



Title: 1st Quarter 2024 Financial Report
Prepared by: Name: Deb Johnson
Phone: 952.641.4500
djohnson@minnehahacreek.org

Purpose:

Attached, please find the 1st Quarter (Q1) Financial Report from Abdo Financial Solutions showing revenue and expenditures from January 1, 2024 to March 31, 2024.

Summary:

Revenue

Budgeted tax revenue through March 31, 2024 is shown as \$2,467,378 with zero dollars received to-date. It is not unusual or unexpected to have no tax revenue reported in the first or even second quarters of the year. The first tax levy settlements from Hennepin and Carver counties are typically received in early July.

Miscellaneous revenue is Permitting reimburseables through Q1. Revenue is tied to the timing and issuance of permits with funds received accordingly.

Through Q1 no grant revenue has been received, however multiple grants are in the works with funds expected throughout the year.

Interest earnings, which is the interest earned on the District's general money market funds, was budgeted downwards from previous years based on the drop in interest rates that began during the pandemic. Bank interest rates have since rebounded and although revenue was calculated upwards for the 2024 budget, revenue is still far exceeding expectations.

Expenditures

The budget is shown as one-quarter of its total, while expenses reflect the actual dollars spent year-to-date. All but two expense categories are under budget for Q1 with overall spending at 29.4%. (Please see the variance report for more information.)

Variances

Noteworthy positive variances (actuals under year-to-date budget) shown on the Management Planning Fund Table (page 5 of the report) include manager expenses, vehicle expenses, contracted services, construction, engineering, legal services, insurance, strategic IT plan and IT equipment. All expenditures categories are tied to timing of services or when invoices are received and paid. Several categories also reflect one time per year payments with payment occurring later in the year. Further details regarding these items, as well as others, can be found on the variance report at the end of this document.

Within specific funds, shown on the Statement of Expenditures (page 8 of the report), variances are generally tied to the timing of work and/or the progress of a project. There were no programs or projects that exceeded Q1 budget projections. On average, Programs came in at 57.2% of their Q1 budgets, with the majority of savings from staff positions budgeted for and not yet filled. The projects categories through Q1 have incurred little to no expenses through Q1 which is not unexpected based on the timing and life cycle of a project.

If you have more specific questions regarding the contents of the report, please contact Deb Johnson at djohnson@minnehahacreek.org

Supporting documents:

2024 Q1 Financial Report



1st Quarter — Report

— Minnehaha Creek Watershed District

Minnetonka, Minnesota

As of March 31, 2024

Abdo
Financial
Solutions

Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

April 12, 2024

ACCOUNTANT'S COMPILATION REPORT

Board of Managers
Minnehaha Creek Watershed District
Minnetonka, Minnesota

We have compiled the accompanying statement of revenues and expenditures for the notes Management Planning Fund of the Minnehaha Creek Watershed District as of March 31, 2024 for the quarter then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Sincerely,

Abdo Financial Solutions

April 12, 2024

Dear Board of Managers:

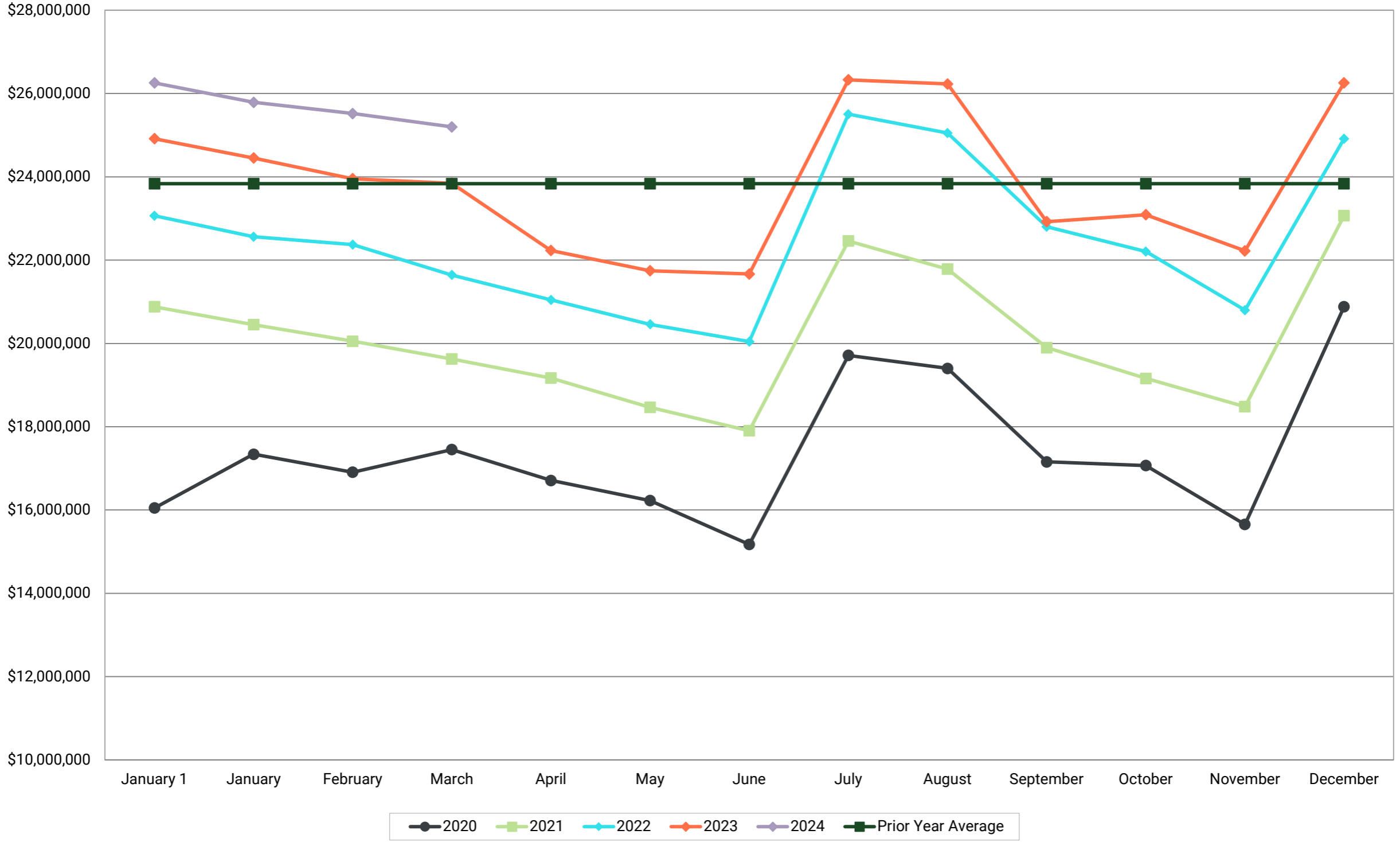
We have reconciled all bank accounts through March 31, 2024, and reviewed activity in all projects within the fund. The following is a summary of our observations. All information presented is unaudited.

Cash

The District’s cash balances are as follows:

Institution	Description	Type	Market Value 1/1/2024	Deposits - Purchases	Expenditures - Sales	Transfers	Interest	Unadjusted Market Value 3/31/2024	Market Value 3/31/2024
Bremer Bank	General Checking - 0515	Checking	\$ 741,174.77	\$ 60.00	\$ (1,540,260.67)	\$ 1,285,000.00	\$ -	\$ 485,974.10	\$ 485,974.10
Bremer Bank	General MM - 2755	Money Market	24,883,463.78	117,096.79	-	(1,260,172.97)	183,112.73	23,923,500.33	23,923,500.33
			25,624,638.55	117,156.79	(1,540,260.67)	24,827.03	183,112.73	24,409,474.43	24,409,474.43
Bremer Bank	Surety Checking- 6092	Checking	250,925.52	7,300.00	(267,581.00)	18,500.00	8.20	9,152.72	9,152.72
Bremer Bank	Surety MM - 2788	Money Market	928,868.92	35,000.00	(7,300.00)	(43,327.03)	6,819.01	920,060.90	920,060.90
			1,179,794.44	42,300.00	(274,881.00)	(24,827.03)	6,827.21	929,213.62	929,213.62
Total Cash and Investments			\$ 26,804,432.99	\$ 159,456.79	\$ (1,815,141.67)	\$ 0.00	\$ 189,939.94	\$ 25,338,688.05	\$ 25,338,688.05
								Deposits in Transit	\$ -
								Outstanding Checks	(139,278.16)
								Reconciled Balance	<u>\$ 25,199,409.89</u>

Management Planning Fund Cash Balances 2020 - 2024



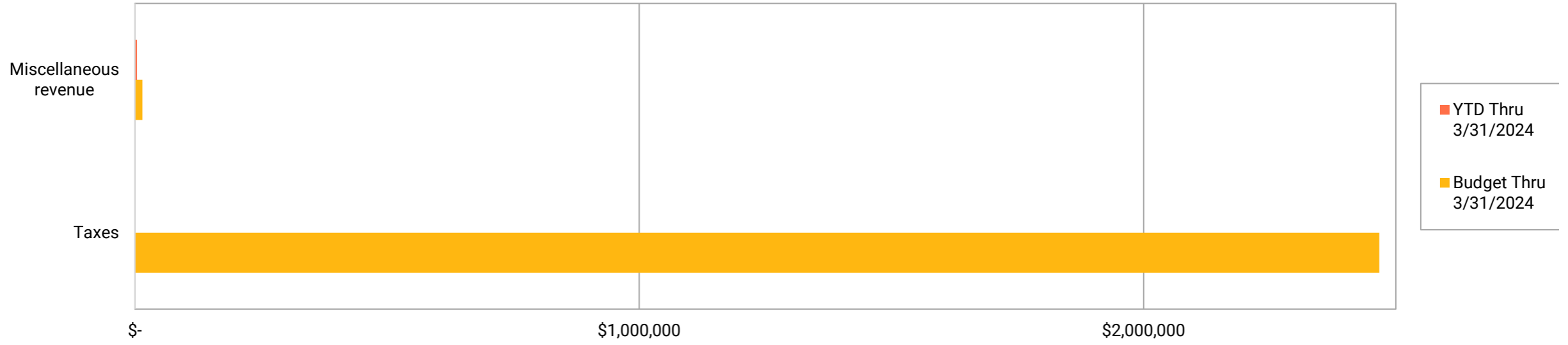
Management Planning Fund

	2023 Actual	2024 Budget	YTD Budget Thru 3/31/2024	YTD Thru 3/31/2024	Percent of YTD Budget		
Receipts							
Taxes	\$ 9,772,809	\$ 9,869,513	\$ 2,467,378	\$ -	- %	↓	(1)
Miscellaneous revenue	880,917	60,000	15,000	3,967	26.4	↓	(2)
Loans, grants & awards	283,823	1,081,190	270,298	-	-	↓	(3)
Interest earnings	561,725	120,000	30,000	189,940	633.1	↑	(4)
Transfers In	12,291,975	-	-	-	-		(5)
Total Receipts	\$ 23,791,249	\$ 11,130,703	\$ 2,782,676	\$ 193,907	7.0 %	↓	
Expenditures							
Personnel	\$ 2,245,147	\$ 3,452,732	\$ 863,183	\$ 574,853	66.6 %	↑	(6)
Staff expenses	42,721	87,000	21,750	31,091	142.9	↓	(7)
Manager expenses	43,213	51,000	12,750	3,595	28.2	↑	(8)
Building & operating expense	100,941	123,813	30,953	22,623	73.1	↑	(9)
Vehicles	6,082	43,500	10,875	159	1.5	↑	(10)
Contracted services	462,671	1,120,780	280,195	67,782	24.2	↑	(11)
Construction	1,978,003	5,772,158	1,443,040	-	-	↑	(12)
Accounting & auditing	111,740	120,000	30,000	31,780	105.9	→	(13)
Engineering	662,150	1,332,275	333,069	83,377	25.0	↑	(14)
Lab analysis	34,911	63,215	15,804	14,525	91.9	→	(15)
Legal services	404,853	356,500	89,125	41,202	46.2	↑	(16)
Insurance	69,038	70,500	17,625	-	-	↑	(17)
Debt service	4,317,949	1,204,792	301,198	147,515	49.0	↑	(18)
Other miscellaneous	103,207	118,200	29,550	9,491	32.1	↑	(19)
Dues & Subscriptions	93,068	127,000	31,750	25,164	79.3	↑	(20)
Strategic IT Plan	14,580	78,850	19,713	-	-	↑	(21)
IT Equipment	11,982	25,000	6,250	41	0.7	↑	(22)
Loans, grants & awards given	90,000	338,940	84,735	10,000	11.8	↑	(23)
Permit Acquisition	250	-	-	72	-	↑	(24)
Capital Outlay	-	-	-	-	-		(25)
Transfers Out	12,291,975	-	-	-	-		(26)
Total Expenditures	\$ 23,084,481	\$ 14,486,255	\$ 3,621,564	\$ 1,063,270	29.4 %	↑	

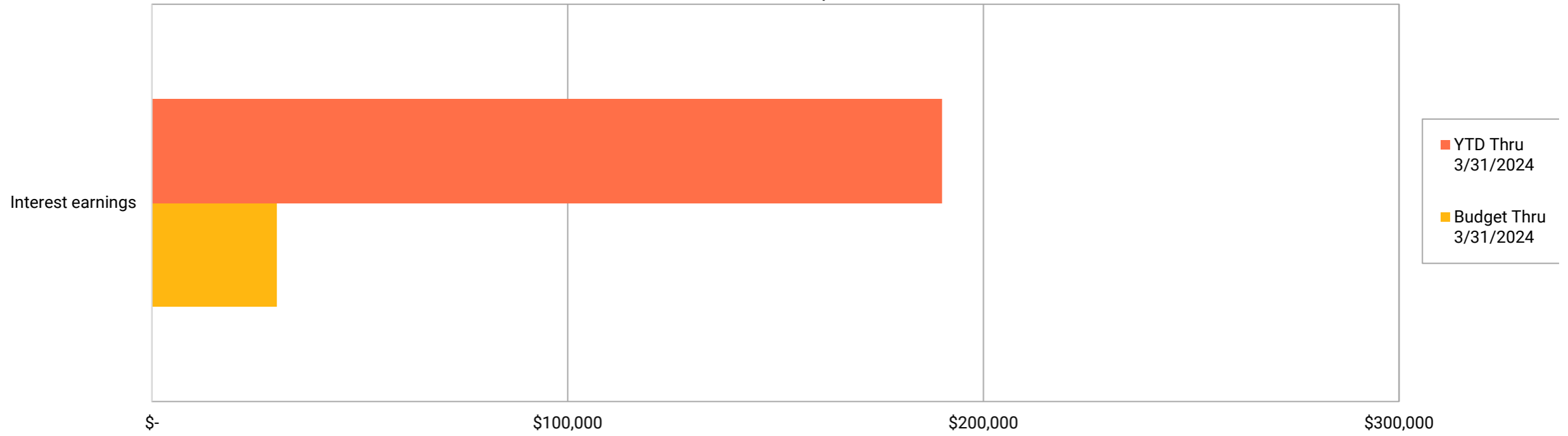
Key

- ↑ Varies more than 10% than budget positively
- ↓ Varies more than 10% than budget negatively
- Within 10% of budget

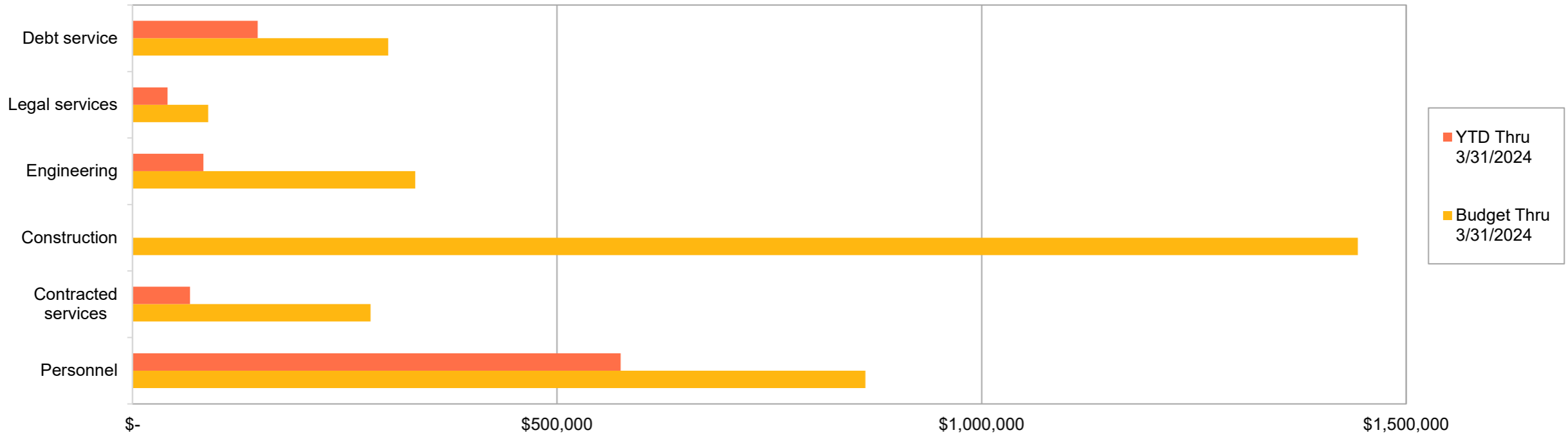
**Receipts Budget to Actual Comparison
\$0 to \$2,500,000**



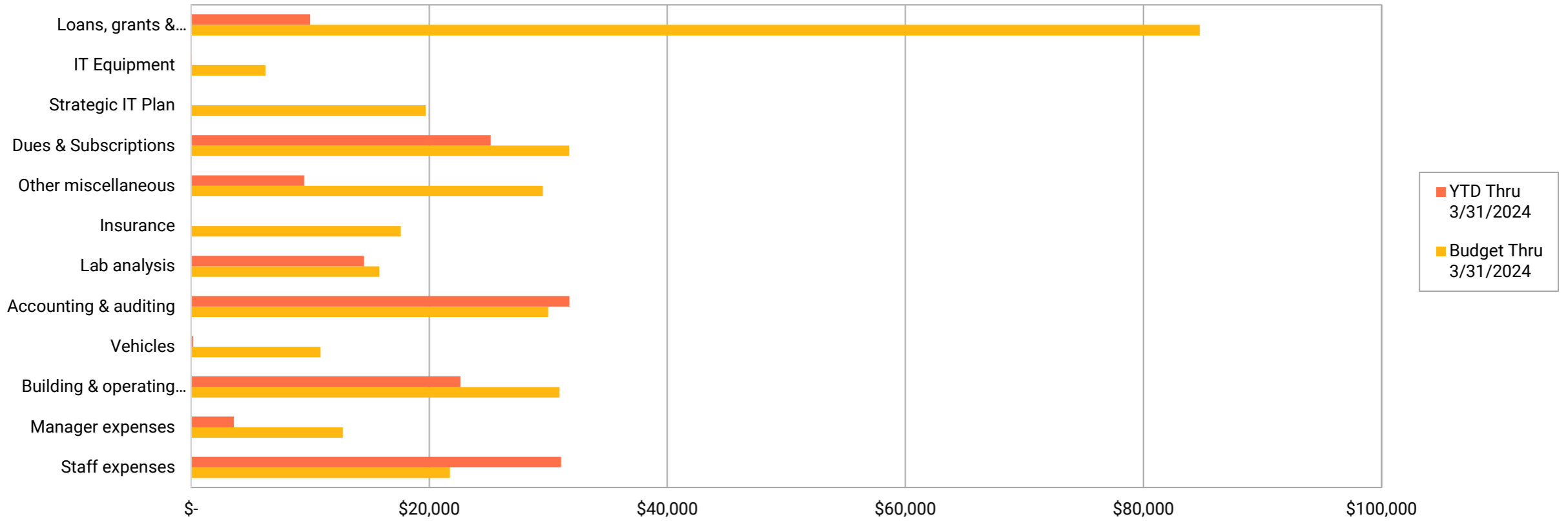
**Receipts Budget to Actual Comparison
\$0 to \$300,000**



**Disbursements Budget to Actual Comparison
\$0 to \$1,500,000**



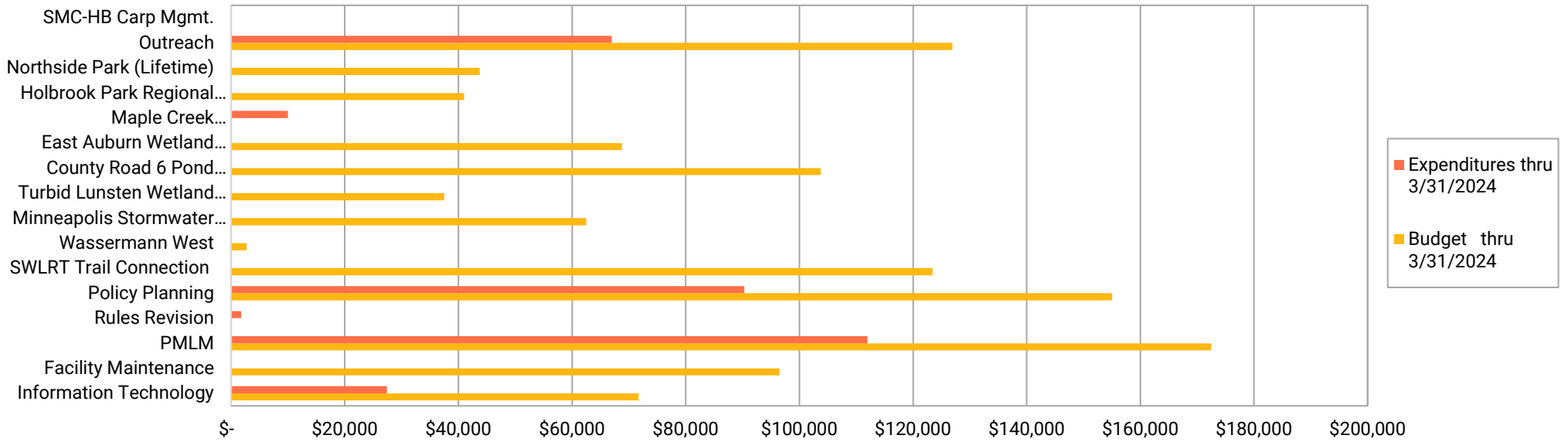
**Disbursements Budget to Actual Comparison
\$0 to \$100,000**



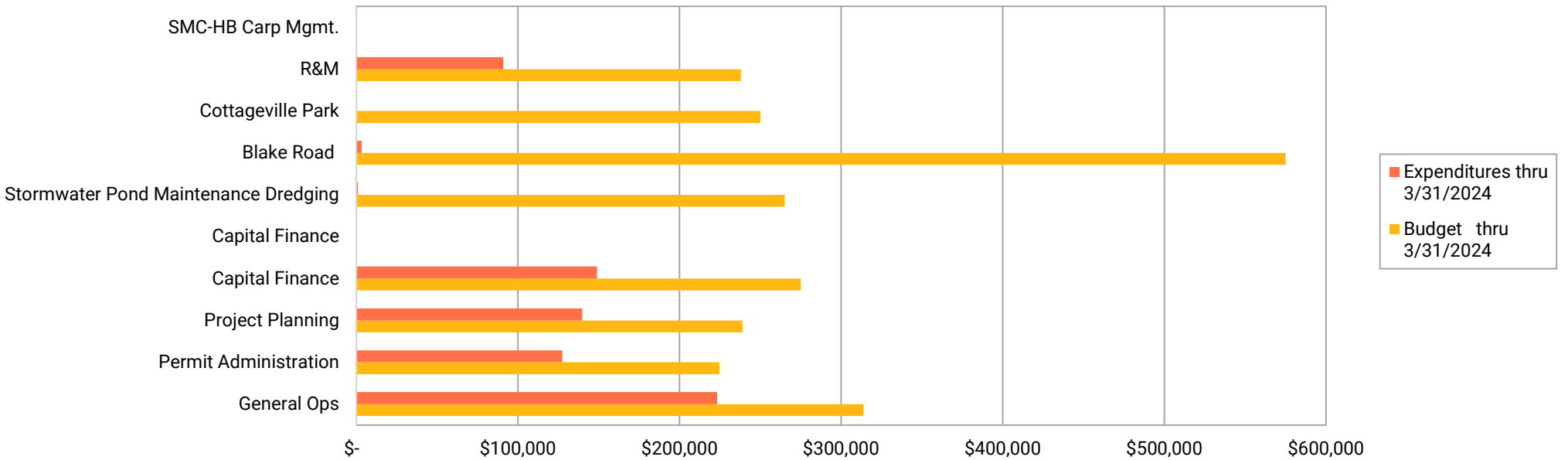
Minnehaha Creek Watershed District
Statement of Expenditures -
Budget and Actual -
For the Three Months Ended March 31, 2024

Fund Name	Project #	2023 Actual Expenditures	2024 Annual Budget	YTD Budget thru 3/31/2024	YTD Expenditures thru 3/31/2024	Variance 3/31/2024	Percent Expended Budget thru 3/31/2024
General Ops	1002	\$ 1,056,061	\$ 1,254,725	\$ 313,681	\$ 223,232	\$ 90,449	71.2%
Information Technology	1003	196,302	286,850	71,713	27,427	44,286	38.2%
Facility Maintenance	1005	-	386,000	96,500	-	96,500	0.0%
Permit Administration	2001	726,417	898,299	224,575	127,335	97,240	56.7%
Project Planning	2002	506,627	955,636	238,909	139,762	99,147	58.5%
PMLM	2003	2,287,955	689,926	172,482	112,002	60,480	64.9%
Capital Finance	2004	4,214,357	1,099,866	274,967	148,800	126,167	54.1%
Rules Revision	2007	28,445	-	-	1,751	(1,751)	0.0%
Policy Planning	2008	379,378	620,151	155,038	90,287	64,751	58.2%
Capital Finance	3001	-	-	-	-	-	0.0%
Stormwater Pond Maintenance Dredging	3002	511	1,060,000	265,000	944	264,056	0.4%
Six Mile Marsh Prairie Restoration	3106	170,239	-	-	-	-	0.0%
Blake Road	3145	76,488	2,300,000	575,000	3,280	571,720	0.6%
Cottageville Park	3146	28,044	1,000,000	250,000	335	249,665	0.1%
SWLRT Trail Connection	3152	-	493,734	123,434	-	123,434	0.0%
Wassermann West	3153	8,742	10,737	2,684	-	2,684	0.0%
Minneapolis Stormwater Mgmt.	3155	-	250,000	62,500	-	62,500	0.0%
Wassermann Internal Load Mgmt.	3156	7,526	-	-	-	-	0.0%
Turbid Lunsten Wetland Restoration	3158	-	150,000	37,500	-	37,500	0.0%
County Road 6 Pond Retrofit	3159	-	415,000	103,750	-	103,750	0.0%
East Auburn Wetland Restoration	3160	-	275,000	68,750	-	68,750	0.0%
Maple Creek Improvement Project	3500	90,000	-	-	10,000	(10,000)	0.0%
Holbrook Park Regional Stormwater	3502	-	164,000	41,000	-	41,000	0.0%
Northside Park (Lifetime)	3503	34,440	174,940	43,735	-	43,735	0.0%
Outreach	4002	218,557	507,757	126,939	66,986	59,953	52.8%
R&M	5001	755,343	951,384	237,846	90,726	147,120	38.1%
SMC-HB Carp Mgmt.	5007	1,707	-	-	-	-	0.0%
LCCMR	5008	5,367	542,250	135,563	20,403	115,160	15.1%
Transfers out		12,291,975	-	-	-	-	0.0%
Total Expenditures		\$ 23,084,481	\$ 14,486,255	\$ 3,621,564	\$ 1,063,270	\$ 2,558,294	29.4%

Budget To Actual Comparison By Project \$0 to \$200,000



Budget To Actual Comparison By Project \$0 to \$600,000



* * * * *

This information is unaudited and is intended solely for the information and use of management and is not intended and should not be used by anyone other than these specified parties.

If you have any questions or wish to discuss any of the items contained in this letter or the attachments, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Sincerely,

Abdo Financial Solutions



Addendum: Variance Explanations

1	Levy funds from Hennepin and Carver Counties have not yet been received. First disbursements typically arrive the first week of July.
2	Miscellaneous revenue is permitting receivables and variances to budget are largely based on timing – when the expense was incurred versus when reimbursement was received by the District.
3	Loans, grants and awards received reflects budget dollars but no revenue received through first quarter. Grants are expected to be received throughout the year.
4	Interest earnings will exceed budget based on current interest rates.
5	Transfers In – not applicable at this time.
6	Personnel is trending positively to budget due to budgeted staff position not yet filled.
7	Staff expenditures exceed Q1 projections due to numerous conferences and events during the early part of the year. This will align with budget as the year progresses.
8	Manager expenses are trending positively to the budget with variances based largely on timing of when expense reimbursements are received and processed.
9	Building & operating expenses are trending positively to the budget with no significant repairs/replacements through Q1.
10	Vehicle budget reflects only maintenance through Q1. Budget does include a recent board approved purchase of a new vehicle, however this won't be reflected as an expenditure until Q3 or Q4 when the vehicle is received and paid for.
11	Contracted services are trending positively to the budget due to timing for a number of programs.
12	Construction expenditures to-date are zero based on delay in project timelines.
13	Accounting/auditing expenditures are over budget projections for Q1, based on timing of payments and only one-quarter of the budget projection reflected. We do not expect this category to be over budget at year end.
14	Engineering expenses are down and reflective of the delay in project start dates.
15	Lab analysis expenditures reflect the Wassermann Lake sediment coring work paid in early 2024. This category will align as the year progresses.
16	Legal services are just under budget projections for Q1.
17	Insurance is paid in Q2 and will reflect as such in the next report.
18	Debt service aligns with budget projection.
19	Other Miscellaneous expenses are trending positively to budget through Q1.
20	Dues/subscriptions expenditures occur primarily in Q1 and Q2 and will even out through the remainder of the year.
21	Strategic IT Plan expenses are zero through Q1 as staff continue to work through this project.
22	IT Equipment is trending positively to the Q1 budget, however expenditures on items such as replacement laptops, etc. are expected in the coming months.
23	Loans, grants and awards given are under budget projects through Q1. This is based on timing of partner projects and when funds are requested and then paid by the District.
24	The item coded to permit acquisition is being recategorized.
25	Capital outlay does not reflect a budgeted amount for 2024, however if an item (a piece of equipment or vehicle for example) is purchased that meets capital definition (over \$5k) this category will be utilized.
26	Transfers out category will not be used in 2024 unless required to move funds from one program fund to another.