



## MEMORANDUM

Comfort Lake-Forest Lake Watershed District

**Date:** December 9, 2025  
**To:** CLFLWD Board of Managers  
**From:** Mike Kinney, District Administrator  
**Subject:** 2025 Yearend Financials and Manager Reimbursement Requests



**District Wide**

### Background/Discussion:

The purpose of this agenda item is to consider some adjustments to the 2025 budget prior to year-end. Staff have reviewed [year to date expenditures as of 10/31/25](#) and refined our estimates for yearend expenditures. While the yearend expenditures won't be finalized until early 2026 and completion of the annual audit, there are some line items the board may wish to adjust in advance of the audit.

Overall, 2025 year-end expenditures are estimated to exceed revenues by approximately \$196,000, resulting in a reduction to the District's fund balance from \$1.4 million to \$1.2 million. This is updated from the estimates provided earlier in the year, which had the yearend deficit estimated at \$260,000. Most of the budget is generally on track, but some items are estimated to come in under budget, while others are over budget.

Line Item	2025 Budget	2025 Est. Yearend	Difference	Explanation
Total Staff Wages & Benefits	\$1,226,000	\$1,036,000	\$190,000	Staff turnover and delays in hiring the B&O Mgr. resulted in fewer working hours than budgeted
1-001-4000 Managers Per Diem & Payroll Tax	\$30,000	\$60,000	(\$30,000)	More special meetings than expected for strategic plan and budget
1-002-4203 Computer Supplies/Software/IT	\$30,000	\$32,100	(\$2,100)	Rymark recommended security and data backup upgrades
1-004-4330 CPA/Bookkeeping	\$47,000	\$60,000	(\$13,000)	Additional assistance w/ budget projections, fund balance reconciliations
1-004-4337 Consultant/Professional Services	\$35,000	\$50,000	(\$15,000)	Strategic planning extra meetings, salary survey, employee manual review
1-004-4500 Consulting Engineer (Admin)	\$10,000	\$18,000	(\$8,000)	Additional EOR assistance with office space visioning/architect seeking
5-000-A General Project Dev./Pre-Project Investigation	\$20,000	\$75,000	(\$55,000)	This budget line item was ambitiously low but rather unrealistic given the District's aggressive timelines to 'keep the



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				hopper full'. The District is adjusting its practices so that it only utilizes consultants for work that is covered by a grant or other revenue source.
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### Recommended Action:

Part of the annual audit process is to perform financial adjustments as recommended by the auditor. These don't necessarily result in "findings" or demerits against the District. However, if the Board wishes to adjust the 2025 budget prior to year end, below is a recommended motion.

Manager \_\_\_\_\_ moves to amend the 2025 budget for Total Staff Wages and Benefits to \$1,036,000 and to transfer the following amounts from Total Staff Wages and Benefits to the following accounts:

- \$30,000 to 1-001-4000 Managers Per Diem & Payroll Tax
- \$2,100 to 1-002-4203 Computer Supplies/Software/IT
- \$13,000 to 1-004-4330 CPA/Bookkeeping
- \$15,000 to 1-004-4337 Consultant/Professional Services
- \$8,000 to 1-004-4500 Consulting Engineer (Admin)
- \$55,000 to 5-000-A General Project Development/Pre-Project Investigation

### Reminder for Manager Reimbursement Requests:

This agenda item also serves as a reminder for managers to submit reimbursement requests for 2025 expenses and per diem no later than January 31<sup>st</sup>. Staff keep track of board meeting attendance and ensure monthly payment of per diems for board meetings. Managers may request reimbursement for additional meetings (e.g., liaison meetings, conferences), prep days (e.g., review of packet materials), and expenses (e.g., travel mileage, meals at conferences). Managers are requested to complete their reimbursement forms before January 31<sup>st</sup>, per the governance manual. This will help ensure compliance with audit standards by processing all 2025 expenses before the audit.

For reference, the District's governance manual states the following:

*General Governance Policies & Schedule, Section III, Paragraph c): Managers should prepare claim forms for per diem and expenses in duplicate. The original should be submitted to the administrator to be processed and approved in the same manner as other claims against CLFLWD. A claim must be submitted within 60 days of the date the per diem was earned or expense incurred, except that a per diem under paragraph III.b(iv) will be submitted within 60 days of the last activity to which the per diem applies. A claim within a given calendar year is to be submitted by January 31 of the following year. The manager will retain a copy for his or her personal records. All forms,*



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*including those in support of per diem under paragraph III.b(iv) or (v), will contain a description of the activity.*