FINANCIAL FORECAST

OVERVIEW

This financial forecast includes projected Town revenues and expenditures over the fiscal years 2028 through 2031.

In doing so, the Town makes certain assumptions on which the forecast is based. As FY27 comes to a close and FY28 begins, these assumptions will be modified and updated as the FY28 budget process begins, and spending for next fiscal year becomes clearer.

For FY28, anticipated actual expense and revenue increases are included in the forecast. While these will most certainly change over time, we hope this will provide a realistic picture of the upcoming fiscal year.

For FY28 through FY31, the forecast is based on the following assumptions and estimates:

EXPENSE

General

- Salaries: 3% annually
- General expenses: 2% increase annually
- Contract services: 3% increase annually
- Utilities and energy: 3% increase annually
- Dues/memberships: 2% increase annually
- Vehicle supplies: 3% increase annually
- Building supplies: 3% increase annually
- Firefighter supplies: 3% increase annually

School Districts Assessments

- Lowell Vocational and Technical High School: 5% increase annually
- Groton Dunstable Regional School District:
  - 8% operations increase
  - 5% capital increase
  - 5% debt increase

Exceptions

- Retirement assessment: 5% increase annually
- Health insurance assessment: 10% increase annually
- General liability insurance: 5% increase annually
- FICA Town share: 2% increase annually
- Nashoba Board of Health assessment: 10% increase annually
- Town Nurse assessment: 10% increase annually
- Debt service: anticipated debt schedule
- Police Radio Communications: increases in preparation of regional dispatch assessment
- Fire Communications: increases in preparation of regional dispatch assessment

REVENUE

Estimates

- Assumes use of Free Cash at equal levels to cover operating expenses.
- Assumes use of free cash to cover all capital costs for school and town.
- Assumes $50,000 free cash transfers to the General Stabilization Fund and Capital Projects Stabilization Fund.
- Assumes $140,000 in new growth revenue in all fiscal years
- Assumes $850,000 in local receipts in all fiscal years
- Assumes state aid increases by 2% year over year

FORECAST PROJECTIONS

Based on these assumptions, the following deficits exist from FY28-FY31:

FY28: ($626,884)
FY29: ($1,161,528)
FY30: ($1,748,716)
FY31: ($2,382,958)

FINANCIAL FORECAST

	FY27 Budget	FY28 Budget	FY29 Budget	FY30 Budget	FY31 Budget
REVENUE					
Prior Year Levy Limit	$12,446,428	$12,897,588	$13,360,028	$13,834,029	$14,319,879
2 1/2 % Allowed Increase	$311,161	$322,440	$334,001	$345,851	$357,997
New & Amended Growth	$140,000	$140,000	$140,000	$140,000	$140,000
Levy Limit	**$12,897,588**	**$13,360,028**	**$13,834,029**	**$14,319,879**	**$14,817,876**
Excluded Debt	$297,844	$304,828	$267,103	$270,642	$274,348
Maximum Allowable Levy	**$13,195,432**	**$13,664,856**	**$14,101,132**	**$14,590,521**	**$15,092,224**
Cherry Sheet Receipts (State Aid)	$414,527	$422,818	$431,274	$439,899	$448,697
Local Receipts	$850,000	$850,000	$850,000	$850,000	$850,000
Free Cash for Operating Expenses	$124,216	$105,117	$105,117	$105,117	$105,117
Free Cash for Town Articles	$220,000	$220,000	$220,000	$220,000	$220,000
Free Cash for GDRSD Capital	$125,000	$92,177	$96,786	$101,625	$106,706
Community Preservation	$457,222	$460,000	$460,000	$460,000	$460,000
Transfer from Water Enterprise	$21,204				
Transfer from Trash Revolving	$8,477				
Transfer from CPA Administrative	$9,182				
Water Enterprise	$211,936	$217,234	$222,665	$228,232	$233,938
Overlay Surplus (Abatements)	$25,000				
Est. Receipts & Other Rev.	$2,466,764	$2,367,346	$2,385,842	$2,404,873	$2,424,458
Total Available Revenue	**$15,662,196**	**$16,032,202**	**$16,486,973**	**$16,995,394**	**$17,516,682**
Trash Revolving Account	$184,000	$184,000	$184,000	$184,000	$184,000
Total Amount to be Appropriated	**$15,846,196**	**$16,216,202**	**$16,670,973**	**$17,179,394**	**$17,700,682**

FINANCIAL FORECAST

	FY27 Budget	FY28 Budget	FY29 Budget	FY30 Budget	FY31 Budget
EXPENSES					
General Government	$736,501	$775,223	$799,970	$816,081	$832,664
Public Safety	$1,784,436	$1,856,596	$1,932,894	$2,011,453	$2,070,340
Schools	$9,530,224	$10,279,208	$11,087,439	$11,959,624	$12,900,843
Public Works	$912,091	$930,775	$950,018	$969,836	$990,246
Human Services	$77,933	$81,897	$86,152	$90,726	$97,648
Library & Recreation	$340,038	$351,081	$362,518	$374,364	$386,635
Town Debt Service	$237,583	$237,591	$196,504	$196,513	$196,513
Insurance & Assessments	$1,151,403	$1,226,594	$1,307,397	$1,394,280	$1,487,752
Total Town Budget	**$14,770,208**	**$15,738,965**	**$16,722,893**	**$17,812,876**	**$18,962,641**
Total Town Operating	*$5,002,401*	*$5,222,167*	*$5,438,949*	*$5,656,739*	*$5,865,285*
Total School Operating	*$9,530,224*	*$10,279,208*	*$11,087,439*	*$11,959,624*	*$12,900,843*
Total Debt(Town)	*$237,583*	*$237,591*	*$196,504*	*$196,513*	*$196,513*
Overlay - Abatements/Exemptions		$20,000	$20,000	$20,000	$20,000
Cherry Sheet Charges	$2,829	$2,886	$2,943	$3,002	$3,062
Water Enterprise	$211,936	$217,234	$222,665	$228,232	$233,938
Curbside Trash Pickup Expenses	$184,000	$184,000	$184,000	$184,000	$184,000
Town Warrant Articles Only	$220,000	$220,000	$220,000	$220,000	$220,000
Community Preservation	$457,222	$460,000	$460,000	$460,000	$460,000
Total Expenses	**$15,846,195**	**$16,843,085**	**$17,832,501**	**$18,928,110**	**$20,083,640**
Surplus/(Deficit)	**$0**	**(626,884)**	**(1,161,528)**	**(1,748,716)**	**(2,382,958)**