

BUFFALO-RED RIVER WATERSHED DISTRICT
BARNESVILLE, MINNESOTA

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

BUFFALO - RED RIVER WATERSHED DISTRICT

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BUFFALO - RED RIVER WATERSHED DISTRICT
 LIST OF OFFICIALS
 DECEMBER 31, 2020

Governing Board

| | <u>Office</u> | <u>Term</u> |
|----------------------|---------------|----------------------|
| Jay A. Leitch | Chair | 01-01-20 to 05-20-20 |
| Peter V Fjestad | Vice-chair | 01-01-20 to 05-27-20 |
| | Chair | 05-28-20 to 12-31-20 |
| Mark T. Anderson | Treasurer | 01-01-20 to 08-31-20 |
| John E. Hanson | Secretary | 01-01-20 to 12-31-20 |
| Gerald L. Van Amburg | Manager | 01-01-20 to 12-31-20 |
| Catherine L. Affield | Manager | 01-01-20 to 05-27-20 |
| | Vice-chair | 05-28-20 to 12-31-20 |
| Troy E. Larson | Manager | 01-01-20 to 08-30-20 |
| | Treasurer | 08-31-20 to 12-31-20 |
| Paul G. Krabbenhoft | Manager | 08-31-20 to 12-31-20 |
| Mark L. Hanson | Manager | 10-13-20 to 12-31-20 |

Administration

| | | |
|---------------------|--------------------------|----------------|
| Bruce E. Albright | Office Administrator | 01-01 to 05-01 |
| Kathleen K. Fenger | Administrative Assistant | 01-01 to 05-01 |
| | Interim Administrator | 05-01 to 08-31 |
| Kristine Altrichter | Office Administrator | 11-23 to 12-31 |
| RaeAnn Berg | Administrative Assistant | |
| Julie M. Jerger | Administrative Assistant | |
| Zachary Anderson | Watershed Specialist | |

Harold J. Rotunda
Certified Public Accountant
INDEPENDENT AUDITOR'S REPORT

Governing Board
Buffalo-Red River Watershed District
Barnesville, Minnesota

I have audited the accompanying cash basis financial statements of the governmental activities, each major fund and aggregate remaining fund information of Buffalo-Red River Watershed District as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Buffalo-Red River Watershed District as of December 31, 2020, and the changes in cash basis financial position for the year then ended, in conformance with the cash basis of accounting.

Basis of Accounting

I 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 U.S. generally accepted accounting principles. My opinion is not modified with respect to that matter.

Other Matters

Management has omitted the management discussion and analysis and budgetary comparison information 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. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Buffalo-Red River Watershed District basic financial statements. The Schedule of Activity and transfers is presented for purposes of additional analysis and is not a required part of the basis financial statements.

The Schedule of Activity and Transfers is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basis 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 my opinion, the Schedule of Activity and Transfers is fairly stated, in all material respects, in relation to the basis financial statements as a whole.

West Fargo, North Dakota
September 19, 2020

PO Box 816 West Fargo, ND 58078 Phone (701)281-0483 Cell 212-3908

BUFFALO-RED RIVER WATERSHED DISTRICT
STATEMENT OF NET ASSETS- CASH BASIS
DECEMBER 31, 2020

ASSETS

Cash and investments 2,862,284.18

-

Total Assets 2,862,284.18

LIABILITIES

Accounts Payable

-

-

-

Total liabilities -

NET ASSETS

Unrestricted 2,862,284.18

Total net assets 2,862,284.18

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

BUFFALO-RED RIVER WATERSHED DISTRICT
 STATEMENT OF ACTIVITIES- CASH BASIS
 YEAR ENDED DECEMBER 31, 2020

| | | Program Revenues | | Net (expense) Revenue & Changes in Net Assets |
|---------------------------|-------------------------|-------------------------|---------------------------------------|-----------------------------------------------------|
| | Expenses | Charges for Services | Operating grants and Contributions | Governmental Activities |
| Governmental Activities: | | | | |
| General government | 205,001.36 | 2,700.00 | | (202,301.36) |
| Project expense | 5,354,933.81 | - | 2,619,138.50 | (2,735,795.31) |
| | | | | - |
| | | | | - |
| | | | | - |
| | | | | - |
| | | | | - |
| Interest expense | 130,509.71 | | | (130,509.71) |
| | | | | - |
| Total Governmental Activi | 5,690,444.88 | 2,700.00 | 2,619,138.50 | (3,068,606.38) |
| | General Revenues | | | |
| | Property taxes | | | 1,375,960.37 |
| | Special assessments | | | 1,236,148.34 |
| | CWF | | | - |
| | State aid | | | 147,676.65 |
| | Interest income | | | 157,366.44 |
| | RRWMB share | | | 8,542.75 |
| | Other revenue | | | 289,898.79 |
| | Total General revenues | | | 3,215,593.34 |
| | Change in Net Assets | | | 146,986.96 |
| | Net Assets- January 1 | | | 2,715,297.18 |
| | Net Assets- December 31 | | | 2,862,284.14 |

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

BUFFALO-RED RIVER WATERSHED DISTRICT
 BALANCE SHEET- GOVERNMENTAL FUNDS- CASH BASIS
 DECEMBER 31, 2020

| | GENERAL FUND | CONSTRUCTION FUND | 103 D FUND | PROJECT 79 FUND | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---------------------------------|-----------------|----------------------|---------------|--------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and investments | 32,567.76 | 1,405,559.39 | - | 749,777.12 | 674,379.91 | 2,862,284.18 |
| | | | | | | - |
| | | | | | | - |
| | | | | | | - |
| | | | | | | - |
| Total Assets | 32,567.76 | 1,405,559.39 | - | 749,777.12 | 674,379.91 | 2,862,284.18 |
| LIABILITIES | | | | | | |
| Accounts Payable | | | | | | - |
| | | | | | | - |
| | | | | | | - |
| | | | | | | - |
| Total liabilities | - | - | - | - | - | - |
| FUND BALANCE | | | | | | |
| Restricted for Capital Projects | | | | | | - |
| Restricted for Debt Service | | | | | | - |
| Unassigned | 32,567.76 | 1,405,559.39 | - | 749,777.12 | 674,379.91 | 2,862,284.18 |
| Total fund balance | 32,567.76 | 1,405,559.39 | - | 749,777.12 | 674,379.91 | 2,862,284.18 |

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

BUFFALO-RED RIVER WATERSHED DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS- CASH BASIS
 YEAR ENDED DECEMBER 31, 2020

| | GENERAL FUND | CONSTRUCTION FUND | 103 D FUND | PROJECT 79 FUND | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|----------------------------------------|--------------------|----------------------|---------------------|---------------------|--------------------------------|--------------------------------|
| Property taxes | 231,529.71 | - | 660,899.51 | 462,968.19 | 20,563.06 | 1,375,960.47 |
| Special assessments | | | | 111,967.60 | 1,124,180.74 | 1,236,148.34 |
| Grant income | | - | 45,208.91 | 1,400,000.00 | 1,173,929.59 | 2,619,138.50 |
| State aid | 24,824.44 | | 71,002.94 | 49,663.66 | 2,185.61 | 147,676.65 |
| CWF | - | - | - | - | - | - |
| Charges for services | 2,700.00 | - | - | - | - | 2,700.00 |
| Interest and other | 48,028.88 | 33,909.38 | 7,259.00 | 19,311.43 | 347,299.19 | 455,807.88 |
| Total Revenues | 307,083.03 | 33,909.38 | 784,370.36 | 2,043,910.88 | 2,668,158.19 | 5,837,431.84 |
| Current: | | | | | | |
| General government | 137,382.32 | 346.80 | - | | 67,272.24 | 205,001.36 |
| Engineering | 311,265.36 | - | 3,622.25 | 262,604.79 | 1,263,946.80 | 1,841,439.20 |
| Buy out costs | | | - | - | - | - |
| Capital outlay | | - | 236,829.31 | 1,508,709.40 | 1,773,687.08 | 3,519,225.79 |
| Debt Service | | | | | | |
| Principal | | | | | - | - |
| Interest expense | - | | | - | 124,778.50 | 124,778.50 |
| Total Expenditures | 448,647.68 | 346.80 | 240,451.56 | 1,771,314.19 | 3,229,684.62 | 5,690,444.85 |
| Excess revenues (expenditures) | (141,564.65) | 33,562.58 | 543,918.80 | 272,596.69 | (561,526.43) | 146,986.99 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 80,000.00 | - | | - | 592,509.76 | 672,509.76 |
| Transfers out | | - | (547,851.22) | - | (124,658.54) | (672,509.76) |
| Bond proceeds | | | | | - | - |
| Total other financing sources | 80,000.00 | - | (547,851.22) | - | 467,851.22 | - |
| Net change in fund balances | (61,564.65) | 33,562.58 | (3,932.42) | 272,596.69 | (93,675.21) | 146,986.99 |
| Fund balance- beginning | 94,132.41 | 1,371,996.81 | 3,932.42 | 477,180.43 | 768,055.12 | 2,715,297.19 |
| Fund balance- ending | 32,567.76 | 1,405,559.39 | 0.00 | 749,777.12 | 674,379.91 | 2,862,284.18 |

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

BUFFALO - RED RIVER WATERSHED DISTRICT
BARNESVILLE, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Buffalo-Red Watershed District (District) have been prepared on the cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements present the activities of the District. The District has considered all potential component Units for which the District is financially accountable and other organizations for which the nature and significance of their relationships with the District such that exclusion would cause the District's financial statements to be misleading or incomplete. 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.

Based on these criteria, there are no component Units.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-wide statements: The statement of net assets and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

BUFFALO - RED RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS- CONTINUED

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Funds are organized into two major categories: governmental and proprietary. The District currently has no enterprise or fiduciary funds.

The District reports the following major governmental fund types:

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.

Construction fund. The Construction fund is used to record the tax levy that results from a levy in conjunction with the Red River Watershed Management Board. The fund directly pays for construction costs or supports other funds of the District.

M.S.A. 103D.905 fund. The Construction fund is used to record the tax levy that results from a levy allowed by the State. The fund directly pays for construction costs or supports other funds of the District.

Project No 49- Oakport Township Levee. The fund is used to record the grant and special assessments received for the construction of a levee in Oakport Township. The fund is also used to purchase property in the Township that is at risk for flooding.

The District also reports the following fund types:

Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the District.

BUFFALO - RED RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS- CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial
Statement Presentation

Government-wide Financial Statements. In the government-wide Statement of Net Assets and the Statement of Activities, activities are presented using the economic resources measurement focus, within the limitations of the modified 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 presents 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.

In the government-wide Statement of Net Assets and the Statement of Activities, activities are presented using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues and expenditures when they result from cash transactions in the government-wide statements. This basis is a comprehensive of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) 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. All government-wide financial statements would be presented on the accrual basis of accounting.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then by general revenues.

BUFFALO - RED RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS- CONTINUED

D. Budgets

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

E. Cash and Investments

At year end, the bank balance was \$2,183,744. The entire bank balance was covered by federal depository insurance or was collateralized with securities by the pledging financial institution's agent in the District's name.

The District is authorized by State statutes to invest idle funds in direct or guaranteed obligations of the United States or its agencies, shares of registered investment companies, any general obligation of the state or municipalities, bankers acceptances or commercial paper of U.S. corporations.

Investments consist of certificates of deposits stated at cost.

F. Capital Assets

The District records capital assets as disbursements at the time of purchase.

G. Long-Term Obligations

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums, discounts and issuance costs are recognized in the current period since the amounts are not material.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

H. Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - inventories; or (b) legally or contractually required to be maintained intact.

BUFFALO - RED RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS- CONTINUED

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the District council-the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

I. Interfund Transactions

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

All other interfund transfers are reported as operating transfers. In the government-wide financial statements, interfund transactions have been eliminated.

BUFFALO - RED RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS- CONTINUED

J. Use of estimates

The preparation of financial statements in conformity with the Other comprehensive basis of accounting (OCBOA) used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

NOTE 2: LEGAL COMPLIANCE - BUDGETS
BUDGET AMENDMENTS

The board did not amend the District's budget in 2020.

EXPENDITURES OVER APPROPRIATIONS

The District did not overspend the budget. No remedial action is required by the District.

NOTE 3 DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is risk associated with the failure of a depository financial institution to recover its deposits or collateralized securities that are in the possession of outside parties. The District does not have a formal policy that addresses custodial credit risk for deposits. However, in accordance with state statutes, the District maintains deposits at those depository banks and savings and loans authorized by the District, all of which are covered by federal deposit insurance. These statutes also require that the deposits be protected by insurance, collateral or surety bond. The fair value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds. As of December 31, 2020, the District's deposits were either fully insured or properly collateralized, and have no custodial risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of debt security typically moves in the opposite direction of the change in interest rate. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates. As of December 31, 2020, the District had no debt securities investments.

BUFFALO - RED RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS- CONTINUED

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal investment policy that specifically addresses credit risk. As of December 31, 2020, the District had no debt securities investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer. As of December 31, 2020, the District had no debt securities investments.

NOTE 4: RISK MANAGEMENT

The District is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All risks of loss are insured by the purchase of commercial insurance. There were no significant reductions in insurance coverage from the previous year. There were no settlements in excess of insurance for any of the past three fiscal years.

NOTE 5: TRANSFERS

Transfers are used to 1)move unrestricted revenues to finance various programs 2)move property tax revenues to fund programs and projects. A schedule of the transfers is on page 20.

BUFFALO - RED RIVER WATERSHED DISTRICT
 NOTES TO FINANCIAL STATEMENTS- CONTINUED

NOTE 6. DEFICIT FUND BALANCES

The following fund balances had deficits at December 31, 2020:

| | | |
|------------------|---------|-----------------------------------------|
| Project #14 | 110 | Will be eliminated by specials. |
| Project #17 | 383 | Will be eliminated by specials. |
| Project #21 | 53 535 | Will be eliminated by specials. |
| Project #27 | 7 022 | Will be eliminated by specials. |
| Project #33 | 100 408 | Will be eliminated by specials. |
| Project #37 | 4 018 | Will be eliminated by specials. |
| Project #39 | 8 834 | Will be eliminated by specials. |
| Project #46 | 14 674 | Will be eliminated by specials. |
| Project #49 | 231 577 | Will be eliminated by specials. |
| Project #61 | 45 699 | Will be eliminated by specials. |
| Project #62 | 453 | Will be eliminated by specials. |
| Project #71 | 91 796 | Will be eliminated by specials. |
| Project #72 | 584 | Will be eliminated by specials. |
| Becker Ditch #5 | 23 491 | Will be eliminated by specials. |
| Becker Ditch #7 | 4 512 | Will be eliminated by specials. |
| Becker Ditch #9 | 62 292 | Will be eliminated by specials. |
| Clay Ditch #9 | 30 185 | Will be eliminated by specials. |
| Clay Ditch #16 | 7 703 | Will be eliminated by specials. |
| Clay Ditch #20 | 93 319 | Will be eliminated by specials. |
| Clay Ditch #23 | 68 272 | Will be eliminated by specials. |
| Clay Ditch #28 | 15 697 | Will be eliminated by specials. |
| Clay Ditch #51 | 22 653 | Will be eliminated by specials. |
| Wilkin Ditch #6A | 94 965 | Will be eliminated by specials. |
| Wilkin Ditch #26 | 13 075 | Will be eliminated by specials. |
| Wilkin Ditch #40 | 13 569 | Will be eliminated by specials. |
| Wilkin Ditch #41 | 23 256 | Will be eliminated by specials. |
| Wilkin Ditch #27 | 58 046 | Will be eliminated by specials. |
| Wilkin Ditch #44 | 36 528 | Will be eliminated by specials. |
| Silver Lake | 1 311 | Will be eliminated by specials. |
| One Watershed | 28 965 | Will be eliminated by grant. |
| S&D Acquisition | 134 111 | Will be eliminated by taxes. |
| 2019 Flood | 20 049 | Will be eliminated by grant. |
| Upper Buffalo | 61 468 | Will be eliminated by grant. |
| Otter tail | 114 287 | Will be eliminated by MSA 103D. |
| Upper S Branch | 157 055 | Will be eliminated by grant. |
| Whiskey creek | 86 686 | Will be eliminated by Wilkin CWF grant. |
| Wilkin/Otter JD2 | 361 563 | Will be eliminated by specials/grant. |
| Stony Creek | 44 635 | Will be eliminated by MSA 103D. |
| COE Diversion | 535 994 | Will be eliminated by MSA 103D. |

BUFFALO- RED RIVER WATERSHED DISTRICT

FUND EQUITY

DECEMBER 31, 2020

| | BEGINNING BALANCE | REVENUES | EXPENSES | TRANSFERS IN (OUT) | ENDING BALANCE |
|-----------------------|----------------------|------------|------------|-----------------------|-------------------|
| GENERAL | 94,132.41 | 307,083.03 | 448,647.68 | 80,000.00 | 32,567.76 |
| NEW OFFICE | 31.49 | 31.57 | | | 63.06 |
| RRWMB | 69.45 | | | | 69.45 |
| CONSTRUCTION | 1,371,996.81 | 33,909.38 | 346.80 | | 1,405,559.39 |
| MSA 103D | 3,932.42 | 784,370.36 | 240,451.56 | (547,851.22) | - |
| INSURANCE | 772.82 | 22,547.54 | 21,915.47 | | 1,404.89 |
| BECKER DITCH #5 | (5,926.53) | 5,906.58 | 23,471.53 | | (23,491.48) |
| BECKER DITCH #6 | 4.30 | 0.11 | | | 4.41 |
| BECKER DITCH #7 | (4,354.96) | | 156.78 | | (4,511.74) |
| BECKER DITCH #9 | (77,651.56) | 18,614.27 | 3,254.32 | | (62,291.61) |
| BECKER DITCH#10 | 4,445.18 | 283.51 | 1,894.66 | | 2,834.03 |
| BECKER DITCH#15-PJ 23 | 11,854.24 | 13,118.36 | 14,327.67 | | 10,644.93 |
| BECKER DITCH#19 | 3,882.25 | 305.45 | 3,119.28 | | 1,068.42 |
| CLAY DITCH #03 | 10,863.76 | 34,920.24 | 1,538.96 | 1,258.00 | 45,503.04 |
| CLAY DITCH #05 | 23,587.60 | 12,570.59 | 1,810.94 | | 34,347.25 |
| CLAY DITCH #09 | 6,424.08 | - | 37,905.18 | 1,296.50 | (30,184.60) |
| CLAY DITCH #16 | (49,282.64) | 45,058.77 | 4,038.88 | 560.00 | (7,702.75) |
| CLAY DITCH #17 | 145.68 | 14,554.62 | 497.43 | | 14,202.87 |
| CLAY DITCH #20 | 10,463.46 | 14,458.96 | 118,241.57 | | (93,319.15) |
| CLAY DITCH #21 | 35,901.13 | 8,758.69 | 15,279.77 | 2,354.50 | 31,734.55 |
| CLAY DITCH #22 | 9,481.41 | 14,311.17 | 11,972.68 | | 11,819.90 |
| CLAY DITCH #23 | (54,128.58) | 27,720.18 | 46,772.51 | 4,908.79 | (68,272.12) |
| CLAY DITCH #28 | (8,543.29) | 15,597.76 | 38,068.11 | 15,316.56 | (15,697.08) |
| CLAY DITCH #31 | (334.01) | 6,534.99 | 956.92 | | 5,244.06 |
| CLAY DITCH #32 | 31,623.31 | 5,903.30 | 2,036.82 | 3,514.19 | 39,003.98 |
| CLAY DITCH #33 | 12,765.78 | 288.20 | 4,704.45 | 987.44 | 9,336.97 |
| CLAY DITCH #34 | 20,647.73 | 276.36 | 12,795.16 | | 8,128.93 |
| CLAY DITCH #35 | 34,287.25 | 826.38 | 1,407.65 | | 33,705.98 |
| CLAY DITCH #36 | 20,829.04 | 509.08 | 724.17 | 460.00 | 21,073.95 |
| CLAY DITCH #39- PJ 7 | 39,689.57 | 9,890.61 | 3,939.59 | | 45,640.59 |
| CLAY DITCH #40 | (21,605.38) | 36,859.88 | 6,664.09 | 1,009.00 | 9,599.41 |
| CLAY DITCH #49 | 7,450.31 | 176.10 | 449.25 | | 7,177.16 |
| CLAY DITCH #51 | (147.04) | 6,484.54 | 29,500.18 | 510.00 | (22,652.68) |
| CLAY DITCH #53-PJ 47 | 31,211.24 | 758.46 | 1,093.13 | | 30,876.57 |
| CLAY DITCH #54 | 8,420.30 | 3,868.60 | 807.68 | | 11,481.22 |
| CLAY DITCH #57 | 10,244.10 | 253.12 | 44.44 | | 10,452.78 |
| CLAY DITCH #58 | 3,618.45 | 9,374.27 | 7,224.92 | 390.00 | 6,157.80 |
| CLAY DITCH 59-PJ 48 | 35,467.07 | 766.27 | 10,709.74 | 2,698.00 | 28,221.60 |
| CLAY DITCH #60 | 6,884.88 | 4,272.58 | 716.75 | | 10,440.71 |
| CLAY DITCH #63 | 28,952.53 | 706.17 | 2,906.77 | | 26,751.93 |

BUFFALO- RED RIVER WATERSHED DISTRICT
 FUND EQUITY
 DECEMBER 31, 2020

| | BEGINNING BALANCE | REVENUES | EXPENSES | TRANSFERS IN (OUT) | ENDING BALANCE |
|-----------------------|----------------------|-----------|-----------|-----------------------|-------------------|
| CLAY DITCH #65- PJ 3 | 4,302.41 | 994.80 | 3,285.12 | | 2,012.09 |
| WILKIN DITCH#01A | 35,337.99 | 771.46 | 6,206.62 | | 29,902.83 |
| WILKIN DITCH#01B | 17,146.70 | 339.54 | 5,687.54 | | 11,798.70 |
| WILKIN DITCH#01C | 15,414.11 | 334.11 | 2,771.41 | | 12,976.81 |
| WILKIN DITCH#03 | 96,651.19 | 3,368.54 | 18,555.91 | | 81,463.82 |
| WILKIN DITCH#04 | 3,821.33 | 20,258.63 | 10,561.67 | 16,573.36 | 30,091.65 |
| WILKIN DITCH#07 | 74,219.68 | 2,502.81 | 1,306.39 | | 75,416.10 |
| WILKIN DITCH#12 | 1,850.91 | 10,167.01 | 5,746.58 | | 6,271.34 |
| WILKIN DITCH#15 | 8,917.50 | 9,820.93 | 661.38 | | 18,077.05 |
| WILKIN DITCH#22-PJ1 | 18,559.04 | 50,306.86 | 2,733.35 | | 66,132.55 |
| WILKIN DITCH#23 | 12,279.10 | 20,069.56 | 6,393.65 | | 25,955.01 |
| WILKIN DITCH#26 | (20,164.95) | 15,019.66 | 7,929.25 | | (13,074.54) |
| WILKIN DITCH#27 | 25,972.48 | 148.11 | 84,167.12 | | (58,046.53) |
| WILKIN DITCH#28 | 15,498.97 | 10,518.34 | 1,697.65 | | 24,319.66 |
| WILKIN DITCH#29 | 48,059.18 | 1,178.09 | 794.82 | | 48,442.45 |
| WILKIN DITCH#31 | 8,711.25 | 24,846.53 | 5,626.46 | | 27,931.32 |
| WILKIN DITCH#34 | 56,843.89 | 1,394.94 | 767.12 | | 57,471.71 |
| WILKIN DITCH#37 | 33,521.45 | 5,452.84 | 1,412.73 | | 37,561.56 |
| WILKIN DITCH#40 | (16,004.04) | 13,880.46 | 1,444.94 | | (3,568.52) |
| WILKIN DITCH#41 | (91,944.55) | 71,661.02 | 2,972.90 | | (23,256.43) |
| WILKIN DITCH#42-PJ 25 | 4,135.41 | 9,907.15 | 475.76 | 645.40 | 14,212.20 |
| WILKIN DITCH#43 | (15,689.32) | 23,420.57 | 1,147.48 | | 6,583.77 |
| WILKIN DITCH#44-PJ 24 | (55,235.16) | 29,471.27 | 10,764.53 | | (36,528.42) |
| WILKIN DITCH#5A | 5,660.21 | 20,273.82 | 1,028.51 | | 24,905.52 |
| WILKIN DITCH#02 | 39,566.22 | 930.62 | 3,257.62 | | 37,239.22 |
| WILKIN DITCH#06A | (55,675.18) | 30,013.04 | 74,284.85 | 4,981.54 | (94,965.45) |
| PROJECT #02- W 22 | (12,940.73) | 20,294.10 | 2,107.98 | | 5,245.39 |
| PROJECT #04 | 6,505.71 | 159.45 | 55.55 | | 6,609.61 |
| PROJECT #05 | 869.93 | 20.19 | 161.44 | | 728.68 |
| PROJECT #08 | 803.09 | - | 6,541.10 | 5,738.01 | - |
| PROJECT #13 | 339.51 | - | 3,062.60 | 2,723.09 | - |
| PROJECT #14 | 1,618.77 | 55.19 | 11,644.58 | 9,860.72 | (109.90) |
| PROJECT #16 | 68.33 | - | 14,150.72 | 14,082.39 | - |
| PROJECT #19 | 21,839.69 | 494.57 | 7,194.25 | | 15,140.01 |
| PROJECT #20 | 14,358.32 | 324.51 | 4,788.95 | 8,119.58 | 18,013.46 |
| PROJECT #21 | (112,633.46) | 50,553.78 | 36,653.49 | 45,198.50 | (53,534.67) |
| PROJECT #27-C 55 | (22,141.20) | 24,785.42 | 10,486.33 | 820.00 | (7,022.11) |
| PROJECT #28- C 2 | 16,033.60 | 1,392.89 | 5,246.33 | | 12,180.16 |
| PROJECT #29 | - | - | 4,295.96 | 4,295.96 | - |
| PROJECT #30-CW JD1 | 17,112.73 | 5,659.92 | 6,188.41 | | 16,584.24 |

BUFFALO- RED RIVER WATERSHED DISTRICT

FUND EQUITY

DECEMBER 31, 2020

| | BEGINNING BALANCE | REVENUES | EXPENSES | TRANSFERS IN (OUT) | ENDING BALANCE |
|------------------------|----------------------|------------|------------|-----------------------|-------------------|
| PROJECT #31 | 0.00 | - | 6,457.41 | 6,457.41 | 0.00 |
| PROJECT #32 | 615.94 | 11.26 | 361.14 | | 266.06 |
| PROJECT #33 | 55,479.39 | | 155,887.46 | | (100,408.07) |
| PROJECT #34 | 127,472.19 | 4,929.47 | 84,988.48 | | 47,413.18 |
| PROJECT #35 | 70,937.08 | 1,214.97 | 67,164.82 | | 4,987.23 |
| PROJECT #36 | 11,453.73 | 259.98 | 4,744.31 | | 6,969.40 |
| PROJECT #37 | 5,380.50 | 117.63 | 9,516.78 | | (4,018.65) |
| PROJECT #38 | 51,697.91 | 1,265.92 | 1,126.45 | 294.71 | 52,132.09 |
| PROJECT #39 | (31,879.13) | 24,478.61 | 1,433.80 | | (8,834.32) |
| PROJECT #40 | 134,131.38 | 3,283.84 | 2,554.50 | | 134,860.72 |
| PROJECT #42 | 4,327.57 | 107.12 | 42.72 | 38.64 | 4,430.61 |
| PROJECT #43- C 30 | 60,735.77 | 1,480.31 | 5,179.85 | | 57,036.23 |
| PROJECT #44 | - | 32,587.94 | 32,587.94 | | - |
| PROJECT #17 | - | | 383.07 | | (383.07) |
| PROJECT #46- TLO | (1,635.69) | 23,853.94 | 36,891.77 | | (14,673.52) |
| PROJECT #49-OAK | (221,054.48) | 100,000.00 | 110,522.60 | | (231,577.08) |
| PROJECT #50 | (2,580.91) | 14,057.38 | 257.13 | | 11,219.34 |
| PROJECT #51 | 26,129.81 | 583.32 | 10,830.89 | | 15,882.24 |
| PROJECT #52 | 1,392.34 | 4,462.62 | 5,491.27 | 580.00 | 943.69 |
| PROJECT #54 | (6,973.37) | 19,255.53 | 7,588.89 | | 4,693.27 |
| PROJECT #55 | 23,423.03 | 577.34 | 338.43 | | 23,661.94 |
| PROJECT #56 | (36,522.30) | 51,118.43 | 17,726.81 | 3,130.68 | 0.00 |
| PROJECT #57 | 15,023.60 | 368.89 | 178.77 | | 15,213.72 |
| PROJECT #58 | 28,079.06 | 687.40 | 556.45 | | 28,210.01 |
| PROJECT #61 | (39,923.37) | 99,176.84 | 104,952.37 | | (45,698.90) |
| PROJECT #62 | (437.21) | | 15.74 | | (452.95) |
| PROJECT #63- GROVE | 17,225.28 | 1,081.81 | 6,579.39 | | 11,727.70 |
| PROJECT #64 | 8,327.86 | 9,653.13 | 540.01 | | 17,440.98 |
| PROJECT #65 | 7,618.04 | 5,996.06 | 219.17 | | 13,394.93 |
| PROJECT #67 | 17,510.82 | 403.45 | 2,075.83 | | 15,838.44 |
| PROJECT #68 | 8,023.13 | 185.15 | 1,060.68 | | 7,147.60 |
| PROJECT #70 | 7,545.75 | 184.25 | 131.91 | | 7,598.09 |
| PROJECT #71 | (88,056.42) | | 3,739.23 | | (91,795.65) |
| PROJECT #72 | (176.43) | - | 1,696.86 | 1,288.82 | (584.47) |
| PROJECT #73 | 4,049.92 | 100.11 | | | 4,150.03 |
| SILVER LAKE OUTLET | (0.00) | | 1,310.92 | | (1,310.92) |
| PROJECT #80 | (0.00) | - | - | - | (0.00) |
| PROJECT #77 | - | - | 72.17 | 72.17 | - |
| PROJECT #78 | 245,170.57 | 5,914.50 | 34,491.49 | | 216,593.58 |
| HAY CREEK STINKING LAI | 19.21 | 1.04 | - | | 20.25 |

BUFFALO- RED RIVER WATERSHED DISTRICT
 FUND EQUITY
 DECEMBER 31, 2020

| | BEGINNING BALANCE | REVENUES | EXPENSES | TRANSFERS IN (OUT) | ENDING BALANCE |
|----------------------------|----------------------|---------------------|---------------------|-----------------------|---------------------|
| UPPER BUFFALO SEDIMENT | (11,889.49) | 125,627.42 | 175,205.46 | | (61,467.53) |
| HAWLEY BUFF RIV RES | (0.00) | 1.41 | 2,369.79 | 2,368.38 | (0.00) |
| MEDIATION PT | (995.56) | 8,542.75 | 14,651.39 | 7,104.20 | - |
| SWPPP | - | - | 3,837.32 | 3,837.32 | - |
| STREAMBANK EROSION-PJ 2016 | 8,010.76 | 198.01 | | | 8,208.77 |
| RIVERKEEPERS | 0.42 | 0.01 | | | 0.43 |
| RWMP COMP PLANNING | 83,290.41 | 2,063.82 | | | 85,354.23 |
| COE DIVERSION | (82,200.02) | 50,000.00 | 503,794.15 | | (535,994.17) |
| CLAY COUNTY BUYOUT | 21,689.53 | 536.12 | - | | 22,225.65 |
| UPPER S BRANCH BMP | (98,324.60) | 5,335.98 | 64,066.75 | | (157,055.37) |
| BWSR CWF GRANT 17 | (63,206.22) | 16,800.00 | 1,872.22 | 48,278.44 | - |
| FEMA 2009 | 2,283.70 | 56.45 | | | 2,340.15 |
| BWSR FY 18 DRAINAGE | (22,510.01) | 25,000.00 | 67,929.10 | 65,439.11 | - |
| BUF RIV GRADE | - | - | 46,972.91 | 46,972.91 | - |
| GLYNDON EAST TRIBUTARY | - | - | 37,471.39 | 37,471.39 | - |
| WETLAND RESTORATION | - | 798,947.09 | 43,716.99 | | 755,230.10 |
| RED RIVER BASIN | (36.77) | - | 1.32 | 38.09 | (0.00) |
| S&D ACQUISITIONS | (53,765.09) | 11.25 | 80,357.19 | | (134,111.03) |
| WHISKEY CREEK ENHANCEMENT | (7,281.69) | - | 167,416.38 | 88,011.90 | (86,686.17) |
| WHISKEY CREEK NWQI | (3,076.04) | - | 110.74 | 3,186.78 | - |
| WILKIN CTY BMP | - | - | 23,230.01 | 23,230.01 | - |
| WOLVERTON CREEK-PJ79 | 477,180.43 | 2,043,910.88 | 1,771,314.19 | | 749,777.12 |
| 2019 SPRING FLOOD | (19,281.23) | 137,439.48 | 13,548.73 | (124,658.54) | (20,049.02) |
| WILKIN SWCD CWF | 20,387.72 | 503.94 | - | | 20,891.66 |
| OTTER TAIL RIVER BMP | (39,099.66) | - | 17,307.61 | 56,407.27 | - |
| RIM/WRP FLOOD INVEST | 50,600.12 | 1,258.35 | | | 51,858.47 |
| RED RIVER STRESSOR | 1,936.76 | 47.87 | - | | 1,984.63 |
| BARNESVILLE DRAINAGE | 78,248.74 | 1,941.17 | 724.37 | | 79,465.54 |
| OTTER TAIL RIVER PLNG | 33,300.79 | 7.52 | 147,594.96 | | (114,286.65) |
| STONY CREEK COMP PLAN | (8,629.61) | 22,478.00 | 78,483.84 | 20,000.00 | (44,635.45) |
| SABIN COULEE | 3.48 | 0.09 | | | 3.57 |
| ONE WATERSHED ONE PLAN | (97,841.76) | 92,988.00 | 54,111.07 | 30,000.00 | (28,964.83) |
| BUFFER INITIATIVE 2015 | 302,254.03 | 143,208.39 | 7,953.75 | | 437,508.67 |
| WILKIN/OTTER JD #2 | (219,978.70) | 10,468.82 | 152,053.17 | | (361,563.05) |
| TOTAL | 2,715,297.19 | 5,837,431.84 | 5,690,444.85 | 0.00 | 2,862,284.18 |

BUFFALO- RED RIVER WATERSHED DISTRICT
 SCHEDULE OF TRANSFERS
 YEAR ENDED DECEMBER 31, 2020

| | TRANSFERS IN | TRANSFERS OUT |
|-------------------------|-----------------|------------------|
| GENERAL | 80,000.00 | |
| MSA 103D | | 547,851.22 |
| CLAY DITCH #3 | 1,258.00 | |
| CLAY DITCH #9 | 1,296.50 | |
| CLAY DITCH #16 | 560.00 | |
| CLAY DITCH #21 | 2,354.50 | |
| CLAY DITCH #23 | 4,908.79 | |
| CLAY DITCH #28 | 15,316.56 | |
| CLAY DITCH #32 | 3,514.19 | |
| CLAY DITCH #33 | 987.44 | |
| CLAY DITCH #36 | 460.00 | |
| CLAY DITCH #40 | 1,009.00 | |
| CLAY DITCH #51 | 510.00 | |
| CLAY DITCH #58 | 390.00 | |
| CLAY DITCH #59 | 2,698.00 | |
| WILKIN DITCH#42 | 645.40 | |
| WILKIN DITCH#06A | 4,981.54 | |
| WILKIN DITCH#04 | 16,573.36 | |
| PROJECT #08 | 5,738.01 | |
| PROJECT #13 | 2,723.09 | |
| PROJECT #14 | 9,860.72 | |
| PROJECT #16 | 14,082.39 | |
| PROJECT #20 | 8,119.58 | |
| PROJECT #21 | 45,198.50 | |
| PROJECT #27 | 820.00 | |
| PROJECT #29 | 4,295.96 | |
| PROJECT #31 | 6,457.41 | |
| PROJECT #38 | 294.71 | |
| PROJECT #42 | 38.64 | |
| PROJECT #52 | 580.00 | |
| PROJECT #56 | 3,130.68 | |
| PROJECT #72 | 1,288.82 | |
| PROJECT #77 | 72.17 | |
| HAWLEY BUFF RIV RES | 2,368.38 | |
| MEDIATION PT | 7,104.20 | |
| SWPPP | 3,837.32 | |
| BWSR CWF GRANT 17 | 48,278.44 | |
| BWSR FY 18 DRAINAGE | 65,439.11 | |
| BUFFALO RIVER GRADE | 46,972.91 | |
| GLYNDON EAST TRIBUTARY | 37,471.39 | |
| RED RIVER BASIN | 38.09 | |
| WHISKEY CREEK ENHANCE | 88,011.90 | |
| WHISKEY CREEK NWQI | 3,186.78 | |
| WILKIN COUNTY BMP | 23,230.01 | |
| SPRING FLOOD 2019 | | 124,658.54 |
| OTTERTAIL RIVER BMP | 56,407.27 | |
| STONY CREEK COMP PLAN | 20,000.00 | |
| ONE WATERSHED ONE PLACE | 30,000.00 | |
| | 672,509.76 | 672,509.76 |