



MEMORANDUM

Comfort Lake-Forest Lake Watershed District

Date: January 13, 2023
To: CLFLWD Board of Managers
From: Mike Kinney, District Administrator
Subject: Budget Transfer for Audit Services



District Wide

Background/Discussion

The purpose of this agenda item is to consider a budget transfer to reflect the cost of the 2022 audit. The 2023 budget for audit services is \$9,500. The base cost of the audit, per Abdo's proposal is \$13,500, and there is an additional \$2,000 charge associated with the District's office lease, for a total cost of \$15,500. Abdo's letter of engagement provides the following explanation for the additional charge:

"The newest standard that will have an effect on your District that is effective for this year's financial statement is GASB's Accounting Standards number 87 - Accounting for Leases. This new standard is effective for fiscal years starting after June 15, 2021. Given this new standard will have an effect on your financial statements, there will be additional time spent to adopt this standard in year one."

Recommended Motion

Proposed Motion #1: Manager _____ moves to amend the 2023 budget for account 1-003-4330 to \$15,500 and to transfer \$6,000 from account 000-2900 to account 1-003-4330. Seconded by Manager _____.

Attached: Budget Transfer Form



Budget Transfer Form

Comfort Lake-Forest Lake Watershed District

Date: 1/26/23

Brief Description: Transfer from Reserve to Audit Services

Transfer FROM						
Account Code	Budget Line Item Description	Additional Activity Description (Optional)	2023 Expense Budget Amount	Transfer Amount	Balance After Transfer	Explain why funding is available
000-2900	Reserve Fund		N/A	\$6,000.00	\$413,509.00	<i>Earned/available</i> fund balance on 12/31/22 before transfer = \$419,509; the District keeps a healthy reserve fund balance in the event of need. Note that the District will receive <i>earned</i> grant and payments totaling approximately \$600,000 in January 2023.

Transfer TO						
Account Code	Budget Line Item Description	Additional Activity Description (Optional)	2023 Expense Budget Amount	Transfer Amount	Balance After Transfer	Explain why transfer is necessary
5-228-D	(Forest) WJD-6 Implementation		\$9,500.00	\$6,000.00	\$15,500.00	2023 budget was based on past years of audit expenses and was approved in September 2022. The District held its biennial professional services RFP and chose Abdo as the auditor later that year, thus finalizing the costs of audit services in 2023 and 2024.

Rules

1. Multiple items may be included under Transfer FROM, but only one item can be included under Transfer TO. If transfers TO multiple items are necessary, multiple forms should be filled out
2. Record of transfers will be kept in 2022 working budget workbook