



**MINNEHAHA CREEK**  
**WATERSHED DISTRICT**  
QUALITY OF WATER, QUALITY OF LIFE

**Meeting: Board Meeting**  
**Meeting date: 5/8/2025**  
**Agenda Item #: 4.1**  
**Item type: Information**

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**Title:** 1st Quarter 2025 Financial Report  
**Prepared by:** Name: Deb Johnson  
Phone: 952.641.4500  
djohnson@minnehahacreek.org

**Purpose:**

Attached, please find the 1<sup>st</sup> Quarter (Q1) Financial Report from Abdo Financial Solutions showing revenue and expenditures from January 1, 2025 to March 31, 2025.

**Summary:**

Revenue

Budgeted tax revenue through March 31, 2025 is shown as \$3,289,838 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 largely 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 pending reimbursement on project work that is currently delayed or deferred.

Interest earnings, which is the interest earned on the District's money market funds, remains high and coming in Q1 at approximately 30% over projection.

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 35.9% of budget. In comparison, last year at this time the District was at 29.4% of its actual budget spent in Q1. (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 construction and lab analysis. 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 within the first quarter of 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 67% of their Q1 budgets, whereas in Q1 last year programs were at 57% of their Q1 budgets. This year-over-year change reflects the continued and on-going efforts in added personnel.

The projects categories have incurred far fewer expenses through Q1 as noted previously these are tied to 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](mailto:djohnson@minnehahacreek.org)

**Supporting documents:**

2025 Q1 Financial Report



# 1<sup>st</sup> Quarter Report

## Minnehaha Creek Watershed District

Minnetonka, Minnesota

As of March 31, 2025



### *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

May 5, 2025

## 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, 2025, 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**

May 5, 2025

Dear Board of Managers:

We have reconciled all bank accounts through March 31, 2025, 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                       | Deposits -<br>Purchases | Expenditures -<br>Sales | Transfers    | Interest     | Unadjusted<br>Market Value<br>3/31/2025 | Market Value<br>3/31/2025 |
|-------------|-------------------------|----------------------------|-------------------------|-------------------------|--------------|--------------|-----------------------------------------|---------------------------|
| Bremer Bank | General Checking - 0515 | Checking                   | -                       | (1,012,708.28)          | 460,000.00   | -            | 361,239.59                              | 361,239.59                |
| Bremer Bank | General MM - 2755       | Money Market               | 7,137.91                | -                       | (460,000.00) | 62,953.86    | 27,700,644.71                           | 27,700,644.71             |
|             |                         |                            | 7,137.91                | (1,012,708.28)          | -            | 62,953.86    | 28,061,884.30                           | 28,061,884.30             |
| Bremer Bank | Surety Checking- 6092   | Checking                   | -                       | (30.00)                 | -            | 0.56         | 13,102.05                               | 13,102.05                 |
| Bremer Bank | Surety MM - 2788        | Money Market               | 5,866.00                | -                       | -            | 1,858.44     | 835,816.77                              | 835,816.77                |
|             |                         |                            | 5,866.00                | (30.00)                 | -            | 1,859.00     | 848,918.82                              | 848,918.82                |
|             |                         | Total Cash and Investments | \$ 13,003.91            | \$ (1,012,738.28)       | \$ -         | \$ 64,812.86 | \$ 28,910,803.12                        | \$ 28,910,803.12          |
|             |                         |                            |                         |                         |              |              | Deposits in Transit                     | \$ -                      |
|             |                         |                            |                         |                         |              |              | Outstanding Checks                      | (14,687.91)               |
|             |                         |                            |                         |                         |              |              | Reconciled Balance                      | \$ 28,896,115.21          |

\* \* \* \* \*

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.

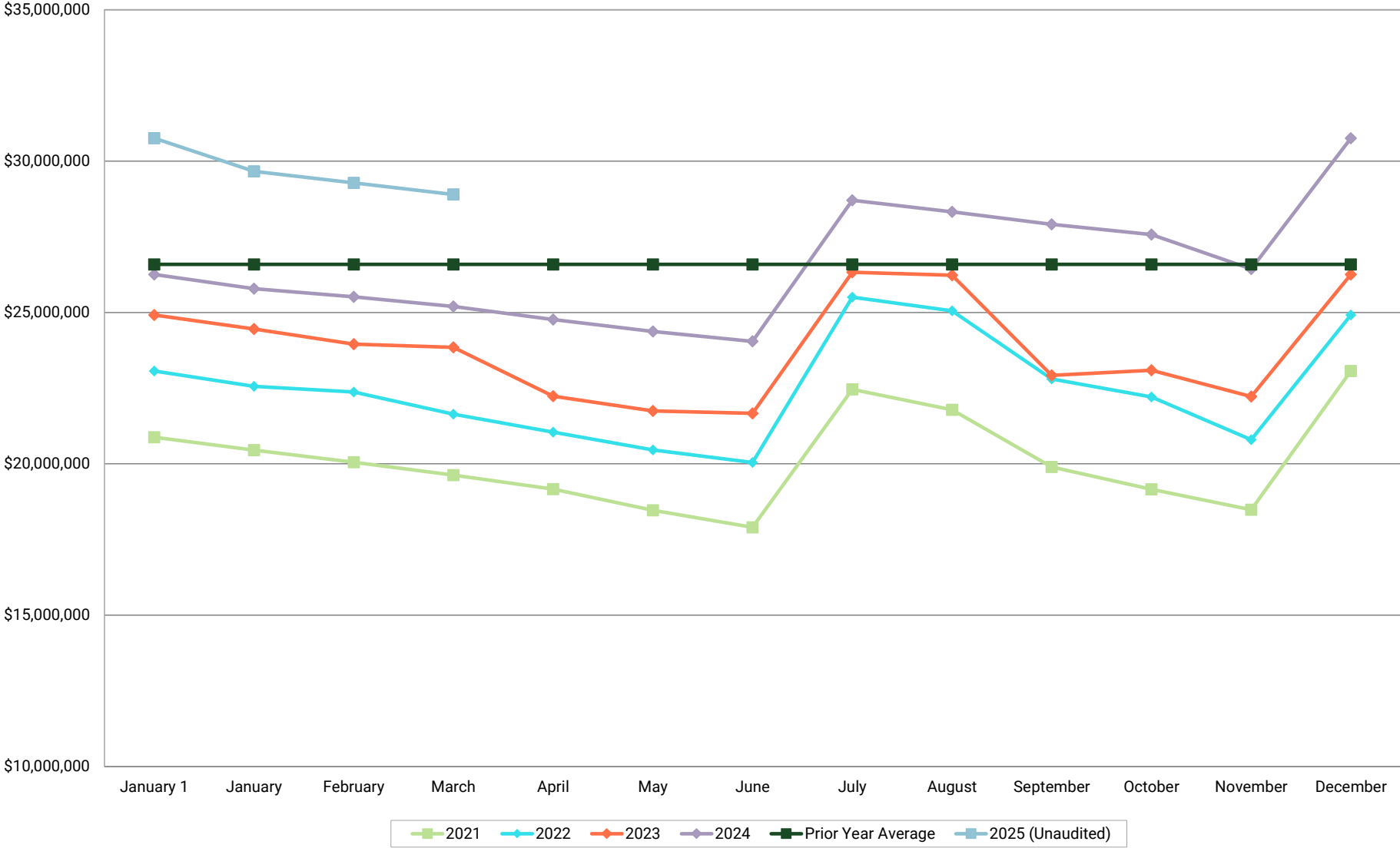
If you have any questions or wish to discuss any of the items contained in this letter or the attachments, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Sincerely,

**Abdo Financial Solutions**



Management Planning Fund Cash Balances 2021 - 2025



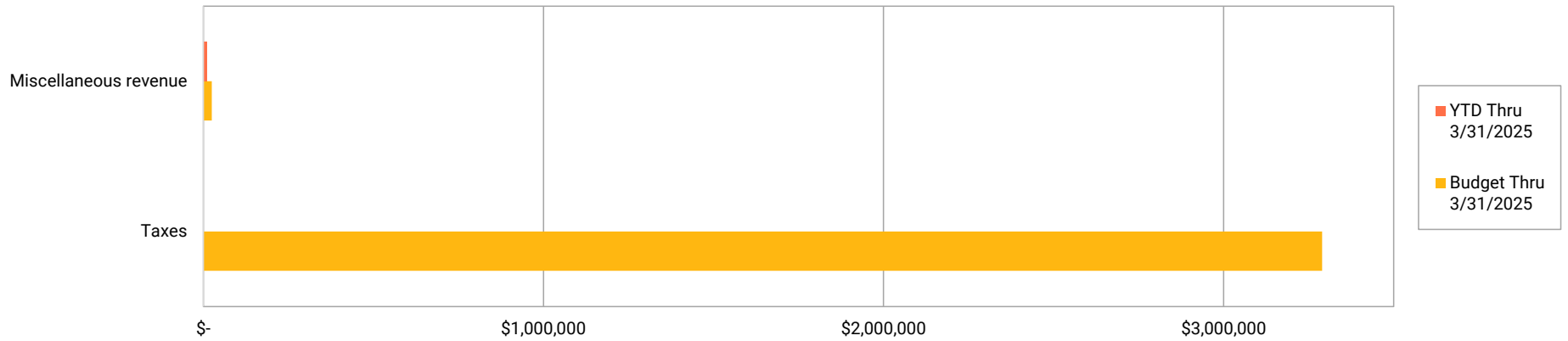
**Management Planning Fund**

|                              | <b>2024<br/>Actual</b> | <b>2025<br/>Budget</b> | <b>YTD<br/>Budget Thru<br/>3/31/2025</b> | <b>YTD<br/>Thru<br/>3/31/2025</b> | <b>Percent of<br/>YTD Budget</b> |          |      |
|------------------------------|------------------------|------------------------|------------------------------------------|-----------------------------------|----------------------------------|----------|------|
| <b>Receipts</b>              |                        |                        |                                          |                                   |                                  |          |      |
| Taxes                        | \$ 9,830,773           | \$ 9,869,513           | \$ 3,289,838                             | \$ -                              | - %                              | ↓        | (1)  |
| Miscellaneous revenue        | 491,233                | 75,000                 | 25,000                                   | 11,754                            | 47.0                             | ↓        | (2)  |
| Loans, grants & awards       | 270,811                | 692,940                | 230,980                                  | -                                 | -                                | ↓        | (3)  |
| Interest earnings            | 786,711                | 450,000                | 150,000                                  | 191,840                           | 127.9                            | ↑        | (4)  |
| Transfers In                 | 4,820,673              | -                      | -                                        | -                                 | -                                |          | (5)  |
| <b>Total Receipts</b>        | <b>\$ 16,200,201</b>   | <b>\$ 11,087,453</b>   | <b>\$ 3,695,818</b>                      | <b>\$ 203,594</b>                 | <b>5.5 %</b>                     | <b>↓</b> |      |
| <b>Expenditures</b>          |                        |                        |                                          |                                   |                                  |          |      |
| Personnel                    | \$ 2,382,364           | \$ 3,646,923           | \$ 911,731                               | \$ 576,630                        | 63.2 %                           | ↑        | (6)  |
| Staff expenses               | 60,452                 | 98,000                 | 24,500                                   | 14,163                            | 57.8                             | ↑        | (7)  |
| Manager expenses             | 39,022                 | 49,000                 | 12,250                                   | 4,226                             | 34.5                             | ↑        | (8)  |
| Building & operating expense | 114,047                | 132,372                | 33,093                                   | 28,270                            | 85.4                             | ↑        | (9)  |
| Vehicles                     | 10,131                 | 8,000                  | 2,000                                    | 920                               | 46.0                             | ↑        | (10) |
| Contracted services          | 517,301                | 1,021,030              | 255,258                                  | 135,823                           | 53.2                             | ↑        | (11) |
| Construction                 | 646,298                | 5,656,538              | 1,414,135                                | 5,301                             | 0.4                              | ↑        | (12) |
| Accounting & auditing        | 111,829                | 125,000                | 31,250                                   | 38,499                            | 123.2                            | ↓        | (13) |
| Engineering                  | 693,906                | 1,518,740              | 379,685                                  | 181,722                           | 47.9                             | ↑        | (14) |
| Lab analysis                 | 66,614                 | 50,051                 | 12,513                                   | -                                 | -                                | ↑        | (15) |
| Legal services               | 345,495                | 360,000                | 90,000                                   | 71,330                            | 79.3                             | ↑        | (16) |
| Insurance                    | 67,720                 | 71,000                 | 17,750                                   | 26,486                            | 149.2                            | ↓        | (17) |
| Debt service                 | 1,204,791              | 1,203,142              | 300,786                                  | 151,165                           | 50.3                             | ↑        | (18) |
| Other miscellaneous          | 63,580                 | 167,750                | 41,938                                   | 10,018                            | 23.9                             | ↑        | (19) |
| Dues & Subscriptions         | 98,400                 | 120,900                | 30,225                                   | 26,519                            | 87.7                             | ↑        | (20) |
| IT                           | 59,401                 | 67,000                 | 16,750                                   | 21,847                            | 130.4                            | ↓        | (21) |
| Loans, grants & awards given | 81,047                 | 125,000                | 31,250                                   | -                                 | -                                | ↑        | (22) |
| Capital Outlay               | 51,838                 | -                      | -                                        | -                                 | -                                |          | (23) |
| Transfers Out                | 4,820,673              | -                      | -                                        | -                                 | -                                |          | (24) |
| <b>Total Expenditures</b>    | <b>\$ 11,434,909</b>   | <b>\$ 14,420,446</b>   | <b>\$ 3,605,112</b>                      | <b>\$ 1,292,919</b>               | <b>35.9 %</b>                    | <b>↑</b> |      |

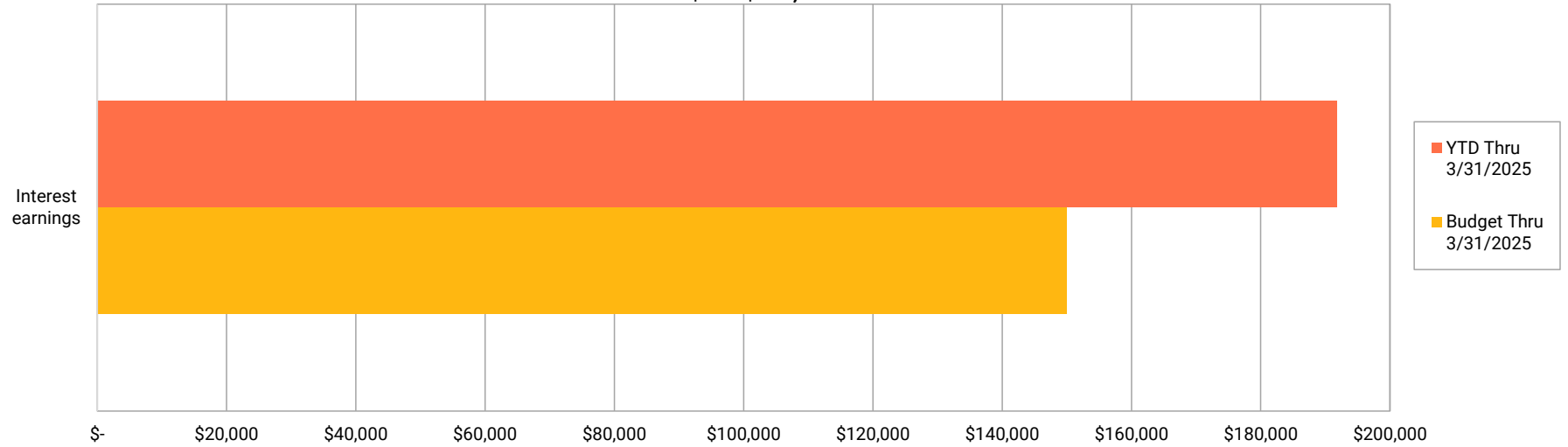
**Key**

- ↑ 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 \$3,500,000**

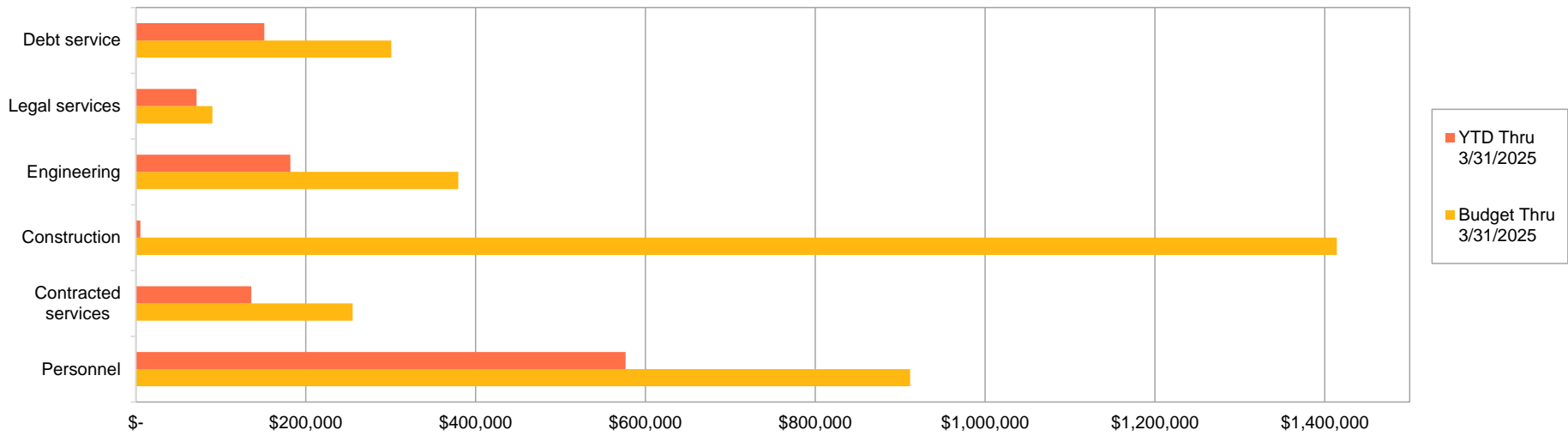


**Receipts Budget to Actual Comparison  
\$0 to \$200,000**

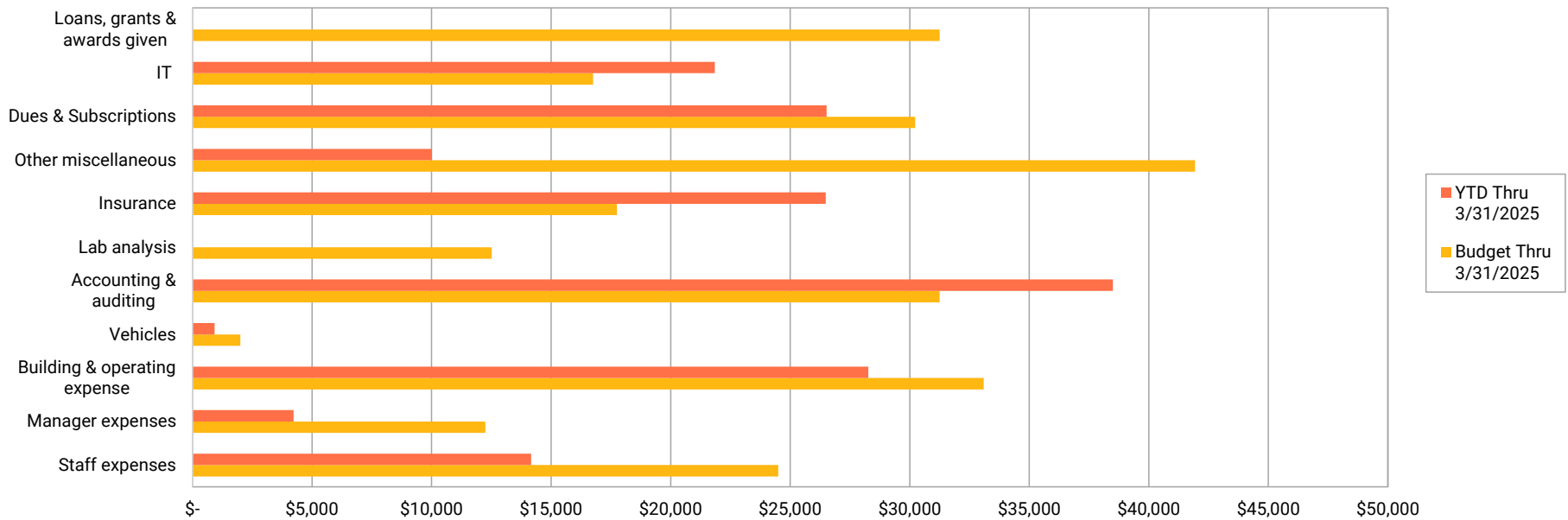




**Disbursements Budget to Actual Comparison  
\$0 to \$1,500,000**



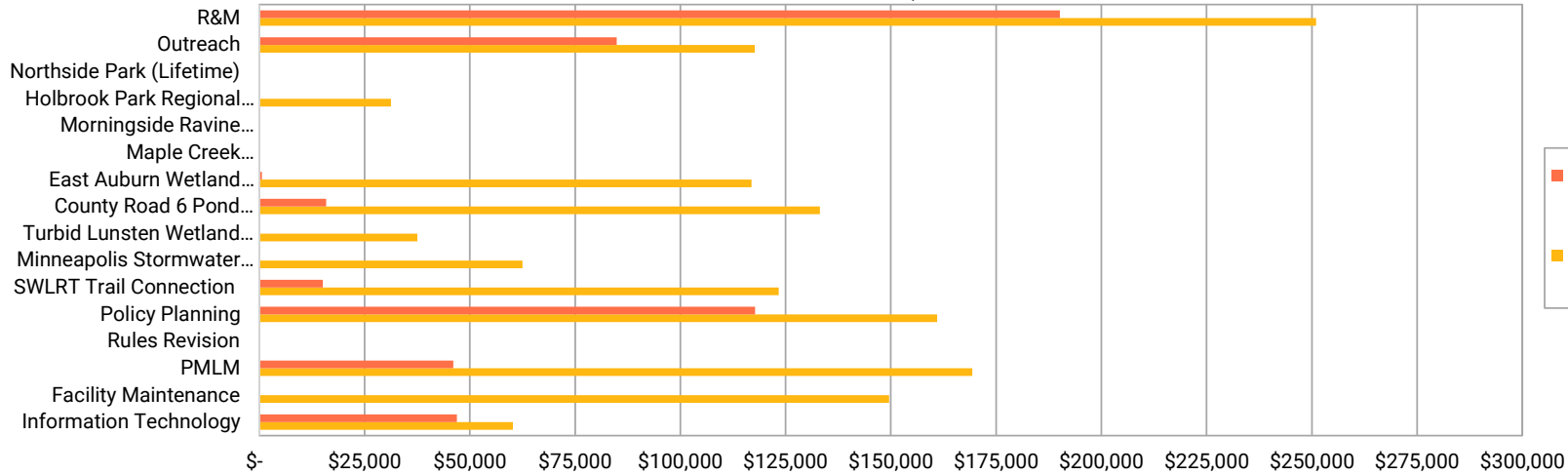
**Disbursements Budget to Actual Comparison  
\$0 to \$50,000**



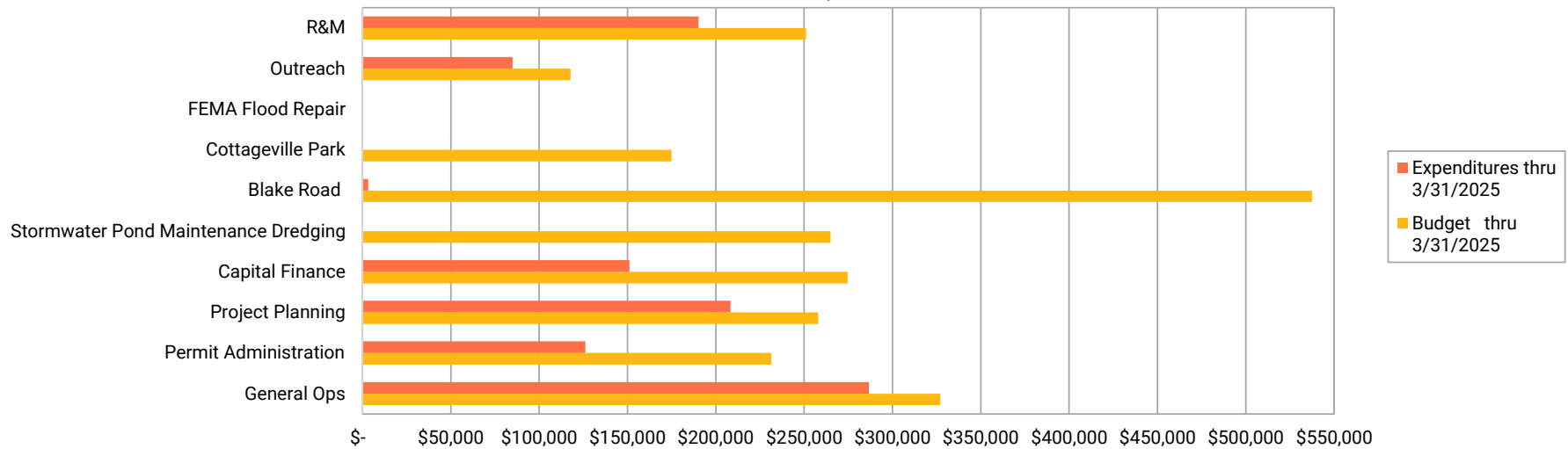
Minnehaha Creek Watershed District  
Statement of Expenditures -  
Budget and Actual - Unaudited  
For the Three Months Ended March 31, 2025

| Fund Name                            | Project # | 2024<br>Actual<br>Expenditures | 2025<br>Annual<br>Budget | YTD<br>Budget<br>thru<br>3/31/2025 | YTD<br>Expenditures<br>thru<br>3/31/2025 | Variance<br>3/31/2025 | Percent<br>Expended<br>Budget thru<br>3/31/2025 |
|--------------------------------------|-----------|--------------------------------|--------------------------|------------------------------------|------------------------------------------|-----------------------|-------------------------------------------------|
| General Ops                          | 1002      | \$ 1,227,283                   | \$ 1,307,965             | \$ 326,991                         | \$ 286,704                               | \$ 40,287             | 87.7%                                           |
| Information Technology               | 1003      | 239,246                        | 241,000                  | 60,250                             | 46,940                                   | 13,310                | 77.9%                                           |
| Facility Maintenance                 | 1005      | -                              | 598,372                  | 149,593                            | -                                        | 149,593               | 0.0%                                            |
| Permit Administration                | 2001      | 690,275                        | 925,663                  | 231,416                            | 126,104                                  | 105,312               | 54.5%                                           |
| Project Planning                     | 2002      | 761,727                        | 1,031,505                | 257,876                            | 208,306                                  | 49,570                | 80.8%                                           |
| PMLM                                 | 2003      | 423,044                        | 677,441                  | 169,360                            | 46,045                                   | 123,315               | 27.2%                                           |
| Capital Finance                      | 2004      | 1,101,153                      | 1,098,218                | 274,555                            | 151,165                                  | 123,390               | 55.1%                                           |
| Rules Revision                       | 2007      | 8,237                          | -                        | -                                  | -                                        | -                     | 0.0%                                            |
| Policy Planning                      | 2008      | 402,423                        | 643,884                  | 160,971                            | 117,758                                  | 43,213                | 73.2%                                           |
| Stormwater Pond Maintenance Dredging | 3002      | 26,389                         | 1,060,000                | 265,000                            | -                                        | 265,000               | 0.0%                                            |
| Blake Road                           | 3145      | 20,479                         | 2,150,000                | 537,500                            | 3,273                                    | 534,227               | 0.6%                                            |
| Cottageville Park                    | 3146      | 1,228                          | 700,000                  | 175,000                            | -                                        | 175,000               | 0.0%                                            |
| FEMA Flood Repair                    | 3148      | 38,194                         | -                        | -                                  | -                                        | -                     | 0.0%                                            |
| SWLRT Trail Connection               | 3152      | 1,469                          | 493,535                  | 123,384                            | 15,110                                   | 108,274               | 12.2%                                           |
| Minneapolis Stormwater Mgmt.         | 3155      | -                              | 250,000                  | 62,500                             | -                                        | 62,500                | 0.0%                                            |
| Turbid Lunsten Wetland Restoration   | 3158      | -                              | 150,000                  | 37,500                             | -                                        | 37,500                | 0.0%                                            |
| County Road 6 Pond Retrofit          | 3159      | 79,578                         | 532,444                  | 133,111                            | 15,850                                   | 117,261               | 11.9%                                           |
| East Auburn Wetland Restoration      | 3160      | 39,037                         | 467,559                  | 116,890                            | 586                                      | 116,304               | 0.5%                                            |
| Maple Creek Improvement Project      | 3500      | 10,000                         | -                        | -                                  | -                                        | -                     | 0.0%                                            |
| Morningside Ravine Stabilization     | 3501      | 71,047                         | -                        | -                                  | -                                        | -                     | 0.0%                                            |
| Holbrook Park Regional Stormwater    | 3502      | -                              | 124,940                  | 31,235                             | -                                        | 31,235                | 0.0%                                            |
| Northside Park (Lifetime)            | 3503      | 404,695                        | -                        | -                                  | -                                        | -                     | 0.0%                                            |
| Calvary Church Stormwater Management | 3504      | -                              | 125,000                  | 31,250                             | -                                        | 31,250                | 0.0%                                            |
| Outreach                             | 4002      | 286,175                        | 470,817                  | 117,704                            | 84,894                                   | 32,810                | 72.1%                                           |
| R&M                                  | 5001      | 585,339                        | 1,004,103                | 251,026                            | 190,184                                  | 60,842                | 75.8%                                           |
| LCCMR                                | 5008      | 197,218                        | 368,000                  | 92,000                             | -                                        | 92,000                | 0.0%                                            |
| Transfers out                        |           | 4,820,673                      | -                        | -                                  | -                                        | -                     | 0.0%                                            |
| <b>Total Expenditures</b>            |           | <b>\$ 11,434,909</b>           | <b>\$ 14,420,446</b>     | <b>\$ 3,605,112</b>                | <b>\$ 1,292,919</b>                      | <b>\$ 2,312,193</b>   | <b>35.9%</b>                                    |

**Budget To Actual Comparison By Project  
\$0 to \$300,000**



**Budget To Actual Comparison By Project  
\$0 to \$550,000**



**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 reflect budget dollars but no revenue received through the first quarter. In many instances grant payments are reimbursements tied to project work that is presently delayed or deferred.       |
| 4  | Interest earnings will likely exceed budget based on current interest rates and District funds.                                                                                                                                   |
| 5  | Transfers In – not applicable at this time.                                                                                                                                                                                       |
| 6  | Personnel is trending positively to budget with several staff positions budgeted and not yet filled.                                                                                                                              |
| 7  | Staff expenses are just over half of projection through Q1.                                                                                                                                                                       |
| 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 in line with Q1 budget projections.                                                                                                                                                             |
| 10 | Vehicle budget reflects only maintenance through Q1 with little usage of vehicles in the early part of the year. There is no vehicle purchase budgeted or anticipated in 2025.                                                    |
| 11 | Contracted services are trending positively to the budget due to the timing for a number of programs.                                                                                                                             |
| 12 | Construction expenditures to-date are less than 1% of budget projection based on delays or differed 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. Staff does not expect to exceed budget at year-end.                     |
| 14 | Engineering expenses are half of budget projection through Q1. Again, reflective of delays or deferred project status.                                                                                                            |
| 15 | Lab analysis expenditures typically start Q2 or later.                                                                                                                                                                            |
| 16 | Legal services are under budget projections for Q1.                                                                                                                                                                               |
| 17 | Insurance reflects partial year payment from the 2024-2025 policy with budget reflecting only Q1. This will be on track by year end.                                                                                              |
| 18 | Debt service is a matter of timing with this category balancing at year end.                                                                                                                                                      |
| 19 | Other Miscellaneous expenses are trending positively to budget through Q1.                                                                                                                                                        |
| 20 | Dues/subscriptions expenditures are not over Q1 budget, however the majority of payments occur primarily in Q1 and Q2 each year, which typically results in overages until year end when the category balances.                   |
| 21 | Various items of IT Equipment were purchased early to avoid possible delays and/or tariff increased pricing. This category will see fewer expenditures as the year progresses and is expected to balance with budget at year end. |
| 22 | 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.                                                      |
| 23 | Capital outlay does not reflect a budgeted amount for 2025, 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.               |
| 24 | Transfers out category will not be used in 2025 unless required to move funds from one program fund to another.                                                                                                                   |