# BUFFALO-RED RIVER WATERSHED DISTRICT
# BARNESVILLE, MINNESOTA

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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**BUFFALO-RED RIVER WATERSHED DISTRICT**
OFFICIALS DIRECTORY
DECEMBER 31, 2024

BOARD OF MANAGERS

| Member | Address | Position | Term Expires |
|---|---|---|---|
| Peter V. Fjestad | Otter Tail County | President | 08-31-27 |
| Catherine L. Affield | Wilkin County | Vice President | 08-31-25 |
| Troy E. Larson | Wilkin County | Treasurer | 08-31-26 |
| William E. Davis | Clay County | Secretary | 08-31-27 |
| Gerald L. Van Amburg | Clay County | Manager | 08-31-26 |
| Curtis W. Stubstad | Clay County | Manager | 08-31-26 |
| Todd Anderson | Becker County | Manager | 08-31-27 |

BradyMartz

## INDEPENDENT AUDITOR'S REPORT

Board of Managers
Buffalo-Red River Watershed District
Barnesville, Minnesota

### Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of the Buffalo-Red River Watershed District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the 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 cash basis financial position of the governmental activities and each major fund of the Buffalo-Red River Watershed District as of December 31, 2024, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

### 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 the Buffalo-Red River 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.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.


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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 the District's ability to continue as a going concern for twelve months beyond the financial statements 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 the Buffalo-Red River 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 the Buffalo-Red River 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.

**Other Matters**

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise the District's basic financial statements. The schedule of fund balances by project, as presented in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of fund balances by project is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 schedule of fund balances by project is fairly stated, in all material respects, in relation to the basic financial statements as a whole as described in the basis of accounting described in Note 1.

*Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the officials directory 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.

Brady Martz

**BRADY, MARTZ & ASSOCIATES, P.C.**
**GRAND FORKS, NORTH DAKOTA**

June 18, 2025

**BUFFALO-RED RIVER WATERSHED DISTRICT**
STATEMENT OF NET CASH POSITION
DECEMBER 31, 2024

| | Governmental Activities |
|---|---|
| ASSETS | |
| Cash and investments | $ 7,190,848 |
| TOTAL ASSETS | 7,190,848 |
| NET CASH POSITION | |
| Restricted for capital projects | 7,026,832 |
| Unrestricted | 164,016 |
| TOTAL NET CASH POSITION | $ 7,190,848 |

See Notes to the Basic Financial Statements

**BUFFALO-RED RIVER WATERSHED DISTRICT**
STATEMENT OF ACTIVITIES ARISING FROM CASH TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

| FUNCTION | Disbursements | Program Receipts and Sources: Fees, Assessments and Charges for Services | Program Receipts and Sources: Operating Grants and Contributions | Program Receipts and Sources: Capital Grants and Contributions | Net Cash Sources (Uses) and Change in Net Cash Position: Governmental Activities Total |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| General and administrative | $ 386,609 | $ 285 | $ - | $ - | $ (386,324) |
| Fieldwork operations | 6,740,332 | - | - | 4,325,460 | (2,414,872) |
| District ditches | 1,330,145 | 3,234,024 | - | 183,934 | 2,087,813 |
| Total Governmental Activities | $ 8,457,086 | $ 3,234,309 | $ - | $ 4,509,394 | (713,383) |
| General Receipts: | | | | | |
| Property taxes | | | | | 1,883,524 |
| Intergovernmental (not restricted for special program) | | | | | |
| Market value and other credits | | | | | 153,846 |
| Interest earnings | | | | | 311,061 |
| Total General Receipts | | | | | 2,348,431 |
| Changes in net cash position | | | | | 1,635,048 |
| Net Cash Position, January 1 | | | | | 5,555,800 |
| Net Cash Position, December 31 | | | | | $ 7,190,848 |

See Notes to the Basic Financial Statements

**BUFFALO-RED RIVER WATERSHED DISTRICT**
STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

| | General | Capital Projects Fund | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash and investments | $ 164,016 | $ 7,026,832 | $ 7,190,848 |
| TOTAL ASSETS | 164,016 | 7,026,832 | 7,190,848 |
| CASH FUND BALANCE | | | |
| Restricted | - | 7,026,832 | 7,026,832 |
| Unassigned | 164,016 | - | 164,016 |
| TOTAL CASH FUND BALANCE | $ 164,016 | $ 7,026,832 | $ 7,190,848 |

See Notes to the Basic Financial Statements

**BUFFALO-RED RIVER WATERSHED DISTRICT**
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

| | General | Capital Projects Fund | Total |
|---|---|---|---|
| RECEIPTS | | | |
| Taxes | $ 380,410 | $ 1,503,114 | $ 1,883,524 |
| Special assessments | - | 2,443,523 | 2,443,523 |
| Intergovernmental: | | | |
| Federal | - | 518,487 | 518,487 |
| State | 31,381 | 4,111,557 | 4,142,938 |
| Interest | - | 311,061 | 311,061 |
| Cost Share | - | 1,815 | 1,815 |
| Other | 285 | 790,501 | 790,786 |
| TOTAL RECEIPTS | 412,076 | 9,680,058 | 10,092,134 |
| DISBURSEMENTS | | | |
| General and administrative | 386,609 | - | 386,609 |
| Fieldwork operation projects | | 6,740,332 | 6,740,332 |
| Drainage projects | - | 1,330,145 | 1,330,145 |
| TOTAL DISBURSEMENTS | 386,609 | 8,070,477 | 8,457,086 |
| Receipts Over (Under) Disbursements | 25,467 | 1,609,581 | 1,635,048 |
| Transfer From (To) Other Funds | 145,717 | (145,717) | - |
| Excess Revenue and Other Sources Over (Under) Expenditures and Other Uses | 171,184 | 1,463,864 | 1,635,048 |
| Cash Fund Balance - January 1 | (7,168) | 5,562,968 | 5,555,800 |
| Cash Fund Balance - December 31 | $ 164,016 | $ 7,026,832 | $ 7,190,848 |

See Notes to the Basic Financial Statements

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented on a cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

### Reporting Entity

The financial statements of the District include all organizations, funds and account groups over which the District's Board exercises significant influence over and/or is financially accountable or organizations for which the nature and significance of their relationship with the District is such that exclusion would cause the Buffalo-Red River Watershed District's financial statements to be misleading.

The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District.

Currently, the District does not have any component units.

### Basis of Presentation

*Government-Wide Financial Statements*

The Statement of Net Cash Position and Statement of Activities Arising from Cash Transactions display information about the reporting government taken as a whole. They include all funds of the reporting entity except any fiduciary funds. The statements would distinguish between governmental and business-type activities (if any). The District displays all operations as governmental activities because governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues.

*Fund Financial Statements*

Fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are typically organized into three major categories: governmental, fiduciary, and proprietary. The District currently has no fiduciary or proprietary funds.

An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that type,

   AND

2. Total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5% of the corresponding total for all governmental funds combined.

*Governmental Funds*

General Fund

The general fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Capital Projects Fund

The capital projects fund is used to account for the financial resources to be used for the acquisition or construction of capital projects. The reporting entity includes the capital projects fund as a major fund.

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe the recognition of revenues and expenditures within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

*Measurement Focus*

In the government-wide Statement of Net Cash Position and the Statement of Activities Arising from Cash Transactions, governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting, as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the cash basis of accounting is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

*Basis of Accounting*

In the government-wide Statement of Net Cash Position and Statement of Activities Arising from Cash Transactions governmental activities are presented using the cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or unbilled services provided in current year) and certain liabilities and their related expense (such as accounts payables, unpaid goods or services received in the current year, and accrued expenses) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting and the government-wide financials would be presented on the accrual basis of accounting.

**Budgets**

The District does not prepare a formal budget for any funds. It goes through a process to establish the tax levy.

**Revenues**

In the Statement of Activities Arising from Cash Transactions, cash basis revenues that are derived directly from each activity or from parties outside the District's taxpayers are reported as program revenues. The District has the following program revenues; direct project cost reimbursements and project special assessments, and capital grants specific to projects. All other governmental revenues and general tax levies are classified as general revenue.

**Property Taxes**

The District levies property taxes on property owners within the District, which becomes an enforceable lien as of January 1. Taxes are levied in September and are payable to counties on May 15 and October 15 (November 15 for farm property) of the following year. The District levies the tax, while the respective counties collect and remit the tax collections to the District. Property taxes are recognized when received from the counties under the cash basis of accounting. The District also levies special assessments through the counties against property owners who obtain direct benefits from projects or property owners who request, through the petition process, to have a project undertaken. The special assessment collections are recorded in a manner similar to that for property taxes.

**Cash and Investments**

Cash balances from all funds are pooled and invested to the extent available in authorized investments authorized by Minnesota statutes. Investments held are certificates of deposit and earnings from such investments are allocated to the respective funds on the basis of the average monthly fund balance in each fund. Interest is charged to each fund that have deficit fund balances.

**Equity**

In the government-wide financial statements, equity is classified as "net position" and displayed in two components:

1. Restricted Net Cash Position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

2. Unrestricted Net Cash Position – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Cash Fund Balance**

In the governmental fund financial statements, cash fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balance represents a portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance represents a portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority which is the Board of Managers through an ordinance or resolution.

Assigned fund balance represents amounts constrained by the government's intent to be used for specific purposes, but neither restricted nor committed.

Unassigned fund balance represents residual classification for the general fund. This classification represents fund balance not assigned to other funds and not restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it would be necessary to report a negative unassigned fund balance.

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

### Interfund Balances

In the process of aggregating the fund information for the government-wide Statement of Net Cash Position and Statement of Activities Arising from Cash Transactions, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

## NOTE 2 CASH AND INVESTMENTS

Minnesota Statutes require that all deposits with financial institutions be collateralized in an amount equal to 110% of deposits in excess of FDIC (100% if secured by a letter of credit). At December 31, 2024, the District's deposits were covered by Federal Depository Insurance and an irrevocable and unconditional letter of credit, irrevocably authorized to draw on the Federal Home Loan Bank of Des Moines, in an amount not to exceed $700,000.

### Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

### Credit Risk

The District is authorized by Minnesota Statutes to invest in the following: direct obligations or obligations guaranteed by the federal government or its agencies; share of investment companies registered under the Federal Investment Company Act of 1940 and is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better, general obligations of Minnesota Housing Finance Agency rated "A" or better; commercial paper issued by United States' corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank or insurance company, domestic branch of a foreign bank and with a credit quality in one of the top two highest categories; repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The District has no investment policy that would further limit its investment choices.

### Custodial Risk

The District does not have a formal policy which would limit the amount held by any one financial institution or investment type.

## NOTE 3 DEFICIT PROJECT BALANCES

| Fund | Project | Balance |
|---|---|---|
| Capital Projects Fund | Whiskey Creek Enhancement Pj. 81 | $ (1,015,461) |
| Capital Projects Fund | BRRW - WBIF C22-7130 | (112,926) |
| Capital Projects Fund | Glyndon East Tributary | (127,510) |
| Capital Projects Fund | S&D Acquisition | (56,587) |
| Capital Projects Fund | BRRW - WBIF - C22-7130 Tracking | (401) |
| Capital Projects Fund | BRRW - WBIF C24-0090 Tracking | (200) |
| Capital Projects Fund | SBBR Watershed CWF C22-9764 | (83,857) |
| Capital Projects Fund | BRRW - WBIF C21-4911 | (129,684) |
| Capital Projects Fund | PJ 84 - City of Wolverton Flood Prot. | (101,852) |
| Capital Projects Fund | BR-BMP/Clay SWCD Tech Asst. | (56,983) |
| Capital Projects Fund | Buffer-Riparian Aid | (565) |
| Capital Projects Fund | PJ 83 - City of Georgetown Flood Pro | (75,550) |
| Capital Projects Fund | OTR-BMP/Wilkin SWCD Tech Asst. | (2) |
| Capital Projects Fund | Otter Tail River Restoration | (76,476) |
| Capital Projects Fund | Red River Trib. CWF-Clay SWCD | (300,721) |
| Capital Projects Fund | OakportCoulee/WolvertonCk Surv. | (4,870) |
| Capital Projects Fund | Clay Ditch #03 | (6,391) |
| Capital Projects Fund | Clay Ditch #16 | (14,650) |
| Capital Projects Fund | Clay Ditch #20 | (5,527) |
| Capital Projects Fund | Clay Ditch #60 | (9,066) |
| Capital Projects Fund | Wilkin Ditch #6A | (215,743) |
| Capital Projects Fund | Project #16 | (3,685) |
| Capital Projects Fund | Project #32 | (5,361) |
| Capital Projects Fund | Pj. 82, Glyndon East Tributary | (121,878) |
| Capital Projects Fund | Wilkin/Otter JD #2 | (26,224) |

These deficits will be eliminated primarily through future receipts and transfers from other projects.

## NOTE 4 DEFINED BENEFIT PENSION PLANS

### A. Plan Description

All full-time and certain part-time employees of the Buffalo-Red River Watershed District are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (accounted for in the General Employees Fund), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members and survivor benefits upon death of eligible members. Benefits are established by state statute. Benefits for members of the General Employees Plan vest after five years of credited service.

Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. The rates are 2.2% and 2.7%, respectively, for Basic members. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service, and 2.7% for Basic members. The accrual rates for former MERF members is 2.0% for each of the first 10 years of service and 2.5% for each additional year. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

For all General Employees Plan members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Method 2 provides for unreduced retirement benefits at age 65 for members first hired prior to July 1, 1989 or age 66 (the age for unreduced Social Security benefits), for those first hired on or after that date. Early retirement may begin at age 55 with an actuarial reduction (about six percent per year) for members retiring prior to full retirement age.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service before retirement benefits begin.

The benefit provisions stated in the preceding paragraphs of this section are current provisions and apply to active plan participants.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the General Employees Plan. That report may be obtained on the PERA's website at www.mnpera.org/about/financial/.

### B. Funding Policy

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. General Employees Retirement Plan Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.5%, respectively, of their annual covered salary in 2024. In 2024, the Buffalo-Red River Watershed District was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.5% for Coordinated Plan members. The District's contribution to the Public Employees Retirement Fund for the year ended December 31, 2024 was $15,395.

## NOTE 5 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. The District carries commercial insurance coverage on its commercial property and for liability, personal and advertising injury, non-owned auto and a miscellaneous floater. Insurance coverage has not been reduced from the prior year, and settlements have not exceeded insurance coverage in any of the past three years.

## NOTE 6 CONTINGENCIES

### Grants

The District participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of money received may be required and the collectability of any related receivable at December 31, 2024, may be impaired. The District is not aware of any significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

### Claims and Litigation

The District may be subject to legal actions relating to projects undertaken or attempted to be undertaken. Although the outcomes cannot be determined, the District consults with legal counsel and carries various insurance coverage to minimize the impact of such litigation.

## NOTE 7 COMMITMENTS

As of December 31, 2024, the District has commitments totaling approximately $6,566,243 for seven construction projects. Remaining estimated total costs of $722,278 on all projects are scheduled for and expected to be completed in 2025.

## NOTE 8 INTERFUND TRANSFERS

| Transfer In | Transfer Out | Amount |
|---|---|---|
| General Fund | Capital Projects Fund | $ 145,717 |

The purpose of the transfer is to move revenue and expenses into correct project classes.

## NOTE 9 SUBSEQUENT EVENTS

No significant events occurred subsequent to the District's year end. Subsequent events have been evaluated through June 18, 2025, which is the date these financial statements were available to be issued.

# BUFFALO-RED RIVER WATERSHED DISTRICT
## SCHEDULE OF FUND BALANCES BY PROJECT – CASH BASIS
## DECEMBER 31, 2024

| | | Receipts and Other Sources | | | | | | Disbursements | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fund Balance 1/1/2024 | Taxes and Special Assessments | MV Credit | Cost Sharing | Capital & Operating Grants | Other Receipts | Total | General Governmental | Professional Services | Project Costs | Interest and Miscellaneous | Total | Transfers | Fund Balance 12/31/2024 |
| GENERAL FUND: | | | | | | | | | | | | | | |
| Administrative | $ (7,168) | $ 380,410 | $ 31,381 | $ - | $ - | $ 285 | $ 412,076 | $ 355,049 | $ 31,560 | $ - | $ - | $ 386,609 | $ 145,717 | $ 164,016 |
| CAPITAL PROJECTS FUND: | | | | | | | | | | | | | | |
| Fieldwork Operations: | | | | | | | | | | | | | | |
| Construction - Other | 1,405,559 | - | - | - | - | - | - | - | - | - | - | - | - | 1,405,559 |
| Insurance | 7,117 | 20,460 | 1,663 | - | - | 5 | 22,128 | 35,560 | - | - | 1,585 | 37,145 | 15,000 | 7,100 |
| Silver Lake Outlet | (7,868) | - | - | - | 267,984 | | 267,984 | - | 17,699 | 244,388 | - | 262,087 | 1,971 | - |
| Upper BR Sed. Reduction | 14,467 | - | - | - | 91,600 | - | 91,600 | - | 83,941 | 15,252 | 498 | 99,691 | 96,284 | 102,660 |
| Upper S Branch BMP | 2,929 | - | - | - | 159,787 | 4,061 | 163,848 | - | 230,969 | 27,711 | 2,194 | 260,874 | 184,628 | 90,531 |
| Buffalo River Grade | (41,845) | - | - | - | - | - | - | - | - | - | - | - | 41,845 | - |
| Glyndon East Tributary | (127,510) | - | - | - | - | - | - | - | - | - | - | - | - | (127,510) |
| Georgetown Low Water Crossing | - | - | - | - | 3,634 | - | 3,634 | - | - | - | - | - | - | 3,634 |
| Wetland Restorations | 763,449 | - | - | - | - | - | - | - | - | - | - | - | - | 763,449 |
| S&D Acquisition | (50,957) | - | - | - | - | - | - | - | 5,295 | - | - | 5,295 | (335) | (56,587) |
| Wilkin County BMP | (16,292) | - | - | - | - | - | - | - | - | - | - | - | 16,292 | - |
| Wolverton Creek - PJ 79 | 1,103,761 | 5,141 | - | - | - | 64,143 | 69,284 | - | 13,692 | 220,970 | - | 234,662 | (4,303) | 934,080 |
| Otter Tail River BMP | (11,148) | - | - | - | - | - | - | - | - | - | - | - | 11,148 | - |
| Whisky Creek & South Trib. Res. | 88,658 | - | - | - | 93,343 | 14,319 | 107,662 | - | 171,138 | - | - | 171,138 | 99,942 | 125,124 |
| LOTR – Head-cut CWF C24-0058 | - | - | - | - | 200,000 | - | 200,000 | - | - | - | - | - | - | 200,000 |
| SBBR Watershed CWF C22-9764 | 84,000 | - | - | - | 140,000 | - | 140,000 | - | 570 | 33,907 | 273,380 | 307,857 | - | (83,857) |
| SBBR Watershed P2 CWF C24-0053 | - | - | - | - | 225,000 | - | 225,000 | - | - | 2,000 | - | 2,000 | - | 223,000 |
| Basic Water Management Fund #1 | - | 706,581 | 57,470 | - | - | - | 764,051 | - | - | 28,022 | 134,608 | 162,630 | (601,421) | - |
| Basic Water Management Fund #2 | - | 776,073 | 63,332 | - | - | - | 839,405 | | | 48,840 | - | 48,840 | (790,565) | - |
| BRRW - WBIF C21-4911 Tracking | (1,139) | - | - | - | - | - | - | - | - | - | - | - | 1,139 | - |
| BRRW - WBIF C21-4911 | (653,071) | - | - | - | - | - | - | - | - | 123,184 | - | 123,184 | 646,571 | (129,684) |
| BRRW - WBIF C22-7130 | 442,766 | - | - | - | 261,461 | | 261,461 | - | - | 614,514 | - | 614,514 | (202,639) | (112,926) |
| BRRW - WBIF - C22-7130 Tracking | (840) | - | - | - | - | - | - | - | - | - | - | - | 439 | (401) |
| BRRW - WBIF C24-0090 Tracking | - | - | - | - | - | - | - | - | - | - | - | - | (200) | (200) |
| BRRW - WBIF C24-0090 | - | - | - | - | 953,139 | - | 953,139 | - | - | 129,270 | - | 129,270 | (830) | 823,039 |
| BRRW - WBIF CRP SIP P24-0018 | - | - | - | - | 21,224 | - | 21,224 | - | - | 21,224 | - | 21,224 | - | - |
| BRRW - WBIF CRP SIP P25-0450 | - | - | - | - | 100,000 | - | 100,000 | - | - | 3,656 | - | 3,656 | - | 96,344 |
| BR-BMP/Clay SWCD Tech Asst. | 41,845 | - | - | - | - | - | - | - | 56,983 | - | - | 56,983 | (41,845) | (56,983) |
| Buffer-Riparian Aid | (561,565) | - | - | - | - | 102,037 | 102,037 | - | - | - | - | - | 458,963 | (565) |
| PJ 83 - City of Georgetown Flood Prot. | (29,632) | - | - | - | - | 189,333 | 189,333 | - | 225,565 | 6,554 | - | 232,119 | (3,132) | (75,550) |
| PJ 84 - City of Wolverton Flood Prot. | (114,978) | - | - | - | - | 463,273 | 463,273 | - | 356,111 | 89,208 | - | 445,319 | (4,828) | (101,852) |
| Drainage General | - | - | - | - | - | - | - | - | - | 8,256 | 80 | 8,336 | 8,336 | - |
| Education and Training | 14,936 | - | - | - | - | - | - | - | - | - | 15,051 | 15,051 | 13,776 | 13,661 |
| Ganz Dam Removal | (9,439) | - | - | - | 114,092 | - | 114,092 | - | 7,298 | 94,332 | - | 101,630 | (105) | 2,918 |
| OTR-BMP/Wilkin SWCD Tech Asst. | 11,146 | - | - | - | - | - | - | - | - | - | - | - | (11,148) | (2) |
| Otter Tail River Restoration | 355,404 | - | - | - | - | 16,664 | 16,664 | - | 194,145 | 456 | 4,159 | 198,760 | (249,784) | (76,476) |
| Permit Management | 6,988 | - | - | - | - | 1,368 | 1,368 | - | 21,215 | - | - | 21,215 | 31,979 | 19,120 |
| Red River Trib. CWF-Clay SWCD | (1,105) | - | - | - | - | - | - | - | 30,085 | 322,052 | - | 352,137 | 52,521 | (300,721) |
| Water Quality Monitoring Prog. | 15,043 | - | - | - | - | - | - | - | - | 28,608 | - | 28,608 | 26,028 | 12,463 |
| Wilkin SWCD BMP-Tech Asst. | 16,292 | - | - | - | - | - | - | - | - | - | - | - | (16,292) | - |
| Otter Tail River Planning | (347,644) | - | - | - | - | - | - | - | - | - | - | - | 347,644 | - |
| One Watershed One Plan - Fund C21-4911 | 647,933 | - | - | - | - | - | - | - | - | - | - | - | (647,933) | - |
| Buffalo Initiative 2015 | 561,000 | - | - | - | - | - | - | - | - | - | - | - | (561,000) | - |
| MS4 SWPPP | 5,197 | - | - | - | - | - | - | - | 1,342 | - | - | 1,342 | 9,983 | 13,838 |
| OakportCoulee/WolvertonCk Surv. | - | - | - | - | - | - | - | - | 4,870 | - | - | 4,870 | - | (4,870) |
| Streambreak Erosion - PJ 26 | 8,057 | - | - | - | - | - | - | - | - | - | - | - | - | 8,057 |
| Whiskey Creek Enhancement Pj. 81 | (482,936) | 150,167 | - | 1,815 | 859,304 | - | 1,011,286 | - | 193,094 | 1,708,108 | 27,382 | 1,928,584 | 384,773 | (1,015,461) |
| Stony Creek Comp Plan | (33,231) | 125,787 | - | - | 833,077 | 1,340 | 960,204 | - | 143,189 | 718,122 | - | 861,311 | 124,694 | 190,356 |

# BUFFALO-RED RIVER WATERSHED DISTRICT
## SCHEDULE OF FUND BALANCES BY PROJECT – CASH BASIS - CONTINUED
## DECEMBER 31, 2024

| | | Receipts and Other Sources | | | | | | Disbursements | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fund Balance 1/1/2024 | Taxes and Special Assessments | MV Credit | Cost Sharing | Capital & Operating Grants | Other Receipts | Total | General Governmental | Professional Services | Project Costs | Interest and Miscellaneous | Total | Transfers | Fund Balance 12/31/2024 |
| District Ditches: | | | | | | | | | | | | | | |
| Becker Ditch #05 | $ 21,855 | $ 19,712 | $ - | $ - | $ - | $ 1,871 | $ 21,583 | $ - | $ 961 | $ 5,108 | $ - | $ 6,069 | $ (1,174) | $ 36,195 |
| Becker Ditch #06 | 962 | - | - | - | - | 67 | 67 | - | - | - | - | - | (35) | 994 |
| Becker Ditch #09 | (506) | 30,035 | - | - | - | 661 | 30,696 | - | - | 1,454 | - | 1,454 | 718 | 29,454 |
| Becker Ditch #10 | 10,362 | 2,833 | - | - | - | 765 | 3,598 | - | - | 1,567 | - | 1,567 | 204 | 12,597 |
| Becker Ditch #15 - PJ 23 | 91,004 | 14,673 | - | - | - | 6,609 | 21,282 | - | 406 | 1,315 | - | 1,721 | 5,953 | 116,518 |
| Becker Ditch #19 | 10,518 | 4,790 | - | - | - | 735 | 5,525 | - | 190 | 1,277 | - | 1,467 | (168) | 14,408 |
| Clay Ditch #03 | (75,521) | 59,458 | - | - | 13,621 | - | 73,079 | - | - | 3,249 | 1,885 | 5,134 | 1,185 | (6,391) |
| Clay Ditch #05 | 18,059 | 27,499 | - | - | - | 1,462 | 28,961 | - | 551 | 6,801 | - | 7,352 | 1,289 | 40,957 |
| Clay Ditch #09 | 41,775 | 19,976 | - | - | - | 3,192 | 23,168 | - | 303 | 995 | - | 1,298 | 1,001 | 64,646 |
| Clay Ditch #16 | (33,821) | 21,856 | - | - | - | - | 21,856 | - | 261 | 1,368 | 1,103 | 2,732 | 47 | (14,650) |
| Clay Ditch #17 | 10,209 | 10,383 | - | - | - | 868 | 11,251 | - | - | 1,078 | - | 1,078 | 300 | 20,682 |
| Clay Ditch #20 | (27,759) | 35,302 | - | - | - | - | 35,302 | 1,696 | 909 | 10,613 | 1,158 | 14,376 | 1,306 | (5,527) |
| Clay Ditch #21 | 8,808 | 36,473 | - | - | 3,271 | 52 | 39,796 | - | 476 | 31,895 | - | 32,371 | (228) | 16,005 |
| Clay Ditch #22 | 27,954 | 5,000 | - | - | - | 1,958 | 6,958 | - | 95 | 2,411 | - | 2,506 | (41) | 32,365 |
| Clay Ditch #23 | (14,800) | 25,406 | - | - | - | - | 25,406 | - | 95 | 7,229 | 457 | 7,781 | (968) | 1,857 |
| Clay Ditch #28 | 15,440 | 11,976 | - | - | - | 1,251 | 13,227 | - | - | 500 | - | 500 | (208) | 27,959 |
| Clay Ditch #31 | 22,735 | 510 | - | - | - | - | 510 | - | - | - | - | - | (23,245) | - |
| Clay Ditch #32 | 41,581 | 10,588 | - | - | 4,538 | 3,116 | 18,242 | - | 6,093 | 6,635 | - | 12,728 | 473 | 47,568 |
| Clay Ditch #33 | 32,034 | 9,970 | - | - | 5,539 | 2,665 | 18,174 | - | 6,918 | 413 | - | 7,331 | 450 | 43,327 |
| Clay Ditch #34 | 34,709 | 10,022 | - | - | 18,977 | 2,912 | 31,911 | - | 621 | 11,925 | - | 12,546 | 879 | 54,953 |
| Clay Ditch #35 | 10,713 | 10,215 | - | - | 5,690 | 1,284 | 17,189 | - | 429 | - | - | 429 | 1,057 | 28,530 |
| Clay Ditch #36 | 34,630 | 17,182 | - | - | 2,271 | 2,840 | 22,293 | - | 2,333 | - | - | 2,333 | (757) | 53,833 |
| Clay Ditch #39 - PJ 7 | 17,517 | 55,362 | - | - | 3,450 | 2,496 | 61,308 | - | 352 | 2,212 | - | 2,564 | 1,317 | 77,578 |
| Clay Ditch #40 | 27,521 | 15,419 | - | - | 5,142 | 2,509 | 23,070 | - | - | - | - | - | 1,122 | 51,713 |
| Clay Ditch #49 | 32,611 | 10,038 | - | - | - | 2,169 | 12,207 | - | - | 5,158 | - | 5,158 | 454 | 40,114 |
| Clay Ditch #51 | 19,460 | 26,005 | - | - | 1,938 | 1,947 | 29,890 | - | - | 484 | - | 484 | 38 | 48,904 |
| Clay Ditch #53 - PJ 47 | 41,479 | 10,077 | - | - | - | 3,036 | 13,113 | - | - | 1,064 | - | 1,064 | 670 | 54,198 |
| Clay Ditch #54 | 2,807 | 10,232 | - | - | - | 370 | 10,602 | - | - | 1,995 | - | 1,995 | 58 | 11,472 |
| Clay Ditch #57 | 12,349 | - | - | - | - | 856 | 856 | - | - | - | - | - | 271 | 13,476 |
| Clay Ditch #58 | (27,895) | 54,388 | - | - | 5,961 | - | 60,349 | - | 95 | 20,929 | 318 | 21,342 | (67) | 11,045 |
| Clay Ditch #59 - PJ 48 | (22,933) | 22,282 | - | - | 9,552 | - | 31,834 | - | - | 6,403 | 485 | 6,888 | 1,301 | 3,314 |
| Clay Ditch #60 | 35,242 | 15,503 | - | - | - | 2,022 | 17,525 | - | 1,229 | 59,544 | - | 60,773 | (1,060) | (9,066) |
| Clay Ditch #63 | 35,303 | 5,238 | - | - | - | 2,448 | 7,686 | - | - | 1,340 | - | 1,340 | 646 | 42,295 |
| Clay Ditch #65 - PJ 03 | 34,431 | 39,626 | - | - | 2,367 | 2,424 | 44,417 | - | 819 | 17,777 | - | 18,596 | 1,830 | 62,082 |
| Wilkin Ditch #01A | 63,617 | 4,931 | - | - | - | 4,416 | 9,347 | - | 142 | 11,960 | - | 12,102 | (145) | 60,717 |
| Wilkin Ditch #01B | 40,029 | 5,071 | - | - | - | 2,881 | 7,952 | - | - | 571 | - | 571 | 258 | 47,668 |
| Wilkin Ditch #01C | 53,839 | 19,908 | - | - | 576 | 4,220 | 24,704 | - | - | 2,152 | - | 2,152 | 501 | 76,892 |
| Wilkin Ditch #2 | 64,122 | 9,103 | - | - | - | 4,189 | 13,292 | - | 27 | 10,115 | - | 10,142 | 614 | 67,886 |
| Wilkin Ditch #3 | 208,096 | 39,933 | - | - | 3,644 | 15,520 | 59,097 | - | 1,517 | 3,167 | - | 4,684 | 1,555 | 264,064 |
| Wilkin Ditch #4 | 76,044 | 20,053 | - | - | 265 | 4,533 | 24,851 | - | 1,329 | 35,720 | - | 37,049 | 724 | 64,570 |
| Wilkin Ditch #5A | 52,798 | 10,121 | - | - | 7,517 | 4,421 | 22,059 | - | - | 315 | - | 315 | 223 | 74,765 |
| Wilkin Ditch #6A | (248,259) | 47,882 | - | - | 1,172 | - | 49,054 | - | 142 | 7,472 | 9,354 | 16,968 | 430 | (215,743) |
| Wilkin Ditch #7 | 84,335 | 5,193 | - | - | 859 | 6,011 | 12,063 | - | 475 | 40 | - | 515 | 23 | 95,906 |
| Wilkin Ditch #12 | 16,752 | 18,666 | - | - | 826 | 1,711 | 21,203 | - | - | 1,805 | - | 1,805 | 18 | 36,168 |
| Wilkin Ditch #15 | 37,399 | 9,913 | - | - | - | 2,880 | 12,793 | - | 27 | 445 | - | 472 | 67 | 49,787 |
| Wilkin Ditch #22 - PJ 01 | (73,657) | 86,804 | - | - | 724 | - | 87,528 | - | 1,279 | 4,559 | 1,437 | 7,275 | 596 | 7,192 |
| Wilkin Ditch #23 | 53,209 | 19,555 | - | - | - | 4,226 | 23,781 | - | - | 1,276 | - | 1,276 | 854 | 76,568 |
| Wilkin Ditch #26 | 23,710 | 10,493 | - | - | - | 1,997 | 12,490 | - | - | - | - | - | 39 | 36,239 |
| Wilkin Ditch #27 | 101,242 | 25,190 | - | - | 1,355 | 7,796 | 34,341 | - | 27 | 2,672 | - | 2,699 | 322 | 133,206 |
| Wilkin Ditch #28 | 61,501 | 9,935 | - | - | - | 4,464 | 14,399 | - | 27 | 2,409 | - | 2,436 | 333 | 73,797 |
| Wilkin Ditch #29 | 68,997 | 21,131 | - | - | - | 5,491 | 26,622 | - | - | - | - | - | 235 | 95,854 |
| Wilkin Ditch #31 | 86,603 | 9,923 | - | - | 548 | 6,000 | 16,471 | - | 1,234 | 15,346 | - | 16,580 | 1,816 | 88,310 |
| Wilkin Ditch #34 | 65,408 | 4,990 | - | - | - | 4,638 | 9,628 | - | 27 | 2,191 | - | 2,218 | 103 | 72,921 |
| Wilkin Ditch #37 | 75,233 | 9,657 | - | - | - | 5,392 | 15,049 | - | - | 2,197 | - | 2,197 | 641 | 88,726 |
| Wilkin Ditch #40 | 41,618 | 15,217 | - | - | - | 3,320 | 18,537 | - | - | 463 | - | 463 | 375 | 60,067 |
| Wilkin Ditch #41 | 83,941 | 39,720 | - | - | - | 6,854 | 46,574 | - | 114 | 1,925 | - | 2,039 | 312 | 128,788 |
| Wilkin Ditch #42 - PJ 25 | 52,829 | 10,265 | - | - | - | 3,933 | 14,198 | - | 27 | 1,538 | - | 1,565 | 24 | 65,486 |
| Wilkin Ditch #43 | 77,357 | 20,134 | - | - | - | 5,942 | 26,076 | - | - | 1,022 | - | 1,022 | 237 | 102,648 |
| Wilkin Ditch #44 - PJ 24 | 47,257 | 30,292 | - | - | - | 3,977 | 34,269 | - | - | 4,925 | - | 4,925 | 119 | 76,720 |
| Wilkin/Otter JD #2 | (59,740) | 74,449 | - | - | 307 | - | 74,756 | - | 19,835 | 18,699 | 2,160 | 40,694 | (546) | (26,224) |

# BUFFALO-RED RIVER WATERSHED DISTRICT
## SCHEDULE OF FUND BALANCES BY PROJECT – CASH BASIS - CONTINUED
## DECEMBER 31, 2024

| | | Receipts and Other Sources | | | | | | Disbursements | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fund Balance 1/1/2024 | Taxes and Special Assessments | MV Credit | Cost Sharing | Capital & Operating Grants | Other Receipts | Total | General Governmental | Professional Services | Project Costs | Interest and Miscellaneous | Total | Transfers | Fund Balance 12/31/2024 |
| Project #02 - W 22 | $ 17,018 | $ 29,808 | $ - | $ - | $ 3,721 | $ 2,231 | $ 35,760 | $ - | $ - | $ 3,851 | $ - | $ 3,851 | $ 266 | $ 49,193 |
| Project #04 | 18,060 | - | - | - | - | 1,251 | 1,251 | - | - | - | - | - | (227) | 19,084 |
| Project #05 | - | - | - | - | - | - | - | - | 466 | - | - | 466 | 1,500 | 1,034 |
| Project #08 | - | - | - | - | - | - | - | - | 1,907 | 400 | 46 | 2,353 | 2,353 | - |
| Project #13 | - | - | - | - | - | - | - | - | 3,617 | 4,260 | 184 | 8,061 | 8,061 | - |
| Project #14 | (62,905) | 112,207 | - | - | 22,966 | - | 135,173 | - | 3,578 | 933 | 811 | 5,322 | 699 | 67,645 |
| Project #16 | (1) | 14,140 | - | - | - | - | 14,140 | - | 5,331 | 10,943 | 242 | 16,516 | (1,308) | (3,685) |
| Project #19 | 23,485 | 9,963 | - | - | - | 1,886 | 11,849 | - | 1,030 | 59 | - | 1,089 | 249 | 34,494 |
| Project #20 | 59,462 | 21,084 | - | - | 15,590 | 5,358 | 42,032 | - | - | 3,977 | - | 3,977 | 888 | 98,405 |
| Project #21 | 42,465 | 39,473 | - | - | - | 4,059 | 43,532 | - | - | 3,108 | - | 3,108 | 524 | 83,413 |
| Project #27 - C 55 | 47,270 | 26,652 | - | - | 1,473 | 3,895 | 32,020 | - | - | 780 | - | 780 | 1,231 | 79,741 |
| Project #28 - C 2 | 12,030 | 25,426 | - | - | 4,374 | 1,197 | 30,997 | - | - | 7,711 | - | 7,711 | 1,734 | 37,050 |
| Project #31 | - | - | - | - | 11,530 | - | 11,530 | - | 1,188 | - | - | 1,188 | (30) | 10,312 |
| Project #32 | (3,233) | 2,480 | - | - | - | - | 2,480 | - | 1,130 | 3,283 | 195 | 4,608 | - | (5,361) |
| Project #33 | (34,957) | 100,102 | - | - | - | - | 100,102 | - | 19,593 | 29,355 | 1,488 | 50,436 | (53) | 14,656 |
| Project #35 | 22,992 | 35,280 | - | - | - | 967 | 36,247 | - | - | 20,581 | - | 20,581 | 784 | 39,442 |
| Pj. 34/Pj. 37, Clay CD 41/41L1 | 205,221 | 95,019 | - | - | - | 13,954 | 108,973 | - | 371 | 34,540 | | 34,911 | 2,573 | 281,856 |
| Project #36 | 20,483 | 5,050 | - | - | - | 1,209 | 6,259 | - | - | 4,290 | - | 4,290 | (2) | 22,450 |
| Project #38 | 48,809 | - | - | - | 4,342 | 3,638 | 7,980 | - | 763 | 263 | - | 1,026 | 1 | 55,764 |
| Project #39 | 8,400 | - | - | - | - | 578 | 578 | - | 79 | - | - | 79 | - | 8,899 |
| Project #40 | 59,409 | - | - | - | - | 3,296 | 3,296 | - | - | - | - | - | (53,308) | 9,397 |
| Project #42 | 18,028 | 5,504 | - | - | 1,989 | 1,469 | 8,962 | - | - | 803 | - | 803 | (91) | 26,096 |
| Project #43 - C 30 | 55,576 | 5,020 | - | - | - | 2,783 | 7,803 | - | 4,470 | 37,191 | - | 41,661 | (422) | 21,296 |
| Project #46 - TLO | (31,577) | 67,615 | - | - | - | - | 67,615 | - | 29,247 | 3,100 | 1,083 | 33,430 | (226) | 2,382 |
| Project #49 - Oak | (25,184) | 100,000 | - | - | - | - | 100,000 | - | 3,702 | 36,174 | 323 | 40,199 | (1,288) | 33,329 |
| Project #50 | 19,024 | - | - | - | - | 1,313 | 1,313 | - | 240 | - | - | 240 | - | 20,097 |
| Project #51 | 29,616 | 10,010 | - | - | - | 2,192 | 12,202 | - | - | 194 | - | 194 | 305 | 41,929 |
| Project #52 | 19,780 | 10,137 | - | - | 2,404 | 1,691 | 14,232 | - | 57 | - | - | 57 | 362 | 34,317 |
| Project #54 | 12,135 | 49,897 | - | - | 11,095 | - | 60,992 | - | 24,140 | 203,549 | 929 | 228,618 | 196,962 | 41,471 |
| Project #55 | 25,455 | - | - | - | - | 1,765 | 1,765 | - | - | - | - | - | (227) | 26,993 |
| Project #56 | (16,143) | 64,618 | - | - | - | 505 | 65,123 | - | 2,121 | 6,130 | - | 8,251 | (1,434) | 39,295 |
| Project #57 | 17,600 | - | - | - | - | 1,220 | 1,220 | - | - | - | - | - | 248 | 19,068 |
| Project #58 | 28,670 | - | - | - | - | 1,940 | 1,940 | - | 2,193 | - | - | 2,193 | - | 28,417 |
| Project #61 | 39,973 | 45,860 | - | - | 4,340 | 3,361 | 53,561 | - | 2,802 | 29,582 | - | 32,384 | 1,373 | 62,523 |
| Project #63 - Grove | 14,227 | 5,305 | - | - | - | 1,161 | 6,466 | - | 240 | 706 | - | 946 | - | 19,747 |
| Project #64 | 7,248 | - | - | - | - | 1,434 | 1,434 | - | 1,341 | 1,174 | - | 2,515 | - | 6,167 |
| Project #65 | 2,364 | 5,227 | - | - | - | 209 | 5,436 | - | 990 | 1,402 | - | 2,392 | - | 5,408 |
| Project #67 | 16,024 | - | - | - | - | 1,077 | 1,077 | - | 564 | 706 | - | 1,270 | (31) | 15,800 |
| Project #68 | 6,345 | - | - | - | - | 363 | 363 | - | 583 | 1,002 | - | 1,585 | - | 5,123 |
| Project #70 | 4,187 | - | - | - | - | 287 | 287 | - | 72 | - | - | 72 | - | 4,402 |
| Project #71 | 10,536 | 10,022 | - | - | - | 645 | 10,667 | - | 1,308 | 6,687 | - | 7,995 | - | 13,208 |
| Project #73 | 3,255 | - | - | - | - | 231 | 231 | - | 7 | - | - | 7 | - | 3,479 |
| Pj. 82, Glyndon East Tributary | (88,829) | 39,971 | - | - | - | - | 39,971 | - | 35,020 | 272,040 | 15,274 | 322,334 | 249,314 | (121,878) |
| Project #78 | 162,188 | - | - | - | - | 10,457 | 10,457 | - | 7,028 | 10,477 | - | 17,505 | 1,561 | 156,701 |
| Total Capital Projects Fund | 5,562,968 | 3,946,637 | 122,465 | 1,815 | 4,507,579 | 1,101,562 | 9,680,058 | 37,256 | 1,961,744 | 5,573,608 | 497,869 | 8,070,477 | (145,717) | 7,026,832 |
| TOTAL | $ 5,555,800 | $ 4,327,047 | $ 153,846 | $ 1,815 | $ 4,507,579 | $ 1,101,847 | $ 10,092,134 | $ 392,305 | $ 1,993,304 | $ 5,573,608 | $ 497,869 | $ 8,457,086 | $ - | $ 7,190,848 |

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## INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Managers
Buffalo-Red River Watershed District
Barnesville, 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 Buffalo-Red River Watershed District, as of and for the year ended December 31, 2024, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 18, 2025. Buffalo-Red River Watershed District prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

### Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that Buffalo-Red River Watershed District failed to comply with the provisions of the contracting and bidding, deposits and 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 Minn. Stat. § 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 the Buffalo-Red River Watershed Management Board's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

### Purpose of the Report

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

Brady Martz

**BRADY, MARTZ & ASSOCIATES, P.C.**
**GRAND FORKS, NORTH DAKOTA**

June 18, 2025


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