



Title: 1st Quarter Financial Report - 2026
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Purpose:

Attached, please find the 1st Quarter (Q1) Financial Report from Eide Bailly showing revenue and expenditures from January 1, 2026 to March 31, 2026.

Summary:

Revenue

Budgeted tax revenue through March 31, 2026 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.

Through Q1 no grant revenue has been received (Intergovernmental-Other), however multiple grants are pending reimbursement on project work that is currently delayed or deferred.

Permitting reimburseables are on trend with Q1 budget. This is often not the case as permitting reimbursements are tied to the timing and issuance of permits with funds received accordingly.

Interest and investment income is interest earned on the District's money market funds. Through Q1 interest received is 29% higher than Q1 budget projection for the quarter due to the high balance in the account.

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 (dues and subscriptions and legal) are under budget for Q1 with overall spending at 64% of budget. (Please see the variance report for more information.)

Variances

The Statement of Expenditures (page 8 of the report) provides information on all program and project fund expenditures with expenses tied to timing of services or when invoices are received and paid. For this reason, program and project funds may appear over budget when in fact they are not.

For example, the East Auburn Wetland Restoration project appears 312% over budget with \$461,311 having been spent year-to-date through Q1. This is due to the budget showing only one quarter of the entire budget for this project. The entire project budget is \$592,000 therefore, with most of the expenditures for this project already paid, this project will likely come in under budget at year end.

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

Supporting documents:

2026 Q1 Financial Report



MINNEHAHA CREEK WATERSHED DISTRICT

Quarter Ended March 31, 2026
(Unaudited)

Disclaimer:

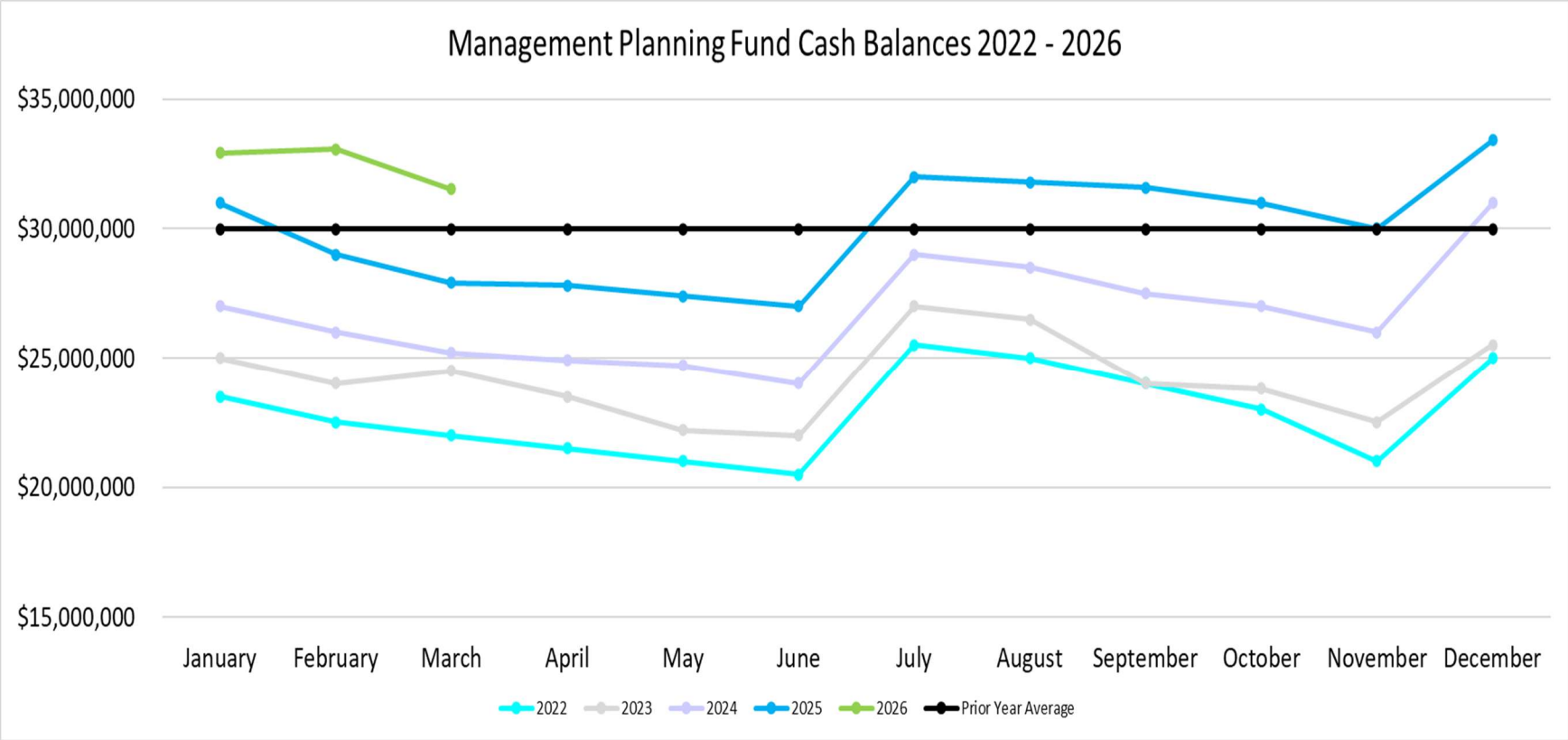
No assurance is provided on the financial reports. Financial reports do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

Minnehaha Creek Watershed District
 Quarterly Financial Report
 Quarter Ended March 31, 2026
 Cash and Investment Balances
 (Unaudited)

Schedule of Cash and Investments

Institution	Description	Type	Market Value 2/28/26	Deposits - Purchases	Expenditures - Sales	Transfers	Interest	Unadjusted Market Value 3/31/26	Market Value 3/31/26
Old National Bank	General Fund Checking	Checking	\$ 1,663,224	\$ -	\$ (1,619,658)	\$ 600,000	\$ -	\$ 643,566	\$ 643,566
Old National Bank	General Fund Money Market	Money Market	30,551,607	16,218		(600,000)	50,764	30,018,589	30,018,589
			32,214,831	16,218	(1,619,658)	-	50,764	30,662,154	30,662,154
Old National Bank	Surety Checking	Checking	7,109		(5,180)	4,000	0	5,929	5,929
Old National Bank	Surety Money Market	Money Market	837,742	22,052		(4,000)	1,398	857,192	857,192
				22,052	(5,180)	-	1,398	863,121	863,121
Total Cash and Investments			\$ 33,059,681	\$ 38,270	\$ (1,624,838)	\$ -	\$ 52,162	\$ 31,525,275	\$ 31,525,275
								Deposit in transit	\$ -
								Outstanding checks	(98,063)
								Reconciled balance	\$ 31,427,212

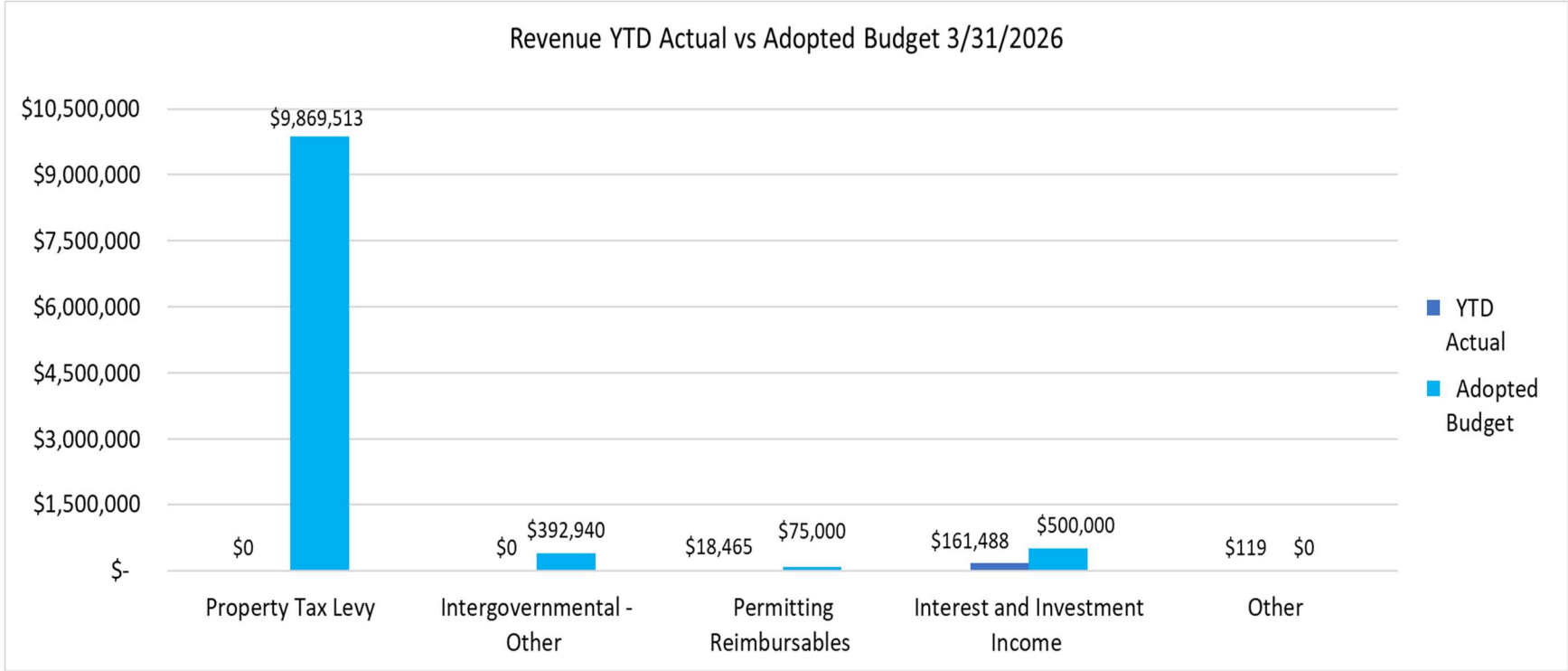
Cash Balances Past 5 Years

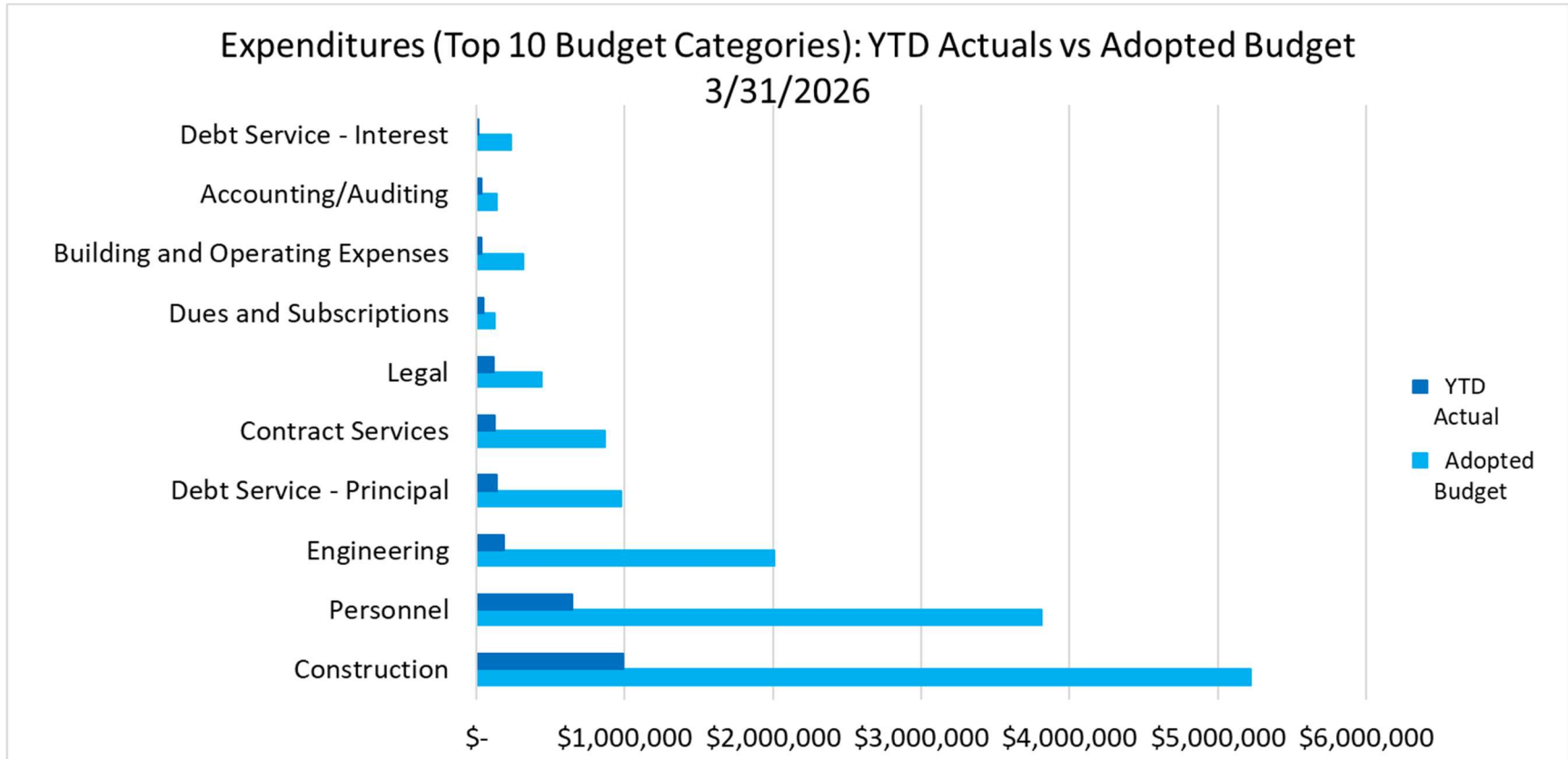


Minnehaha Creek Watershed District
Quarterly Financial Report
Quarter Ended March 31, 2026
Condensed Statement of Revenues and Expenditures
(Unaudited)

	2025 Actual	Adopted Budget	YTD Actual	YTD Budget Thru 3/31/26	(Under) / Over Budget	YTD Target 25%
1 Revenue						
2 Property Tax Levy	\$ 9,752,464	\$ 9,869,513	\$ -	\$ 2,467,378	\$ (2,467,378)	0%
3 Intergovernmental - Other	716,411	392,940	-	98,235	(98,235)	0%
4 Permitting Reimbursables	111,056	75,000	18,465	18,750	(285)	98%
5 Interest and Investment Income	772,122	500,000	161,488	125,000	36,488	129%
6 Other	60,584	-	119	-	119	0%
7 Transfers In	6,014,200	-	-	-	-	0%
8 Total Revenue	17,426,837	10,837,453	180,072	2,709,363	(2,529,292)	7%
9 Expenditures						
10 Personnel	2,647,407	3,811,028	649,135	952,757	(303,622)	68%
11 Staff Expenses	42,415	89,400	9,398	22,350	(12,952)	42%
12 Board Expenses	47,650	56,000	5,030	14,000	(8,970)	36%
13 Citizens Advisory Committee	-	4,000	250	1,000	(750)	25%
14 Building and Operating Expenses	221,883	315,522	36,163	78,881	(42,717)	46%
15 Vehicle/Boat	8,918	8,000	(5,605)	2,000	(7,605)	-280%
16 Dues and Subscriptions	103,047	123,170	45,434	30,792	14,641	148%
17 Insurance	65,420	71,000	-	17,750	(17,750)	0%
18 Other/Miscellaneous	41,717	64,500	1,238	16,125	(14,887)	8%
19 Contract Services	980,609	865,337	120,993	216,334	(95,341)	56%
20 Accounting/Auditing	123,785	133,750	33,088	33,437	(350)	99%
21 Engineering	841,435	2,011,661	188,010	502,915	(314,905)	37%
22 Legal	574,214	439,725	115,404	109,931	5,473	105%
23 Lab Analysis	76,115	53,493	10	13,373	(13,363)	0%
24 Construction	28,996	5,222,010	989,565	1,305,502	(315,937)	76%
25 Debt Service - Principal	962,808	973,988	140,000	243,497	(103,497)	57%
26 Debt Service - Interest	240,332	231,604	9,765	57,901	(48,136)	17%
27 Grants/Awards	244,362	32,500	-	8,125	(8,125)	0%
28 Transfer Out	6,014,200	-	-	-	-	0%
29 Total Expenditures	14,093,805	14,506,688	2,337,877	3,626,672	(1,288,795)	64%
30 Net Revenue / (Expenses)	\$ 3,333,032	\$ (3,669,235)	\$ (2,157,805)	\$ (917,309)	\$ (1,240,497)	

Minnehaha Creek Watershed District
 Quarterly Financial Report
 Quarter Ended March 31, 2026
 Receipts (Revenues) Budget to Actual Comparison
 (Unaudited)





Minnehaha Creek Watershed District

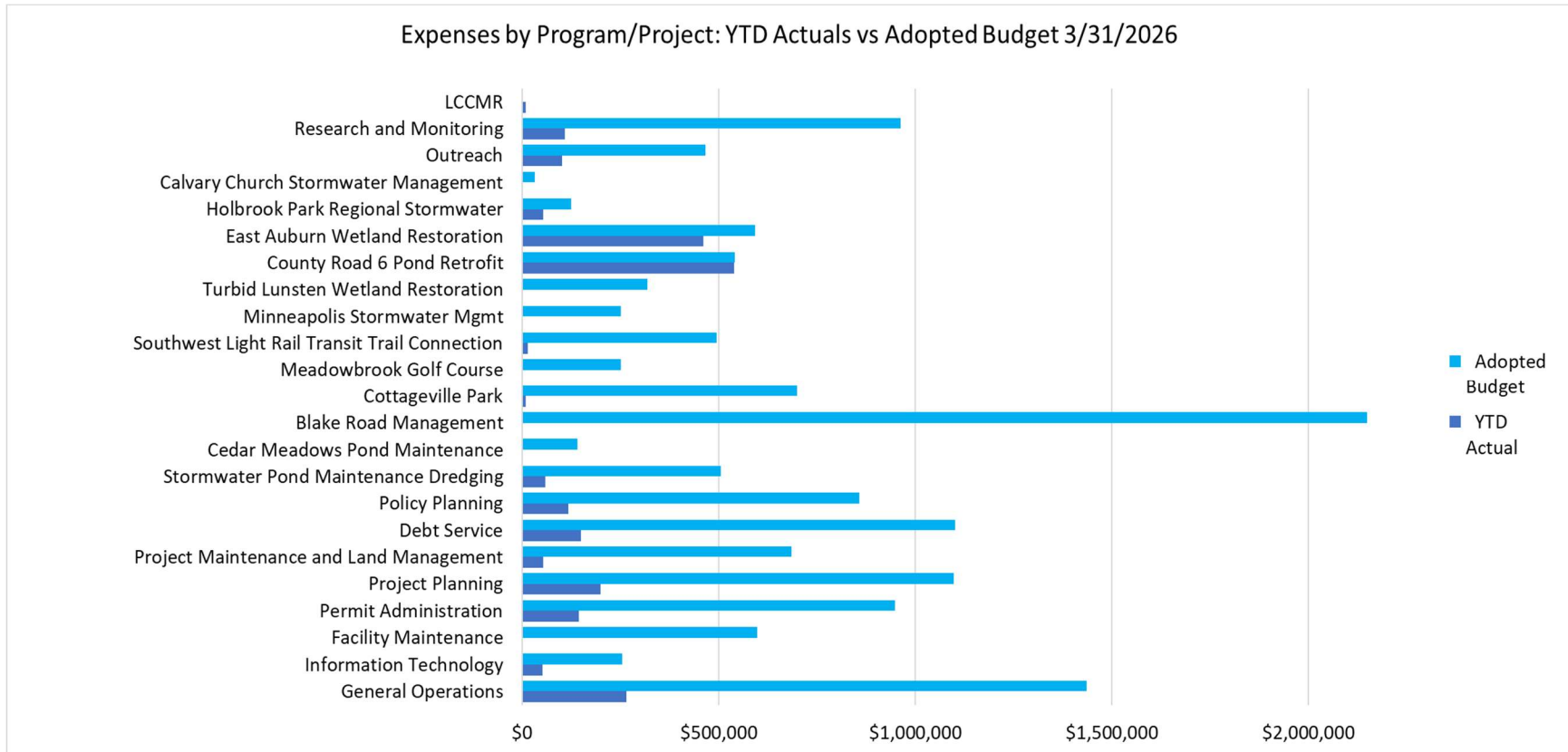
Quarterly Financial Report

Quarter Ended March 31, 2026

Statement of Expenditures and Budget to Actual Comparison by Program/Project (Unaudited)

1 Program Name	Project	YTD					
		2025 Actual	Adopted Budget	YTD Actual	Budget Thru 3/31/26	(Under) / Over Budget	YTD Target 25%
2 General Operations	1002	\$ 1,188,837	\$ 1,435,236	264,597	\$ 358,809	\$ (94,212)	74%
3 Information Technology	1003	219,477	254,220	50,853	63,555	(12,702)	80%
4 Facility Maintenance	1005	1,133	598,372	2,566	149,593	(147,027)	2%
5 Permit Administration	2001	690,840	947,431	144,902	236,858	(91,956)	61%
6 Project Planning	2002	970,608	1,097,847	198,383	274,462	(76,079)	72%
7 Project Maintenance and Land Management	2003	448,575	685,673	53,397	171,418	(118,021)	31%
8 Debt Service	2004	1,099,460	1,100,668	149,769	275,167	(125,398)	54%
9 Policy Planning	2008	531,782	857,920	117,216	214,480	(97,264)	55%
10 Stormwater Pond Maintenance Dredging	3002	15,550	505,900	59,385	126,475	(67,090)	47%
11 Cedar Meadows Pond Maintenance	3003	-	140,000	-	35,000	(35,000)	0%
12 Blake Road Management	3145	29,957	2,150,000	-	537,500	(537,500)	0%
13 Cottageville Park	3146	30,391	700,000	8,663	175,000	(166,337)	5%
14 Meadowbrook Golf Course	3150	-	250,841	-	62,710	(62,710)	0%
15 Southwest Light Rail Transit Trail Connection	3152	95,179	494,432	14,947	123,608	(108,661)	12%
16 Minneapolis Stormwater Mgmt	3155	-	250,000	-	62,500	(62,500)	0%
17 Turbid Lunsten Wetland Restoration	3158	-	318,000	-	79,500	(79,500)	0%
18 County Road 6 Pond Retrofit	3159	59,570	541,643	539,903	135,411	404,492	399%
19 East Auburn Wetland Restoration	3160	84,958	592,000	461,311	148,000	313,311	312%
20 Holbrook Park Regional Stormwater	3502	31,494	124,940	54,150	31,235	22,915	173%
21 Calvary Church Stormwater Management	3504	-	32,500	-	8,125	(8,125)	0%
22 Outreach	4002	388,081	466,193	101,298	116,548	(15,250)	87%
23 Research and Monitoring	5001	621,302	962,872	107,871	240,718	(132,847)	45%
24 LCCMR	5008	440,555	-	8,666	-	8,666	0%
25 Transfers out		6,014,200	-	-	-	-	0%
Total Expenditures		\$ 14,093,805	\$ 14,506,688	\$ 2,337,877	\$ 3,626,672	\$ (1,288,795)	64%

Minnehaha Creek Watershed District
 Quarterly Financial Report
 Quarter Ended March 31, 2026
 Budget to Actual Comparison by Program/Project
 (Unaudited)



Addendum: Variance Explanations for Statement of revenues and Expenditures

1	Revenue:
2	Levy funds from Hennepin and Carver Counties have not yet been received. First disbursements typically arrive the first week of July.
3	Intergovernmental – Other are grant funds expected throughout the year.
4	Permitting reimbursables are on par with Q1 budget projections.
5	Interest earnings will likely exceed budget projection based on current interest rates and District funds.
6	Other revenue is unbudgeted and unexpected, i.e. a donation for example.
7	Transfers In – not applicable at this time. Only used should funds need to be transferred from one fund to another.
9	Expenditures:
10	Personnel is trending positively to budget through Q1 with several open position, organization-wide, budgeted and not yet filled.
11	Staff expenses are less than half of projection through Q1. This typically increases in Q3 with an increase in industry related conferences attended by staff.
12	Board expenses are trending positively to the budget with variances based largely on timing of when Board Manager expense reimbursements are received and processed.
13	CAC expenses are a quarter of expected expenses through Q1. This is likely a timing issue.
14	Building & operating expenses are about half of what was expected to be spent during Q1 with timing of repairs and maintenance often planned for after Q1.
15	Vehicle budget reflects insurance claim revenue for salvaging one District vehicle due to extensive hail damage, with no replacement vehicle planned to be purchased.
16	Dues and subscriptions are often over first quarter projections due to one-time annual payments made in Q1. This will fall in line with budget as the year progresses.
17	Insurance is a one-time annual payment made in Q2 each year.
18	Other Miscellaneous expenses are trending positively to budget through Q1. These can be expenses associated with job postings to staff retreat expenses.
19	Contracted services are trending positively to the budget due to the timing of expenditures for a number of programs.
20	Accounting/auditing expenditures are in line with Q1 budget projections.
21	Engineering expenses are half of budget projection through Q1. Again, reflective of delays or deferred project status.
22	Legal expenditures are just over budget projection for Q1. This is largely due to increased litigation expenses.
23	Lab analysis expenditures typically begin Q2 or later.
24	Construction expenditures to date are slightly less than Q1 budget projection due to timing of project start and end dates.
25/26	Debt service principal and interest over/under budget projections is tied to timing of when payments are due/made. At year end this will be in line with the budget projection.
27	Grants and awards are those given by the District with none to-date.
28	Transfers out category will not be used in 2026 unless required to move funds from one fund to another.

Addendum: Variance Explanations for Statement of Expenditures and Budget to Actual by Program/Project

General Operations	Under budget through Q1 in large part for budgeted personnel and related expenses with replacement position hired at a lower grade level.
Information Technology	IT is under budget projection for Q1 which is often a matter of timing of purchases for budgeted replacement items.
Facility Maintenance	Unless or until the campus improvement project moves forward this category will see few expenditures for the year.
Permit Administration	Permitting program is overall under budget in large part due to a budgeted position not yet filled.
Project Planning	Project Planning program is under budget for personnel budgeted and not yet hired as well as engineering services for projects that have been delayed or deferred.
Project Maintenance & Land Mgmt	PMLM program is also under budget due to personnel budgeted for and not yet hired.
Debt Service	Debt service fluctuates throughout the year based on timing of payments; will match budget fully at year end.
Policy Planning	Largely under budget for contracted services and engineering expenses that were budgeted and have not yet been incurred.
Stormwater Pond Maintenance/Dredging	Work was completed on one project during Q1, however not all expenses have yet been paid.
Cedar Meadows Pond Maintenance	Work has not yet begun on this project.
Blake Road	Work is currently on hold for this project.
Cottageville Park	Work is just beginning on this project.
Meadowbrook Golf Course	Work has not yet begun on this project.
SW Light Rail Transit Trail Connection	Work is underway and should expect to see continued expenditures throughout the year.
Minneapolis Stormwater Mgmt	Work has not yet begun on this project.
Turbid Lunsten Wetland Restoration	Work has not yet begun on this project.
County Road 6 Pond Retrofit	This project is largely complete with a few outstanding items yet to pay in 2026. Expenditures will align closely with budget.
East Auburn Wetland Restoration	This project is largely complete with a few outstanding items yet to pay in 2026. Expenditures will align closely with budget.
Holbrook Park Regional Stormwater	Work is underway and should expect to see continued expenditures throughout the year.
Calvary Church Stormwater Mgmt	This project has not yet begun.
Outreach	The Outreach program is closely aligned with budget to expenditures through Q1.
Research & Monitoring	R&M is under budget through Q1 with more planned expenses, i.e. lab analysis, equipment/supplies and repairs & maintenance, typically occurring in Q2 and Q3.
LMMCR	LCCMR grant dollars are expected to cover the last of the items for this project.
Transfers Out	This category is only used should funds need to be transferred from one program/project to another.