

LITTLE TAMARACK LAKE DISTRICT BUDGET 2016 - 2017

Fiscal Year	7/5/15-7/2/16		7/3/16-7/1/17
	Budget	Actual	Budget
Revenues			
Tax Levy	\$25,000.00	\$24,877.93	\$25,000.00
Donations	<u>\$2,000.00</u>	<u>\$4,000.00</u>	<u>\$2,000.00</u>
Operating Revenue	\$27,000.00	\$28,877.93	\$27,000.00
Loan - BCPL Wisconsin		\$150,000.00	\$0.00
Vilas County Contribution		\$12,000.00	<u>\$0.00</u>
Total Revenue	\$27,000.00	\$190,877.93	\$27,000.00
Operating Expenditures:			
Office	\$500.00	\$208.92	\$400.00
Publication	\$200.00	\$0.00	\$200.00
Insurance	\$1,100.00	\$1,100.00	\$1,400.00
Other	<u>\$0.00</u>	<u>\$177.50</u>	<u>\$500.00</u>
Total Operating Expenditures	\$1,800.00	\$1,486.42	\$2,500.00
Capital Expenditures:			
Ownership, Easements, Legal	\$4,500.00	\$14,347.00	\$0.00
Permitting, Recording, Other	\$0.00	\$639.60	\$2,200.00
Engineering	\$15,142.23	\$16,343.78	\$15,904.04
Construction	<u>\$150,000.00</u>	<u>\$0.00</u>	<u>\$163,848.80</u>
Total Capital Expenditures	\$169,642.23	\$31,330.38	\$181,952.84
Total Expenditures	<u>\$171,442.23</u>	<u>\$32,816.80</u>	<u>\$184,452.84</u>
Balance (deficit)	(\$144,442.23)	\$158,061.13	(\$157,452.84) (1)
Cash on Hand 7/2/2016			\$181,369.77 (2)
Reimbursement, Town of Conover 2/28/17			<u>\$8,000.00</u>
Total Cash Position 2/28/17			<u>\$189,369.77</u>
Cash Position (less balance deficit)			\$31,616.93 (3)
Estimated WDNR Grant			<u>\$108,649.40</u>
Cash Position			\$140,566.33
Less: Loan Principle Repayment BCPL			\$120,000.00 (4)
Cash position, sub-total			<u>\$20,566.33</u>
Interest Due 3/15/17 BCPL			\$4,348.42
Net cash position			\$16,217.91

- (1) total revenues less total expenditures
- (2) includes \$17,000 in non-lapsible fund for capital expenditures, Board approval required for disbursement
- (3) total cash position 2/28/17, less balance (deficit)
- (4) Board of Commissioners for Public Lands Wisconsin loan payment - Board's recommendation based on available current information; adoption of budget by membership authorizes the Board to adjust this principle sum, based on the best interests of the Lake District

BUDGET NOTES

Repayment of \$120,000 of existing \$150,000 loan
Deduct \$120,000 principle payment, and \$4,348.42 interest payment from estimated cash position of \$140,566.33, leaving a cash balance of \$16,217.91, and an outstanding loan balance of \$30,000.00. Membership authorizes transfer of \$5000 from non-lapsible fund to be used as a portion of capital expenditure total.

\$30,000 @3.75% interest for 5 years = \$6,589.44/year principle & interest

Using the above 5-year repayment schedule, this results in an anticipated annual budget starting July 2017 of:

Debt amortization	\$6,589.44
Inspection, maintenance	\$2,000.00
Operations	\$400.00
Insurance	<u>\$1,400.00</u>
Annual Budget	\$10,389.44

Result:
The District would have a \$12,000 non-lapsible fund, plus \$4,217.91 of working capital, and for the next 5 years, taxes would be cut by 58%. At the end of 5 years (2022) based on current estimates, the annual Lake District budget would then be reduced to approximately \$3,800 per year.

Recommendation:
There are many possible ways to repay our \$150,000 debt. The Lake District Board recommends the \$120,000 initial repayment outlined above, with the remaining \$30,000 to be paid over five years. This is a fiscally conservative approach, yet it still results in a significant tax reduction in 2017, followed by another significant tax reduction in 2022, and minimizes the amount of interest that the Lake District will pay. At that time (2022) the Lake District would be debt-free, and the non-lapsible fund of \$12,000 should still be available in case of the need for any unanticipated capital expenditures.

The Bottom Line:
Assuming that the Lake District adopts the budget above, the tax levy for 2016-2017 would again be \$25,000. In 2017-2018, our tax levy should drop to approximately \$10,389, and remain about at that level until 2022, when the tax levy would drop even further to around \$3,800 per year.

Example:
A property assessed at \$150,000 would pay \$375 for this year, drop to approximately \$155 per year for the next 5 years (2022), and then to approximately \$55 per year for ongoing costs into the future.