



Title: 4th Quarter 2024 Financial Report

Prepared by: Name: Deb Johnson
Phone: 952.641.4500
djohnson@minnehahacreek.org

Purpose:

Attached, please find the 4th Quarter (Q4) Financial Report from Abdo Financial Solutions showing revenue and expenditures from January 1, 2024 to December 31, 2024. Please note: this report provides a comprehensive representation of the 2024 revenue and expenditures, however is preliminary and will remain as such until the 2024 financial audit is completed in April.

Summary:

Revenue

Second half levy disbursements were received in Q3 bringing revenue at year end from Hennepin and Carver Counties to 98.8% of budget. In mid-January 2025, after this report was produced, final disbursements were received from the counties bringing total levy revenue for 2024 to 99.6% of budget projection.

Miscellaneous revenue, which is primarily Permitting reimbursable income was just slightly over projected income of \$60,000.

Through Q4 there were no loans, grants or awards received. The majority of the District's open grants are reimbursement grants and will be received as work progresses on projects. That said, when the final report is audited it will reflect the first payment of LCCMR funds of \$175,000 received in January 2025.

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 based on total funds held in the District's money market accounts the District far exceeded what was projected. The budget for 2025 was adjusted upwards in an effort to more accurately budget for these changes.

Expenditures

Overall expenditures for the year as shown on the Management Planning Fund are 40.3% of budget. Again, this is the pre-audit preliminary report and does not reflect payments made in January 2025 that will be reclassified as 2024 expenditures. Once those expenses are reclassified overall expenditures are expected to increase to approximately 49% of budget. The largest of these reclassified expenditures are related to the FEMA grant repayment, reimbursement to the City of St. Louis Park for the Northside Park project (Lifetime funds), reimbursement to the City of Medina for design of the Morningside project under the BWSR grant, engineering and legal services organization-wide.

Variiances

With the exception of the lab analysis category all funds were under budget for the year as shown on the Management Planning Fund report (page 5 of the report). The report currently shows overall expenses to budget at 40.3% for the year. When adjusted for the reclassified expenditures, overall year-to-date expenses to budget will increase to approximately 49% of budget. These reclassified expenses will not adjust any one fund to exceed its budget for the year.

Additionally, noteworthy positive variances (actuals under year-to-date budget) shown on the Management Planning Fund Table include construction and loan/grants/awards given. These categories both reflect timing of work versus expenses paid or delayed and deferred work in 2024.

Within specific funds, shown on the Statement of Expenditures (page 8 of the report), variances are generally tied to the timing of work and the progress of a project. There were no programs or projects that exceeded budget in 2024, and this will remain the case when the reclasses expenses are factored in.

The majority of projects fell well below budget due to the timing of projects with start dates later than anticipated.

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

Supporting documents:
2024 Q4 Financial Report



4th Quarter Report

Minnehaha Creek Watershed District

Minnetonka, Minnesota

As of December 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

January 15, 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 December 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

January 15, 2025

Dear Board of Managers:

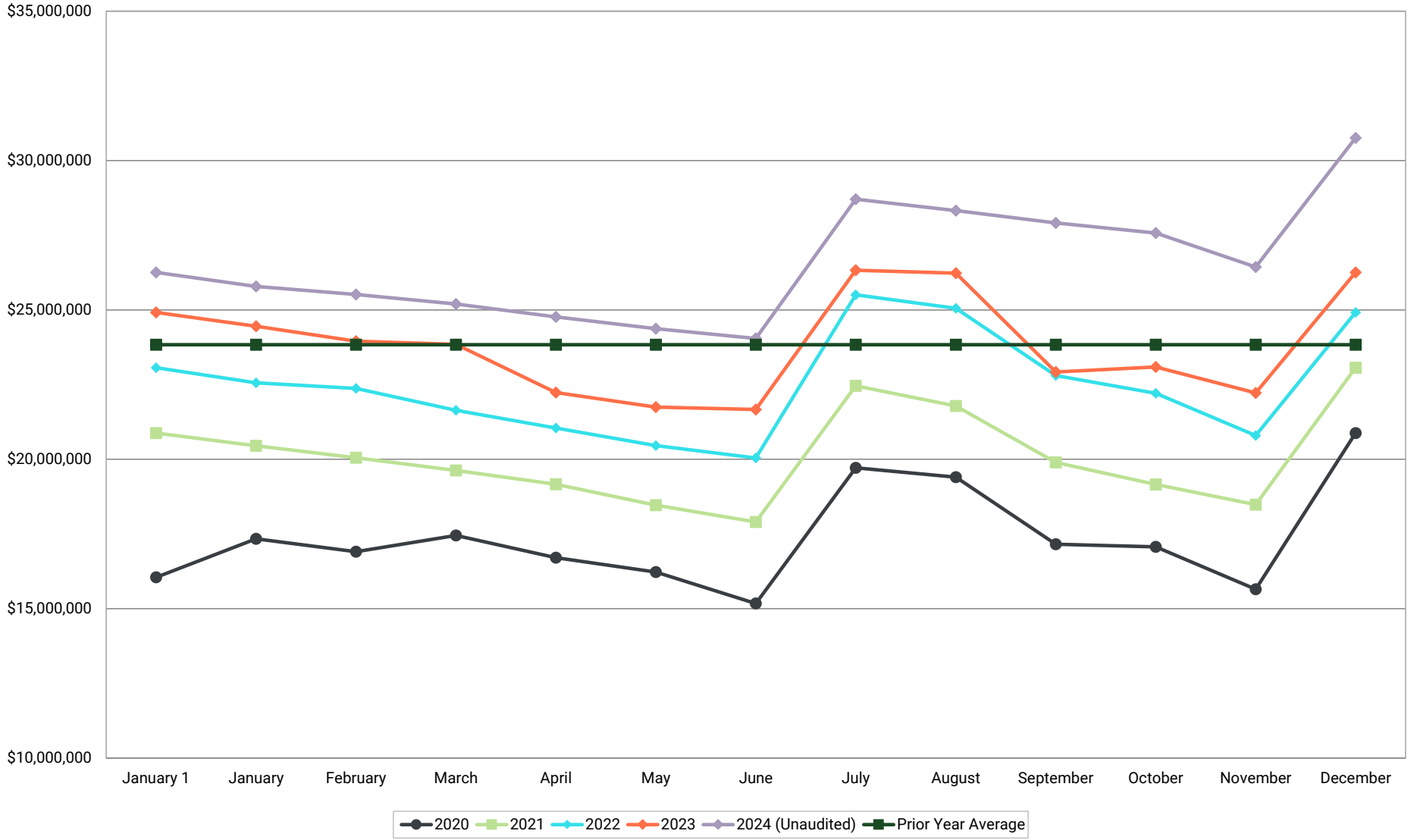
We have reconciled all bank accounts through December 31, 2024, and reviewed activity in all projects within the fund. The following is a summary of our observations. All information presented is unaudited.

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 12/31/2024	Market Value 12/31/2024
Bremer Bank	General Checking - 0515	Checking	\$ 741,174.77	\$ 60.00	\$ (6,432,303.22)	\$ 5,962,000.00	\$ -	\$ 270,931.55	\$ 270,931.55
Bremer Bank	General MM - 2755	Money Market	24,883,463.78	9,931,841.94	-	(5,922,726.49)	760,501.48	29,653,080.71	29,653,080.71
			25,624,638.55	9,931,901.94	(6,432,303.22)	39,273.51	760,501.48	29,924,012.26	29,924,012.26
Bremer Bank	Surety Checking- 6092	Checking	250,925.52	7,300.00	(500,455.00)	249,700.00	20.19	7,490.71	7,490.71
Bremer Bank	Surety MM - 2788	Money Market	928,868.92	141,563.53	28,400.00	(288,973.51)	26,189.01	836,047.95	836,047.95
			1,179,794.44	148,863.53	(472,055.00)	(39,273.51)	26,209.20	843,538.66	843,538.66
		Total Cash and Investments	\$ 26,804,432.99	\$ 10,080,765.47	\$ (6,904,358.22)	\$ (0.00)	\$ 786,710.68	\$ 30,767,550.92	\$ 30,767,550.92
								Deposits in Transit	\$ -
								Outstanding Checks	(11,333.84)
								Reconciled Balance	\$ 30,756,217.08

Management Planning Fund Cash Balances 2020 - 2024



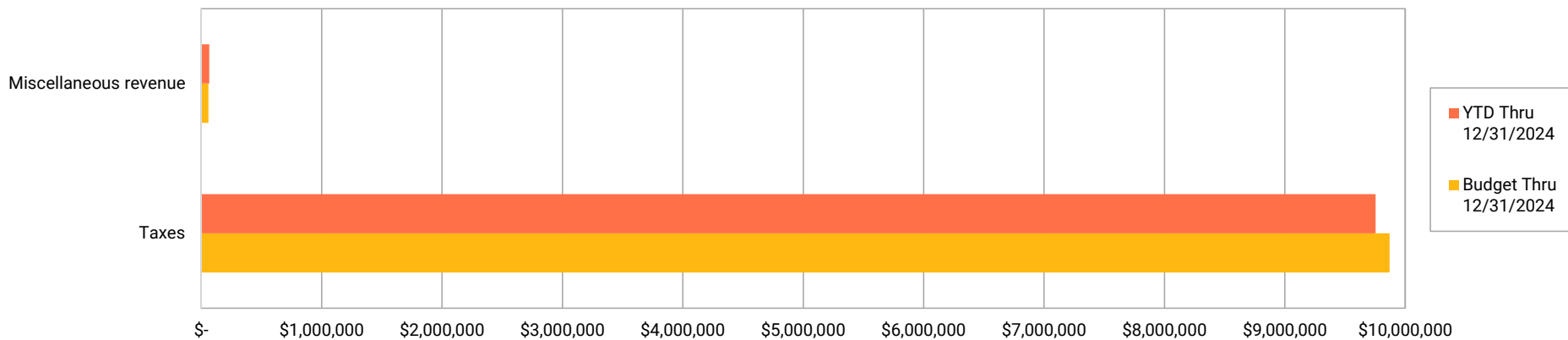
Management Planning Fund

	2023 Actual	2024 Budget	YTD Budget Thru 12/31/2024	YTD Thru 12/31/2024	Percent of YTD Budget		
Receipts							
Taxes	\$ 9,772,809	\$ 9,869,513	\$ 9,869,513	\$ 9,753,206	98.8 %	➔	(1)
Miscellaneous revenue	880,917	60,000	60,000	65,497	109.2	➔	(2)
Loans, grants & awards	283,823	1,081,190	1,081,190	-	-	⬇	(3)
Interest earnings	561,725	120,000	120,000	786,711	655.6	⬆	(4)
Transfers In	12,291,975	-	-	-	-		(5)
Total Receipts	\$ 23,791,249	\$ 11,130,703	\$ 11,130,703	\$ 10,605,414	95.3 %	➔	
Expenditures							
Personnel	\$ 2,245,144	\$ 3,452,732	\$ 3,452,732	\$ 2,381,727	69.0 %	⬆	(6)
Staff expenses	42,721	87,000	87,000	59,484	68.4	⬆	(7)
Manager expenses	43,213	51,000	51,000	35,303	69.2	⬆	(8)
Building & operating expense	100,941	123,813	123,813	112,523	90.9	➔	(9)
Vehicles	6,082	43,500	43,500	10,095	23.2	⬆	(10)
Contracted services	462,671	1,120,780	1,120,780	418,073	37.3	⬆	(11)
Construction	1,978,003	5,772,158	5,772,158	193,029	3.3	⬆	(12)
Accounting & auditing	111,740	120,000	120,000	111,829	93.2	➔	(13)
Engineering	662,150	1,332,275	1,332,275	620,813	46.6	⬆	(14)
Lab analysis	34,911	63,215	63,215	64,614	102.2	➔	(15)
Legal services	404,853	356,500	356,500	294,901	82.7	⬆	(16)
Insurance	69,038	70,500	70,500	68,134	96.6	➔	(17)
Debt service	4,317,949	1,204,792	1,204,792	1,204,791	100.0	➔	(18)
Other miscellaneous	103,207	118,200	118,200	59,775	50.6	⬆	(19)
Dues & Subscriptions	93,068	127,000	127,000	95,420	75.1	⬆	(20)
Strategic IT Plan	14,580	78,850	78,850	46,219	58.6	⬆	(21)
IT Equipment	11,982	25,000	25,000	13,182	52.7	⬆	(22)
Loans, grants & awards given	90,000	338,940	338,940	10,000	3.0	⬆	(23)
Permit Acquisition	250	-	-	572	-	⬆	(24)
Capital Outlay	-	-	-	44,338	-		(25)
Transfers Out	12,291,975	-	-	-	-		(26)
Total Expenditures	\$ 23,084,478	\$ 14,486,255	\$ 14,486,255	\$ 5,844,822	40.3 %	⬆	

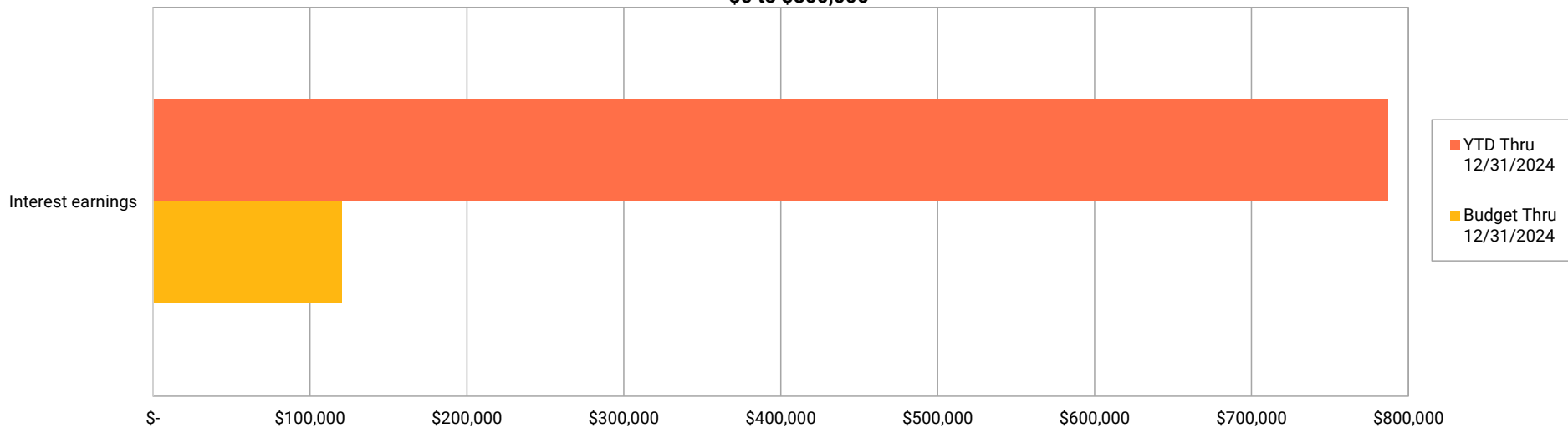
Key

- ⬆ Varies more than 10% than budget positively
- ⬇ Varies more than 10% than budget negatively
- ➔ Within 10% of budget

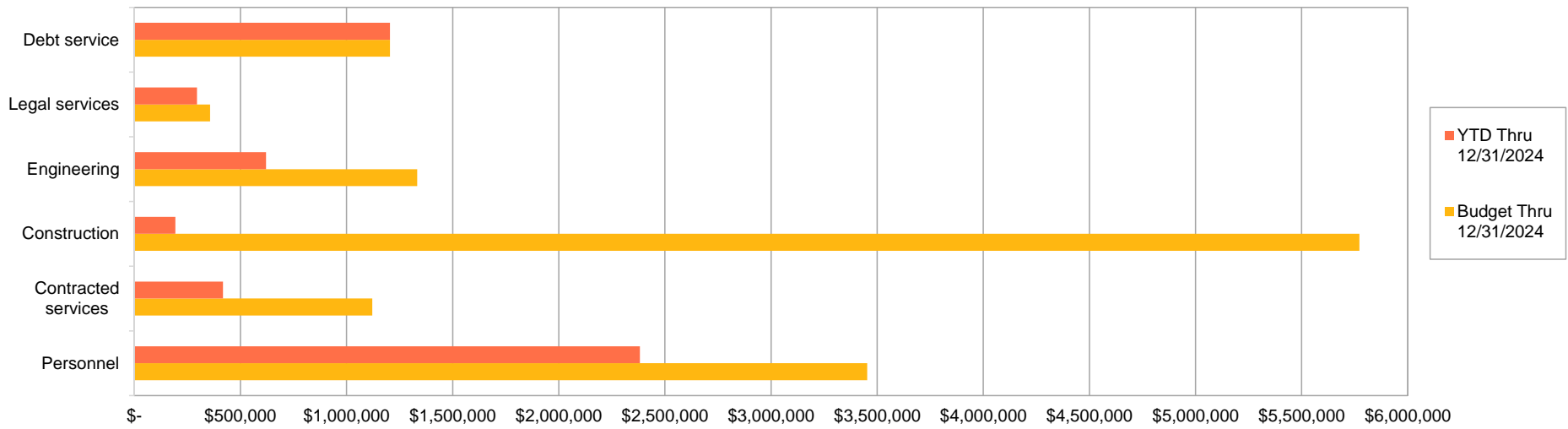
**Receipts Budget to Actual Comparison
\$0 to \$10,000,000**



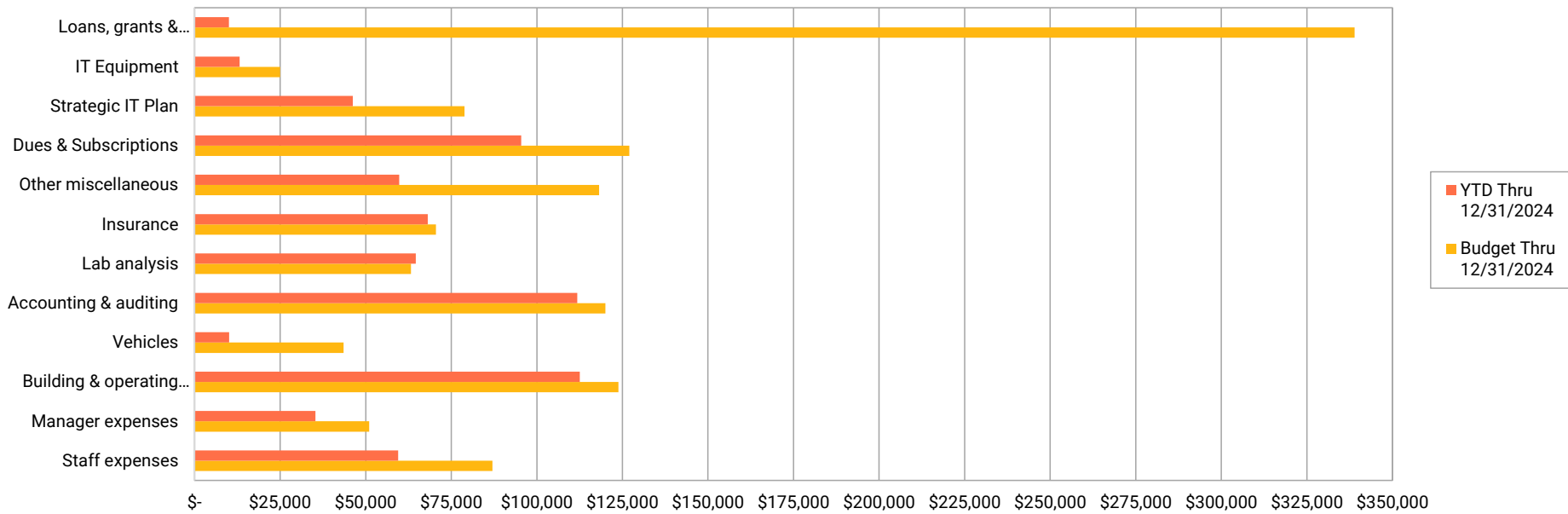
**Receipts Budget to Actual Comparison
\$0 to \$800,000**



**Disbursements Budget to Actual Comparison
\$0 to \$6,000,000**



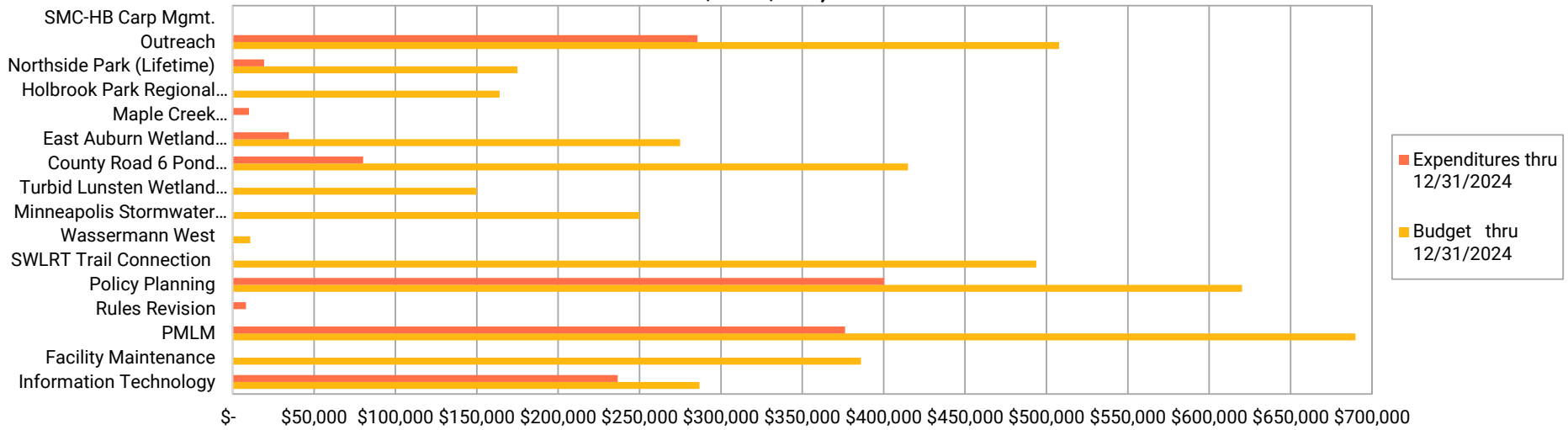
**Disbursements Budget to Actual Comparison
\$0 to \$350,000**



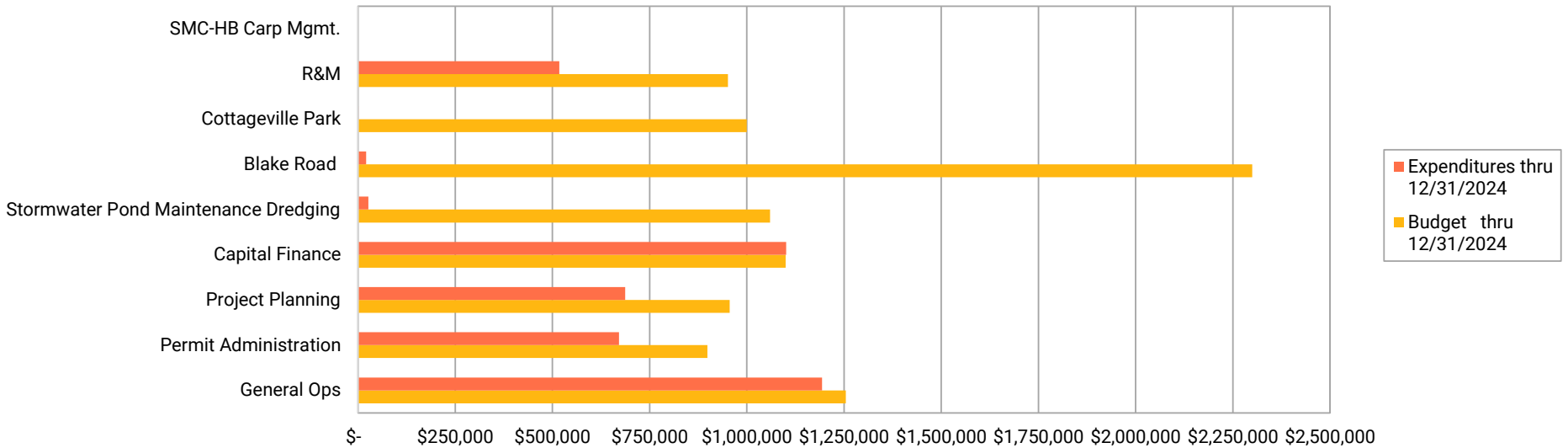
Minnehaha Creek Watershed District
Statement of Expenditures -
Budget and Actual - Unaudited
For the Twelve Months Ended December 31, 2024

Fund Name	Project #	2023 Actual Expenditures	2024 Annual Budget	YTD Budget thru 12/31/2024	YTD Expenditures thru 12/31/2024	Variance 12/31/2024	Percent Expended Budget thru 12/31/2024
General Ops	1002	\$ 1,056,061	\$ 1,254,725	\$ 1,254,725	\$ 1,193,575	\$ 61,150	95.1%
Information Technology	1003	196,302	286,850	286,850	236,645	50,205	82.5%
Facility Maintenance	1005	-	386,000	386,000	-	386,000	0.0%
Permit Administration	2001	726,417	898,299	898,299	671,038	227,261	74.7%
Project Planning	2002	506,627	955,636	955,636	687,346	268,290	71.9%
PMLM	2003	2,287,955	689,926	689,926	376,259	313,667	54.5%
Capital Finance	2004	4,214,353	1,099,866	1,099,866	1,101,152	(1,286)	100.1%
Rules Revision	2007	28,446	-	-	8,236	(8,236)	0.0%
Policy Planning	2008	379,378	620,151	620,151	400,309	219,842	64.6%
Stormwater Pond Maintenance Dredging	3002	511	1,060,000	1,060,000	26,389	1,033,611	2.5%
Six Mile Marsh Prairie Restoration	3106	170,239	-	-	-	-	0.0%
Blake Road	3145	76,488	2,300,000	2,300,000	20,478	2,279,522	0.9%
Cottageville Park	3146	28,044	1,000,000	1,000,000	1,228	998,772	0.1%
SWLRT Trail Connection	3152	-	493,734	493,734	423	493,311	0.1%
Wassermann West	3153	8,742	10,737	10,737	-	10,737	0.0%
Minneapolis Stormwater Mgmt.	3155	-	250,000	250,000	-	250,000	0.0%
Wassermann Internal Load Mgmt.	3156	7,526	-	-	-	-	0.0%
Turbid Lunsten Wetland Restoration	3158	-	150,000	150,000	-	150,000	0.0%
County Road 6 Pond Retrofit	3159	-	415,000	415,000	80,250	334,750	19.3%
East Auburn Wetland Restoration	3160	-	275,000	275,000	34,522	240,478	12.6%
Maple Creek Improvement Project	3500	90,000	-	-	10,000	(10,000)	0.0%
Holbrook Park Regional Stormwater	3502	-	164,000	164,000	-	164,000	0.0%
Northside Park (Lifetime)	3503	34,440	174,940	174,940	19,325	155,615	11.0%
Outreach	4002	218,557	507,757	507,757	285,617	222,140	56.3%
R&M	5001	755,343	951,384	951,384	517,339	434,045	54.4%
SMC-HB Carp Mgmt.	5007	1,707	-	-	-	-	0.0%
LCCMR	5008	5,367	542,250	542,250	174,691	367,559	32.2%
Transfers out		12,291,975	-	-	-	-	0.0%
Total Expenditures		<u>\$ 23,084,478</u>	<u>\$ 14,486,255</u>	<u>\$ 14,486,255</u>	<u>\$ 5,844,822</u>	<u>\$ 8,641,433</u>	<u>40.3%</u>

Budget To Actual Comparison By Project
\$0 to \$700,000



Budget To Actual Comparison By Project
\$0 to \$2,500,000



* * * * *

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	The report reflects 98.8% of levy received, however final settlements were received mid-January 2025 bringing the total levy disbursements to 99.6% of budget.
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. Through Q4 revenue is exceeding budget by just over 9%.
3	Although the District expected revenue from loans, grants and awards in 2024 none were received through Q4. That said, in early January the District received the first LCCMR funds of \$175,000.
4	Between the current interest rate earned on the general funds money market accounts and the level of funds within the accounts, interest earnings far exceed budgeted projections.
5	Transfers In – not applicable through Q4. This is only used should funds be transferred from one program to another.
6	Personnel is trending positively to the budget due to open and budgeted staff positions not filled by year end.
7	Staff expenses overall were lower than expected at the close of the year.
8	Manager expenses are trending positively to the budget. This is often a matter of timing as to when and how often Board Mangers submit for reimbursements. This will increase slightly with manager reimbursements paid in January for December expenses.
9	Building & operating expenses are trending positively to the budget through Q4 and will increase slightly, without going over budget, once the audit is finalized.
10	Although the vehicle budget line includes funds for a vehicle that was purchased and paid in early 2024, the actual expenditure is not reflected within this same fund as vehicles are capitalized assets and reflected accordingly within the capital fund (line item 25). Vehicle expenditures for this fund only reflect fuel and maintenance of the existing fleet.
11	Contracted services are trending positively to the budget due to the timing of services for a number of programs. This will increase slightly once final audited expenses are included.
12	Construction has seen few expenditures through Q4 with timing delayed on a number of projects.
13	Accounting/auditing finished the year close to budget projection.
14	Engineering is under budget primarily due to the timing of projects. That said, this category will see an increase when the final audit numbers are calculated. Engineering should end 2024 at approximately 54% of budget.
15	Lab analysis expenditures exceeded budget by just over 2% or \$1400.
16	Legal expenses through Q4 are 82.7% of budget, however will increase to approximately 97% of budget when the remainder of December expenses are included.
17	Insurance ended the year at 96.6% of budget.
18	Debt service aligns with budget projection.
19	Other Miscellaneous expense is trending positively to the budget due to timing or deferral of services.
20	Dues/subscriptions ended the year slightly below budget.
21	With the end of year purchases to retro fit and upgrade the boardroom equipment, the strategic IT category came in at approximately 59% of budget. Other expenses planned for this category in 2024 did not come to fruition.
22	IT Equipment expenditures were about half of what was expected to be used based on budget. A number of purchases expected in 2024 have been delayed.
23	Loans, grants & awards through Q4 includes only the balance paid to the City of Plymouth for the LWP project from early 2024. At year end the District reimbursed the City of Medina for design of the Morningside project under the BWSR grant (\$71k), which will be reflected with the final audit numbers.
24	Permit acquisition category is not applicable for 2024 and the expenditures are being recoded accordingly.
25	Capital outlay does not reflect a budgeted amount, however if an item (a piece of equipment or vehicle for example) is purchased that meets the capital definition (over \$5k) this category is used. The expenditures shown totaling \$44,338 include the new vehicle and the (super) computer purchased specifically for the 2D model project.
26	Transfers out category will not be used in 2024 unless required to move funds from one program fund to another.