MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE

Meeting: Board Meeting
Meeting date: 11/5/2026
Agenda Item #: 4.1
Item type: Information

Title:	3rd Quarter 2026 Financial Report
Prepared by:	Name: Lauren Stretar Phone: 952.641.4503 Email: lstretar@minnehahacreek.org

Purpose:
Attached, please find the 3rd Quarter (Q3) Financial Report from Eide Bailly showing revenue and expenditures from January 1, 2026, to September 30, 2026.

Summary:
Revenue
Budgeted tax revenue through September 30, 2026, is shown as $7,402,135. The first disbursement of levy funds from Hennepin and Carver counties were received in July. To date, the District has received 68% or $5,019,098. Second half disbursements will be received in December and reflected on the Q4 report.

Permitting reimbursable is showing 82% of expected revenue through Q3, however the timing of permits and when reimbursements are requested always factor into this calculation.

Interest earnings—which is the interest earned on the District's money market funds—remain higher than budget projections due to total funds in the District accounts, as well as a recent increase in interest rates on the accounts.

Expenditures
The budget is shown as three-quarters of the total for the year while expenses reflect the actual dollars spent year-to-date. Overall, spending through Q3 is 54% of the budget. In comparison, last year at this time the District was at 41.1% of its actual budget spent through Q3. (Please see the variance report for more information.)

From the report, you will see that most categories are at or below Q3 budget projections. The categories dues/subscriptions, insurance, and lab analysis appear over budget due to seasonal work and one-time payments made through Q3 and are expected to fall in line with the budget before year end. The vehicle line item is showing over budget due to the incorrect classification of the hail damage claim reimbursement. This will be adjusted before year end. Both legal and accounting/auditing services will be over budget by the end of the year. This is in part due to transitioning to a new accountant and higher than expected litigation rates for legal services.

Variances
The Statement of Expenditures (page 7 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. Unlike programmatic expenditures that are generally incurred throughout the year, capital project expenditures do not occur evenly and are largely driven by project progress, and the timing of contractor pay requests. As a result, certain projects may exceed the Q3 year-to-date budget target even though total expenditures remain within the adopted project budget.

Through Q3, the Stormwater Pond Maintenance Dredging, County Road 6 Pond Retrofit, and East Auburn Wetland Restoration projects exceed the Q3 budget target. However, expenditures for each project remain within their adopted project budgets and, with most of the anticipated costs already incurred, no project budget overruns are currently anticipated.

If you have more specific questions regarding the contents of the report, please contact Lauren Stretar at lstretar@minnehahacreek.org.

Addendum: Variance Explanations for Statement of revenues and Expenditures

Revenue:
Levy funds from Hennepin and Carver Counties were received in July. Total levy received to-date is $5,019,098 which is in line with budget projection.
Intergovernmental – Grant dollars in the amount of $37,500 were received from BWSR for the water quality and storage project.
Permitting reimbursables are slightly under budget projections for Q3.
Interest earnings will likely exceed budget projection based on current District funds as well as a recent increase in interest rates.
Other revenue is unbudgeted and unexpected, i.e. a donation for example.
Transfers In – not applicable at this time. Only used should funds need to be transferred from one fund to another.
Expenditures:
Personnel is trending positively to budget through Q3 with several open positions, organization-wide, budgeted and not yet filled.
Staff expenses are less than half of projection through Q3. This typically increases in Q4 with an influx in industry related conferences attended by staff.
Board expenses are trending positively to the budget with variances based largely on timing of when Board Manager expense reimbursements are received and processed.
CAC expenses are trending positively to the budget through Q3.
Building & operating expenses are 89% of what was expected to be spent through Q3 with timing of repairs and maintenance taking place throughout the year.
Vehicle budget appears overbudget due to the incorrect classification of hail claim revenue. This will be corrected by year-end.
Dues and subscriptions reflect the one-time payments made in Q1 and Q2. Expect that this will fall in line with budget by year end.
Insurance is a one-time annual payment made in Q2 each year. This category will not exceed budget at year end.
Other Miscellaneous expenses are trending positively to budget through Q3. These can be expenses associated with job postings to staff retreat expenses.
Contracted services are trending positively to the budget due to the timing of expenditures for a number of programs.
Accounting/auditing expenditures are over budget for Q3. This is primarily due to transitioning to a new accountant, with the monthly retainer higher than budgeted.
Engineering expenses are less than half of budget projection through Q3. Again, reflective of delays or deferred project status.
Legal expenditures are over budget projection for Q3. This is largely due to increased litigation expenses.
Lab analysis expenditures are over budget due to an increase in sampling.
Property/Easement acquisition expenditures are related to the demo of 6300 Painter Road.
Construction expenditures to date are less than Q3 budget projection due to timing of project start and end dates.
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.
Grants and awards are those given by the District with none to-date.
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 Q3 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 Q3 which is 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 personnel changes and an open position.
Project Planning	Project Planning program is under budget due to a new team member starting later in the year, 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 changes as well as deferred projects.
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	This is showing over budget through Q3 due to work done in Q1, however do not anticipate this being over budget at year end.
Cedar Meadows Pond Maintenance	Work began in Q3 with limited expenses to-date.
Blake Road	There are no project expenditures for this, however utilities incurred from the City of Hopkins are paid quarterly, which are reflected on the report.
Cottageville Park	Work is underway and should expect to see continued expenditures throughout the year.
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 Q3.
Research & Monitoring	R&M is under budget through Q3 with more planned expenses, i.e. lab analysis, equipment/supplies and repairs & maintenance, continuing through Q3 and into Q4.
LCCMR	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.

MINNEHAHA CREEK WATERSHED DISTRICT

Quarterly Financial Report
Quarter Ended September 30, 2026
(Unaudited)

eidebailly.com

Disclaimer:

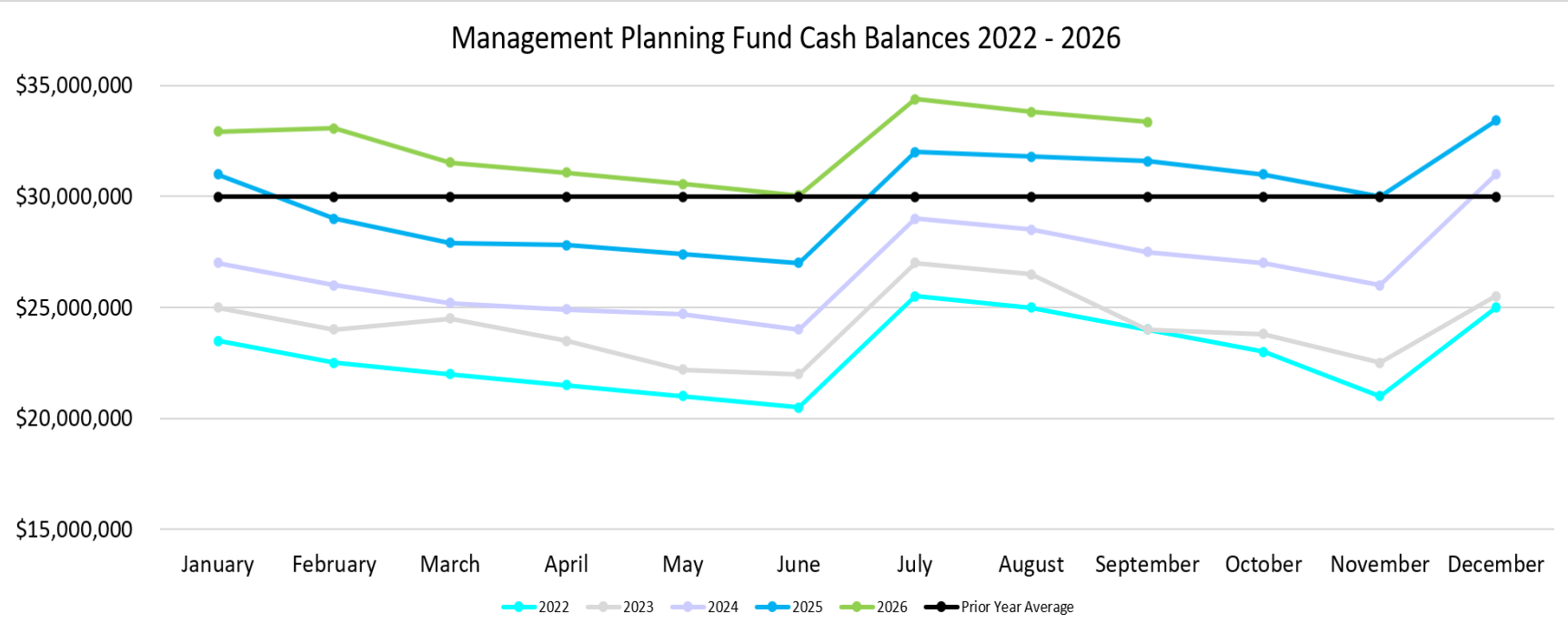
No assurance is provided on the financial reports. Financial reports do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

Schedule of Cash and Investments

Institution	Description	Type	Market Value 6/30/26	Deposits - Purchases	Expenditures - Sales	Transfers	Interest	Unadjusted Market Value 9/30/26	Market Value 9/30/26
Old National Bank	General Fund Checking	Checking	$ 486,315	$ -	$ (2,042,620)	$ 2,110,000	$ -	$ 553,695	$ 553,695
Old National Bank	General Fund Money Market	Money Market	28,678,437	5,160,418	(5,121)	(2,110,000)	172,036	31,895,770	31,895,770
			29,164,752	5,160,418	(2,047,741)	-	172,036	32,449,465	32,449,465
Old National Bank	Surety Checking	Checking	7,206	-	(39,145)	33,500	1	1,562	1,562
Old National Bank	Surety Money Market	Money Market	875,597	57,106	-	(33,500)	4,605	903,808	903,808
			882,803	57,106	(39,145)	-	4,606	905,370	905,370
Total Cash and Investments			**$ 30,047,555**	**$ 5,217,524**	**$ (2,086,886)**	**$ -**	**$ 176,641**	**$ 33,354,835**	**$ 33,354,835**

Deposit in transit	$ -
Outstanding checks	(3,552)
Reconciled balance	**$ 33,351,283**

Cash Balances Past 5 Years

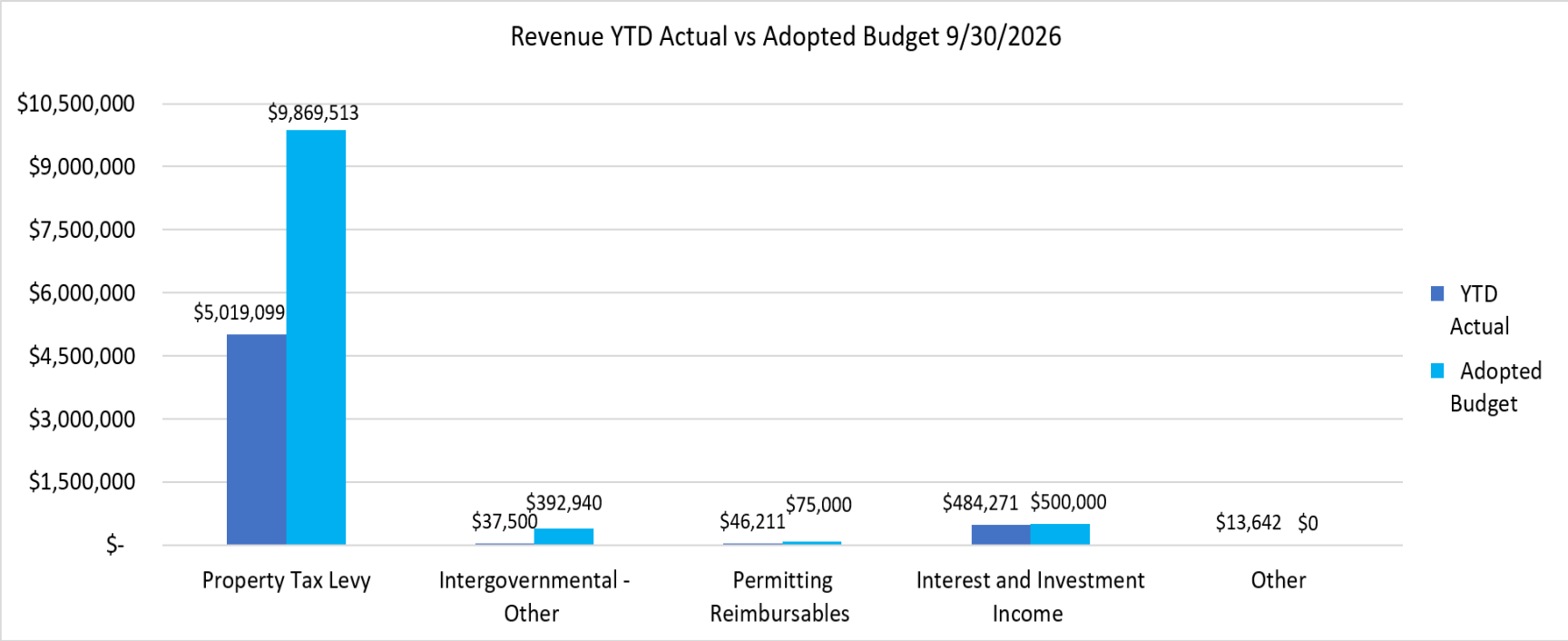


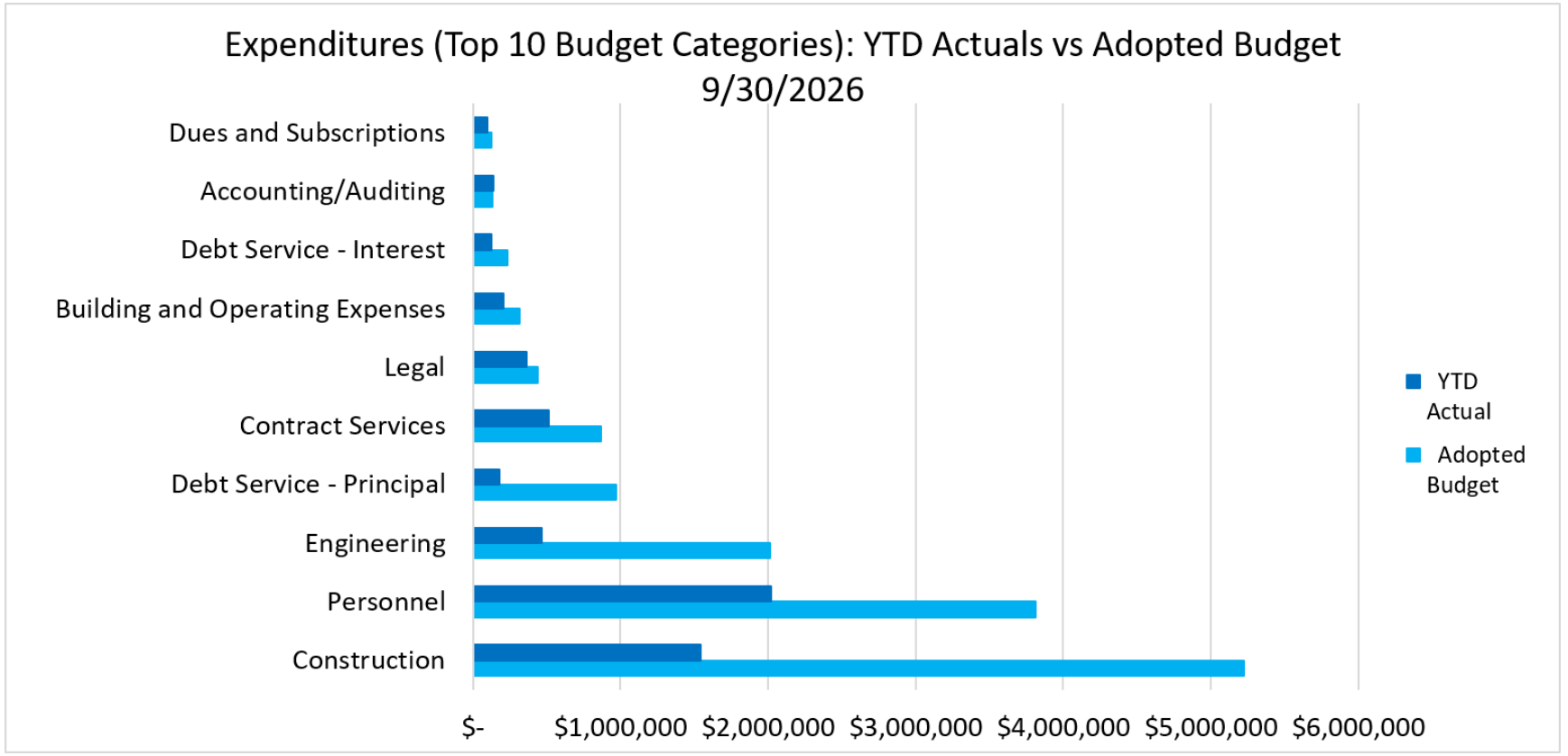
Minnehaha Creek Watershed District

Quarterly Financial Report
Quarter Ended September 30, 2026
Condensed Statement of Revenues and Expenditures
(Unaudited)

		2025 Actual	Adopted Budget	YTD Actual	YTD Budget Thru 9/30/26	YTD (Under) / Over Budget	YTD Target 75%
1	**Revenue**						
2	Property Tax Levy	$ 9,752,464	$ 9,869,513	$ 5,019,099	$ 7,402,135	$ (2,383,036)	68%
3	Intergovernmental - Other	716,411	392,940	37,500	294,705	(257,205)	13%
4	Permitting Reimbursables	111,056	75,000	46,211	56,250	(10,039)	82%
5	Interest and Investment Income	772,122	500,000	484,271	375,000	109,271	129%
6	Other	60,584	-	13,562	-	13,562	*
7	Transfers In	6,014,200	-	-	-	-	*
8	**Total Revenue**	**17,426,837**	**10,837,453**	**5,600,643**	**8,128,090**	**(2,527,447)**	**69%**
9	**Expenditures**						
10	Personnel	2,647,407	3,811,028	2,022,776	2,858,272	(835,495)	71%
11	Staff Expenses	42,415	89,400	19,031	67,050	(48,019)	28%
12	Board Expenses	47,650	56,000	35,688	42,000	(6,312)	85%
13	Citizens Advisory Committee	-	4,000	1,716	3,000	(1,284)	57%
14	Building and Operating Expenses	221,883	315,522	209,477	236,642	(27,164)	89%
15	Vehicle/Boat	8,918	8,000	12,614	6,000	6,614	210%
16	Dues and Subscriptions	103,047	123,170	97,494	92,377	5,117	106%
17	Insurance	65,420	71,000	66,106	53,250	12,856	124%
18	Other/Miscellaneous	41,717	64,500	12,422	48,375	(35,953)	26%
19	Contract Services	980,609	865,337	514,208	649,003	(134,794)	79%
20	Accounting/Auditing	123,785	133,750	137,596	100,312	37,284	137%
21	Engineering	841,435	2,011,661	463,666	1,508,746	(1,045,080)	31%
22	Legal	574,214	439,725	362,243	329,794	32,450	110%
23	Lab Analysis	76,115	53,493	51,902	40,120	11,782	129%
24	Property/Easement Acquisition	827,992	-	71,159	-	71,159	*
25	Construction	28,996	5,222,010	1,543,620	3,916,507	(2,372,887)	39%
26	Debt Service - Principal	962,808	973,988	181,727	730,491	(548,764)	25%
27	Debt Service - Interest	240,332	231,604	125,134	173,703	(48,570)	72%
28	Grants/Awards	244,362	32,500	-	24,375	(24,375)	0%
29	Transfer Out	6,014,200	-	-	-	-	*
30	**Total Expenditures**	**14,093,805**	**14,506,688**	**5,928,580**	**10,880,017**	**(4,951,437)**	**54%**
31	**Net Revenue / (Expenses)**	**$ 3,333,032**	**$ (3,669,235)**	**$ (327,936)**	**$ (2,751,927)**	**$ 2,423,990**	

*Not budgeted in calendar year 2026.


Revenue YTD Actual vs Adopted Budget 9/30/2026
$10,500,000
$9,000,000
$7,500,000
$6,000,000
$4,500,000
$3,000,000
$1,500,000
$-
$5,019,099
$9,869,513
$37,500
$392,940
$46,211
$75,000
$484,271
$500,000
$13,642
$0
Property Tax Levy
Intergovernmental - Other
Permitting Reimbursables
Interest and Investment Income
Other
YTD Actual
Adopted Budget


Expenditures (Top 10 Budget Categories): YTD Actuals vs Adopted Budget
9/30/2026
Dues and Subscriptions
Accounting/Auditing
Debt Service - Interest
Building and Operating Expenses
Legal
Contract Services
Debt Service - Principal
Engineering
Personnel
Construction
$-
$1,000,000
$2,000,000
$3,000,000
$4,000,000
$5,000,000
$6,000,000
YTD Actual
Adopted Budget

Minnehaha Creek Watershed District

Quarterly Financial Report

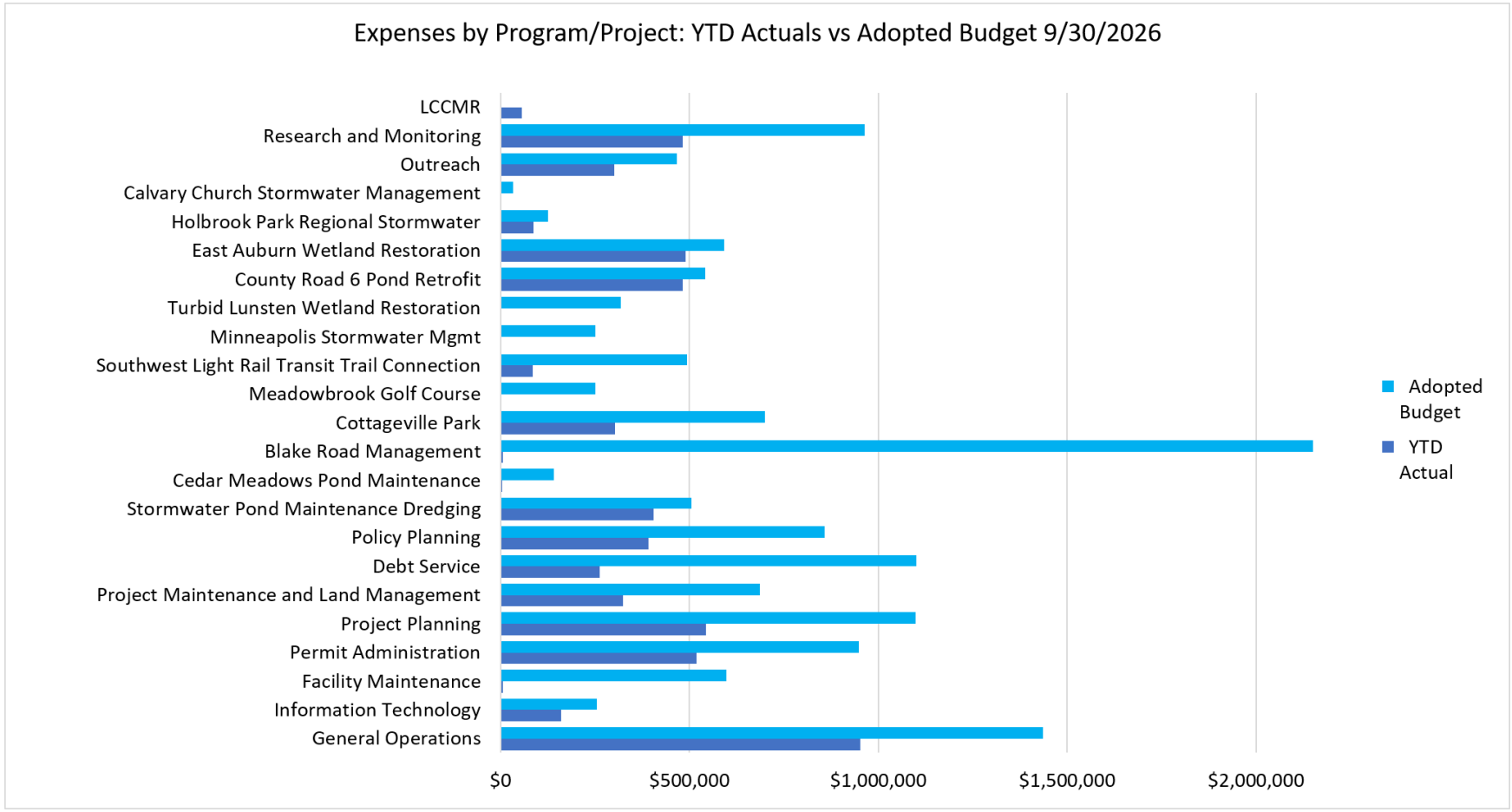
Quarter Ended September 30, 2026

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

(Unaudited)

	Program Name	Project	2025 Actual	Adopted Budget	YTD Actual	YTD Budget Thru 9/30/26	YTD (Under) / Over Budget	YTD Target 75%
2	General Operations	1002	$ 1,188,837	$ 1,435,236	$ 938,531	$ 1,076,427	$ (137,896)	87%
3	Information Technology	1003	219,477	254,220	162,350	190,665	(28,315)	85%
4	Facility Maintenance	1005	1,133	598,372	17,597	448,779	(431,182)	4%
5	Permit Administration	2001	690,840	947,431	518,146	710,573	(192,428)	73%
6	Project Planning	2002	970,608	1,097,847	543,350	823,386	(280,036)	66%
7	Project Maintenance and Land Management	2003	448,575	685,673	323,098	514,255	(191,157)	63%
8	Debt Service	2004	1,099,460	1,100,668	262,589	825,501	(562,912)	32%
9	Policy Planning	2008	531,782	857,920	392,252	643,440	(251,188)	61%
10	Stormwater Pond Maintenance Dredging	3002	15,550	505,900	404,199	379,425	24,774	107%
11	Cedar Meadows Pond Maintenance	3003	-	140,000	3,629	105,000	(101,371)	3%
12	Blake Road Management	3145	29,957	2,150,000	6,197	1,612,500	(1,606,303)	0%
13	Cottageville Park	3146	30,391	700,000	303,653	525,000	(221,347)	58%
14	Meadowbrook Golf Course	3150	-	250,841	-	188,131	(188,131)	0%
15	Southwest Light Rail Transit Trail Connection	3152	95,179	494,432	84,813	370,824	(286,011)	23%
16	Minneapolis Stormwater Mgmt	3155	-	250,000	-	187,500	(187,500)	0%
17	Turbid Lunsten Wetland Restoration	3158	-	318,000	-	238,500	(238,500)	0%
18	County Road 6 Pond Retrofit	3159	59,570	541,643	481,527	406,232	75,294	119%
19	East Auburn Wetland Restoration	3160	84,958	592,000	488,988	444,000	44,988	110%
20	Holbrook Park Regional Stormwater	3502	31,494	124,940	87,409	93,705	(6,296)	93%
21	Calvary Church Stormwater Management	3504	-	32,500	-	24,375	(24,375)	0%
22	Outreach	4002	388,081	466,193	301,679	349,645	(47,965)	86%
23	Research and Monitoring	5001	621,302	962,872	482,142	722,154	(240,012)	67%
24	LCCMR	5008	440,555	-	55,205	-	55,205	*
25	Transfers out		6,014,200	-	-	-	-	*
	Total Expenditures		**$ 14,093,805**	**$ 14,506,688**	**$ 5,928,580**	**$ 10,880,017**	**$ (4,951,437)**	**54%**

*Not budgeted in calendar year 2026.


Expenses by Program/Project: YTD Actuals vs Adopted Budget 9/30/2026
LCCMR
Research and Monitoring
Outreach
Calvary Church Stormwater Management
Holbrook Park Regional Stormwater
East Auburn Wetland Restoration
County Road 6 Pond Retrofit
Turbid Lunsten Wetland Restoration
Minneapolis Stormwater Mgmt
Southwest Light Rail Transit Trail Connection
Meadowbrook Golf Course
Cottageville Park
Blake Road Management
Cedar Meadows Pond Maintenance
Stormwater Pond Maintenance Dredging
Policy Planning
Debt Service
Project Maintenance and Land Management
Project Planning
Permit Administration
Facility Maintenance
Information Technology
General Operations
$0
$500,000
$1,000,000
$1,500,000
$2,000,000
Adopted Budget
YTD Actual