

Village of Lac La Belle
Explanation of Budget Amendments
Per Wisconsin Statute 65.90

With the intent to fully comply with State statute 65.90, the following is offered to explain the changes made on December 18, 2024 to the Village's 2025 budget initially approved on November 20, 2024. **All changes were approved by a unanimous roll-call vote of the Village board.**

The Village has entered into an Intergovernmental Cooperation Agreement (ICA) with the Town of Oconomowoc wherein the two communities will be combined into one municipality, the Village of Lac La Belle. Related to the ICA, the Village has been advised to convert its existing sewer operation to a Utility District. The majority of the changes to the 2025 budget were made, after consultation with the auditors and attorneys representing both the Village and the Town, to create and fund the Utility District. Changes were also made to the General Fund, the Capital Projects Fund and the new Utility District Fund. The total levy of \$682,094 and annual sewer fee of \$1,900 remain unchanged.

General Fund

Changes to "2024 Estimated Actuals" in the General Fund:

GF 1. A transfer of \$50,000 that was planned for 2025 was amended and moved to take place in 2024.

Other estimated year-end balances of both revenues and expenditures were updated to reflect a more accurate 2024 ending fund balance based on an additional month's data. The year-end balance had been estimated to be \$137,759 and, including the \$50,000 referenced in GF1, was amended and is now estimated to be \$75,400.

Amendments to the 2025 General Fund Budget:

GF2. A lottery credit of \$6,000 shown in the original budget was determined to be in error and was eliminated.

GF3. A voluntary "payment in lieu of tax" (PILOT) from Olin Sang Ruby Institute of \$25,000 was reclassified to show all of that payment being applied to police, emergency service and public works services. The original budget had \$12,500 applied to the Utility District and \$12,500 to the General Fund.

GF4. Budgeted interest Income of \$30,000, that was initially shown to apply only to the General Fund revenues, was amended to move \$18,000 to the Utility District to reflect interest earned on the fund balance of the district.

GF5. Audit fees were increased from \$7,000 to \$12,000 to reflect the work required in 2025 by Baker Tilly related to the ICA.

Capital Projects Fund

CP1. The fund transfer of \$50,000 noted in GF1 is now reflected in the 2024 revenues of the Capital Projects Fund.

CP2. A payment of \$25,000 to the Oconomowoc Watershed Protection Program that had been approved by the Village board and was initially budgeted to take place in 2025 was amended to take place in 2024.

CP3. A transfer of \$400,000 from the Capital Projects Fund to the Utility District Fund was approved to better reflect the desired opening fund balance in the Utility District Fund District.

Utility District Fund

UD1. 2024 revenue were increased by \$400,000 related to the fund transfer reference in CP3 above.

UD2. 2025 revenues were decreased to reflect the change noted in GF3 above related to the OSRUI PILOT.

UD3. 2025 revenues were increased to reflect interest income now budgeted to be earned on Utility District funds per GF4 above.

UD4. A total of \$26,800 was added to 2025 revenues to reflect the recovery of annual sewer fees from five properties that had been overlooked and not charged in previous years.

UD5. \$40,000 in revenues were added to reflect the recovery the Village's share of legal fees that were included in quarterly charges from the Mary Lane Sanitary District in 2024 related to their Force Main Replacement project.

UD6. The expenditure of \$40,000 for 2025 debt service related to the Force main project was eliminated. Those debt service payments will not begin until 2026.

UD7. Corrections were made to budgeted expenditures for quarterly charges from Mary Lane of \$5,600 and the elimination of \$2,104 in transfers to an equipment replacement fund which is now provided through the \$400,000 transfer.

Summary

Fund Balances now reflect the following:

	<u>2024 Ending Balances</u>		<u>2025 Ending Balances</u>	
	<u>Original</u>	<u>Amended</u>	<u>Original</u>	<u>Amended</u>
General Fund	\$137,759	\$75,400	\$164,491	\$135,632
Trash Collection	18,395	18,395	16,395	16,395
Debt Service	10,905	10,905	11,328	11,328
Capital Projects	645,144	322,264	47,144	74,264
Utility District *	<u>54,342</u>	<u>394,288</u>	<u>457,038</u>	<u>516,988</u>
Total	\$866,545	\$821,252	\$696,396	\$754,607

*Note: The Sewer Fund / Utility District approved on November 20, 2024 did not correctly classify the \$400,000 designated as a special equipment replacement fund, but incorrectly had those funds shown as a 2025 expenditure.