

Week 2:

This week's post will discuss expenditures, revenues, amounts to be raised by taxation and reserving for uncollected funds.

Expenditures are straightforward. They are the funds the Town (both Town Operations and the Board of Education) will spend during the upcoming fiscal year. They are set by Town Referendum each year, plus and additional funds expended for unanticipated reasons, such as excessive snowfall, emergencies, etc.

Revenues are all the funds the town will receive from any source, other than property taxes. There are two main sources of revenue. One of the source are the town operations which generate income of some sort. As examples, the Fire Department operates the ambulance and generates revenue, the Building Department collects permit fees, and the Town Clerk collects recording fees.

In addition to Town Operation, the Town receives State money, for education reasons, and also for non-educational reasons, such as the proposed town share of the State Sales Tax. Whether the State money is for education, or for town operations, it all goes into the Town account.

There are other miscellaneous sources of revenue, which when added to the Town Operations and the State Intergovernmental sources, total all our revenue.

The amount to be raised by Taxation is simply the difference between the expenditures and all the revenue from all the sources. This is the amount we need to raise from local taxation.

The reserve for uncollected is based off our past experiences. Historically, there will be some percentage of taxes that will not be paid or collected in the current year, for whatever reason.

Sometimes, there are adjustments and the Net Grand List may be increased or decreased.

Sometimes, people move out of state and don't pay. For many reasons, the tax collection rate is never 100%. It is usually in the range of 98%. The 2% is then added back into the calculation, so we spread the shortfall across the community and we don't end up short. Each person who does pay their taxes, pays a little more to cover those who don't pay. The reserve is for taxes that are not expected to be collected in the current tax year. That does not mean they are never collected. The Tax Collector is aggressive in continuing to attempt the collection of those funds in later years. The funds for this tax year, that are collected for in later years, are budgeted for in the revenue budget, as delinquent tax collection, along with the interest and fees from those delinquent taxes.

Next week, the grand list and how your assessed value is determined will be explained.