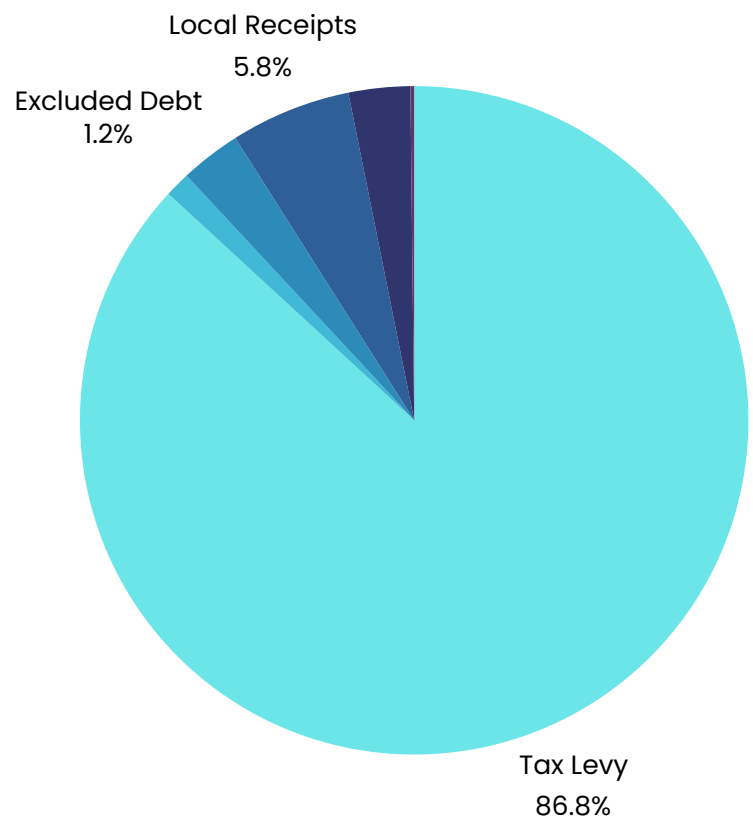


REVENUE SUPPORTING THE FY26 OPERATING BUDGET

The Town of Dunstable receives revenue from a limited number of resources. In order to project revenues in FY26, 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 FY26 operating budget, the Town relies on 4 funding sources: real estate taxes (tax levy and excluded debt), local receipts, state aid, and free cash. A breakdown of revenues supporting the FY26 operating budget is below.

Revenue	Amount
Tax Levy	11,928,883
Excluded Debt	\$167,853
Cherry Sheet	\$403,149
Local Receipts	\$800,000
Free Cash	\$408,724
Overlay Surplus	\$25,000
Total	\$13,733,609



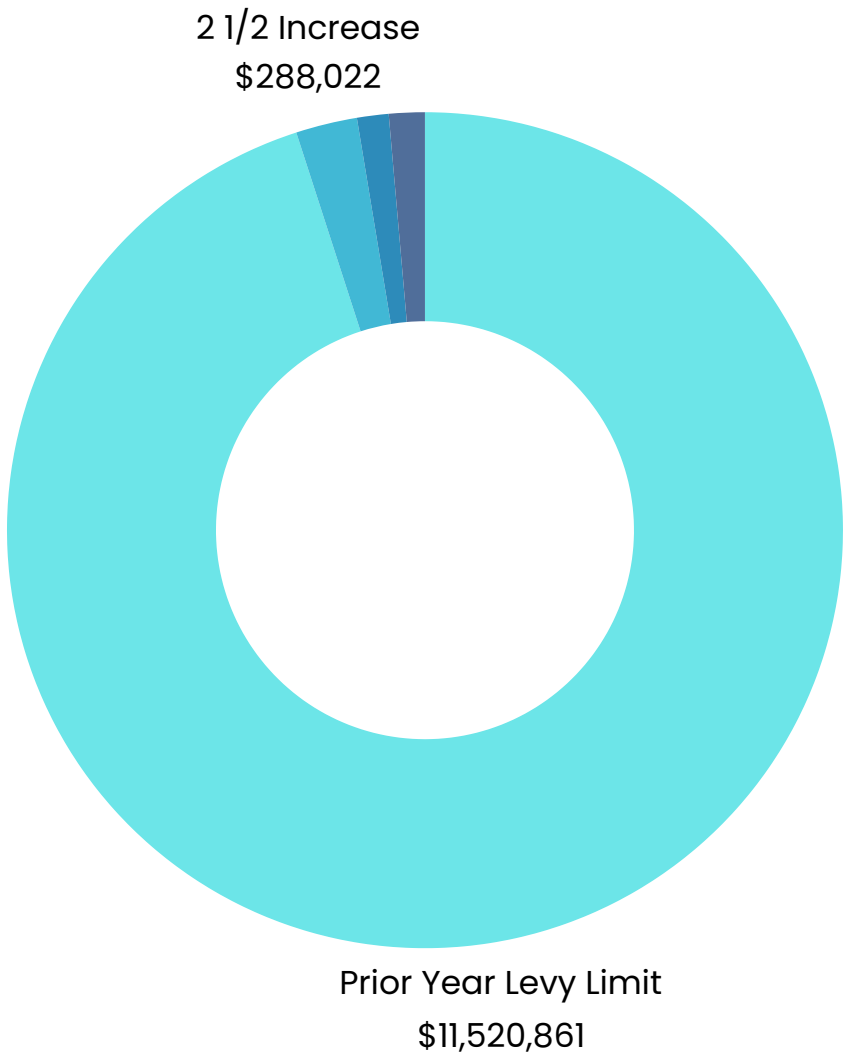
Overview of Property Taxes

In FY26, property taxes comprise a total of 87% of revenues supporting the operating budget. When including excluded debt, that number rises to 88% 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 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.

	FY25 Actuals	FY26	\$ Increase	% Increase
Prior Year Levy Limit	\$11,095,321	\$11,520,861	\$425,540	3.84%
2 1/2 % Allowed Increase	\$277,383	\$288,022	\$10,639	3.84%
New & Amended Growth	\$148,157	\$120,000	-\$28,157	-19.00%
Excluded Debt	\$315,217	\$167,853	-\$147,364	-46.75%
Total	\$11,836,078	\$12,096,736	\$260,658	2.20%



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 FY2026 Governor's Budget Proposal as the basis for the FY26 Budget.

FY2026 Preliminary Cherry Sheet Estimates

RECEIPTS	FY2026 Governor's Local Aid Proposal
Unrestricted Gen Gov't Aid	309,515
Exemp: VBS and Elderly	8,546
State Owned Land	76,532
Public Libraries	8,556
Total Estimated Receipts:	403,149
CHARGES	
Air Pollution Districts	1,265
RMV Non-Renewal Surcharge	1,420
Total All Estimated Charges:	2,685

Receipts - FY22 - FY25

	2022	2023	2024	2025
General Government				
Unrestricted General Government Aid	270,317	284,914	294,031	302,852
Veterans Benefits	297	0	0	0
Exemp: VBS and Elderly	7,936	7,692	6,722	5,271
State Owned Land	48,710	62,523	74,661	76,532
Public Libraries	5,492	6,608	7,196	8,306
Total Estimated Receipts	332,752	361,737	382,610	392,961

Charges – FY22 – FY25

	2022	2023	2024	2025
Air Pollution	1,140	1,148	1,203	1,236
RMV Non-Renewal Surcharge	2,060	2,700	1,120	1,420
Total Estimated Charges	3,200	3,848	2,323	2,656

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 approximately \$750,000, however, on the FY25 recap that Town generated slightly over \$1 million in local receipts. A portion of this was from what is expected to be one-time revenues but because of this increase, the Town raised its estimate from \$750,000 in FY25 to \$800,000 for FY26.

Free Cash

The FY26 budget also continues the Town's past practice of utilizing its free cash to balance its operating budget. The FY26 operating budget relies on a total of \$105,117. The Town is also using free cash for the following purposes:

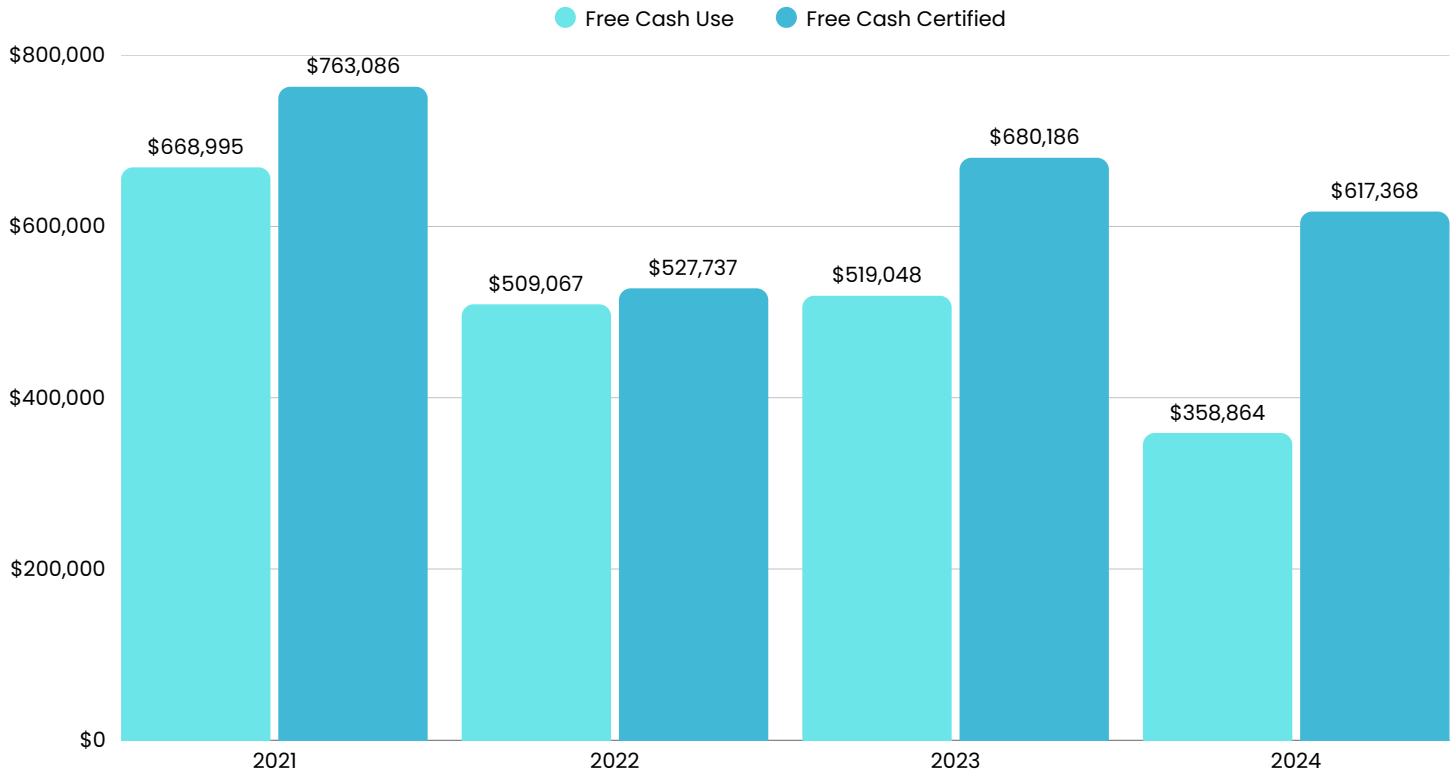
- \$83,607 for GDRSD Capital Improvements
- \$120,000 for Town Capital Improvements
- \$50,000 to transfer to the Town's General Stabilization Fund
- \$50,000 to transfer to the Town's Capital Improvement Stabilization Fund

All total, the Town is using \$408,724 in FY26 or 51.61% of its available free cash. The Town's Certified Free Cash available for use in FY26 is \$791,942.

Free Cash Use – Historic Trends

	2021	2022	2023	2024
Budget	\$11,537,330	\$12,265,143	\$13,010,740	\$13,114,504
Free Cash	\$763,086	\$527,737	\$680,186	\$617,368
Free Cash % Budget	6.6%	4.3%	5.2%	4.7%
Free Cash Use	\$668,995	\$509,067	\$519,048	\$358,864
Free Cash % Use	87.7%	96.5%	76.3%	58.1%

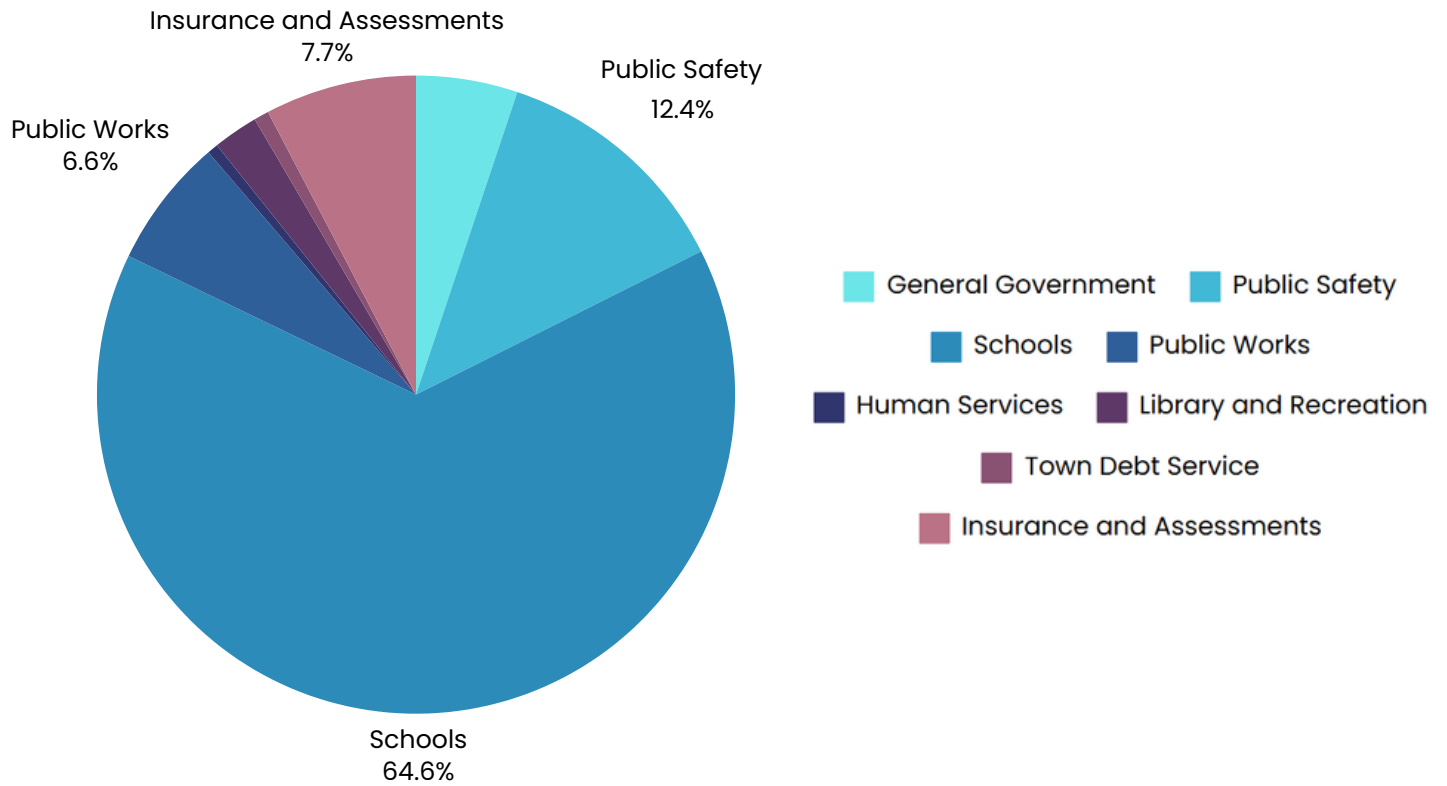
Free Cash Use – Historic Trends



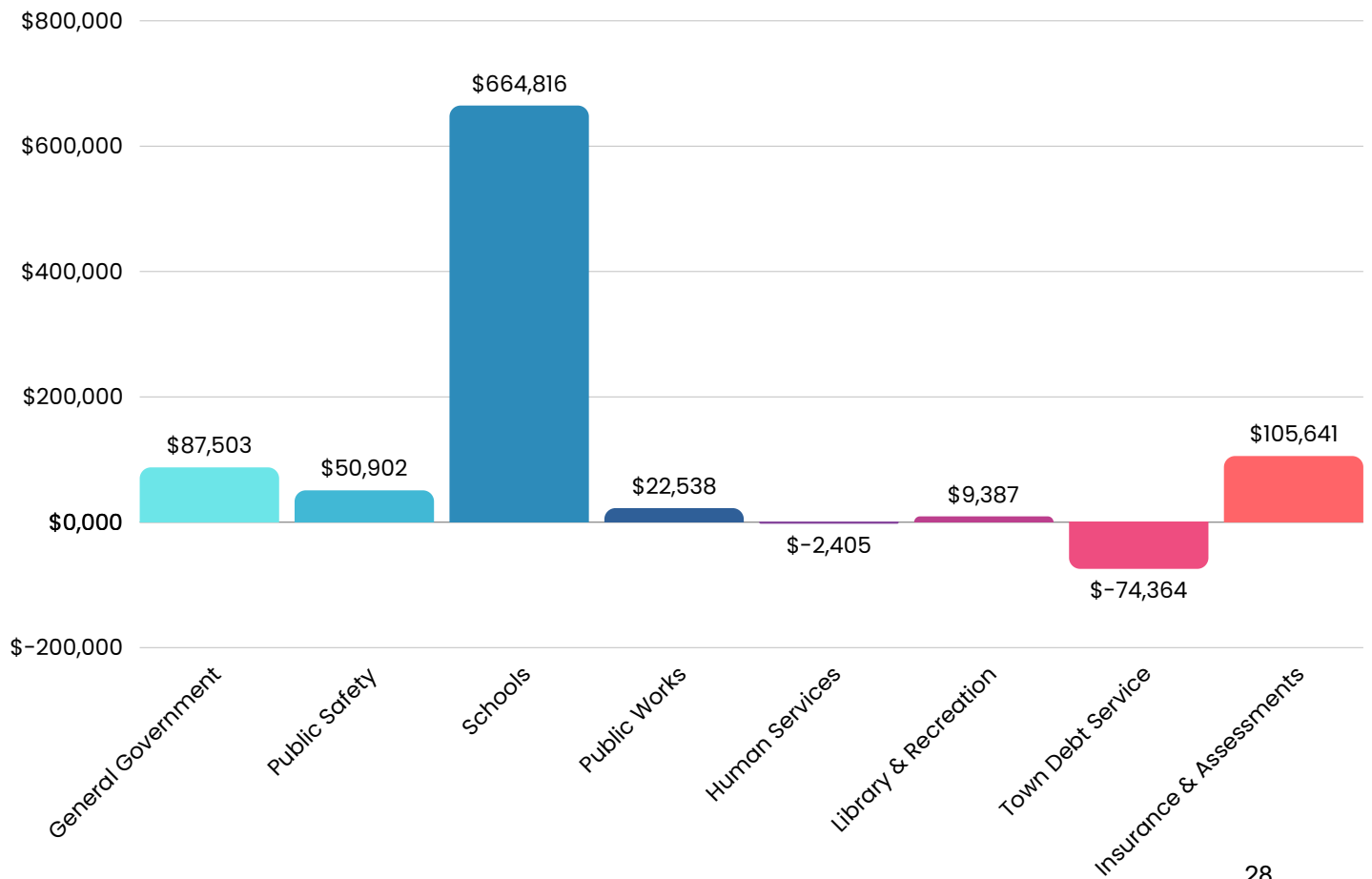
EXPENDITURE OVERVIEW

	FY25	FY26	Variance	% Increase
General Government	\$631,255	\$718,758	\$87,503	13.86%
Public Safety	\$1,687,507	\$1,738,409	\$50,902	3.02%
Schools	\$8,356,152	\$9,020,968	\$664,816	7.96%
Public Works	\$895,811	\$918,349	\$22,538	2.52%
Human Services	\$79,328	\$76,923	-\$2,405	-3.03%
Library & Recreation	\$310,494	\$319,881	\$9,387	3.02%
Town Debt Service	\$179,627	\$105,262	-\$74,364	-41.40%
Insurance & Assessments	\$967,574	\$1,073,215	\$105,641	10.92%
Total	\$13,107,748	\$13,971,765	\$864,017	6.59%

Budget Spending by Category



Budget Changes by Category



Town and School Increases

	FY26 Town Increase (Operations and Debt)	FY26 Level Service GDRSD Increase
Percent Increase	4.19%	7.89%
Dollar Increase	\$199,201	\$645,308

