689	\$ 639,122	\$ 708,900	\$ 802,271	\$ 809,087	\$ 848,380	\$ 922,478	\$ 1,115,462	\$ 1,158,726
Property Tax Subtotal	\$ 25,855,461	\$ 28,602,603	\$ 30,535,984	\$ 32,080,051	\$ 33,395,158	\$ 34,871,427	\$ 36,059,007	\$ 38,532,310	\$ 40,344,032	\$ 41,799,725
Reserved for Abatements & Exemptions	\$ 243,584	\$ 302,116	\$ 297,202	\$ 312,089	\$ 342,873	\$ 342,028	\$ 332,415	\$ 368,633	\$ 376,985	\$ 415,510
Net Property Tax Levy	\$ 25,611,877	\$ 28,300,487	\$ 30,238,782	\$ 31,767,962	\$ 33,052,285	\$ 34,529,399	\$ 35,726,592	\$ 38,163,677	\$ 39,967,047	\$ 41,384,215
Uncollected Taxes as of June 30	\$ 343,543	\$ 367,899	\$ 355,732	\$ 514,895	\$ 449,606	\$ 509,962	\$ 618,875	\$ 582,418	\$ 549,086	\$ 614,322
Uncollected Taxes as a Percentage of Net Property Tax Levy	1.34%	1.30%	1.18%	1.62%	1.36%	1.48%	1.73%	1.53%	1.37%	1.48%

Source: Collector

5 - State Aid - Actual and Constant Dollars

Reductions in State Aid are considered a warning indicator, particularly if the Town does not have adequate reserves or other revenues to offset cuts.



Amherst Trend	
Favorable	
Marginal	
Unfavorable	X
Uncertain	X

Reliance on state aid for funding has both an upside and a downside. While increases in state aid may permit additional services, increased state aid as a percentage of operating revenue may be difficult to manage when there is a reduction in this funding.

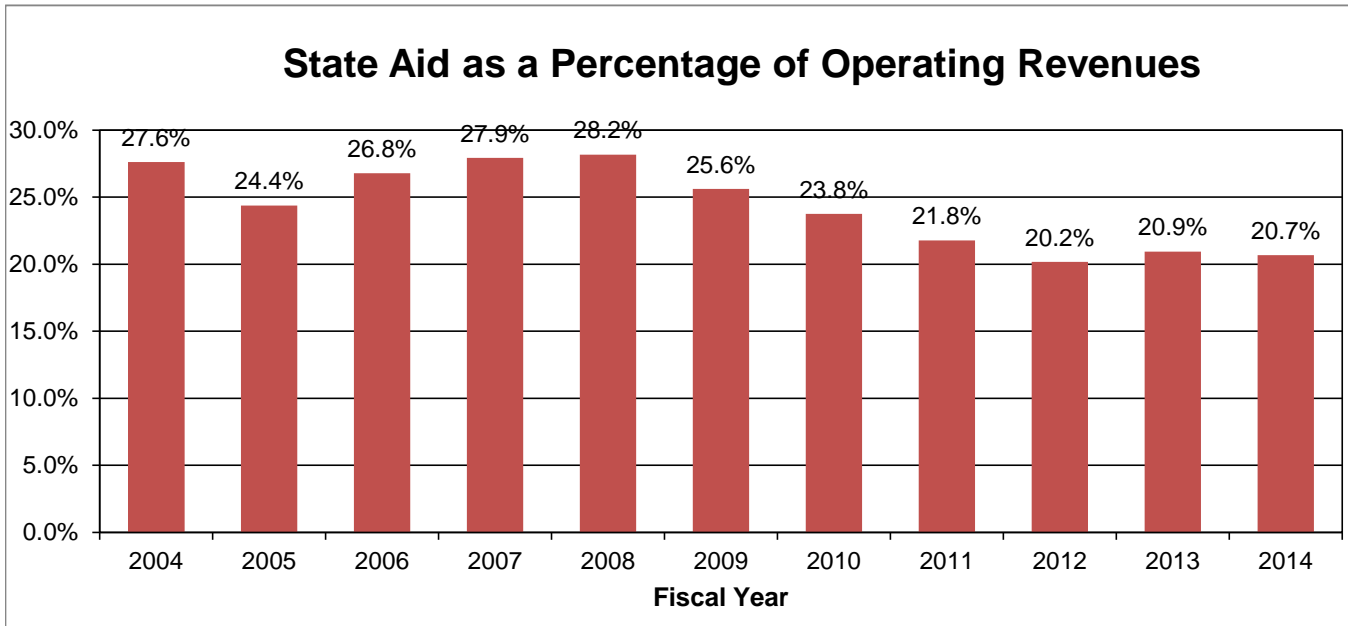
State Aid to the Town is lower in FY14 than in FY08 in both actual and inflation adjusted dollars, with cuts of over \$2.8 million in the last five years.

Formula	State Aid / Operating Revenues										
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 Budgeted
State Aid (actual)	\$ 12,229,857	\$ 12,473,453	\$ 14,288,429	\$ 16,245,680	\$ 16,913,170	\$ 15,492,500	\$ 14,278,972	\$ 13,606,299	\$ 13,104,161	\$ 13,608,331	\$ 14,066,500
CPI - U, Base Period = 1982-1984	209.5	216.4	223.1	227.4	235.4	233.5	237.3	243.6	247.6		
CPI - U, Adjustment for constant dollars (2004 dollars)	100%	97%	94%	92%	89%	90%	88%	86%	85%		
Adjusted State Aid (constant dollars)	\$ 12,229,857	\$ 12,075,732	\$ 13,417,418	\$ 14,966,886	\$ 15,052,290	\$ 13,900,123	\$ 12,606,172	\$ 11,701,641	\$ 11,087,729	\$ -	\$ -

Source: Massachusetts Department of Revenue "Cherry Sheets".

6 - State Aid as a Percentage of Operating Revenues

Reductions in State Aid as a percentage of operating revenues is considered a warning indicator, particularly if the Town does not have adequate reserves.



Amherst Trend	
Favorable	
Marginal	
Unfavorable	X
Uncertain	

State Aid as a percentage of operating revenue dropped significantly in FY04 and again in every fiscal year from FY09 through FY12.

State Aid rebounded slightly in FY13 and FY14, but future growth remains uncertain. State aid as a share of Town revenues is smaller than at any time since the enactment of Proposition 2 1/2 in 1980.

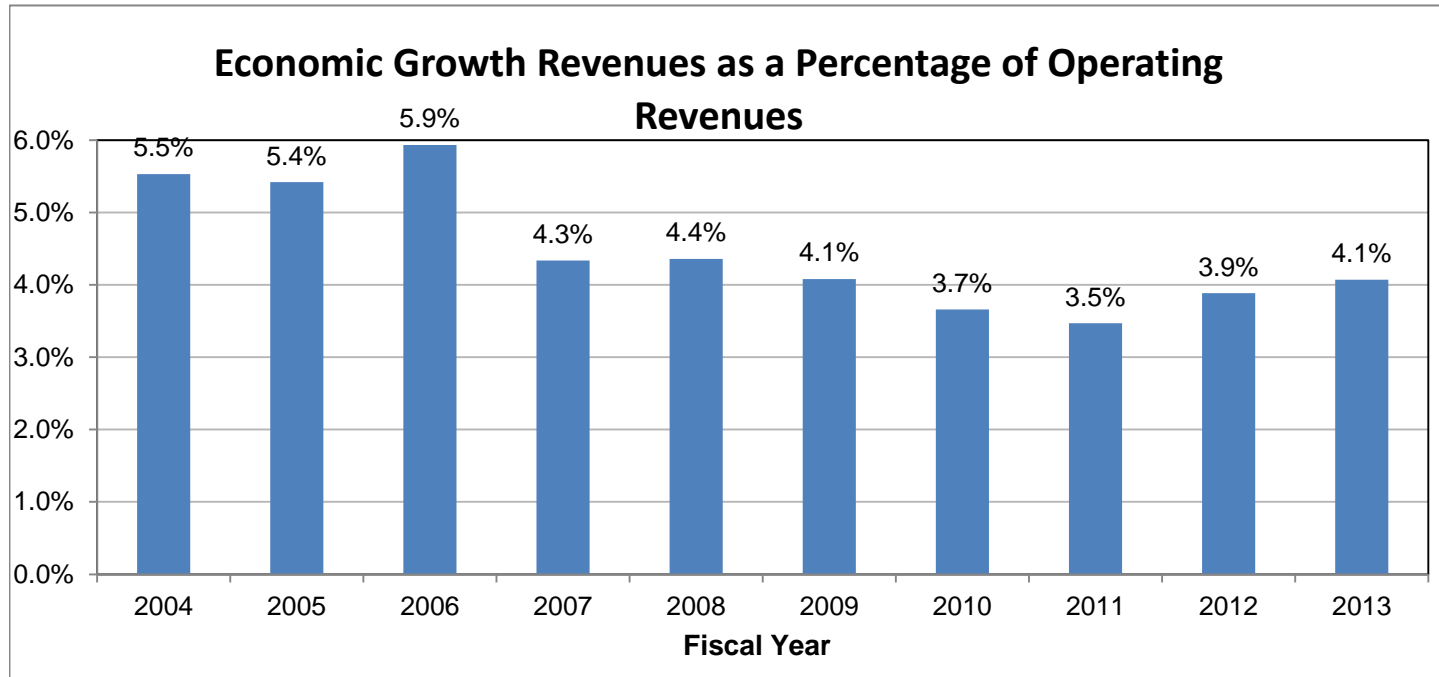
Formula	State Aid / Operating Revenues										
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gross Operating Revenue	\$ 44,864,247	\$ 51,730,529	\$ 53,574,369	\$ 58,555,235	\$ 60,370,325	\$ 60,893,556	\$ 60,505,355	\$ 62,865,469	\$ 65,253,280	\$ 65,253,280	\$ 68,246,291
Less - Excluded Debt	\$ 598,717	\$ 555,553	\$ 220,641	\$ 382,217	\$ 340,425	\$ 441,321	\$ 400,837	\$ 352,466	\$ 305,688	\$ 259,374	\$ 259,374
Net Operating Revenue	\$ 44,265,530	\$ 51,174,976	\$ 53,353,728	\$ 58,173,018	\$ 60,029,900	\$ 60,452,235	\$ 60,104,518	\$ 62,513,003	\$ 64,947,592	\$ 64,993,906	\$ 67,986,917
State Aid	\$ 12,229,857	\$ 12,473,453	\$ 14,288,429	\$ 16,245,680	\$ 16,913,170	\$ 15,492,500	\$ 14,278,972	\$ 13,606,299	\$ 13,104,161	\$ 13,608,331	\$ 14,066,500
State Aid as a % of Operating Revenue	27.6%	24.4%	26.8%	27.9%	28.2%	25.6%	23.8%	21.8%	20.2%	20.9%	20.7%

* 2014 as appropriated at Town Meeting

Source: Massachusetts Department of Revenue "Cherry Sheets".

7 - Revenues Related to Economic Growth

Decreasing revenues related to economic growth as a percentage of net operating revenues may be considered a warning indicator



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	

A balance between economic growth and other (non-growth) revenues mitigates the effect of macroeconomic changes--during a recession a higher percentage of revenue from non-growth sources is preferred.

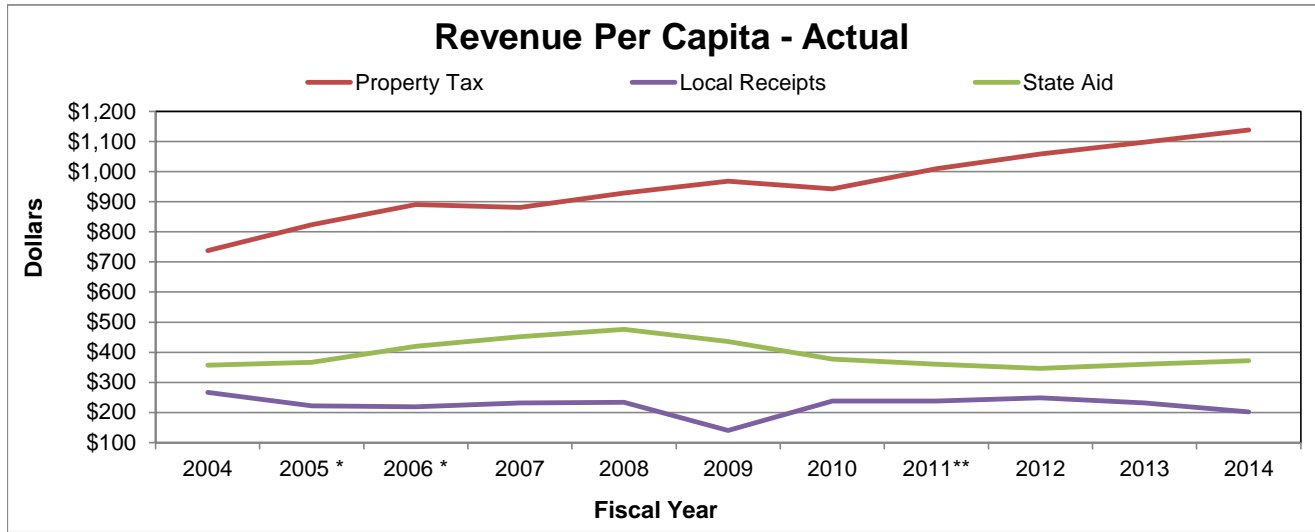
The severe economic downturn and slow pace of recovery had a significant negative effect on building permit fees (a precursor of future new growth), property tax from new growth, and motor vehicle excise taxes. The past two years have shown slight improvements.

Formula	Economic Growth Revenues / Operating Revenues									
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net Operating Revenues	\$ 44,265,530	\$ 51,174,976	\$ 53,353,728	\$ 58,173,018	\$ 60,029,900	\$ 60,452,235	\$ 60,104,518	\$ 62,513,003	\$ 64,947,592	\$ 64,993,906
Building Related Fees & Permits*	\$ 423,918	\$ 565,870	\$ 686,811	\$ 446,504	\$ 517,270	\$ 485,934	\$ 478,686	\$ 378,067	\$ 489,882	\$ 654,641
Motor Vehicle Excise	\$ 1,505,390	\$ 1,474,547	\$ 1,516,654	\$ 1,438,646	\$ 1,537,625	\$ 1,435,003	\$ 1,355,180	\$ 1,423,261	\$ 1,559,389	\$ 1,488,012
Tax Levy from New Construction	\$ 519,989	\$ 732,617	\$ 962,674	\$ 636,907	\$ 560,794	\$ 545,778	\$ 366,636	\$ 367,924	\$ 473,730	\$ 504,145
Total Economic Growth Revenues	\$ 2,449,297	\$ 2,773,034	\$ 3,166,139	\$ 2,522,057	\$ 2,615,689	\$ 2,466,716	\$ 2,200,502	\$ 2,169,252	\$ 2,523,001	\$ 2,646,798
Economic Growth Revenues as a % of Operating Revenues	5.5%	5.4%	5.9%	4.3%	4.4%	4.1%	3.7%	3.5%	3.9%	4.1%

*Building Related Fees & Permits includes the following permits: Street Opening, Building, Plumbing, Gas & Electrical

Sources: Amherst Finance Department, Massachusetts Department of Revenue

8 - Revenue Per Capita - Actual



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

Revenues from the property tax have increased by the allowable limits of Proposition 2 1/2 and were further increased in 2005 and 2011 via a voter-approved referendum. Local receipts have also increased due to increased reliance on user fees to fund certain Town services such as LSSE. State aid has fluctuated and is still below its peak of FY08 levels.

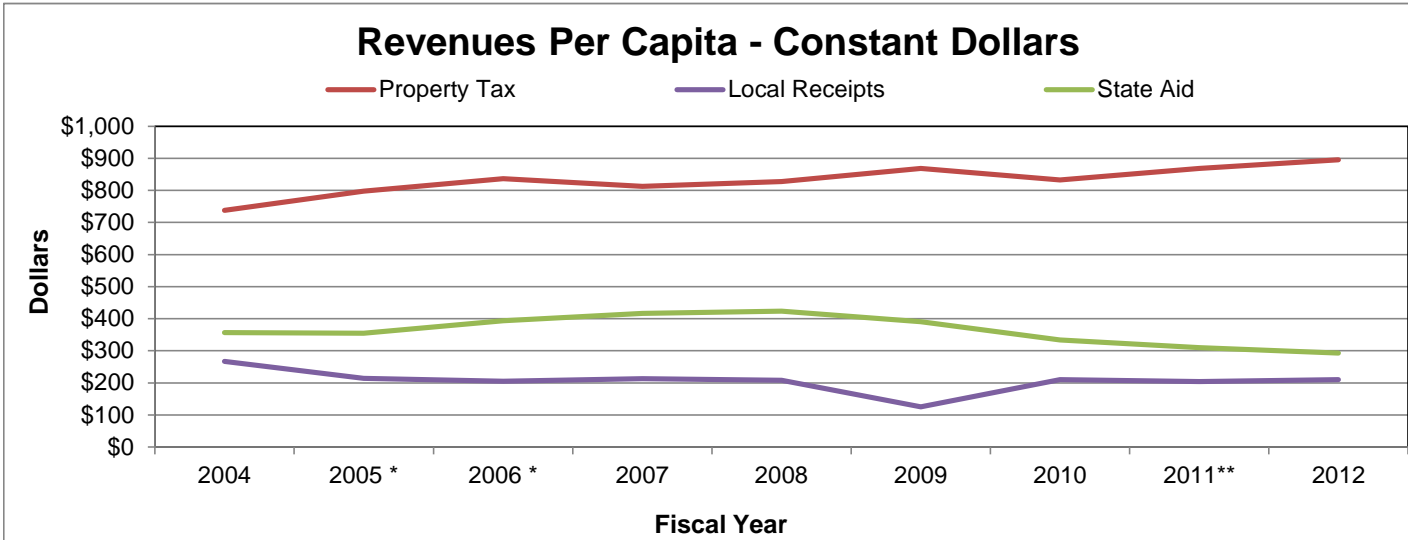
Formula	Revenues										
Fiscal Year	2004	2005 *	2006 *	2007	2008	2009	2010	2011**	2012	2013	2014
Residential Property Tax Levy	\$ 22,750,342	\$ 25,641,716	\$ 27,597,486	\$ 28,983,904	\$ 30,228,150	\$ 31,654,521	\$ 32,517,975	\$ 34,807,241	\$ 36,250,802	\$ 37,517,255	\$ -
Commercial Property Tax Levy	\$ 2,287,047	\$ 2,270,532	\$ 2,225,570	\$ 2,311,801	\$ 2,287,655	\$ 2,335,621	\$ 2,615,297	\$ 2,724,022	\$ 2,887,813	\$ 3,030,827	\$ -
Industrial Property Tax Levy	\$ 70,117	\$ 74,666	\$ 73,806	\$ 75,446	\$ 77,082	\$ 72,198	\$ 77,355	\$ 78,569	\$ 89,955	\$ 92,917	\$ -
Personal Property Tax Levy	\$ 747,955	\$ 615,689	\$ 639,122	\$ 708,900	\$ 802,271	\$ 809,087	\$ 848,380	\$ 922,478	\$ 1,115,462	\$ 1,158,726	\$ -
Property Tax Total	\$ 25,855,461	\$ 28,602,603	\$ 30,535,984	\$ 32,080,051	\$ 33,395,158	\$ 34,871,427	\$ 36,059,007	\$ 38,532,310	\$ 40,344,032	\$ 41,799,726	\$ 43,303,274
Less - Excluded Debt	\$ 598,717	\$ 555,553	\$ 220,641	\$ 382,217	\$ 340,425	\$ 441,321	\$ 400,837	\$ 352,466	\$ 305,688	\$ 259,374	\$ 259,374
Net Property Tax Revenue	\$ 25,256,744	\$ 28,047,050	\$ 30,315,343	\$ 31,697,834	\$ 33,054,733	\$ 34,430,106	\$ 35,658,170	\$ 38,179,844	\$ 40,038,344	\$ 41,540,352	\$ 43,043,900
Local Receipts	\$ 9,145,666	\$ 7,543,416	\$ 7,437,351	\$ 8,321,029	\$ 8,310,776	\$ 4,964,793	\$ 9,009,347	\$ 8,984,496	\$ 9,394,527	\$ 8,772,826	\$ 7,624,403
State Aid	\$ 12,229,857	\$ 12,473,453	\$ 14,288,429	\$ 16,245,680	\$ 16,913,170	\$ 15,492,500	\$ 14,278,972	\$ 13,606,299	\$ 13,104,161	\$ 13,608,331	\$ 14,066,500
Population	34,255	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819	37,819
Property Tax per Capita	\$737.32	\$823.77	\$890.34	\$881.43	\$929.42	\$968.09	\$942.86	\$1,009.54	\$1,058.68	\$1,098.40	\$1,138.16
Local Receipts per Capita	\$266.99	\$221.56	\$218.43	\$231.38	\$233.68	\$139.60	\$238.22	\$237.57	\$248.41	\$231.97	\$201.60
State Aid per Capita	\$357.02	\$366.36	\$419.64	\$451.75	\$475.56	\$435.61	\$377.56	\$359.77	\$346.50	\$359.83	\$371.94

* A \$2,000,000 override was approved by voters in March 2004 that was added to the tax levy over a 2-year period in FY 05 and FY 06.

** The \$1,680,000 override approved in March 2010 increased property tax bills beginning in FY 11 (July 2010 - June 2011).

Source: Massachusetts Department of Revenue

9 - Revenues Per Capita - Constant Dollars



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

Property tax revenues have increased at about the rate of inflation except in years (2005 and 2011) when an override was passed by voters. State aid and local receipts have not kept pace with inflation.

Formula	Revenues									
Fiscal Year	2004	2005 *	2006 *	2007	2008	2009	2010	2011**	2012	2013
Residential Property Tax Levy	\$ 22,750,342	\$ 25,641,716	\$ 27,597,486	\$ 28,983,904	\$ 30,228,150	\$ 31,654,521	\$ 32,517,975	\$ 34,807,241	\$ 36,250,802	\$ 37,517,255
Commercial Property Tax Levy	\$ 2,287,047	\$ 2,270,532	\$ 2,225,570	\$ 2,311,801	\$ 2,287,655	\$ 2,335,621	\$ 2,615,297	\$ 2,724,022	\$ 2,887,813	\$ 3,030,827
Industrial Property Tax Levy	\$ 70,117	\$ 74,666	\$ 73,806	\$ 75,446	\$ 77,082	\$ 72,198	\$ 77,355	\$ 78,569	\$ 89,955	\$ 92,917
Personal Property Tax Levy	\$ 747,955	\$ 615,689	\$ 639,122	\$ 708,900	\$ 802,271	\$ 809,087	\$ 848,380	\$ 922,478	\$ 1,115,462	\$ 1,158,726
Property Tax Total	\$ 25,855,461	\$ 28,602,603	\$ 30,535,984	\$ 32,080,051	\$ 33,395,158	\$ 34,871,427	\$ 36,059,007	\$ 38,532,310	\$ 40,344,032	\$ 41,799,725
Less - Excluded Debt	\$ 598,717	\$ 555,553	\$ 220,641	\$ 382,217	\$ 340,425	\$ 441,321	\$ 400,837	\$ 352,466	\$ 305,688	\$ 259,374
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Local Receipts	\$ 9,145,666	\$ 7,543,416	\$ 7,437,351	\$ 8,321,029	\$ 8,310,776	\$ 4,964,793	\$ 9,009,347	\$ 8,984,496	\$ 9,394,527	\$ 8,772,826
State Aid	\$ 12,229,857	\$ 12,473,453	\$ 14,288,429	\$ 16,245,680	\$ 16,913,170	\$ 15,492,500	\$ 14,278,972	\$ 13,606,299	\$ 13,104,161	\$ 13,608,331
CPI - U, Base Period = 1982-1984	209.5	216.4	223.1	227.4	235.4	233.5	237.3	243.6	247.6	0
CPI - U, Adjustment for constant dollars (2004 dollars)	100%	97%	94%	92%	89%	90%	88%	86%	85%	0%
Adjusted Property Taxes	\$ 25,256,744	\$ 27,152,759	\$ 28,467,344	\$ 29,202,710	\$ 29,417,870	\$ 30,891,251	\$ 31,480,770	\$ 32,835,293	\$ 33,877,355	\$ -
Adjusted Local Receipts	\$ 9,145,666	\$ 7,302,891	\$ 6,983,976	\$ 7,666,032	\$ 7,396,379	\$ 4,454,493	\$ 7,953,890	\$ 7,726,814	\$ 7,948,923	\$ -
Adjusted State Aid	\$ 12,229,857	\$ 12,075,732	\$ 13,417,418	\$ 14,966,886	\$ 15,052,290	\$ 13,900,123	\$ 12,606,172	\$ 11,701,641	\$ 11,087,729	\$ -
Population	34,255	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819
Property Tax per Capita	\$737.32	\$797.51	\$836.07	\$812.04	\$827.16	\$868.59	\$832.41	\$868.22	\$895.78	\$0.00
Local Receipts per Capita	\$266.99	\$214.49	\$205.12	\$213.17	\$207.97	\$125.25	\$210.31	\$204.31	\$210.18	\$0.00
State Aid per Capita	\$357.02	\$354.68	\$394.06	\$416.19	\$423.23	\$390.84	\$333.33	\$309.41	\$293.18	\$0.00

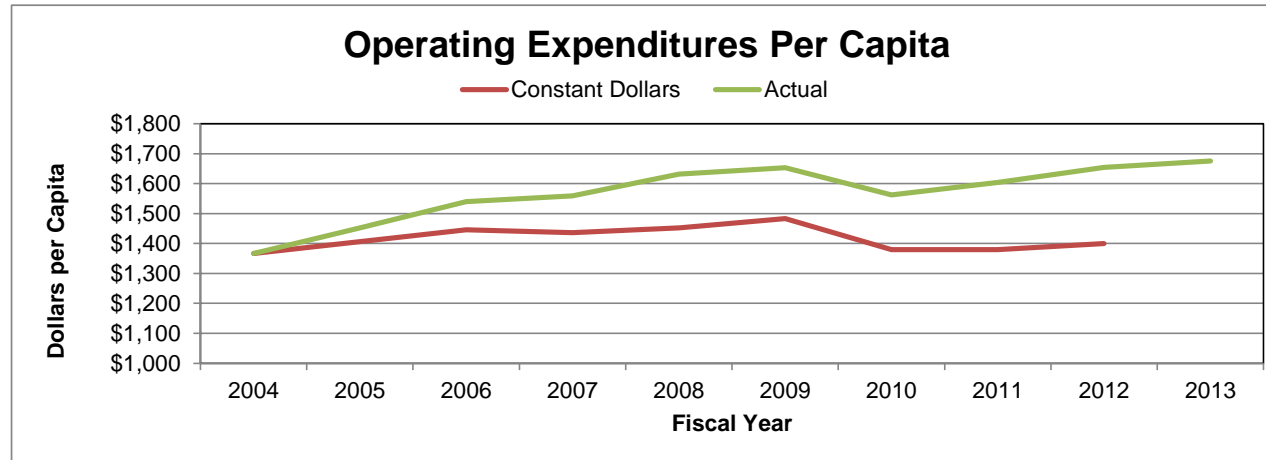
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** The \$1,680,000 override approved in March 2010 increased property tax bills beginning in FY 11 (July 2010 - June 2011).

Source: Massachusetts Department of Revenue

10 - Operating Expenditures Per Capita

Increasing net operating expenditures per capita (in constant dollars) may be considered a warning indicator.



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	

Increasing operating expenditures per capita can indicate that the cost of providing services is outpacing the Town's ability to pay.

Since 2004, Amherst's expenditures per capita have increased by a total of only 2.4% when adjusted for inflation (constant dollars).

Formula	Net Operating Expenditures & Transfers (Constant Dollars) / Population									
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government *	\$ 3,046,937	\$ 3,008,441	\$ 3,199,950	\$ 3,353,542	\$ 3,284,271	\$ 3,505,638	\$ 3,253,561	\$ 3,363,964	\$ 3,516,965	\$ 3,474,653
Police, Fire & Other Public Safety**	\$ 7,398,842	\$ 7,688,560	\$ 7,945,350	\$ 8,466,139	\$ 8,417,276	\$ 8,852,050	\$ 8,515,854	\$ 8,731,259	\$ 8,910,980	\$ 9,274,258
Education	\$ 25,994,585	\$ 27,465,769	\$ 29,361,273	\$ 31,351,681	\$ 32,439,294	\$ 32,561,005	\$ 33,372,717	\$ 33,851,275	\$ 34,660,935	\$ 35,490,746
Public Works	\$ 1,492,750	\$ 1,956,761	\$ 1,532,632	\$ 1,464,605	\$ 1,605,854	\$ 1,497,107	\$ 1,393,402	\$ 1,700,297	\$ 1,540,889	\$ 1,476,136
Human Services	\$ 791,883	\$ 764,764	\$ 870,527	\$ 857,501	\$ 760,445	\$ 751,098	\$ 695,315	\$ 739,861	\$ 757,585	\$ 783,926
Culture & Recreation***	\$ 2,245,776	\$ 2,387,441	\$ 2,481,999	\$ 2,821,262	\$ 2,800,788	\$ 2,837,748	\$ 2,602,252	\$ 2,583,815	\$ 2,913,432	\$ 3,089,718
Debt Service & Fixed Costs****	\$ 4,923,079	\$ 5,205,911	\$ 6,222,465	\$ 6,784,173	\$ 6,692,075	\$ 6,362,777	\$ 6,653,139	\$ 6,921,459	\$ 7,680,076	\$ 7,661,412
Intergovernmental	\$ 919,893	\$ 955,075	\$ 810,186	\$ 949,303	\$ 2,036,114	\$ 2,442,487	\$ 2,607,361	\$ 2,754,264	\$ 2,564,567	\$ 2,120,304
Other	\$ 3,431	\$ 16,619	\$ 1,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenditures	\$ 46,817,176	\$ 49,449,341	\$ 52,425,501	\$ 56,048,206	\$ 58,036,117	\$ 58,809,910	\$ 59,093,601	\$ 60,646,194	\$ 62,545,429	\$ 63,371,153
CPI - U, Base Period = 1982-1984	209.5	216.4	223.1	227.4	235.4	233.5	237.3	243.6	247.6	
CPI - U, Adjustment for constant dollars (2004 dollars)	100%	97%	94%	92%	89%	90%	88%	86%	85%	
Adjusted Net Operating Expenditures	\$ 46,817,176	\$ 47,872,629	\$ 49,229,684	\$ 51,636,320	\$ 51,650,665	\$ 52,765,208	\$ 52,170,710	\$ 52,156,723	\$ 52,921,112	\$ -
Population	34,255	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819
Operating Expenditures per Capita	\$1,366.73	\$1,452.38	\$1,539.71	\$1,558.54	\$1,631.83	\$1,653.59	\$1,562.54	\$1,603.59	\$1,653.81	\$1,675.64
Operating Expenditures per Capita (constant dollars)	\$1,366.73	\$1,406.07	\$1,445.85	\$1,435.86	\$1,452.29	\$1,483.63	\$1,379.48	\$1,379.11	\$1,399.33	
Percent Change - Expenditures per Capita	0.0%	2.9%	2.8%	-0.7%	1.1%	2.2%	-7.0%	0.0%	1.5%	

Source: Massachusetts Department of Revenue

* General Government includes: Select Board, Town Manager, Finance Department, Legal, Facilities Maintenance, Clerks, Planning, and Conservation

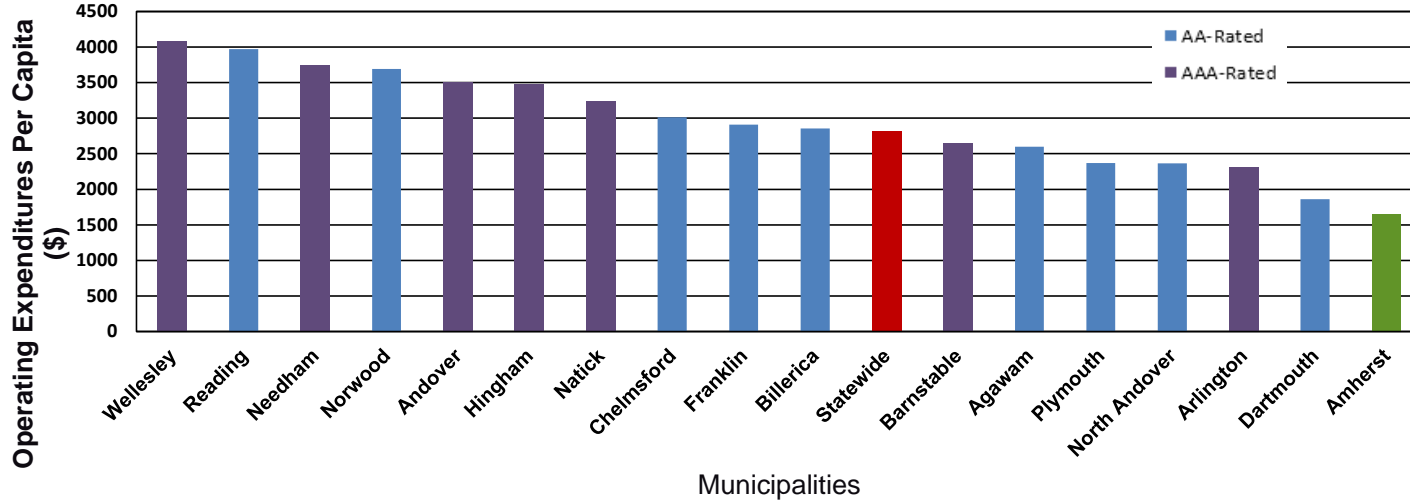
** Police, Fire & Other Public Safety includes Inspection Services

*** Culture & Recreation includes Library and Commemorations

**** Debt Service & Fixed Costs includes Workers' Compensation, Unemployment, Health Insurance, Other Employee Benefits, and Retirement

10.1 - Operating Expenditures Per Capita FY12

Operating Expenditures Per Capita FY 12



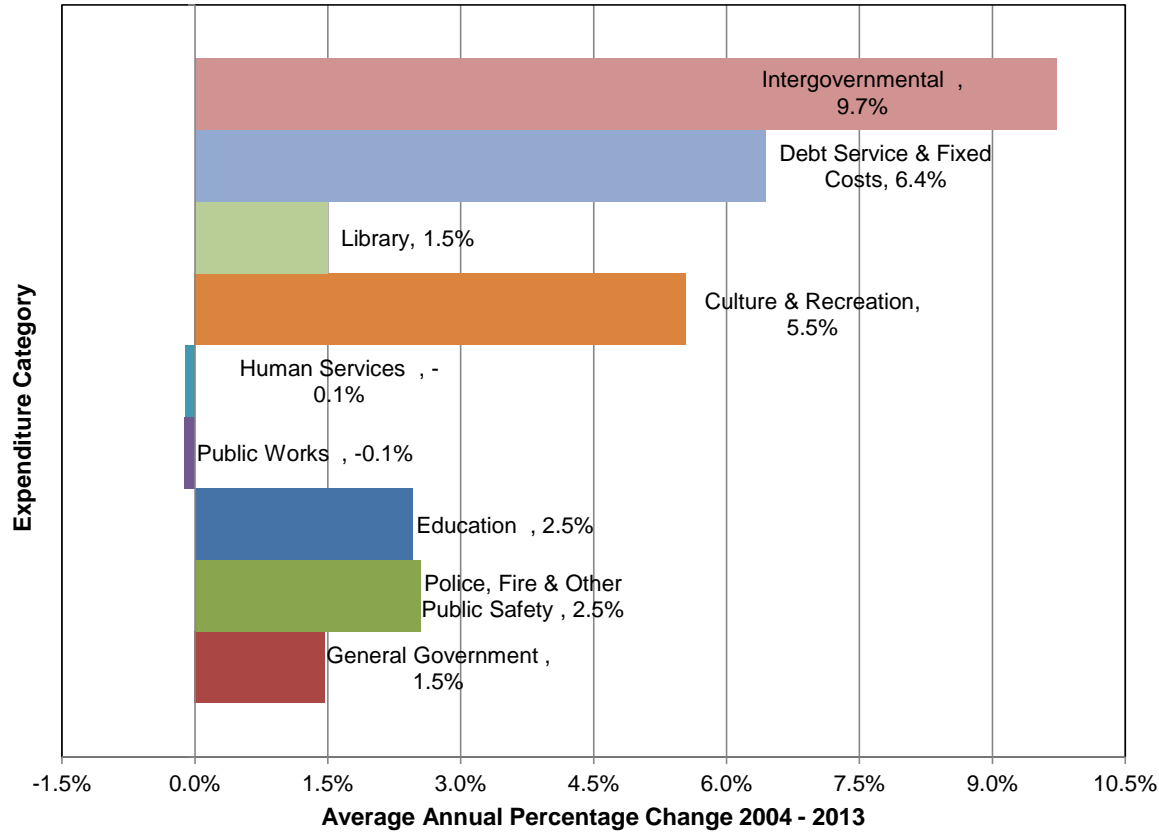
Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The per capital expenditure in Amherst is below our peer communities and below the statewide average.

Municipality	Sum of Operating Expenditures Per Capita	Municipality	Sum of Operating Expenditures Per Capita
Wellesley	\$ 4,081.65	Billerica	\$ 2,855.23
Reading	\$ 3,967.33	Statewide	\$ 2,821.33
Needham	\$ 3,749.21	Barnstable	\$ 2,645.76
Norwood	\$ 3,688.81	Agawam	\$ 2,597.30
Andover	\$ 3,508.22	Plymouth	\$ 2,367.41
Hingham	\$ 3,473.75	North Andover	\$ 2,364.79
Natick	\$ 3,231.46	Arlington	\$ 2,304.20
Chelmsford	\$ 3,010.34	Dartmouth	\$ 1,859.94
Franklin	\$ 2,909.20	Amherst	\$ 1,653.81

11 - Expenditure Growth By Category - Actual

Expenditures by Category



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	

All categories have increased since FY04, except Human Services and Public Works. The categories with the largest increases are Intergovernmental assessments (retired teachers health insurance, School Choice/Charter sending tuition, and PVTA), Debt and Fixed Costs (mostly Employee Benefits), and Education.

Purpose: To measure relative growth of expenditures by category.

Formula	Net Operating Expenditures & Transfers										
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Ave Annual
General Government *	\$3,046,937	\$3,008,441	\$3,199,950	\$3,353,542	\$3,284,271	\$3,505,638	\$3,253,561	\$3,363,964	\$3,516,965	\$3,474,653	
Public Safety**	\$7,398,842	\$7,688,560	\$7,945,350	\$8,466,139	\$8,417,276	\$8,852,050	\$8,515,854	\$8,731,259	\$8,910,980	\$9,274,258	
Education	\$21,654,120	\$22,971,932	\$23,496,238	\$24,353,199	\$24,752,053	\$24,454,008	\$25,018,030	\$25,092,325	\$26,708,025	\$26,937,862	
Public Works	\$1,492,750	\$1,956,761	\$1,532,632	\$1,464,605	\$1,605,854	\$1,497,107	\$1,393,402	\$1,700,297	\$1,540,889	\$1,476,136	
Human Services	\$791,883	\$764,764	\$870,527	\$857,501	\$760,445	\$751,098	\$695,315	\$739,861	\$757,585	\$783,926	
Culture & Recreation***	\$860,836	\$972,275	\$1,020,473	\$1,252,916	\$1,237,528	\$1,241,277	\$1,135,159	\$1,074,193	\$1,247,766	\$1,398,930	
Library	\$1,263,506	\$1,284,644	\$1,322,147	\$1,361,951	\$1,322,081	\$1,353,330	\$1,233,368	\$1,274,687	\$1,465,067	\$1,444,168	
Debt Service & Fixed Costs****	\$9,384,978	\$9,830,270	\$12,226,879	\$13,989,050	\$14,620,495	\$14,712,915	\$15,241,551	\$15,915,344	\$15,833,585	\$16,460,916	
Intergovernmental	\$919,893	\$955,075	\$810,186	\$949,303	\$2,036,114	\$2,442,487	\$2,607,361	\$2,754,264	\$2,564,567	\$2,120,304	
Other	\$3,431	\$16,619	\$1,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operating Expenditures	\$ 46,817,176	\$ 49,449,341	\$ 52,425,501	\$ 56,048,206	\$ 58,036,117	\$ 58,809,910	\$ 59,093,601	\$ 60,646,194	\$ 62,545,429	\$ 63,371,153	
General Government *	100%	-1%	6%	5%	-2%	7%	-7%	3%	5%	-1%	1.5%
Public Safety *	100%	4%	3%	7%	-1%	5%	-4%	3%	2%	4%	2.5%
Education	100%	6%	2%	4%	2%	-1%	2%	0%	6%	1%	2.5%
Public Works	100%	31%	-22%	-4%	10%	-7%	-7%	22%	-9%	-4%	-0.1%
Human Services	100%	-3%	14%	-1%	-11%	-1%	-7%	6%	2%	3%	-0.1%
Culture & Recreation ***	100%	13%	5%	23%	-1%	0%	-9%	-5%	16%	12%	5.5%
Library	100%	2%	3%	3%	-3%	2%	-9%	3%	15%	-1%	1.5%
Debt Service & Fixed Costs****	100%	5%	24%	14%	5%	1%	4%	4%	-1%	4%	6.4%
Intergovernmental *****	100%	4%	-15%	17%	114%	20%	7%	6%	-7%	-17%	9.7%
Other	100%	384%	-93%	-100%	0%	0%	0%	0%	100%	200%	-100.0%

Source: Massachusetts Department of Revenue

* General Government includes: Select Board, Town Manager, Finance Department, Legal, Facilities Maintenance, Clerks, Planning, and Conservation

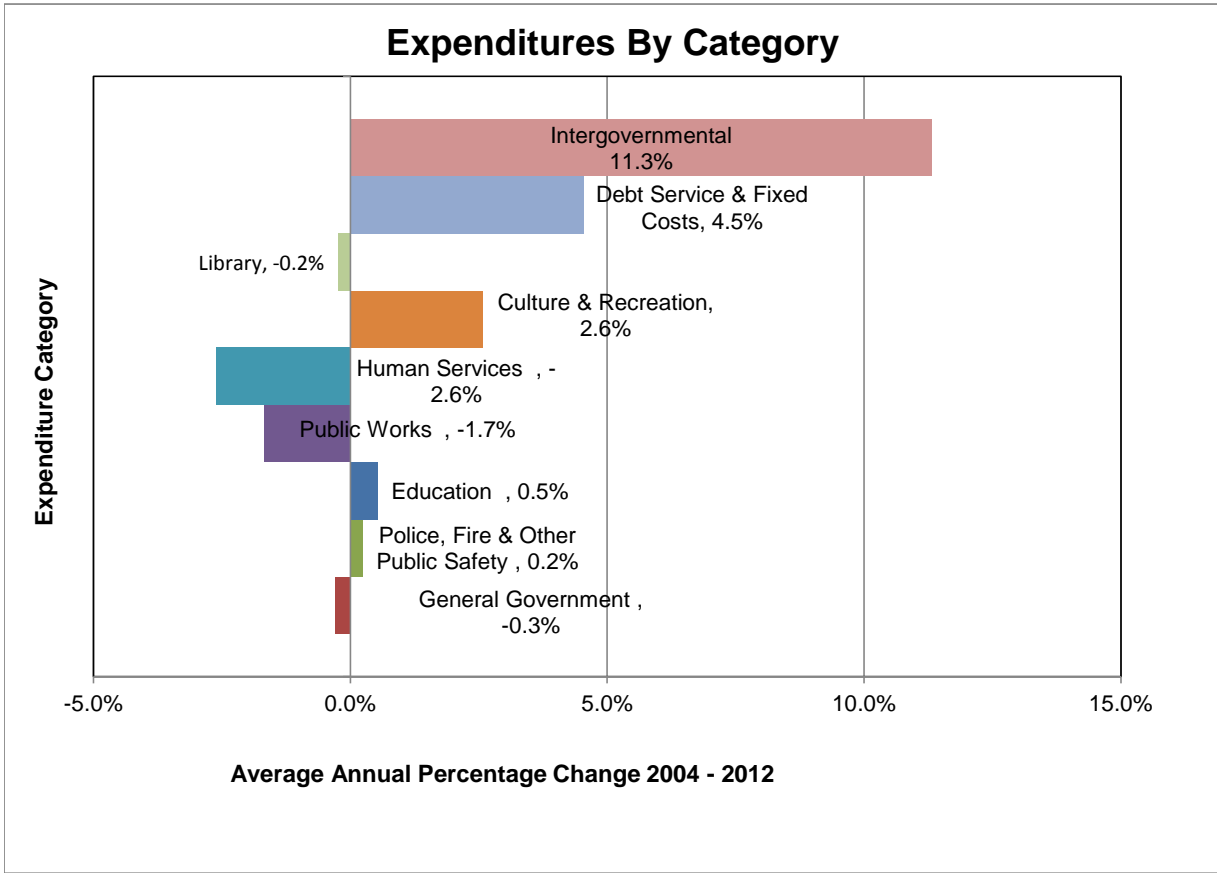
** Police, Fire & Other Public Safety includes Inspection Services

*** Culture & Recreation includes Commemorations

**** Debt Service & Fixed Costs includes Workers' Compensation, Unemployment, Health Insurance, Other Employee Benefits, and Retirement

***** Includes Other for FY 01 - FY 06

12 - Expenditures Growth By Category - Constant Dollars



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	

Intergovernmental assessments (retired teachers health insurance, School Choice/Charter sending tuition, and PVTAs), Education, and Debt & Fixed Costs (mostly Employee Benefits) expenditures have increased the most since FY03. General Government, Public Works, and Human Services spending are below 2004 levels.

Purpose: To measure relative growth of expenditures by category.

Formula	Net Operating Expenditures & Transfers (Constant Dollars) / Population										
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Ave Annual
General Government *	\$3,046,937	\$3,008,441	\$3,199,950	\$3,353,542	\$3,284,271	\$3,505,638	\$3,253,561	\$3,363,964	\$3,516,965	\$3,474,653	
Public Safety**	\$7,398,842	\$7,688,560	\$7,945,350	\$8,466,139	\$8,417,276	\$8,852,050	\$8,515,854	\$8,731,259	\$8,910,980	\$9,274,258	
Education	\$21,654,120	\$22,971,932	\$23,496,238	\$24,353,199	\$24,752,053	\$24,454,008	\$25,018,030	\$25,092,325	\$26,708,025	\$26,937,862	
Public Works	\$1,492,750	\$1,956,761	\$1,532,632	\$1,464,605	\$1,605,854	\$1,497,107	\$1,393,402	\$1,700,297	\$1,540,889	\$1,476,136	
Human Services	\$791,883	\$764,764	\$870,527	\$857,501	\$760,445	\$751,098	\$695,315	\$739,861	\$757,585	\$783,926	
Culture & Recreation***	\$860,836	\$972,275	\$1,020,473	\$1,252,916	\$1,237,528	\$1,241,277	\$1,135,159	\$1,074,193	\$1,247,766	\$1,398,930	
Library	\$1,263,506	\$1,284,644	\$1,322,147	\$1,361,951	\$1,322,081	\$1,353,330	\$1,233,368	\$1,274,687	\$1,465,067	\$1,444,168	
Debt Service & Fixed Costs****	\$9,384,978	\$9,830,270	\$12,226,879	\$13,989,050	\$14,620,495	\$14,712,915	\$15,241,551	\$15,915,344	\$15,833,585	\$16,460,916	
Intergovernmental	\$919,893	\$955,075	\$810,186	\$949,303	\$2,036,114	\$2,442,487	\$2,607,361	\$2,754,264	\$2,564,567	\$2,120,304	
Other	\$3,431	\$16,619	\$1,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operating Expenditures	\$ 46,817,176	\$ 49,449,341	\$ 52,425,501	\$ 56,048,206	\$ 58,036,117	\$ 58,809,910	\$ 59,093,601	\$ 60,646,194	\$ 62,545,429	\$ 63,371,153	
CPI - uU, Base Period = 1982-1984	209.5	216.4	223.1	227.4	235.4	233.5	237.3	243.6	247.6	0	
CPI - U, Adjustment for constant dollars (2002 dollars)	100%	97%	94%	92%	89%	90%	88%	86%	85%	0%	
Adjusted General Government *	\$3,046,937	\$2,912,516	\$3,004,884	\$3,089,565	\$2,922,917	\$3,145,315	\$2,872,402	\$2,893,064	\$2,975,784	\$0	
Adjusted Police, Fire & Other Public Safety*	\$7,398,842	\$7,443,407	\$7,461,008	\$7,799,719	\$7,491,161	\$7,942,203	\$7,518,211	\$7,509,026	\$7,539,783	\$0	
Adjusted Education	\$21,654,120	\$22,239,463	\$22,063,926	\$22,436,215	\$22,028,696	\$21,940,534	\$22,087,136	\$21,579,812	\$22,598,268	\$0	
Adjusted Public Works	\$1,492,750	\$1,894,369	\$1,439,204	\$1,349,317	\$1,429,169	\$1,343,229	\$1,230,163	\$1,462,283	\$1,303,781	\$0	
Adjusted Human Services	\$791,883	\$740,379	\$817,460	\$790,002	\$676,777	\$673,897	\$613,858	\$636,293	\$641,010	\$0	
Adjusted Culture & Recreation***	\$860,836	\$941,274	\$958,266	\$1,154,292	\$1,101,368	\$1,113,694	\$1,002,174	\$923,824	\$1,055,763	\$0	
Adjusted Library	\$1,263,506	\$1,243,683	\$1,241,550	\$1,254,744	\$1,176,619	\$1,214,230	\$1,088,877	\$1,096,252	\$1,239,627	\$0	
Adjusted Debt Service & Fixed Costs****	\$9,384,978	\$9,516,828	\$11,481,538	\$12,887,889	\$13,011,868	\$13,200,667	\$13,455,984	\$13,687,457	\$13,397,157	\$0	
Adjusted Intergovernmental	\$919,893	\$924,622	\$760,798	\$874,578	\$1,812,090	\$2,191,439	\$2,301,905	\$2,368,712	\$2,169,939	\$0	
Adjusted Other	\$3,431	\$16,089	\$1,051	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Adjusted Net Operating Expenditures	\$ 46,817,176	\$ 47,872,629	\$ 49,229,684	\$ 51,636,320	\$ 51,650,665	\$ 52,765,208	\$ 52,170,710	\$ 52,156,723	\$ 52,921,112	\$ -	
General Government (constant dollars) *	100%	-4%	3%	3%	-5%	8%	-9%	1%	3%	-0.3%	
Public Safety (constant dollars)*	100%	1%	0%	5%	-4%	6%	-5%	0%	0%	0.2%	
Education (constant dollars)	100%	3%	-1%	2%	-2%	0%	1%	-2%	5%	0.5%	
Public Works (constant dollars)	100%	27%	-24%	-6%	6%	-6%	-8%	19%	-11%	-1.7%	
Human Services (constant dollars)	100%	-7%	10%	-3%	-14%	0%	-9%	4%	1%	-2.6%	
Culture & Recreation (constant dollars)***	100%	9%	2%	20%	-5%	1%	-10%	-8%	14%	2.6%	
Library	100%	-2%	0%	1%	-6%	3%	-10%	1%	13%	-0.2%	
Debt Service & Fixed Costs****	100%	1%	21%	12%	1%	1%	2%	2%	-2%	4.5%	
Intergovernmental ***** (constant dollars)	100%	1%	-18%	15%	107%	21%	5%	3%	-8%	11.3%	
Other	100%	369%	-93%	-100%	0%	0%	0%	0%	100%	-100.0%	

Source: Massachusetts Department of Revenue

* General Government includes: Select Board, Town Manager, Finance Department, Legal, Facilities Maintenance, Clerks, Planning, and Conservation

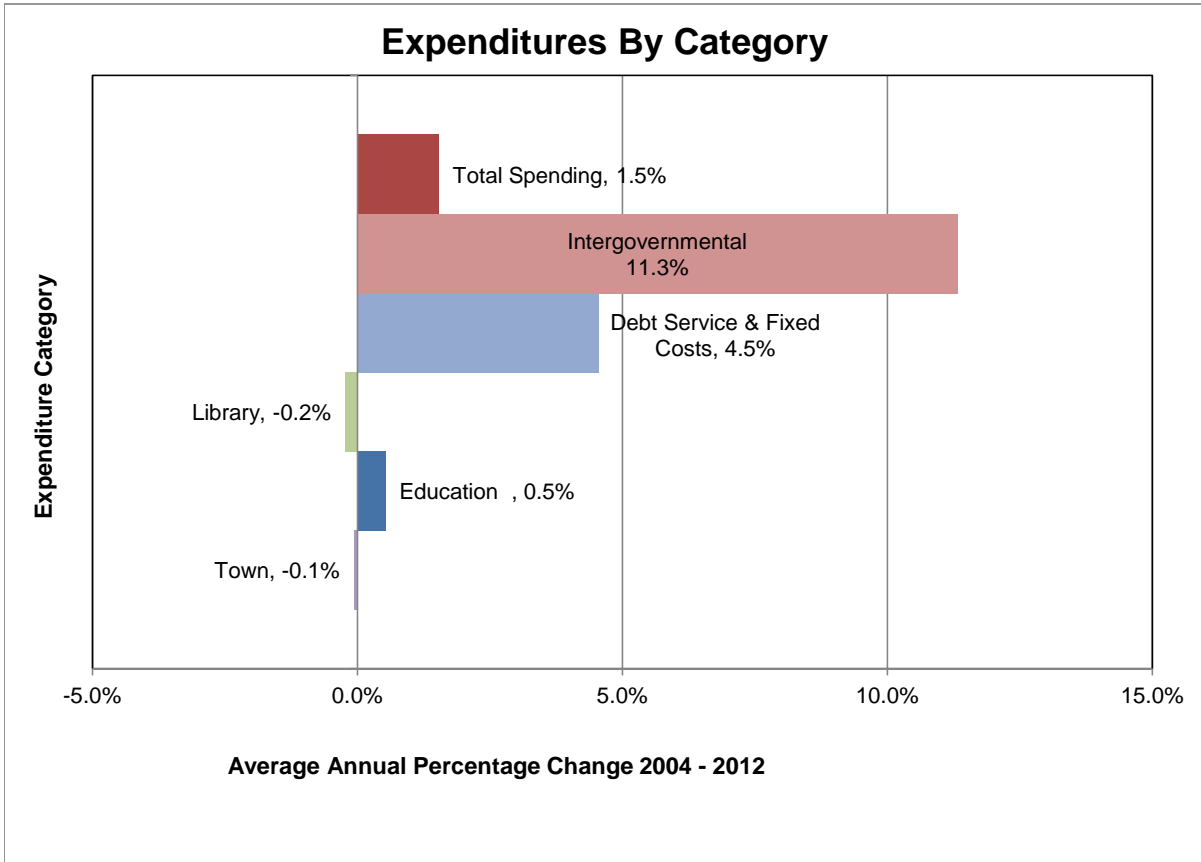
** Police, Fire & Other Public Safety includes Inspection Services

*** Culture & Recreation includes Commemorations

**** Debt Service & Fixed Costs includes Workers' Compensation, Unemployment, Health Insurance, Other Employee Benefits, and Retirement

***** Includes Other for FY 01 - FY 06

12.1 - Expenditures Growth By Category - Constant Dollars



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	

The overall growth in spending for the Town has been 1.5% on an inflation adjusted bases from FY04 to FY12. This chart shows that the growth in spending on Fixed Costs, particularly Health Benefits grew more rapidly than spending on School, Town, and Library functions.

Purpose: To measure relative growth of expenditures by category.

Formula	Net Operating Expenditures & Transfers (Constant Dollars) / Population										
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Ave Annual
General Government *	\$3,046,937	\$3,008,441	\$3,199,950	\$3,353,542	\$3,284,271	\$3,505,638	\$3,253,561	\$3,363,964	\$3,516,965	\$3,474,653	
Public Safety**	\$7,398,842	\$7,688,560	\$7,945,350	\$8,466,139	\$8,417,276	\$8,852,050	\$8,515,854	\$8,731,259	\$8,910,980	\$9,274,258	
Public Works	\$1,492,750	\$1,956,761	\$1,532,632	\$1,464,605	\$1,605,854	\$1,497,107	\$1,393,402	\$1,700,297	\$1,540,889	\$1,476,136	
Human Services	\$791,883	\$764,764	\$870,527	\$857,501	\$760,445	\$751,098	\$695,315	\$739,861	\$757,585	\$783,926	
Culture & Recreation***	\$860,836	\$972,275	\$1,020,473	\$1,252,916	\$1,237,528	\$1,241,277	\$1,135,159	\$1,074,193	\$1,247,766	\$1,398,930	
Town	\$13,591,248	\$14,390,801	\$14,568,932	\$15,394,703	\$15,305,374	\$15,847,170	\$14,993,291	\$15,609,574	\$15,974,185	\$16,407,903	
Education	\$21,654,120	\$22,971,932	\$23,496,238	\$24,353,199	\$24,752,053	\$24,454,008	\$25,018,030	\$25,092,325	\$26,708,025	\$26,937,862	
Library	\$1,263,506	\$1,284,644	\$1,322,147	\$1,361,951	\$1,322,081	\$1,353,330	\$1,233,368	\$1,274,687	\$1,465,067	\$1,444,168	
Debt Service & Fixed Costs****	\$9,384,978	\$9,830,270	\$12,226,879	\$13,989,050	\$14,620,495	\$14,712,915	\$15,241,551	\$15,915,344	\$15,833,585	\$16,460,916	
Intergovernmental	\$919,893	\$955,075	\$810,186	\$949,303	\$2,036,114	\$2,442,487	\$2,607,361	\$2,754,264	\$2,564,567	\$2,120,304	
Other	\$3,431	\$16,619	\$1,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operating Expenditures	\$ 46,817,176	\$ 49,449,341	\$ 52,425,501	\$ 56,048,206	\$ 58,036,117	\$ 58,809,910	\$ 59,093,601	\$ 60,646,194	\$ 62,545,429	\$ 63,371,153	
CPI - uU, Base Period = 1982-1984	209.5	216.4	223.1	227.4	235.4	233.5	237.3	243.6	247.6	0	
CPI - U, Adjustment for constant dollars (2002 dollars)	100%	97%	94%	92%	89%	90%	88%	86%	85%	0%	
Adjusted General Government *	\$3,046,937	\$2,912,516	\$3,004,884	\$3,089,565	\$2,922,917	\$3,145,315	\$2,872,402	\$2,893,064	\$2,975,784	\$0	
Adjusted Police, Fire & Other Public Safety*	\$7,398,842	\$7,443,407	\$7,461,008	\$7,799,719	\$7,491,161	\$7,942,203	\$7,518,211	\$7,509,026	\$7,539,783.16	\$0	
Adjusted Public Works	\$1,492,750	\$1,894,369	\$1,439,204	\$1,349,317	\$1,429,169	\$1,343,229	\$1,230,163	\$1,462,283	\$1,303,781	\$0	
Adjusted Human Services	\$791,883	\$740,379	\$817,460	\$790,002	\$676,777	\$673,897	\$613,858	\$636,293	\$641,010	\$0	
Adjusted Culture & Recreation***	\$860,836	\$941,274	\$958,266	\$1,154,292	\$1,101,368	\$1,113,694	\$1,002,174	\$923,824	\$1,055,763	\$0	
Adjusted Town	\$13,591,248	\$13,931,945	\$13,680,821	\$14,182,895	\$13,621,393	\$14,218,339	\$13,236,808	\$13,424,490	\$13,516,122	\$0	
Adjusted Education	\$21,654,120	\$22,239,463	\$22,063,926	\$22,436,215	\$22,028,696	\$21,940,534	\$22,087,136	\$21,579,812	\$22,598,268	\$0	
Adjusted Library	\$1,263,506	\$1,243,683	\$1,241,550	\$1,254,744	\$1,176,619	\$1,214,230	\$1,088,877	\$1,096,252	\$1,239,627	\$0	
Adjusted Debt Service & Fixed Costs****	\$9,384,978	\$9,516,828	\$11,481,538	\$12,887,889	\$13,011,868	\$13,200,667	\$13,455,984	\$13,687,457	\$13,397,157	\$0	
Adjusted Intergovernmental	\$919,893	\$924,622	\$760,798	\$874,578	\$1,812,090	\$2,191,439	\$2,301,905	\$2,368,712	\$2,169,939	\$0	
Adjusted Other	\$3,431	\$16,089	\$1,051	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Adjusted Net Operating Expenditures	\$ 46,817,176	\$ 47,872,629	\$ 49,229,684	\$ 51,636,320	\$ 51,650,665	\$ 52,765,208	\$ 52,170,710	\$ 52,156,723	\$ 52,921,112	\$ -	
General Government (constant dollars) *	100%	-4%	3%	3%	-5%	8%	-9%	1%	3%		-0.3%
Public Safety (constant dollars)*	100%	1%	0%	5%	-4%	6%	-5%	0%	0%		0.2%
Public Works (constant dollars)	100%	27%	-24%	-6%	6%	-6%	-8%	19%	-11%		-1.7%
Human Services (constant dollars)	100%	-7%	10%	-3%	-14%	0%	-9%	4%	1%		-2.6%
Culture & Recreation (constant dollars)***	100%	9%	2%	20%	-5%	1%	-10%	-8%	14%		2.6%
Town (constant dollars)	100%	3%	-2%	4%	-4%	4%	-7%	1%	1%		-0.1%
Education (constant dollars)	100%	3%	-1%	2%	-2%	0%	1%	-2%	5%		0.5%
Library	100%	-2%	0%	1%	-6%	3%	-10%	1%	13%		-0.2%
Debt Service & Fixed Costs****	100%	1%	21%	12%	1%	1%	2%	2%	-2%		4.5%
Intergovernmental ***** (constant dollars)	100%	1%	-18%	15%	107%	21%	5%	3%	-8%		11.3%
Other	100%	369%	-93%	-100%	0%	0%	0%	0%	100%		-100.0%
Total Spending	100%	2%	5%	10%	10%	13%	11%	11%	13%		1.5%

Source: Massachusetts Department of Revenue

* General Government includes: Select Board, Town Manager, Finance Department, Legal, Facilities Maintenance, Clerks, Planning, and Conservation

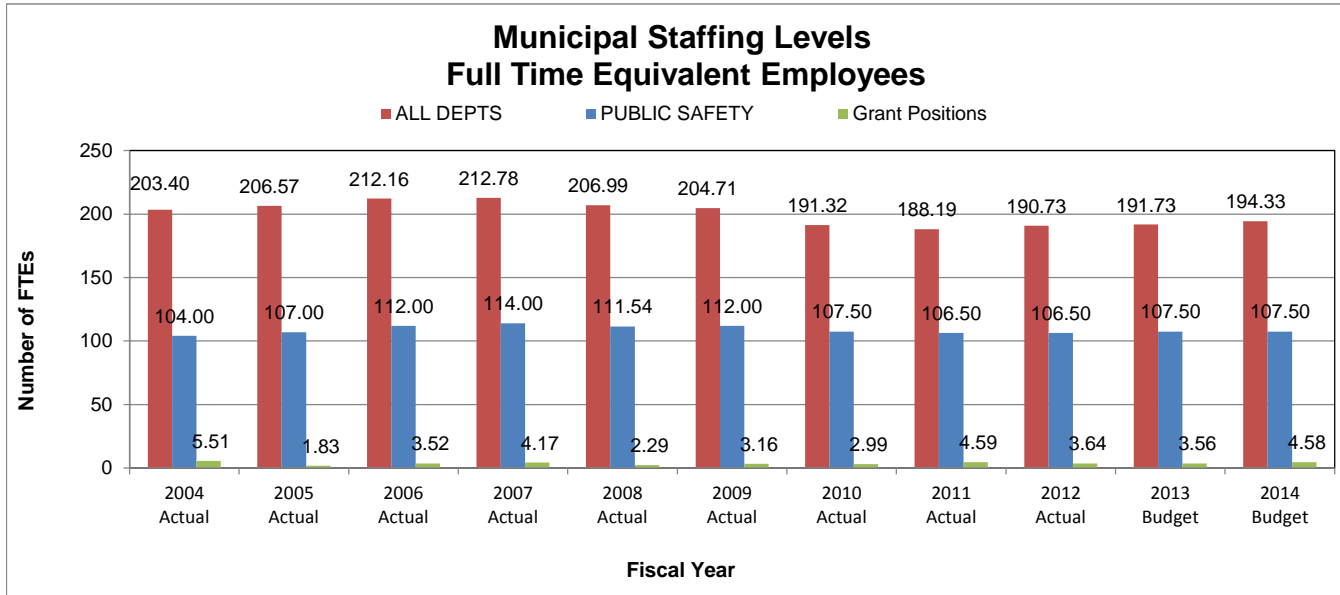
** Police, Fire & Other Public Safety includes Inspection Services

*** Culture & Recreation includes Commemorations

**** Debt Service & Fixed Costs includes Workers' Compensation, Unemployment, Health Insurance, Other Employee Benefits, and Retirement

***** Includes Other for FY 01 - FY 06

13 - Municipal Staffing Levels



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

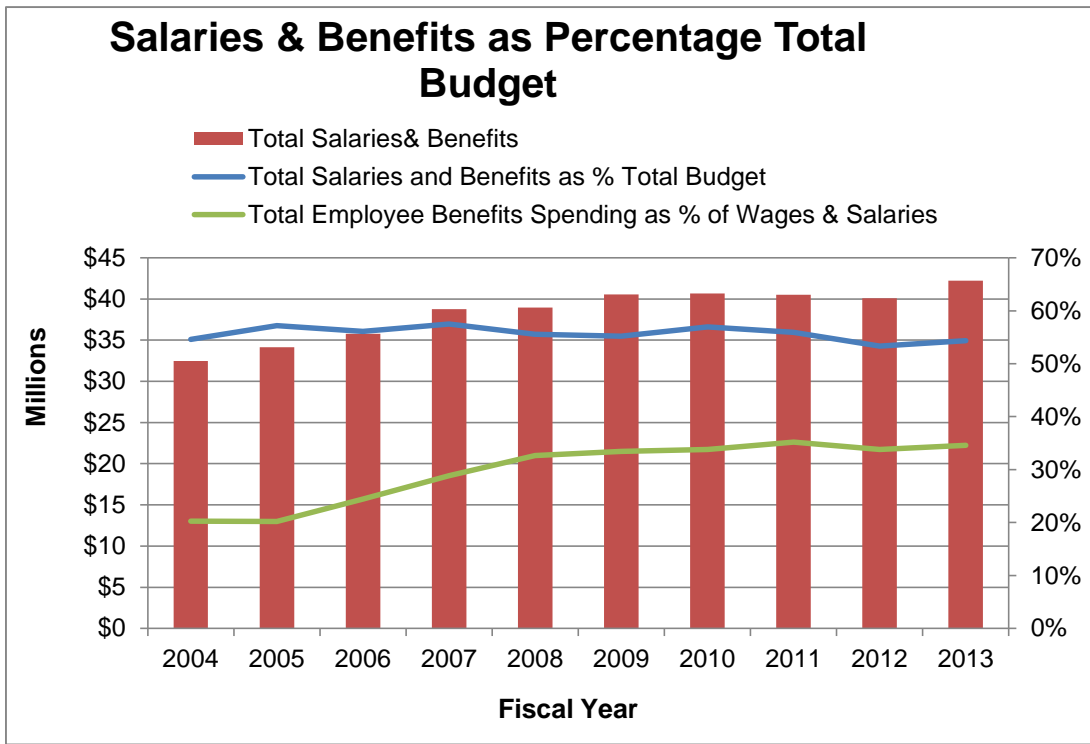
The Town has reduced its workforce by 18.45 positions since FY07, or -9.1%. Public Safety personnel have decreased by 5.5 FTEs, or -6.3%, while non-public safety positions have been reduced by 11.95 FTEs, or -12%.

Municipal Staffing Levels - Full Time Equivalent Employees											
Fiscal Year	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Budget
Public Safety	104.00	107.00	112.00	114.00	111.54	112.00	107.50	106.50	106.50	107.50	107.50
All Other Depts.	99.40	99.57	100.16	98.78	95.45	92.71	83.82	81.69	84.23	84.23	86.83
Total Municipal	203.40	206.57	212.16	212.78	206.99	204.71	191.32	188.19	190.73	191.73	194.33
Grant Positions	5.51	1.83	3.52	4.17	2.29	3.16	2.99	4.59	3.64	3.56	4.58

Source: Amherst Finance Department. Includes municipal General Fund employees only.

14 - Salaries & Benefits as Percentage Total Operating Budget

Increasing benefit costs as a percentage of wages and salaries is considered a warning indicator.



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

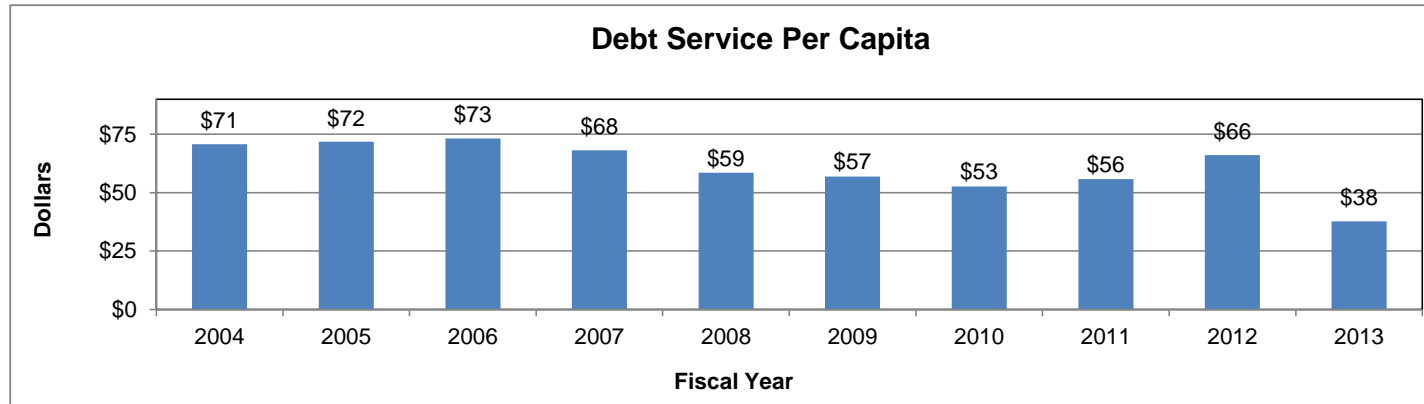
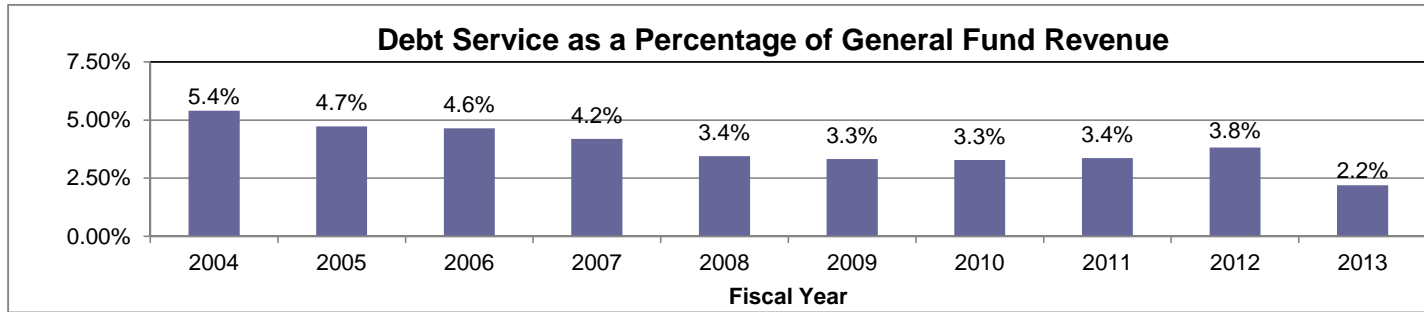
Total salaries and benefits as a percentage of total budget has continued to increase, a warning sign. Total benefit costs as a percentage of wages and salaries has increased from 18.9% to 33.8% of wages and salaries over the past ten years. The rapid increase is primarily the result of increased costs of providing health benefits to municipal employees. Fortunately in the past four years, benefit costs have stabilized. The long term trend is uncertain, despite some success in the past three years to control the rate of increase of health insurance costs.

Formula	Total Salaries and Benefits as Percentage of Total Budget									
Fiscal Year*	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Employee Benefits	\$ 5,462,763	\$ 5,742,251	\$ 7,031,108	\$ 8,673,606	\$ 9,592,425	\$ 10,152,296	\$ 10,271,971	\$ 10,548,292	\$ 10,126,114	\$ 10,855,490
Total Health Benefits	\$ 3,193,217	\$ 3,361,321	\$ 4,282,149	\$ 5,568,357	\$ 6,366,383	\$ 6,920,036	\$ 6,950,443	\$ 7,007,802	\$ 6,489,801	\$ 6,965,222
Total Retirement Benefits	\$ 2,269,547	\$ 2,380,930	\$ 2,748,960	\$ 3,105,248	\$ 3,226,042	\$ 3,232,260	\$ 3,321,528	\$ 3,540,490	\$ 3,636,313	\$ 3,890,268
Salaries - Municipal	\$ 12,824,236	\$ 13,710,446	\$ 13,493,848	\$ 14,725,902	\$ 14,084,827	\$ 14,583,312	\$ 15,028,222	\$ 14,801,410	\$ 14,268,961	\$ 15,140,947
Salaries - Library	\$ 1,173,652	\$ 1,148,371	\$ 1,202,034	\$ 1,257,668	\$ 1,186,994	\$ 1,335,765	\$ 1,215,548	\$ 1,325,362	\$ 1,381,893	\$ 1,433,771
Salaries - Elementary School	\$ 13,001,490	\$ 13,558,962	\$ 14,066,022	\$ 14,115,839	\$ 14,109,728	\$ 14,465,617	\$ 14,152,842	\$ 13,856,355	\$ 14,313,386	\$ 14,812,774
Total Salaries	\$ 26,999,378	\$ 28,417,779	\$ 28,761,904	\$ 30,099,409	\$ 29,381,549	\$ 30,384,694	\$ 30,396,612	\$ 29,983,127	\$ 29,964,240	\$ 31,387,492
Total Salaries & Benefits	\$ 32,462,141	\$ 34,160,030	\$ 35,793,012	\$ 38,773,015	\$ 38,973,973	\$ 40,536,990	\$ 40,668,583	\$ 40,531,419	\$ 40,090,354	\$ 42,242,982
Total Employee Benefits Spending as % of Wages & Salaries	20.23%	20.21%	24.45%	28.82%	32.65%	33.41%	33.79%	35.18%	33.79%	34.59%
Total Operating Budget	\$ 59,485,598	\$ 59,718,855	\$ 63,824,133	\$ 67,403,878	\$ 70,166,213	\$ 73,422,737	\$ 71,427,931	\$ 72,456,981	\$ 75,179,228	\$ 77,689,578
Total Salaries and Benefits as % Total Budget	54.57%	57.20%	56.08%	57.52%	55.55%	55.21%	56.94%	55.94%	53.33%	54.37%

Source: Finance Department and School Business Office

15 - Debt Service

Debt Service exceeding 20 percent of operating revenues is considered a warning indicator by the credit rating organizations.



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

Amherst maintains a strong credit rating of "AA With A Stable Outlook" from Standard & Poor's due in part to a low percentage of debt relative to general fund revenue.

Over the past six years, debt service as a percentage of general fund revenue has remained relatively low. This gives the Town additional flexibility to issue new debt.

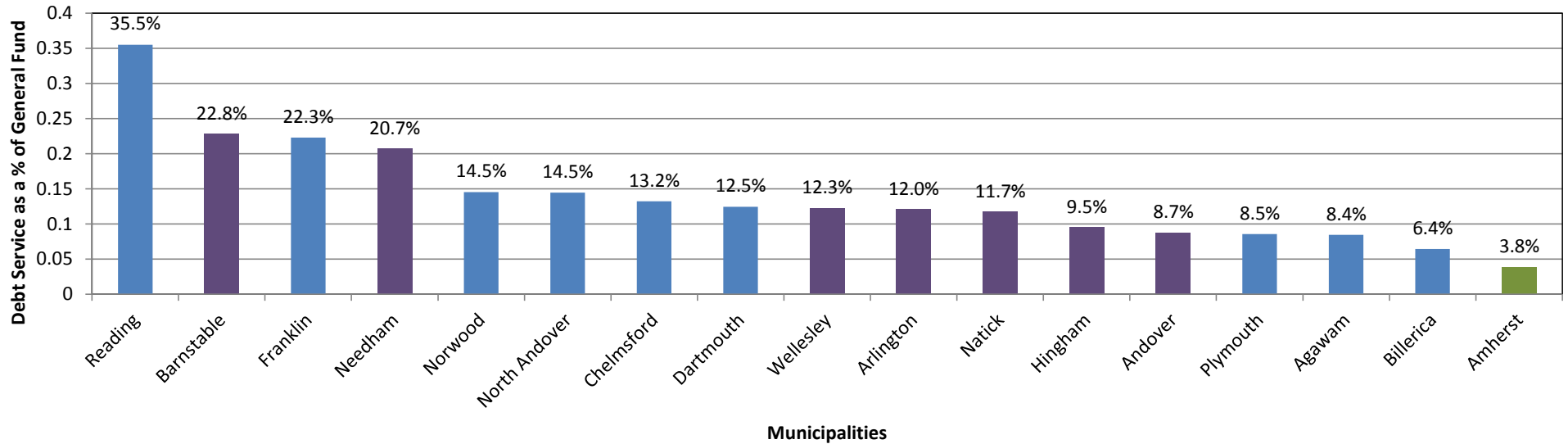
Formula	Debt Service / General Fund Revenue OR / per Capita/Household									
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Long Term Retired	\$1,621,270	\$1,773,730	\$1,830,270	\$1,895,270	\$1,645,270	\$1,640,271	\$1,725,270	\$1,875,305	\$2,170,305	\$1,199,000
Long Term Interest	\$586,510	\$614,760	\$536,923	\$496,422	\$421,669	\$362,917	\$263,495	\$231,261	\$321,995	\$229,393
Short Term Interest	\$213,528	\$57,095	\$123,862	\$58,743	\$14,898	\$21,559	\$1,309	\$5,370	\$4,040	\$0
Other Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$ 2,421,308	\$ 2,445,585	\$ 2,491,055	\$ 2,450,435	\$ 2,081,837	\$ 2,024,747	\$ 1,990,074	\$ 2,111,936	\$ 2,496,340	\$ 1,428,393
General Fund Revenue	\$ 44,864,247	\$ 51,730,529	\$ 53,574,369	\$ 58,555,235	\$ 60,370,325	\$ 60,893,556	\$ 60,505,355	\$ 62,865,469	\$ 65,253,280	\$ 65,253,280
Population	34,255	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819
Debt Service as a % of General Fund Revenue	5.40%	4.73%	4.65%	4.18%	3.45%	3.33%	3.29%	3.36%	3.83%	2.19%
Debt Service per Capita	\$71	\$72	\$73	\$68	\$59	\$57	\$53	\$56	\$66	\$38

Sources: Debt and Population: Amherst Finance Department.

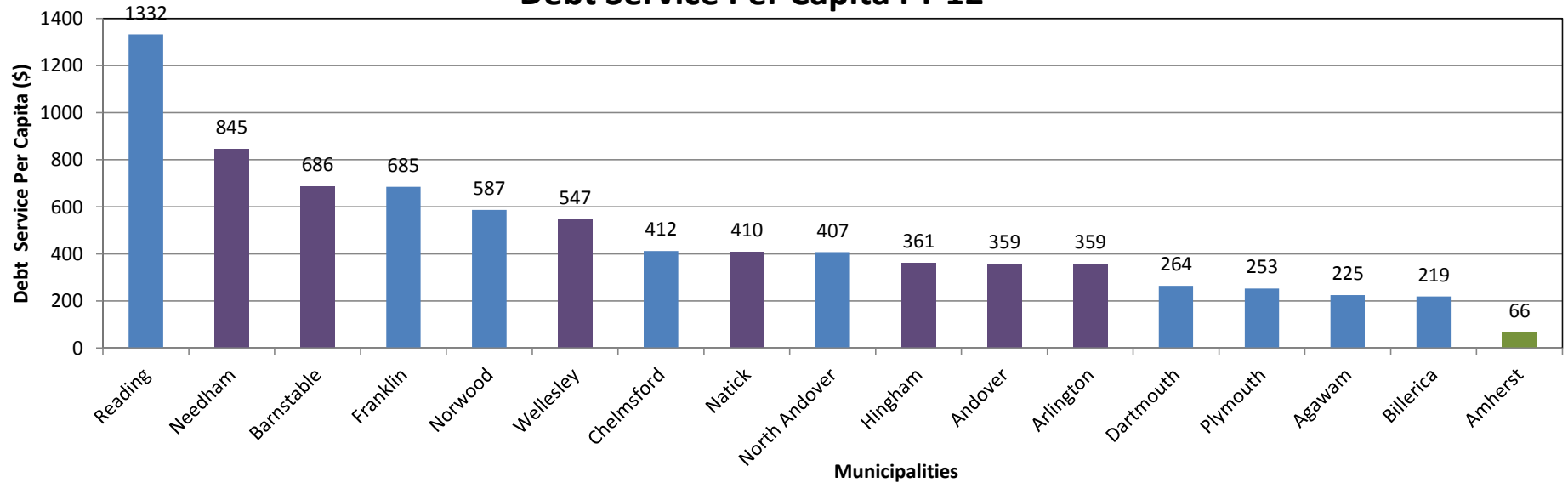
15.1 - Debt Service FY12

Debt Service exceeding 20 percent of operating revenues is considered a warning indicator by the credit rating organizations.

Debt Service as a Percentage of General Fund FY 12

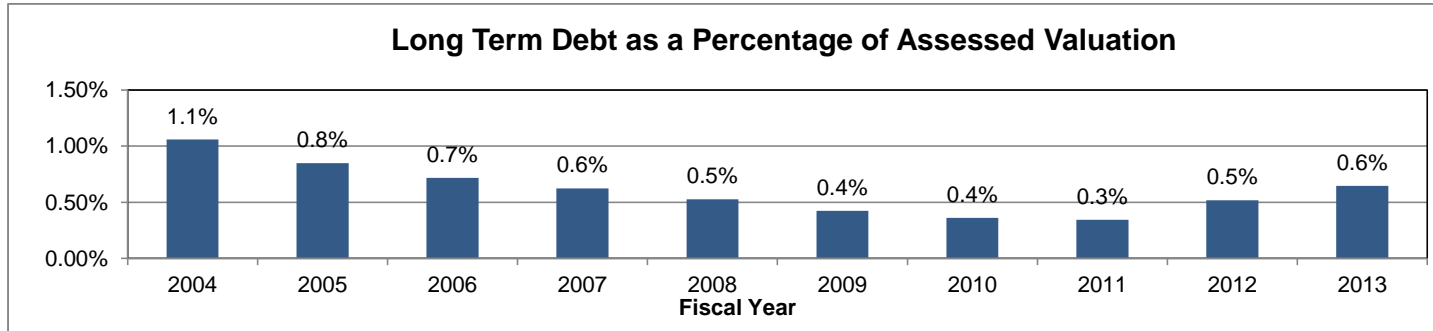


Debt Service Per Capita FY 12



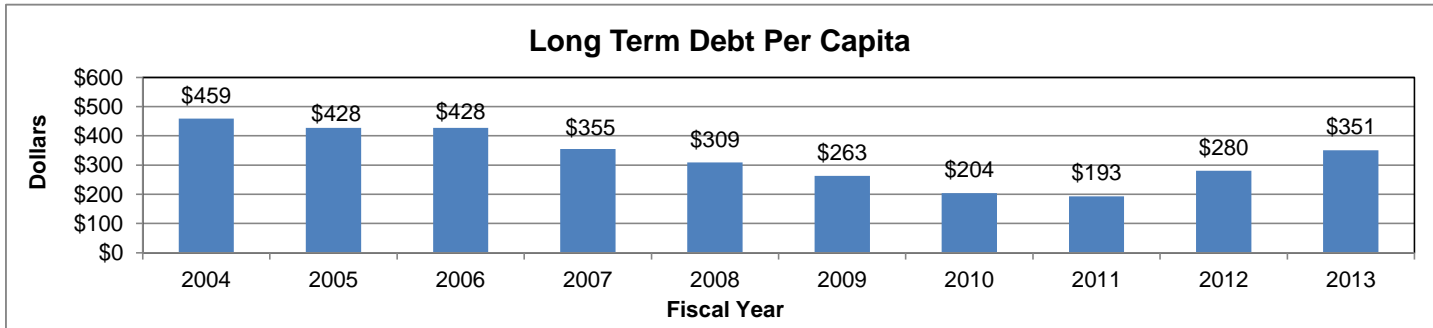
16 - Long Term Debt

Overall debt exceeding 10 percent of assessed valuation is considered a warning indicator by bond rating agencies.



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

Like debt service, rating agencies look at long term debt as a percentage of assessed valuations and per capita.



Overall, Amherst's long term debt has remained relatively low and has actually decreased in recent years.

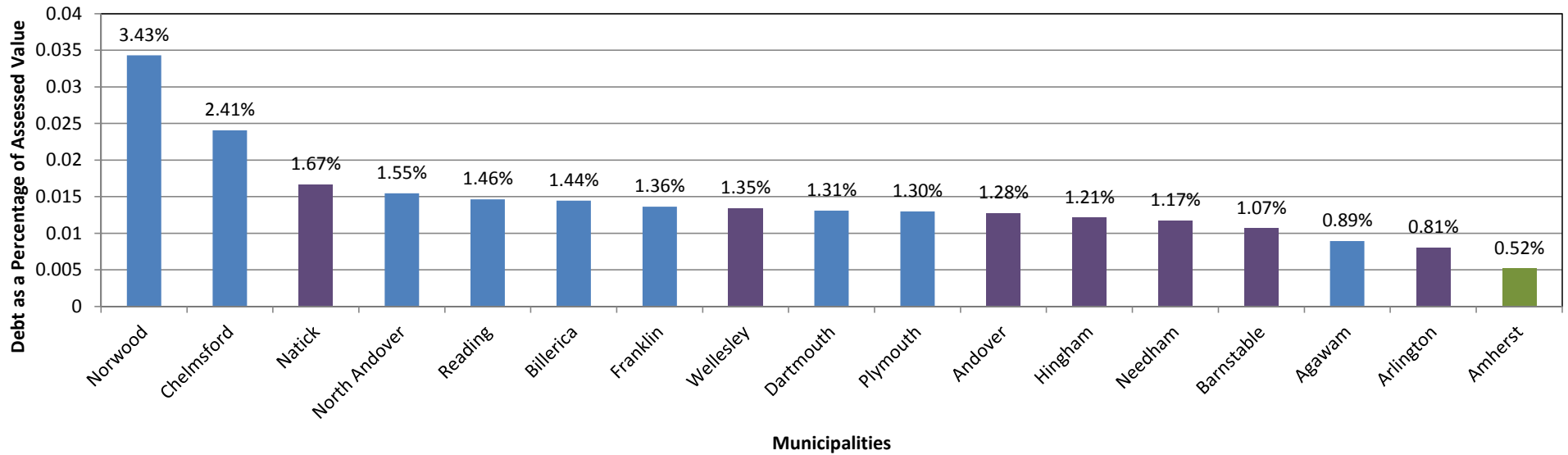
Formula	Outstanding Debt as a Percentage of Assessed Valuations or Per Capita									
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Outstanding Debt	\$ 15,731,195	\$ 14,557,465	\$ 14,557,465	\$ 12,773,655	\$ 10,988,385	\$ 9,343,115	\$ 7,702,844	\$ 7,297,575	\$ 10,602,270	\$ 13,263,965
Total Assessed Valuations	\$1,485,946,000	\$1,713,756,900	\$2,027,621,762	\$2,045,921,630	\$2,084,591,660	\$2,204,262,100	\$2,127,375,010	\$2,117,159,900	\$2,043,770,600	\$2,050,011,060
Population	34,255	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819
Long Term Debt as a % of Assessed Valuations	1.06%	0.85%	0.72%	0.62%	0.53%	0.42%	0.36%	0.34%	0.52%	0.65%
Long Term Debt per Capita	\$459	\$428	\$428	\$355	\$309	\$263	\$204	\$193	\$280	\$351

Sources: Amherst Finance Department, Massachusetts Department of Revenue

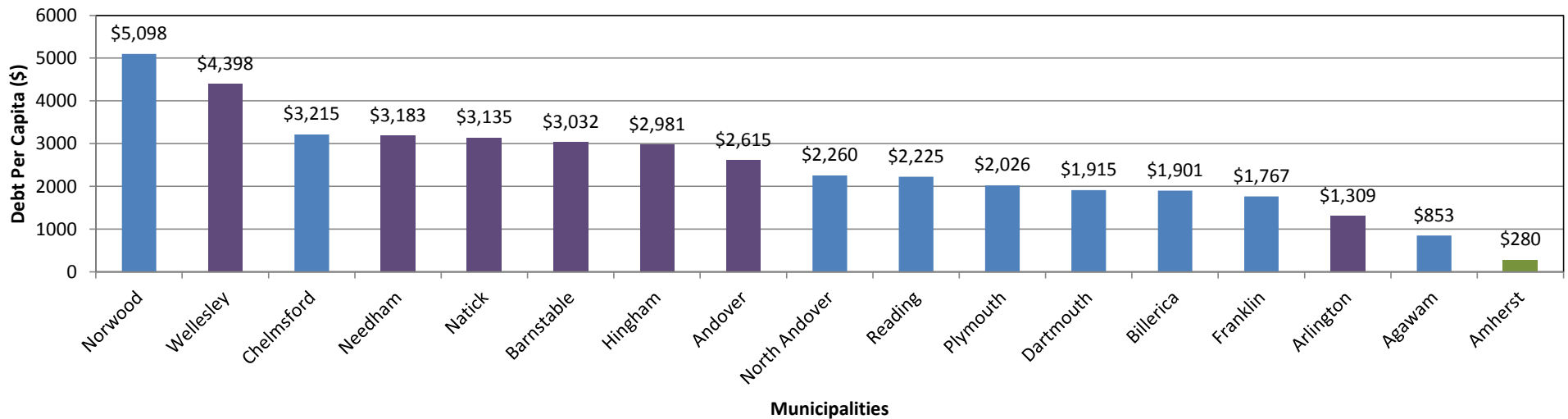
16.1 - Long Term Debt FY12

Overall debt exceeding 10 percent of assessed valuation is considered a warning indicator by bond rating agencies.

Long-Term Debt as a Percentage of Assessed Value FY 12

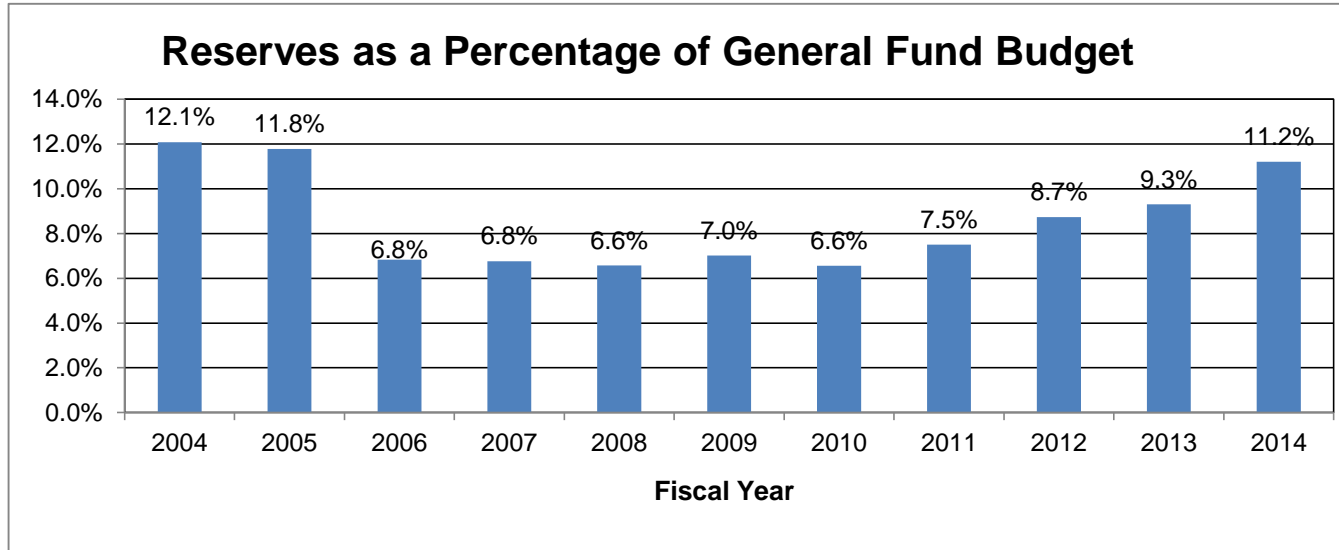


Long-Term Debt Per Capita FY 12



17 - Reserves & Fund Balance

Declining reserves as a percentage of operating revenues may be considered a warning indicator--between 5% and 15% is optimal and is recommended by the Government Finance Officers Association (GFOA).



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

Free cash and a stabilization fund permit greater financial flexibility and provide the Town with a safety net. Between 2002 and 2006, Amherst's reserves as a percentage of operating revenue declined substantially. Since 2011, reserves have gradually increased, in keeping with the Town's Financial Policies and Objectives.

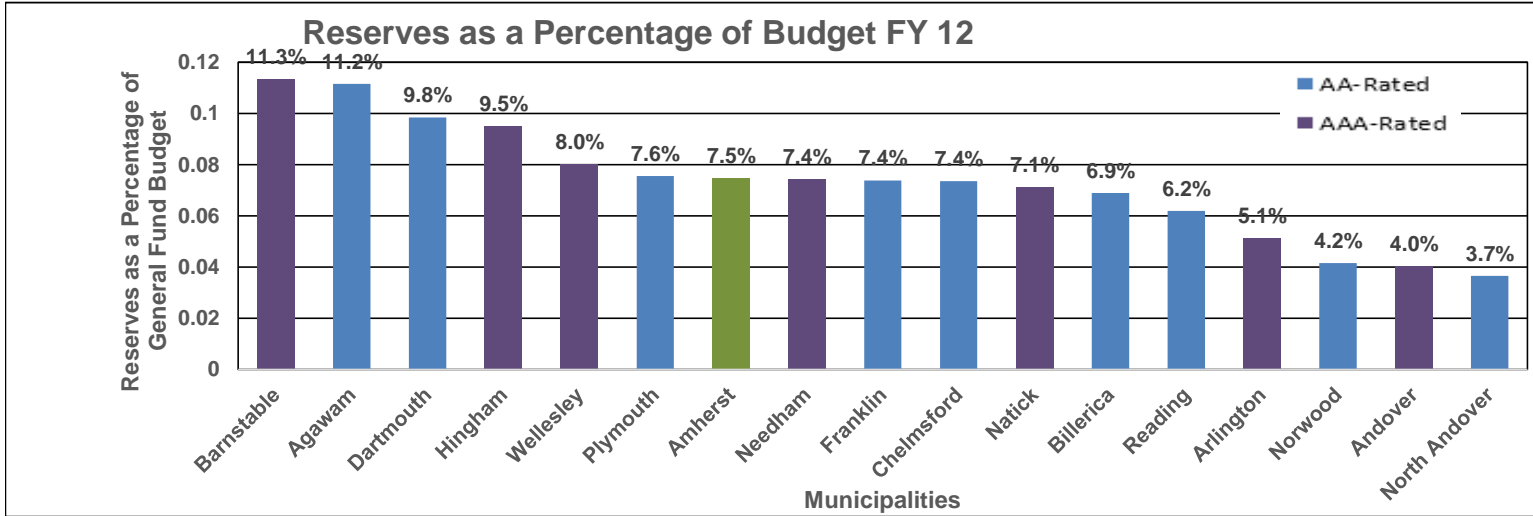
Formula	Undesignated Fund Balance / Operating Revenue										
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Certified Free Cash	\$ 1,662,285	\$ 1,849,054	\$ 1,240,133	\$ 2,216,935	\$ 3,154,033	\$ 3,528,863	\$ 2,672,333	\$ 3,300,986	\$ 4,167,028	\$ 4,326,501	\$ 4,738,538
Stabilization Fund	\$ 4,429,916	\$ 4,526,873	\$ 2,579,647	\$ 1,801,720	\$ 863,153	\$ 894,542	\$ 1,380,604	\$ 1,421,401	\$ 1,447,485	\$ 1,874,393	\$ 2,915,976
Total Reserves (Free Cash & Stabilization)	\$ 6,092,201	\$ 6,375,927	\$ 3,819,780	\$ 4,018,655	\$ 4,017,186	\$ 4,423,405	\$ 4,052,937	\$ 4,722,387	\$ 5,614,513	\$ 6,200,894	\$ 7,654,514
Total Budget	\$ 50,427,785	\$ 54,109,282	\$ 55,941,474	\$ 59,384,590	\$ 61,090,925	\$ 63,017,449	\$ 61,782,105	\$ 62,955,416	\$ 64,246,301	\$ 66,616,854	\$ 68,246,291
Free Cash as a % of Total Budget	3.3%	3.4%	2.2%	3.7%	5.2%	5.6%	4.3%	5.2%	6.5%	6.5%	6.9%
Stabilization Fund as a % Total Budget	8.8%	8.4%	4.6%	3.0%	1.4%	1.4%	2.2%	2.3%	2.3%	2.8%	4.3%
Reserves as a % of Total Budget	12.1%	11.8%	6.8%	6.8%	6.6%	7.0%	6.6%	7.5%	8.7%	9.3%	11.2%

Footnote: As of July 1 of the fiscal year shown.

Source: Massgov - Municipal Databank

17.1 - Reserves & Fund Balance FY12

Declining reserves as a percentage of operating revenues may be considered a warning indicator--between 5% and 15% is optimal and is recommended by the Government Finance Officers Association (GFOA).



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

Amherst maintains a strong credit rating of "AA With A Stable Outlook" from Standard & Poor's due in part to a low percentage of debt relative to general fund revenue.

Municipality	Sum of Reserves as a % of General Fund Budget	Municipality	Sum of Reserves as a % of General Fund Budget
Barnstable	11.34%	Chelmsford	7.35%
Agawam	11.16%	Natick	7.11%
Dartmouth	9.84%	Billerica	6.89%
Hingham	9.50%	Reading	6.19%
Wellesley	8.01%	Arlington	5.12%
Plymouth	7.56%	Norwood	4.15%
Amherst	7.47%	Andover	4.04%
Needham	7.44%	North Andover	3.66%
Franklin	7.39%		