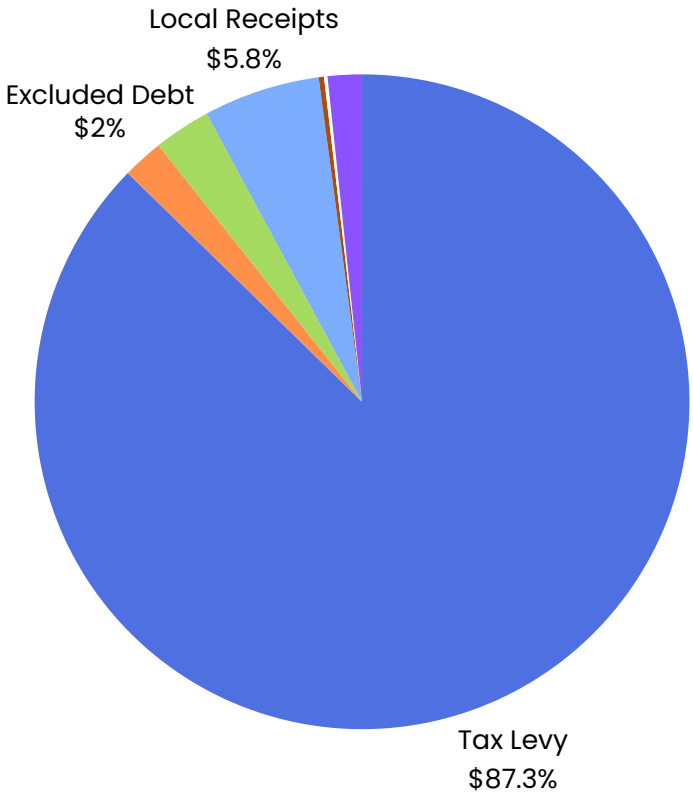
REVENUE SUPPORTING THE FY27 OPERATING BUDGET

The Town of Dunstable receives revenue from a limited number of resources. In order to project revenues in FY27, and in future fiscal years, the Town uses a conservative analysis based on historic trends, current and predicted economic conditions, and other major outside factors which may affect Town finances. To fund the FY27 operating budget, the Town relies on 4 major funding sources: real estate taxes (tax levy and excluded debt), local receipts, state aid, and free cash. A breakdown of revenues supporting the FY27 operating budget is below.

	Total	% of Revenue
Tax Levy	$12,897,588	87.30%
Excluded Debt	$297,844	2.02%
State Aid	$414,527	2.81%
Local Receipts	$850,000	5.75%
Allocations	$38,863	0.26%
Overlay Surplus	$25,000	0.17%
Free Cash	$249,216	1.69%
Total	**$14,773,038**	**100.00%**



OVERVIEW OF PROPERTY TAXES

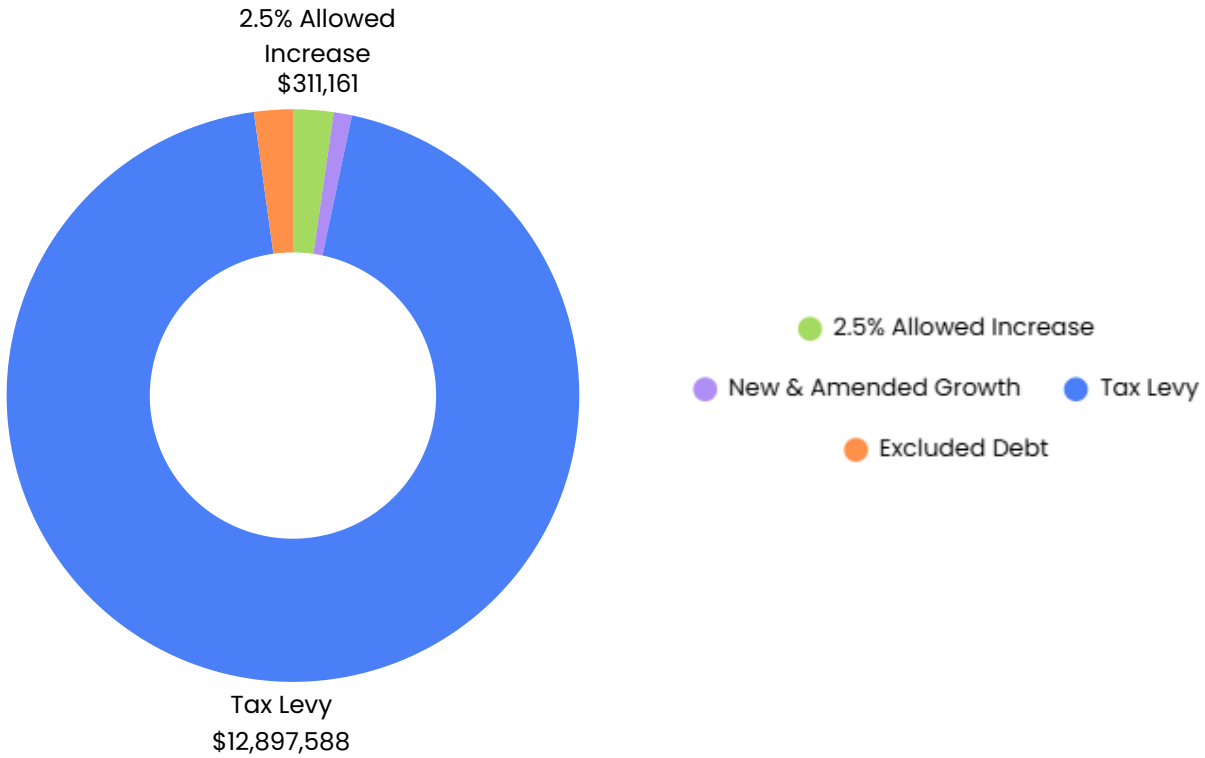
In FY27, property taxes comprise a total of 87% of revenues supporting the operating budget. When including excluded debt, that number rises to 89% of total revenues. This makes property tax revenue the most significant revenue source for the Town by a substantial margin. The second largest revenue source after property taxes is local receipts at just shy of 6% of total revenues. This is not unique to Dunstable, this is the case for many Towns, however, Dunstable relies on property taxes to a larger extent than most other comparable communities.

PROPOSITION 2 1/2

Under Proposition 2 ½, Massachusetts General Law constrains the annual growth of the tax levy to 2 1/2%, plus new growth. New growth is new development in the Town or improvements to properties that result in an increased assessed value. New growth does not include increased value due to revaluation of properties.

TAX LEVY

	FY26	FY27	Variance
Prior Year Levy Limit	$11,520,861	$12,446,428	8.03%
2.5% Allowed Increase	$288,022	$311,161	8.03%
New & Amended Growth	$156,704	$140,000	-10.66%
Prop 2 1/2 Override	$453,270		
Tax Levy	$12,418,857	$12,897,588	3.85%
Excluded Debt	$167,853	$297,844	77.44%
Total Tax Levy	**$12,586,710**	**$13,195,432**	**4.84%**
Proposition 2.5 Override Excess	*$27,571*	*0*	



STATE AID

State aid is a relatively minor portion of the overall revenues of the Town, totaling roughly 3% of Town revenues. The Town has used the FY2027 Governor's Budget Proposal as the basis for the FY27 Budget.

RECEIPTS			
	FY2026 Cherry Sheet Estimate	FY2027 Governor's Local Aid Proposal	FY2027 House Budget
Unrestricted Gen Gov't Aid	$306,183	$313,820	$308,497
Exemp: VBS and Elderly	$8,632	$9,455	$9,455
State Owned Land	$80,300	$82,378	$82,269
Public Libraries	$8,556	$8,874	$8,874
Total Estimated Receipts	$403,671	$414,527	$409,095
CHARGES			
	FY2026 Cherry Sheet Estimate	FY2027 Governor's Local Aid Proposal	FY2027 House Budget
Air Pollution Districts	$1,265	$1,209	$1,209
RMV Non-Renewal Surcharge	$1,420	$1,620	$1,620
Total Estimated Charges	$2,685	$2,829	$2,829
NET STATE AID			
TOTAL	$400,986	$411,698	$406,266

The spreadsheet below provides a ten-year history of state aid and related assessments, highlighting trends across general government aid and state charges. It demonstrates how state funding has evolved over time and calculates the net state aid received by the town each year.

STATE AID
10-YEAR HISTORY

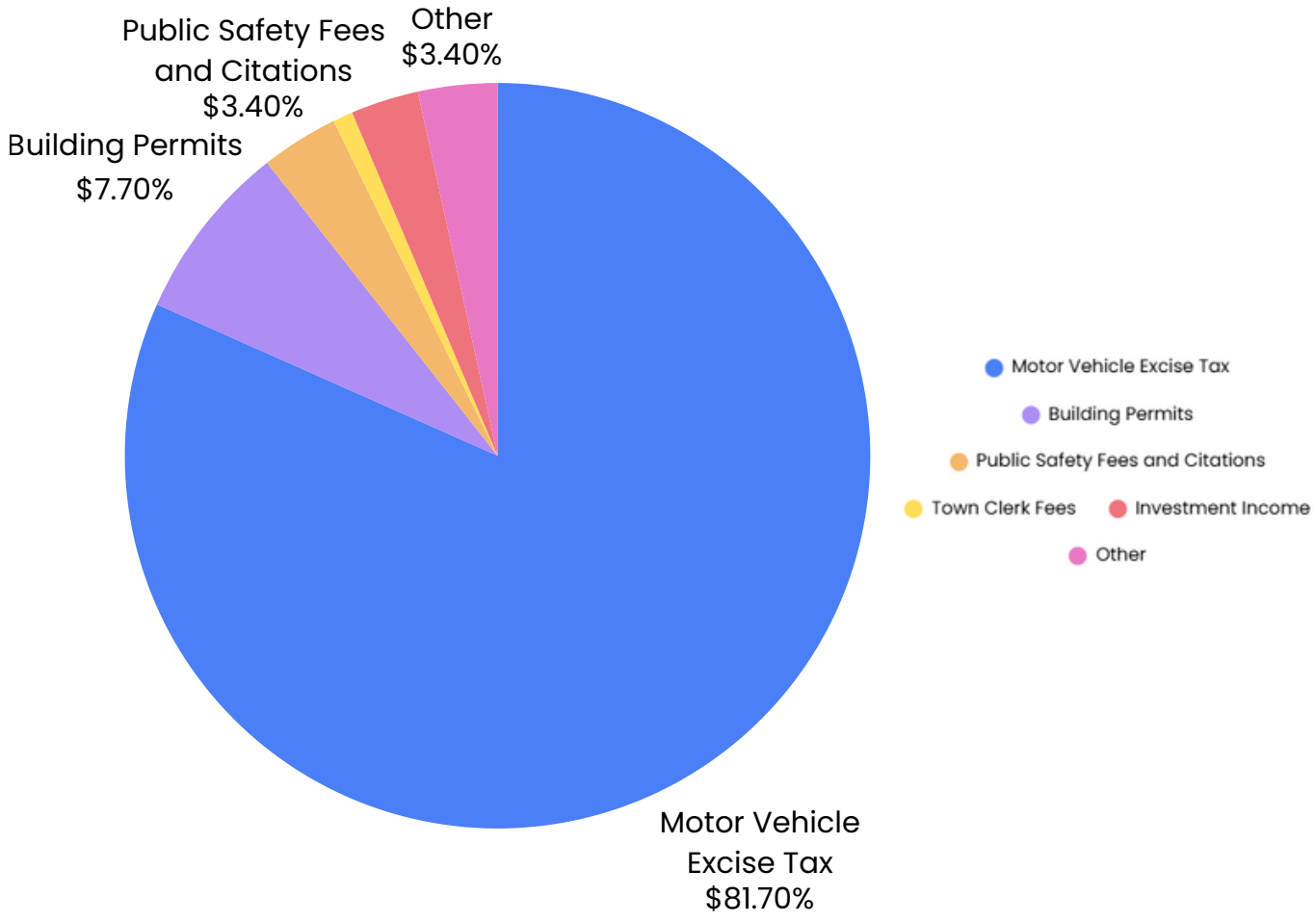
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
RECEIPTS										
Chapter 70	$2,961	$2,961	$2,961	$0	$0	$0	$0	$0	$0	$0
UGGA Aid	$236,487	$245,710	$254,310	$261,176	$261,176	$270,317	$284,914	$294,031	$302,852	$306,183
Veterans Benefits	$4,644	$15,256	$9,216	$9,216	$9,023	$297	$0	$0	$0	$0
Exemp: VBS & Elderly	$7,819	$8,194	$8,556	$8,465	$8,065	$7,936	$7,692	$6,722	$5,271	$8,632
State Owned Land	$43,779	$43,738	$43,738	$42,435	$43,540	$48,710	$62,523	$74,661	$76,532	$80,300
Public Libraries	$3,666	$3,786	$4,004	$4,303	$4,868	$5,492	$6,608	$7,196	$8,306	$8,556
Total Receipts	**$299,356**	**$319,645**	**$322,785**	**$325,595**	**$326,672**	**$332,752**	**$361,737**	**$382,610**	**$392,961**	**$403,671**
CHARGES										
Air Pollution	$1,070	$1,082	$1,113	$1,115	$1,128	$1,140	$1,148	$1,203	$1,236	$1,265
RMV Non-Renewal Surcharge	$2,240	$2,180	$2,180	$1,300	$2,060	$2,060	$2,700	$1,120	$1,420	$1,420
Total Charges	**$3,310**	**$3,262**	**$3,293**	**$2,415**	**$3,188**	**$3,200**	**$3,848**	**$2,323**	**$2,656**	**$2,685**
NET										
Total State Aid	**$296,046**	**$316,383**	**$319,492**	**$323,180**	**$323,484**	**$329,552**	**$357,889**	**$380,287**	**$390,305**	**$400,986**

LOCAL RECEIPTS

Local receipts are revenue that is generated locally, such as motor vehicle excise tax, penalties and interest, charges, permits, licenses, and fees. The majority of the Town's local receipts are generated through motor vehicle excise tax revenue. Annually, Dunstable typically generates anywhere from $750,000 to $850,000. In FY26, the Town raised its estimated local receipts from $750,000 to $800,000. For FY27, the Town has raised its estimate once again from $800,000 to $850,000. Below are totals of local receipts and a breakdown of collections in FY25.

FY25 LOCAL RECEIPTS TOTALS

Source	Amount	% of Total Local Receipts
Motor Vehicle Excise Tax	$727,865.28	81.65%
Building Permits	$68,948.40	7.73%
Public Safety Fees and Citations	$29,950.85	3.36%
Town Clerk Fees	$7,781.66	0.87%
Investment Income	$26,238.99	2.94%
Other	$30,628.72	3.44%
Total	**$891,413.90**	**100.00%**



FREE CASH

The FY27 budget continues the Town's past practice of utilizing its free cash to balance its operating budget. The FY27 operating budget relies on a total of $124,216. The Town is also using free cash for the following purposes:

- $125,000 for GDRSD Capital Improvements
- $120,000 for Town Capital Improvements
- $50,000 to transfer to the Town's General Stabilization Fund
- $50,000 to transfer to the Town's Capital Improvement Stabilization Fund

All total, the Town is using $469,216 in FY27. Along with the $60,000 of free cash used at Special Town Meeting for grant matches and capital projects, the Town is using a total of $529,216 or 54.84% of its available free cash. The Town's Certified Free Cash available for use in FY27 is $964,970.

FREE CASH USE – HISTORIC TRENDS

	2022	2023	2024	2025	2026
Prior Year Budget	11,537,330	$12,265,143	$13,010,740	$13,114,504	$13,335,647
Free Cash Certififed	$527,737	$680,186	$617,368	$791,942	$964,970
Free Cash % of Prior Year Budget	4.57%	5.55%	4.75%	6.04%	7.24%
Free Cash Use	$509,067	$519,048	$358,864	$410,212	$529,216
Free Cash % Use	96.46%	76.31%	58.13%	51.80%	54.84%
Free Cash Unused Balance	**$18,670**	**$66,138**	**$258,644**	**$383,218**	**$435,754**

