



Long Term Financial Planning Model

The Model

The long term financial planning model is a tool developed by the Nova Scotia Municipal Finance Corporation to be used by municipalities for multi-year budgeting and forecasting and analyzing revenue and expenditure options.

The Town of Amherst's model is based on the 2015/16 council approved general operating budget. Future years are projected from 2015/16 with a few modifications made to fiscal year 2016/17 for revenues/expenses that were exclusively related to the prior year.

Assumptions

When preparing a long term planning model, a number of assumptions have to be made regarding the future. Some of the major assumptions in the Town's model include the continuation of all current service levels, no increases in tax rates, annual assessment changes based on current conditions, the continuation of the current level of provincial financial support, most discretionary expenditures (with the exception of energy costs) rising at the current rate of inflation and wage increases in accordance with the collective agreements for unionized staff and 1.5% increases for non-unionized staff. The following are the detailed assumptions made:

Operating revenues:

- ℓ Residential assessment growth of 2.5% per year, based on 2016/17 actual growth.
- ℓ Commercial assessment growth of -0.5% per PVSC provincial average.
- ℓ Tax Rates remain the same.
- ℓ All revenues except, residential taxes and services provided to Parrsboro (removed starting in 2016/17) remain the same.
- ℓ Therefore, zero increase in fees for permits, fines, sewer charges, uniform charges, rentals, equalization, grants, deed transfer tax, etc.

Operating expenditures:

- ℓ Union contract wages and benefits – increase based on agreement or estimates
 - ℓ Canadian Union of Public Employees (based on agreement) 2016/17 – 1.75% and 2017/18 & onward – 1.5%
 - ℓ Atlantic Police Association (based on Bridgewater) 2016/17 – 3% and 2017/18 & onward – 3.25%
- ℓ Non-union wages and benefits – increases mirror CUPE



Operating expenditures (cont'd):

- ℓ Consumer Price Index (CPI) – 0.4% for 2015 (January – December 2015, Nova Scotia All-In)
- ℓ Discretionary expenditures – increase per CPI 0.4%, except power, fuel & natural gas.
- ℓ Mandatory expenditures (education, corrections, housing, assessment, library) – increase of 2% per year.

Model Versions

Status Quo – Maintaining the status quo could result in significant annual deficits beginning in Year 4 or sooner. For purposes of illustration only (municipalities are not permitted to accumulate annual deficits but must address them in the year immediately following their occurrence), projected over a 10 year period this would result in an accumulated deficit of approximately \$3.5 million. The status quo model, assumes no new debt is incurred through capital investment.

Recommended Capital Investment – When increasing the level of capital investment to that recommended in the infrastructure and recreation studies to maintain infrastructure and equipment in a state of good repair is factored in, significant deficits are projected to occur sooner and are much larger than those referred to above. For purposes of illustration only (municipalities are not permitted to accumulate annual deficits but must address them in the year immediately following their occurrence), projected over a 10 year period this would result in an accumulated deficit of approximately \$9.7 million and an additional debt of about \$9 million.

50% of Recommended Capital Investment – Even when the level of capital investment is reduced to 50% of that recommended in the studies, significant deficits are projected to begin in Year 4 or sooner leading to an accumulated deficit, again for purposes of illustration only (municipalities are not permitted to accumulate annual deficits but must address them in the year immediately following their occurrence), in Year 10 of approximately \$5 million.

Capital

Numerous studies for infrastructure and recreation have been completed and each has provided recommended capital projects for the Town over the next 10 – 20 years. The studies have addressed the following categories:

- ℓ Buildings;
- ℓ Street and linear infrastructure;
- ℓ Dickey Brook culvert;
- ℓ Street lighting;
- ℓ Sidewalks;
- ℓ Vehicles and equipment; and
- ℓ Recreation.

For more information, please contact Director of Finance, Vince Arbing at (902) 667-1317 or Accountant, Sarah Wilson at (902) 667-6512.



| Description | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue Sources | | | | | | | | | | |
| Residential property tax | \$6,097,899 | \$6,250,346 | \$6,406,605 | \$6,566,770 | \$6,730,939 | \$6,899,212 | \$7,071,693 | \$7,248,485 | \$7,429,697 | \$7,615,440 |
| Commercial property tax | \$5,771,432 | \$5,742,575 | \$5,713,862 | \$5,685,293 | \$5,656,866 | \$5,628,582 | \$5,600,439 | \$5,572,437 | \$5,544,575 | \$5,516,852 |
| Other taxes | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 |
| Transfers from other govts | \$2,033,870 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 |
| Other revenue sources | \$2,604,225 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 |
| | \$17,407,236 | \$17,124,537 | \$17,252,083 | \$17,383,678 | \$17,519,421 | \$17,659,410 | \$17,803,748 | \$17,952,538 | \$18,105,888 | \$18,263,907 |
| Expenditures | | | | | | | | | | |
| Discretionary Expenditures | | | | | | | | | | |
| General Government Services | \$1,812,820 | \$1,807,248 | \$1,827,579 | \$1,848,409 | \$1,869,771 | \$1,891,698 | \$1,914,228 | \$1,937,404 | \$1,961,270 | \$1,985,879 |
| Protective Services - Police | \$3,787,539 | \$3,841,066 | \$3,943,037 | \$4,048,333 | \$4,157,087 | \$4,269,439 | \$4,385,540 | \$4,505,547 | \$4,629,626 | \$4,757,955 |
| Protective Services - Fire | \$1,763,836 | \$1,776,858 | \$1,795,151 | \$1,813,806 | \$1,832,841 | \$1,852,272 | \$1,872,121 | \$1,892,406 | \$1,913,152 | \$1,934,383 |
| Transportation Services | \$2,142,708 | \$2,156,185 | \$2,184,422 | \$2,213,612 | \$2,243,828 | \$2,275,149 | \$2,307,664 | \$2,341,467 | \$2,376,667 | \$2,413,380 |
| Environmental Health Services | \$1,322,812 | \$1,341,670 | \$1,359,144 | \$1,377,153 | \$1,395,722 | \$1,414,875 | \$1,434,636 | \$1,455,034 | \$1,476,096 | \$1,497,852 |
| Environmental Development Services | \$560,262 | \$507,168 | \$512,646 | \$518,198 | \$523,825 | \$529,529 | \$535,311 | \$541,172 | \$547,113 | \$553,135 |
| Recreation and Cultural Services | \$1,749,313 | \$1,716,116 | \$1,744,474 | \$1,773,996 | \$1,804,770 | \$1,836,893 | \$1,870,471 | \$1,905,619 | \$1,942,465 | \$1,981,150 |
| | \$13,139,290 | \$13,146,310 | \$13,366,452 | \$13,593,507 | \$13,827,844 | \$14,069,856 | \$14,319,971 | \$14,578,650 | \$14,846,391 | \$15,123,734 |
| Mandatory Expenditures | | | | | | | | | | |
| Debt servicing | \$1,032,900 | \$1,118,888 | \$1,247,746 | \$1,196,916 | \$1,147,071 | \$1,011,649 | \$988,052 | \$856,278 | \$819,105 | \$748,404 |
| Educ, Corr, Housing, Assess, Library | \$2,027,676 | \$2,068,230 | \$2,109,594 | \$2,151,786 | \$2,194,822 | \$2,238,718 | \$2,283,493 | \$2,329,162 | \$2,375,746 | \$2,423,261 |
| | \$562,829 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 |
| Capital from Revenue | \$562,829 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 |
| Appropriation to Reserves | \$644,541 | \$271,408 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 |
| | \$17,407,236 | \$17,144,836 | \$17,420,705 | \$17,639,122 | \$17,866,649 | \$18,017,136 | \$18,288,429 | \$18,461,003 | \$18,738,154 | \$18,992,312 |
| Surplus/(Deficit) | \$0 | (\$20,299) | (\$168,622) | (\$255,443) | (\$347,228) | (\$357,725) | (\$484,681) | (\$508,465) | (\$632,266) | (\$728,404) |
| Deficit from prior year | - | - | (20,299) | (188,922) | (444,365) | (791,593) | (1,149,319) | (1,633,999) | (2,142,464) | (2,774,730) |
| Accumulated Surplus/(Deficit) | \$0 | (\$20,299) | (\$188,922) | (\$444,365) | (\$791,593) | (\$1,149,319) | (\$1,633,999) | (\$2,142,464) | (\$2,774,730) | (\$3,503,135) |
| Debt Summation: | | | | | | | | | | |
| Actual debt outstanding | \$7,716,690 | \$7,031,812 | \$6,351,229 | \$5,690,082 | \$5,046,304 | \$4,508,457 | \$3,848,403 | \$3,431,107 | \$2,483,579 | \$2,218,854 |
| Outstanding, per Capital Budget | \$3,288,573 | \$3,288,573 | \$3,124,144 | \$2,959,716 | \$2,795,287 | \$2,630,858 | \$2,583,930 | \$2,396,001 | \$2,750,637 | \$2,454,196 |
| Actual & forecasted outstanding | \$11,005,263 | \$10,320,385 | \$9,475,373 | \$8,649,798 | \$7,841,591 | \$7,139,315 | \$6,432,333 | \$5,827,108 | \$5,234,216 | \$4,673,050 |

***Note: Accumulated deficits are for illustrative purposes only. Municipalities are not permitted to accumulate annual deficits but must address them in the year immediately following their occurrence.

| | 2015-16 | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2017-18 | 2018-19 | 2018-19 | 2019-20 | 2019-20 | 2020-21 | 2020-21 | 2021-22 | 2021-22 | 2022-23 | 2022-23 | 2023-24 | 2023-24 | 2024-25 | 2024-25 |
|---|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|------------------|--------------------|-------------|--------------------|------------------|--------------------|-------------|--------------------|
| Services | | | | | | | | | | | | | | | | | | | | |
| Equipment | | \$55,000 | | | | | | | | | | | | | | | | | | |
| Streets / Sidewalks / Storm Sewer | | \$1,541,417 | | | | | | | | | | | | | | | | | | |
| Buildings | | \$5,138,542 | | | | | | | | | | | | | | | | | | |
| Sewer | | \$124,100 | | | | | | | | | | | | | | | | | | |
| Fire Department | | \$121,288 | | | | | | | | | | | | | | | | | | |
| Police Department | | \$163,500 | | | | | | | | | | | | | | | | | | |
| Recreation | | \$421,387 | | | | | | | | | | | | | | | | | | |
| Appendix A - Street & Linear Infrastructure | | | \$753,666 | | \$2,607,999 | | \$1,617,426 | | \$1,614,128 | | \$1,541,766 | | \$1,475,034 | | \$1,619,463 | | \$1,543,206 | | \$1,713,415 | |
| Appendix B - Streets Chip Seal | | | \$568,621 | | \$491,002 | | \$491,002 | | \$491,002 | | \$491,002 | | \$400,000 | | \$400,000 | | \$400,000 | | \$400,000 | |
| Appendix C - Dickey Brook Culvert | | | | | \$225,000 | | | | | | | | | | | | | | | |
| Appendix D - Buildings | | | \$401,350 | | \$192,750 | | \$157,250 | | \$153,500 | | \$166,000 | | \$147,500 | | \$95,500 | | \$29,000 | | \$7,500 | |
| Appendix E - Street Lights | | | \$6,000 | | \$35,000 | | \$35,000 | | \$35,000 | | \$35,000 | | \$35,000 | | \$35,000 | | \$35,000 | | \$35,000 | |
| Appendix F - Sidewalks | | | \$140,000 | | \$203,000 | | \$237,250 | | \$159,000 | | \$75,000 | | \$234,000 | | \$341,500 | | \$167,000 | | \$179,000 | |
| Appendix G - Vehicles & Equipment | | | \$1,673,000 | | \$321,000 | | \$325,000 | | \$580,000 | | \$1,425,000 | | \$80,000 | | \$450,000 | | \$375,000 | | \$40,000 | |
| Appendix H - Recreation | | | \$327,500 | | \$319,000 | | \$305,000 | | \$385,000 | | \$245,500 | | \$327,500 | | \$277,500 | | \$277,500 | | \$277,500 | |
| Yearly capital allowance | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | |
| Refinance "Balloon" payments | | | | | | | | | | | | \$117,500 | | | | \$542,565 | | | | |
| Total Capital Budget | \$0 | \$7,565,234 | \$0 | \$3,970,137 | \$0 | \$4,494,751 | \$0 | \$3,267,928 | \$0 | \$3,517,630 | \$0 | \$4,079,268 | \$117,500 | \$2,764,034 | \$0 | \$3,283,963 | \$542,565 | \$2,891,706 | \$0 | \$2,717,415 |
| | \$7,565,234 | | \$3,970,137 | | \$4,494,751 | | \$3,267,928 | | \$3,517,630 | | \$4,079,268 | | \$2,881,534 | | \$3,283,963 | | \$3,434,271 | | \$2,717,415 | |
| Sources of Funds | | | | | | | | | | | | | | | | | | | | |
| Gas Tax Funds | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 |
| Grants | | \$1,413,372 | | | | | | | | | | | | | | | | | | |
| Operating Fund | | \$562,829 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 |
| Capital Reserve | | \$781,299 | | | | | | | | | | | | | | | | | | |
| Operating Reserve | | \$313,840 | | | | | | | | | | | | | | | | | | |
| Fund Raising | | \$186,221 | | | | | | | | | | | | | | | | | | |
| Outside Sources - Corporate Support | | \$170,000 | | | | | | | | | | | | | | | | | | |
| Internal Borrowing - Cap Reserve | | \$124,100 | | | | | | | | | | | | | | | | | | |
| Long-term Borrowing (Spring) | | | | | | | | | | | | | | | | | | | | |
| Long-term Borrowing (Fall) | | \$3,288,573 | | | | | | | | | | | \$117,500 | | | | \$542,565 | | | |
| Total Sources of Funds | \$0 | \$7,565,234 | \$0 | \$1,265,000 | \$0 | \$1,265,000 | \$0 | \$1,265,000 | \$0 | \$1,265,000 | \$0 | \$1,265,000 | \$117,500 | \$1,265,000 | \$0 | \$1,265,000 | \$542,565 | \$1,265,000 | \$0 | \$1,265,000 |
| | 7,565,234 | | 1,265,000 | | 1,265,000 | | 1,265,000 | | 1,265,000 | | 1,265,000 | | 1,382,500 | | 1,265,000 | | 1,807,565 | | 1,265,000 | |
| Long-term Borrowing Assumptions | | | | | | | | | | | | | | | | | | | | |
| Projects' Amortization Period (in years) | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 5 | 20 | 10 | 20 | 5 | 20 | 10 | 20 |
| Term of Long-term Borrowing (in years) | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 5 | 20 | 10 | 20 | 5 | 20 | 10 | 20 |
| Estimated Interest Rates | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% |
| Debt Outstanding | | | | | | | | | | | | | | | | | | | | |
| Current outstanding & forecasted debt | | \$11,005,263 | | \$10,320,385 | | \$9,475,373 | | \$8,649,798 | | \$7,841,591 | | \$7,139,315 | | \$6,432,333 | | \$5,827,108 | | \$5,234,216 | | \$4,673,050 |
| Estimated revised debt service ratio | | 7.64% | | 8.24% | | 9.13% | | 8.70% | | 8.28% | | 7.25% | | 7.03% | | 6.04% | | 5.74% | | 5.20% |

***Note:
 (1.) The amortization period & term may differ if project financed over a shorter time period (ie. 20 year amortization & "balloon" payment in year 10).
 (2.) The long-term borrowing calculation assumes a blended interest rate for the life of each fiscal year's borrowing.

| Description | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue Sources | | | | | | | | | | |
| Residential property tax | \$6,097,899 | \$6,250,346 | \$6,406,605 | \$6,566,770 | \$6,730,939 | \$6,899,212 | \$7,071,693 | \$7,248,485 | \$7,429,697 | \$7,615,440 |
| Commercial property tax | \$5,771,432 | \$5,742,575 | \$5,713,862 | \$5,685,293 | \$5,656,866 | \$5,628,582 | \$5,600,439 | \$5,572,437 | \$5,544,575 | \$5,516,852 |
| Other taxes | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 |
| Transfers from other govts | \$2,033,870 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 |
| Other revenue sources | \$2,604,225 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 |
| | \$17,407,236 | \$17,124,537 | \$17,252,083 | \$17,383,678 | \$17,519,421 | \$17,659,410 | \$17,803,748 | \$17,952,538 | \$18,105,888 | \$18,263,907 |
| Expenditures | | | | | | | | | | |
| Discretionary Expenditures | | | | | | | | | | |
| General Government Services | \$1,812,820 | \$1,807,248 | \$1,827,579 | \$1,848,409 | \$1,869,771 | \$1,891,698 | \$1,914,228 | \$1,937,404 | \$1,961,270 | \$1,985,879 |
| Protective Services - Police | \$3,787,539 | \$3,841,066 | \$3,943,037 | \$4,048,333 | \$4,157,087 | \$4,269,439 | \$4,385,540 | \$4,505,547 | \$4,629,626 | \$4,757,955 |
| Protective Services - Fire | \$1,763,836 | \$1,776,858 | \$1,795,151 | \$1,813,806 | \$1,832,841 | \$1,852,272 | \$1,872,121 | \$1,892,406 | \$1,913,152 | \$1,934,383 |
| Transportation Services | \$2,142,708 | \$2,156,185 | \$2,184,422 | \$2,213,612 | \$2,243,828 | \$2,275,149 | \$2,307,664 | \$2,341,467 | \$2,376,667 | \$2,413,380 |
| Environmental Health Services | \$1,322,812 | \$1,341,670 | \$1,359,144 | \$1,377,153 | \$1,395,722 | \$1,414,875 | \$1,434,636 | \$1,455,034 | \$1,476,096 | \$1,497,852 |
| Environmental Development Services | \$560,262 | \$507,168 | \$512,646 | \$518,198 | \$523,825 | \$529,529 | \$535,311 | \$541,172 | \$547,113 | \$553,135 |
| Recreation and Cultural Services | \$1,749,313 | \$1,716,116 | \$1,744,474 | \$1,773,996 | \$1,804,770 | \$1,836,893 | \$1,870,471 | \$1,905,619 | \$1,942,465 | \$1,981,150 |
| | \$13,139,290 | \$13,146,310 | \$13,366,452 | \$13,593,507 | \$13,827,844 | \$14,069,856 | \$14,319,971 | \$14,578,650 | \$14,846,391 | \$15,123,734 |
| Mandatory Expenditures | | | | | | | | | | |
| Debt servicing | \$1,032,900 | \$1,118,888 | \$1,342,156 | \$1,534,580 | \$1,705,769 | \$1,735,258 | \$1,904,728 | \$1,943,291 | \$2,026,222 | \$2,084,409 |
| Educ, Corr, Housing, Assess, Library | \$2,027,676 | \$2,068,230 | \$2,109,594 | \$2,151,786 | \$2,194,822 | \$2,238,718 | \$2,283,493 | \$2,329,162 | \$2,375,746 | \$2,423,261 |
| | \$562,829 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 |
| Capital from Revenue | \$562,829 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 |
| Appropriation to Reserves | \$644,541 | \$271,408 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 |
| | \$17,407,236 | \$17,144,836 | \$17,515,114 | \$17,976,786 | \$18,425,347 | \$18,740,745 | \$19,205,105 | \$19,548,016 | \$19,945,271 | \$20,328,317 |
| Surplus/(Deficit) | \$0 | (\$20,299) | (\$263,032) | (\$593,107) | (\$905,926) | (\$1,081,334) | (\$1,401,357) | (\$1,595,478) | (\$1,839,383) | (\$2,064,410) |
| Deficit from prior year | - | - | (20,299) | (283,331) | (876,438) | (1,782,364) | (2,863,698) | (4,265,055) | (5,860,533) | (7,699,916) |
| Accumulated Surplus/(Deficit) | \$0 | (\$20,299) | (\$283,331) | (\$876,438) | (\$1,782,364) | (\$2,863,698) | (\$4,265,055) | (\$5,860,533) | (\$7,699,916) | (\$9,764,325) |
| Debt Summation: | | | | | | | | | | |
| Actual debt outstanding | \$7,716,690 | \$7,031,812 | \$6,351,229 | \$5,690,082 | \$5,046,304 | \$4,508,457 | \$3,848,403 | \$3,431,107 | \$2,483,579 | \$2,218,854 |
| Outstanding, per Capital Budget | \$3,288,573 | \$5,993,710 | \$9,059,032 | \$10,762,275 | \$12,553,732 | \$14,806,680 | \$15,749,263 | \$16,930,062 | \$18,186,217 | \$18,516,055 |
| Actual & forecasted outstanding | \$11,005,263 | \$13,025,522 | \$15,410,261 | \$16,452,357 | \$17,600,036 | \$19,315,137 | \$19,597,666 | \$20,361,169 | \$20,669,796 | \$20,734,909 |

***Note: Accumulated deficits are for illustrative purposes only. Municipalities are not permitted to accumulate annual deficits but must address them in the year immediately following their occurrence.

| | 2015-16 | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2017-18 | 2018-19 | 2018-19 | 2019-20 | 2019-20 | 2020-21 | 2020-21 | 2021-22 | 2021-22 | 2022-23 | 2022-23 | 2023-24 | 2023-24 | 2024-25 | 2024-25 |
|---|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|------------------|--------------------|-------------|--------------------|------------------|--------------------|-------------|--------------------|
| Services | | | | | | | | | | | | | | | | | | | | |
| Equipment | | \$55,000 | | | | | | | | | | | | | | | | | | |
| Streets / Sidewalks / Storm Sewer | | \$1,541,417 | | | | | | | | | | | | | | | | | | |
| Buildings | | \$5,138,542 | | | | | | | | | | | | | | | | | | |
| Sewer | | \$124,100 | | | | | | | | | | | | | | | | | | |
| Fire Department | | \$121,288 | | | | | | | | | | | | | | | | | | |
| Police Department | | \$163,500 | | | | | | | | | | | | | | | | | | |
| Recreation | | \$421,387 | | | | | | | | | | | | | | | | | | |
| Appendix A - Street & Linear Infrastructure | | | | \$753,666 | | \$2,607,999 | | \$1,617,426 | | \$1,614,128 | | \$1,541,766 | | \$1,475,034 | | \$1,619,463 | | \$1,543,206 | | \$1,713,415 |
| Appendix B - Streets Chip Seal | | | | \$568,621 | | \$491,002 | | \$491,002 | | \$491,002 | | \$491,002 | | \$400,000 | | \$400,000 | | \$400,000 | | \$400,000 |
| Appendix C - Dickey Brook Culvert | | | | | | \$225,000 | | | | | | | | | | | | | | |
| Appendix D - Buildings | | | | \$401,350 | | \$192,750 | | \$157,250 | | \$153,500 | | \$166,000 | | \$147,500 | | \$95,500 | | \$29,000 | | \$7,500 |
| Appendix E - Street Lights | | | | \$6,000 | | \$35,000 | | \$35,000 | | \$35,000 | | \$35,000 | | | | | | | | |
| Appendix F - Sidewalks | | | | \$140,000 | | \$203,000 | | \$237,250 | | \$159,000 | | \$75,000 | | \$234,000 | | \$341,500 | | \$167,000 | | \$179,000 |
| Appendix G - Vehicles & Equipment | | | | \$1,673,000 | | \$321,000 | | \$325,000 | | \$580,000 | | \$1,425,000 | | \$80,000 | | \$450,000 | | \$375,000 | | \$40,000 |
| Appendix H - Recreation | | | | \$327,500 | | \$319,000 | | \$305,000 | | \$385,000 | | \$245,500 | | \$327,500 | | \$277,500 | | \$277,500 | | \$277,500 |
| Yearly capital allowance | | | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 | | \$100,000 |
| Refinance "Balloon" payments | | | | | | | | | | | | | \$117,500 | | | | \$542,565 | | | |
| Total Capital Budget | \$0 | \$7,565,234 | \$0 | \$3,970,137 | \$0 | \$4,494,751 | \$0 | \$3,267,928 | \$0 | \$3,517,630 | \$0 | \$4,079,268 | \$117,500 | \$2,764,034 | \$0 | \$3,283,963 | \$542,565 | \$2,891,706 | \$0 | \$2,717,415 |
| | \$7,565,234 | | \$3,970,137 | | \$4,494,751 | | \$3,267,928 | | \$3,517,630 | | \$4,079,268 | | \$2,881,534 | | \$3,283,963 | | \$3,434,271 | | \$2,717,415 | |
| Sources of Funds | | | | | | | | | | | | | | | | | | | | |
| Gas Tax Funds | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 |
| Grants | | \$1,413,372 | | | | | | | | | | | | | | | | | | |
| Operating Fund | | \$562,829 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 |
| Capital Reserve | | \$781,299 | | | | | | | | | | | | | | | | | | |
| Operating Reserve | | \$313,840 | | | | | | | | | | | | | | | | | | |
| Fund Raising | | \$186,221 | | | | | | | | | | | | | | | | | | |
| Outside Sources - Corporate Support | | \$170,000 | | | | | | | | | | | | | | | | | | |
| Internal Borrowing - Cap Reserve | | \$124,100 | | | | | | | | | | | | | | | | | | |
| Long-term Borrowing (Spring) | | | | | | | | | | | | | | | | | | | | |
| Long-term Borrowing (Fall) | | \$3,288,573 | | \$2,705,137 | | \$3,229,751 | | \$2,002,928 | | \$2,252,630 | | \$2,814,268 | \$117,500 | \$1,499,034 | | \$2,018,963 | \$542,565 | \$1,626,706 | | \$1,452,415 |
| Total Sources of Funds | \$0 | \$7,565,234 | \$0 | \$3,970,137 | \$0 | \$4,494,751 | \$0 | \$3,267,928 | \$0 | \$3,517,630 | \$0 | \$4,079,268 | \$117,500 | \$2,764,034 | \$0 | \$3,283,963 | \$542,565 | \$2,891,706 | \$0 | \$2,717,415 |
| | 7,565,234 | | 3,970,137 | | 4,494,751 | | 3,267,928 | | 3,517,630 | | 4,079,268 | | 2,881,534 | | 3,283,963 | | 3,434,271 | | 2,717,415 | |
| Long-term Borrowing Assumptions | | | | | | | | | | | | | | | | | | | | |
| Projects' Amortization Period (in years) | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 5 | 20 | 10 | 20 | 5 | 20 | 10 | 20 |
| Term of Long-term Borrowing (in years) | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 5 | 20 | 10 | 20 | 5 | 20 | 10 | 20 |
| Estimated Interest Rates | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% |
| Debt Outstanding | | | | | | | | | | | | | | | | | | | | |
| Current outstanding & forecasted debt | | \$11,005,263 | | \$13,025,522 | | \$15,410,261 | | \$16,452,357 | | \$17,600,036 | | \$19,315,137 | | \$19,597,666 | | \$20,361,169 | | \$20,669,796 | | \$20,734,909 |
| Estimated revised debt service ratio | | 7.64% | | 8.24% | | 9.82% | | 11.15% | | 12.31% | | 12.43% | | 13.54% | | 13.71% | | 14.19% | | 14.48% |

***Note:
 (1.) The amortization period & term may differ if project financed over a shorter time period (ie. 20 year amortization & "balloon" payment in year 10).
 (2.) The long-term borrowing calculation assumes a blended interest rate for the life of each fiscal year's borrowing.

Nova Scotia Municipal Finance Corporation
Operating Budget for the
Town of Amherst

February 2, 2016 - 50% of Recommended Capital Investment

| Description | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue Sources | | | | | | | | | | |
| Residential property tax | \$6,097,899 | \$6,250,346 | \$6,406,605 | \$6,566,770 | \$6,730,939 | \$6,899,212 | \$7,071,693 | \$7,248,485 | \$7,429,697 | \$7,615,440 |
| Commercial property tax | \$5,771,432 | \$5,742,575 | \$5,713,862 | \$5,685,293 | \$5,656,866 | \$5,628,582 | \$5,600,439 | \$5,572,437 | \$5,544,575 | \$5,516,852 |
| Other taxes | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 | \$899,810 |
| Transfers from other govts | \$2,033,870 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 | \$1,660,655 |
| Other revenue sources | \$2,604,225 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 | \$2,571,151 |
| | \$17,407,236 | \$17,124,537 | \$17,252,083 | \$17,383,678 | \$17,519,421 | \$17,659,410 | \$17,803,748 | \$17,952,538 | \$18,105,888 | \$18,263,907 |
| Expenditures | | | | | | | | | | |
| Discretionary Expenditures | | | | | | | | | | |
| General Government Services | \$1,812,820 | \$1,807,248 | \$1,827,579 | \$1,848,409 | \$1,869,771 | \$1,891,698 | \$1,914,228 | \$1,937,404 | \$1,961,270 | \$1,985,879 |
| Protective Services - Police | \$3,787,539 | \$3,841,066 | \$3,943,037 | \$4,048,333 | \$4,157,087 | \$4,269,439 | \$4,385,540 | \$4,505,547 | \$4,629,626 | \$4,757,955 |
| Protective Services - Fire | \$1,763,836 | \$1,776,858 | \$1,795,151 | \$1,813,806 | \$1,832,841 | \$1,852,272 | \$1,872,121 | \$1,892,406 | \$1,913,152 | \$1,934,383 |
| Transportation Services | \$2,142,708 | \$2,156,185 | \$2,184,422 | \$2,213,612 | \$2,243,828 | \$2,275,149 | \$2,307,664 | \$2,341,467 | \$2,376,667 | \$2,413,380 |
| Environmental Health Services | \$1,322,812 | \$1,341,670 | \$1,359,144 | \$1,377,153 | \$1,395,722 | \$1,414,875 | \$1,434,636 | \$1,455,034 | \$1,476,096 | \$1,497,852 |
| Environmental Development Services | \$560,262 | \$507,168 | \$512,646 | \$518,198 | \$523,825 | \$529,529 | \$535,311 | \$541,172 | \$547,113 | \$553,135 |
| Recreation and Cultural Services | \$1,749,313 | \$1,716,116 | \$1,744,474 | \$1,773,996 | \$1,804,770 | \$1,836,893 | \$1,870,471 | \$1,905,619 | \$1,942,465 | \$1,981,150 |
| | \$13,139,290 | \$13,146,310 | \$13,366,452 | \$13,593,507 | \$13,827,844 | \$14,069,856 | \$14,319,971 | \$14,578,650 | \$14,846,391 | \$15,123,734 |
| Mandatory Expenditures | | | | | | | | | | |
| Debt servicing | \$1,032,900 | \$1,118,888 | \$1,272,877 | \$1,291,078 | \$1,300,258 | \$1,196,903 | \$1,220,556 | \$1,125,769 | \$1,101,571 | \$1,049,341 |
| Educ, Corr, Housing, Assess, Library | \$2,027,676 | \$2,068,230 | \$2,109,594 | \$2,151,786 | \$2,194,822 | \$2,238,718 | \$2,283,493 | \$2,329,162 | \$2,375,746 | \$2,423,261 |
| | \$562,829 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 |
| Capital from Revenue | | | | | | | | | | |
| Appropriation to Reserves | \$644,541 | \$271,408 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 | \$156,913 |
| | \$17,407,236 | \$17,144,836 | \$17,445,835 | \$17,733,284 | \$18,019,837 | \$18,202,391 | \$18,520,933 | \$18,730,494 | \$19,020,621 | \$19,293,249 |
| Surplus/(Deficit) | \$0 | (\$20,299) | (\$193,753) | (\$349,606) | (\$500,415) | (\$542,980) | (\$717,185) | (\$777,956) | (\$914,733) | (\$1,029,342) |
| Deficit from prior year | - | - | (20,299) | (214,052) | (563,658) | (1,064,073) | (1,607,053) | (2,324,238) | (3,102,194) | (4,016,927) |
| Accumulated Surplus/(Deficit) | \$0 | (\$20,299) | (\$214,052) | (\$563,658) | (\$1,064,073) | (\$1,607,053) | (\$2,324,238) | (\$3,102,194) | (\$4,016,927) | (\$5,046,269) |
| Debt Summation: | | | | | | | | | | |
| Actual debt outstanding | \$7,716,690 | \$7,031,812 | \$6,351,229 | \$5,690,082 | \$5,046,304 | \$4,508,457 | \$3,848,403 | \$3,431,107 | \$2,483,579 | \$2,218,854 |
| Outstanding, per Capital Budget | \$3,288,573 | \$4,008,642 | \$4,826,588 | \$4,995,120 | \$5,239,384 | \$5,746,019 | \$5,687,847 | \$5,709,907 | \$6,072,552 | \$5,678,125 |
| Actual & forecasted outstanding | \$11,005,263 | \$11,040,454 | \$11,177,817 | \$10,685,202 | \$10,285,688 | \$10,254,476 | \$9,536,250 | \$9,141,014 | \$8,556,131 | \$7,896,979 |

***Note: Accumulated deficits are for illustrative purposes only. Municipalities are not permitted to accumulate annual deficits but must address them in the year immediately following their occurrence.

| | 2015-16 | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2017-18 | 2018-19 | 2018-19 | 2019-20 | 2019-20 | 2020-21 | 2020-21 | 2021-22 | 2021-22 | 2022-23 | 2022-23 | 2023-24 | 2023-24 | 2024-25 | 2024-25 |
|---|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|------------------|--------------------|-------------|--------------------|------------------|--------------------|-------------|--------------------|
| Services | | | | | | | | | | | | | | | | | | | | |
| Equipment | | \$55,000 | | | | | | | | | | | | | | | | | | |
| Streets / Sidewalks / Storm Sewer | | \$1,541,417 | | | | | | | | | | | | | | | | | | |
| Buildings | | \$5,138,542 | | | | | | | | | | | | | | | | | | |
| Sewer | | \$124,100 | | | | | | | | | | | | | | | | | | |
| Fire Department | | \$121,288 | | | | | | | | | | | | | | | | | | |
| Police Department | | \$163,500 | | | | | | | | | | | | | | | | | | |
| Recreation | | \$421,387 | | | | | | | | | | | | | | | | | | |
| Appendix A - Street & Linear Infrastructure | | | | \$376,833 | | \$1,304,000 | | \$808,713 | | \$807,064 | | \$770,883 | | \$737,517 | | \$809,732 | | \$771,603 | | \$856,708 |
| Appendix B - Streets Chip Seal | | | | \$284,311 | | \$245,501 | | \$245,501 | | \$245,501 | | \$245,501 | | \$200,000 | | \$200,000 | | \$200,000 | | \$200,000 |
| Appendix C - Dickey Brook Culvert | | | | | | \$112,500 | | | | | | | | | | | | | | |
| Appendix D - Buildings | | | | \$200,675 | | \$96,375 | | \$78,625 | | \$76,750 | | \$83,000 | | \$73,750 | | \$47,750 | | \$14,500 | | \$3,750 |
| Appendix E - Street Lights | | | | \$3,000 | | \$17,500 | | \$17,500 | | \$17,500 | | \$17,500 | | \$117,000 | | \$170,750 | | \$83,500 | | \$89,500 |
| Appendix F - Sidewalks | | | | \$70,000 | | \$101,500 | | \$118,625 | | \$79,500 | | \$37,500 | | \$40,000 | | \$225,000 | | \$187,500 | | \$20,000 |
| Appendix G - Vehicles & Equipment | | | | \$836,500 | | \$160,500 | | \$162,500 | | \$290,000 | | \$712,500 | | \$40,000 | | \$225,000 | | \$187,500 | | \$20,000 |
| Appendix H - Recreation | | | | \$163,750 | | \$159,500 | | \$152,500 | | \$192,500 | | \$122,750 | | \$163,750 | | \$138,750 | | \$138,750 | | \$138,750 |
| Yearly capital allowance | | | | \$50,000 | | \$50,000 | | \$50,000 | | \$50,000 | | \$50,000 | | \$50,000 | | \$50,000 | | \$50,000 | | \$50,000 |
| Refinance "Balloon" payments | | | | | | | | | | | | | \$117,500 | | | | | \$542,565 | | |
| Total Capital Budget | \$0 | \$7,565,234 | \$0 | \$1,985,069 | \$0 | \$2,247,376 | \$0 | \$1,633,964 | \$0 | \$1,758,815 | \$0 | \$2,039,634 | \$117,500 | \$1,382,017 | \$0 | \$1,641,982 | \$542,565 | \$1,445,853 | \$0 | \$1,358,708 |
| | \$7,565,234 | | \$1,985,069 | | \$2,247,376 | | \$1,633,964 | | \$1,758,815 | | \$2,039,634 | | \$1,499,517 | | \$1,641,982 | | \$1,988,418 | | \$1,358,708 | |
| Sources of Funds | | | | | | | | | | | | | | | | | | | | |
| Gas Tax Funds | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 | | \$725,000 |
| Grants | | \$1,413,372 | | | | | | | | | | | | | | | | | | |
| Operating Fund | | \$562,829 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 | | \$540,000 |
| Capital Reserve | | \$781,299 | | | | | | | | | | | | | | | | | | |
| Operating Reserve | | \$313,840 | | | | | | | | | | | | | | | | | | |
| Fund Raising | | \$186,221 | | | | | | | | | | | | | | | | | | |
| Outside Sources - Corporate Support | | \$170,000 | | | | | | | | | | | | | | | | | | |
| Internal Borrowing - Cap Reserve | | \$124,100 | | | | | | | | | | | | | | | | | | |
| Long-term Borrowing (Spring) | | | | | | | | | | | | | | | | | | | | |
| Long-term Borrowing (Fall) | | \$3,288,573 | | \$720,069 | | \$982,376 | | \$368,964 | | \$493,815 | | \$774,634 | \$117,500 | \$117,017 | | \$376,982 | \$542,565 | \$180,853 | | \$93,708 |
| Total Sources of Funds | \$0 | \$7,565,234 | \$0 | \$1,985,069 | \$0 | \$2,247,376 | \$0 | \$1,633,964 | \$0 | \$1,758,815 | \$0 | \$2,039,634 | \$117,500 | \$1,382,017 | \$0 | \$1,641,982 | \$542,565 | \$1,445,853 | \$0 | \$1,358,708 |
| | 7,565,234 | | 1,985,069 | | 2,247,376 | | 1,633,964 | | 1,758,815 | | 2,039,634 | | 1,499,517 | | 1,641,982 | | 1,988,418 | | 1,358,708 | |
| Long-term Borrowing Assumptions | | | | | | | | | | | | | | | | | | | | |
| Projects' Amortization Period (in years) | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 5 | 20 | 10 | 20 | 5 | 20 | 10 | 20 |
| Term of Long-term Borrowing (in years) | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 10 | 20 | 5 | 20 | 10 | 20 | 5 | 20 | 10 | 20 |
| Estimated Interest Rates | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% | 2.82% | 3.49% |
| Debt Outstanding | | | | | | | | | | | | | | | | | | | | |
| Current outstanding & forecasted debt | | \$11,005,263 | | \$11,040,454 | | \$11,177,817 | | \$10,685,202 | | \$10,285,688 | | \$10,254,476 | | \$9,536,250 | | \$9,141,014 | | \$8,556,131 | | \$7,896,979 |
| Estimated revised debt service ratio | | 7.64% | | 8.24% | | 9.31% | | 9.38% | | 9.38% | | 8.57% | | 8.68% | | 7.94% | | 7.71% | | 7.29% |

***Note:
 (1.) The amortization period & term may differ if project financed over a shorter time period (ie. 20 year amortization & "balloon" payment in year 10).
 (2.) The long-term borrowing calculation assumes a blended interest rate for the life of each fiscal year's borrowing.