



## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Honorable Managers of  
Rice Creek Watershed District  
Blaine, Minnesota

We have audited the financial statements of the governmental activities and each major fund of Rice Creek Watershed District for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 10, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Rice Creek Watershed District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by Rice Creek Watershed District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the governmental activities financial statements are:

- the estimates used to calculate the net pension liability, the pension related deferred outflows and inflows of resources, and pension expense
- management's estimate of the value of intangible assets (wetland credits)
- present value of the lease liability

Management's estimates relating to the net pension liability, pension related deferred outflows and inflows of resources and pension expense are based on actuarial studies. Management's estimates relating to intangible assets are based on calculations provided by the District's Engineer. Management's estimate of the lease liability is based on the estimated incremental borrowing rate as of January 1, 2021. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective, however, we believe the disclosure most likely to be considered sensitive is Note 13 – Contingencies.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 14, 2025.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Rice Creek Watershed District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Rice Creek Watershed District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budgetary comparison schedules and schedules of pension information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the individual fund financial statements and supplementary financial information which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and other information, which accompany the financial statements but are not RSI. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reports

Various reports on compliance and internal controls are contained in the Other Required Reports section of the audited financial statement document.

Restriction on Use

This information is intended solely for the information and use of the Board of Managers and management of Rice Creek Watershed District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Redpath and Company LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

March 14, 2025

**RICE CREEK WATERSHED DISTRICT**

**ANNUAL FINANCIAL REPORT**

For The Year Ended December 31, 2024

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**RICE CREEK WATERSHED DISTRICT**  
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## **INTRODUCTORY SECTION**

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**RICE CREEK WATERSHED DISTRICT**  
ORGANIZATION  
December 31, 2024

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|   | Term Expires     |
|---|------------------|
| <b>Managers:</b>  |                  |
| Michael J. Bradley - President                              | January 17, 2027 |
| John J. Waller - First Vice-President                       | January 17, 2025 |
| Steven P. Wagamon - Second Vice-President                   | January 17, 2025 |
| Marcie Weinandt - Treasurer                                 | January 17, 2026 |
| Jess Robertson - Secretary                                  | January 17, 2026 |
| <b>Staff:</b>   |                  |
| Administrator:<br>Nick Tomczik                              |                  |
| Project Manager:<br>David Petry                             |                  |
| Office Manager:<br>Theresa Stasica                          |                  |
| Lake and Stream Manager:<br>Matthew Kocian                  |                  |
| Regulatory Manager<br>Patrick Hughes                        |                  |
| Communication and Outreach Manager<br>Kendra Sommerfeld     |                  |
| Drainage and Facilities Manager<br>Tom Schmidt              |                  |
| Outreach and Grant Technician<br>Molly Nelson               |                  |
| Regulatory Technician:<br>Anna Grace                        |                  |
| Permit Technician:<br>Kelsey White                          |                  |
| Technician / Inspector:<br>William Roach<br>Alissa Chalberg |                  |
| Technical Field Assistant:<br>Abel Green<br>Connor Price    |                  |
| Water Monitoring Technician:<br>Catherine Nester            |                  |
| Program Support Technician:<br>Emmet Hurley                 |                  |
| Project Technician:<br>Sara Belden                          |                  |
| Inspector:<br>Erik Larson<br>Sarah Struntz                  |                  |

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Managers of  
Rice Creek Watershed District  
Blaine, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Rice Creek Watershed District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Rice Creek Watershed District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Rice Creek Watershed District, as of December 31, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rice Creek Watershed District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Report on Summarized Comparative Information***

We have previously audited Rice Creek Watershed District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated April 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Responsibilities of Management for the Financial Statements***

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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rice Creek Watershed District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rice Creek Watershed District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rice Creek Watershed District's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, and the schedules of pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rice Creek Watershed District's basic financial statements. The individual fund financial statements and supplementary financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and the supplementary financial information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and other information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Redpath and Company LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

March 14, 2025

## **BASIC FINANCIAL STATEMENTS**

**RICE CREEK WATERSHED DISTRICT**  
**STATEMENT OF NET POSITION**  
December 31, 2024  
With Comparative Totals For December 31, 2023

**Statement 1**

|  | Primary Government      |                     |
|--|-------------------------|---------------------|
|  | Governmental Activities |                     |
|  | 2024                    | 2023                |
| Assets:  |                         |                     |
| Cash and investments                               | \$16,536,752            | \$14,499,148        |
| Due from other governments                         | 107,135                 | 66,210              |
| Accounts receivable - net                          | -                       | 1,830               |
| Interest receivable                                | 51,394                  |                     |
| Property taxes receivable:                         |                         |                     |
| Delinquent   | 64,098                  | 55,805              |
| Due from county                                    | 34,772                  | 31,200              |
| Special assessments receivable:                    |                         |                     |
| Deferred   | 122,695                 | 168,366             |
| Special deferred                                   | 186,542                 | 186,751             |
| Delinquent   | 17,917                  | 14,766              |
| Due from county                                    | 136                     | 2,222               |
| Prepaid items                                      | 50,213                  | 63,216              |
| Capital assets - net:                              |                         |                     |
| Leased asset - net                                 | 80,177                  | 176,389             |
| Nondepreciable                                     | 1,239,793               | 1,239,793           |
| Depreciable  | 828,592                 | 829,093             |
| Total assets                                       | <u>19,320,216</u>       | <u>17,334,789</u>   |
| Deferred outflows of resources related to pensions | <u>130,487</u>          | <u>189,657</u>      |
| Liabilities:                                       |                         |                     |
| Accounts payable                                   | 244,864                 | 209,188             |
| Contracts/retainage payable                        | 4,666                   | -                   |
| Due to other governments                           | 106,404                 | 94,846              |
| Deposits payable                                   | 1,770,457               | 1,940,857           |
| Unearned revenue                                   | 43,228                  | 177,327             |
| Lease liability:                                   |                         |                     |
| Due within one year                                | 87,565                  | 100,993             |
| Due in more than one year                          | -                       | 87,565              |
| Compensated absences payable:                      |                         |                     |
| Due within one year                                | 67,098                  | 60,817              |
| Due in more than one year                          | 10,515                  | 22,897              |
| Net pension liability:                             |                         |                     |
| Due in more than one year                          | 478,792                 | 698,986             |
| Total liabilities                                  | <u>2,813,589</u>        | <u>3,393,476</u>    |
| Deferred inflows of resources related to pensions  | <u>335,834</u>          | <u>228,608</u>      |
| Total deferred inflows                             | <u>335,834</u>          | <u>228,608</u>      |
| Net position:                                      |                         |                     |
| Net investment in capital assets                   | 2,060,997               | 2,056,717           |
| Restricted   | 205,341                 | 281,483             |
| Unrestricted                                       | 14,034,942              | 11,564,162          |
| Total net position                                 | <u>\$16,301,280</u>     | <u>\$13,902,362</u> |

The accompanying notes are an integral part of these financial statements.

**RICE CREEK WATERSHED DISTRICT**
**STATEMENT OF ACTIVITIES**
**Statement 2**

For The Year Ended December 31, 2024

With Comparative Totals For The Year Ended December 31, 2023

| Functions/Programs  | Program Revenues   |                         |  |  | Net (Expense) Revenue and<br>Changes in Net Position<br>Primary Government |                     |
|---|--------------------|-------------------------|--|--|--|---------------------|
|   | Expenses           | Charges For<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Totals   |                     |
|   |                    |                         |  |  | 2024   | 2023                |
| Primary government:   |                    |                         |  |  |  |                     |
| Governmental activities:  |                    |                         |  |  |  |                     |
| General government  | \$2,068,258        | \$85,614                | \$22,445                                 | \$ -                                   | (\$1,960,199)  | (\$1,902,023)       |
| Programs  | 3,207,439          | -                       | 669,929                                  | -                                      | (2,537,510)  | (2,706,484)         |
| Interest expense on debt  | 2,854              | -                       | -  | -                                      | (2,854)  | (4,822)             |
| Total governmental activities                                   | <u>\$5,278,551</u> | <u>\$85,614</u>         | <u>\$692,374</u>                         | <u>\$0</u>                             | <u>(4,500,563)</u>   | <u>(4,613,329)</u>  |
| General revenues:   |                    |                         |  |  |  |                     |
| Property taxes  |                    |                         |  |  | 6,029,722  | 5,651,969           |
| Grants and contributions not<br>restricted to specific programs |                    |                         |  |  | 1,594  | -                   |
| Unrestricted investment earnings                                |                    |                         |  |  | 808,515  | 580,075             |
| Gain on sale of capital asset                                   |                    |                         |  |  | 59,650   | -                   |
| Miscellaneous other   |                    |                         |  |  | -  | 40,447              |
| Total general revenues  |                    |                         |  |  | <u>6,899,481</u>   | <u>6,272,491</u>    |
| Change in net position  |                    |                         |  |  | 2,398,918  | 1,659,162           |
| Net position - January 1  |                    |                         |  |  | <u>13,902,362</u>  | <u>12,243,200</u>   |
| Net position - December 31                                      |                    |                         |  |  | <u>\$16,301,280</u>  | <u>\$13,902,362</u> |

The accompanying notes are an integral part of these financial statements.

**RICE CREEK WATERSHED DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2024  
With Comparative Totals For December 31, 2023

**Statement 3**

| Assets  | General Fund       | 509 Planning<br>Special<br>Revenue Fund | Total Governmental Funds |                     |
|---|--------------------|---|--------------------------|---------------------|
|   |                    |   | 2024                     | 2023                |
| Cash and investments  | \$2,366,365        | \$14,170,387                            | \$16,536,752             | \$14,499,148        |
| Due from other governments  | -                  | 107,135                                 | 107,135                  | 66,210              |
| Accounts receivable - net   | -                  | -                                       | -                        | 1,830               |
| Accrued interest receivable   | 51,394             | -                                       | 51,394                   | -                   |
| Property taxes receivable:  |                    |   |                          |                     |
| Delinquent  | 5,470              | 58,628                                  | 64,098                   | 55,805              |
| Due from county   | 2,820              | 31,952                                  | 34,772                   | 31,200              |
| Special assessments receivable:   |                    |   |                          |                     |
| Deferred  | -                  | 122,695                                 | 122,695                  | 168,366             |
| Special deferred  | -                  | 186,542                                 | 186,542                  | 186,751             |
| Delinquent  | -                  | 17,917                                  | 17,917                   | 14,766              |
| Due from county   | -                  | 136                                     | 136                      | 2,222               |
| Prepaid items   | 19,947             | 30,266                                  | 50,213                   | 63,216              |
| <b>Total assets</b>   | <b>\$2,445,996</b> | <b>\$14,725,658</b>                     | <b>\$17,171,654</b>      | <b>\$15,089,514</b> |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>   |                    |   |                          |                     |
| Liabilities:  |                    |   |                          |                     |
| Accounts payable  | \$16,299           | \$228,565                               | \$244,864                | \$209,188           |
| Contracts/retainage payable   | -                  | 4,666                                   | 4,666                    | -                   |
| Due to other governments  | -                  | 106,404                                 | 106,404                  | 94,846              |
| Deposits payable  | 1,770,457          | -                                       | 1,770,457                | 1,940,857           |
| Unearned revenue  | -                  | 43,228                                  | 43,228                   | 177,327             |
| <b>Total liabilities</b>  | <b>1,786,756</b>   | <b>382,863</b>                          | <b>2,169,619</b>         | <b>2,422,218</b>    |
| Deferred inflows of resources:  |                    |   |                          |                     |
| Unavailable revenue   | 5,470              | 385,781                                 | 391,251                  | 283,979             |
| Fund balance:   |                    |   |                          |                     |
| Nonspendable  | 19,947             | 30,266                                  | 50,213                   | 63,216              |
| Restricted  | -                  | 90,451                                  | 90,451                   | 105,527             |
| Committed   | -                  | 6,302,359                               | 6,302,359                | 5,980,916           |
| Assigned  | -                  | 7,764,645                               | 7,764,645                | 5,870,117           |
| Unassigned  | 633,823            | (230,707)                               | 403,116                  | 363,541             |
| <b>Total fund balance</b>   | <b>653,770</b>     | <b>13,957,014</b>                       | <b>14,610,784</b>        | <b>12,383,317</b>   |
| <b>Total liabilities, deferred inflows of resources, and fund balance</b>   | <b>\$2,445,996</b> | <b>\$14,725,658</b>                     | <b>\$17,171,654</b>      | <b>\$15,089,514</b> |
| Fund balance reported above   |                    |   | \$14,610,784             | \$12,383,317        |
| Amounts reported for governmental activities in the Statement of Net Position are different because:  |                    |   |                          |                     |
| Capital assets and right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                                      |                    |   | 2,148,562                | 2,245,275           |
| Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.   |                    |   | 130,487                  | 189,657             |
| Deferred inflows of resources related to pensions are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds. |                    |   | (335,834)                | (228,608)           |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:  |                    |   |                          |                     |
| Compensated absences payable  |                    |   | (77,613)                 | (83,714)            |
| Net pension liability   |                    |   | (478,792)                | (698,986)           |
| Lease liability   |                    |   | (87,565)                 | (188,558)           |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.   |                    |   | 391,251                  | 283,979             |
| <b>Net position of governmental activities</b>  |                    |   | <b>\$16,301,280</b>      | <b>\$13,902,362</b> |

The accompanying notes are an integral part of these financial statements.

**RICE CREEK WATERSHED DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**

**Statement 4**

For The Year Ended December 31, 2024

With Comparative Totals For The Year Ended December 31, 2023

|                                      | General Fund            | 509 Planning<br>Special<br>Revenue Fund | Total Governmental Funds   |                            |
|--------------------------------------|-------------------------|---|----------------------------|----------------------------|
|                                      |                         |   | 2024                       | 2023                       |
| Revenues:                            |                         |   |                            |                            |
| General property taxes               | \$487,393               | \$5,534,036                             | \$6,021,429                | \$5,673,052                |
| Special assessments                  | -                       | 23,617                                  | 23,617                     | 102,286                    |
| Intergovernmental                    | 129                     | 528,927                                 | 529,056                    | 123,618                    |
| Permits                              | -                       | 85,614                                  | 85,614                     | 100,548                    |
| Investment income                    | 116,268                 | 692,247                                 | 808,515                    | 580,075                    |
| Miscellaneous                        | -                       | 19,871                                  | 19,871                     | 40,447                     |
| Total revenues                       | <u>603,790</u>          | <u>6,884,312</u>                        | <u>7,488,102</u>           | <u>6,620,026</u>           |
| Expenditures:                        |                         |   |                            |                            |
| Current:                             |                         |   |                            |                            |
| General government                   | 423,859                 | 1,585,641                               | 2,009,500                  | 1,862,788                  |
| Programs                             | -                       | 3,142,809                               | 3,142,809                  | 2,754,515                  |
| Capital outlay                       | -                       | 64,129                                  | 64,129                     | -                          |
| Debt service                         |                         |   |                            |                            |
| Principal                            | 20,197                  | 80,796                                  | 100,993                    | 96,472                     |
| Interest                             | 572                     | 2,282                                   | 2,854                      | 4,822                      |
| Total expenditures                   | <u>444,628</u>          | <u>4,875,657</u>                        | <u>5,320,285</u>           | <u>4,718,597</u>           |
| Revenues over (under) expenditures   | 159,162                 | 2,008,655                               | 2,167,817                  | 1,901,429                  |
| Other financing sources (uses):      |                         |   |                            |                            |
| Proceeds from sale of capital assets | <u>-</u>                | <u>59,650</u>                           | <u>59,650</u>              | <u>-</u>                   |
| Net change in fund balance           | 159,162                 | 2,068,305                               | 2,227,467                  | 1,901,429                  |
| Fund balance - January 1             | <u>494,608</u>          | <u>11,888,709</u>                       | <u>12,383,317</u>          | <u>10,481,888</u>          |
| Fund balance - December 31           | <u><u>\$653,770</u></u> | <u><u>\$13,957,014</u></u>              | <u><u>\$14,610,784</u></u> | <u><u>\$12,383,317</u></u> |

The accompanying notes are an integral part of these financial statements.

**RICE CREEK WATERSHED DISTRICT****RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS****Statement 5**

For The Year Ended December 31, 2024

With Comparative Totals For The Year Ended December 31, 2023

|  | <u>2024</u>               | <u>2023</u>               |
|--|---------------------------|---------------------------|
| Amounts reported for governmental activities in the<br>Statement of Activities (Statement 2) are different because:  |                           |                           |
| Net changes in fund balances - total governmental funds (Statement 4)  | \$2,227,467               | \$1,901,429               |
| Governmental funds report capital outlays as expenditures. However, in the<br>Statement of Activities the cost of those assets is allocated over their<br>estimated useful lives and reported as depreciation or amortization expense:   |                           |                           |
| Capital outlay   | 64,129                    | -                         |
| Depreciation expense   | (64,630)                  | (61,180)                  |
| Amortization expense   | (96,212)                  | (96,212)                  |
| Revenues in the Statement of Activities that do not provide current financial<br>resources are not reported as revenues in the funds:  |                           |                           |
| Change in delinquent property taxes  | 8,293                     | (21,083)                  |
| Change in delinquent and deferred special assessments  | 98,979                    | (116,779)                 |
| The issuance of long-term debt (e.g. loans payable) provide current resources to<br>governmental funds, while the repayment of the principal of long-term debt<br>consumes the current financial resources of governmental funds. Neither<br>transaction, however, has any effect on net position.                     |                           |                           |
| Principal payments on lease liabilities  | 100,993                   | 96,472                    |
| Some expenses reported in the Statement of Activities do not require the use of<br>current financial resources and, therefore, are not reported as expenditures in<br>governmental funds. Expenses reported in the Statement of Activities include<br>the effects of the changes in these expense accruals as follows: |                           |                           |
| Change in compensated absences payable   | 6,101                     | (10,517)                  |
| Governmental funds report pension contributions as expenditures, however, pension<br>expense is reported in the Statement of Activities. This is the amount by which<br>net pension expense differed from pension contributions in the current period.   | <u>53,798</u>             | <u>(32,968)</u>           |
| Change in net position of governmental activities (Statement 2)  | <u><u>\$2,398,918</u></u> | <u><u>\$1,659,162</u></u> |

The accompanying notes are an integral part of these financial statements.



**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Rice Creek Watershed District (the District) conform to accounting principles generally accepted in the United States of America applicable to governmental units. The following is a summary of significant accounting policies.

**A. FINANCIAL REPORTING ENTITY**

The District was organized January 18, 1972 under the Minnesota Watershed Act as amended by the Minnesota Water Resources Board as provided in Minnesota Statutes Chapter 112. The District covers areas within the following four counties: Anoka, Hennepin, Ramsey and Washington. The District is operated by a five member Board of Managers appointed by the respective County Boards of Commissioners for staggered three year terms. In accordance with Governmental Accounting Standards Board (GASB) pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity should include the primary government and its component units.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. There are no organizations considered to be component units of the District.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*. There are no *business-type activities*, which rely to a significant extent on fees and charges for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – is the general operating fund of the District. It is used to account for financial resources to be used for general administrative expenses and for the construction and maintenance of projects of common benefit to the District.

509 Planning Fund (special revenue fund) – has been established to record transactions resulting from the Metropolitan Surface Water Management Act (Chapter 509, Laws of 1982 Minnesota Statutes Section 473.875 to 473.883). Property taxes are committed for the 509 Planning Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### **D. BUDGETS**

The District prepares annual revenue and expenditure budgets for the General Fund and 509 Planning Special Revenue Fund. The District monitors budget performance on the fund basis. All amounts over budget have been approved by the Board through the disbursement approval process. The modified accrual basis of accounting is used by the District for budgeting data. All appropriations end with the fiscal year for which they were made. Encumbrance accounting, under which purchase orders, contracts and other commitments of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

#### **E. CASH AND INVESTMENTS**

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, based upon quoted market prices. Investment income is accrued at the balance sheet date.

**F. PROPERTY TAX REVENUE RECOGNITION**

The Board of Managers annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the District, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the District at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the District on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The District has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The District recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the District in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the District the following January) are classified as due from county. Taxes not collected by the county by December 31 are classified as delinquent taxes receivable. The portion of delinquent taxes not collected by the District in January are fully offset by deferred inflow of resources because they are not available to finance current expenditures.

**G. SPECIAL ASSESSMENT REVENUE RECOGNITION**

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the District over a term of years usually consistent with the term of the project. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the Board or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the District in payment of delinquent special assessments. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District generally recognizes special assessment revenue in the period that the assessment roll was adopted by the Board. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the District when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the District are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the District the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflow of resources.

#### H. INVENTORIES

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. The District does not maintain material amounts of inventories of goods and supplies.

#### I. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, infrastructure assets, and intangible assets such as easements and computer software, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

|                     |                   |
|---------------------|-------------------|
| Equipment           | 5 - 15 years      |
| Vehicles            | 5 years           |
| Infrastructure      | 25 years          |
| Temporary easements | Life of easements |

#### J. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay benefits that are attributable to services already rendered, accumulated, and is more likely than not to be used for time off or otherwise paid is accrued in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### K. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

#### L. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of internally imposed constraints. These constraints are established by Resolution of the Board of Managers.

*Assigned* - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the District's intended use. These constraints are established by the Administrator.

*Unassigned* - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the District's policy to use resources in the following order: 1) committed, 2) assigned and 3) unassigned.

#### **M. INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

#### **N. USE OF ESTIMATES**

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

#### **O. RECLASSIFICATIONS**

Certain reclassifications were made to prior year amounts to conform to the current year presentation.

#### **P. PREPAID ITEMS**

Certain payments to vendors (insurance) reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

#### **Q. COMPARATIVE TOTALS**

The basic financial statements, required supplementary information, individual fund financial statements, and supplementary financial information include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

## **R. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then. The government has one item that qualifies for reporting in this category. It is the pension related deferred outflows reported in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has pension related deferred inflows of resources reported in the government-wide Statement of Net Position. The government also has a type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes and special assessments.

## **S. DEFINED BENEFIT PENSION PLANS**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **T. LEASING ARRANGEMENTS**

The entity has recorded right to use leased assets. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

## **Note 2 DEPOSITS AND INVESTMENTS**

### **A. DEPOSITS**

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the Board of Managers. All such banks are members of the Federal Reserve System.

Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the District or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral. The District has no additional deposit policies addressing custodial credit risk.

Custodial Credit Risk – Deposits – this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At December 31, 2024, the entire bank balance was covered by federal depository insurance or perfected collateral held by the District's agent in the District's name.

## B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the District to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

The District has investments in the Minnesota Municipal Money Market Fund (4M fund). The 4M fund is an external investment pool regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) of \$1 per share. The pool measures its investments at amortized cost in accordance with GASB

Statement No. 79. The 4M Liquid Asset Fund has no redemption requirement. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn.

At December 31, 2024, the amount of investments held in the 4M fund was \$12,756,948. The maximum maturity of 4M fund investments is 14 days.

A summary of the District's cash and investments at December 31, 2024 is as follows:

| Investment Type                    | Rating    | Fair Value          | Investment Maturities (in Years) |                     |
|------------------------------------|-----------|---------------------|----------------------------------|---------------------|
|                                    |           |                     | Less Than 1                      | 1-5                 |
| External investment pool - 4M Fund | AAAm      | \$12,756,948        | \$12,756,948                     | \$ -                |
| Brokered certificates of deposit   | Not rated | 2,918,871           | 681,100                          | 2,237,771           |
| U.S. Treasuries                    | AAA       | 1,004,502           | -                                | 1,004,502           |
| Total                              |           | <u>\$16,680,321</u> | <u>\$13,438,048</u>              | <u>\$3,242,273</u>  |
| Total investments                  |           |                     |                                  | \$16,680,321        |
| Deposits                           |           |                     |                                  | (143,569)           |
| Total cash and investments         |           |                     |                                  | <u>\$16,536,752</u> |

The deficit deposit balance represents checks which were outstanding at year end. As checks are cashed, amounts are automatically transferred from the 4M fund to fund the disbursements.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

**RICE CREEK WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

The District has the following recurring fair value measurements as of December 31, 2024:

| Investment Type                   | 12/31/2024          | Fair Value Measurement Using |                    |             |
|-----------------------------------|---------------------|------------------------------|--------------------|-------------|
|                                   |                     | Level 1                      | Level 2            | Level 3     |
| Investments at fair value:        |                     |                              |                    |             |
| Brokered certificates of deposit  | \$2,918,871         | \$ -                         | \$2,918,871        | \$ -        |
| U.S. Treasuries                   | 1,004,502           | 1,004,502                    | -                  | -           |
|                                   |                     | <u>\$1,004,502</u>           | <u>\$2,918,871</u> | <u>\$ -</u> |
| Investments not categorized:      |                     |                              |                    |             |
| External investment pool- 4M Fund | 12,756,948          |                              |                    |             |
| Total investments                 | <u>\$16,680,321</u> |                              |                    |             |

**C. INVESTMENT RISKS**

Credit Risk – this is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. The District follows State Statutes in regards to credit risk of investments. To ensure security when considering an investment, the District cross-checks all depositories under consideration against existing investments to make certain that funds in excess of insurance limits are not deposited with the same institution unless collateralized as outlined herein. Furthermore, the Board of Managers will approve all financial institutions, brokers and advisers with which the District will do business.

Interest Rate Risk – this is the risk that changes in the interest rates of debt investments could adversely affect the fair value of an investment. The District minimizes interest rate risk by structuring its investment portfolio to ensure that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Concentration of Credit Risk – this is the risk of loss that may be attributed to the magnitude of the District's investment in a single issuer. The District diversifies its investments according to type and maturity. The District portfolio, to the extent feasible, contains a mixture of short-term (shorter than one year) and long-term (more than one year) investments. The District attempts to match its investments with anticipated cash-flow requirements. Extended maturities may be used to take advantage of higher yields

Custodial Credit Risk. For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the District will not be able to recover the value of its investment securities that is in the possession of an outside party. The District minimizes deposit custodial risk by obtaining collateral for all uninsured amounts on deposit and necessary documentation to show compliance.



**RICE CREEK WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

**Note 3 RECEIVABLES**

Significant receivable balances not expected to be collected within one year of December 31, 2024 are as follows:

|                                      | <u>Major Funds</u> |                          | <u>Total</u>     |
|--------------------------------------|--------------------|--------------------------|------------------|
|                                      | <u>General</u>     | <u>509 Planning Fund</u> |                  |
| Deferred special assessments         | \$ -               | \$34,575                 | \$34,575         |
| Special deferred special assessments | -                  | 186,541                  | 186,541          |
| Delinquent special assessments       | -                  | 6,234                    | 6,234            |
| Delinquent property taxes            | 4,100              | 44,300                   | 48,400           |
| Total                                | <u>\$4,100</u>     | <u>\$271,650</u>         | <u>\$275,750</u> |

**Note 4 UNAVAILABLE REVENUES**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

|                   | <u>Property Taxes</u> | <u>Special Assessment</u> | <u>Total</u>     |
|-------------------|-----------------------|---------------------------|------------------|
| General Fund      | \$5,470               | \$ -                      | \$5,470          |
| 509 Planning Fund | 58,628                | 327,153                   | 385,781          |
| Totals            | <u>\$64,098</u>       | <u>\$327,153</u>          | <u>\$391,251</u> |

**RICE CREEK WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024 was as follows:

|  | Beginning<br>Balance | Increases | Decreases | Ending<br>Balance |
|--|----------------------|-----------|-----------|-------------------|
| Capital assets, not being depreciated:       |                      |           |           |                   |
| Construction in process - wetland credits    | \$421,080            | \$ -      | \$ -      | \$421,080         |
| Land and permanent easements                 | 818,713              | -         | -         | 818,713           |
| Total capital assets, not being depreciated  | 1,239,793            | 0         | 0         | 1,239,793         |
| Capital assets, being depreciated:           |                      |           |           |                   |
| Vehicles                                     | 190,244              | 28,803    | (56,015)  | 163,032           |
| Equipment                                    | 392,405              | 35,326    | (80,689)  | 347,042           |
| Infrastructure                               | 817,771              | -         | -         | 817,771           |
| Temporary easements                          | 30,000               | -         | -         | 30,000            |
| Total capital assets, being depreciated      | 1,430,420            | 64,129    | (136,704) | 1,357,845         |
| Less accumulated depreciation for:           |                      |           |           |                   |
| Vehicles                                     | 155,401              | 9,671     | (56,015)  | 109,057           |
| Equipment                                    | 314,653              | 21,748    | (80,689)  | 255,712           |
| Infrastructure                               | 108,273              | 32,711    | -         | 140,984           |
| Temporary easements                          | 23,000               | 500       | -         | 23,500            |
| Total accumulated depreciation               | 601,327              | 64,630    | (136,704) | 529,253           |
| Total capital assets being depreciated - net | 829,093              | (501)     | -         | 828,592           |
| Governmental activities capital assets - net | \$2,068,886          | (\$501)   | \$0       | \$2,068,385       |

Depreciation expense was charged to function/programs of the District as follows:

|  |          |
|--|----------|
| Governmental activities:                             |          |
| General government                                   | \$ -     |
| Programs   | 64,630   |
| Total depreciation expense - governmental activities | \$64,630 |

**Note 6 RIGHT TO USE LEASED ASSET**

The District has a lease agreement for office space which is recorded as a right to use leased asset as follows:

|                                       | Beginning<br>Balance | Increases  | Decreases | Ending<br>Balance |
|---------------------------------------|----------------------|------------|-----------|-------------------|
| Right to use leased asset:            |                      |            |           |                   |
| Leased office space                   | \$465,025            | \$ -       | \$ -      | \$465,025         |
| Less accumulated amortization for:    |                      |            |           |                   |
| Leased office space                   | 288,636              | 96,212     | -         | 384,848           |
| Total right to use leased asset - net | \$176,389            | (\$96,212) | \$0       | \$80,177          |

**Note 7    DEFINED BENEFIT PENSION PLANS**

**A. PLAN DESCRIPTION**

The District participates in the General Employees Retirement Plan (General Plan) which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). Plan provisions are established and administered according to Minnesota Statutes, Chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes Chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

**B. BENEFITS PROVIDED**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

The General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989 receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first ten years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

### **C. CONTRIBUTIONS**

Minnesota Statutes Chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.50% for General Plan members. The District's contributions to the General Employees Fund for the year ended December 31, 2024 were \$89,469. The District's contributions were equal to the required contributions as set by state statute.

### **D. PENSION COSTS**

At December 31, 2024, the District reported a liability of \$478,792 for its proportionate share of the General Employee's Fund net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$12,381.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0130% at the end of the measurement period and 0.0125% for the beginning of the period.

|  |                  |
|--|------------------|
| District's proportionate share of the net pension liability  | \$478,792        |
| State of Minnesota's proportionate share of the net pension liability associated with the District | 12,381           |
| Total  | <u>\$491,173</u> |

For the year ended December 31, 2024, the District recognized pension expense of \$57,784 for its proportionate share of the General Plan's pension expense. In addition, the District recognized an additional \$332 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$22,113 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

**RICE CREEK WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

At December 31, 2024, the District reported General Employees Fund deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual economic experience                      | \$45,065                          | \$ -                             |
| Changes in actuarial assumptions   | 2,378                             | 181,199                          |
| Net difference between projected and actual earnings on pension plan investments | -                                 | 140,744                          |
| Changes in proportion  | 34,922                            | 13,891                           |
| Employer contributions subsequent to the measurement date                        | 48,122                            | -                                |
| Total  | <u>\$130,487</u>                  | <u>\$335,834</u>                 |

The \$48,122 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>December 31, | Pension<br>Expense |
|-----------------------------|--------------------|
| 2025                        | (143,013)          |
| 2026                        | (23,508)           |
| 2027                        | (50,254)           |
| 2028                        | (36,694)           |
| 2029                        | -                  |
| Thereafter                  | -                  |

The net pension liability will be liquidated by the general fund.

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2024 actuarial valuation was determined using the entry-age normal actuarial cost method and the following actuarial assumptions:

|                           |                |
|---------------------------|----------------|
| Inflation                 | 2.25% per year |
| Investment Rate of Return | 7.00%          |

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00% is within that range.

Benefit increases after retirement are assumed to be 1.25% for the General Plan.

Salary growth assumptions range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

Mortality rates were based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

**RICE CREEK WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

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Actuarial assumptions for General Plan are reviewed every four years. The General Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

**Changes in Actuarial Assumptions:**

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

**Changes in Plan Provisions:**

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class          | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return |
|----------------------|----------------------|---|
| Domestic equity      | 33.5%                | 5.10%                                     |
| International equity | 16.5%                | 5.30%                                     |
| Fixed income         | 25.0%                | 0.75%                                     |
| Private markets      | 25.0%                | 5.90%                                     |
| Total                | 100%                 |   |

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. PENSION LIABILITY SENSITIVITY**

The following presents the District's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

|  | <u>1% Decrease in<br/>Discount Rate</u> | <u>Discount Rate</u> | <u>1% Increase in<br/>Discount Rate</u> |
|--|---|----------------------|---|
| Proportionate share of the<br>General Plan net pension liability | \$1,045,759                             | \$478,792            | \$12,410                                |

**H. PENSION PLAN FIDUCIARY NET POSITION**

Detailed information about the pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at [www.mnpera.org](http://www.mnpera.org).

**RICE CREEK WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

**Note 8 FUND BALANCE**

**A. CLASSIFICATIONS**

At December 31, 2024, a summary of the governmental fund balance classifications are as follows:

|  | General Fund | 509 Planning<br>Special<br>Revenue Fund |
|--|--------------|---|
| Nonspendable:                                      |              |   |
| Prepaid items                                      | \$19,947     | \$30,266                                |
| Committed for:                                     |              |   |
| 60-15 SW Management C-S                            | -            | 1,274,580                               |
| 80-15 Municipal Public Drainage System Maintenance | -            | 119,058                                 |
| 90-01 Water Quality Grant Program                  | -            | 408,721                                 |
| 99-60 Project Anticipation - Restoration           | -            | 2,700,000                               |
| 99-80 Project Anticipation - Ditch & Creek         | -            | 1,400,000                               |
| 99-90 Project Anticipation - Lake & Stream         | -            | 200,000                                 |
| 99-95 Project Anticipation - District Facility     | -            | 200,000                                 |
| Total Committed Fund Balance:                      | 0            | 6,302,359                               |
| Assigned for:                                      |              |   |
| 60-01 Anoka Chain of Lakes WMP                     | -            | 259,924                                 |
| 60-03 Lower Rice Creek WMP                         | -            | 18,915                                  |
| 60-04 Middle Rice Creek WMP                        | -            | 22,673                                  |
| 60-06 Bald Eagle Lake WMP                          | -            | 126,964                                 |
| 60-08 RCD 2,3&5 WMP                                | -            | 749,985                                 |
| 60-11 Regional Water Management PP                 | -            | 7,307                                   |
| 60-24 Southwest Urban Lakes Imp                    | -            | 75,149                                  |
| 60-29 Clear Lake WMP                               | -            | 157,167                                 |
| 60-35 Stormwater Master Plan                       | -            | 38,409                                  |
| 60-36 Municipal CIP early coordination             | -            | 184                                     |
| 60-37 Groundwater management & stormwater reuse    | -            | 12,067                                  |
| 80-01 Natural Waterway Management                  | -            | 20,408                                  |
| 80-02 Ditch Maintenance                            | -            | 58,543                                  |
| 80-03 Repair reports & studies                     | -            | 8,461                                   |
| 80-08 RCD 4 repair                                 | -            | 56,128                                  |
| 80-21 AWJD 3 Repair                                | -            | 22,621                                  |
| 80-23 ACD 15 & AWJD 4                              | -            | 361,484                                 |
| 80-25 ACD 53-62 Repair                             | -            | 63,525                                  |
| 90-26 Common Carp Management                       | -            | 18,404                                  |
| 90-27 Curly Leaf Pond Management                   | -            | 64,201                                  |
| Communication and outreach                         | -            | 260,048                                 |
| Information management                             | -            | 423,468                                 |
| Regulatory purposes                                | -            | 1,190,558                               |
| District facilities                                | -            | 1,151,919                               |
| Lake and stream management                         | -            | 668,915                                 |
| Ditch and creek maintenance                        | -            | 1,188,244                               |
| Restoration  | -            | 738,974                                 |
| Total Assigned Fund Balance:                       | 0            | 7,764,645                               |
| Restricted for:                                    |              |   |
| 60-05 Bald Eagle Lake WMD                          | -            | 28,486                                  |
| 80-04 ACD 10-22-32 WMD                             | -            | 14,572                                  |
| 80-06 ACD 46 WMD                                   | -            | 29,026                                  |
| 80-22 ACD 15 & AWJD 4 WMD                          | -            | 18,367                                  |
| Total Restricted Fund Balance:                     | 0            | 90,451                                  |
| Unassigned*  |              |   |
| 80-05 ACD 31 WMD                                   | -            | (6,926)                                 |
| 80-07 RCD 4 WMD                                    | -            | (115,847)                               |
| 80-20 WJD 2 Branch 1/2 repair                      | -            | (17,677)                                |
| 80-24 ACD 53-62 WMD                                | -            | (89,489)                                |
| 90-04 Surface Water Monitoring                     | -            | (768)                                   |
| General Fund                                       | 633,823      | -                                       |
| Total Unassigned Fund Balance:                     | 633,823      | (230,707)                               |
| Total  | \$653,770    | \$13,957,014                            |

\*Deficit fund balances in WMD projects will be eliminated with future restricted revenue collections



**B. MINIMUM UNASSIGNED FUND BALANCE POLICY**

The District has formally adopted a policy regarding minimum unassigned and assigned fund balances. The most significant revenue source of the District is property taxes. The revenue source is received in two installments during the year – June and December. As such, it is the District’s goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes.

The policy establishes a year end targeted unassigned fund balance (General Fund) and assigned fund balance (509 Planning Fund) amount for cash flow timing needs of not less than 40% of the subsequent year’s budgeted operating expenditures. At December 31, 2024, the unassigned fund balance of the General Fund was 118% of the subsequent year’s budgeted expenditures. The assigned fund balance of the 509 Planning Fund was sufficient to meet policy requirements.

**Note 9    FEDERALLY ASSISTED PROGRAMS - COMPLIANCE AUDITS**

The District receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at December 31, 2024.

**Note 10    COMPENSATED ABSENCES PAYABLE**

Compensated absences activity for the year ended December 31, 2024 was as follows:

|                              | Balance<br>12/31/2023 | Additions | Deletions* | Balance<br>12/31/2024 | Due Within<br>One Year |
|------------------------------|-----------------------|-----------|------------|-----------------------|------------------------|
| Compensated absences payable | \$83,714              | \$ -      | (\$6,101)  | \$77,613              | \$67,098               |

\*The change in compensated absences payable is presented as a net change.

**Note 11    LEASE LIABILITY**

The District has a lease agreement for office space though October 31, 2025. The lease liability is measured at a discount rate of 2% which is the District’s incremental borrowing rate. There are no variable payment components.

| Beginning<br>Balance | Additions | Deletions   | Ending<br>Balance |
|----------------------|-----------|-------------|-------------------|
| \$188,558            | \$ -      | (\$100,993) | \$87,565          |

**RICE CREEK WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

The future minimum lease liability and the net present value of the related payments as of December 31, 2024 was as follow:

| <u>Year Ending<br/>December 31</u> | <u>Principal<br/>Payments</u> | <u>Interest<br/>Payments</u> | <u>Total</u> |
|------------------------------------|-------------------------------|------------------------------|--------------|
| 2025                               | 87,565                        | 805                          | 88,370       |

**Note 12 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The District pays an annual premium to the LMCIT. The District is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the District is not subject to a deductible. The District's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The District pays an annual premium to the LMCIT. The District is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess various amounts. The District retains risk for deductible portions. These deductibles are considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years. Any pending claims against the District are expected to be fully covered by the District's insurance.

**Note 13 CONTINGENCIES**

In settlement agreements approved in 2005, the District committed that when development occurs on two tracts then owned by the Metro Shooting Center and Trost, the application of the District's wetland rules will not have the result of affording the owner for the Metro Shooting parcel fewer than 100 contiguous non-wetland acres for development, and the owner of the Trost parcel no fewer than 45 such acres. If additional wetland replacement/mitigation is required under regulatory programs administered by the District to attain the stated acreage, the District will bear the cost of that replacement/mitigation. The District is unable at this time to estimate the District expense if and when the liability should arise.

**Note 14 COMMITMENTS**

At December 31, 2024, the District had the following commitment:

|                               |                                 |
|-------------------------------|---------------------------------|
|                               | <u>Remaining<br/>Commitment</u> |
| Ramsey County Ditch 4 Project | \$3,191                         |

The District has pledged future special assessment collections on the RCD4 project to pay this commitment.

**Note 15   RECENTLY ISSUED ACCOUNTING STANDARDS**

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

**Statement No. 102** *Certain Risk Disclosures*. The provisions of this Statement are effective for fiscal years beginning after June 15, 2024.

**Statement No. 103** *Financial Reporting Model Improvements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

**Statement No. 104** *Disclosure of Certain Capital Assets*. The provisions of this Statement are effective for Reporting periods beginning after June 15, 2025.

The effect these standards may have on future financial statements is not determinable at this time.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**RICE CREEK WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**Statement 6**

For The Year Ended December 31, 2024

With Comparative Actual Amounts For The Year Ended December 31, 2023

|                                       | Budgeted Amounts |           | 2024 Actual | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023 Actual |
|---------------------------------------|------------------|-----------|-------------|---|-------------|
|                                       | Original         | Final     | Amounts     |   | Amounts     |
| Revenues:                             |                  |           |             |   |             |
| General property taxes:               |                  |           |             |   |             |
| Current and delinquent:               |                  |           |             |   |             |
| Ramsey County                         | \$239,643        | \$239,643 | \$236,114   | (\$3,529)   | \$252,746   |
| Anoka County                          | 150,072          | 150,072   | 147,878     | (2,194)   | 144,418     |
| Washington County                     | 101,369          | 101,369   | 99,880      | (1,489)   | 97,294      |
| Hennepin County                       | 3,574            | 3,574     | 3,521       | (53)  | 3,885       |
| Total general property taxes          | 494,658          | 494,658   | 487,393     | (7,265)   | 498,343     |
| Intergovernmental                     | -                | -         | 129         | 129   | 124         |
| Investment income                     | 28,877           | 28,877    | 116,268     | 87,391  | 144,601     |
| Miscellaneous                         | -                | -         | -           | -   | 128         |
| Total revenues                        | 523,535          | 523,535   | 603,790     | 80,255  | 643,196     |
| Expenditures:                         |                  |           |             |   |             |
| Current:                              |                  |           |             |   |             |
| Hydrological engineering              | 58,250           | 58,250    | 41,106      | 17,144  | 44,349      |
| Legal                                 | 50,000           | 50,000    | 34,698      | 15,302  | 35,103      |
| Wages                                 | 252,875          | 252,875   | 242,193     | 10,682  | 238,358     |
| Manager's per diem                    | 33,750           | 33,750    | 26,875      | 6,875   | 29,250      |
| Manager's travel and expense          | 8,000            | 8,000     | 9,265       | (1,265)   | 7,392       |
| Publication information and education | 21,000           | 21,000    | 19,023      | 1,977   | 16,916      |
| Contract services                     | 25,000           | 25,000    | 18,648      | 6,352   | 17,767      |
| Insurance                             | 8,000            | 8,000     | 6,554       | 1,446   | 6,637       |
| Office expense                        | 17,118           | 17,118    | 8,430       | 8,688   | 10,890      |
| Publication information and education | 11,700           | 11,700    | 3,781       | 7,919   | 2,897       |
| Dues and memberships                  | 15,642           | 15,642    | 13,286      | 2,356   | 14,721      |
| Debt Service:                         |                  |           |             |   |             |
| Principal                             | 22,200           | 22,200    | 20,197      | 2,003   | 19,294      |
| Interest                              | -                | -         | 572         | (572)   | 965         |
| Total expenditures                    | 523,535          | 523,535   | 444,628     | 78,907  | 444,539     |
| Revenues over (under) expenditures    | \$0              | \$0       | 159,162     | \$159,162   | 198,657     |
| Fund balance - January 1              |                  |           | 494,608     |   | 295,951     |
| Fund balance - December 31            |                  |           | \$653,770   |   | \$494,608   |

See accompanying notes to the required supplementary information.

**RICE CREEK WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - 509 PLANNING SPECIAL REVENUE FUND**  
For The Year Ended December 31, 2024  
With Comparative Actual Amounts For The Year Ended December 31, 2023

**Statement 7**  
**Page 1 of 2**

|  | Budgeted Amounts |             | 2024 Actual | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023 Actual |
|--|------------------|-------------|-------------|---|-------------|
|  | Original         | Final       | Amounts     |   | Amounts     |
| Revenues:                                      |                  |             |             |   |             |
| General property taxes:                        |                  |             |             |   |             |
| Current and delinquent:                        |                  |             |             |   |             |
| Ramsey County                                  | \$2,715,454      | \$2,715,454 | \$2,681,030 | (\$34,424)  | \$2,624,469 |
| Anoka County                                   | 1,700,506        | 1,700,506   | 1,678,949   | (21,557)  | 1,499,609   |
| Washington County                              | 1,148,635        | 1,148,635   | 1,134,073   | (14,562)  | 1,010,284   |
| Hennepin County                                | 40,497           | 40,497      | 39,984      | (513)   | 40,347      |
| Total general property taxes                   | 5,605,092        | 5,605,092   | 5,534,036   | (71,056)  | 5,174,709   |
| Special assessments                            | 26,782           | 26,782      | 23,617      | (3,165)   | 102,286     |
| Intergovernmental                              | -                | -           | 528,927     | 528,927   | 123,494     |
| Permits  | 85,528           | 85,528      | 85,614      | 86  | 100,548     |
| Investment income                              | 430,826          | 430,826     | 692,247     | 261,421   | 435,474     |
| Miscellaneous                                  | 2,405            | 2,405       | 19,871      | 17,466  | 40,319      |
| Total revenues                                 | 6,150,633        | 6,150,633   | 6,884,312   | 733,679   | 5,976,830   |
| Expenditures:                                  |                  |             |             |   |             |
| Planning and projects:                         |                  |             |             |   |             |
| Information management:                        |                  |             |             |   |             |
| Boundary management program                    | 5,000            | 5,000       | 769         | 4,231   | 15,464      |
| District-wide model                            | 40,000           | 40,000      | 12,622      | 27,378  | 37,459      |
| Database & viewer maintenance                  | 65,000           | 65,000      | 26,678      | 38,322  | 31,503      |
| District website                               | 5,000            | 5,000       | 3,194       | 1,806   | 55,253      |
| Communication & outreach:                      |                  |             |             |   |             |
| Water communication and outreach               | 15,000           | 15,000      | 11,899      | 3,101   | 1,691       |
| Master water steward program                   | 15,000           | 15,000      | 10,254      | 4,746   | 7,000       |
| Outreach partnership                           | 32,000           | 32,000      | 25,780      | 6,220   | 26,420      |
| Mini-grants program                            | 10,000           | 10,000      | 8,015       | 1,985   | 6,935       |
| Engineering & technical support                | 6,000            | 6,000       | 3,677       | 2,323   | 3,620       |
| Watershed plan maintenance                     | 5,000            | 5,000       | -           | 5,000   | 3,354       |
| Restoration projects:                          |                  |             |             |   |             |
| Anoka Chain of Lakes water management project  | 300,000          | 300,000     | 490,993     | (190,993)   | 24,378      |
| Lower Rice Creek water management project      | 175,000          | 175,000     | 64,481      | 110,519   | 27,382      |
| Middle Rice Creek water management project     | 10,000           | 10,000      | -           | 10,000  | 913         |
| Bald Eagle Lake WMD                            | 31,789           | 31,789      | 3,517       | 28,272  | 9           |
| Bald Eagle Lake water management project       | 110,000          | 110,000     | 16,634      | 93,366  | 12,185      |
| RCD 2, 3 & 5 basic water management project    | 200,000          | 200,000     | 19,206      | 180,794   | 110,796     |
| Regional water management partnership projects | 50,000           | 50,000      | -           | 50,000  | 67,838      |
| Stormwater management cost share               | 632,000          | 632,000     | 22,702      | 609,298   | 179,932     |
| Southwest urban lakes implementation           | 75,000           | 75,000      | 1,411       | 73,589  | 13,889      |
| Clear Lake water quality                       | 75,000           | 75,000      | -           | 75,000  | 14          |
| Stormwater master planning                     | 50,000           | 50,000      | 33,451      | 16,549  | 10,000      |
| Municipal CIP early coordination               | 10,000           | 10,000      | 4,625       | 5,375   | 119         |
| Groundwater management & stormwater reuse      | 65,000           | 65,000      | 40,638      | 24,362  | 3,966       |
| Regulatory:                                    |                  |             |             |   |             |
| Rule revision & permit guidance                | 50,000           | 50,000      | 37,844      | 12,156  | -           |
| Permit review, inspection & coordination       | 950,000          | 950,000     | 597,534     | 352,466   | 677,463     |

See accompanying notes to the required supplementary information.



**RICE CREEK WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - 509 PLANNING SPECIAL REVENUE FUND**  
For The Year Ended December 31, 2024  
With Comparative Actual Amounts For The Year Ended December 31, 2023

**Statement 7**  
**Page 2 of 2**

|  | Budgeted Amounts |               | 2024 Actual  | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023 Actual  |
|--|------------------|---------------|--------------|---|--------------|
|  | Original         | Final         | Amounts      |   | Amounts      |
| Expenditures: (continued)                    |                  |               |              |   |              |
| Ditch and creek maintenance:                 |                  |               |              |   |              |
| Municipal public drainage system maintenance | \$50,000         | \$50,000      | \$ -         | \$50,000  | \$ -         |
| Repair reports & studies                     | 200,000          | 200,000       | 199,457      | 543   | 176,733      |
| Ditches - maintenance                        | 335,000          | 335,000       | 326,871      | 8,129   | 156,921      |
| Natural waterway management                  | 10,000           | 10,000        | -            | 10,000  | -            |
| ACD 10-22-32 WMD                             | 14,124           | 14,124        | -            | 14,124  | -            |
| ACD 46 WMD                                   | 39,710           | 39,710        | 11,990       | 27,720  | -            |
| RCD 4 WMD                                    | 145,000          | 145,000       | 133,423      | 11,577  | 83,959       |
| RCD 4 repair                                 | 95,000           | 95,000        | 89,649       | 5,351   | 861          |
| AWJD 3 repair                                | 130,000          | 130,000       | 268,772      | (138,772)   | 173,132      |
| ACD 15 & AWJD 4                              | 248,370          | 248,370       | 3            | 248,367   | 3            |
| ACD 53-62 WMD                                | 42,985           | 42,985        | 13,799       | 29,186  | 219,928      |
| ACD 53-62 repair                             | 100,000          | 100,000       | 29,359       | 70,641  | 121,750      |
| District facilities:                         |                  |               |              |   |              |
| District facilities repair                   | 301,000          | 301,000       | -            | 301,000   | 1,391        |
| Inspection, operation & maintenance          | 120,000          | 120,000       | 105,675      | 14,325  | 48,052       |
| Lake and stream management:                  |                  |               |              |   |              |
| Water quality grant program                  | 287,000          | 287,000       | 179,095      | 107,905   | 94,936       |
| Surface water monitoring program             | 240,000          | 240,000       | 221,061      | 18,939  | 149,482      |
| Common carp management                       | 200,000          | 200,000       | 120,304      | 79,696  | 183,350      |
| Curly leaf pondweed management               | 50,000           | 50,000        | 7,427        | 42,573  | 26,434       |
| Total projects and planning                  | 5,589,978        | 5,589,978     | 3,142,809    | 2,447,169   | 2,754,515    |
| Capital outlay                               | 93,750           | 93,750        | 64,129       | 29,621  | 0            |
| Administrative:                              |                  |               |              |   |              |
| Employee education                           | 40,050           | 40,050        | 20,939       | 19,111  | 13,152       |
| Legal fees                                   | 16,500           | 16,500        | 9,016        | 7,484   | 13,274       |
| Staff travel                                 | 4,125            | 4,125         | 2,644        | 1,481   | 1,352        |
| Office expense                               | 362,277          | 362,277       | 241,544      | 120,733   | 274,789      |
| Payroll taxes                                | 96,541           | 96,541        | 76,774       | 19,767  | 66,268       |
| Rent   | -                | -             | -            | -   | 1,419        |
| Salaries and wages                           | 1,518,783        | 1,518,783     | 1,234,724    | 284,059   | 1,068,254    |
| Total administrative                         | 2,038,276        | 2,038,276     | 1,585,641    | 452,635   | 1,438,508    |
| Debt service:                                |                  |               |              |   |              |
| Principal                                    | 88,800           | 88,800        | 80,796       | 8,004   | 77,178       |
| Interest                                     | -                | -             | 2,282        | (2,282)   | 3,857        |
| Total debt service                           | 88,800           | 88,800        | 83,078       | 5,722   | 81,035       |
| Total expenditures                           | 7,810,804        | 7,810,804     | 4,875,657    | 2,935,147   | 4,274,058    |
| Revenues over (under) expenditures           | (\$1,660,171)    | (\$1,660,171) | 2,008,655    | \$3,668,826   | 1,702,772    |
| Other financing sources (uses):              |                  |               |              |   |              |
| Proceeds from sale of capital assets         | -                | -             | 59,650       | 59,650  | -            |
| Net change in fund balance                   | (\$1,660,171)    | (\$1,660,171) | 2,068,305    | \$3,728,476   | 1,702,772    |
| Fund balance - January 1                     |                  |               | 11,888,709   |   | 10,185,937   |
| Fund balance - December 31                   |                  |               | \$13,957,014 |   | \$11,888,709 |

See accompanying notes to the required supplementary information.

**RICE CREEK WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -**  
**GENERAL EMPLOYEES RETIREMENT FUND**  
**For The Last Ten Years**

**Statement 8**

| Measurement<br>Date<br>June 30 | Fiscal Year<br>Ending<br>December 31 | District's<br>Proportionate<br>(Percentage) of<br>the Net Pension<br>Liability | District's<br>Proportionate<br>Share (Amount)<br>of the Net<br>Pension<br>Liability (a) | State's<br>Proportionate<br>Share (Amount)<br>of the Net<br>Pension<br>Liability<br>Associated with<br>District (b) | District's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability and<br>the State's<br>Proportionate<br>Share of the Net<br>Pension Liability<br>Associated with<br>District (a+b) | Covered<br>Payroll (c) | Proportionate<br>Share<br>of the<br>Net Pension<br>Liability as a<br>Percentage<br>of its<br>Covered<br>Payroll (a+b)/c | Plan Fiduciary<br>Net Position as<br>a Percentage<br>of the Total<br>Pension Liability |
|--------------------------------|--------------------------------------|--|---|---|---|------------------------|---|--|
| 2015                           | 2015                                 | 0.0115%  | \$595,990   | \$ -  | \$595,990   | \$677,008              | 88.0%   | 78.2%  |
| 2016                           | 2016                                 | 0.0116%  | 941,862   | 12,247  | 954,109   | 719,843                | 132.5%  | 68.9%  |
| 2017                           | 2017                                 | 0.0115%  | 734,152   | 9,210   | 743,362   | 739,145                | 100.6%  | 75.9%  |
| 2018                           | 2018                                 | 0.0121%  | 671,258   | 22,024  | 693,282   | 814,170                | 85.2%   | 79.5%  |
| 2019                           | 2019                                 | 0.0119%  | 657,924   | 20,499  | 678,423   | 844,687                | 80.3%   | 80.2%  |
| 2020                           | 2020                                 | 0.0121%  | 725,450   | 22,239  | 747,689   | 860,483                | 86.9%   | 79.1%  |
| 2021                           | 2021                                 | 0.0122%  | 520,995   | 15,818  | 536,813   | 876,721                | 61.2%   | 87.0%  |
| 2022                           | 2022                                 | 0.0127%  | 1,005,844   | 29,551  | 1,035,395   | 953,338                | 108.6%  | 76.7%  |
| 2023                           | 2023                                 | 0.0125%  | 698,986   | 19,202  | 718,188   | 991,735                | 72.4%   | 83.1%  |
| 2024                           | 2024                                 | 0.0130%  | 478,792   | 12,381  | 491,173   | 1,096,114              | 44.8%   | 89.1%  |

See accompanying notes to the required supplementary information.

**RICE CREEK WATERSHED DISTRICT****REQUIRED SUPPLEMENTARY INFORMATION****Statement 9****SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**

For The Last Ten Years

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| Fiscal Year<br>Ending<br>December 31 | Statutorily<br>Required<br>Contribution<br>(a) | Contributions in<br>Relation to the<br>Statutorily Required<br>Contribution (b) | Contribution<br>Deficiency<br>(Excess)<br>(a-b) | Covered<br>Payroll<br>(c) | Contributions as a<br>Percentage of<br>Covered<br>Payroll (b/c) |
|--------------------------------------|--|---|---|---------------------------|---|
| 2015                                 | \$53,360                                       | \$53,360  | \$ -  | \$711,468                 | 7.5%  |
| 2016                                 | 52,836   | 52,836  | -   | 704,475                   | 7.5%  |
| 2017                                 | 59,502   | 59,502  | -   | 793,365                   | 7.5%  |
| 2018                                 | 62,890   | 62,890  | -   | 838,543                   | 7.5%  |
| 2019                                 | 63,344   | 63,344  | -   | 844,589                   | 7.5%  |
| 2020                                 | 65,413   | 65,413  | -   | 872,181                   | 7.5%  |
| 2021                                 | 67,107   | 67,107  | -   | 894,765                   | 7.5%  |
| 2022                                 | 73,669   | 73,669  | -   | 982,241                   | 7.5%  |
| 2023                                 | 79,171   | 79,171  | -   | 1,055,613                 | 7.5%  |
| 2024                                 | 89,469   | 89,469  | -   | 1,192,923                 | 7.5%  |

See accompanying notes to the required supplementary information.

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**RICE CREEK WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
**December 31, 2024**

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**Note A    LEGAL COMPLIANCE – BUDGETS**

The General Fund and 509 Planning Special Revenue Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for both funds.

**Note B    PENSION INFORMATION**

**PERA – General Employees Retirement Fund**

**2024 Changes in Actuarial Assumptions:**

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023):

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

**2024 Changes in Plan Provisions:**

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**2023 Changes in Actuarial Assumptions:**

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

**2023 Changes in Plan Provisions:**

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**2022 Changes in Actuarial Assumptions:**

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

**2021 Changes in Actuarial Assumptions:**

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

**RICE CREEK WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
December 31, 2024

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**2020 Changes in Actuarial Assumptions:**

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

**2020 Changes in Plan Provisions:**

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**2019 Changes in Actuarial Assumptions:**

- The mortality projection scale was changed from MP-2017 to MP-2018.

**2019 Changes in the Plan Provisions:**

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**2018 Changes in Actuarial Assumptions:**

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**2017 Changes in Actuarial Assumptions:**

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

**2016 Changes in Actuarial Assumptions:**

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

## **INDIVIDUAL FUND FINANCIAL STATEMENTS**

**RICE CREEK WATERSHED DISTRICT****BALANCE SHEET****GENERAL FUND**

December 31, 2024

With Comparative Amounts For December 31, 2023

**Statement 10**

|   | 2024               | 2023               |
|---|--------------------|--------------------|
| Assets:   |                    |                    |
| Cash and investments  | \$2,366,365        | \$2,433,257        |
| Accrued interest receivable                                       | 51,394             | -                  |
| Property taxes receivable:  |                    |                    |
| Delinquent  | 5,470              | 4,893              |
| Due from county   | 2,820              | 2,741              |
| Prepaid items   | 19,947             | 23,044             |
|   |                    |                    |
| Total assets  | <u>\$2,445,996</u> | <u>\$2,463,935</u> |
|   |                    |                    |
| Liabilities, deferred inflow of resources, and fund balance       |                    |                    |
| Liabilities:  |                    |                    |
| Accounts payable  | \$16,299           | \$12,130           |
| Due to other governments  | -                  | 11,447             |
| Deposits payable  | 1,770,457          | 1,940,857          |
| Total liabilities   | <u>1,786,756</u>   | <u>1,964,434</u>   |
|   |                    |                    |
| Deferred inflow of resources:                                     |                    |                    |
| Unavailable revenue   | <u>5,470</u>       | <u>4,893</u>       |
|   |                    |                    |
| Fund balance:   |                    |                    |
| Nonspendable  | 19,947             | 23,044             |
| Unassigned  | 633,823            | 471,564            |
| Total fund balance  | <u>653,770</u>     | <u>494,608</u>     |
|   |                    |                    |
| Total liabilities, deferred inflow of resources, and fund balance | <u>\$2,445,996</u> | <u>\$2,463,935</u> |



**RICE CREEK WATERSHED DISTRICT**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
For The Year Ended December 31, 2024  
With Comparative Amounts For The Year Ended December 31, 2023

**Statement 11**

|                            | <u>2024</u>             | <u>2023</u>             |
|----------------------------|-------------------------|-------------------------|
| Revenues:                  |                         |                         |
| General property taxes     | \$487,393               | \$498,343               |
| Intergovernmental          | 129                     | 124                     |
| Investment income          | 116,268                 | 144,601                 |
| Miscellaneous              | -                       | 128                     |
| Total revenues             | <u>603,790</u>          | <u>643,196</u>          |
| Expenditures:              |                         |                         |
| Current:                   |                         |                         |
| General government         | 423,859                 | 424,280                 |
| Debt service:              |                         |                         |
| Principal                  | 20,197                  | 19,294                  |
| Interest                   | 572                     | 965                     |
| Total expenditures         | <u>444,628</u>          | <u>444,539</u>          |
| Revenues over expenditures | 159,162                 | 198,657                 |
| Fund balance - January 1   | <u>494,608</u>          | <u>295,951</u>          |
| Fund balance - December 31 | <u><u>\$653,770</u></u> | <u><u>\$494,608</u></u> |

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## **SUPPLEMENTARY FINANCIAL INFORMATION**

**RICE CREEK WATERSHED DISTRICT****SCHEDULE OF REVENUES AND EXPENDITURES -****Exhibit 1****BUDGET AND ACTUAL****509 PLANNING FUND - COMMUNICATION & OUTREACH - 30****For The Year Ended December 31, 2024 With Comparative Actual Amounts For The Year Ended December 31, 2023**

|                                    | 2024             |            |           | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023<br>Actual |
|------------------------------------|------------------|------------|-----------|---|----------------|
|                                    | Budgeted Amounts |            | Actual    |   |                |
|                                    | Original         | Final      |           |   |                |
| Revenues:                          |                  |            |           |   |                |
| General property taxes             | \$225,344        | \$225,344  | \$222,035 | (\$3,309)   | \$226,386      |
| Intergovernmental                  | -                | -          | 58        | 58  | 56             |
| Investment income                  | 14,014           | 14,014     | 22,518    | 8,504   | 12,829         |
| Miscellaneous income               | -                | -          | -         | -   | 6,000          |
| Total revenues                     | 239,358          | 239,358    | 244,611   | 5,253   | 245,271        |
| Expenditures:                      |                  |            |           |   |                |
| General government:                |                  |            |           |   |                |
| Administration                     | 159,968          | 159,968    | 151,827   | 8,141   | 126,079        |
| Programs:                          |                  |            |           |   |                |
| Watershed communication & outreach | 15,000           | 15,000     | 11,899    | 3,101   | 1,691          |
| Master water steward program       | 15,000           | 15,000     | 10,254    | 4,746   | 7,000          |
| Outreach partnership               | 32,000           | 32,000     | 25,780    | 6,220   | 26,420         |
| Mini-grants program                | 10,000           | 10,000     | 8,015     | 1,985   | 6,935          |
| Engineering & technical support    | 6,000            | 6,000      | 3,677     | 2,323   | 3,620          |
| Watershed plan maintenance         | 5,000            | 5,000      | -         | 5,000   | 3,354          |
| Debt Service:                      |                  |            |           |   |                |
| Principal                          | 11,100           | 11,100     | 10,099    | 1,001   | 9,647          |
| Interest                           | -                | -          | 285       | (285)   | 482            |
| Total expenditures                 | 254,068          | 254,068    | 221,836   | 32,232  | 185,228        |
| Revenues over expenditures         | (\$14,710)       | (\$14,710) | 22,775    | \$37,485  | 60,043         |
| Fund balance - January 1           |                  |            | 267,539   |   | 207,496        |
| Fund balance - December 31         |                  |            | \$290,314 |   | \$267,539      |

**RICE CREEK WATERSHED DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**

**Exhibit 2**

509 PLANNING FUND - INFORMATION MANAGEMENT - 35

For The Year Ended December 31, 2024 With Comparative Actual Amounts For The Year Ended December 31, 2023

|                                 | 2024             |           |           |   |                |
|---------------------------------|------------------|-----------|-----------|---|----------------|
|                                 | Budgeted Amounts |           |           | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023<br>Actual |
|                                 | Original         | Final     | Actual    |   |                |
| Revenues:                       |                  |           |           |   |                |
| General property taxes          | \$256,190        | \$256,190 | \$252,428 | (\$3,762)   | \$253,821      |
| Intergovernmental               | -                | -         | 16,964    | 16,964  | 64             |
| Investment income               | 14,956           | 14,956    | 24,031    | 9,075   | 17,639         |
| Total revenues                  | 271,146          | 271,146   | 293,423   | 22,277  | 271,524        |
| Expenditures:                   |                  |           |           |   |                |
| General government:             |                  |           |           |   |                |
| Administration                  | 120,596          | 120,596   | 99,378    | 21,218  | 76,356         |
| Programs:                       |                  |           |           |   |                |
| Boundary management program     | 5,000            | 5,000     | 769       | 4,231   | 15,464         |
| District-wide model             | 40,000           | 40,000    | 12,622    | 27,378  | 37,459         |
| Database & viewer maintenance   | 65,000           | 65,000    | 26,678    | 38,322  | 31,503         |
| District website                | 5,000            | 5,000     | 3,194     | 1,806   | 55,253         |
| Capital outlay                  | 30,000           | 30,000    | 26,550    | 3,450   | -              |
| Debt Service:                   |                  |           |           |   |                |
| Principal                       | 5,550            | 5,550     | 5,050     | 500   | 4,824          |
| Interest                        | -                | -         | 143       | (143)   | 241            |
| Total expenditures              | 271,146          | 271,146   | 174,384   | 96,762  | 221,100        |
| Revenues over expenditures      | \$0              | \$0       | 119,039   | \$119,039   | 50,424         |
| Other financing sources (uses): |                  |           |           |   |                |
| Transfers out                   | -                | -         | -         | -   | (200,000)      |
| Net change in fund balance      | \$0              | \$0       | 119,039   | \$119,039   | (149,576)      |
| Fund balance - January 1        |                  |           | 304,429   |   | 454,005        |
| Fund balance - December 31      |                  |           | \$423,468 |   | \$304,429      |

**RICE CREEK WATERSHED DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**

**Exhibit 3**

509 PLANNING FUND - RESTORATION PROJECTS - 60

For The Year Ended December 31, 2024 With Comparative Actual Amounts For The Year Ended December 31, 2023

|  | 2024               |                    |                    | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023<br>Actual     |
|--|--------------------|--------------------|--------------------|---|--------------------|
|  | Budgeted Amounts   |                    | Actual             |   |                    |
|  | Original           | Final              |                    |   |                    |
| Revenues:                                      |                    |                    |                    |   |                    |
| General property taxes                         | \$1,224,994        | \$1,224,994        | \$1,218,262        | (\$6,732)   | \$1,031,929        |
| Special assessments                            | -                  | -                  | 223                | 223   | -                  |
| Intergovernmental                              | -                  | -                  | 454,343            | 454,343   | 47,490             |
| Investment income                              | 119,427            | 119,427            | 191,894            | 72,467  | 113,189            |
| Miscellaneous                                  | -                  | -                  | -                  | -   | 1,200              |
| Total revenues                                 | <u>1,344,421</u>   | <u>1,344,421</u>   | <u>1,864,722</u>   | <u>520,301</u>  | <u>1,193,808</u>   |
| Expenditures:                                  |                    |                    |                    |   |                    |
| General government:                            |                    |                    |                    |   |                    |
| Administration                                 | 357,554            | 357,554            | 218,295            | 139,259   | 149,266            |
| Programs:                                      |                    |                    |                    |   |                    |
| Anoka Chain of Lakes water management project  | 300,000            | 300,000            | 490,993            | (190,993)   | 24,378             |
| Lower Rice Creek water management project      | 175,000            | 175,000            | 64,481             | 110,519   | 27,382             |
| Middle Rice Creek water management project     | 10,000             | 10,000             | -                  | 10,000  | 913                |
| Bald Eagle Lake WMD                            | 31,789             | 31,789             | 3,517              | 28,272  | 9                  |
| Bald Eagle Lake water management project       | 110,000            | 110,000            | 16,634             | 93,366  | 12,185             |
| RCD 2, 3 & 5 basic water management project    | 200,000            | 200,000            | 19,206             | 180,794   | 110,796            |
| Regional water management partnership projects | 50,000             | 50,000             | -                  | 50,000  | 67,838             |
| Stormwater management cost share               | 632,000            | 632,000            | 22,702             | 609,298   | 179,932            |
| Southwest urban lakes implementation           | 75,000             | 75,000             | 1,411              | 73,589  | 13,889             |
| Clear Lake water quality                       | 75,000             | 75,000             | -                  | 75,000  | 14                 |
| Stormwater master planning                     | 50,000             | 50,000             | 33,451             | 16,549  | 10,000             |
| Municipal CIP early coordination               | 10,000             | 10,000             | 4,625              | 5,375   | 119                |
| Groundwater management & stormwater reuse      | 65,000             | 65,000             | 40,638             | 24,362  | 3,966              |
| Capital outlay                                 | 12,750             | 12,750             | 5,761              | 6,989   | -                  |
| Debt Service:                                  |                    |                    |                    |   |                    |
| Principal                                      | 11,100             | 11,100             | 10,099             | 1,001   | 9,647              |
| Interest                                       | -                  | -                  | 285                | (285)   | 482                |
| Total expenditures                             | <u>2,165,193</u>   | <u>2,165,193</u>   | <u>932,098</u>     | <u>1,233,095</u>  | <u>610,816</u>     |
| Revenues over (under) expenditures             | <u>(\$820,772)</u> | <u>(\$820,772)</u> | <u>932,624</u>     | <u>\$1,753,396</u>  | <u>582,992</u>     |
| Other financing sources (uses):                |                    |                    |                    |   |                    |
| Transfers out                                  | -                  | -                  | -                  | -   | (2,200,000)        |
| Net change in fund balance                     | <u>(\$820,772)</u> | <u>(\$820,772)</u> | 932,624            | <u>\$1,753,396</u>  | (1,617,008)        |
| Fund balance - January 1                       |                    |                    | <u>2,578,160</u>   |   | <u>4,195,168</u>   |
| Fund balance - December 31                     |                    |                    | <u>\$3,510,784</u> |   | <u>\$2,578,160</u> |

**RICE CREEK WATERSHED DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**  
**509 PLANNING FUND - REGULATORY - 70**

**Exhibit 4**

For The Year Ended December 31, 2024 With Comparative Actual Amounts For The Year Ended December 31, 2023

|  | 2024               |                    |                    |   |                  |
|--|--------------------|--------------------|--------------------|---|------------------|
|  | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023<br>Actual   |
|  | Original           | Final              | Actual             |   |                  |
| Revenues:                                |                    |                    |                    |   |                  |
| General property taxes                   | \$1,295,690        | \$1,295,690        | \$1,276,662        | (\$19,028)  | \$1,050,395      |
| Intergovernmental                        | -                  | -                  | 11,263             | 11,263  | 262              |
| Investment income                        | 87,743             | 87,743             | 140,985            | 53,242  | 79,043           |
| Licenses and permits                     | 85,528             | 85,528             | 85,614             | 86  | 100,548          |
| Miscellaneous                            | -                  | -                  | 71                 | 71  | 1,164            |
| Total revenues                           | <u>1,468,961</u>   | <u>1,468,961</u>   | <u>1,514,595</u>   | <u>45,634</u>   | <u>1,231,412</u> |
| Expenditures:                            |                    |                    |                    |   |                  |
| General government:                      |                    |                    |                    |   |                  |
| Administration                           | 550,261            | 550,261            | 436,427            | 113,834   | 427,600          |
| Programs:                                |                    |                    |                    |   |                  |
| Rule revision & permit guidance          | 50,000             | 50,000             | 37,844             | 12,156  | -                |
| Permit review, inspection & coordination | 950,000            | 950,000            | 597,534            | 352,466   | 677,463          |
| Capital outlay                           | 12,750             | 12,750             | 5,761              | 6,989   | -                |
| Debt Service:                            |                    |                    |                    |   |                  |
| Principal                                | 27,750             | 27,750             | 25,250             | 2,500   | 24,118           |
| Interest                                 | -                  | -                  | 713                | (713)   | 1,206            |
| Total expenditures                       | <u>1,590,761</u>   | <u>1,590,761</u>   | <u>1,103,529</u>   | <u>487,232</u>  | <u>1,130,387</u> |
| Revenues over (under) expenditures       | <u>(\$121,800)</u> | <u>(\$121,800)</u> | <u>411,066</u>     | <u>\$532,866</u>  | <u>101,025</u>   |
| Other financing sources (uses):          |                    |                    |                    |   |                  |
| Transfers out                            | <u>-</u>           | <u>-</u>           | <u>-</u>           | <u>-</u>  | <u>(500,000)</u> |
| Net change in fund balance               | <u>(\$121,800)</u> | <u>(\$121,800)</u> | <u>411,066</u>     | <u>\$532,866</u>  | <u>(398,975)</u> |
| Fund balance - January 1                 |                    |                    | <u>779,492</u>     |   | <u>1,178,467</u> |
| Fund balance - December 31               |                    |                    | <u>\$1,190,558</u> |   | <u>\$779,492</u> |

**RICE CREEK WATERSHED DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**

**Exhibit 5**

509 PLANNING FUND - DITCH AND CREEK MAINTENANCE - 80

For The Year Ended December 31, 2024 With Comparative Actual Amounts For The Year Ended December 31, 2023

|  | 2024             |             |             | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023        |
|--|------------------|-------------|-------------|---|-------------|
|  | Budgeted Amounts |             | Actual      |   |             |
|  | Original         | Final       |             |   |             |
| Revenues:                                    |                  |             |             |   |             |
| General property taxes                       | \$1,208,395      | \$1,208,395 | \$1,190,648 | (\$17,747)  | \$918,928   |
| Special assessments                          | 26,782           | 26,782      | 23,394      | (3,388)   | 102,286     |
| Intergovernmental                            | -                | -           | 45,934      | 45,934  | 14,611      |
| Investment income                            | 96,029           | 96,029      | 154,298     | 58,269  | 113,133     |
| Miscellaneous                                | 2,405            | 2,405       | 19,800      | 17,395  | 27,296      |
| Total revenues                               | 1,333,611        | 1,333,611   | 1,434,074   | 100,463   | 1,176,254   |
| Expenditures:                                |                  |             |             |   |             |
| General government:                          |                  |             |             |   |             |
| Administration                               | 301,411          | 301,411     | 239,602     | 61,809  | 242,491     |
| Programs:                                    |                  |             |             |   |             |
| Municipal Public Drainage System Maintenance | 50,000           | 50,000      | -           | 50,000  | -           |
| Repair reports & studies                     | 200,000          | 200,000     | 199,457     | 543   | 176,733     |
| Ditches - maintenance                        | 335,000          | 335,000     | 326,871     | 8,129   | 156,921     |
| Natural waterway management                  | 10,000           | 10,000      | -           | 10,000  | -           |
| ACD 10-22-32 WMD                             | 14,124           | 14,124      | -           | 14,124  | -           |
| ACD 46 WMD                                   | 39,710           | 39,710      | 11,990      | 27,720  | -           |
| RCD 4 WMD                                    | 145,000          | 145,000     | 133,423     | 11,577  | 83,959      |
| RCD 4 repair                                 | 95,000           | 95,000      | 89,649      | 5,351   | 861         |
| AWJD 3 repair                                | 130,000          | 130,000     | 268,772     | (138,772)   | 173,132     |
| ACD 15 & AWJD 4                              | 248,370          | 248,370     | 3           | 248,367   | 3           |
| ACD 53-62 WMD                                | 42,985           | 42,985      | 13,799      | 29,186  | 219,928     |
| ACD 53-62 repair                             | 100,000          | 100,000     | 29,359      | 70,641  | 121,750     |
| Capital outlay                               | 12,750           | 12,750      | 5,761       | 6,989   | -           |
| Debt Service:                                |                  |             |             |   |             |
| Principal                                    | 16,650           | 16,650      | 15,149      | 1,501   | 14,471      |
| Interest                                     | -                | -           | 428         | (428)   | 723         |
| Total expenditures                           | 1,741,000        | 1,741,000   | 1,334,263   | 406,737   | 1,190,972   |
| Revenues over (under) expenditures           | (407,389)        | (407,389)   | 99,811      | 507,200   | (14,718)    |
| Other financing sources (uses):              |                  |             |             |   |             |
| Proceeds from sale of capital assets         | -                | -           | 59,650      | 59,650  | -           |
| Net change in fund balance                   | (\$407,389)      | (\$407,389) | \$159,461   | \$566,850   | (\$14,718)  |
| Fund balance - January 1                     |                  |             | 1,571,037   |   | 1,585,755   |
| Fund balance - December 31                   |                  |             | \$1,730,498 |   | \$1,571,037 |



**RICE CREEK WATERSHED DISTRICT**
**SCHEDULE OF REVENUES AND EXPENDITURES -**
**Exhibit 6**
**BUDGET AND ACTUAL**
**509 PLANNING FUND - LAKE AND STREAM MANAGEMENT - 90**
**For The Year Ended December 31, 2024 With Comparative Actual Amounts For The Year Ended December 31, 2023**

|                                    | 2024             |             |             | Variance with  |             |
|------------------------------------|------------------|-------------|-------------|----------------|-------------|
|                                    | Budgeted Amounts |             |             | Final Budget - | 2023        |
|                                    | Original         | Final       | Actual      | Positive       | Actual      |
|                                    |                  |             |             | (Negative)     |             |
| Revenues:                          |                  |             |             |                |             |
| General property taxes             | \$917,935        | \$917,935   | \$904,456   | (\$13,479)     | \$994,344   |
| Intergovernmental                  | -                | -           | 240         | 240            | 60,837      |
| Investment income                  | 63,266           | 63,266      | 101,655     | 38,389         | 60,244      |
| Miscellaneous                      | -                | -           | -           | -              | 4,659       |
| Total revenues                     | 981,201          | 981,201     | 1,006,351   | 25,150         | 1,120,084   |
| Expenditures:                      |                  |             |             |                |             |
| General government:                |                  |             |             |                |             |
| Administration                     | 346,151          | 346,151     | 275,626     | 70,525         | 259,403     |
| Programs:                          |                  |             |             |                |             |
| Water quality grant program        | 287,000          | 287,000     | 179,095     | 107,905        | 94,936      |
| Surface water monitoring program   | 240,000          | 240,000     | 221,061     | 18,939         | 149,482     |
| Common carp management             | 200,000          | 200,000     | 120,304     | 79,696         | 183,350     |
| Curly leaf pondweed management     | 50,000           | 50,000      | 7,427       | 42,573         | 26,434      |
| Capital outlay                     | 12,750           | 12,750      | 14,536      | (1,786)        | -           |
| Debt Service:                      |                  |             |             |                |             |
| Principal                          | 11,100           | 11,100      | 10,099      | 1,001          | 9,647       |
| Interest                           | -                | -           | 285         | (285)          | 482         |
| Total expenditures                 | 1,147,001        | 1,147,001   | 828,433     | 318,568        | 723,734     |
| Revenues over (under) expenditures | (\$165,800)      | (\$165,800) | 177,918     | \$343,718      | 396,350     |
| Other financing sources (uses):    |                  |             |             |                |             |
| Transfers out                      | -                | -           | -           | -              | (1,600,000) |
| Net change in fund balance         | (\$165,800)      | (\$165,800) | 177,918     | \$343,718      | (1,203,650) |
| Fund balance - January 1           |                  |             | 981,555     |                | 2,185,205   |
| Fund balance - December 31         |                  |             | \$1,159,473 |                | \$981,555   |

**RICE CREEK WATERSHED DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**

**Exhibit 7**

509 PLANNING FUND - DISTRICT FACILITIES - 95

For The Year Ended December 31, 2024 With Comparative Actual Amounts For The Year Ended December 31, 2023

|                                     | 2024             |             |             |   |                |
|-------------------------------------|------------------|-------------|-------------|---|----------------|
|                                     | Budgeted Amounts |             |             | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023<br>Actual |
|                                     | Original         | Final       | Actual      |   |                |
| Revenues:                           |                  |             |             |   |                |
| General property taxes              | \$476,544        | \$476,544   | \$469,545   | (\$6,999)   | \$698,906      |
| Intergovernmental                   | -                | -           | 125         | 125   | 174            |
| Investment income                   | 35,391           | 35,391      | 56,866      | 21,475  | 39,397         |
| Total revenues                      | 511,935          | 511,935     | 526,536     | 14,601  | 738,477        |
| Expenditures:                       |                  |             |             |   |                |
| General government:                 |                  |             |             |   |                |
| Administration                      | 202,335          | 202,335     | 164,486     | 37,849  | 157,313        |
| Programs:                           |                  |             |             |   |                |
| District facilities repair          | 301,000          | 301,000     | -           | 301,000   | 1,391          |
| Inspection, operation & maintenance | 120,000          | 120,000     | 105,675     | 14,325  | 48,052         |
| Capital outlay                      | 12,750           | 12,750      | 5,760       | 6,990   | -              |
| Debt Service:                       |                  |             |             |   |                |
| Principal                           | 5,550            | 5,550       | 5,050       | 500   | 4,824          |
| Interest                            | -                | -           | 143         | (143)   | 241            |
| Total expenditures                  | 641,635          | 641,635     | 281,114     | 360,521   | 211,821        |
| Revenues over (under) expenditures  | (\$129,700)      | (\$129,700) | 245,422     | \$375,122   | 526,656        |
| Fund balance - January 1            |                  |             | 906,497     |   | 379,841        |
| Fund balance - December 31          |                  |             | \$1,151,919 |   | \$906,497      |

**RICE CREEK WATERSHED DISTRICT**

**Exhibit 8**

**SCHEDULE OF REVENUES AND EXPENDITURES -**

**BUDGET AND ACTUAL**

509 PLANNING FUND - PROJECT ANTICIPATION FUND - 99

For The Year Ended December 31, 2024 With Comparative Actual Amounts For The Year Ended December 31, 2023

|                                 | 2024             |            |   |                    |
|---------------------------------|------------------|------------|---|--------------------|
|                                 | Budgeted Amounts |            | Variance with<br>Final Budget -<br>Positive<br>(Negative) | 2023<br>Actual     |
|                                 | Original         | Final      | Actual  |                    |
| Other financing sources (uses): |                  |            |   |                    |
| Transfers in                    | \$ -             | \$ -       | \$ -  | \$4,500,000        |
| Net change in fund balance      | <u>\$0</u>       | <u>\$0</u> | 0   | <u>4,500,000</u>   |
| Fund balance - January 1        |                  |            | <u>4,500,000</u>  | -                  |
| Fund balance - December 31      |                  |            | <u>\$4,500,000</u>  | <u>\$4,500,000</u> |

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## **OTHER INFORMATION – UNAUDITED**

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RICE CREEK WATERSHED DISTRICT  
TAX LEVY AND REVENUE BY COUNTY  
2015 Through 2024

Exhibit 9

|   | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Ramsey County                             | \$2,234,648 | \$2,255,190 | \$2,260,135 | \$2,244,642 | \$2,380,608 | \$2,682,100 | \$2,784,025 | \$2,765,785 | \$2,877,215 | \$2,917,144 |
| Anoka County                              | 1,128,470   | 1,200,535   | 1,175,521   | 1,215,977   | 1,287,817   | 1,434,715   | 1,543,088   | 1,556,638   | 1,644,027   | 1,826,827   |
| Washington County                         | 846,772     | 870,937     | 867,386     | 848,569     | 920,932     | 1,008,834   | 1,060,719   | 1,047,202   | 1,107,578   | 1,233,953   |
| Hennepin County                           | 30,080      | 30,239      | 34,244      | 32,838      | 34,135      | 37,345      | 39,970      | 39,638      | 44,232      | 43,505      |
| Total                                     | 4,239,970   | 4,356,901   | 4,337,286   | 4,342,026   | 4,623,492   | 5,162,994   | 5,427,802   | 5,409,263   | 5,673,052   | 6,021,429   |
| Minnesota State Aid - Market Value Credit | 1,613       | 1,579       | 1,453       | 1,272       | 1,351       | 1,432       | 1,432       | 1,450       | 1,430       | 1,593       |
| Total revenue                             | \$4,241,583 | \$4,358,480 | \$4,338,739 | \$4,343,298 | \$4,624,843 | \$5,164,426 | \$5,429,234 | \$5,410,713 | \$5,674,482 | \$6,023,022 |
| Levy amount - per RCWD budget             | \$4,300,000 | \$4,383,000 | \$4,383,000 | \$4,383,000 | \$4,710,392 | \$5,181,376 | \$5,181,376 | \$5,409,299 | \$5,458,494 | \$6,099,752 |
| Collection percentage                     | 98.6%       | 99.4%       | 99.0%       | 99.1%       | 98.2%       | 99.7%       | 104.8%      | 100.0%      | 104.0%      | 98.7%       |

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## **OTHER REQUIRED REPORTS**

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## REPORT ON INTERNAL CONTROL

To the Honorable Managers of  
Rice Creek Watershed District  
Blaine, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Rice Creek Watershed District as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Rice Creek Watershed District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rice Creek Watershed District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rice Creek Watershed District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Managers, management, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Redpath and Company LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

March 14, 2025

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## MINNESOTA LEGAL COMPLIANCE REPORT

To the Honorable Managers of  
Rice Creek Watershed District  
Blaine, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of Rice Creek Watershed District as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Rice Creek Watershed District's basic financial statements, and have issued our report thereon dated March 14, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that Rice Creek Watershed District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statute § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Rice Creek Watershed District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of Rice Creek Watershed District and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

*Redpath and Company LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

March 14, 2025

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