

FINANCIAL FORECAST

As part of the budget development process, the Town has forecasted revenues and expenditures for FY27 through FY29 based on the Town Administrator's Recommended FY26 Budget. The forecast for these 3 years are based on the following assumptions for expenditures:

General

- Salaries: 2.5% annually
- Police Officer Wages: 3% annually
- General expenses: 1% 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 District Assessments

- Lowell Vocational and Technical High School:
- 5% operational assessment increase annually
- Level fund debt service
- Groton Dunstable Regional School District:
- 8% operational assessment increase annually
- 10% debt service increase annually
- 10% capital increase annually

Exceptions

- Retirement assessment: 21.89% increase in FY27; 5% increase in FY28 and FY29
- Health insurance assessment: 10% increase annually
- General liability insurance: 5% increase annually
- FICA Town share: 2% increase annually
- Nashoba Board of Health assessment: 6% increase annually
- Town Nurse assessment: 6% increase annually
- Mental Health: level funded annually
- Debt service: anticipated debt schedule
- Police Radio Communications: \$10,000 annually from FY27-FY29
- Fire Communications: \$12,000 annually from FY27-FY29
- Town Administrator Training: Level funded
- Snow and Ice Budget: Level funded

For revenues, the FY27 through FY29 projections are consistent with growth projections in FY26:

- Assumes a \$50,000 reduction in FY27 in use of Free Cash to balance the budget
- Assumes \$120,000 in new growth revenue in all fiscal years
- Assumes \$800,000 in local receipts in all fiscal years
- Assumes state aid increases by 2% year over year

Based on the assumptions above, the general fund deficits in each of these years start at 689,488 and grow to 2,009,253. A couple things to note:

- These numbers include the removal of the deficit in FY26 the Town is currently carrying because the Town is required to have a balanced budget.
- The deficits compound each year.

When making budget decisions for FY26, part of the process was taking into account impacts to future budgets based on the Town's financial forecast.

FINANCIAL FORECAST OVERVIEW

	FY25	Groton Assessment FY26	Increase/ Decrease	Percent Increase	School Request FY26	Increase/ Decrease	Percent Increase	Forecast FY27	Forecast FY28	Forecast FY29
REVENUE										
Prior Year Levy Limit	11,095,321	11,520,861	425,540	3.84%	11,520,861	425,540	3.84%	11,928,883	12,347,105	12,655,782
2 1/2 % Allowed Increase	277,383	288,022	10,639	3.84%	288,022	10,639	3.84%	298,222	308,678	316,395
New & Amended Growth	148,157	120,000	-28,157	-19.00%	120,000	-28,157	-19.00%	120,000	120,000	12,000
Prop 2 1/2 Override										
Levy Limit	11,520,861	11,928,883	408,022	3.54%	11,928,883	408,022	3.54%	12,347,105	12,775,782	12,984,177
Excluded Debt	315,217	167,853	-147,364	-46.75%	167,853	-147,364	-46.75%			
Capital Expenditure Exclusion			0			0				
Maximum Allowable Levy	11,836,078	12,096,736	260,658	2.20%	12,096,736	260,658	2.20%	12,347,105	12,775,782	12,984,177
						0				
Cherry Sheet Receipts (State Aid)	384,676	403,149	18,473	4.80%	403,149	18,473	4.80%	419,275	436,046	453,488
Local Receipts	750,000	800,000	50,000	6.67%	800,000	50,000	6.67%	800,000	800,000	800,000
Transfer Stabilization										
Free Cash for Operating Expenses	358,724	105,117	-253,607	-70.70%	105,117	-253,607	-70.70%	55,117	55,117	55,117
Free Cash for Town Articles		220,000	220,000		220,000	220,000		220,000	220,000	220,000
Free Cash for GDRSD Capital		83,607	83,607		83,607	83,607		84,443	85,288	86,140
Community Preservation	460,000	460,000	0	0.00%	460,000	0	0.00%	460,000	460,000	460,000
Other Revenue										
Water Enterprise	210,755	211,041	286	0.14%	211,041	286	0.14%	217,372	223,893	230,610
Overlay Surplus (Abatements)		25,000			25,000					
Est. Receipts & Other Rev.	2,164,155	2,307,914	143,759	6.64%	2,307,914	143,759	6.64%	2,256,207	2,280,344	2,305,355
Total Available Revenue	14,000,233	14,404,650	404,417	2.89%	14,404,650	404,417	2.89%	14,603,312	15,056,126	15,289,532
Trash Revolving Account	144,000	144,000	0	0.00%	144,000	0	0.00%	144,000	144,000	144,000
Total Amount to be Appropriated	14,144,233	14,548,650	404,417	2.86%	14,548,650	404,417	2.86%	14,747,312	15,200,126	15,433,532
	FY25	Groton Assessment FY26	Increase/ Decrease	Percent Increase	School Request FY26	Increase/ Decrease	Percent Increase	Forecast FY27	Forecast FY28	Forecast FY29
EXPENSES										
General Government	631,255	718,758	87,503	13.86%	718,758	87,503	13.86%	729,563	751,246	768,523
Public Safety	1,687,507	1,738,409	50,902	3.02%	1,738,409	50,902	3.02%	1,806,541	1,876,356	1,947,534
Schools	8,356,152	8,818,958	462,806	5.54%	9,020,968	664,816	7.96%	9,737,607	10,511,565	11,347,438
Public Works	895,811	918,349	22,538	2.52%	918,349	22,538	2.52%	946,201	963,594	981,456
Human Services	79,328	76,923	-2,405	-3.03%	76,923	-2,405	-3.03%	79,316	81,809	84,409
Library & Recreation	310,494	319,881	9,387	3.02%	319,881	9,387	3.02%	327,385	335,088	342,997
Town Debt Service	179,627	105,262	-74,364	-41.40%	105,262	-74,364	-41.40%	167,564	167,573	123,809
Insurance & Assessments	967,574	1,073,215	105,641	10.92%	1,073,215	105,641	10.92%	1,226,918	1,293,585	1,373,810
Total Town Budget	13,107,748	13,769,755	662,007	5.05%	13,971,765	864,017	6.59%	15,021,094	15,980,816	16,969,976
Total Town Operating	4,571,969	4,845,535	273,566	5.98%	4,845,535	273,566	5.98%	5,115,923	5,301,678	5,498,729
Total School Operating	8,356,152	8,818,958	462,806	5.54%	9,020,968	664,816	7.96%	9,737,607	10,511,565	11,347,438
Total Debt(Town)	179,627	105,262	-74,364	-41.40%	105,262	-74,364	-41.40%	0	0	0
Overlay - Abatements/Exemptions	30,000	20,000	-10,000	-33.33%	20,000	-10,000	-33.33%	20,000	20,000	20,000
Cherry Sheet Charges	2,656	2,685	29	1.09%	2,685	29	1.09%	2,739	2,793	2,849
Water Enterprise	210,755	211,041	286	0.14%	211,041	286	0.14%	217,372	223,893	230,610
Curbside Trash Pickup Expenses	144,000	144,000	0	0.00%	144,000	0	0.00%	144,000	144,000	144,000
Town Warrant Articles Only	119,344	220,000	100,656	84.34%	220,000	100,656	84.34%	220,000	220,000	220,000
Other										
Community Preservation	460,000	460,000	0	0.00%	460,000	0	0.00%	460,000	460,000	460,000
	14,074,503	14,827,481	752,978	5.35%	15,029,491	954,988	6.79%	15,917,641	16,883,930	17,923,627
		(278,831)			(480,841)			(\$1,170,329)	(\$1,683,804)	(\$2,490,095)
Subtract FY26 Deficit								(689,488)	(1,202,963)	(2,009,253)