

**Pioneer-Sarah Creek Watershed Management Commission  
2011 Approved Budget**

	A	B	S	T	V	W
1			2009 Approved Budget Revised	2009 Year- End	2010 Approved Budget Revised	2011 Budget Approved
2	<b>General Revenue</b>					
3		Member Dues	72,800	72,800	72,800	74,260
4		Management Plan Assessment				15,000
5		Interest Income	700	416	500	500
6		Miscellaneous			0	0
7		<b>Total General Revenue (Lines 3-6)</b>	<b>73,500</b>	<b>73,216</b>	<b>73,300</b>	<b>89,760</b>
8	<b>General Expense</b>					
9		Administrative				
10		Administrative - General	(40,000)	(45,344)	(32,000)	(32,000)
11		Administrative Support - Technical Services	(3,000)	(2,037)	(3,500)	(3,300)
12		Legal Services				
13		Legal Services - General	(1,000)	(377)	(500)	(500)
14		Legal Services - WCA	(1,500)	0	(500)	(200)
15		Tehnical Support				
16		Technical Support - General				(7,000)
17		Technical Support (in case of conflict of interest)			(300)	
18		Audit	(4,500)	(4,500)	(4,500)	(4,500)
19		Insurance	(3,700)	(2,694)	(3,500)	(3,200)
20		Website	(3,000)	(2,404)	(3,000)	(3,000)
21		2Generation Plan Admin - local plans, plan amendments	(3,000)	(951)		
22		2Generation Plan amendments / 3Generation Plan	(6,500)	(6,364)	(2,000)	
23		Miscellaneous		(94)	0	(500)
24		<b>Total General Expenses (Lines 9-23)</b>	<b>(66,200)</b>	<b>(64,765)</b>	<b>(49,800)</b>	<b>(54,200)</b>
25	<b>General Programs</b>					
26		General Programs - Administrative support			(3,500)	(3,500)
27		Lake Monitoring	(6,850)		(6,800)	
28		CAMP		(900)		0
29		TRPD		(5,040)		(5,040)
30		Stream Monitoring	(10,500)	(5,000)	(6,500)	(6,800)
31		Vegetation Monitoring				
32		Macroinvertebrate Program - River Watch & SHEP	(1,500)	(1,500)	(1,600)	(1,500)
33		Erosion & sedimentation problem area identification & BMPs				
34		Wetland Management Plan				
35		Infiltration Study				
36		Contribution to CIP Project/Study				
37		NPDES Education Component				
38		Education				
39		Education - general programs	(2,000)	(2,664)	(3,800)	(3,000)
40		Blue Thumb			(500)	(500)
41		Independence Clean Water Res Fair				(250)
42		WMWA Admin			(500)	(2,000)
43		MN Lakes at Risk CD Campaign			(512)	
44		Stakeholder Survey			(200)	
45		Contingency	(2,000)		(1,525)	(1,000)
46		<b>Subtotal General Programs (Lines 26-45)</b>	<b>(22,850)</b>	<b>(15,104)</b>	<b>(25,437)</b>	<b>(23,590)</b>

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1			2009 Approved Budget Revised	2009 Year- End	2010 Approved Budget Revised	2011 Budget Approved
47	<b>Project Reviews</b>					
48		Project Review Fees	8,000	7,300	10,000	8,000
49		Project Reviews - HCES	(14,000)	(9,300)	(13,000)	(8,000)
50		Policy Enforcement Fees				
51		Policy Enforcement				
52		Developers' Guidelines				
53		<b>Subtotal Project Reviews (Lines 48-52)</b>	<b>(6,000)</b>	<b>(2,000)</b>	<b>(3,000)</b>	<b>0</b>
54	<b>Wetland Conservation Act (WCA)</b>					
55		WCA Fees (including TEP fees)	3,000	350	4,000	3,000
56		WCA Review - HCES	(4,000)	(1,032)	(5,000)	(3,000)
57		WCA Expense - TEP				
58		WCA - TEP Consultant				
59		<b>Subtotal WCA (Lines 55-58)</b>	<b>(1,000)</b>	<b>(682)</b>	<b>(1,000)</b>	<b>0</b>
60	<b>TOTAL GEN EXP, PROGRAMS, PROJ REVIEWS, WCA (Lines 7,24,</b>		<b>(22,550)</b>	<b>(9,335)</b>	<b>(5,937)</b>	<b>11,970</b>
61	<b>TMDLs AND IMPLEMENTATION PLANS</b>					
62	<b>Lake Independence</b>					
63		Lake Independence TMDL				
64		Lake Independence TMDL				
65		Lake Independence TMDL - nutrient mgmt - onsite assessments				
66		Lake Independence CWLA - nutrient mgmt		357,056		
67		Lake Independence CWLA - nutrient mgmt		(342,967)		
68		Lake Independence CWLA - nutrient mgmt - HCES/Admin		(16,031)		
69		Manure Management - Three Rivers Park District - 2006 Agreement				22,000
70		Manure Management - Three Rivers Park District				
71		Wetland, Lake, Stream Buffer Standards/Implementation				(2,000)
72		Model ordinance for ag practices				(5,000)
73		Contribution to CIP Project				(5,000)
74		BMP Projects				(10,000)
75		Lake Independence MEP Grant				
76		Lake Independence MEP Grant				
77		Loretto Wetland				
78		Monitor Loretto WWTF outfalls				
79		<b>Subtotal Lake Independence (Lines 63-78)</b>	<b>0</b>	<b>(1,942)</b>	<b>0</b>	<b>0</b>
80	<b>Lake Sarah</b>					
81		Lake Sarah Project (1990 Grant) - lake level monitoring				
82		Water Control Project - Lake Sarah - TRPD ending 12/07				
83		Lake Sarah TMDL - NRICH			10,000	
84		Lake Sarah TMDL - NRICH				
85		Lake Sarah TMDL - Implementation Plan	34,913			
86		Lake Sarah TMDL - Implementation Plan		(178)		
87		Staff Support				
88		Vegetation Plan				
89		Maintain Stormwater Basins on Loretto Creek				
90		<b>Subtotal Lake Sarah (Lines 81-89)</b>	<b>34,913</b>	<b>(178)</b>	<b>10,000</b>	<b>0</b>
91	<b>Future TMDLS &amp; Implementation</b>					
92		Cooperator funding (MPCA)				
93		Cooperator Expense				
94		<b>Subtotal Future TMDLS (Lines 92-93)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Pioneer-Sarah Creek Watershed Management Commission  
2011 Approved Budget**

	A	B	S	T	V	W
1			2009 Approved Budget Revised	2009 Year- End	2010 Approved Budget Revised	2011 Budget Approved
95		<b>Watershed-wide TMDL (estimated)</b>				
96		Cooperator Funding (MPCA)				
97		Cooperator Expense TRPD in-kind <i>(not included in totals)</i>				
98		Cooperator Expense - Commission contribution (cash)				
99		TRPD Water Monitoring (Cooperative Agmt, begin escrowing 2010)			(20,000)	(20,000)
100		Commission Staff Support			(2,000)	(2,000)
101		<b>Subtotal Watershed-wide TMDL (Lines 96-100)</b>	<b>0</b>	<b>0</b>	<b>(22,000)</b>	<b>(22,000)</b>
102		<b>TOTAL TMDLs AND IMPLEMENTATION (Lines 79, 90,94, 101)</b>	<b>34,913</b>	<b>(2,120)</b>	<b>(12,000)</b>	<b>(22,000)</b>
103		<b>Capital Improvement Projects/Studies (CIPs)</b>				
104		Loretto Wetland - Three Rivers Park District				
105		Study of culverts at RR & County Line Road				
106		Little Long Lake - protection projects				
107		2010 SWAG - Watershed Assessment			18,485	11,280
108		Objective 1: Conduct condition assessment of 7 lakes			(1,125)	(405)
109		Objective 2: Coordinate condition assessment for 3 streams			(16,560)	(10,875)
110		Objective 3: Summarize assessment data into final report			0	0
111		Objective 4: Outreach			(800)	0
112		<b>Subtotal CIPs (Lines 104-111)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
113		<b>Watershed Management Plan</b>				
114		Major Plan Amendment				(5,000)
115		Third Generation Plan (assumes escrow in 2008, 2009 and 2010)	(7,500)		(7,500)	(15,000)
116		<b>Subtotal Management Plan (Lines 114-115)</b>	<b>(7,500)</b>	<b>0</b>	<b>(7,500)</b>	<b>(20,000)</b>
117		<b>TOTAL TMDLs, CIPs, MANAGEMENT PLAN (Lines 102, 112 and 116)</b>	<b>27,413</b>	<b>(2,120)</b>	<b>(19,500)</b>	<b>(42,000)</b>
118		(To) From Reserves				
119		Increase (decrease) in reserved funds				
120		<b>Total All Activity (Lines 60 + 117)</b>	<b>4,863</b>	<b>(11,455)</b>	<b>(25,437)</b>	<b>(30,030)</b>
121		<b>Fund Balance Current Year Activites</b>				
122		<b>before carry-over and adjustments</b>				
123		<b>Ending Fund Balance incl. Encumbered/Designated Funds</b>		<b>105,936</b>		
124		<b>Encumbered Funds at year-end - WCA</b>		<b>(24,157)</b>		
125		<b>Other Designated Funds (Lake Inde MEP)</b>		<b>(1,230)</b>		
126		<b>Third Generation Plan</b>				
127		<b>Total Encumbered/Designated Funds</b>		<b>(25,387)</b>		
128		<b>Unencumbered/Undesignated Funds</b>		<b>80,549</b>	<b>55,112</b>	<b>25,082</b>
129						

**Pioneer-Sarah Creek Watershed Management Commission**  
2011 Member Assessments - Approved

	<b>2009 Market Value</b>	<b>Increase in MV</b>	<b>2010 Assessment</b>		<b>Increase over Prev Year</b>	
<b>2010</b>	<b>PSC Basin</b>	<b>over Prev Year</b>	<b>%age</b>	<b>Amount</b>	<b>%age</b>	<b>Amount</b>
Greenfield	479,656,600	-4.20%	29.27%	21,308.85	-1.92%	-418.20
Independence	620,493,400	-2.87%	37.86%	27,565.55	-0.56%	-156.19
Loretto	62,275,100	-13.65%	3.80%	2,766.58	-11.59%	-362.79
Maple Plain	136,972,600	-4.74%	8.36%	6,085.04	-2.48%	-154.64
Medina	178,356,200	10.89%	10.88%	7,923.51	13.53%	944.25
Minnetrista	160,955,000	-0.27%	9.82%	7,150.46	2.11%	147.58
<b>TOTALS</b>	<b>1,638,708,900</b>	<b>-2.32%</b>	<b>100.00%</b>	<b>72,800.00</b>	<b>0.00%</b>	<b>0.00</b>
<b>2011 Operating Budget excluding 3rd Gen Mgmt Plan</b>	<b>2010 Market Value</b>	<b>Increase in MV</b>	<b>2011 Assessment</b>		<b>Increase over Prev Year</b>	
	<b>PSC Basin</b>	<b>over Prev Year</b>	<b>%age</b>	<b>Amount</b>	<b>%age</b>	<b>Amount</b>
Greenfield	422,370,300	88.06%	28.47%	21,144.61	-0.77%	-164.24
Independence	576,304,900	92.88%	38.85%	28,850.85	4.66%	1,285.30
Loretto	55,668,900	89.39%	3.75%	2,786.88	0.73%	20.30
Maple Plain	119,956,900	87.58%	8.09%	6,005.26	-1.31%	-79.78
Medina	162,241,100	90.96%	10.94%	8,122.08	2.51%	198.57
Minnetrista	146,824,900	91.22%	9.90%	7,350.32	2.80%	199.86
<b>TOTALS</b>	<b>1,483,367,000</b>	<b>90.52%</b>	<b>100.00%</b>	<b>74,260.00</b>	<b>2.01%</b>	<b>1,460.00</b>
<b>2011 3rd Gen Plan only</b>	<b>2010 Market Value</b>	<b>Increase in MV</b>	<b>2011 Assessment</b>		<b>Total Combined Assessment</b>	
	<b>PSC Basin</b>	<b>over Prev Year</b>	<b>%age</b>	<b>Amount</b>		
Greenfield	422,370,300	0.00%	28.47%	4,271.06		25,415.67
Independence	576,304,900	0.00%	38.85%	5,827.67		34,678.52
Loretto	55,668,900	0.00%	3.75%	562.93		3,349.82
Maple Plain	119,956,900	0.00%	8.09%	1,213.02		7,218.28
Medina	162,241,100	0.00%	10.94%	1,640.60		9,762.68
Minnetrista	146,824,900	0.00%	9.90%	1,484.71		8,835.03
<b>TOTALS</b>	<b>1,483,367,000</b>	<b>0.00%</b>	<b>100.00%</b>	<b>15,000.00</b>		<b>89,260.00</b>

**Pioneer-Sarah Creek Watershed Management Commission - Approved 2010 Budget**  
*revised and approved June 18, 2009*

	A	B	R	S	T	U	V
1			Designated Funds Remaining 12/31/2008	2009 Approved Budget	2009 Budget (Adjusted)	2010 Approved Budget	2010 Approved Budget Revised
2	<b>General Revenue</b>						
3		Member Dues		72,800	72,800	72,800	72,800
4		Interest Income		4,500	700	500	500
5		Miscellaneous				0	0
6		<b>Total General Revenue</b>		<b>77,300</b>	<b>73,500</b>	<b>73,300</b>	<b>73,300</b>
7	<b>General Expense</b>						
8		Administrative/Office - General		(40,000)	(40,000)	(32,000)	(32,000)
9		Legal Services		(1,000)	(1,000)	(1,000)	(1,000)
10		Audit		(5,000)	(4,500)	(4,500)	(4,500)
11		Insurance		(3,700)	(3,700)	(3,500)	(3,500)
12		Website		(4,000)	(3,000)	(3,000)	(3,000)
13		2Generation Plan Admin - local plans, plan amendments		(3,000)	(3,000)		
14		2Generation Plan amendments / 3Generation Plan		(5,000)	(6,500)	(2,000)	(2,000)
16		Miscellaneous		0		0	0
17		<b>Total General Expenses</b>		<b>(61,700)</b>	<b>(61,700)</b>	<b>(46,000)</b>	<b>(46,000)</b>
18	<b>General Programs</b>						
19		General Programs - Administrative support				(3,500)	(3,500)
20		Lake Monitoring		(6,850)	(6,850)	(6,800)	(6,800)
21		Vegetation Monitoring					
22		Stream Monitoring		(10,500)	(10,500)	(10,500)	(6,500)
23		Macroinvertebrate Program - River Watch & SHEP		(1,500)	(1,500)	(1,600)	(1,600)
24		Wetland, Lake, Stream Buffer Standards				(5,000)	(5,000)
25		Erosion & sedimentation problem area identification & BMPs					
26		Wetland Management Plan					
32		Infiltration Study					
33		Model ordinance for ag practices				0	0
34		NPDES Education Component Fees					
35		NPDES Education Component		(3,000)	(2,000)		
37		Contribution to CIP Project/Study				(5,000)	(5,000)
38		Education		0		(2,000)	(2,000)
40		Contingency		(2,000)	(2,000)	(4,300)	(4,300)
41		<b>Subtotal General Programs</b>		<b>(23,850)</b>	<b>(22,850)</b>	<b>(35,200)</b>	<b>(34,700)</b>
42	<b>Project Reviews</b>						
43		Project Review Fees		16,000	8,000	10,000	10,000
44		Project Reviews - HCES		(14,000)	(14,000)	(13,000)	(13,000)
45		Project Reviews - Administrative		(3,500)	(3,000)	(2,500)	(2,500)
46		Technical Support (in case of conflict of interest)		0		(300)	(300)
47		Policy Enforcement Fees					
48		Policy enforcement					
49		Developers' Guidelines					
50		<b>Subtotal Project Reviews</b>		<b>(1,500)</b>	<b>(9,000)</b>	<b>(5,800)</b>	<b>(5,800)</b>
51	<b>Wetland Conservation Act (WCA)</b>						
52		WCA Fees (including TEP fees)		4,500	3,000	4,000	4,000
53		WCA Review - HCES		(4,000)	(4,000)	(5,000)	(5,000)
54		WCA Administrative/Legal		(1,500)	(1,500)	(1,500)	(1,500)
55		WCA Expense - TEP					
57		<b>Subtotal WCA</b>		<b>(1,000)</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>(2,500)</b>
58	<b>Total Gen Expense, Programs, Project &amp; WCA Reviews</b>		<b>0</b>	<b>(10,750)</b>	<b>(22,550)</b>	<b>(16,200)</b>	<b>(15,700)</b>

**Pioneer-Sarah Creek Watershed Management Commission - Approved 2010 Budget**  
*revised and approved June 18, 2009*

	A	B	R	S	T	U	V
1			Designated Funds Remaining 12/31/2008	2009 Approved Budget	2009 Budget (Adjusted)	2010 Approved Budget	2010 Approved Budget Revised
59		<b>TMDLs AND IMPLEMENTATION PLANS</b>					
60		<b>Lake Independence</b>					
61		Lake Independence TMDL					
63		Lake Independence TMDL - reimbursement TRPD					
64		Lake Independence TMDL - nutrient mgmt - onsite assessments		(5,000)			
65		Lake Independence CWLA - nutrient mgmt		210,000			
66		Lake Independence CWLA - nutrient mgmt		(210,000)			
67		Lake Independence CWLA - nutrient mgmt - HCES/Admin		(7,500)			
68		Manure Management - Three Rivers Park District	45,000				
69		Manure Management	(45,000)				
71		Lake Independence MEP Grant					
79		<b>Subtotal Lake Independence</b>		<b>(12,500)</b>		<b>0</b>	<b>0</b>
80		<b>Lake Sarah</b>					
83		Lake Sarah TMDL - NRICH	(2,500)				
84		Lake Sarah TMDL - NRICH					
86		Lake Sarah Project (1990 Grant) - lake level monitoring	(1,620)				
87		Water Control Project - Lake Sarah - TRPD ending 12/0					
88		Lake Sarah TMDL - Implementation Plan			34,913		
89		Lake Sarah TMDL - Implementation Plan		(10,000)			
90		Staff Support					
91		Vegetation Plan					
92		Maintain Stormwater Basins on Loretto Creek					
93		<b>Subtotal Lake Sarah</b>	<b>(4,120)</b>	<b>(10,000)</b>	<b>34,913</b>	<b>0</b>	<b>0</b>
94		<b>Future TMDLs &amp; Implementation</b>					
95		Future TMDLs Watershed-wide TMDL - Cooperator Funding		25,000			
96		Future TMDLs Watershed-wide TMDL - Cooperator Expense		(27,000)			
97		Water Monitoring				(20,000)	(20,000)
98		Staff Support				(4,000)	(4,000)
99		<b>Subtotal Future TMDLs</b>	<b>0</b>	<b>(2,000)</b>	<b>0</b>	<b>(24,000)</b>	<b>(24,000)</b>
100		<b>Lake Rebecca - Cooperator Funds</b>					
101		<i>In-Kind Contribution</i>					
102		TMDL		(3,000)			
103		Implementation Plan					
104		Staff Support					
105		Vegetation Plan					
132		<b>Subtotal Other Lake TMDLs (Excluding in-kind)</b>	<b>0</b>	<b>(3,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
133		<b>Other Capital Improvement Projects/Studies (CIPs)</b>					
137		Third Generation Plan	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)
138		<b>Subtotal CIPs</b>	<b>(7,500)</b>	<b>(7,500)</b>	<b>(7,500)</b>	<b>(7,500)</b>	<b>(7,500)</b>
139		<b>TOTAL TMDLs, Other Projects</b>	<b>(11,620)</b>	<b>(35,000)</b>	<b>27,413</b>	<b>(31,500)</b>	<b>(31,500)</b>
140		(To) From Reserves					
142		<b>Total All Activity</b>	<b>(11,620)</b>	<b>(45,750)</b>	<b>4,863</b>	<b>(47,700)</b>	<b>(47,200)</b>
145		<b>Ending Fund Balance incl. Encumbered/Designated Funds</b>					
146		<b>Encumbered Funds at year-end - WCA</b>					
147		<b>Other Designated Funds</b>					
148		<b>Total Encumbered/Designated Funds</b>					
149		<b>Unencumbered/Undesignated Funds</b>			<b>67,187</b>	<b>19,487</b>	<b>19,987</b>
153							

**Pioneer-Sarah Creek Watershed Management Commission**  
**2010 Member Assessments**

	A	B	D	F	G	H	I
82							
83	<b>2007</b>	<b>2006 Market Value</b>	<b>Increase in MV</b>	<b>2007 Assessment</b>		<b>Increase over Prev Year</b>	
84		<b>PSC Basin</b>	<b>over Prev Year</b>	<b>%age</b>	<b>Amount</b>	<b>%age</b>	<b>Amount</b>
85	Greenfield	378,839,600	2.11%	28.09%	18,121.13	8.73%	1,455.23
86	Independence	536,339,006	8.80%	39.77%	25,654.84	15.86%	3,511.46
87	Loretto	70,293,400	10.33%	5.21%	3,362.36	17.49%	500.45
88	Maple Plain	121,655,800	-29.54%	9.02%	5,819.19	-24.97%	-1,937.10
89	Medina	128,965,900	10.38%	9.56%	6,168.86	17.54%	920.58
90	Minnetrستا	112,340,500	16.70%	8.33%	5,373.61	24.27%	1,049.37
91	<b>TOTALS</b>	<b>1,348,434,206</b>	<b>2.67%</b>	<b>100.00%</b>	<b>64,500.00</b>	<b>9.32%</b>	<b>5,500.00</b>
93							
94	<b>2008</b>	<b>2007 Market Value</b>	<b>Increase in MV</b>	<b>2008 Assessment</b>		<b>Increase over Prev Year</b>	
95		<b>PSC Basin</b>	<b>over Prev Year</b>	<b>%age</b>	<b>Amount</b>	<b>%age</b>	<b>Amount</b>
96	Greenfield	415,209,400	9.60%	27.08%	18,958.62	4.62%	837.49
97	Independence	629,846,100	17.43%	41.08%	28,759.02	12.10%	3,104.17
98	Loretto	70,254,500	-0.06%	4.58%	3,207.85	-4.60%	-154.51
99	Maple Plain	142,824,100	17.40%	9.32%	6,521.40	12.07%	702.21
100	Medina	140,509,100	8.95%	9.17%	6,415.70	4.00%	246.84
101	Minnetrستا	134,414,400	19.65%	8.77%	6,137.41	14.21%	763.80
102	<b>TOTALS</b>	<b>1,533,057,600</b>	<b>13.69%</b>	<b>100.00%</b>	<b>70,000.00</b>	<b>8.53%</b>	<b>5,500.00</b>
103							
104	<b>2009</b>	<b>2008 Market Value</b>	<b>Increase in MV</b>	<b>2009 Assessment</b>		<b>Increase over Prev Year</b>	
105		<b>PSC Basin</b>	<b>over Prev Year</b>	<b>%age</b>	<b>Amount</b>	<b>%age</b>	<b>Amount</b>
106	Greenfield	500,707,500	20.59%	29.84%	21,727.04	14.60%	2,768.42
107	Independence	638,857,600	1.43%	38.08%	27,721.75	-3.61%	-1,037.27
108	Loretto	72,117,500	2.65%	4.30%	3,129.37	-2.45%	-78.48
109	Maple Plain	143,795,700	0.68%	8.57%	6,239.68	-4.32%	-281.72
110	Medina	160,839,700	14.47%	9.59%	6,979.27	8.78%	563.57
111	Minnetrستا	161,384,000	20.06%	9.62%	7,002.89	14.10%	865.47
112	<b>TOTALS</b>	<b>1,677,702,000</b>	<b>9.44%</b>	<b>100.00%</b>	<b>72,800.00</b>	<b>4.00%</b>	<b>2,800.00</b>
113							
114	<b>2010</b>	<b>2009 Market Value</b>	<b>Increase in MV</b>	<b>2010 Assessment</b>		<b>Increase over Prev Year</b>	
115		<b>PSC Basin</b>	<b>over Prev Year</b>	<b>%age</b>	<b>Amount</b>	<b>%age</b>	<b>Amount</b>
116	Greenfield	479,656,600	-4.20%	29.27%	21,308.85	-1.92%	-418.20
117	Independence	620,493,400	-2.87%	37.86%	27,565.55	-0.56%	-156.19
118	Loretto	62,275,100	-13.65%	3.80%	2,766.58	-11.59%	-362.79
119	Maple Plain	136,972,600	-4.74%	8.36%	6,085.04	-2.48%	-154.64
120	Medina	178,356,200	10.89%	10.88%	7,923.51	13.53%	944.25
121	Minnetrستا	160,955,000	-0.27%	9.82%	7,150.46	2.11%	147.58
122	<b>TOTALS</b>	<b>1,638,708,900</b>	<b>-2.32%</b>	<b>100.00%</b>	<b>72,800.00</b>	<b>0.00%</b>	<b>0.00</b>

PIONEER-SARAH CREEK WATERSHED  
MANAGEMENT COMMISSION

Annual Financial Report  
Year Ended  
December 31, 2010



Pioneer-Sarah Creek Watershed Management Commission

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Pioneer-Sarah Creek Watershed Management Commission  
Plymouth, Minnesota

We have audited the accompanying financial statements of the governmental activities and major fund of the Pioneer-Sarah Creek Watershed Management Commission (the Commission) as of and for the year ended December 31, 2010, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of the Commission as of December 31, 2010, and the respective changes in the financial position thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2011, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. The Commission has not presented the MD&A that is necessary to supplement, although not be a part of, the basic financial statements.

*Johnson & Company, Ltd.*

March 23, 2011



BASIC FINANCIAL STATEMENTS

Pioneer-Sarah Creek Watershed Management Commission

Statement of Net Assets and Balance Sheet  
General Fund

As of December 31, 2010

(with Comparative Actual Amounts as of December 31, 2009)

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Assets		
Investments	\$ 87,375	\$ 105,965
Accounts receivable	22,436	-
Total assets	<u>\$ 109,811</u>	<u>\$ 105,965</u>
Liabilities and Fund Balances/Net Assets		
Accounts payable	\$ 2,718	\$ 29
Fund balances/net assets		
Reserved fund balance	21,827	24,157
Unreserved/unrestricted	85,266	81,779
Total fund balances	<u>107,093</u>	<u>105,936</u>
Total liabilities and fund balances/net assets	<u>\$ 109,811</u>	<u>\$ 105,965</u>

Pioneer-Sarah Creek Watershed Management Commission

Statement of Activities and Revenue, Expenditures,  
and Changes in Fund Balances/Net Assets  
Budget and Actual  
General Fund

Year Ended December 31, 2010

(with Comparative Actual Amounts for the Year Ended December 31, 2009)

	Governmental Activities			
	2010		2009	
	Original and Final Budget	(Audited)	Over (Under)	(Audited)
Program/project expenditures/expenses				
Invertebrate monitoring	\$ 1,600	\$ 1,500	\$ (100)	\$ 1,500
Lakes monitoring	6,800	6,370	(430)	5,100
Stream monitoring	6,500	-	(6,500)	2,500
Project reviews	13,000	8,273	(4,727)	11,257
WCA - expense	5,000	391	(4,609)	1,112
Lake Sarah TMDL	-	2,118	2,118	3,518
Future TMDLs	22,000	-	(22,000)	-
SWAG watershed assessment	18,485	28,104	9,619	-
Lake Independence TMDL	-	53	53	-
Lake Independence CWL	-	-	-	358,998
Total program/project expenses	73,385	46,809	(26,576)	383,985
Program/project revenue				
Membership dues	72,800	72,800	-	72,800
WCA administration fees	4,000	-	(4,000)	350
Project review fees	10,000	5,000	(5,000)	7,300
Lake Sarah grant - NRICH	10,000	10,000	-	-
SWAG watershed assessment grant	18,485	27,186	8,701	-
Lake Independence CWL	-	-	-	357,056
Total program/project revenue	115,285	114,986	(299)	437,506
Net program/project revenue (expenses)	41,900	68,177	26,277	53,521
General expenditures/expenses				
Administration	39,300	35,761	(3,539)	45,344
Insurance	3,500	2,754	(746)	2,694
Legal and audit services	5,500	5,457	(43)	4,877
Website	3,000	3,772	772	2,404
Education	5,512	6,200	688	2,664
Second generation plan administration	2,000	10,804	8,804	951
Third generation plan	7,500	-	(7,500)	6,364
Contingency	1,525	-	(1,525)	-
Miscellaneous	-	-	-	94
Total general expenses	67,837	64,748	(3,089)	65,392
General revenue				
Interest and dividend income	500	58	(442)	416
Net general revenue (expenses)	(67,337)	(64,690)	2,647	(64,976)
Change in net assets/fund balance	\$ (25,437)	3,487	\$ 28,924	(11,455)
Fund balance - unreserved/unrestricted				
Fund balance - beginning of year		81,779		93,234
Fund balance - end of year		\$ 85,266		\$ 81,779

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements  
December 31, 2010

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Pioneer-Sarah Creek Watershed Management Commission is formed under a Joint Powers Agreement, as amended according to Minnesota Statutes Sections 103B.201 through 103B.255 and Minnesota Rules Chapter 8410 relating to Metropolitan Area Local Water Management and its reporting requirements. Pioneer-Sarah Creek Watershed Management Commission was established in October, 1984 to protect and manage the natural resources of the Pioneer-Sarah Creek Watershed.

The Commission is considered a governmental unit, but is not a component unit of any of its members. As a governmental unit, the Commission is exempt from federal and state income taxes.

**Reporting Entity**

A joint venture is a legal entity resulting from a contractual agreement that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain either an ongoing financial interest or an ongoing financial responsibility. The Commission is considered a joint venture.

As required by accounting principles generally accepted in the United States of America, these financial statements include the Commission (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component's unit board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no component units required to be included in the Commission's financial statements.

**Entity-Wide Financial Statement Presentation**

The entity-wide financial statements (the Statement of Net Assets and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the Commission. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other internally directed revenues are reported instead as general revenues.

The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)  
December 31, 2010

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statement Presentation**

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, expenditures, additions, and deductions. Resources are allocated to, and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The resources of the Commission are accounted for in one fund:

- **General Fund (Governmental Fund Type)** - This fund is used to receive dues and miscellaneous items which may be disbursed for any and all purposes authorized by the bylaws of the Commission.

Typically, separate fund financial statements are provided for Governmental Funds. However, due to the simplicity of the Commission's operation, the Governmental Fund financial statements have been combined with the entity-wide statements.

Governmental Fund financial statements are reported using the current financial resources and measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

1. **Revenue Recognition** - Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if collected within 60 days after year-end.
2. **Recording of Expenditures** - Expenditures are generally recorded when a liability is incurred.

**Budgets**

The amounts shown in the financial statements as "budget" represent the budget amounts based on the modified accrual basis of accounting. A budget for the General Fund is adopted annually by the Commission. Appropriations lapse at year-end and encumbrance accounting is not used. Budgetary control is at the fund level.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Members' contributions**

Members' contributions are calculated based on the member's share of the taxable market value of all real property within the watershed to the total market value of all real property in the watershed.

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)  
December 31, 2010

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

The Commission follows the policy of expensing any supplies or small equipment at the time of purchase. The Commission currently has no capitalized assets.

**Receivables**

The Commission utilizes an allowance for uncollectible accounts to value its receivables; however, all of the receivables as of December 31, 2009 have been collected and the receivables of \$22,436 at December 31, 2010 were collected in 2011.

**NOTE 2 - CASH AND INVESTMENTS**

**A. Deposits**

In accordance with applicable Minnesota Statutes, the Commission maintains a checking account authorized by the Commission.

The following is considered the most significant risk associated with deposits:

**Custodial Credit Risk** - In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The Commission has no additional deposit policies addressing custodial credit risk.

At year-end, the Commission had no funds held in its bank account. All funds were transferred to their 4M Fund investment account. (see below)

**B. Investments**

At December 31, 2010 and 2009 the Commission held \$87,375 and \$105,965 (approximate cost and fair value), respectively, in investments with PMA Financial Network in Minnesota 4M Funds Holdings.

Investments are subject to various risks, the following of which are considered the most significant:

**Custodial Credit Risk** - For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the Commission would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission does not have a formal investment policy addressing this risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.



Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)  
December 31, 2010

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk** - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the Commission's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated 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, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase 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; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. The Commission's investment policies do not further address credit risk.

**Concentration Risk** - This is the risk associated with investing a significant portion of the Commission's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The Commission does not have an investment policy limiting the concentration of investments.

**Interest Rate Risk** - This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The Commission does not have an investment policy limiting the duration of investments.

**NOTE 3 - RESERVED AND UNRESERVED FUNDS**

Unreserved funds are received and available for use in the normal operations of the Commission.

Reserved funds are comprised of the following:

The Monitoring Guarantee Restricted Funds are for wetland mitigation projects. The initial monitoring fee is set by the commission per project and is to be reduced equally over a five year period provided the project meets the requirements of the mitigation.

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)  
December 31, 2010

**NOTE 3 - RESTRICTED AND UNRESTRICTED FUNDS (CONTINUED)**

The Financial Guarantee Restricted Funds are received as a guarantee that the mitigation will perform as required. Upon completion, and if the project meets the qualified plan requirements, these financial guarantees are refunded.

The Administrative Guarantee Restricted Funds are received as a guarantee that the project administration fees are paid. The restricted amount is reduced as project-related administrative expenses arise. Any residual funds not used are refunded upon completion of the project.

**NOTE 4 - COMMITMENTS AND CONTRACTS**

**Three Rivers Park District (the District) - Lake Sarah TMDL**

In 2008, the Commission entered into an agreement to pay the District up to \$44,913 to complete a Total Maximum Daily Load (TMDL) study of Lake Sarah. As of December 31, 2010, the Commission incurred total costs of \$11,599 to the District in project-related expenses since the inception of the agreement.

In a separate contract, the Minnesota Pollution Control Agency (MNPCA) has agreed to reimburse the Commission up to \$34,913 of the costs associated with this project. The District invoiced the MNPCA directly and has been paid \$31,422 as of December 31, 2009. This project is expected to be completed in 2011.

**Hennepin County Department of Environmental Services (HCDES) - NRIHC Agreement**

In 2006, the Commission received a grant of up to \$10,000 to complete a TMDL study of Lake Sarah and implement a plan of action to improve the water quality of the lake. In 2010, all obligations of the Commission were met, and a payment of \$10,000 was received by the Commission.

**Three Rivers Park District (the District) - Lake Independence project**

The Commission and the District have entered into a Cooperative Water Resources Management Project Joint Powers Agreement to assess the water quality and prevent further degradation at Lake Independence. The Commission and the District will share responsibilities, as outlined in the contract. The District will provide up to \$50,000 in cost-sharing funding for this project. The Commission paid \$5,187 in project-related expenses during 2007 and incurred no project-related expenses in 2008, 2009 or 2010, but expects to execute an amendment to this contract and complete the work at a later date.

**Minnesota Pollution Control Agency (MPCA) - Surface Water Assessment Grant**

In 2010, the Commission received a grant for up to \$65,825 for watershed-wide water assessments. The Commission earned revenue of \$27,186 from this grant during 2010 and incurred expenditures of \$28,104 in associated costs. The terms of the grant extend to June, 2012.

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)  
December 31, 2010

**NOTE 5 - MEMBERS' CONTRIBUTIONS**

Dues received from members were as follows:

	Year Ended December 31			
	2010		2009 (for comparison)	
	Amount	Percentage	Amount	Percentage
Greenfield	\$ 21,309	29.27 %	\$ 21,727	29.84 %
Independence	27,566	37.87	27,722	38.08
Loretto	2,767	3.80	3,129	4.30
Maple Plain	6,085	8.36	6,240	8.57
Medina	7,923	10.88	6,979	9.59
Minnetrista	7,150	9.82	7,003	9.62
	<u>\$ 72,800</u>	<u>100.00 %</u>	<u>\$ 72,800</u>	<u>100.00 %</u>

OTHER REQUIRED REPORTS

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Brad R. Cohrs, C.P.A.

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

Board of Directors  
Pioneer-Sarah Creek Watershed Management Commission  
Plymouth, MN 55447

We have audited the financial statements of the governmental activities and the major fund of the Pioneer-Sarah Creek Watershed Management Commission as of and for the period ended December 31, 2010, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 23, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the Pioneer-Sarah Creek Watershed Management Commission as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal control that we consider to be significant deficiencies:

Because of the limited size of your office staff, your organization has limited segregation of duties. A good system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion. While we recognize that your organization is not large enough to permit an adequate segregation of duties in all respects, it is important that you be aware of the condition.



This communication is intended solely for the information and use of the Board of Directors to the Commission, its member cities, the state of Minnesota, and is not intended to be and should not be used by anyone other than these specified parties.

March 23, 2011

Johnson & Company, Ltd

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH MINNESOTA STATE LAWS AND REGULATIONS

Board of Directors  
Pioneer-Sarah Creek Watershed Management Commission  
Plymouth, Minnesota

We have audited the financial statements of the governmental activities and major fund of the Pioneer-Sarah Creek Watershed Management Commission (the Commission) as of and for the year ended December 31, 2010, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 23, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Governments* promulgated by the State Auditor pursuant to Minnesota Statute 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Governments* covers six main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions. Our study included all of the applicable categories.

The results of our tests indicate that for the items tested, the Commission complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of the Commission, its member cities, the state of Minnesota, and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

*Johnson & Company, Ltd.*

March 23, 2011

