

**Lake District Commissioner  
Workshop 2**

**Budgeting, Bookkeeping, &  
Financing**

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**Notice of Annual Meeting**

- **14 days before meeting:**
  - Mail to property owners (required)
  - Mail to electors or publish notice in two successive issues of paper (resolution needed)
- **Mail notice to DNR**
- **Post notice at least 24 hours before (3 locations)**
  - Or provide a paid notice to official paper
- **Provide notice to any media that requests it**

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**Notice of Annual Meeting**

- **Time, date, place**
- **Agenda**
  - list of items to be considered, be specific
  - public comment period
- **Proposed budget**
  - detail
  - proposed levy
- **Candidates – not required**

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**Fiscal Year**

- Usually based on a calendar year
  - Fits well with local budgets and taxing cycles
  - Allows for 6 months of spending before annual meeting & budget presentation

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**Budgets**

- This is government accounting – designed to protect the taxpayers whose money is being spent
  - It will differ from familiar household and corporate accounting
  - The format and content presented here is what is required by law
- 2 step process – appropriation & spending

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**Annual Budget Requirements:  
part 1**

- The actual revenues and expenditures for the preceding year
- The actual revenues and expenditures for at least the first six months of the current year.
- The estimated revenues and expenditures for the balance of the current year

p. 74-75, Appendix F

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### Annual Budget Requirements: part 2

- Existing indebtedness and anticipated revenue from all sources for the coming year
- Proposed expenses for each account category and reserve account for the ensuing year
- All anticipated unexpended or unappropriated account balances and surpluses (For informational purposes)

*p. 74-75, Appendix F*

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### Operating Costs & Capital Costs

- Operating costs – cost of doing business
  - Mailings, insurance, conferences
  - Operating a harvester
  - Creating a lake management plan
  - Attending conferences/workshops
- Capital costs – equipment or assets
  - Purchase a weed harvester
  - Purchase land – park, wetlands

*p. 75*

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### Non-lapsable Fund

- Only for Capital Costs
  - Weed harvesting equipment
  - Water patrol boat, buoys
  - Land
  - Office furniture/equipment
- May also be used for the maintenance of capital equipment
- May not be used for the operation of capital equipment

*p. 79*

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**Adopting the Budget**

- The annual meeting adopts the budget
  - Amendments may be made before approval
- The annual meeting also approves the means or combination of means to fund the budget

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**Financing Lake District Operations**

- General property tax (mill levy)
- Special charges
- Special assessments

p. 76-79

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**General Property Tax**

- The general property tax (mill levy) is used for general district expenses like:
  - bookkeeping
  - postage
  - dam maintenance
  - monitoring
- Cannot exceed the rate of 2.5 mills (\$2.50 per \$1,000 equalized value of district).

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### Special Charges

- **Special charges are used to pay for activities with temporary benefits to individual properties:**
  - plant harvesting
  - algae control
- **Cannot exceed the rate of 2.5 mills (\$2.50 per \$1,000 equalized value of district).**

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### Special Charges

- **Example:  
Harvesting & herbiciding**
- **Assess charges based on number of boat slips.**
  - Assume that every individual residential property has 2 slips
  - Charge marinas (commercial & subdivision) per boat slip (actual count) [Ch 33.32(3), Wis Stats]

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### Special Assessments

- **Special assessments are for larger projects**
  - dredging
  - wetland purchase
  - harvester purchase
  - sewer/water
- **Very complex to set up and administer**
- **May have up to 10 annual installments**

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### Special Assessments

- District will probably need to borrow money to finance the project
- Districts may borrow at municipal rates
- Monies borrowed must be shown in budget, but are not subject to amendment
- A special assessment creates a lien against the properties involved
- Municipal properties are also subject to special assessments

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### Apportioning the Levy

- In October the Dept of Revenue will send a certificate of equalized value to each lake district
  - Shows percent of value of each taxing body within the district
- Treasurer must calculate the levy for each taxing body within the district
- Before the end of October, treasurer must notify each taxing body of their levy
- Each municipal clerk will then apportion it among the properties within the district and collect the tax

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WIS. DEPT. OF REVENUE SPECIAL DISTRICT CERTIFICATION OF 2005 VALUES 10/04/05

BUREAU OF INFORMATION SYSTEMS  
TX27110A

64 8030 HONEY LAKE PRO & REHAB DIST	FULL VALUE	% TOTAL
51 014 T ROCHESTER	\$14,942,789	47.828052
64 024 T SPRING PRAIRIE	\$16,299,941	52.171948
<b>SPECIAL DISTRICT TOTAL</b>	<b>\$31,242,730</b>	100.000000

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# Lake District Commissioner Training II: Budgets and Financing

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<b>SPECIAL DISTRICT TOTAL</b>	<b>\$31,242,730</b>	100.000000

**Example:**  
 Levy: \$10,000     \$10,000 x 47.8% = \$4,780 T Rochester  
                            \$10,000 x 52.2% = \$5,220 T Spr. Prairie

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**Example:**  
 Levy: \$10,000     \$10,000 x 47.8% = \$4,780 T Rochester  
                            \$10,000 x 52.2% = \$5,220 T Spr. Prairie

**Current mill rate:** \$10,000 / \$31,242,730 = 0.00032 mills (\$0.32/\$1000)

**Maximum levy:** \$31,242,730 x .0025 mills = \$78,107.00  
 (\$2.50/\$1000)

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## Spending the money

- Treasurer receives and pays out monies on behalf of the district
  - Board must approve all expenditures
    - Sometimes in advance of receiving the invoice
  - *Operating policy* may authorize treasurer to pay routine expenses up to \$xx between meetings
    - Treasurer must report all such payments at the next meeting

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### Spending the money

- **Open a bank account**
  - Lake District address
  - PO Box
- **How many signatories on a check**
  - No legal requirement

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### Bookkeeping

- **Tracking spending against the budget** (Excel demo)
- **Quarterly (or more frequent) reports to board**
  - Monies spent
  - Current balances
  - New bills for payment approval
- **Use for preparing next budget**

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### Bids Required

- If enter into a contract for the performance of work over: **\$2,500**
- The purchase of any materials exceeding:
- Lowest responsible bidder
- Typically — Written request for proposals sent to local paper and distributed to contractors/vendors
- Don't be afraid to ask contractors/consultants for references, ...and follow up on them.

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### Professional Services vs. Work

- **Professional services –**
  - Define – task requiring specialized knowledge
  - Examples: lake management plan, APM, insurance evaluation, legal advice
  - Bids not required
- **Work**
  - Define – repetitive tasks
  - Examples: dredging, purchase of insurance, aquatic plant treatments,
  - Bids are required

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### Audit

- **Prepared annually**
- **Report presented at annual meeting**
- **Usually done by an internal committee or an accounting firm**

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