



**2021 Operating Budget,  
Replacement Fund  
Budget,  
and Debt Fund Budget**  
Town of Neenah Sanitary District #2

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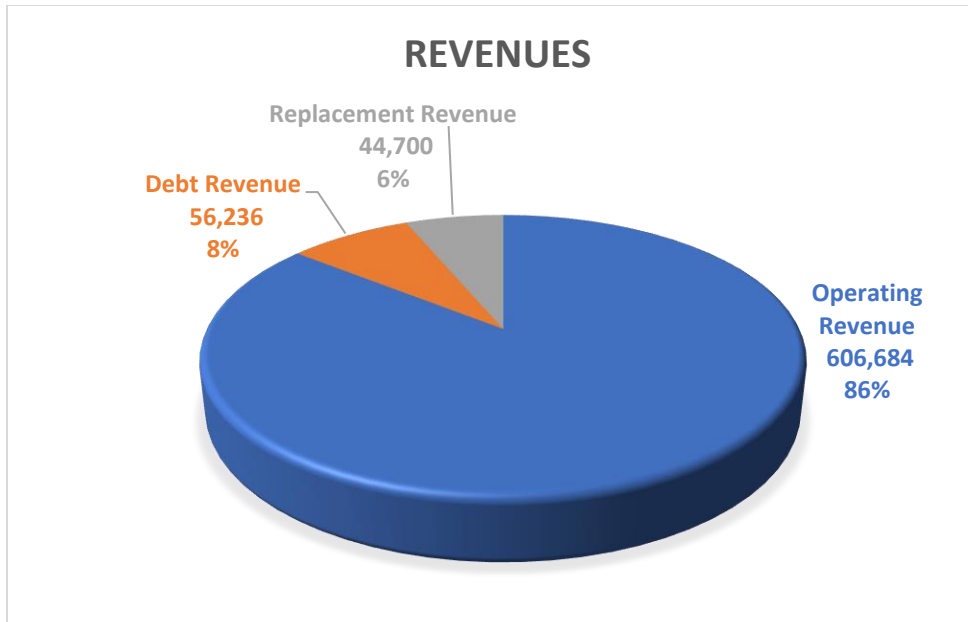


## **Administrative Statement**

This document serves to provide transparency and aid with the facilitation of decision making for the Sanitary District #2 Commission. The 2021 budget endeavors to continue the District's commitment to sensible financial administration while providing effective sewer services delivery. The upcoming fiscal year budget plan will enable allocating the resources necessary for the District to continue providing excellent sewer service and improving essential infrastructure while providing quality administration and oversight.

### **General Revenue Summary**

The District has relied on connection and permit fees to supplement operating revenue from the sewer user fees. The District does not anticipate any connections or permits during the 2021 fiscal year. In addition to a decrease in connection and permits, a decrease in real estate inquiry fees is anticipated for the upcoming fiscal year as the housing market trend is predicted to decrease in 2021. The District will see a significant decline in debt revenue for the upcoming fiscal year as two different special assessment receivable revenue streams were paid off in 2020, Cumings Lane and Sunset Terrace. A decrease in replacement fund revenue from the 2020 budget is due to the projected need for fewer replacement materials expensed in 2021. The District will see an overall reduction of 8.60% in total revenue from its previous 2020 budget.



### General Expense Summary

The District is expected to increase budgeted expenditures for inflow and infiltration, office supplies & expenses, sewage treatment charges with NMSC, and utilities. The District has projected a decrease in sewage treatment charges with the City of Neenah based on the current 2020 budget and will see a reduction in its contract price for 2021 with MCO.

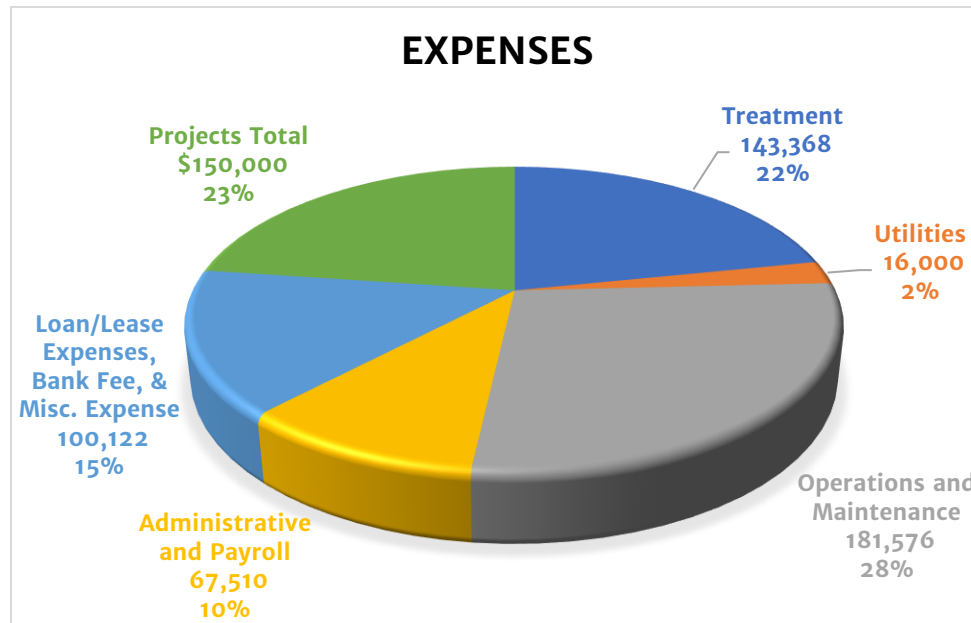
### Projects

The District forecasts expenditures for the following projects: the NMSC plant expansion, the Lift Station 3 building, and the Collector Pipe. The Neenah-Menasha Sewage Commission (NMSC) will be expanding to meet DNR regulations and guidelines. The District's portion of this expansion is anticipated to be approximately 1% of the total project. Currently, the District portion is estimated to be \$200,000.

The District completed its Lift Station 2 project in early 2020. The project included a building to house a trailer, back-up generator, and replacement of electrical equipment. The District will be replacing the Lift Station 3 underground infrastructure with an above-ground structure, purchasing a back-up generator, and replacing electrical equipment. This project is projected to be \$203,000.

In 2020 the District completed a joint project with the City of Neenah. The Collector Pipe project was a collaborative project to relieve the overflow and build up that Lift Station 7 was experiencing due to the number of residents in the area. This project enabled Lift Station 7 to be abandoned, and a portion of Breezewood Lane repaved. The

District is waiting to receive the Collector Pipe project billing and will amend the 2021 budget on receipt of the invoice.



### Fund Balance Health

Part of the District’s overall goal for financial health is maintaining a Replacement Fund and Debt Fund. The Replacement Fund enables the District to gradually build up a fund balance to replace infrastructure as it breaks down over time and replace equipment and materials as needed annually. The Replacement Fund process began with the 2020 budget. The Replacement Fund's priority is to ensure the District will be able to repair and replace infrastructure, equipment, and materials. The net accumulation of funds added to this fund varies each budget based on the amount of funds projected for replacement expenses each year. The District’s goal is to contribute a gross of \$100,000 annually to the Replacement Fund. This goal is based on the District’s capital asset depreciation schedule. For the fiscal year of 2021, the net contribution will be \$55,300.

The Debt Service Fund was established for payment of the District’s debt. All collected debt receivables are deposited, and payments of debt are withdrawn from the Debt Service Fund. Based on the current debt analysis, the District has an outstanding debt balance greater than its debt receivable by \$74,764. The District is anticipating an estimated excess debt revenue of \$65,000 by the end of 2020 that it will apply in an additional debt payment in 2021. The District projects that this additional debt payment will enable the District to save \$27,146.

Beginning with the 2021 fiscal year, the District will establish a Capital Project Fund. This Fund will enable the District to set aside designated monies annually for the

express purpose of District projects that cannot be covered by replacement funding. The first project that will be partially funded with monies from the Capital Project Fund is the Lift Station 3 Project.

### Overview of Personnel and Administration

The District prides itself on the maintenance and operations of the District. MCO, Inc. provides maintenance and operations through an annual contractual agreement. Lateral inspections are provided by McMahan, Inc. through a contractual agreement.

The Town of Neenah provides all administrative services through a contractual agreement. The three District Commissioners receive a quarterly salary, a per diem for each meeting, an hourly rate for fieldwork, and fieldwork mileage reimbursement. The Town of Neenah Board of Supervisors sets the compensation for the District Commissioners, and no changes have been made to the Commissioners' compensation.

### Closing Statement

The District is confident that the increase in monthly sewer user fees for the 2021 fiscal year will position the District to continue meeting sewer user needs, meeting capital project goals, and maintaining the District infrastructure.

Respectfully,

*Elizabeth Peterman*

Deputy Clerk-Treasurer

## **Elected Officials**

Dan Osero, Commission President

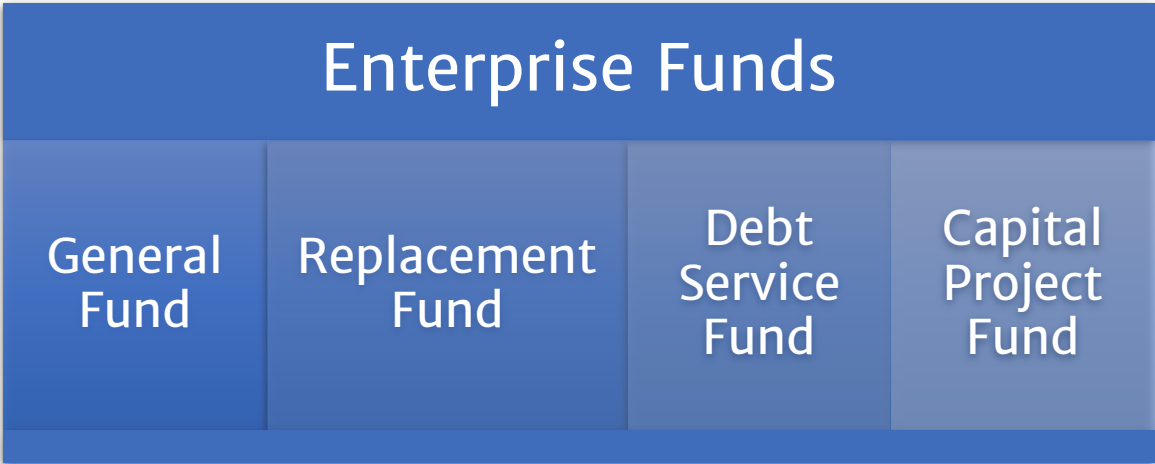
Steve Coburn, Commissioner

Russell Gossen, Commission



# Budget Fund Design

A fund is a grouping of related accounts used to administer resources that have been designated for specific activities or objectives. All District accounts are enterprise fund accounts. Enterprise funds are used to account for government operations (a) that are financed and operated in a manner similar to private business enterprises - where the governing body intends that the costs (expenses, including depreciation) of providing goods or services to the general public continuingly be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, and other purposes.



## General Fund

The General Fund is the main operating fund not accounted for in another fund.

## Replacement Fund

The Replacement Fund is used to accumulate funds to replace equipment, materials, and existing infrastructure in the District.

## Debt Service Fund

The Debt Service Fund accounts for monies accumulated from payments received on assessment debt principal and interest.

## Capital Project Fund

The Capital Project Fund is used to account for resources to acquire or construct major capital equipment, infrastructure, or facilities.

## **Basis of Accounting**

The term “basis of accounting” is used to describe the timing of recognition when the effects of transactions or events should be recognized. Governmental funds are required to use the modified accrual basis of accounting in GAAP financial statements, whereas the cash basis of accounting can be used in those same funds for budgetary purposes. The District uses the preceding described method as the basis of its accounting.

## **Budget Adoption Calendar**

### **Thursday, September 24, 2020 – Sanitary District #2 Budget Workshop #1**

- Commissioners, Deputy Clerk-Treasurer, and District contractors discuss goals, expectations, and 2021 draft budget creation parameters.
- Discuss key District items, such as a decrease in operating revenue and debt revenue.
- Discuss capital projects and timelines.

### **Thursday, October 22, 2020 – Sanitary District #2 Budget Workshop #2**

- Final draft budget documents presented, reviewed, and discussed.

### **Tuesday, November 10, 2020 – Budget Public Hearing & District Meeting**

- A Public Hearing in accordance with State Statute is held with the budget presented.
- District Commission approves Resolution adopting the increased sewer user fee.
- District Commission approves Resolution adopting the 2021 Fee Schedule.
- District Commission approves Resolution adopting the 2021 Fiscal Year Budget.

## **Budget & Finance Policies**

The financial policies of the Town of Neenah Sanitary District #2 provide the overall financial administration of the District. These guidelines have been established by the District Commission and may be updated by the Commission, as necessary.

The purpose of these policies are:

- To improve the District's financial position.
- To provide a consistent structure for financial decision making.
- To promote credibility and instill confidence among sewer users in the financial administration of the District.

### **Annual Budget Process**

The District will prepare an annual budget based on generally accepted accounting principles. The Deputy Clerk-Treasurer is responsible for creating the budget for presentation to the District Commission for review and approval.

The District Commission will adopt the budget at its November meeting following a public hearing and following all procedures as set by state statutes.

### **Financial Statements and Audit**

An independent public accounting firm will prepare financial statements. An annual audit will be performed by an independent public accounting firm, which will issue an opinion.

### **Budget Adjustments**

Budget amendments will be made at the end of the year based on each total category item's needs to balance the budget. A budget amendment may occur during the year if a state loan is issued to the District and utilized to balance the budget.

### **Incompleted Project Funds**

Any projects classified as open or incomplete at the end of the year shall be presented to the District Commission at the December meeting. The Commission shall determine if funds will be designated the next fiscal year to complete the open or incomplete project.

### **Budget Reporting**

A voucher packet, including bills and a summary report of account balances, shall be provided to the Commission at its monthly meeting for approval. Year-to-date reports comparing actual to budgeted expenditures will be provided monthly to the Commission.

## Debt Policy

The Commission shall maintain a balanced relationship between financing capital improvements via current revenue streams and long-term debt issuance.

### General Debt Policy Guidelines

- The District will assess the financial impact of the debt prior to issuance.
- The borrowing term's length shall not exceed the useful life of the assets or projects for which the funding will be utilized.
- General obligation debt shall not exceed the Wisconsin State statute limitations of 5% of the District's equalized valuation.
- The District shall not incur debt with negative amortization, unusual deferred principal payments, variable interest rates, or other risky attributes.

## Budget Detail

## Revenues

### Operating Revenue

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
User Charge <sup>1</sup>	\$561,593	\$567,000	\$566,657	\$566,909	\$91	\$595,584	\$28,584	5.04%
Connection/Permit Fees	\$23,248	\$12,000	\$14,253	\$17,403	(\$5,403)	-	(\$12,000)	100.0%
Other <sup>2</sup>	\$888	\$500	\$3,174	\$3,301	(\$2,801)	300	(\$200)	-40.0%
Interest Earned	\$17,548	\$10,500	\$8,963	\$11,363	(\$863)	\$10,800	\$300	2.86%
<b>Total Operating Revenue</b>	<b>\$603,277</b>	<b>\$590,000</b>	<b>\$593,047</b>	<b>\$598,976</b>	<b>(\$8,976)</b>	<b>\$606,684</b>	<b>\$16,684</b>	<b>2.83%</b>

### Debt Revenue

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
Assessments- Principal	\$66,504	\$47,614	\$70,679	\$70,679	(\$23,065)	\$40,017	(\$7,597)	-15.96%
TIA Interest	\$20,282	\$21,572	\$23,036	\$23,036	(\$1,464)	\$16,219	(\$5,353)	-24.82%
Sunset Terrace TIA	\$37,000	\$26,400	\$25,900	\$25,900	\$500	-	(\$26,400)	-100.0%
Revenue from State Loan	-	-	-	-	-	-	-	-
<b>Total Debt Revenue</b>	<b>\$124,086</b>	<b>\$95,586</b>	<b>\$119,615</b>	<b>\$119,615</b>	<b>(\$24,029)</b>	<b>\$56,236</b>	<b>(\$39,350)</b>	<b>-41.17%</b>

### Replacement Revenue

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
Replacement Fund Used	\$61,821	\$88,650	-	\$84,400	\$4,250	\$44,700	(\$43,950)	-49.58%
<b>Total Replacement Revenue</b>	<b>\$61,821</b>	<b>\$88,650</b>	<b>-</b>	<b>\$84,400</b>	<b>\$4,250</b>	<b>\$44,700</b>	<b>(\$43,950)</b>	<b>-49.58%</b>
<b>Total Revenues</b>	<b>\$789,184</b>	<b>\$774,236</b>	<b>\$712,662</b>	<b>\$802,991</b>	<b>(\$33,005)</b>	<b>\$707,620</b>	<b>(\$66,616)</b>	<b>-8.60%</b>

## Expenses

### Treatment Expense

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
Treatment Charges – NMSC	\$33,957	\$40,000	\$31,452	\$40,791	(791)	\$43,368	\$3,368	8.42%
Treatment Charges – City of Neenah	\$113,738	\$119,000	\$56,497	\$84,350	\$34,650	\$100,000	(\$19,000)	-15.97%
<b>Total Treatment Expense</b>	<b>\$147,695</b>	<b>\$159,000</b>	<b>\$87,949</b>	<b>\$125,141</b>	<b>\$33,859</b>	<b>\$143,368</b>	<b>(\$15,632)</b>	<b>-9.83%</b>

### Utilities Expense

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
WE Energies	\$11,623	\$12,000	\$8,794	\$11,356	\$644	\$12,000	-	0.0%
TDS	\$543	\$600	\$364	\$405	\$195	-	(\$600)	-100.0%
Omnisite	\$2,445	\$2,900	\$3,840	\$4,290	(\$1,390)	\$4,000	\$1,100	37.93%
Antx <sup>3</sup>	(\$579)	-	-	-	-	-	-	-
<b>Total Treatment Expense</b>	<b>\$14,032</b>	<b>\$15,500</b>	<b>\$12,998</b>	<b>\$16,051</b>	<b>(\$551)</b>	<b>\$16,000</b>	<b>\$500</b>	<b>3.23%</b>

### Operations and Maintenance (O&M) Expense

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
MCO Contract	\$56,646	\$56,288	\$42,216	\$56,288	-	\$53,226	(\$3,062)	-5.44%
MCO Non- Contract Items	\$1,449	\$5,000	\$645	\$692	\$4,308	\$5,000	-	0.0%
Diggers Hotline	\$1,411	\$1,500	\$334	\$684	\$816	\$1,200	(\$300)	-20.00%
I&I-Great Lakes & McMahon	\$16,866	\$45,000	\$43,334	\$57,614	(\$12,614)	\$50,000	\$5,000	11.11%
GIS	\$9,648	\$13,000	\$12,725	\$12,725	\$275	\$6,500	(\$6,500)	-50.0%
Engineering/ McMahon	\$9,298	\$30,000	\$11,939	\$17,153	\$12,847	\$20,000	(\$10,000)	-33.33%
Mileage Other	\$202	\$800	\$228	\$378	\$422	\$650	(\$150)	-18.75%
Maintenance <sup>4</sup>	\$22,944	\$42,500	\$12,221	\$18,383	\$24,117	\$45,000	\$2,500	5.88%
<b>Total O&amp;M Expense</b>	<b>\$116,464</b>	<b>\$194,088</b>	<b>\$123,642</b>	<b>\$163,917</b>	<b>\$30,171</b>	<b>\$181,576</b>	<b>(\$12,512)</b>	<b>-6.45%</b>

### Administrative and Payroll Expense

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
Administrative Fee	\$28,000	\$35,000	\$35,000	\$35,000	-	\$35,000	-	0.0%
Office Supplies & Expense <sup>5</sup>	\$985	\$1,000	\$75	\$350	\$650	\$4,550	\$3,550	355.0%
Legal Services	-	\$5,000	\$1,209	\$2,376	\$2,624	\$5,000	-	0.0%
Insurance	\$5,325	\$6,000	\$5,100	\$5,100	\$900	\$6,000	-	0.0%
Accounting Services	\$5,800	\$6,090	\$5,900	\$5,900	\$190	\$6,195	\$105	1.72%
Admin & General Salaries & Wages	\$8,540	\$15,000	\$4,038	\$6,113	\$8,888	\$10,000	(\$5,000)	-33.33%
Payroll Taxes <sup>6</sup>	\$652	\$1,148	(\$1,481)	(\$1,323)	\$2,471	\$765	(\$383)	-33.36%
<b>Total Administrative and Payroll Expense</b>	<b>\$549,302</b>	<b>\$69,238</b>	<b>\$49,839</b>	<b>\$53,515</b>	<b>\$15,723</b>	<b>\$57,510</b>	<b>(\$1,728)</b>	<b>-2.50%</b>

### Loan/Lease Expenses, Bank Fee, & Misc. Expense

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
Loan Payment-(RH)	\$55,117	\$55,117	\$55,117	\$55,117	-	\$55,117	-	0.0%
Replacement-Equip/Materials	\$61,821	\$60,000	-	\$60,000	-	\$44,700	(\$15,300)	-25.50%
Misc. General Expense	\$446	\$300	\$7,170	\$7,170	(\$6,870)	\$300	-	0.0%
Bank Service Charges	\$3	\$5	-	-	\$5	\$5	-	0.0%
<b>Loan/Lease Expenses, Bank Fee, &amp; Misc. Expense</b>	<b>\$117,387</b>	<b>\$115,442</b>	<b>\$62,287</b>	<b>\$122,288</b>	<b>(\$6,865)</b>	<b>\$100,122</b>	<b>(\$15,300)</b>	<b>-13.26%</b>

<b>Subtotal Expense Before Projects</b>	<b>\$444,880</b>	<b>\$553,248</b>	<b>\$336,716</b>	<b>\$480,912</b>	<b>\$56,614</b>	<b>\$508,576</b>	<b>(\$44,672)</b>	<b>-8.07%</b>
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**Projects Expense**

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
Collector Pipe <sup>7</sup>	\$51,150	-	\$6,506	\$7,069	(\$7,069)	-	-	0.0%
Lift Station 7 Abandonment	-	\$35,000	\$4,228	\$29,228	\$5,772	-	(\$35,000)	-100.0%
Lift Station 2 Building	\$158,761	\$22,000	\$61,260	\$61,260	(\$36,260)	-	(\$22,000)	-100.0%
NMSC Project Portion <sup>8</sup>	-	\$33,000	-	-	\$33,000	-	(\$33,000)	-100.0%
Replacement Fund Project	-	\$100,000	\$100,000	\$100,000	-	\$100,000	-	0.0%
Cummings Lane Repair Project <sup>9</sup>	-	-	-	\$97,439	(\$97,439)	-	-	-
Lift Station 3 Project	-	-	-	-	-	\$50,000	\$50,000	
<b>Projects Expense</b>	<b>\$209,911</b>	<b>\$190,000</b>	<b>\$171,994</b>	<b>\$294,995</b>	<b>(\$104,996)</b>	<b>\$150,000</b>	<b>(\$40,000)</b>	<b>-21.05%</b>

<b>Total Expenses</b>	<b>\$654,791</b>	<b>\$743,248</b>	<b>\$508,710</b>	<b>\$775,907</b>	<b>(\$48,382)</b>	<b>\$658,576</b>	<b>(\$84,672)</b>	<b>-11.39%</b>
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<b>Gain/(Loss) Before Depreciation</b>	<b>\$134,393</b>	<b>\$30,988</b>	<b>\$203,952</b>	<b>\$27,084</b>		<b>\$49,044</b>		
<b>Depreciation<sup>10</sup></b>	<b>\$158,000</b>	<b>\$161,100</b>	<b>\$161,000</b>	<b>\$161,000</b>		<b>\$163,174</b>		
<b>Net Gain/(Loss) After Depreciation</b>	<b>(\$23,607)</b>	<b>(\$130,112)</b>	<b>\$42,952</b>	<b>(\$133,916)</b>		<b>(\$114,130)</b>		

## **Budget Summary**

## Proposed Budget Summary

The District adopts its budget at a total line item level. Below is the proposed budget summary for the 2021 fiscal year.

	Actual 12/31/2019	2020 Approved Budget	Year-to- Date 9/30/2020	2020 Estimated Total	Under (Over) Budget	2021 Proposed Budget	'20-'21 Budget Change	'20-'21 % Change
<b>Revenues</b>								
Operating Revenue	\$603,277	\$590,000	\$593,047	\$598,976	(\$8,976)	\$606,684	\$16,684	2.83%
Debt Revenue	\$124,086	\$95,586	\$119,615	\$119,615	(\$24,029)	\$56,236	(\$39,350)	-41.17%
Replacement Revenue	\$61,821	\$88,650	-	\$84,400	\$4,250	\$44,700	(\$43,950)	49.58%
<b>Total Revenue</b>	<b>\$789,184</b>	<b>\$744,236</b>	<b>\$712,662</b>	<b>\$802,991</b>	<b>(\$33,005)</b>	<b>\$707,620</b>	<b>(\$66,616)</b>	<b>-8.60%</b>
<b>Expenses</b>								
Treatment Expense	\$147,695	\$159,000	\$87,949	\$125,141	\$33,859	\$143,368	(\$15,632)	-9.83%
Utilities Expense	\$14,032	\$15,500	\$12,998	\$16,051	(\$551)	\$16,000	\$500	3.23%
Operations & Maintenance Expense	\$116,464	\$194,088	\$123,642	\$163,917	\$30,171	\$181,576	(\$12,512)	-6.45%
Administrative and Payroll Expense	\$49,302	\$69,238	\$49,839	\$53,515	\$15,723	\$67,510	(\$1,728)	-2.50%
Loan/Lease Expenses, Bank Fee, & Misc. Expense	\$117,387	\$115,422	\$62,287	\$122,288	(\$6,865)	\$100,122	(\$15,300)	-13.26%
<b>Expense Subtotal Before Projects</b>	<b>\$444,880</b>	<b>\$553,248</b>	<b>\$336,716</b>	<b>\$480,912</b>	<b>\$56,614</b>	<b>\$508,576</b>	<b>(\$44,672)</b>	<b>-8.07%</b>
<b>Projects Expense</b>	<b>\$209,911</b>	<b>190,000</b>	<b>\$171,994</b>	<b>\$294,995</b>	<b>(\$97,927)</b>	<b>\$150,000</b>	<b>(\$40,000)</b>	<b>-21.05%</b>
<b>Total Expenses</b>	<b>\$654,791</b>	<b>\$743,248</b>	<b>\$508,710</b>	<b>\$775,907</b>	<b>(\$41,313)</b>	<b>\$658,576</b>	<b>(\$84,672)</b>	<b>-11.39%</b>
<b>Gain/Loss Before Depreciation</b>	<b>\$134,393</b>	<b>\$30,988</b>	<b>\$203,952</b>	<b>\$27,084</b>		<b>\$49,044</b>		
<b>Depreciation</b>	<b>\$158,000</b>	<b>\$161,100</b>	<b>\$161,100</b>	<b>\$161,100</b>		<b>\$163,174</b>		
<b>Net Gain/Loss After Depreciation</b>	<b>(\$23,607)</b>	<b>(\$130,112)</b>	<b>\$42,952</b>	<b>(\$133,916)</b>		<b>(\$114,130)</b>		

## 2021 Debt Service Budget

	Actual 12/31/2019	2020 Approved Budget	Year-to-Date 9/30/2020	2020 Estimated Total	2021 Proposed Budget
<b>DEBT REVENUE</b>					
Special Assessments- Paid in Full	\$22,789	-	\$23,065	\$23,065	-
Special Assessments- Principal Tax Roll	\$47,614	\$74,014	\$73,514	\$73,514	\$40,017
Interest Earned- Debt Service Account	\$894	\$720	\$749	\$850	\$850
Interest Earned- Special Assessments	\$17,548	\$21,572	\$23,036	\$23,036	\$16,219
<b>Total Debt Revenue</b>	<b>\$88,844</b>	<b>\$96,306</b>	<b>\$120,364</b>	<b>\$120,465</b>	<b>\$57,086</b>
<b>DEBT EXPENSE</b>					
Principal-State Trust Loan	\$41,498	\$35,909	\$35,909	\$35,909	\$37,308
Interest-State Trust Loan	\$13,619	\$19,208	\$19,208	\$19,208	\$17,809
Additional Principal-State Trust Loan <sup>11</sup>	-	-	-	-	\$50,704
Additional Interest- State Trust Loan <sup>11</sup>	-	-	-	-	\$14,296
<b>Total Debt Expense</b>	<b>\$55,117</b>	<b>\$55,117</b>	<b>\$55,117</b>	<b>\$55,117</b>	<b>\$120,117</b>
<b>Excess Revenue /(Expense)</b>	<b>\$33,727</b>	<b>\$41,189</b>	<b>\$65,247</b>	<b>\$65,348</b>	<b>(\$63,032)</b>

# Replacement Fund Budget

## 2021 Replacement Fund Budget

	Year-to-Date 9/30/2020	2020 Estimated Total	2021 Proposed Budget
<b>REVENUE</b>			
Interest	\$1,276	\$1,576	\$1,000
Payment to Replacement Fund	\$100,000	\$100,000	\$100,000
<b>Total Revenue</b>	<b>\$101,276</b>	<b>\$101,576</b>	<b>\$101,000</b>
<b>EXPENSE</b>			
Replacement Fund Used for Equip.	-	\$84,400	\$44,700
<b>Total Expenses</b>	<b>-</b>	<b>\$84,400</b>	<b>\$44,700</b>
<b>Excess Revenue (Expense)</b>	<b>\$101,276</b>	<b>\$17,176</b>	<b>\$56,300</b>

Fund Balance	Actual	2020 Approved Budget	2020 Estimated Total	2021 Proposed Budget
Fund Balance-1/1/2020	\$198,640			
Budget Amounts		\$210,023	\$198,640	\$216,116
Net Change in Fund Balance			\$17,176	\$56,300
<b>Fund Balance- December 31</b>			<b>\$216,116</b>	<b>\$272,416</b>

## Budget Notes

### **Note 1: User Fee Revenue Basis**

User fees are based on a \$2 increase per month beginning the 2021 fiscal year on 1,128 RUCs (Residential Units Charge).

### **Note 2: Operating Revenue Other Category**

The operating revenue other category consists of late fees, interest due, administrative fee, fines and forfeitures, and real estate inquiry fees. The decrease is due to less anticipated real estate inquiry fees.

### **Note 3: Antx Utility Expense**

The District discontinued service with Antx in 2019.

### **Note 4: Operations & Maintenance Other Maintenance Category**

The other maintenance category consists of annual maintenance items, equipment or material that do not meet the capitalization threshold designated by the District (\$5,000), and unexpected maintenance issues that arise.

### **Note 5: Increase in Office Supplies & Expense**

The significant increase in office supplies and expense for the 2021 fiscal budget is due to the purchase of assessment software package. The assessment software will enable the District to maintain all special assessment information in one area, thus increasing efficiency and productivity. The purchase price is a one-time occurrence with a reoccurring annual support cost.

### **Note 6: Credit for 2020 Payroll Taxes**

Credit is seen for the 2020 fiscal year for payroll taxes due to the overpayment of payroll taxes in the year ending December 31, 2017. The District was issued a refund, which offset the payroll taxes for the 2020 fiscal year.

### **Note 7: Anticipated Budget Amendment for Collector Pipe Project**

The District anticipates a budget amendment for the fiscal 2021 year for the collector pipe project, which will be offset by revenue from state loan. The District is awaiting an invoice from the City of Neenah for the completed collector pipe project.

### **Note 8: Reduction in NMSC Project Portion Expense**

The District has decided not to allocate funds for the NMSC project during the 2020 fiscal year. The District will not be prepaying its portion of the project and will wait to receive an exact cost before pursuing funding allocation.

**Note 9: Cuming Lane Project Expense**

The Cumings Lane project was an unexpected expense. The District found detrimental sagging in two places of the sewer main on Cumings Lane that needed immediate repair. The project will be covered by replacement and operating funds from the 2020 fiscal budget.

**Note 10: Depreciation Calculation**

Depreciation is calculated each year based upon the fixed asset capitalization schedule.

**Note 11: Additional State Trust Loan Payment**

An additional state trust loan payment will occur in January 2021 from the Debt Fund based upon the Debt Excess Revenue from the 2020 fiscal year.