

**BREAKDOWN OF COUNTY REVENUE
2011**

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	\$ 0.00
WATER PLAN MONEY	\$ _____
WETLAND MONEY	\$ 10,000
FEEDLOT MONEY	\$ _____
ABANDONED WELL	\$ _____
DNR SHORELAND	\$ _____
OTHER (specify)	\$ _____
TOTAL	<u>\$ 10,000</u>

NOTE: The total should agree with amount reported as **County Revenue** in the "Budgetary Comparison Schedule."

List other "non-cash" county support (i.e. rent, health insurance, etc.) that does not show up anywhere on your annual report.

It Support, Legal and Administrative assistance as needed and requested.

**DEFERRED REVENUE BREAKDOWN
2011**

Balance of BWSR Service Grants: \$ 0.00

Balance of unencumbered BWSR Cost-Share Grants: Current fiscal year \$ 15,118.00

Previous fiscal year \$87,351.41

Balance of encumbered BWSR Cost-Share Grant (list each contract separately):

FY	Contract No.	Contract Amount	T & A Encumbered
See Attached			
2011	Native Buffer	\$15,413.63	\$3,853.42
2010	State Cost Share	\$655.20	\$163.80
2011	State Cost Share	\$6,739.32	\$1,684.59
2011	MRBI Technical Assistance	\$37,550.00	0.00
2010	CWA Feedlot	\$20,428.41	\$5,433.96
2011	CWA Feedlot	\$668,879.18	\$78,196.06
2008	Flood B	\$6526.40	\$1,631.60
2011	Flood A	\$23,013.18	\$2,301.32
2011	Flood B	\$4,138.50	\$413.35
2011	Flood C	\$41,605.41	\$7,160.46

Total of all Cost-Share Encumbrances \$958,688.37

Balance of County WCA Funds: \$0.00

Balance of County Water Plan Funds: \$0.00

Balance of other funds being deferred (list if any):

Nature Conservancy Cover Crop \$1,934.00

TOTAL OF ALL DEFERRED REVENUE: **\$ 1,059,341.76**

Less 10% Deferred not received from BWSR \$-104,401.76

Adjusted All DEFERRED REVENUE: **\$ 954,940**

OUTSTANDING COST-SHARE CONTRACTS

As of December 31, 2011

Encumbered Cost-Share

Contract Number	Cost-Share Payment	Technical/Admin Payment
FY-10, #04	\$655.20	\$163.80
FY-11, #01	\$1,000.00	\$250.00
FY-11, #03	\$2,625.00	\$656.00
FY-11, #04	\$2,592.50	\$648.13
FY-10, #04	\$521.82	\$130.46
MRBI FY-11, #01	\$37,500.00	\$0.00
Feedlot FY-10, #01	\$10,900.44	\$2,899.52
Feedlot FY-10, #05	\$9,527.97	\$2,534.44
Feedlot FY-11, #2	\$10,457.79	\$2,092.00
Feedlot FY-11, #4	\$9,846.88	\$1,969.00
Feedlot FY-11, #5	\$117,842.27	\$11,784.00
Feedlot FY-11, #8	\$35,018.94	\$7,004.00
Feedlot FY-11, #9	\$22,479.81	\$4,496.00
Feedlot FY-11, #10	\$29,292.92	\$5,859.00
Feedlot FY-11, #11	\$229,465.51	\$17,210.00
Feedlot FY-11, #12	\$13,191.67	\$2,638.00
Feedlot FY-11, #15	\$78,375.00	\$11,756.25
Feedlot FY-11, #17	\$110,965.65	\$11,159.26
Feedlot FY-11, #18	\$11,142.74	\$2,228.55
FL-08, #53	\$6,526.40	\$1,631.60
FL-11A, #03	\$23,013.18	\$2,301.32
FL-11B, #02	\$13,000.00	\$1,300.00
FL-11B, #03	\$41,834.82	\$4,183.48
FL-11B, #03	\$16,770.59	\$1,677.06
FL-11C, #02	\$1,985.00	\$198.50
FL-11C, #03	\$2,153.50	\$215.35
NB-11, #02	\$1,500.00	\$375.00
NB-11, #10	\$300.00	\$75.00
NB-11, #11	\$300.00	\$75.00
NB-11, #15	\$412.50	\$103.13
NB-11, #19	\$3,000.00	\$750.00
NB-11, #20	\$1,500.00	\$375.00
NB-11, #21	\$300.00	\$75.00
NB-11, #23	\$750.00	\$187.50
NB-11, #24	\$975.00	\$243.75
NB-11, #25	\$975.00	\$243.75
NB-11, #26	\$525.00	\$131.25
NB-11, #27	\$525.00	\$131.25
NB-11, #30	\$840.75	\$210.19
NB-11, #31	\$1,659.38	\$414.85
NB-11, #32	\$1,230.00	\$307.50
NB-11, #33	\$621.00	\$155.25
Total Cost-Share	\$854,099.23	
Total T&A		\$100,839.14
Total:	\$954,940.00	

MANAGEMENT'S DISCUSSION AND ANALYSIS

USING THIS ANNUAL REPORT

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include a series of financial statements. The Statement of Net Assets and the Statement of Activities (on page 1) provide information about the activities of the Winona County Soil and Water Conservation District (SWCD) as a whole and present a longer-term view of the Winona County SWCD's finances. Fund financial statements start on page 2. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Winona County SWCD's operations in more detail than the government-wide statements by providing information about the Winona County SWCD's most significant funds. Since SWCD's are single-purpose special purpose governments they are generally able to combine the government-wide and fund financial statements into single presentations. Winona County SWCD has elected to present in this format.

The Statement of Net Assets and the Statement of Activities

Our analysis of the Winona County SWCD as a whole begins on page 2. One of the most important questions asked about the Winona County SWCD's finances is, "Is the Winona County SWCD as a whole better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Winona County SWCD as a whole and about its activities in a way helps answer this question. These statements include all assets and liabilities using accrual basis of accounting, which is similar to the accounting used by the most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Winona County SWCD's net assets and changes in them. You can think of the Winona County SWCD's net assets — the difference between assets and liabilities—as one way to measure the Winona County SWCD's financial health, or financial position. Over time, increases or decreases in the Winona County SWCD's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, the Winona County SWCD presents Governmental activities. All of the Winona County SWCD's basic services are reported here. Appropriations from the county and state finance most activities.

Reporting the Winona County SWCD's General Fund

Fund Financial Statements

The fund financial statements provide detailed information about the general fund—not the Winona County SWCD as a whole. The Winona County SWCD presents only a general fund, which is a governmental fund. All of the Winona County SWCD's basic services are reported in the general fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. The fund is reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The general fund statements provide a detailed short-term view of the Winona County SWCD's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Winona County SWCD's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the financial statements.

THE WINONA COUNTY SWCD AS A WHOLE

The Winona County SWCD's combined net assets were lower, decreasing from \$356,084 to \$280,351. In contrast, last year net assets decreased by \$75,734. Looking at the net assets and net expenses of governmental and business-type activities separately, however, two very different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Winona County SWCD's governmental and business-type activities.

Table 1
Net Assets

	Governmental Activities	
	<u>2010</u>	<u>2011</u>
Current and other assets	816,142	1,237,337
Capital assets	57,489	49,958
	873,632	1,287,295
Long-term debt outstanding	19,171	21,091
Other liabilities	460,058	956,986
Total liabilities	479,229	978,076
Net assets		
Invested in capital assets, net of debt	57,489	47,979
Restricted		
Unrestricted	356,085	261,240
Total net assets	394,403	309,219

Net assets of the Winona County SWCD governmental activities decrease by about 22 percent (\$85,184) compared to 2010's balance \$394,403. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—changed from \$394,403 at 12/31/10 to \$309,219 at the end of this year.

TABLE 2
Changes in Net Assets

	Governmental Activities	
	<u>2010</u>	<u>2011</u>
Revenues		
Program revenues:	1,145,228	475,166
Charges for service	17,046	17,890
General revenues		
Interest Earnings	18,661	12,845
Other general revenues	0	0
Total revenues	1,180,935	505,901
Program expenses		
Capital Outlay	26,533	1,979
Conservation	1,100,031	579,656
Total expenses	1,126,564	581,635
Increase (decrease) in net assets	86,542	(75,734)

The Winona County SWCD's total revenues decreased by \$675,034, from the previous year. The total cost of all programs and services decreased by \$544,929, from the previous year.

GOVERNMENTAL ACTIVITIES

Revenues for the Winona County SWCD governmental activities decreased by about 57 percent (\$675,034) and total expenses decreased just under 48 percent (\$544,929).

The cost of all governmental activities this year was \$581,635 compared to \$1,126,564 last year. Overall, the Winona County SWCD's governmental program revenues, including intergovernmental aid and fees for services, decreased in 2011 from \$1,180,935 to \$505,901 principally based on decreases in local governmental funding.

THE WINONA COUNTY SWCD's FUNDS

As the Winona County SWCD completed the year, its general fund reported a combined fund balance of \$309,219, which is below last year's total of \$394,403.

General Fund Budgetary Highlights

In 2011, the Board of Supervisors finalized the Winona County SWCD's budget in May due to many staff and supervisor changes that had occurred over the beginning months of the year. The district had an actual revenue less than what the budgeted amounts were predicted. One of the reasons for this decrease was the Winona County Board of Commissioners not allocating any county levy funds for 2011. The reason for this was to ask the District to spend down some of the undesignated funds and reserve only a 6-month fund balance. In 2011, the District applied and received funding/granted CWA Feedlot Cost-Share money for 16 landowners and district technical/administrative for over \$893,950. However, the grant agreement requires a 10% hold of the grant awarded. This 10% is the District's technical funding for staff. The District is using their own funds/reserves to fund the staff needed to complete these projects until the final grant agreement close-out.

The expenses were actually lower than budgeted because of the release of the district manager as of December 31, 2010. In March, another staff resigned leaving just two staff members to do all of the district's workload. The district worked with Winona County, NRCS, and other District's to help move the work forward. As of January 1, 2012, the Winona County SWCD is pleased to be fully staffed at 4 members.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the Winona County SWCD had \$47,979 invested in a broad range of capital assets, including computers, vehicles, etc. This amount represents a net decrease (including additions and deductions) of \$9,510.00.

Long-Term Liabilities

Winona County SWCD obligations include accrued vacation pay and sick leave. More detailed information about the Winona County SWCD's long-term liabilities is presented in the Notes to the Financial Statements.

CONTACTING THE WINONA COUNTY SWCD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Winona County SWCD's finances and to show the Winona County SWCD's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Brein Maki, Office Administrator, at the Winona County SWCD at P.O. Box 39, 400 Wilson Street, Lewiston, MN 55952. The telephone number is (507)523-2171, ext 101. www.winonaswcd.org