



Municipal Accounting

General Principals and Financial Status

March 12, 2024

Appropriations

- Appropriation = Authorization to Spend
 - i.e. a budget for the year
 - Money to spend comes from Operating Revenue and Tax Revenue
 - It's not a separate pot of money
- Appropriation lapses at end of the year
 - There is no “Carry Forward” of Operational Budget funds into next year’s operating budget
- Appropriation (“Budget”) Request
 - Best estimate of the total cost to run the town
 - Based on projected costs and expenditures
 - Informed by past expenditures
 - Select Board must be realistic and ask voters for appropriations needed to cover ALL expected costs
 - Includes snow removal, road repair, heating fuel, emergencies, etc. (even if the prior year had lower than usual costs)

Tax Rate Setting

CONSIDERATIONS:

- Appropriations
- Operational Revenue
- Assessed Property Values
- County Apportionment
- Educational Apportionment
- Overlay (expected amount to cover tax abatements)
- Use of Fund Balance

Calculations determined by DRA

Use of Fund Balance

- **Fund Balance**
 - Tax Revenue + Operational Revenue, less Expenditures (operational expenditures and educational/county apportionments expenditures)
 - If too low, Tax Anticipation Note (TAN) loan will be required
 - Available for unforeseen emergencies (catastrophes, floods, washed out roads, forest fires)
- **Parameters**
 - Recommended retention of 5% to 17% of total expenses
 - Retain minimum of 5% of total expenses in the Fund Balance
 - Retain enough to fully fund at least two months of town operations (includes school, county apportionment payments, operating expenses, wages, etc.)
- **Select Board evaluates Fund Balance when setting Tax Rate, to see if some of the Fund Balance can be used to offset Taxes.**
 - MUST follow DRA guidelines, and MUST be approved by DRA
 - Current Fund Balance is 12% (sound financial approach)

Dalton – Financial Summary

2023 – Year End Financials

2023 Examples of Departmental Appropriations not Fully Expended

\$955,100.00	2023 appropriation
\$878,333.00	2023 expenditures (less cap.outlay)
\$76,767.00	2023 Year End Closeout Balance

\$12,800

2023 Debt Service (for truck, truck not ready yet)

\$34,000

Highway Dept (position vacancies, mild winter and spring)

\$14,000

Personnel (Hwy Dept vacancies)

\$5,900

Police (Budget for Full Contract Coverage; Pay for Actual)

\$4,500

Fire Dept

\$3,000

Welfare

Dalton – Financial Summary

2024 Appropriation Request

2024 Budget Appropriation Request

2024 appropriation	\$1,009,300.00	
2023 appropriation	\$955,100.00	
increase	\$54,200.00	5.67%

Consumer Price Index (inflation rate): >3%

Examples of 2024 Appropriation Requests above 2023 Expenditures (with justification)

\$5,200	Elections (Presidential primary & election year)
\$57,000	Personnel (State Retirement; increase in Health Insurance)
\$8,000	Cemetaries (survey work to allow additional plots)
\$4,000	Insurance (increased premiums)
\$5,900	Police (Budget for Full Contract Coverage; Pay for Actual)
\$2,500	Ambulance Service (Contract increase)
\$7,760	Fire/EMS (consistent with past years, allow for increased costs)
\$39,000	Highway Dept (position vacancies, mild winter and spring)
\$3,000	Welfare (anticipated, using same appropriation)

NOTE: Departmental increases offset by decreases in other departments

Dalton - Property Taxes

- Amount is based on the property value assessment, and on the tax rate established each year
- In 2023, our Tax Collector helped 4 residents to obtain funding to help them pay their taxes to current. This allowed 9 families to keep their homes (and not have their property “tax deeded”), including those who setup reasonable payment plans with the town.
 - The town gained >\$37k in unpaid taxes and fees, which were paid.
- Unpaid taxes put a burden on other taxpayers
- In 2023 the Select Board sold town property (including tax deeded properties), for net revenue of \$97.5K.
 - Revenue will post to 2024 fiscal year
 - Properties will be back on the books, earning taxes for Dalton
 - An additional \$50k could be awarded to Dalton if no heirs are found (6-12 months)

Dalton – Property Taxes

- Municipal portion of taxes: Approximately 20% of total tax rate
- Majority of taxes: Fund Education and County Expenses
- Dalton: Tends to have lower taxes than surrounding communities
- Below is a comparison of tax rates based on property valuation:

Municipality	Valuation w/Utilities	Total Tax Rate	Municipality	Valuation w/Utilities	Total Tax Rate
Wentworth	130,659,285.00	25.21	Errol	136,515,070.00	9.56
Bennington	132,028,631.00	32.15	Albany	136,422,389.00	10.08
Brookfield	132,969,707.00	18.26	Eaton	145,713,877.00	13.07
Piermont	133,014,280.00	22.92	Dalton	143,615,363.00	14.75
Albany	136,422,389.00	10.08	Surry	137,506,939.00	16.02
Errol	136,515,070.00	9.56	Brookfield	132,969,707.00	18.26
Unity	137,342,985.00	29.96	Milan	151,244,942.00	21.82
Surry	137,506,939.00	16.02	Piermont	133,014,280.00	22.92
Grafton	142,365,382.00	27.30	Bath	149,974,412.00	23.00
Dalton	143,615,363.00	14.75	Wentworth	130,659,285.00	25.21
Eaton	145,713,877.00	13.07	Grafton	142,365,382.00	27.30
Bath	149,974,412.00	23.00	Unity	137,342,985.00	29.96
Milan	151,244,942.00	21.82	Bennington	132,028,631.00	32.15