

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

**AUDIT REPORT**

**DECEMBER 31, 2002 AND 2001**





**Auditor of State  
Betty Montgomery**

Board of Directors  
Muskingum Watershed Conservancy District

We have reviewed the Independent Auditor's Report of the Muskingum Watershed Conservancy District, Tuscarawas County, prepared by S.R. Snodgrass, A.C. for the audit period January 1, 2001 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Muskingum Watershed Conservancy District is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

December 15, 2003

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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

**TABLE OF CONTENTS**

	<u>Page Number</u>
Independent Auditor's Report	2-3
12/31/2002 Combined Enterprise Fund Statement of Assets, Liabilities and Fund Balances – Main District and Sub-districts Combined	4-5
2002 Combined Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balances – Main District and Sub-districts Combined	6-7
12/31/2001 Combined Enterprise Fund Statement of Assets, Liabilities and Fund Balances – Main District and Sub-districts Combined	8-9
2001 Combined Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Main District and Sub-districts Combined	10-11
2002 Combined Statement of Receipts and Disbursements –Budget and Actual – Main District	12
2001 Combined Statement of Receipts and Disbursements – Budget and Actual – Main District	13
Notes to Financial Statement	14-23
12/31/2002 Enterprise Fund Statement of Assets, Liabilities and Fund Balances – Improvement Fund	24
2002 Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Improvement Fund	25
12/31/2002 Enterprise Fund Statement of Assets, Liabilities and Fund Balance – Maintenance Fund	26-27
2002 Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Maintenance Fund	28-29
12/31/2002 Enterprise Fund Statement of Assets, Liabilities and Fund Balances- Recreation Improvement Fund	30
2002 Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Recreation Improvement Fund	31
12/31/2002 Enterprise Fund Statement of Assets, Liabilities and Fund Balances- Bond Fund	32

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

**TABLE OF CONTENTS**

	<u>Page Number</u>
2002 Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Bond Fund	33
12/31/2001 Enterprise Fund Statement of Assets, Liabilities and Fund Balances-Improvement Fund	34
2001 Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Improvement Fund	35
12/31/2001 Enterprise Fund Statement of Assets, Liabilities and Fund Balances-Maintenance Fund	36-37
2001 Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balance –Maintenance Fund	38-39
12/31/2001 Enterprise Fund Statement of Assets, Liabilities and Fund Balance – Recreation Improvement Fund	40
2001 Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Recreation Improvement Fund	41
12/31/2001 Enterprise Fund Statement of Assets, Liabilities and Fund Balances-Bond Fund	42
2001 Enterprise Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Bond Fund	43
12/31/2002 Chippewa Sub-district Statement of Assets, Liabilities and Fund Balances	44
2002 Chippewa Sub-district Statement of Receipts, Disbursements and Changes in Fund Balance	45
12/31/2002 Duck Creek Sub-district Statement of Assets, Liabilities and Fund Balances	46
2002 Duck Creek Sub-district Statement of Receipts, Disbursements and Changes in Fund Balance	47
12/31/2002 Blackfork Sub-District Statement of Assets, Liabilities and Fund Balances	48

# MUSKINGUM WATERSHED CONSERVANCY DISTRICT

## TABLE OF CONTENTS

	<u>Page Number</u>
2002 Blackfork Sub-district Statement of Receipts, Disbursements and Changes in Fund Balance	49
12/31/2002 Buffalo Creek Sub-district Statement of Assets, Liabilities and Fund Balances	50
2002 Buffalo Creek Sub-district Statement of Receipts, Disbursements and Changes in Fund Balances	51
12/31/2001 Chippewa Sub-district Statement of Assets, Liabilities and Fund Balances	52
2001 Chippewa Sub-district Statement of Receipts, Disbursements and Changes in Fund Balance	53
12/31/2001 Duck Creek Sub-district Statement of Assets, Liabilities and Fund Balances	54
2001 Duck Creek Sub-district Statement of Receipts, Disbursements and Changes in Fund Balance	55
12/31/2001 Blackfork Sub-district Statement of Assets, Liabilities and Fund Balances	56
2001 Black Fork Sub-district Statement of Receipts, Disbursements and Changes in Fund Balance	57
12/31/2001 Buffalo Sub-district Statement of Assets, Liabilities and Fund Balances	58
2001 Buffalo Creek Sub-district Statement of Receipts, Disbursements and Changes in Fund Balances	59
2002 Chippewa Sub-district Statement of Receipts and Disbursements- Budget and Actual	60
2002 Duck Creek Sub-district Statements of Receipts and Disbursements- Budget and Actual	61
2002 Blackfork Sub-district Statement of Receipts and Disbursements- Budget and Actual	62

# MUSKINGUM WATERSHED CONSERVANCY DISTRICT

## TABLE OF CONTENTS

	<u>Page Number</u>
2002 Buffalo Creek Sub-district Statements of Receipts and Disbursements- Budget and Actual	63
2001 Chippewa Sub-district Statement of Receipts and Disbursements – Budget and Actual	64
2001 Duck Creek Sub-district Statement of Receipts and Disbursements- Budget and Actual	65
2001 Blackfork Sub-district Statement of Receipts and Disbursements- Budget and Actual	66
2001 Buffalo Sub-district Statement of Receipts and Disbursements- Budget and Actual	67
Report on Compliance and Internal Control	68-69





## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Muskingum Watershed Conservancy District  
1319 Third Street, NW  
New Philadelphia, OH 44663

We have audited the accompanying financial statements of Muskingum Watershed Conservancy District, (the District) as of and for the years ended December 31, 2002 and 2001 as listed in the table of contents. These financial statements are the responsibility of the District'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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1.B, the District prepares its statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2002 and 2001, and the related cash receipts and disbursements, and budgeted receipts and appropriations for the years then ended, on the basis of accounting described in Note 1.B.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The separate fund and sub-district financial statements located on page 24 through 67 are presented for purposes of additional analysis and are not a required part of the financial statements of Muskingum Watershed Conservancy District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board of Directors, and other officials authorized to receive its report under 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

S.R. Snodgrass, A.C.

Steubenville, Ohio  
August 16, 2003

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 COMBINED ENTERPRISE FUND STATEMENT OF  
 ASSETS, LIABILITIES AND FUND BALANCES  
 MODIFIED CASH BASIS OF ACCOUNTING  
 AS OF DECEMBER 31, 2002**

**MAIN DISTRICT AND SUB-DISTRICTS COMBINED**

	<u>Main District</u>	<u>Sub-Districts</u>	<u>Total Memorandum Only</u>
<b>ASSETS:</b>			
<b>Current Assets</b>			
Pooled cash and cash equivalents	\$ 836,058.26	\$ -	\$ 836,058.26
Cash in bank	-	87,069.89	87,069.89
Accounts receivable	<u>519,289.59</u>	<u>-</u>	<u>519,289.59</u>
Total current assets	<u>1,355,347.85</u>	<u>87,069.89</u>	<u>1,442,417.74</u>
<b>Property Assets</b>			
Land	2,171,278.93	-	2,171,278.93
Capitalized development costs			
And land purchases	-	2,726,287.10	2,726,287.10
Easements and right of way	48,871.27	-	48,871.27
Buildings and improvements	20,342,354.88	-	20,342,354.88
Machinery and equipment	4,260,076.28	-	4,260,076.28
Office furniture and fixtures	511,776.96	-	511,776.96
Autos and trucks	<u>1,091,860.89</u>	<u>-</u>	<u>1,091,860.89</u>
Total property assets	28,426,219.21	2,726,287.10	31,152,506.31
Less: accumulated depreciation	<u>(22,782,330.20)</u>	<u>-</u>	<u>(22,782,330.20)</u>
Net property assets	<u>5,643,889.01</u>	<u>2,726,287.10</u>	<u>8,370,176.11</u>
<b>Total Assets</b>	<u>\$6,999,236.86</u>	<u>\$2,813,356.99</u>	<u>\$9,812,593.85</u>

The notes to the financial statements are an integral part of this statement.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
COMBINED ENTERPRISE FUND STATEMENT OF  
ASSETS, LIABILITIES AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2002**

**MAIN DISTRICT AND SUB-DISTRICTS COMBINED**

	<u>Main District</u>	<u>Sub-Districts</u>	<u>Total Memorandum Only</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 238,904.27	\$ -	\$ 238,904.27
Bonds payable – portion due			
Within one year	157,697.63	-	157,697.63
Accrued interest payable	100.00	-	100.00
Performance bond payable	5,200.00	-	5,200.00
Escrow land rentals	175.00	-	175.00
Accrued health insurance	199,481.40	-	199,481.40
Accrued medicare	3,556.44	-	3,556.44
Accrued life insurance	5,605.06	-	5,605.06
Accrued industrial insurance	216,020.24	-	216,020.24
Accrued disability income	3,000.00	-	3,000.00
Accrued retirement insurance	<u>31,114.07</u>	<u>-</u>	<u>31,114.07</u>
Total current liabilities	<u>860,854.11</u>	<u>-</u>	<u>860,854.11</u>
<b>Long-Term Liabilities</b>			
Accounts payable	-	115,884.50	115,884.50
Loan payable – local committee	-	15,000.00	15,000.00
Loan payable – Ohio water commission	-	6,000.00	6,000.00
Bonds payable – portion due after			
One year	2,445,796.97	-	2,445,796.97
Deferred revenue	<u>5,554.38</u>	<u>-</u>	<u>5,554.38</u>
Total long-term liabilities	<u>2,451,351.35</u>	<u>136,884.50</u>	<u>2,588,235.85</u>
<b>Total Liabilities</b>	3,312,205.46	136,884.50	3,449,089.96
<b>Fund Balance</b>	<u>3,687,031.40</u>	<u>2,676,472.49</u>	<u>6,363,503.89</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$6,999,236.86</u>	<u>\$2,813,356.99</u>	<u>\$9,812,593.85</u>

The notes to the financial statements are an integral part of this statement.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
COMBINED ENTERPRISE FUND STATEMENT OF  
RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**MAIN DISTRICT AND SUB-DISTRICTS COMBINED**

	Main District	Sub-Districts	Total Memorandum Only
<b>OPERATING RECEIPTS:</b>			
Timber sales	\$ 346,225.56	\$ -	\$ 346,225.56
Pine/pulpwood sales	99,917.65	-	99,917.65
Land and building rentals	26,823.00	-	26,823.00
Collection of Assessments	-	15,721.94	15,721.94
Land rentals and miscellaneous	-	240.00	240.00
Hubbard Valley funding	-	258,656.87	258,656.87
Mineral rights and royalties	236,231.79	-	236,231.79
Share crop leases	217,128.39	-	217,128.39
State of Ohio – operating funds	158,650.00	-	158,650.00
Road maintenance	40,332.49	-	40,332.49
Cottage sites	1,199,753.06	-	1,199,753.06
Private docks	366,060.00	-	366,060.00
Clubs	57,025.22	-	57,025.22
Water and sewage maintenance	23,491.90	-	23,491.90
Lake patrol operations	34,240.00	-	34,240.00
Grants	6,752.45	-	6,752.45
Marina operations	836,109.83	-	836,109.83
Fishing rights	62,646.74	-	62,646.74
Marina camping	87,729.46	-	87,729.46
Sale of assets	12,938.66	-	12,938.66
Water resources/flood control	18,000.00	-	18,000.00
Cottage construction permits	7,250.00	-	7,250.00
Capital credit refunds	7,698.13	-	7,698.13
Chippewa subdistrict reimbursement	1,965.14	-	1,965.14
Miscellaneous income	24,016.31	-	24,016.31
Public launching facilities	222,398.38	-	222,398.38
Lake dredging income	30,450.36	-	30,450.36
Water and sewer system	26,959.62	-	26,959.62
Rental boats	23,687.61	-	23,687.61
Refreshment stand	4,336.26	-	4,336.26
Vacation cabins	369,821.71	-	369,821.71
Activity centers	56,077.70	-	56,077.70
Park camping	3,272,979.88	-	3,272,979.88
Firewood	23,177.20	-	23,177.20
Trailer storage	159,528.75	-	159,528.75
Trailer pump out	29,012.75	-	29,012.75
Admissions – park facilities	145,621.42	-	145,621.42
Special events	29,056.91	-	29,056.91
Total operating receipts	<u>\$8,264,094.33</u>	<u>\$274,618.81</u>	<u>\$8,538,713.14</u>

The notes to the financial statements are an integral part of this statement.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
COMBINED ENTERPRISE FUND STATEMENT OF  
RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**MAIN DISTRICT AND SUB-DISTRICTS COMBINED**

	<u>Main District</u>	<u>Sub-Districts</u>	<u>Total Memorandum Only</u>
<b>OPERATING DISBURSEMENTS:</b>			
Water resources/flood control expense	6,621.70	-	6,621.70
Improvements to district properties	36,523.80	-	36,523.80
Office remodeling and equipment	36,655.83	-	36,655.83
Lake access improvements	41,629.90	-	41,629.90
Land and building rentals	13,547.01	-	13,547.01
Share crop expenses	115,039.11	-	115,039.11
Atwood lodge – net loss	105,490.69	-	105,490.69
Mineral operation expenses	14,978.12	-	14,978.12
Watershed management	124,109.76	-	124,109.76
Auto and truck	116,844.86	-	116,844.86
Office building	88,932.60	-	88,932.60
Administrative and finance	1,006,574.61	-	1,006,574.61
Engineering	269,484.55	-	269,484.55
Forestry maintenance expense	261,385.55	-	261,385.55
Purchase of recreation equipment/vehicles	168,650.12	-	168,650.12
Debt retirement	166,933.02	-	166,933.02
Park camping expense	1,883,585.47	-	1,883,585.47
General park facilities expense	869,287.27	-	869,287.27
Cottage site expenses	379,012.86	-	379,012.86
Marina operation expenses	282,709.35	-	282,709.35
Water and sewer system expenses	121,962.60	-	121,962.60
Lake patrol operation expenses	202,813.69	-	202,813.69
Public information expense	158,435.38	-	158,435.38
Other recreation maintenance expense	1,252,252.97	-	1,252,252.97
Cost of lake dredging	116,826.72	-	116,826.72
Expense of public launching facilities	257,850.59	-	257,850.59
Cost of water and sewer systems	30,116.85	-	30,116.85
Inter-fund transfers out	92,647.69	-	92,647.69
Total operating disbursements	<u>8,220,902.67</u>	<u>-</u>	<u>8,220,902.67</u>
Excess of operating receipts			
Over operating disbursements	43,191.66	274,618.81	317,810.47
<b>Other Revenues:</b>			
Interest on investments	23,295.11	1,883.30	25,178.41
<b>Fund Balance – January 1, 2002</b>	<u>3,620,544.63</u>	<u>2,399,970.38</u>	<u>6,020,515.01</u>
<b>Fund Balance – December 31, 2002</b>	<u>\$3,687,031.40</u>	<u>\$2,676,472.49</u>	<u>\$6,363,503.89</u>

The notes to the financial statements are an integral part of this statement.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 COMBINED ENTERPRISE FUND STATEMENT OF  
 ASSETS, LIABILITIES AND FUND BALANCES  
 MODIFIED CASH BASIS OF ACCOUNTING  
 AS OF DECEMBER 31, 2001**

**MAIN DISTRICT AND SUB-DISTRICTS COMBINED**

	<u>Main District</u>	<u>Sub-Districts</u>	<u>Total Memorandum Only</u>
<b>ASSETS:</b>			
<b>Current Assets</b>			
Pooled cash and cash equivalents	\$ 841,254.22	\$ -	\$ 841,254.22
Cash in bank	-	149,220.34	149,220.34
Accounts receivable	<u>429,009.23</u>	<u>-</u>	<u>429,009.23</u>
Total current assets	<u>1,270,263.45</u>	<u>149,220.34</u>	<u>1,419,483.79</u>
<b>Property Assets</b>			
Land	2,171,278.93	-	2,171,278.93
Capitalized development costs			
And land purchases	-	2,347,341.15	2,347,341.15
Easements and right of way	48,871.27	-	48,871.27
Buildings and improvements	20,342,354.88	-	20,342,354.88
Machinery and equipment	4,063,687.15	-	4,063,687.15
Office furniture and fixtures	508,487.96	-	508,487.96
Autos and trucks	<u>1,091,860.89</u>	<u>-</u>	<u>1,091,860.89</u>
Total property assets	28,226,541.08	-	30,573,882.23
Less: accumulated depreciation	<u>(22,582,652.07)</u>	<u>-</u>	<u>(22,582,652.07)</u>
Net property assets	<u>5,643,889.01</u>	<u>2,347,341.15</u>	<u>7,991,230.16</u>
<b>Total Assets</b>	<u>\$6,914,152.46</u>	<u>\$2,496,561.49</u>	<u>\$9,410,713.95</u>

The notes to the financial statements are an integral part of this statement.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 COMBINED ENTERPRISE FUND STATEMENT OF  
 ASSETS, LIABILITIES AND FUND BALANCES  
 MODIFIED CASH BASIS OF ACCOUNTING  
 AS OF DECEMBER 31, 2001**

**MAIN DISTRICT AND SUB-DISTRICTS COMBINED**

	<u>Main District</u>	<u>Sub-Districts</u>	<u>Total Memorandum Only</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 238,079.27	\$ -	\$ 238,079.27
Accrued interest payable	100.00	-	100.00
Performance bond payable	6,500.00	-	6,500.00
Escrow land rentals	175.00	-	175.00
Accrued health insurance	53,634.97	-	53,634.97
Accrued taxes	9,177.05	-	9,177.05
Accrued life insurance	8,241.14	-	8,241.14
Accrued industrial insurance	171,044.79	-	171,044.79
Accrued disability income	34,546.28	-	34,546.28
Accrued retirement insurance	<u>6,965.93</u>	<u>-</u>	<u>6,965.93</u>
Total current liabilities	<u>528,464.43</u>	<u>-</u>	<u>528,464.43</u>
<b>Long-Term Liabilities</b>			
Accounts payable	-	75,591.11	75,591.11
Loan payable – local committee	-	15,000.00	15,000.00
Loan payable – Ohio water commission	-	6,000.00	6,000.00
Bonds payable – portion due after			
One year	2,753,438.12	-	2,753,438.12
Deferred revenue	<u>11,705.28</u>	<u>-</u>	<u>11,705.28</u>
Total long-term liabilities	<u>2,765,143.40</u>	<u>96,591.11</u>	<u>2,861,734.51</u>
<b>Total Liabilities</b>	3,293,607.83	96,591.11	3,390,198.94
<b>Fund Balance</b>	<u>3,620,544.63</u>	<u>2,399,970.38</u>	<u>6,020,515.01</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$6,914,152.46</u>	<u>\$2,496,561.49</u>	<u>\$9,410,713.95</u>

The notes to the financial statements are an integral part of this statement.



**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
COMBINED ENTERPRISE FUND STATEMENT OF  
RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**MAIN DISTRICT AND SUB-DISTRICTS COMBINED**

	Main District	Sub-Districts	Total Memorandum Only
<b>OPERATING RECEIPTS:</b>			
Timber sales	\$ 244,966.25	\$ -	\$ 244,966.25
Pine/pulpwood sales	140,692.75	-	140,692.75
Land and building rentals	28,907.05	-	28,907.05
Collection of assessments	-	15,575.11	15,575.11
Land rental and miscellaneous	-	135,990.41	135,990.41
Mineral rights and royalties	228,285.01	-	228,285.01
Share crop leases	210,143.97	-	210,143.97
State of Ohio – operating funds	187,150.00	-	187,150.00
Atwood lodge – net income	79,890.03	-	79,890.03
Road maintenance	6,675.47	-	6,675.47
Cottage sites	1,134,593.46	-	1,134,593.46
Private docks	358,125.00	-	358,125.00
Clubs	50,859.28	-	50,859.28
Water and sewage maintenance	69,258.92	-	69,258.92
Lake patrol operations	33,375.00	-	33,375.00
Grants	227,014.70	-	227,014.70
Marina operations	799,814.80	-	799,814.80
Fishing rights	94,706.74	-	94,706.74
Marina camping	80,535.55	-	80,535.55
Sale of assets	6,781.41	-	6,781.41
Water resources/flood control	18,000.00	-	18,000.00
Cottage construction permits	6,825.00	-	6,825.00
Capital credit refunds	9,789.28	-	9,789.28
Chippewa subdistrict reimbursement	1,812.79	-	1,812.79
Miscellaneous income	15,561.77	-	15,561.77
Public launching facilities	134,943.04	-	134,943.04
Lake dredging income	192,308.42	-	192,308.42
Water and sewer systems	170,257.94	-	170,257.94
Rental boats	17,730.00	-	17,730.00
Refreshment stand	4,718.47	-	4,718.47
Vacation cabins	352,350.86	-	352,350.86
Activity centers	56,807.94	-	56,807.94
Park camping	3,101,642.22	-	3,101,642.22
Firewood	24,276.50	-	24,276.50
Trailer storage	160,162.60	-	160,162.60
Trailer pump out	31,067.90	-	31,067.90
Admissions – park facilities	126,570.19	-	126,570.19
Public information	675.00	-	675.00
Inter-fund transfer in	72,064.23	-	72,064.23
Special events	30,829.34	-	30,829.34
Total operating receipts	<u>\$8,510,168.88</u>	<u>\$151,565.52</u>	<u>\$8,661,734.40</u>

The notes to the financial statements are an integral part of this statement.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
COMBINED ENTERPRISE FUND STATEMENT OF  
RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**MAIN DISTRICT AND SUB-DISTRICTS COMBINED**

	Main District	Sub-Districts	Total Memorandum Only
<b>OPERATING DISBURSEMENTS:</b>			
Easement/right of way expense	\$ 400.00	\$ -	\$ 400.00
Property asset purchases	220.24	-	220.24
Water resources/flood control expense	9,332.91	-	9,332.91
Improvements to district properties	45,629.59	-	45,629.59
Office remodeling and equipment	50,033.66	-	50,033.66
Lake access improvements	1,734.08	-	1,734.08
Land and building rentals	13,037.17	-	13,037.17
Share crop expenses	136,586.95	-	136,586.95
Mineral operation expenses	24,264.38	-	24,264.38
Watershed management	164,465.02	-	164,465.02
Auto and truck	95,530.49	-	95,530.49
Office building	98,468.72	-	98,468.72
Administrative and finance	1,056,626.11	-	1,056,626.11
Engineering	252,096.35	-	252,096.35
Forestry maintenance expense	189,501.20	-	189,501.20
Purchase of recreation equipment/vehicles	233,535.50	-	233,535.50
Debt retirement	166,933.00	-	166,933.00
Park camping expense	1,607,322.79	-	1,607,322.79
General park facilities expense	939,496.82	-	939,496.82
Cottage site expenses	357,201.92	-	357,201.92
Marina operation expenses	282,002.26	-	282,002.26
Water and sewer system expenses	295,207.72	-	295,207.72
Lake patrol operation expenses	178,781.70	-	178,781.70
Public information expense	166,644.20	-	166,644.20
Other recreation maintenance expense	1,216,864.53	-	1,216,864.53
Cost of lake dredging	153,437.78	-	153,437.78
Expense of public launching facilities	209,169.97	-	209,169.97
Cost of water and sewer systems	29,843.43	-	29,843.43
Inter-fund transfers out	143,804.97	-	143,804.97
Vacation cabin expense	50.53	-	50.53
Total operating disbursements	<u>8,118,223.99</u>	<u>-</u>	<u>8,118,223.99</u>
Excess of operating receipts			
Over operating disbursements	391,944.89	151,565.52	543,510.41
<b>Other Revenues:</b>			
Interest on investments	77,146.54	5,914.19	83,060.73
<b>Fund Balance – January 1, 2001</b>	1,661,677.53	2,242,490.67	3,904,168.20
Prior period adjustment (Note 8)	<u>1,489,775.67</u>	<u>-</u>	<u>1,489,775.67</u>
<b>Fund Balance – January 1, 2001 Restated</b>	<u>3,151,453.20</u>	<u>2,242,490.67</u>	<u>5,393,943.87</u>
<b>Fund Balance – December 31, 2001</b>	<u>\$3,620,544.63</u>	<u>\$2,399,970.38</u>	<u>\$6,020,515.01</u>

The notes to the financial statements are an integral part of this statement.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
 BUDGET AND ACTUAL  
 MAIN DISTRICT  
 FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>Fund Type</b>	<u>Main Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Main District:</b>			
Revenue	\$8,580,497.00	\$8,264,094.33	\$(316,402.67)
	(A)		
Expenditures	<u>8,671,616.00</u>	<u>8,220,902.67</u>	<u>450,713.33</u>
	(C)	(B)	
Operating disbursements (over) Under operating revenue	(91,119.00)	43,191.66	134,310.66
Non-operating revenues: Interest on investments	<u>40,000.00</u>	<u>23,295.11</u>	<u>(16,704.89)</u>
Revenue over (under) expenses	<u>\$ (51,119.00)</u>	<u>\$ 66,486.77</u>	<u>\$117,605.77</u>

(A) Detail at page (6) of these financial statements.

(B) Detail at page (7) of these financial statements.

(C) Major changes in budgeted expenses are approved by the board of directors on a monthly basis.

The notes to the financial statements are an integral part of this statement.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
 BUDGET AND ACTUAL  
 MAIN DISTRICT  
 FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>Fund Type</b>	<u>Main Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Main District:</b>			
Revenue	\$8,345,532.00	(A) \$8,510,168.88	\$164,636.88
Expenditures	<u>8,650,575.00</u>	<u>(B)</u> 8,118,223.99	<u>532,351.01</u>
Operating disbursements (over) Under operating revenue	(305,043.00)	391,944.89	696,987.89
Non-operating revenues: Interest on investments	<u>100,000.00</u>	<u>77,146.54</u>	<u>(22,853.46)</u>
Revenue over (under) expenses	<u>\$(205,043.00)</u>	<u>\$ 469,091.43</u>	<u>\$674,134.43</u>

(A) Detail at page (10) of these financial statements.

(B) Detail at page (11) of these financial statements.

(C) Major changes in budgeted expenses are approved by the board of directors on a monthly basis.

The notes to the financial statements are an integral part of these statements.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. Summary of Significant Accounting Policies:**

**A. Type of Reporting Entity:**

The Muskingum Watershed Conservancy District was created as a separate political subdivision by the Ohio Legislature in 1933. The Muskingum Watershed Conservancy District was created in accordance with Section 101 of the Ohio Revised Code which is concerned with the formation and governing of conservancy districts. The district operates under an elected conservancy court consisting of eighteen court of common pleas judges, with one judge serving on the court from each county. Muskingum Watershed Conservancy District had a five member board of directors in 2001 and 2002 appointed by the court. All other officers and employees are hired in accordance with the provisions of Section 6101 of the Ohio Revised Code. The district is a separate governmental entity within the eighteen county area served by the district.

**2001 Board of Directors:**

David E. Brightbill – Member	Term Expires July 18, 2002
Thomas A. Depler – Vice-President	Term expires July 18, 2004
Frederic J. Grant – Member	Term expires June 3, 2003
Joanne Limbach – Member	Term expires June 8, 2006
Joseph J. Sommer – President	Term expires June 3, 2005

**2001 Officers:**

John M. Hoopingarner – Executive Director/Secretary  
Richard A. Bible – Manger of Operations/Chief Engineer  
James B. Cugliari – Treasurer

**2002 Board of Directors:**

David E. Brightbill - Member	Term Expires July 18, 2007
Thomas A. Depler - President	Term Expires July 18, 2004
Frederic J. Grant – Vice President	Term Expires June 3, 2003
Harry Horstman - Member	Term Expires June 3, 2005
Joanne Limbach - Member	Term Expires June 8, 2006

**2002 Officers:**

John M. Hoopingarner – Executive Director/Secretary  
Richard A. Bible – Manager of Operations/Chief Engineer  
James B. Cugliari – Treasurer

Services provided by the district are defined in detail in the Ohio Conservancy District Act and Section 6104.04 of the Ohio Revised Code and include among other duties the following:

- (A) Flood prevention.
- (B) Regulating stream channels by changing, widening, and deepening the same.
- (C) Providing a water supply for domestic, industrial, and public use.
- (D) Providing for the collection and disposal of sewage and other liquid waste.
- (E) Regulating the flow of streams and conserving the waters thereof.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

The district manages fourteen reservoirs and receives income from the following and other sources:

- (A) Park camping.
- (B) Rental of sites for cottages.
- (C) Sale of crops
- (D) Sale of timber and pulpwood
- (E) Atwood resort facilities
- (F) Boat marina rentals and docking

**Sub-districts:**

Chippewa sub-district, Black Fork Sub-district, Buffalo sub-district and Duck Creek Sub-district are component units of Muskingum Watershed Conservancy District.

Each sub-district was formed in accordance with Chapter 6101-71 of the Ohio Revised Code; organization of sub-districts. They were put into action as a result of petitions of the owners of real property subject to flooding within their areas. To date the only active sub-district is the Chippewa sub-district. Currently the conservancy district is going through a readjustment of the assessment of Chippewa sub-district so that additional maintenance funds can be obtained to maintain the project. Black Fork sub-district, Buffalo Creed Sub-district and Duck Creek sub-districts are inactive.

**B. Basis of Accounting:**

The district keeps its books on a modified cash basis of accounting.

**Receipts/Receivables:**

Under this modified cash method of accounting the following operating receipts (as reported on the enterprise fund statements of receipts, disbursements and changes in fund balances) are accrued (billed):

- Water sales (to City of Cambridge)
- Land, building and cottage rentals
- State of Ohio & Division of Water Craft/Wildlife expense reimbursements for safety patrol rangers, use of lakes for fishing, etc.
- Private dock income
- Club income
- Billings for water and sewage for cottages
- Division of wildlife conservation lease
- Reimbursement of utility and maintenance fees for Atwood Lodge

Other items of operating receipts are recorded as received.

**Disbursements/Payables:**

Under this modified cash method of accounting the following items of expenses are accrued (set up as payables):

- Employee health insurance premiums
- Industrial insurance

Insurance is recorded as paid and prepaid insurance is not recorded.

Accumulated unpaid vacation and sick pay is not accrued (see Note G)

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**Disbursements/Payables (continued):**

Payroll is not accrued and checks for withheld federal, state, and city income tax withheld are prepared with individual payrolls so no accrual is necessary for these at year end.

Other disbursements are not accrued.

**Enterprise Funds:**

The funds of the district are enterprise funds. The enterprise fund is accounted for in a manner similar to private business enterprises where the intent of management is that the costs and expenses of providing goods and services to the general public on a continuing basis be covered primarily through user charges.

**C. Cash and Investments:**

Investments are reported as assets. Accordingly, purchases of investments are not reported as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively. The district had no investments during 2002 and 2001.

**D. Fund Accounting:**

**Main District:**

The district maintains its accounting records in accordance with the principles of "Fund" accounting.

The district had four funds during the 2001 and 2002 years:

- (1) Improvement fund
- (2) Maintenance fund
- (3) Recreation Improvement fund
- (4) Bond fund.

The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds.

**Fund Accounting:**

There are four sub-districts: Chippewa sub-district, Duck Creek sub-district, Black Fork sub-district, and Buffalo Creek sub-district.

Chippewa sub-district has Improvement, Maintenance, Bond and Preliminary Funds. Duck Creek sub-district, Black Fork sub-district and Buffalo Creek sub-district have only Preliminary Funds.

**E. Budgetary Process:**

**Budget:**

A budget of estimated cash receipts and disbursements is submitted to the board of directors for approval on the last meeting of the year in December, for the period January 1 to December 31 of the following year.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**Appropriations:**

The annual appropriation measure is passed on the last meeting of the year in December, for the period January 1 to December 31 of the following year. The appropriation measure may be amended or supplemented by the board. The total amount appropriated from any fund for any year shall not exceed the sum of the unencumbered balance in the fund at the beginning of the year and the amounts to be received during such year from bonds authorized, and taxes and special assessments imposed prior to their appropriation, together with all other moneys estimated to be received by the fund during the year. At the close of each calendar year, all unencumbered balance of appropriations shall revert to the funds from which they were made and shall be subject to reappropriation.

**Encumbrances:**

The district is required to use the encumbrance method of accounting by virtue of Ohio Law. Under this system purchase order, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of the calendar year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

**F. Property Assets/Depreciation:**

When property assets are purchased – an expense amount is debited and cash is credited for one hundred percent of the purchase price of the item. An asset account is then debited and Reserve for Depreciation is credited for one hundred percent of the purchase price of the item.

**G. Accumulated Unpaid Vacation, Sick Leave, Compensatory and Personal Items:**

Accumulated unpaid vacation, sick leave, compensatory and personal time are not accrued under the modified cash basis of accounting described in Note 1.B. On December 31, 2001, Management calculated that \$281,156.72 of vacation leave, \$887,825.48 of sick leave, \$19,069.34 of compensatory time and \$9,025.62 of personal time had been accumulated by the employees of the district. On December 31, 2002, management calculated that \$313,601.30 of vacation leave, \$894,399.98 of sick leave, \$15,813.83 of compensatory time and \$2,533.97 of personal time had been accumulated by the employees of the district. All leave will either be absorbed by time off from work or, within certain limitations, be paid to the employees.



**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**2. Pooled Cash and Cash Equivalents:**

**A. Classification:**

The district maintains a cash and investment pool used by all funds. The pooled cash and investments are presented on the financial statements as “pooled cash and cash equivalents”.

**B. Legal Requirements:**

GASB 3 requires that the pooled cash and investments of the District/sub-districts be presented in accordance with the following credit risk categories:

**Category 1:**

**Bank balances** insured or collateralized with securities held by the District/sub-district or its agent in the District/sub-district’s name.

**Investments** insured or registered, or securities held by the District/sub-district or its agent in the District/sub-district’s name.

**Category 2:**

**Bank balances** collateralized with securities held by the pledging financial institution’s trust department or agent in the District/sub-district’s name.

**Investments** uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the District/sub-district’s name.

**Category 3:**

**Bank balances** uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or by the pledging financial institution, or by its trust department or agent but not in the District/sub-district’s name.

**Investments** uninsured and unregistered, with securities held by the counterpart, or by its trust department or agent but not in the District/sub-district’s name.

**C. GASB 3 Classification of Pooled Cash and Cash Equivalents by Risk Category:**

**Main District:**

**12/31/01 Pooled Cash and Cash Equivalents:**

**Category 1:**

1. Petty cash and change funds	\$ 2,600.00
Category I Total	<u>\$ 2,600.00</u>

**Category 2:**

1. Cash in Bank (general checking, credit card accounts)	\$ (18,889.30)
2. Bank Certificates of Deposit and Construction Accounts	857,443.52
3. Bond coupons with State Treasurer	<u>100.00</u>
Category 2 Total	<u>\$838,654.22</u>

Main District – 12/31/01 Total Pooled Cash and Cash Equivalents	<u><u>\$841,254.22</u></u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**Main District:**

**12/31/2002 Pooled Cash and Cash Equivalents:**

**Category 1:**

1. Petty cash and change funds	\$ 2,900.00
Category 1 Total	<u>\$ 2,900.00</u>

**Category 2:**

1. Cash in Bank (General checking, credit card accounts)	\$ 75,406.15
2. Bank Certificates of Deposit and Construction Accounts	757,652.11
3. Bond coupons with State Treasurer	<u>100.00</u>
Category 2 Total	<u>\$833,158.26</u>

Main District – 12/31/02 Totaled Pooled cash and Cash Equivalents	<u>\$836,058.26</u>
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**Sub-districts:**

**12/31/01 Pooled Cash and Cash Equivalents:**

**Chippewa Sub-district:**

**Category 2:**

1. Cash in Bank – general checking and Certificates of Deposit	<u>\$141,214.82</u>
Category 2 Total	<u>\$141,214.82</u>

Chippewa sub-district – 12/31/01 Total Cash and Cash Equivalents	<u>\$141,214.82</u>
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**Duck Creek sub-district:**

**Category 2:**

1. Cash in Bank – general checking and Certificates of Deposit	<u>\$ 8,005.52</u>
Category 2 Total	<u>\$ 8,005.52</u>

Duck Creek sub-district – 12/31/01 Total Cash and Cash Equivalents	<u>\$ 8,005.52</u>
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Sub-districts – 12/31/01 Total Pooled Cash and Cash Equivalents	<u>\$149,220.34</u>
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**12/31/02 Pooled Cash and Cash Equivalents:**

**Chippewa Sub-district:**

**Category 2:**

1. Cash in Bank – general checking and Certificates of Deposit	<u>\$ 79,025.47</u>
Category 2 Total	<u>\$ 79,025.47</u>

Chippewa sub-district 12/31/02 Total Cash and Cash Equivalents	<u>\$ 79,025.47</u>
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**Duck Creek Sub-district:**

**Category 2:**

1. Cash in Bank – general checking and Certificates of Deposit	<u>\$ 8,044.42</u>
Category 2 Total	<u>\$ 8,044.42</u>

Duck Creek sub-district – 12/31/02 Total Cash and Cash Equivalents	<u>\$ 8,044.42</u>
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Sub-districts – 12/31/02 Total Pooled Cash and Cash Equivalents	<u>\$ 87,069.89</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**3. Risk Management**

**3A. Comprehensive Liability Insurance:**

The district maintains comprehensive insurance coverage with private carriers for the following:

- A. All risks (Building and contents 80% coinsurance)
- B. Business auto
- C. Law enforcement
- D. Directors/Officers
- E. Boiler and machinery
- F. Aviation liability
- G. Umbrella liability
- H. Public employee disability
- I. Employee bonds

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage in the years 2002 and 2001.

**3B. Self-insurance:**

Muskingum Watershed Conservancy District has a health insurance self-insurance plan administered by third party administrator Aultcare.

The monthly premium in 2001 and 2002 for a single employee is \$262.84 and \$326.10, respectively and for the family of an employee is \$623.29 and \$773.84, respectively.

The overall stop loss for the plan is \$579,925.00 at 12/31/01 and \$697,330.00 at 12/31/2002.

The limit per occurrence was \$35,000.00 in 2001 and \$40,000.00 in 2002 with no exceptions on individual employees for either year.

When Muskingum Watershed Conservancy District pays claims or reimburses employees for medical bills in excess of the limits they are reimbursed by Excess Re-insurance Underwriters Agency, Inc.

**4. Retirement System:**

**1. Pension Benefit Obligation**

All employees of the District participate in the Public Employees Retirement System of Ohio (the "PERS of Ohio"), a cost-sharing multiple employer defined benefit pension plan. PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making "written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement and public safety. The law enforcement classification consists of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%. The 2002 employer contribution rate for state employers was 13.31% of covered payroll. For local government employer units the rate was 13.55% of covered payroll. The 2002 employer contribution rate for both the law enforcement and public safety divisions was 16.70% of covered payroll. The District's contributions to the PERS of Ohio for the year ending 2000, 2001 and 2002 was \$403,293, \$483,078, and \$482,463 respectively.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**2. Other Postemployment Benefits**

Ohio Public Employees Retirement System (OPERS) provides postemployment health care benefits to age 65 service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2002 employer contribution rate for state employers was 13.31 % of covered payroll of which 5% was the portion used to fund health care for the year. For both the public safety and law enforcement divisions the 2002 employer rate was 16.70% and 5% was used to fund health care.

The health inflation and significant actuarial assumptions and calculations relating to postemployment ; health care benefits were based on the OPERS latest actuarial review performed as of December 31, 2001. OPEBs are advance-funded on an actuarially determined basis. There were 402,041 active contributing participants in the OPERS as of December 31, 2001. An entry age normal actuarial cost method of valuation was used in determining the present value of benefit liabilities and normal cost. The difference between assumed and actual experience (actuarial gains and losses) became part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8%. An annual increase of 4% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4% base increase, were assumed to range from .5% to 6.3%. Health care costs were assumed to increase 4% annually.

\$11.6 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2001. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

**5. Ohio Public Employees' Deferred Compensation Program:**

Employees of the Muskingum Watershed Conservancy District may elect to participate in the Ohio Public Employees Deferred Compensation Program. Under this program, employees elect to have a portion of their pay deferred until a future time, usually after retirement. The deferred pay and interest earned on it is not subject to income taxation until actually received by the employee. This program was established pursuant to Ohio Revised Code Sections 145.71 – 145.76.

Under the terms of the deferred compensation plan agreement these funds are held in trust for the exclusive benefit of the participants and their beneficiaries. These amounts are not included in the District's financial statements.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**6. Legal Proceedings:**

The district is involved in litigation in the normal course of business. Although the eventual outcome of these matters cannot be predicted, it is the opinion of management that the ultimate liability is not expected to have a material effect on the district's financial position.

**7. Bonds Payable:**

Muskingum Watershed Conservancy District has three bonds payable outstanding at December 2002, as follows:

**7A.** This is a \$1,300,000.00, 4.75%, fifteen year Revenue Bond dated February 24, 1998, and maturing February 24, 2013. This bond was purchased by Key Bank of Cleveland, Ohio. Funds were borrowed for the renovation, construction and improvement to the Muskingum Watershed Conservancy District administration building in New Philadelphia, Ohio. Principal and interest is due the 24<sup>th</sup> day of each month starting March 24, 1998.

Bond principal is due as follows:

2003	\$ 76,590.08
2004	80,308.37
2005	84,207.17
2006	88,295.27
2007	92,581.79
2008	97,076.46
Thereafter	<u>451,639.15</u>
Total	<u>\$970,698.29</u>

**7B.** This is a \$1,300,000.00, 5.31%, fifteen year Revenue Bond dated December 17, 1999 and maturing December 13, 2014. This bond was purchased by Key Bank of Cleveland, Ohio. Funds were borrowed for the purpose of paying all or a portion of the costs of renovating, construction, acquiring and installing improvements to cabins and other facilities at Tappan and Atwood Parks and all necessary appurtenances thereto. Principal and interest is due the 13<sup>th</sup> day of each month starting January 13, 2000.

Bond principal is due as follows:

2003	\$ 68,311.28
2004	72,028.22
2005	75,947.37
2006	80,079.81
2007	84,437.06
2008	89,031.41
Thereafter	<u>639,304.75</u>
Total	<u>\$1,109,139.90</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

7C. This is a \$550,692.22, 5.56% Cooperative Agreement with Ohio Water Development Authority for construction of a 75,000 and a 10,000 gallon water tank and 3,807 linear feet of 6” water line and 3,676 linear feet of 4” water line at Tappan Lake Park. The agreement date is April 15, 1999 with a contract term of twenty-five years with the first semi-annual payment due January 1, 2000 and the final payment due July 1, 2024. Principal and interest is due January 1 and July 1 with the first payment due January 1, 2000.

Bond principal is due as follows:

2003	\$ 12,796.27
2004	13,306.16
2005	14,056.26
2006	14,848.65
2007	15,685.72
2008	16,569.96
Thereafter	<u>436,393.39</u>
Total	<u>\$523,656.41</u>

8. Fund balance at the beginning of 2001 has been adjusted by \$1,489,775.07 to correct an overstatement of a reserve for land development for years 2000 and prior. The error had no effect on the excess of operating receipts over operating disbursements for 2001 and 2002.

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2002**

**IMPROVEMENT FUND**

**ASSETS**

**Current Assets**

Pooled cash and cash equivalents	\$ 141,682.63
Accounts receivable	<u>613.27</u>
Total current assets	<u>142,295.90</u>

**Property Assets**

Land – permanent investment	2,171,278.93
Easements and right of way	48,871.27
Office building	81,018.50
Reservoir building	1,037.58
Engineering equipment	2,825.96
Office furniture and equipment	11,465.65
Books, maps, drawings	<u>9,155.07</u>
Total property assets	2,325,652.96
Less: accumulated depreciation	<u>(23,446.68)</u>
Net property assets	<u>2,302,206.28</u>

Total assets	<u>\$2,444,502.18</u>
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**LIABILITIES AND FUND BALANCE:**

<b>Fund Balance</b>	<u>\$2,444,502.18</u>
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<b>Total Liabilities and Fund Balance</b>	<u>\$2,444,502.18</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**IMPROVEMENT FUND**

**Operating Receipts:**

Easements/Rights of way	\$	-
Inter-fund transfers in		-
Total operating receipts		-

**Operating Disbursements:**

Easements/Rights of way		-
Property asset purchases		-
Total operating disbursements		-

Excess of operating expenses over operating receipts

<b>Fund Balance – January 1, 2002</b>		<u>2,444,502.18</u>
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<b>Fund Balance – December 31, 2002</b>		<u>\$2,444,502.18</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2002**

**MAINTENANCE FUND**

**ASSETS:**

**Current Assets**

Pooled cash and cash equivalents	\$ 510,909.78
Accounts receivable	209,233.35
Accounts receivable – land sale	31,477.25
Accounts receivable – other	76,566.24
Accounts receivable – land lease	13,065.00
Accounts receivable – suspended	52,587.70
Accounts receivable – nsf checks	650.00
Accounts receivable – roads	4,315.01
Accounts receivable – water and sewer	(15.83)
Accounts receivable – recreation	<u>28,208.10</u>
Total current assets	<u>926,996.60</u>

**Property Assets**

Office building renovation	1,602,977.34
Atwood lodge refurbishing	418,377.76
Vacation cabin renovation	1,331,785.15
Machinery and equipment	3,663,643.85
Lodge equipment	584,451.40
Office furniture and equipment	500,311.31
Autos and trucks	<u>1,091,860.89</u>
Total property assets	9,193,407.70
Less: accumulated depreciation	<u>(5,851,724.97)</u>
Net property assets	<u>3,341,682.73</u>

<b>Total Assets</b>	<b><u>\$4,268,679.33</u></b>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2002**

**MAINTENANCE FUND**

**LIABILITIES AND FUND BALANCES**

**Current Liabilities**

Current portion of bonds payable	\$ 157,697.63
Performance bond payable	5,200.00
Escrow land rentals	175.00
Accrued health insurance	199,481.40
Accrued Medicare	3,556.44
Accrued industrial insurance	216,020.24
Accounts payable	238,904.27
Accrued disability income	3,000.00
Accrued insurance	5,605.06
Accrued retirement insurance	<u>31,114.07</u>
Total current liabilities	<u>860,754.11</u>

**Long-Term Liabilities**

Bonds payable – portion due after one year	2,445,796.97
Deferred revenue	<u>5,554.38</u>
Total long-term liabilities	<u>2,451,351.35</u>

**Total Liabilities** 3,312,105.46

**Fund Balance** 956,573.87

**Total Liabilities and Fund Balance** \$4,268,679.33

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**MAINTENANCE FUND**

**Operating Receipts:**

Timber sales	\$ 346,225.56
Pine/pulpwood sales	99,917.65
Land and building rentals	26,823.00
Mineral rights and royalties	236,231.79
Share crop lease	217,128.39
State of Ohio – operating funds	158,650.00
Road maintenance	40,332.49
Cottage sites	1,199,753.06
Private docks	366,060.00
Clubs	57,025.22
Water and sewage maintenance	23,491.90
Lake patrol operations	34,240.00
Grants	6,752.45
Marina operations	836,109.83
Fishing rights	62,646.74
Marina camping	87,729.46
Sale of assets	12,938.66
Water resources/flood control	18,000.00
Cottage construction permits	7,250.00
Capital credit refunds	7,698.13
Chippewa sub-district reimbursement	1,965.14
Miscellaneous income	24,016.31
Rental boats	23,687.61
Refreshment stand	4,336.26
Vacation cabins	369,821.71
Activity centers	56,077.70
Park camping	3,272,979.88
Firewood	23,177.20
Trailer storage	159,528.75
Trailer pump out	29,012.75
Admissions – park facilities	145,621.42
Special events	<u>29,056.91</u>
Total operating receipts	<u>\$7,984,285.97</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**MAINTENANCE FUND**

**Operating Disbursements:**

Water resources/flood control expense	\$ 6,621.70
Improvements to district properties	36,523.80
Office remodeling and equipment	36,655.33
Lake access improvements	41,629.90
Land and building rentals	13,547.01
Share crop expenses	115,039.11
Atwood lodge – net loss	105,490.69
Mineral operation expenses	14,978.12
Watershed management	124,109.76
Auto and truck	116,844.86
Office building	88,932.60
Administrative and finance	1,006,574.61
Engineering	269,485.05
Forestry maintenance expense	261,385.55
Purchase of recreation equipment/vehicles	168,650.12
Debt retirement	166,933.02
Park camping expense	1,883,585.47
General park facilities expense	869,287.27
Cottage site expenses	379,012.86
Marina operation expenses	282,709.35
Water and sewer system expense	121,962.60
Lake patrol operation expenses	202,813.69
Public information expense	158,435.38
Inter-fund transfers out	87,445.97
Other recreation maintenance expense	<u>1,252,252.97</u>
Total operating disbursements	<u>7,810,906.79</u>

Excess of operating receipts over operating disbursements	173,379.18
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**Other Revenues:**

Interest on investments	18,726.09
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<b>Fund Balance – January 1, 2002</b>	<u>764,468.60</u>
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<b>Fund Balance – December 31, 2002</b>	<u>\$ 956,573.87</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2002**

**RECREATION IMPROVEMENT FUND**

**ASSETS:**

**Current Assets**

Pooled cash and cash equivalent	\$ 183,365.85
Accounts receivable	<u>102,589.50</u>
Total current assets	<u>285,955.35</u>

**Property Assets**

Buildings and improvements	16,907,158.55
Less: accumulated depreciation	<u>(16,907,158.55)</u>
Net property assets	<u>-</u>

**Total Assets** \$ 285,955.35

**LIABILITIES AND FUND BALANCE:**

**Fund Balance** \$ 285,955.35

**Total Liabilities and Fund Balance** \$ 285,955.35

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**RECREATION IMPROVEMENT FUND**

**Operating Receipts:**

Public launching facilities	\$222,398.38
Lake dredging income	30,450.36
Water and sewer systems	<u>26,959.62</u>
Total operating receipts	<u>279,808.36</u>

**Operating Disbursements:**

Cost of lake dredging	116,826.72
Expense of public launching facilities	257,850.59
Cost of water and sewer systems	30,116.85
Inter-fund transfer out	<u>5,201.72</u>
Total operating disbursements	<u>409,995.88</u>

Excess of operating disbursements over operating receipts	<u>(130,187.52)</u>
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**Other Revenues**

Interest on investments	4,569.02
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<b>Fund Balance – January 1, 2002</b>	<u>411,573.85</u>
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<b>Fund Balance – December 31, 2002</b>	<u>\$285,955.35</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2002**

**BOND FUND**

**ASSETS:**

**Current Assets**

Cash	<u>\$100.00</u>
Total current assets	<u>100.00</u>

<b>Total Assets</b>	<u><b>\$100.00</b></u>
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**LIABILITIES AND FUND BALANCE:**

**Current Liabilities**

Accrued interest payable	<u>\$100.00</u>
Total current liabilities	<u>100.00</u>

<b>Total Liabilities</b>	100.00
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<b>Fund Balance</b>	<u>-</u>
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<b>Total Liabilities and Fund Balance</b>	<u><b>\$100.00</b></u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**BOND FUND**

<b>Operating Receipts:</b>	\$ _____ -
<b>Operating Disbursements:</b>	_____ -
Excess of operating receipts over operating disbursements	-
<b>Fund Balance – January 1, 2002</b>	_____ -
<b>Fund Balance – December 31, 2002</b>	<u>\$ _____ -</u>



**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2001**

**IMPROVEMENT FUND**

**ASSETS**

**Current Assets**

Pooled cash and cash equivalents	\$ 116,681.63
Account receivable	<u>25,614.27</u>
Total current assets	<u>142,295.90</u>

**Property Assets**

Land – permanent investment	2,171,278.93
Easements and right of way	48,871.27
Office building	81,018.50
Reservoir building	1,037.58
Engineering equipment	2,825.96
Office furniture and equipment	11,465.65
Books, maps, drawings	<u>9,155.07</u>
Total property assets	2,325,652.96
Less: accumulated depreciation	<u>(23,446.68)</u>
Net property assets	<u>2,302,206.28</u>

Total assets	<u>\$2,444,502.18</u>
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**LIABILITIES AND FUND BALANCE:**

<b>Fund Balance</b>	<u>\$2,444,502.18</u>
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<b>Total Liabilities and Fund Balance</b>	<u>\$2,444,502.18</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**IMPROVEMENT FUND**

<b>Operating Receipts:</b>	
Inter-fund transfers in	\$ 400.00
Total operating receipts	<u>400.00</u>
<b>Operating Disbursements:</b>	
Easements/Rights of way	400.00
Property asset purchases	<u>220.24</u>
Total operating disbursements	<u>620.24</u>
Excess of operating expenses over operating receipts	(220.24)
<b>Fund Balance – January 1, 2001</b>	<u>954,946.75</u>
Prior period adjustment (Note 8)	<u>1,489,775.67</u>
<b>Fund Balance – January 1, 2001 Restated</b>	<u>2,444,722.42</u>
<b>Fund Balance – December 31, 2001</b>	<u>\$2,444,502.18</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2001**

**MAINTENANCE FUND**

**ASSETS:**

**Current Assets**

Pooled cash and cash equivalents	\$ 519,431.43
Accounts receivable	86,389.59
Accounts receivable – land sale	31,477.25
Accounts receivable – other	46,223.95
Accounts receivable – land lease	10,171.00
Accounts receivable – suspended	4,597.65
Accounts receivable – nsf checks	2,546.00
Accounts receivable – roads	(52.88)
Accounts receivable – water and sewer	1,567.78
Accounts receivable – recreation	<u>13,941.93</u>
Total current assets	<u>716,293.70</u>

**Property Assets**

Office building renovation	1,602,977.34
Atwood lodge refurbishing	418,377.76
Vacation cabin renovation	1,331,785.15
Machinery and equipment	3,467,254.72
Lodge equipment	584,451.40
Office furniture and equipment	497,022.31
Autos and trucks	<u>1,091,860.89</u>
Total property assets	8,993,729.57
Less: accumulated depreciation	<u>(5,652,046.84)</u>
Net property assets	<u>3,341,682.73</u>

**Total Assets**

\$4,057,976.43

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2001**

**MAINTENANCE FUND**

**LIABILITIES AND FUND BALANCES**

**Current Liabilities**

Performance bond payable	\$ 6,500.00
Accrued taxes	9,177.05
Escrow land rentals	175.00
Accrued health insurance	53,634.97
Accrued industrial insurance	171,044.79
Accounts payable	238,079.27
Accrued disability income	34,546.28
Accrued insurance	8,241.14
Accrued retirement insurance	<u>6,965.93</u>
Total current liabilities	<u>528,364.43</u>

**Long-Term Liabilities**

Bonds payable – portion due after one year	2,753,438.12
Deferred revenue	<u>11,705.28</u>
Total long-term liabilities	<u>2,765,143.40</u>

**Total Liabilities** 3,293,507.83

**Fund Balance** 764,468.60

**Total Liabilities and Fund Balance** \$4,057,976.43

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**MAINTENANCE FUND**

**Operating Receipts:**

Timber sales	\$ 244,966.25
Pine/pulpwood sales	140,692.75
Land and building rentals	28,907.05
Mineral rights and royalties	228,285.01
Share crop lease	210,143.97
State of Ohio – operating funds	187,150.00
Atwood lodge – net income	79,890.03
Road maintenance	6,675.47
Cottage sites	1,134,593.46
Private docks	358,125.00
Clubs	50,859.28
Water and sewage maintenance	69,258.92
Lake patrol operations	33,375.00
Grants	227,014.70
Marina operations	799,814.80
Fishing rights	94,706.74
Marina camping	80,535.55
Sale of assets	6,781.41
Water resources/flood control	18,000.00
Cottage construction permits	6,825.00
Capital credit refunds	9,789.28
Chippewa sub-district reimbursement	1,812.79
Miscellaneous income	15,561.77
Rental boats	17,730.00
Refreshment stand	4,718.47
Vacation cabins	352,350.86
Activity centers	56,807.94
Park camping	3,098,975.22
Firewood	24,276.50
Trailer storage	160,162.60
Trailer pump out	31,067.90
Admissions – park facilities	126,570.19
Public information	675.00
Special events	30,829.34
Total operating receipts	<u>\$7,937,928.25</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**MAINTENANCE FUND**

**Operating Disbursements:**

Water resources/flood control expense	\$ 9,332.91
Improvements to district properties	45,629.59
Office remodeling and equipment	50,033.66
Lake access improvements	1,734.08
Land and building rentals	13,037.17
Share crop expenses	136,586.95
Mineral operation expenses	24,264.38
Watershed management	164,465.02
Auto and truck	95,530.49
Office building	98,468.72
Administrative and finance	1,056,626.11
Engineering	252,096.35
Forestry maintenance expense	189,501.20
Purchase of recreation equipment/vehicles	233,535.50
Debt retirement	166,933.00
Park camping expense	1,607,322.79
General park facilities expense	939,276.40
Cottage site expenses	357,201.92
Marina operation expenses	281,829.67
Water and sewer system expense	295,207.72
Lake patrol operation expenses	178,781.70
Public information expense	166,644.20
Inter-fund transfers out	143,804.97
Other recreation maintenance expense	<u>1,216,864.53</u>
Total operating disbursements	<u>7,724,709.03</u>

Excess of operating disbursements over operating receipts	213,219.22
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**Other Revenues:**

Interest on investments	77,146.54
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<b>Fund Balance – January 1, 2001</b>	<u>474,102.84</u>
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<b>Fund Balance – December 31, 2001</b>	<u>\$764,468.60</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2001**

**RECREATION IMPROVEMENT FUND**

**ASSETS:**

**Current Assets**

Pooled cash and cash equivalent	\$ 205,041.16
Accounts receivable	<u>206,532.69</u>
Total current assets	<u>411,573.85</u>

**Property Assets**

Buildings and improvements	16,907,158.55
Less: accumulated depreciation	<u>(16,907,158.55)</u>
Net property assets	<u>-</u>

**Total Assets** \$ 411,573.85

**LIABILITIES AND FUND BALANCE:**

**Fund Balance** \$ 411,573.85

**Total Liabilities and Fund Balance** \$ 411,573.85

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**RECREATION IMPROVEMENT FUND**

**Operating Receipts:**

Public launching facilities	\$ 134,943.04
Lake dredging income	192,308.42
Park camping	2,667.00
Water and sewer systems	170,257.94
Inter-fund transfers in	<u>71,664.23</u>
Total operating receipts	<u>571,840.63</u>

**Operating Disbursements:**

Marina operations expense	172.59
Cost of lake dredging	153,437.78
Expense of public launching facilities	209,169.97
Cost of water and sewer systems	29,843.43
Vacation cabin expense	50.53
Expense of general park facilities	<u>220.42</u>
Total operating disbursements	<u>392,894.72</u>

Excess of operating receipts over operating disbursements	178,945.91
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<b>Fund Balance – January 1, 2001</b>	<u>232,627.94</u>
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<b>Fund Balance – December 31, 2001</b>	<u>\$411,573.85</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2001**

**BOND FUND**

**ASSETS:**

**Current Assets**

Cash	<u>\$100.00</u>
Total current assets	<u>100.00</u>

<b>Total Assets</b>	<u><b>\$100.00</b></u>
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**LIABILITIES AND FUND BALANCE:**

**Current Liabilities**

Accrued interest payable	<u>\$100.00</u>
Total current liabilities	<u>100.00</u>

<b>Total Liabilities</b>	100.00
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<b>Fund Balance</b>	<u>-</u>
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<b>Total Liabilities and Fund Balance</b>	<u><b>\$100.00</b></u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
ENTERPRISE FUND STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**BOND FUND**

<b>Operating Receipts:</b>	\$ <u>-</u>
<b>Operating Disbursements:</b>	<u>-</u>
Excess of operating receipts over operating disbursements	<u>-</u>
<b>Fund Balance – January 1, 2001</b>	<u>-</u>
<b>Fund Balance – December 31, 2001</b>	<u><u>\$ -</u></u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
CHIPPEWA SUBDISTRICT STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2002**

**ASSETS:**

<b>Current Assets</b>	
Cash in bank	\$ 79,025.47
<b>Non-Current Assets</b>	
Capitalized development costs and land purchases	<u>2,691,471.64</u>
<b>Total Assets</b>	<u>\$2,770,497.11</u>

**LIABILITIES AND FUND BALANCE:**

<b>Long-Term Liabilities</b>	
Accounts payable	\$ 101,432.81
<b>Fund Balance Chippewa Sub-district</b>	<u>2,669,064.30</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$2,770,497.11</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
CHIPPEWA SUBDISTRICT STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**Operating Receipts:**

Collection of assessments	\$ 15,721.94
Interest on deposits	1,844.40
Land rental and miscellaneous	240.00
Hubbard Valley funding	<u>258,656.87</u>
Total operating receipts	<u>276,463.21</u>

**Operating Disbursements:**

Repairs and maintenance (\$19,036.90 capitalized)	-
Contract services (\$64,385.443 capitalized)	-
Hubbard Valley (\$255,230.23 capitalized)	<u>-</u>
Total operating disbursements	<u>-</u>

Excess of operating receipts over operating disbursements	276,463.21
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<b>FUND BALANCE JANUARY 1, 2002</b>	<u>2,392,601.09</u>
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<b>FUND BALANCE DECEMBER 31, 2002</b>	<u>\$2,669,064.30</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
DUCK CREEK SUBDISTRICT STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2002**

**ASSETS:**

<b>Current Assets</b>		
Cash in bank		\$ 8,044.42
<b>Non-Current Assets</b>		
Capitalized development costs		<u>5,400.32</u>
<b>Total Assets</b>		<u>\$13,444.74</u>

**LIABILITIES AND FUND BALANCE:**

<b>Long-Term Liabilities</b>		
Accounts payable		\$ 36.55
Ohio water commission	\$20,000.00	
Less: partial payment	<u>(14,000.00)</u>	<u>6,000.00</u>
Total long-term liabilities		6,036.55
<b>Fund Balance Duck Creek Sub-district</b>		<u>7,408.19</u>
<b>Total Liabilities and Fund Balance</b>		<u>\$13,444.74</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
DUCK CREEK SUBDISTRICT STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>Operating Receipts:</b>	
Interest on deposits	<u>\$ 38.90</u>
<b>Operating Disbursements:</b>	<u>-</u>
Excess of operating receipts over operating disbursements	38.90
<b>Fund Balance – January 1, 2002</b>	<u>7,369.29</u>
<b>Fund Balance – December 31, 2002</b>	<u>\$7,408.19</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
BLACKFORK SUBDISTRICT STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2002**

**ASSETS:**

**Non-Current Assets**

Capitalized development cost	<u>\$1,822.26</u>
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<b>Total Assets</b>	<u>\$1,822.26</u>
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**LIABILITIES AND FUND BALANCE:**

**Long-Term Liabilities**

Accounts Payable	\$1,822.26
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<b>Fund Balance Blackfork Subdistrict</b>	<u>-</u>
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<b>Total Liabilities and Fund Balance</b>	<u>\$1,822.26</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
BLACKFORK SUBDISTRICT STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>Operating Receipts:</b>	\$ -
<b>Operating Disbursements:</b>	<u>-</u>
Excess of operating receipts over operating disbursements	-
<b>Fund Balance – January 1, 2002</b>	<u>-</u>
<b>Fund Balance – December 31, 2002</b>	<u><u>\$ -</u></u>



**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 BUFFALO CREEK SUBDISTRICT STATEMENT OF ASSETS, LIABILITIES  
 AND FUND BALANCES  
 MODIFIED CASH BASIS OF ACCOUNTING  
 AS OF DECEMBER 31, 2002**

**ASSETS:**

**Non-Current Assets**

Capitalized development costs	<u>\$27,592.88</u>
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<b>Total Assets</b>	<u>\$27,592.88</u>
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**LIABILITIES AND FUND BALANCE:**

**Long-Term Liabilities**

Accounts payable	\$12,464.98
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Receipts and advances	127.90
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Loan from local committee	<u>15,000.00</u>
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Total long-term liabilities	<u>27,592.88</u>
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<b>Fund Balance Buffalo Creek Subdistrict</b>	<u>-</u>
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<b>Total Liabilities and Fund Balance</b>	<u>\$27,592.88</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
BUFFALO CREEK SUBDISTRICT STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>Operating Receipts:</b>	\$ -
<b>Operating Disbursements:</b>	<u>-</u>
Excess of operating receipts over operating disbursements	-
<b>Fund Balance – January 1, 2002</b>	<u>-</u>
<b>Fund Balance – December 31, 2002</b>	<u><u>\$ -</u></u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
CHIPPEWA SUBDISTRICT STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2001**

**ASSETS:**

**Current Assets**

Cash in bank \$ 141,214.82

**Non-Current Assets**

Capitalized development costs and land purchases 2,251,386.27

**Total Assets**

\$2,392,601.09

**LIABILITIES AND FUND BALANCE:**

**Long-Term Liabilities**

Accounts payable \$ 61,139.42

**Fund Balance Chippewa Sub-district**

2,331,461.67

**Total Liabilities and Fund Balance**

\$2,392,601.09

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 CHIPPEWA SUBDISTRICT STATEMENT OF RECEIPTS,  
 DISBURSEMENTS AND CHANGES IN FUND BALANCE  
 MODIFIED CASH BASIS OF ACCOUNTING  
 FOR THE YEAR ENDED DECEMBER 31, 2001**

**Operating Receipts:**

Collection of assessments	\$ 15,575.11
Interest on deposits	5,800.81
Land rental and miscellaneous	<u>135,990.41</u>
Total operating receipts	<u>157,366.33</u>

**Operating Disbursements:**

Repairs and maintenance (\$79,321.13 capitalized)	-
Contract services (\$44,223.57 capitalized)	<u>-</u>
Total operating disbursements	<u>-</u>

Excess of operating receipts over operating disbursements	157,366.33
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<b>FUND BALANCE JANUARY 1, 2001</b>	<u>2,235,234.76</u>
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<b>FUND BALANCE DECEMBER 31, 2001</b>	<u>\$2,392,601.09</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
DUCK CREEK SUBDISTRICT STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2001**

**ASSETS:**

<b>Current Assets</b>		
Cash in bank		\$ 8,005.52
<b>Non-Current Assets</b>		
Capitalized development costs		<u>5,400.32</u>
<b>Total Assets</b>		<u>\$13,405.84</u>

**LIABILITIES AND FUND BALANCE:**

<b>Long-Term Liabilities</b>		
Accounts payable		\$ 36.55
Ohio water commission	\$20,000.00	
Less: partial payment	<u>(14,000.00)</u>	<u>6,000.00</u>
Total long-term liabilities		6,036.55
<b>Fund Balance Duck Creek Sub-district</b>		<u>7,369.29</u>
<b>Total Liabilities and Fund Balance</b>		<u>\$13,405.84</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
DUCK CREEK SUBDISTRICT STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>Operating Receipts:</b>	
Interest on deposits	\$ 113.38
<b>Operating Disbursements:</b>	<u>          -</u>
Excess of operating receipts over operating disbursements	113.38
<b>Fund Balance – January 1, 2001</b>	<u>7,255.91</u>
<b>Fund Balance – December 31, 2001</b>	<u>\$7,369.29</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
BLACKFORK SUBDISTRICT STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCES  
MODIFIED CASH BASIS OF ACCOUNTING  
AS OF DECEMBER 31, 2001**

**ASSETS:**

**Non-Current Assets**

Capitalized development costs	<u>\$1,822.26</u>
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<b>Total Assets</b>	<u>\$1,822.26</u>
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**LIABILITIES AND FUND BALANCE:**

**Long-Term Liabilities**

Accounts Payable	\$1,822.26
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<b>Fund Balance Blackfork Subdistrict</b>	<u>-</u>
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<b>Total Liabilities and Fund Balance</b>	<u>\$1,822.26</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
BLACKFORK SUBDISTRICT STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>Operating Receipts:</b>	\$ -
<b>Operating Disbursements:</b>	<u>-</u>
Excess of operating receipts over operating disbursements	-
<b>Fund Balance – January 1, 2001</b>	<u>-</u>
<b>Fund Balance – December 31, 2001</b>	<u><u>\$ -</u></u>



**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 BUFFALO CREEK SUBDISTRICT STATEMENT OF ASSETS, LIABILITIES  
 AND FUND BALANCES  
 MODIFIED CASH BASIS OF ACCOUNTING  
 AS OF DECEMBER 31, 2001**

**ASSETS:**

**Non-Current Assets**

Capitalized development costs	<u>\$27,592.88</u>
-------------------------------	--------------------

<b>Total Assets</b>	<u>\$27,592.88</u>
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**LIABILITIES AND FUND BALANCE:**

**Long-Term Liabilities**

Accounts payable	\$12,464.98
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Receipts and advances	127.90
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Loan from local committee	<u>15,000.00</u>
---------------------------	------------------

Total long-term liabilities	27,592.88
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<b>Fund Balance Buffalo Creek Subdistrict</b>	<u>-</u>
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<b>Total Liabilities and Fund Balance</b>	<u>\$27,592.88</u>
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**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
BUFFALO CREEK SUBDISTRICT STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS OF ACCOUNTING  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>Operating Receipts:</b>	\$ -
<b>Operating Disbursements:</b>	<u>-</u>
Excess of operating receipts over operating disbursements	-
<b>Fund Balance – January 1, 2001</b>	<u>-</u>
<b>Fund Balance – December 31, 2001</b>	<u><u>\$ -</u></u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
CHIPPEWA SUBDISTRICT  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b><u>Fund Type</u></b>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Subdistrict</b>			
Revenue	\$ 15,900.00	\$274,618.81	\$258,718.81
Expenditures	<u>40,000.00</u>	<u>-</u>	<u>40,000.00</u>
Operating disbursements (over) Under operating revenues	(24,100.00)	274,618.81	298,718.81
Non-operating revenues: Interest on investments	<u>8,000.00</u>	<u>1,844.40</u>	<u>(6,155.60)</u>
Revenue over (under) expenses	<u>\$(16,100.00)</u>	<u>\$276,463.21</u>	<u>\$292,563.21</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
DUCK CREEK SUBDISTRICT  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b><u>Fund Type</u></b>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Subdistrict</b>			
Revenue	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Operating disbursements (over) Under operating revenues	-	-	-
Non-operating revenues: Interest on investments	<u>115.00</u>	<u>38.90</u>	<u>(76.10)</u>
Revenue over (under) expenses	<u>\$115.00</u>	<u>\$38.90</u>	<u>\$(76.10)</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 BLACKFORK SUBDISTRICT  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2002**

<b><u>Fund Type</u></b>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Subdistrict</b>			
Revenue	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Operating disbursements (over) Under operating revenues	-	-	-
Non-operating revenues: Interest on investments	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 BUFFALO CREEK SUBDISTRICT  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Subdistrict</b>			
Revenue	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Operating disbursements (over) Under operating revenues	-	-	-
Non-operating revenues: Interest on investments	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
CHIPPEWA SUBDISTRICT  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b><u>Fund Type</u></b>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Subdistrict</b>			
Revenue	\$15,900.00	\$151,565.52	\$ 135,665.52
Expenditures	<u>40,000.00</u>	<u>-</u>	<u>40,000.00</u>
Operating disbursements (over) Under operating revenues	(24,100.00)	151,565.52	175,665.52
Non-operating revenues: Interest on investments	<u>8,000.00</u>	<u>5,800.81</u>	<u>(2,199.19)</u>
Revenue over (under) expenses	<u>\$(16,100.00)</u>	<u>\$157,366.33</u>	<u>\$173,466.33</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
DUCK CREEK SUBDISTRICT  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b><u>Fund Type</u></b>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Subdistrict</b>			
Revenue	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Operating disbursements (over) Under operating revenues	-	-	-
Non-operating revenues: Interest on investments	<u>126.00</u>	<u>113.38</u>	<u>(12.62)</u>
Revenue over (under) expenses	<u>\$126.00</u>	<u>\$113.38</u>	<u>\$(12.62)</u>



**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
BLACKFORK SUBDISTRICT  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b><u>Fund Type</u></b>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Subdistrict</b>			
Revenue	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Operating disbursements (over) Under operating revenues	-	-	-
Non-operating revenues: Interest on investments	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
 BUFFALO CREEK SUBDISTRICT  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Enterprise – Subdistrict</b>			
Revenue	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Operating disbursements (over) Under operating revenues	-	-	-
Non-operating revenues: Interest on investments	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Muskingum Watershed Conservancy District  
1319 Third Street, NW  
New Philadelphia, Ohio 44663

We have audited the financial statements of Muskingum Watershed Conservancy District as of and for the years ended December 31, 2001 and December 31, 2002, and have issued our report thereon dated August 16, 2003. 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.

**Compliance**

As part of obtaining reasonable assurance about whether Muskingum Watershed Conservancy District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Muskingum Watershed Conservancy District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS REPORTED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(CONTINUED)**

This report is intended solely for the information and use of the audit committee, management, the Board of Directors, and other officials authorized to receive its report under 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

S.R. Snodgrass, A.C.

Steubenville, Ohio  
August 16, 2003



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

**MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

**TUSCARAWAS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 30, 2003**