

FINANCIAL CONDITION UPDATE

February 9, 2026

FY25 OPERATING RESULTS

- Free Cash

- The remaining unrestricted funds from operations of the previous year including unexpended free cash from the previous year, actual receipts in excess of revenue projections and unspent amounts in budget line items.

| Fiscal Year | As of | Balance Sheet Date | Free Cash Certified |
|-------------|----------|--------------------|---------------------|
| FY26 | 7/1/2025 | 6/30/2025 | \$ 16,387,288 |
| FY25 | 7/1/2024 | 6/30/2024 | \$ 13,747,849 |
| FY24 | 7/1/2023 | 6/30/2023 | \$ 9,275,893 |
| FY23 | 7/1/2022 | 6/30/2022 | \$ 2,739,768 |
| FY22 | 7/1/2021 | 6/30/2021 | \$ 3,930,950 |
| FY21 | 7/1/2020 | 6/30/2020 | \$ 1,031,609 |



USE OF FREE CASH IN FY25

| Order | Use | Amount | Amount Certified |
|---------------------------|-------------------|---------------------|---------------------|
| | | | \$ 13,747,849 |
| 2024-046 | Unpaid Bills | \$ 36,394 | |
| 2024-053 | Mobility Hub | \$ 25,000 | |
| 2024-055 | RPS Budget | \$ 63,485 | |
| 2024-059 | Financial Review | \$ 30,000 | |
| 2025-003 | FY25 Budgets | \$ 189,733 | |
| 2025-005 | School Revolving | \$ 264,722 | |
| 2025-009 | FY25 Budgets | \$ 200,000 | |
| 2025-021 | RE Interim Values | \$ 3,500 | |
| 2025-029 | HVAC System | \$ 75,000 | |
| 2025-035 | Stabilization | \$ 57,936 | |
| 2025-036 | OPEB Trust | \$ 1,374,785 | |
| 2025-037 | Debt Budget | \$ 672,306 | |
| 2025-038 | Snow & Ice | \$ 547,424 | |
| 2025-039 | FEMA Covid 19 | \$ 335,546 | |
| 2025-042 | HVAC System | \$ 75,000 | |
| 2025-046 | Night Before 4th | \$ 65,000 | |
| 2025-048 | HVAC System | \$ 40,428 | |
| 2025-049 | FY25 Trash Budget | \$ 700,000 | |
| 2025-050 | N. Elementary | \$ 250,000 | |
| Total Appropriated | | \$ 5,006,260 | |
| Total Available | | | \$ 8,741,589 |



RESERVES

- Funds set aside and cannot be spent without an Order being presented by Town Manager and approved by Town Council
- Types of Reserves
 - Free Cash
 - Stabilization
 - Water Stabilization
 - OPEB Trust Fund
(Other Post Employment Benefits)
 - **Compensated Absences**
 - Assessor's Annual Overlay
(Allowance for Abatements/Exemptions)



RESERVES

- Stabilization Fund

- Financial Policy requires balance to be at least 6% of the prior fiscal year's net revenues

FY25 Net Revenues \$134,788,108

6% \$8,087,286

FY25 Ending Balance \$8,054,434

Recommended Funding \$ 32,852



RESERVES

| Fiscal Year | Net Revenues Previous Fiscal Year | 6% Net Revenues | Net Contributions | Interest Earned | Fiscal Year End Balance |
|-------------|---|--------------------|-------------------|--------------------|----------------------------|
| FY16 | \$ 86,631,191 | \$ 5,197,871 | | | 3,682,922 |
| FY17 | \$ 89,527,948 | \$ 5,371,677 | \$ 1,500,000 | \$ 58,439 | 5,241,361 |
| FY18 | \$ 93,412,021 | \$ 5,604,721 | \$ 363,360 | \$ 40,601 | 5,645,322 |
| FY19 | \$ 96,405,008 | \$ 5,784,300 | \$ 47,150 | \$ 319,528 | \$ 6,012,000 |
| FY20 | \$ 100,638,020 | \$ 6,038,281 | \$ 26,282 | \$ 113,118 | \$ 6,151,400 |
| FY21 | \$ 105,021,934 | \$ 6,301,316 | \$ (525,000) | \$ 289,482 | \$ 5,915,881 |
| FY22 | \$ 109,438,174 | \$ 6,566,290 | \$ 650,409 | \$ (23,521) | \$ 6,542,769 |
| FY23 | \$ 112,286,055 | \$ 6,737,163 | \$ 194,394 | \$ 157,710 | \$ 6,894,873 |
| FY24 | \$ 119,800,169 | \$ 7,188,010 | \$ 293,137 | \$ 363,444 | \$ 7,551,454 |
| FY25 | \$ 126,823,172 | \$ 7,609,390 | \$ 57,936 | \$ 445,043 | \$ 8,054,434 |
| FY25 | \$ 134,788,108 | \$ 8,087,286 | \$ 32,852.00 | | \$ 8,087,286 |



RESERVES

- Water Stabilization Fund

| Fiscal Year | Net Contributions | Interest Earned | Balance |
|-------------|-------------------|-----------------|---------------|
| FY16 | | | 509,037 |
| FY17 | \$ - | \$ 8,230 | 517,267 |
| FY18 | \$ 4,000,000 | \$ (7,669) | 4,509,598 |
| FY19 | \$ 1,500,000 | \$ 306,318 | \$ 6,315,916 |
| FY20 | \$ 1,200,000 | \$ 142,154 | \$ 7,658,070 |
| FY21 | \$ - | \$ 394,274 | \$ 8,052,345 |
| FY22 | \$ - | \$ 267,983 | \$ 8,320,328 |
| FY23 | \$ 3,313,150 | \$ (551) | \$ 11,632,927 |
| FY24 | \$ - | \$ 661,003 | \$ 12,293,930 |
| FY25 | \$ - | \$ 787,786 | \$ 13,081,716 |
| FY26 | | \$ 472,841 | \$ 13,554,557 |



RESERVES

- OPEB Fund (Other Post Employment Benefits)

| Fiscal Year | Net Contributions | Interest Earned | Balance |
|-------------|-------------------|-----------------|--------------|
| FY16 | | | 21,857 |
| FY17 | \$ - | \$ - | 21,857 |
| FY18* | \$ 394,115 | \$ 8,675 | 424,647 |
| FY19 | \$ 372,165 | \$ 52,670 | \$ 849,482 |
| FY20 | \$ 131,084 | \$ 39,068 | \$ 1,019,634 |
| FY21 | \$ 121,249 | \$ 261,095 | \$ 1,401,979 |
| FY22 | \$ 428,936 | \$ (218,873) | \$ 1,612,041 |
| FY23 | \$ 337,771 | \$ 139,415 | \$ 2,089,228 |
| FY24 | \$ 939,196 | \$ 313,462 | \$ 3,341,886 |
| FY25 | \$ 1,407,357 | \$ 401,071 | \$ 5,150,314 |
| FY26 | | \$ 339,516 | \$ 5,489,830 |

*OPEB Funding Policy adopted
 *FY26 Contribution per policy recommended at \$1,638,729



RESERVES (NEW & RECOMMENDED)

- In FY25, a Compensated Absences Reserve Fund was created
- Accrued liabilities (vacation, sick, etc.) owed to employees upon separation or retirement
- Originally funded by \$700,000 “Raise and Appropriate” or taxation
- Recommend discussion on creating a Special Education Stabilization Fund



RESERVES

- Allowance for Abatements/Exemptions – commonly referred to as Assessor’s Overlay
- Balance at close of FY25 \$29,330.18
- Amount established during the tax rate setting process and reviewed by Department of Revenue
- Board of Assessors may vote to “release” overlay and it can either be used to fund current year spending –OR- close out to help produce free cash at the close of the fiscal year



OVERALL FINANCIAL CONDITION

- Strong performance through FY25
- Strong reserves – continue to increase
- Strong team working together



CURRENT FISCAL YEAR REVENUES

| | | | |
|--------------------------------|--------------------|-------------------|---------------|
| Tax Levy (net of overlay) | 78,630,854 | 39,174,488 | 49.82% |
| Local Receipts | 13,646,334 | 6,273,139 | 45.97% |
| State Aid | 37,777,169 | 15,739,050 | 41.66% |
| Other Financing Sources | 5,937,084 | 6,537,084 | 110.11% |
| Total Revenue & OFS | 135,991,441 | 67,723,762 | 49.80% |

- Motor vehicle excise
- Schedule PILOT payments
- Medicaid reimbursement
- Inspectional services permits
- Bank interest

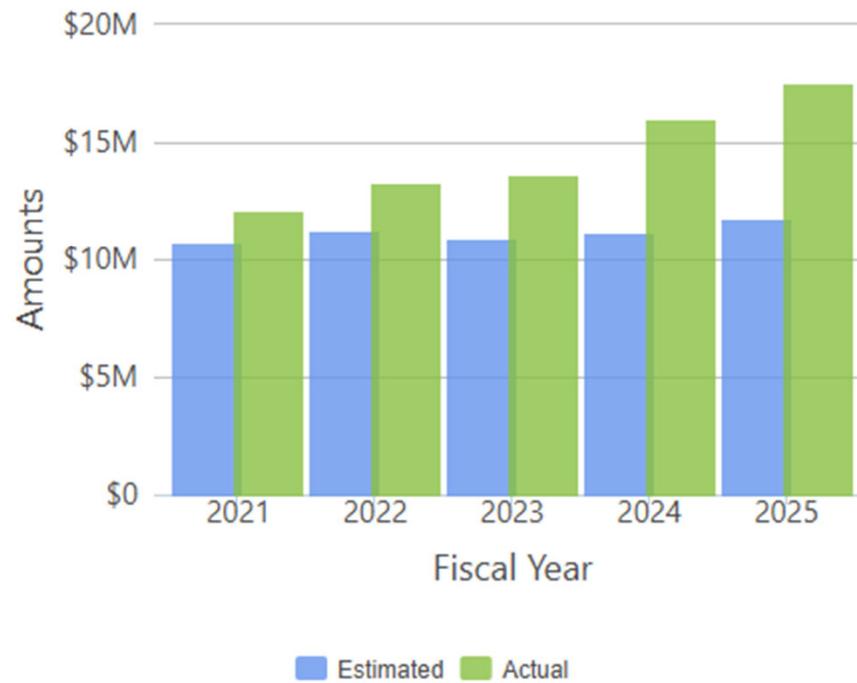


HISTORIC LOCAL RECEIPTS

Local Receipts - Estimates vs. Actuals



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CURRENT YEAR BUDGETS

- FY26 tight budgets
- Legal expenses
- Public Safety overtime
- Snow and Ice expenses



MOVING AHEAD

- FY27 estimation of available revenues – vs – priorities, initiatives and level services
- Continue to identify new revenue sources
- Continue to identify efficiencies in operations
- Continue to manage the predictable and unpredictable pressures



FY27 BUDGET PRESSURES

- Debt Budget - \$2M increase due to long-term principal and interest introduced from last bond issue
- Health Insurance Budget – Expected increase to be between 10-12%
- Pension Obligations – Increase of \$233k with 2% discount taken
- Open collective bargaining agreements – Police, Fire and Teachers
- Blue Hills Lottery System





THANK YOU

